



Government of Puerto Rico
Puerto Rico Electric Power Authority

January 30, 2018

Governing Board


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Interim Chief Executive Officer

OPERATIONS REPORT – NOVEMBER 2017

Enclosed is the report on the operations of the Puerto Rico Electric Power Authority of November 2017.

Enclosure

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MONTHLY REPORT
TO THE GOVERNING BOARD
NOVEMBER 2017

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	NOVEMBER		Increase (Decrease) %
	2017-18	2016-17	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	612,982	1,072,971	(42.9)
PREPA - Hydro	894	16,783	¹
Purchased power - gas	156,398	223,186	(29.9)
Purchased power - coal	0	309,929	(100.0)
Renewable Energy	201	17,753	(98.9)
Total	770,475	1,640,622	(53.0)
Fiscal year-to-date:			
PREPA - Steam and gas	3,974,485	5,861,815	(32.2)
PREPA - Hydro	15,853	47,470	(66.6)
Purchased power - gas	969,800	1,419,393	(31.7)
Purchased power - coal	602,966	1,413,193	(57.3)
Renewable Energy	94,368	121,955	(22.6)
Total	5,657,472	8,863,826	(36.2)
Twelve months:			
PREPA - Steam and gas	11,057,335	13,538,337	(18.3)
PREPA - Hydro	55,606	71,558	(22.3)
Purchased power - gas	2,884,538	3,382,141	(14.7)
Purchased power - coal	2,641,354	3,379,719	(21.8)
Renewable Energy	351,771	315,757	11.4
Total	16,990,604	20,687,512	(17.9)
2. Maximum hourly peak load (in MW)			
Month	n/a ²	2,722	¹
Fiscal year-to-date	3,087	3,087	0.0
Twelve months	3,087	3,087	0.0
3. Sales (kWh in thousands)			
Month:			
Billed	202,377 ³	1,448,764	(86.0)
Days billed	31.0	31.0	0.0
Fiscal year-to-date:			
Billed	4,775,718 ³	7,467,450	(36.0)
Days billed	152.0	152.0	0.0
Twelve months:			
Billed	14,258,428 ³	17,254,737	(17.4)
Days billed	365.0	365.0	0.0
4. System efficiency (%)			
Month	n/a ⁴	88.5	¹
Fiscal year-to-date	n/a ⁴	84.8	¹
Twelve months	83.9	83.8	0.1
5. Average cost per barrel (\$)			
Month	70.65	54.95	28.6
Fiscal year-to-date	64.31	54.40	18.2
Twelve months	61.85	49.73	24.4
6. kWh/Barrel			
Month	532.56	623.82	(14.6)
Fiscal year-to-date	564.96	607.13	(6.9)
Twelve months	599.31	612.62	(2.2)
7. Heat rate (BTU/kWh)			
Month	12,241	10,649	14.9
Fiscal year-to-date	11,487	10,772	6.6
Twelve months	10,932	10,703	2.1

¹ 100% or over

² Report prepared by Generation Directorate, unavailable for month.

³ For October 2017, 99.5 percent of billing was based on estimated meter readings. Estimated readings were made according to Article F of PREPA's *Terms and Conditions for Electric Service*. On November 2017, the Customer Service Department adjusted October sales via reversal of billing segments, by 1,263,372 kWh and \$277.4 million.

⁴ Efficiency not available for month or fiscal year, due to disruptions on generation and sales caused by Hurricanes Irma and Maria.

NOVEMBER

8. Fuel consumption
(in thousands)

	2017-18		2016-17		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	372	21,569	902	47,591	(58.8)	(54.7)
Gas	562	48,673	342	24,163	64.3	101.4
Natural Gas	217	6,066	476	22,757	(54.4)	(73.3)
Total	<u>1,151</u>	<u>76,308</u>	<u>1,720</u>	<u>94,511</u>	(33.1)	(19.3)
Fiscal year-to-date:						
Steam	2,711	153,868	4,439	222,829	(38.9)	(30.9)
Gas	2,779	218,043	2,792	190,108	(0.5)	14.7
Natural Gas	1,545	80,539	2,424	112,241	(36.3)	(28.2)
Total	<u>7,035</u>	<u>452,450</u>	<u>9,655</u>	<u>525,178</u>	(27.1)	(13.8)
Twelve months:						
Steam	8,625	497,307	10,782	479,418	(20.0)	3.7
Gas	5,346	410,502	5,533	358,797	(3.4)	14.4
Natural Gas	4,479	233,356	5,784	260,725	(22.6)	(10.5)
Total	<u>18,450</u>	<u>1,141,165</u>	<u>22,099</u>	<u>1,098,940</u>	(16.5)	3.8

NOVEMBER

			Increase (Decrease) %	
	2017	2016		
B. Client Service ¹				
1. Service complaints per thousand clients	n/a	4.65		2
2. Disconnections for nonpayment per thousand clients	n/a	8.30		2
C. Distribution System ³				
1. Interruption frequency index				
Total interruptions per thousand clients served	n/a	0.433		2
2. Interruption duration index				
Average interruption time per clients served (minutes)	n/a	74.88		2
3. Clients per interruption	n/a	217		2
4. Time per interruption (minutes)	n/a	384		2

¹ Report provided by Customer Service Directorates, unavailable for month due to emergencies caused by Hurricanes Irma and Maria.² 100% or Over.³ Report provided by Transmission & Distribution Directorate, unavailable for month due to emergencies caused by Hurricanes Irma and Maria.

D. Personnel

		NOVEMBER		Increase (Decrease)
		2017	2016	
Management Conf. / Carr.	Reg.	1,750	1,914	(164)
	Temp.	25	29	(4)
U.T.I.E.R.	Reg.	3,430	3,622	(192)
	Temp.	14	15	(1)
	Emerg.	157		
U.I.T.I.C.E.	Reg.	597	630	(33)
	Temp.			
U.E.P.I.	Reg.	294	307	(13)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	1	1	0
Total		<u>6,272</u>	<u>6,522</u>	<u>(250)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

I. Sales of electric energy per classes
(including unbilled adjustment)
(in thousands)

	NOVEMBER					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
kWh sales:						
Residential	12,370	539,418	(97.7)	1,783,366	2,889,665	(38.3)
Commercial	214,369	691,699	(69.0)	2,413,594	3,508,035	(31.2)
Industrial	41,792	189,844	(78.0)	551,831	954,009	(42.2)
Others	20,052	31,082	(35.5)	112,803	161,420	(30.1)
Total	<u>288,583</u>	<u>1,452,043</u>	(80.1)	<u>4,861,594</u>	<u>7,513,129</u>	(35.3)
Basic revenues:						
Residential	\$ 685	\$ 30,694	(97.8)	\$ 94,436	\$ 160,191	(41.0)
Commercial	12,651	47,175	(73.2)	161,814	233,732	(30.8)
Industrial	3,148	8,667	(63.7)	26,822	44,378	(39.6)
Others	2,761	5,097	(45.8)	18,052	26,326	(31.4)
Total	<u>19,245</u>	<u>91,633</u>	(79.0)	<u>301,124</u>	<u>464,627</u>	(35.2)
Provisional rate:						
Residential	121	6,769	(98.2)	21,743	28,534	(23.8)
Commercial	2,056	8,821	(76.7)	30,220	36,206	(16.5)
Industrial	399	2,428	(83.6)	7,454	9,751	(23.6)
Others	219	406	(46.1)	1,434	1,653	(13.2)
Total	<u>2,795</u>	<u>18,424</u>	(84.8)	<u>60,851</u>	<u>76,144</u>	(20.1)
Fuel adjustment:						
Residential	28,389	40,012	(29.0)	191,275	231,198	(17.3)
Commercial	57,086	50,959	12.0	262,781	278,586	(5.7)
Industrial	9,570	13,292	(28.0)	52,359	69,546	(24.7)
Others	4,439	2,429	¹	13,300	13,325	(0.2)
Total	<u>99,484</u>	<u>106,692</u>	(6.8)	<u>519,715</u>	<u>592,655</u>	(12.3)
Purchased power:						
Residential	18,179	24,276	(25.1)	81,710	127,400	(35.9)
Commercial	36,533	30,723	18.9	116,280	154,184	(24.6)
Industrial	6,439	7,970	(19.2)	23,669	38,734	(38.9)
Others	2,998	1,412	¹	5,859	7,545	(22.3)
Total	<u>64,149</u>	<u>64,381</u>	(0.4)	<u>227,518</u>	<u>327,863</u>	(30.6)
Total revenues:						
Residential	47,374	101,751	(53.4)	389,164	547,323	(28.9)
Commercial	108,326	137,678	(21.3)	571,095	702,708	(18.7)
Industrial	19,556	32,357	(39.6)	110,304	162,409	(32.1)
Others	10,417	9,344	11.5	38,645	48,849	(20.9)
Total	<u>\$ 185,673</u>	<u>\$ 281,130</u>	(34.0)	<u>\$ 1,109,208</u>	<u>\$ 1,461,289</u>	(24.1)

¹ 100% or over

NOVEMBER						
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.54	5.69	(2.6)	5.30	5.54	(4.3)
Commercial	5.90	6.82	(13.5)	6.70	6.66	0.6
Industrial	7.53	4.57	64.8	4.86	4.65	4.5
Others	13.77	16.40	(16.0)	16.00	16.31	(1.9)
Total	6.67	6.31	5.7	6.19	6.18	0.2
Provisional rate:						
Residential	0.98	1.25	(21.6)	1.22	0.99	23.2
Commercial	0.96	1.28	(25.0)	1.25	1.03	21.4
Industrial	0.95	1.28	(25.8)	1.35	1.02	32.4
Others	1.09	1.31	(16.8)	1.27	1.02	24.5
Total	0.97	1.27	(23.6)	1.25	1.01	23.8
Fuel adjustment:						
Residential	229.49	7.42	¹	10.72	8.00	34.0
Commercial	26.63	7.36	¹	10.89	7.94	37.2
Industrial	22.90	6.99	¹	9.49	7.29	30.2
Others	22.14	7.81	¹	11.80	8.26	42.9
Total	34.47	7.35	¹	10.70	7.90	35.4
Purchased power:						
Residential	146.96	4.50	¹	4.58	4.41	3.9
Commercial	17.04	4.44	¹	4.82	4.40	9.5
Industrial	15.41	4.20	¹	4.29	4.06	5.7
Others	14.95	4.54	¹	5.19	4.67	11.1
Total	22.23	4.43	¹	4.68	4.36	7.3
Total revenues:						
Residential	382.97	18.86	¹	21.82	18.94	15.2
Commercial	50.53	19.90	¹	23.66	20.03	18.1
Industrial	46.79	17.04	¹	19.99	17.02	17.5
Others	51.95	30.06	72.8	34.26	30.26	13.2
Total	n/a	19.36	¹	22.82	19.45	17.3
3. Clients:						
Residential	1,338,102	1,335,163	0.2	1,338,221	1,333,713	0.3
Commercial	123,588	123,877	(0.2)	123,651	123,826	(0.1)
Industrial	612	628	(2.5)	613	628	(2.4)
Others	3,352	3,361	(0.3)	3,352	3,369	(0.5)
Total	<u>1,465,654</u>	<u>1,463,029</u>	0.2	<u>1,465,837</u>	<u>1,461,536</u>	0.3
4. Average kWh per client:						
Residential	9	404	(97.7)	1,333	2,167	(38.5)
Commercial	1,735	5,584	(68.9)	19,519	28,330	(31.1)
Industrial	68,288	302,299	(77.4)	900,214	1,519,123	(40.7)
Others	5,982	9,248	(35.3)	33,652	47,913	(29.8)
Total	197	992	(80.2)	3,317	5,141	(35.5)

¹ 100% or over

² Not billed to clients for the month of November

II. FINANCIAL HIGHLIGHTS

A. Revenue data

1. Sales of electric energy per government classes
(in thousands)

	NOVEMBER					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2017-18	2016-17	
kWh sales:						
Residential	10	12	(16.7)	56	59	(5.1)
Commercial	64,134	208,684	(69.3)	877,555	1,038,273	(15.5)
Industrial						
Others ²	(14,219)	29,056	¹	103,081	147,002	(29.9)
Total	<u>49,925</u>	<u>237,752</u>	(79.0)	<u>980,692</u>	<u>1,185,334</u>	(17.3)
Basic revenues:						
Residential	1	1		3	3	
Commercial	5,876	14,086	(58.3)	62,477	64,772	(3.5)
Industrial						
Others ²	(2,806)	5,004	¹	17,698	24,936	(29.0)
Total	<u>3,071</u>	<u>19,091</u>	(83.9)	<u>80,178</u>	<u>89,711</u>	(10.6)
Provisional rate:						
Residential	0	0		1	1	
Commercial	833	2,654	¹	11,385	109,656	¹
Industrial						
Others ²	(185)	378	¹	1,339	1,494	¹
Total	<u>648</u>	<u>3,032</u>	¹	<u>12,725</u>	<u>111,151</u>	¹
Fuel adjustment:						
Residential	1	1		5	5	
Commercial	6,241	14,574	(57.2)	78,955	77,963	1.3
Industrial						
Others ²	(1,492)	2,204	¹	9,529	11,734	(18.8)
Total	<u>4,750</u>	<u>16,779</u>	(71.7)	<u>88,489</u>	<u>89,702</u>	(1.4)
Purchased power:						
Residential	1	1		3	3	
Commercial	2,935	8,881	(67.0)	40,706	43,366	(6.1)
Industrial						
Others ²	(703)	1,330	¹	5,024	6,537	(23.1)
Total	<u>2,233</u>	<u>10,212</u>	(78.1)	<u>45,733</u>	<u>49,906</u>	(8.4)
Total revenues:						
Residential	3	3		12	12	
Commercial	15,885	40,195	(60.5)	193,523	295,757	(34.6)
Industrial						
Others ²	(5,186)	8,916	¹	33,590	44,701	(24.9)
Total	<u>10,702</u>	<u>49,114</u>	(78.2)	<u>227,125</u>	<u>340,470</u>	(33.3)
2. Clients:						
Residential	13	14	(7.1)	14	17	(17.6)
Commercial	15,762	21,496	(26.7)	20,293	26,217	(22.6)
Industrial						
Others ²	2,784	2,916	(4.5)	2,850	3,471	(17.9)
Total	<u>18,559</u>	<u>24,426</u>	(24.0)	<u>23,157</u>	<u>29,705</u>	(22.0)

Statistical and financial data from the Government sector is segregated from the original sales reports (CC&B) prepared by the Client Service Directorate.

¹ 100% or over

² Due to diminished availability of public lightning service, as compared with amount to be returned to clients, due to disruptions caused by Hurricanes Irma and Maria.

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B. Result of operations-budget comparison
(in million dollars)

	NOVEMBER 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	99.5	19.2	(80.7) ¹	480.1	301.1	(37.3) ¹
Fuel adjustment	94.7	99.5	5.1	490.6	519.8	6.0
Purchased power	62.4	64.1	2.7	372.1	227.5	(38.9) ¹
CILT	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Provisional rate	21.4	2.8	(86.9) ¹	101.5	60.9	(40.0) ¹
Revenues from sales	278.0	185.6	(33.2) ¹	1,444.3	1,109.3	(23.2) ¹
Other	2.6	(5.2)	⁸ ²	6.9	(16.6)	⁸ ²
Total revenues	280.6	180.4	(35.7)	1,451.2	1,092.7	(24.7)
Fuel	114.5	81.3	(29.0) ³	456.6	452.5	(0.9)
Purchased power	55.1	40.3	(26.9) ³	343.7	198.0	(42.4) ³
Other expenses	62.3	59.2	(5.0)	311.7	270.4	(13.2)
Total current expenses	231.9	180.8	(22.0) ³	1,112.0	920.9	(17.2) ³
1974 - sinking fund appropriations	0.0	63.5	⁸ ⁴	0.0	317.6	⁸ ⁴
Reserve Account	0.0	0.0		0.0	0.0	
Adjustment to revenue disposition due to October billing cancellations	0.0	93.7	⁸ ⁵	0.0	0.0	
Interest on notes	(2.7)	4.4	⁸	80.2	22.1	(72.4)
Internal funds	30.1	1.5	(95.0) ⁶	150.1	1.5	(99.0) ⁶
Contribution to municipalities	6.2	(156.2)	⁸ ⁷	108.9	(211.1)	⁸ ⁷
Other appropriations	15.1	(7.3)	⁸	0.0	41.7	⁸
Total	280.6	180.4	(35.7)	1,451.2	1,092.7	(24.7)

EXPLANATION OF MAJOR VARIATIONS

¹ The decrease in the base rate and provisional rate revenues for the month and fiscal year-to-date, and the decrease in purchased power revenue for fiscal year to date was due to the disruption of energy production caused by Hurricanes Irma and Maria.

² The other revenues for the month and fiscal year-to-date decreased due to a lower non operating income than budgeted.

³ Fuel and purchased power expenses decreased as a result of the disruptions of energy production caused by Hurricanes Irma and Maria. Gross generation for month was 53 percent below when compared to November 2016.

⁴ The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.

⁵ Estimated, to tie disposition of net revenues on financial statement to actual revenues, after mass reversal of billings from October 2017, of 1,263,372 kWh and \$277.4 million.

⁶ Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.

⁷ Contribution to municipalities for month and fiscal year decreased due to the lack of revenues available to apply to account during the disposition of net revenues process.

⁸ 100% or Over.

C. Result of operations-as compared to last year
 (in million dollars)

	NOVEMBER 2017					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2017-18	2016-17	Increase (Decrease) %
Basic charges	19.2	91.6	(79.0) ¹	301.1	464.6	(35.2) ¹
Fuel adjustment	99.5	106.7	(6.7)	519.8	592.7	(12.3)
Purchased power	64.1	64.4	(0.5)	227.5	327.9	(30.6) ¹
CILT	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies	0.0	0.0	0.0	0.0	0.0	0.0
Provisional rate	<u>2.8</u>	<u>18.4</u>	(84.8) ¹	<u>60.9</u>	<u>76.1</u>	(20.0) ¹
Revenues from sales	185.6	281.1	(34.0) ¹	1,109.3	1,461.3	(24.1) ¹
Other	<u>(5.2)</u>	<u>(1.9)</u>	⁸ ²	<u>(16.6)</u>	<u>(10.8)</u>	53.7
Total revenues	<u>180.4</u>	<u>279.2</u>	(35.4)	<u>1,092.7</u>	<u>1,450.5</u>	(24.7)
Fuel	81.3	94.5	(14.0) ³	452.5	525.2	(13.8)
Purchased power	40.3	57.4	(20.8) ³	198.0	293.4	(27.8) ³
Other expenses	<u>59.2</u>	<u>50.9</u>	16.3	<u>270.4</u>	<u>274.2</u>	(1.4)
Total current expenses	180.8	202.8	(10.8) ⁶	920.9	1,092.8	(15.7) ³
1974 - sinking fund appropriations	63.5	55.7	14.0 ⁷	317.6	263.3	20.6 ⁴
Reserve Account	0.0	0.0		0.0	0.0	
Adjustment to revenue disposition due to October billing cancellations	93.7	0.0	⁸ ⁵			
Interest on notes	4.4	4.3	2.3	22.1	22.1	
Internal funds	1.5	0.0	⁸ ⁶	1.5	0.8	
Contribution to municipalities	(156.2)	6.1	⁸ ⁷	(211.1)	14.8	⁸
Other appropriations	<u>(7.3)</u>	<u>10.3</u>	⁸	<u>41.7</u>	<u>56.7</u>	(26.5)
Total	<u>180.4</u>	<u>279.2</u>	(35.4)	<u>1,092.7</u>	<u>1,450.5</u>	(24.7)

EXPLANATION OF MAJOR VARIATIONS

¹ The decrease in the base rate and provisional rate for month and fiscal year-to-date, and the decrease in purchased power revenue for fiscal year to date was due to the disruption of energy production caused by Hurricanes Irma and Maria

² The other revenues for the month and fiscal year-to-date decreased due to a lower non operating income than budgeted.

³ Fuel and purchased power expenses decreased as a result disruptions of energy production caused by Hurricanes Irma and Maria. Gross generation for month was 53 below when compared to November 2016.

⁴ The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.

⁵ Estimated, to the disposition of net revenues on financial statement to actual revenues, after mass reversal of billings from October 2017, of 1,263,372 kWh and \$277.4 million.

⁶ Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.

⁷ Contribution to municipalities for month and fiscal year decreased due to the lack of revenues available to apply to account.

⁸ 100% or Over.

D. Notes Payable
(in thousand dollars)

NOVEMBER

Construction Financing

	<u>2017</u>	<u>2016</u>
1. Rehabilitation Isabela Dam (GDB):		
Line of credit	25,354	25,354
Amount received	<u>713</u>	<u>713</u>
Available balance	<u>24,641</u>	<u>24,641</u>
Debt outstanding balance	713	713
Maturity Date	June 30, 2018	
2. State Revolving Fund Program Aguirre & San Juan Plant (AFICA):		
Line of credit	27,023	27,023
Amount received	<u>5,750</u>	<u>0</u>
Available balance	<u>21,273</u>	<u>27,023</u>
Debt outstanding balance	4,939	0
Maturity Date	June 30, 2033	

Operational Financing

	<u>2017</u>	<u>2016</u>
1. Municipalities Settlement Agreement :		
Line of credit	64,208	64,208
Amount received	<u>64,208</u>	<u>64,208</u>
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	0	0
Maturity Date	June 30, 2014	
2. Fuel Financing (Scotiabank) :		
Line of credit	550,000	550,000
Amount received	<u>549,950</u>	<u>549,950</u>
Available balance	<u>50</u>	<u>50</u>
Debt outstanding balance	549,950	549,950
Maturity Date	August 14, 2014	
3. Fuel Financing (Citibank) :		
Line of credit	150,000	150,000
Amount received	<u>146,042</u>	<u>146,042</u>
Available amount	<u>3,958</u>	<u>3,958</u>
Debt outstanding balance	146,042	146,042
Maturity Date	January 10, 2014	
4. Collateral SWAP - (GDB) :		
Line of credit	100,000	100,000
Amount received	<u>35,133</u>	<u>35,133</u>
Available balance	<u>64,867</u>	<u>64,867</u>
Debt outstanding balance	35,133	35,133
Maturity Date	December 31, 2014	

E. Necessary Maintenance Expenses ¹
(in thousand dollars)

NOVEMBER 2017						
	Month ²			Fiscal Year-to-Date ³		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	15,909	(3,135) ³	(119.7)	79,545	(4,523) ³	(105.7)
Transmission	10,505	(241) ³	(102.3)	52,525	22,192	(57.7)
Distribution	7,260	4,736	(34.8)	36,300	18,826	(48.1)
Other	3,977	5,637	41.7	19,885	11,676	(41.3)
Total	37,651	6,997	(81.4)	188,255	48,171	(74.4)
Internal Funds	30,020	1,500	(95.0)	120,079	1,500	(98.8)
Percentage of Internal Funds to Investment in Capital Improvements Programs	80%	21%				
Contribution AID for Construction		0				
		2017	2016			
F. Highest debt coverage as of June 30		0.81	1.03			

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$0	\$0
Families served	0	0

¹ Capital Improvement Program was suspended after filing of Title III of PROMESA. Only the necessary maintenance expenses will be presented.

² Monthly figures may vary significantly due to fluctuations in the availability of funds. For more accurate results, please refer to fiscal year-to-date figures.

³ Includes monthly overhead allocation.

STATISTICS OF ACCOUNTS RECEIVABLE FROM SALES OF ELECTRIC ENERGY ¹
(in thousand dollars)

	NOVEMBER		Increase (Decrease) %
	2017	2016	
General clients	1,143,027	888,705	28.6
Government (State and federal agencies and public corporations)	253,991	209,557	21.2
Total Accounts Receivable	1,397,018	1,098,262	27.2
Uncollectibles Reserve	(723,203)	(699,941)	3.3
Accounts Receivable after Reserve	673,815	398,321	69.2
Sales of electric energy (12 months)			
Revenues from sales	3,355,273	2,996,467	12.0
Indicators:			
A/R to Sales	20.1%	13.3%	51.1
Sales Days in A/R	73	49	51.1
Ratio of collections to sales:			
General clients:			
Sales	2,714,787	2,603,614	4.3
Collections	2,239,736	2,634,424	(15.0)
%Collection to Sales	82.5	101.2	(18.5) ²
Government:			
Sales net of municipalities, public lightning and exclusions	407,391	393,153	3.6
Collections	327,473	451,579	(27.5)
% Collection to Sales	80.38	114.86	(30.0) ²
Total:			
Sales net of municipalities, public lightning and exclusions	3,122,178	2,996,767	4.2
Collections	2,567,209	3,086,003	(16.8)
%Collection to Sales	82.2	103.0	(20.2) ²

¹ Source of Information: Customer Service Department

² Decrease of collections for the months of September, October and November, due to disruptions caused by Hurricanes Irma and Maria. Total collections for months mentioned were \$336.6 million, compared to \$871.1 million for September, October and November 2016.

PUERTO RICO ELECTRIC POWER AUTHORITY

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PUERTO RICO ELECTRIC POWER AUTHORITY

STATEMENT OF NET POSITION
ASSETS AND DEFERRED OUTFLOWS
(in thousands)

	November 30 2017	June 30 2017
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 56,051
Reserve for current expenses	474,000	462,151
Revenue fund	13	13
Working funds	1,199	1,170
Total cash and cash equivalents	<u>535,770</u>	<u>519,385</u>
Accounts receivable (Exhibit A)	2,379,622	1,917,379
Fuel oil inventory	115,009	104,887
Materials and supplies inventory	159,807	166,192
Prepayments and other (Exhibit B)	(79,202) ¹	26,394
Total current assets	<u>3,111,006</u>	<u>2,734,237</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Cash held by trustees	<u>2</u>	<u>2</u>
Investments held by trustees		
Sinking funds - Interest	30	30
Non current restricted deposits held by trustees	6,826	6,824
Total investment held by trustees	<u>6,856</u>	<u>6,854</u>
Construction fund and other		
Construction fund	12,170	22,855
Investment held by REA	1,120	1,113
Reserve maintenance fund	16,253	16,150
Other restricted fund	5,147	5,128
Total construction fund and other	<u>34,690</u>	<u>45,246</u>
Total restricted assets	<u>41,548</u>	<u>52,102</u>
Utility Plant		
Electric plant in service	13,025,896	12,996,829
Less: accumulated depreciation	<u>7,609,041</u>	<u>7,457,543</u>
Net electric plant in service	5,416,855	5,539,286
Construction work in progress, including preliminary surveys of 17,133 and 17,133	<u>730,914</u>	<u>711,792</u>
Total utility plant	<u>6,147,769</u>	<u>6,251,078</u>
Deferred debits:		
Unamortized debt expense	(3,368)	(1,669)
Other	<u>130,188</u>	<u>129,841</u>
Total deferred debits	<u>126,820</u>	<u>128,172</u>
Total assets	<u>9,559,731</u>	<u>9,298,177</u>
Deferred outflows of resources	<u>111,447</u>	<u>111,447</u>
Total Assets and Deferred Outflows	<u>\$ 9,671,178</u>	<u>\$ 9,409,624</u>

¹ FEMA reimbursements received for Irma and Maria hurricanes by \$223.4 million exceeded claims related to property damages registered.

STATEMENT OF NET POSITION
LIABILITIES AND NET POSITION
(in thousands)

	November 30 2017	June 30 2017
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 737,587	\$ 737,588
Accounts payable and accrued liabilities (Exhibit C)	2,099,809	2,076,034
Customer deposits, including accrued interest	56,956	47,892
Total current liabilities	<u>2,894,352</u>	<u>2,861,514</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	244,978	246,095
Accrued interest payable on bonds and notes	416,426	220,223
Other current liabilities (Exhibit C)	43,954	40,173
Total current liabilities from restricted assets	<u>705,358</u>	<u>506,491</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (55,294) and (55,294)	8,178,379	8,178,379
Net pension liability	1,704,640	1,704,640
Non current portion, accounts payable and accrued sick leave	114,372	114,372
Accrued unfunded OPEB	119,658	119,658
Customer deposits - noncurrent	171,396	171,396
Total noncurrent liabilities	<u>10,288,445</u>	<u>10,288,445</u>
Total liabilities	<u>13,888,155</u>	<u>13,656,450</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(4,282,923)</u>	<u>(4,312,772)</u>
Total Liabilities and Net Position	<u>\$ 9,671,178</u>	<u>\$ 9,409,624</u>

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(in thousands)

	MONTH		
	Budget November 2017	Actual November 2017	Actual November 2016
Operating revenues:			
Sales of electric energy	\$ 278,015	\$ 185,673	\$ 281,131
Total operating revenues	278,015	185,673	281,131
Other income	2,577	(5,278)	(1,838)
Total revenues	280,592	180,395	279,293
Expenses:			
Fuel cost	114,488	81,334	94,512
Purchased power	55,082	40,344	57,382
Other production	4,805	3,582	5,291
Transmission and distribution	12,625	14,376	12,493
Maintenance	16,442	20,253	11,779
Customer accounting and collection	8,974	9,805	7,924
Administrative and general	19,500	11,144	13,463
Subtotal expenses by function	231,916	180,838	202,844
Other post - employment benefits		-	-
Depreciation	30,728	30,305	30,613
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	(2,660)	39,158	40,223
Contribution to municipalities	6,186	(2,013)	6,736
Other appropriations	15,083	(7,359)	10,328
Bond discount and defeasance amortization	-	117	136
Total expenses	281,253	241,046	290,880
Contributed capital	708	85	108
Changes in net position	\$ 47	\$ (60,566)	\$ (11,479)

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
(in thousands)

	FISCAL YEAR		
	Budget November 2017	Actual November 2017	Actual November 2016
Operating revenues:			
Sales of electric energy	\$ 1,444,417	\$ 1,109,208	\$ 1,461,290
Total operating revenues	<u>1,444,417</u>	<u>1,109,208</u>	<u>1,461,290</u>
Other income	<u>6,993</u>	<u>(16,605)</u>	<u>(10,523)</u>
Total revenues	<u>1,451,410</u>	<u>1,092,603</u>	<u>1,450,767</u>
Expenses:			
Fuel cost	456,582	452,465	525,178
Purchased power	343,660	198,055	293,379
Other production	24,024	21,350	22,733
Transmission and distribution	63,122	63,719	61,775
Maintenance	82,213	79,388	68,664
Customer accounting and collection	44,871	39,823	39,920
Administrative and general	<u>97,500</u>	<u>66,159</u>	<u>81,153</u>
Subtotal expenses by function	1,111,972	920,959	1,092,802
Other post - employment benefits		-	-
Depreciation	153,640	152,025	153,446
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	80,184	196,204	201,555
Contribution to municipalities	30,839	26,653	24,488
Other appropriations	78,081	41,683	56,687
Bond discount and defeasance amortization	<u>-</u>	<u>583</u>	<u>224</u>
Total expenses	<u>1,454,716</u>	<u>1,338,107</u>	<u>1,529,202</u>
Contributed capital	<u>3,542</u>	<u>453</u>	<u>4,200</u>
Changes in net position	<u>\$ 236</u>	<u>\$ (245,051)</u>	<u>\$ (74,235)</u>

STATEMENT OF REVENUES AND EXPENSES FOR REVENUE FUND
PURPOSES PER TRUST AGREEMENT
(in thousands)

	MONTH		
	Budget November 2017	Actual November 2017	Actual November 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 278,015	\$ 185,673	\$ 281,131
Total operating revenues	278,015	185,673	281,131
Other income	2,577	(5,225)	(1,838)
Total revenues	280,592	180,448	279,293
Less: 1974 construction fund investment income and gain on sale of properties	47	2	33
Revenues - net	280,545	180,446	279,260
Current expenses:			
Fuel cost	114,488	81,335	94,512
Purchased power	55,082	40,344	57,382
Other production	4,805	3,582	5,291
Transmission and distribution	12,625	14,376	12,493
Maintenance	16,442	20,253	11,779
Customer accounting and collection	8,974	9,805	7,924
Administrative and general	19,500	11,144	13,463
Total current expenses	231,916	180,839	202,844
Net revenues (as defined)	48,629	(393)	76,416
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds	-	34,815 ¹	35,888
Bond redemption account	-	28,711 ¹	19,780
Adjustment to revenue disposition		93,761 ²	
Interest on notes	(2,660)	4,343	4,335
Capital Improvements fund	30,020	1,500 ³	-
Total contractual obligations	27,360	163,130	60,003
Balance	21,269	(163,523)	16,413
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	6,186	(156,164)	6,085
Other	15,083	(7,359)	10,328
Total provision for contribution and other	21,269	(163,523)	16,413
Remainder	\$ -	\$ -	\$ -

¹ The 1974 Sinking Fund appropriation have been accrued but not transferred.

² Estimated to tie disposition of net revenues on financial statement to actual revenues, after mass reversal of billing from October 2017 of 1,263,372 kwh and \$227.4 million.

³ Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

STATEMENT OF REVENUES AND EXPENSES FOR REVENUE FUND
PURPOSES PER TRUST AGREEMENT
(in thousands)

	FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
	Budget November 2017	Actual November 2017	Actual November 2016	Budget June 2018	Actual November 2017	Actual November 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 1,444,417	\$ 1,109,340	\$ 1,461,290	\$ 2,970,682	\$ 3,081,880	\$ 3,181,017
Total operating revenues	1,444,417	1,109,340	1,461,290	2,970,682	3,081,880	3,181,017
Other income	6,993	(16,605)	(10,522)	(22,759)	(36,341)	6,874
Total revenues	1,451,410	1,092,735	1,450,768	2,947,923	3,045,539	3,187,891
Less: 1974 construction fund investment income and gain on sale of properties	236	9	261	1,007	201	516
Revenues - net	1,451,174	1,092,726	1,450,507	2,946,916	3,045,338	3,187,375
Current expenses:						
Fuel cost	456,582	452,465	525,178	647,482	1,141,180	1,098,941
Purchased power	343,660	198,055	293,379	828,393	632,066	691,297
Other production	24,024	21,350	22,733	42,376	53,362	55,856
Transmission and distribution	63,123	63,719	61,774	131,741	145,520	147,954
Maintenance	82,212	79,388	68,665	171,571	163,847	160,074
Customer accounting and collection	44,871	39,824	39,920	100,103	93,537	93,969
Administrative and general	97,500	66,158	81,153	180,604	177,847	200,131
Total current expenses	1,111,972	920,959	1,092,802	2,102,270	2,407,359	2,448,222
Net revenues (as defined)	339,202	171,767	357,705	844,646	637,979	739,153
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	-	174,076 ¹	179,439	102,626	425,290	421,405
Bond redemption account (1)	-	143,556 ¹	83,811	109,669	282,019	219,569
Rate Stabilization Account	-	-	-	-	-	(20,699)
Interest on notes	80,184	22,128	22,115	39,675	52,745	52,842
Capital Improvements fund	150,098	1,500 ²	828	366,779	2,002	109,933
Total contractual obligations	230,282	341,260	286,193	618,749	762,056	779,180
Balance	108,920	(169,493)	71,512	225,897	(124,077)	(40,027)
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	30,839	(211,176)	14,824	51,784	(246,369)	(130,022)
Other	78,081	41,683	56,688	174,113	122,292	89,995
Total provision for contribution and other	108,920	(169,493)	71,512	225,897	(124,077)	(40,027)
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

¹ The 1974 Sinking Fund Appropriation have been accrued but not transferred.

² Internal Funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

	November 2017	June 2017
Net Position		
Invested in utility plant, net related debt	\$ (1,170,951)	\$ (1,067,059)
Restricted for capital activity and debt service	(1,019,498)	(808,961)
Unrestricted	(2,367,241)	(2,436,752)
Adjustment to revenue disposition	<u>274,767¹</u>	<u></u>
Total net position	<u>\$ (4,282,923)</u>	<u>\$ (4,312,772)</u>

¹ Estimated to tie disposition of net revenues on financial statement to actual revenues, after mass reversal of billing from October 2017 of 1,263,372 kwh and \$227.4 million.

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	November 2017	June 2017
Electric and related services:		
General clients	\$ 1,140,809	\$ 884,378
Recoveries under fuel adjustment and purchase power clause under or (over) billed	117,973	4,480
Unbilled services	154,496	159,299
Allowance for uncollectible accounts- General Client	<u>(655,739)</u>	<u>(632,480)</u>
Total General Clients	<u>757,539</u>	<u>415,677</u>
Government, including current and non current	1,808,732	1,672,492
Allowance for uncollectible accounts- Government	<u>(67,460)</u>	<u>(67,460)</u>
Total Government	1,741,272	1,605,032
Claims Receivable from Insurance Companies & Other	581	15,581
Advances to Irrigation Systems - net	4,198	5,534
Accrued interest	2,052	2,082
Other	<u>6,568</u>	<u>6,061</u>
Total Accounts Receivable	2,512,210	2,049,967
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u><u>\$ 2,379,622</u></u> ¹	<u><u>\$ 1,917,379</u></u>

¹ Excludes CILT set aside during fiscal year 2017-2018 and 2016-2017.

PUERTO RICO ELECTRIC POWER AUTHORITY

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	November 2017	June 2017
Claims Outstanding Related to Property Damages	\$ (115,971) ¹	\$ 353
Prepayments and other	<u>36,769</u>	<u>26,041</u>
Total	<u>\$ (79,202)</u>	<u>\$ 26,394</u>

¹ FEMA reimbursements received for Irma and Maria hurricanes by \$223.4 million exceeded claims related to property damages registered to property damages registered.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	November 2017	June 2017
Exhibit C		
Accounts payable - fuel oil and other	\$ 465,036	\$ 497,751
Accrued annual leave	51,305	52,159
Other Pension Benefits	-	-
Accrued salaries and fringe benefits	1,572	3,538
Accrued Contribution in Lieu of Taxes	1,485,891 ¹	1,428,537
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	48,970	46,644
Accrued Contributions Federal Social Security	975	408
Income tax withheld at source	25	122
Health plan	6,962	16,224
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	27,538	19,116
Sub total current liabilities	<u>2,099,809</u>	<u>2,076,034</u>
Other current payables from restricted assets		
Retention on Contract Work	3,536	3,535
Vouchered A/P construction	5,682	2,550
Contribution aid to construction	34,736	34,088
Total other current payables from restricted assets	<u>43,954</u>	<u>40,173</u>
Total current Liabilities	<u>2,144,162</u>	<u>2,116,207</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,372	114,372
Accrued Unfunded OPEB	119,658	119,658
Total non current liabilities	<u>1,938,670</u>	<u>1,938,670</u>
Total accounts payables and non current liabilities	<u>\$ 4,082,832</u>	<u>\$ 4,054,877</u>

¹Excludes CILT set aside during fiscal year 2017-2018 and 2016-2017.

SALES OF ELECTRIC ENERGY

NOVEMBER 2017

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	Billed	Unbilled	MONTHLY Adjustment ¹	Total
Residential	1,338,102	1,338,102	8,446	393,110	(389,186)	12,370
Commercial	123,588	123,588	158,244	496,832	(440,707)	214,369
Industrial	612	612	30,712	93,609	(82,529)	41,792
Public lighting	2,154	2,154	12,681	8,214	(7,848)	13,047
Other public authorities	2	2	4,083	4,273	(1,455)	6,901
Agricultural	1,196	1,196	78	1,362	(1,336)	104
Subtotal	1,465,654	1,465,654	214,244	997,400	(923,061)	288,583
Fuel oil adjustment						
Purchased power						
Subtotal	1,465,654	1,465,654	214,244	997,400	(923,061)	288,583
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,465,654	1,465,654	214,244	997,400	(923,061)	288,583

Class of Service	FISCAL YEAR-TO-DATE				
	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,338,221	1,783,366	116,179	1,333	6.52
Commercial	123,651	2,413,594	192,034	19,519	7.95
Industrial	613	551,831	34,276	900,214	6.21
Public lighting	2,155	90,039	18,117	41,781	20.12
Other public authorities	2	15,845	856	7,922,500	5.40
Agricultural	1,195	6,919	513	5,790	7.41
Subtotal	1,465,837	4,861,594	361,975	3,317	7.44
Fuel oil adjustment			430,273		10.70
Purchased Power			203,598		4.68
Subtotal	1,465,837	4,861,594	995,846	3,317	22.82
Unrecovered fuel oil cost-net			89,442		
Unrecovered purchased Power cost-net			23,920		
Total	1,465,837	4,861,594	1,109,208	3,317	22.82

¹ Unbilled revenues from prior month.

SALES OF ELECTRIC ENERGY

NOVEMBER 2016

Exhibit D

Class of Service	REVENUES (in thousands \$)				Kwhrs. per Client	Cents per Kwhr. Sold
	Billed	Unbilled	Adjustment ¹	Total		
Residential	813	16,164	(16,171)	806	9	6.52
Commercial	15,375	27,697	(28,365)	14,707	1,735	6.86
Industrial	3,085	4,419	(3,957)	3,547	68,288	8.49
Public lighting	2,692	1,312	(1,359)	2,645	6,057	20.27
Other public authorities	269	127	(66)	330	3,450,259	4.79
Agricultural	6	71	(72)	5	86	4.86
Subtotal	22,240	49,790	(49,990)	22,040	197	7.64
Fuel oil adjustment	20,870	85,590	(80,590)	25,870		34.47
Purchased power	9,821	24,897	(41,517)	(6,800)		22.23
Subtotal	52,931	160,277	(172,097)	41,110	197	14.71
Unrecovered fuel oil cost-net				73,614		
Unrecovered purchased power cost-net				70,949		64,149
Total	52,931	160,277	(172,097)	185,673	197	64.34

¹ Unbilled revenues from prior month.