



GOVERNMENT OF PUERTO RICO
Puerto Rico Electric Power Authority

Ricardo L. Ramos Rodríguez, P.E.
Chief Executive Officer

March 28, 2017

Governing Board

Ricardo L. Ramos Rodríguez
Executive Director

OPERATION REPORT – February 2017

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

Enclosure

MONTHLY REPORT
TO THE GOVERNING BOARD
FEBRUARY 2017

PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	FEBRUARY		Increase (Decrease) %
	2016-17	2015-16	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	977,826	992,671	(1.5)
PREPA - Hydro	3,820	3,109	22.9
Purchased power - gas	267,474	268,751	(0.5)
Purchased power - coal	175,786	272,402	(35.5)
Renewable Energy	31,501	24,659	27.7
Total	1,456,407	1,561,592	(6.7)
Fiscal year-to-date:			
PREPA - Steam and gas	8,823,657	9,524,757	(7.4)
PREPA - Hydro	62,900	44,037	42.8
Purchased power - gas	2,255,381	2,137,147	5.5
Purchased power - coal	2,174,277	2,049,995	6.1
Renewable Energy	221,110	211,582	4.5
Total	13,537,325	13,967,518	(3.1)
Twelve months:			
PREPA - Steam and gas	13,376,639	14,306,742	(6.5)
PREPA - Hydro	73,489	56,726	29.6
Purchased power - gas	3,345,680	2,993,069	11.8
Purchased power - coal	3,338,989	3,233,441	3.3
Renewable Energy	335,150	337,313	(0.6)
Total	20,469,947	20,927,291	(2.2)
2. Maximum hourly peak load (in MW)			
Month	2,619	2,701	(3.0)
Fiscal year-to-date	3,087	3,080	0.2
Twelve months	3,087	3,080	0.2
3. Sales (kWh in thousands)			
Month:			
Billed	1,255,568	1,336,905	(6.1)
Days billed		30.00	(100.0)
Fiscal year-to-date:			
Billed	11,495,910	11,619,297	(1.1)
Days billed		243.00	(100.0)
Twelve months:			
Billed	17,149,990	17,213,311	(0.4)
Days billed		364.0	(100.0)
4. System efficiency (%)			
Month	78.4	81.1	(3.4)
Fiscal year-to-date	84.1	82.5	1.9
Twelve months	84.0	82.6	1.7
5. Average cost per barrel (\$)			
Month	62.95	42.69	47.5
Fiscal year-to-date	56.29	55.04	2.3
Twelve months	52.81	59.57	(11.3)
6. kWh/Barrel			
Month	620.45	635.51	(2.4)
Fiscal year-to-date	609.45	598.48	1.8
Twelve months	614.59	608.05	1.1
7. Heat rate (BTU/kWh)*			
Month	10,644	10,381	2.5
Fiscal year-to-date	10,784	10,756	0.3
Twelve months	10,696	10,817	(1.1)

* Interim Operational and Financial Information subject to change.

PUERTO RICO ELECTRIC POWER AUTHORITY

8. Fuel consumption (in thousands)	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	858	53,007	789	28,991	8.7	82.8
Gas	361	27,572	310	16,553	16.5	66.6
Natural Gas	357	18,612	463	21,171	(22.9)	(12.1)
Total	<u>1,576</u>	<u>99,191</u>	<u>1,562</u>	<u>66,715</u>	0.9	48.7
Fiscal year-to-date:						
Steam	7,058	375,479	8,328	416,060	(15.2)	(9.8)
Gas	3,683	259,281	3,770	267,874	(2.3)	(3.2)
Natural Gas	3,737	180,219	3,817	192,056	(2.1)	(6.2)
Total	<u>14,478</u>	<u>814,979</u>	<u>15,915</u>	<u>875,990</u>	(9.0)	(7.0)
Twelve months:						
Steam	10,780	525,898	12,848	712,587	(16.1)	(26.2)
Gas	5,175	355,389	4,903	370,852	5.5	(4.2)
Natural Gas	5,810	268,208	5,778	318,089	0.6	(15.7)
Total	<u>21,765</u>	<u>1,149,495</u>	<u>23,529</u>	<u>1,401,528</u>	(7.5)	(18.0)

FEBRUARY

B. Client Service			Increase (Decrease) %	
	2017	2016		
1. Service complaints per thousand clients	3.04	2.50		21.6
2. Disconnections for nonpayment per thousand clients	6.16	10.46		(41.1)
C. Distribution System				
1. Interruption frequency index				
Total interruptions per thousand clients served	0.233	0.289		(19.5)
2. Interruption duration index				
Average interruption time per clients served (minutes)	37.21	50.85		(26.8)
3. Clients per interruption	197	219		(10.1)
4. Time per interruption (minutes)	313	334		(6.2)

D. Personnel

		FEBRUARY		Increase (Decrease)
		<u>2017</u>	<u>2016</u>	
Management Conf. / Carr.	Reg.	1,871	1,935	(64)
	Temp.	28	13	15
U.T.I.E.R.	Reg.	3,590	3,764	(174)
	Temp.	14	19	(5)
	Emerg.			
U.I.T.I.C.E.	Reg.	620	657	(37)
	Temp.			
U.E.P.I.	Reg.	306	318	(12)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	<u>1</u>	<u>0</u>	<u>1</u>
Total		<u>6,434</u>	<u>6,710</u>	<u>(276)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	393,840	445,498	(11.6)	4,296,761	4,290,066	0.2
Commercial	560,463	615,830	(9.0)	5,381,014	5,424,349	(0.8)
Industrial	154,403	176,095	(12.3)	1,443,892	1,561,920	(7.6)
Others	32,507	29,718	9.4	259,133	251,361	3.1
Total	<u>1,141,213</u>	<u>1,267,141</u>	(9.9)	<u>11,380,800</u>	<u>11,527,696</u>	(1.3)
Basic revenues:						
Residential	22,905	26,547	(13.7)	239,123	245,034	(2.4)
Commercial	37,846	42,797	(11.6)	356,340	360,657	(1.2)
Industrial	7,456	8,035	(7.2)	67,817	70,251	(3.5)
Others	5,280	4,955	6.6	42,140	41,270	2.1
Total	<u>73,487</u>	<u>82,334</u>	(10.7)	<u>705,420</u>	<u>717,212</u>	(1.6)
Provisional rate:						
Residential	5,624	0	*	46,948	0	*
Commercial	7,784	0	*	61,227	0	*
Industrial	2,127	0	*	16,391	0	*
Others	415	0	*	2,898	0	*
Total	<u>15,950</u>	<u>0</u>	*	<u>127,464</u>	<u>0</u>	*
Fuel adjustment:						
Residential	39,398	26,549	48.4	351,278	371,954	(5.6)
Commercial	55,520	37,896	46.5	438,561	472,022	(7.1)
Industrial	13,887	9,372	48.2	108,089	121,595	(11.1)
Others	3,065	1,619	89.3	21,683	22,242	(2.5)
Total	<u>111,870</u>	<u>75,436</u>	48.3	<u>919,611</u>	<u>987,813</u>	(6.9)
Purchased power:						
Residential	21,555	21,465	0.4	200,947	191,170	5.1
Commercial	30,664	29,486	4.0	251,933	237,559	6.1
Industrial	7,692	7,652	0.5	62,298	62,714	(0.7)
Others	1,878	1,452	29.3	12,895	11,480	12.3
Total	<u>61,789</u>	<u>60,055</u>	2.9	<u>528,073</u>	<u>502,923</u>	5.0
Total revenues:						
Residential	89,482	74,561	20.0	838,296	808,158	3.7
Commercial	131,814	110,179	19.6	1,108,061	1,070,238	3.5
Industrial	31,162	25,059	24.4	254,595	254,560	0.0
Others	10,638	8,026	32.5	79,616	74,992	6.2
Total	<u>263,096</u>	<u>217,825</u>	20.8	<u>2,280,568</u>	<u>2,207,948</u>	3.3

FEBRUARY						
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.82	5.96	(2.3)	5.57	5.71	(2.5)
Commercial	6.75	6.95	(2.9)	6.62	6.65	(0.5)
Industrial	4.83	4.56	5.9	4.70	4.50	4.4
Others	16.24	16.67	(2.6)	16.26	16.42	(1.0)
Total	6.44	6.50	(0.9)	6.20	6.22	(0.3)
Provisional rate:						
Residential	1.43	0.00	*	1.09	0.00	*
Commercial	1.39	0.00	*	1.14	0.00	*
Industrial	1.38	0.00	*	1.14	0.00	*
Others	1.28	0.00	*	1.12	0.00	*
Total	1.40	0.00	*	1.12	0.00	*
Fuel adjustment:						
Residential	10.00	5.96	67.8	8.17	8.67	(5.8)
Commercial	9.91	6.15	61.1	8.15	8.70	(6.3)
Industrial	8.99	5.32	69.0	7.48	7.78	(3.9)
Others	9.43	5.45	73.0	8.36	8.84	(5.4)
Total	9.80	5.95	64.7	8.08	8.57	(5.7)
Purchased power:						
Residential	5.47	4.82	13.5	4.68	4.46	4.9
Commercial	5.47	4.79	14.2	4.68	4.38	6.8
Industrial	4.98	4.35	14.5	4.31	4.02	7.2
Others	5.78	4.89	18.2	4.98	4.57	9.0
Total	5.41	4.74	14.1	4.64	4.36	6.4
Total revenues:						
Residential	22.72	16.74	35.7	19.51	18.84	3.6
Commercial	23.52	17.89	31.5	20.59	19.73	4.4
Industrial	20.18	14.23	41.8	17.63	16.30	8.2
Others	32.73	27.01	21.2	30.72	29.83	3.0
Total	23.05	17.19	34.1	20.04	19.15	4.6
3. Clients:						
Residential	1,337,086	1,328,227	0.7	1,334,734	1,326,622	0.6
Commercial	123,868	123,684	0.1	123,849	123,804	0.0
Industrial	625	636	(1.7)	627	642	(2.3)
Others	3,360	3,357	0.1	3,366	3,368	(0.1)
Total	<u>1,464,939</u>	<u>1,455,904</u>	0.6	<u>1,462,576</u>	<u>1,454,436</u>	0.6
4. Average kWh per client:						
Residential	295	335	(12.2)	3,219	3,234	(0.5)
Commercial	4,525	4,979	(9.1)	43,448	43,814	(0.8)
Industrial	247,045	276,879	(10.8)	2,302,858	2,432,897	(5.3)
Others	9,675	8,853	9.3	76,985	74,632	3.2
Total	779	870	(10.5)	7,781	7,926	(1.8)

*100% or over

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	FEBRUARY					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2016-17	2015-16	
kWh sales:						
Residential	8	10	(20.0)	92	87	5.7
Commercial	193,972	199,955	(3.0)	1,648,045	1,621,005	1.7
Industrial						
Others	29,584	28,980	2.1	235,909	234,651	0.5
Total	<u>223,564</u>	<u>228,945</u>	(2.4)	<u>1,884,046</u>	<u>1,855,743</u>	1.5
Basic revenues:						
Residential	-	1	*	5	4	25.0
Commercial	14,273	13,932	2.4	103,009	105,403	(2.3)
Industrial						
Others	5,063	5,001	1.2	40,034	40,310	(0.7)
Total	<u>19,336</u>	<u>18,934</u>	2.1	<u>143,048</u>	<u>145,717</u>	(1.8)
Provisional rate:						
Residential	-	-	-	1	-	*
Commercial	2,447	-	*	18,779	-	*
Industrial						
Others	387	-	*	2,650	-	*
Total	<u>2,834</u>	<u>-</u>	*	<u>21,430</u>	<u>-</u>	*
Fuel adjustment:						
Residential	1	1	-	8	8	-
Commercial	18,922	16,841	12.4	130,078	150,312	(13.5)
Industrial						
Others	2,997	2,235	34.1	19,702	21,293	(7.5)
Total	<u>21,920</u>	<u>19,077</u>	14.9	<u>149,788</u>	<u>171,613</u>	(12.7)
Purchased power:						
Residential	-	1	*	4	4	-
Commercial	9,486	9,282	2.2	72,687	69,821	4.1
Industrial						
Others	1,526	1,423	7.2	11,040	10,767	2.5
Total	<u>11,012</u>	<u>10,706</u>	2.9	<u>83,731</u>	<u>80,592</u>	3.9
Total revenues:						
Residential	1	3	(66.7)	18	16	12.5
Commercial	45,128	40,055	12.7	324,553	325,536	(0.3)
Industrial						
Others	9,973	8,659	15.2	73,426	72,370	1.5
Total	<u>55,102</u>	<u>48,717</u>	13.1	<u>397,997</u>	<u>397,922</u>	-
2. Service Agreements:						
Residential	14	14	-	16	14	14.3
Commercial	21,493	23,054	(6.8)	24,452	24,526	(0.3)
Industrial						
Others	2,929	2,909	0.7	3,265	3,109	5.0
Total	<u>24,436</u>	<u>25,977</u>	(5.9)	<u>27,733</u>	<u>27,649</u>	0.3

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

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	FEBRUARY 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	78.3	73.5	(6.1)	724.7	705.4	(2.7)
Fuel adjustment	58.1	111.9	92.6	545.7	919.6	68.5
Purchased power	73.2	61.8	(15.6)	602.4	528.1	(12.3)
Provisional rate	11.8	15.9	34.7	47.3	127.5	*
Revenues from sales	221.4	263.1	18.8	1,920.1	2,280.6	18.8
Other	(1.9)	(3.1)	63.2	(15.9)	(20.1)	26.4
Total revenues	219.5	260.0	18.5	1,904.2	2,260.5	18.7
Fuel	43.8	99.2	*	411.5	815.0	98.1
Purchased power	65.2	55.1	(15.5)	536.1	471.3	(12.1)
Other expenses	52.2	48.5	(7.1)	417.6	439.2	5.2
Total current expenses	161.2	202.8	25.8	1,365.2	1,725.5	26.4
1974 - sinking fund appropriations	17.7	55.7	*	141.5	430.3	*
Reserve Account						
Rate Stabilization Fund						
Interest on notes	3.3	4.0	21.2	26.4	35.1	33.0
Internal funds	20.3	0.0	*	224.5	0.8	(99.6)
Contribution to municipalities	4.1	(14.7)	*	34.6	(25.0)	*
Other appropriations	12.9	12.2	(5.4)	112.0	93.8	(16.3)
Total	219.5	260.0	18.5	1,904.2	2,260.5	18.7

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the fiscal year-to-date was due to higher cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than budgeted.
3. On July 24, 2016, the Energy Commission approved the provisional rate.
4. The other revenues for the fiscal year-to-date increased due to a higher non operating income than budgeted.
5. The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.
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 the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.

*100% or over

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

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	73.5	82.3	(10.7)	705.4	717.2	(1.6) ¹
Fuel adjustment	111.9	75.4	48.4	919.6	987.8	(6.9) ²
Purchased power	61.8	60.1	2.8	528.1	502.9	5.0 ³
Provisional rate	15.9	0.0	*	127.5	0.0	*
Revenues from sales	263.1	217.8	20.8	2,280.6	2,207.9	3.3 ⁴
Other	(3.1)	1.1	*	(20.1)	16.8	*
Total revenues	260.0	218.9	18.8	2,260.5	2,224.7	1.6 ¹
Fuel	99.2	66.7	48.7	815.0	876.0	(7.0) ²
Purchased power	55.1	54.0	2.0	471.3	449.2	4.9
Other expenses	48.5	49.0	(1.0)	439.2	432.9	1.5
Total current expenses	202.8	169.7	19.5	1,725.5	1,758.1	(1.9) ⁵
1974 - sinking fund appropriations	55.7	52.9	5.3	430.3	429.0	0.3
Reserve Account						
Rate Stabilization Fund						
Interest on notes	4.0	4.1	(2.4)	35.1	35.8	(2.0) ⁶
Internal funds				0.8	0.0	*
Contribution to municipalities	(14.7)	(10.5)	40.0	(25.0)	(21.9)	14.2 ⁷
Other appropriations	12.2	2.7	*	93.8	23.7	* ⁸
Total	260.0	218.9	18.8	2,260.5	2,224.7	1.6

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses increased for the fiscal year-to-date due to a higher availability from cogenerators than prior year.
3. On July 24, 2016, the Energy Commission approved the provisional rate, which it is an increase to all classes of clients by 1.299 cents per kWh.
4. The other revenues for the fiscal year-to-date decreased due to a lower non operating income than prior year.
5. The 1974 Sinking Fund appropriation for current fiscal year have been accrued but not paid nor transferred.
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 the fiscal year-to-date increased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.
8. Other appropriations for the fiscal year-to-date increased due a reclass of public lighting from Contribution to municipalities to other appropriation (subsidies) per Act 4-2016.

*100% or over

D. Notes Payable
(in thousand dollars)

FEBRUARY

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>4,789</u>	<u>0</u>
Available balance	<u>22,234</u>	<u>27,023</u>
Debt outstanding balance	4,789	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 balance	<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	Dec. 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

FEBRUARY 2017						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	1,606	(76.8)	55,490	42,810	(22.9)
Transmission	6,772	2,524	(62.7)	54,179	23,739	(56.2)
Distribution	6,161	5,474	(11.2)	49,290	29,789	(39.6)
Other	8,177	6,657	(18.6)	65,413	9,736	(85.1)
Total	<u>28,046</u>	<u>16,261</u>	(42.0)	<u>224,372</u>	<u>106,074</u>	(52.7)
Internal Funds****	20,319	0	*****	224,462	828	(99.6)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	72%	0%		100%	1%	
Contribution AID for Construction		26			983	

	<u>2017</u>	<u>2016</u>
F. Highest debt coverage as of February 28	0.95	1.06

G. REA Projects

	<u>Month</u>	<u>Fiscal Year-to-Date</u>
Total investment	\$2,507	\$32,863
Families served	1	11

*A minimum in the internal funds contribution of 25% has been recommended by the Consulting Engineers.

**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.

***Includes monthly overhead allocation.

****Please refer to note 6, page 8 for more information.

*****100% or Over

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	FEBRUARY		Increase (Decrease) %
	2017	2016	
General clients	849,308	840,025	1.1
Government (State and federal agencies and public corporations)	203,217	291,879	(30.4)
Total Accounts Receivable	1,052,525	1,131,904	(7.0)
Uncollectibles Reserve	(504,968)	(490,764)	2.9
Accounts Receivable after Reserve	547,557	641,140	(14.6)
Sales of electric energy (12 months)			
Revenues from sales	3,096,262	3,411,146	(9.2)
Indicators:			
A/R to Sales	17.7%	18.8%	(5.9)
Sales Days in A/R	65	69	(5.9)
Ratio of collections to sales:			
General clients:			
Sales	2,751,179	2,814,671	(2.3)
Collections	2,427,453	2,893,348	(16.1)
%Collection to Sales	88.2	102.8	(14.2)
Government:			
Sales net of municipalities, public lightning and exclusions	345,083	596,475	(42.1)
Collections	451,231	404,036	11.7
% Collection to Sales	130.8	67.7	93.0
Total:			
Sales net of municipalities, public lightning and exclusions	3,096,262	3,411,146	(9.2)
Collections	2,878,684	3,297,384	(12.7)
%Collection to Sales	93.0	96.7	(3.8)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	February 28 2017	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	409,432	353,841
Revenue fund	13	13
Working funds	1,100	1,033
Total cash and cash equivalents	<u>471,103</u>	<u>415,445</u>
Accounts receivable (Exhibit A)	1,742,276	1,676,390
Fuel oil inventory	112,264	71,473
Materials and supplies inventory	170,506	172,431
Prepayments and other (Exhibit B)	29,904	26,306
Total current assets	<u>2,526,053</u>	<u>2,362,045</u>
Non current receivables (Exhibit A)	<u>132,588</u>	<u>132,588</u>
Restricted Assets		
Cash held by trustees	-	(1,909)
Investments held by trustees		
Sinking funds - Interest	28	1,934
Non current restricted deposits held by trustees	8,027	8,024
Total investment held by trustees	<u>8,055</u>	<u>9,958</u>
Construction fund and other		
Construction fund	70,498	122,357
Investment held by REA	1,109	1,108
Reserve maintenance fund	16,122	16,083
Other restricted fund	5,120	5,116
Total construction fund and other	<u>92,849</u>	<u>144,664</u>
Total restricted assets	<u>100,904</u>	<u>152,713</u>
Utility Plant		
Electric plant in service	12,818,348	12,745,101
Less: accumulated depreciation	<u>7,316,179</u>	<u>7,076,126</u>
Net electric plant in service	5,502,169	5,668,975
Construction work in progress, including preliminary surveys of 16,876 and 16,876	821,348	783,637
Total utility plant	<u>6,323,517</u>	<u>6,452,612</u>
Deferred debits:		
Unamortized debt expense	(1,329)	(310)
Other	38,381	37,273
Total deferred debits	<u>37,052</u>	<u>36,963</u>
Total assets	<u>9,120,114</u>	<u>9,136,921</u>
Deferred outflows of resources	<u>113,076</u>	<u>120,648</u>
Total Assets and Deferred Outflows	<u>\$ 9,233,190</u>	<u>\$ 9,257,569</u>

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

	February 28 2017	June 30 2016
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 731,838	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,657,464	1,591,455
Customer deposits, including accrued interest	41,034	31,830
Total current liabilities	<u>2,430,336</u>	<u>2,355,123</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	248,528	234,394
Accrued interest payable on bonds and notes	88,875	11,881
Other current liabilities (Exhibit C)	43,289	44,203
Total current liabilities from restricted assets	<u>380,692</u>	<u>290,478</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (43,306) and (46,259)	8,178,379	8,202,235
Net pension liability	1,704,640	1,704,640
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,857	134,857
Customer deposits - noncurrent	171,396	171,396
Total noncurrent liabilities	<u>10,303,790</u>	<u>10,327,646</u>
Total liabilities	<u>13,114,818</u>	<u>12,973,247</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(3,947,574)</u>	<u>(3,781,624)</u>
Total Liabilities and Net Position	<u>\$ 9,233,190</u>	<u>\$ 9,257,569</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget February 2017	Actual February 2017	Actual February 2017
Operating revenues:			
Sales of electric energy	\$ 221,463	\$ 263,096	\$ 217,825
Total operating revenues	<u>221,463</u>	<u>263,096</u>	<u>217,825</u>
Other income	<u>(1,897)</u>	<u>(3,027)</u>	<u>1,082</u>
Total revenues	<u>219,566</u>	<u>260,069</u>	<u>218,907</u>
Expenses:			
Fuel cost	43,797	99,191	66,715
Purchased power	65,160	55,160	54,004
Other production	3,531	4,781	4,121
Transmission and distribution	10,978	10,514	9,938
Maintenance	14,298	12,793	11,884
Customer accounting and collection	8,342	8,250	7,332
Administrative and general	<u>15,050</u>	<u>12,155</u>	<u>15,718</u>
Subtotal expenses by function	161,156	202,844	169,712
Other post - employment benefits	-	-	653
Depreciation	29,742	30,533	30,876
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,858	39,934	38,319
Contribution to municipalities	4,114	6,271	16,138
Other appropriations	12,896	12,164	2,699
Bond discount and defeasance amortization	<u>-</u>	<u>136</u>	<u>399</u>
Total expenses	<u>219,766</u>	<u>291,882</u>	<u>258,796</u>
Contributed capital	<u>792</u>	<u>138</u>	<u>704</u>
Changes in net position	<u>\$ 592</u>	<u>\$ (31,675)</u>	<u>\$ (39,185)</u>

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

	FISCAL YEAR		
	Budget February 2017	Actual February 2017	Actual February 2016
Operating revenues:			
Sales of electric energy	\$ 1,920,081	\$ 2,280,568	\$ 2,207,948
Total operating revenues	1,920,081	2,280,568	2,207,948
Other income	(15,173)	(19,665)	17,435
Total revenues	1,904,908	2,260,903	2,225,383
Expenses:			
Fuel cost	411,477	814,979	875,990
Purchased power	536,124	471,314	449,234
Other production	28,251	37,063	37,954
Transmission and distribution	87,827	98,003	96,280
Maintenance	114,381	105,681	109,621
Customer accounting and collection	66,735	64,134	62,262
Administrative and general	120,403	134,296	126,718
Subtotal expenses by function	1,365,198	1,725,470	1,758,059
Other post - employment benefits	-	-	5,224
Depreciation	237,933	245,170	245,947
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	94,868	322,223	310,705
Contribution to municipalities	34,570	44,596	131,716
Other appropriations	112,027	93,834	23,685
Bond discount and defeasance amortization	-	632	5,754
Total expenses	1,844,596	2,431,925	2,481,090
Contributed capital	6,333	5,072	6,786
Changes in net position	\$ 66,645	\$ (165,950)	\$ (248,921)

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget February 2017	Actual February 2017	Actual February 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 221,463	\$ 263,096	\$ 217,825
Total operating revenues	221,463	263,096	217,825
Other income	(1,897)	(3,027)	1,082
Total revenues	219,566	260,069	218,907
Less: 1974 construction fund investment income and gain on sale of properties	84	31	32
Revenues - net	219,482	260,038	218,875
Current expenses:			
Fuel cost	43,797	99,191	66,715
Purchased power	65,160	55,160	54,004
Other production	3,531	4,781	4,121
Transmission and distribution	10,978	10,514	9,938
Maintenance	14,298	12,793	11,884
Customer accounting and collection	8,342	8,250	7,332
Administrative and general	15,050	12,155	15,718
Total current expenses	161,156	202,844	169,712
Net revenues (as defined)	58,326	57,194	49,163
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	34,267
Bond redemption account (1)	9,139	19,780	18,670
Interest on notes	3,306	4,046	4,052
Capital Improvements fund	20,319	-	-
Total contractual obligations	41,316	59,714	56,989
Balance	17,010	(2,520)	(7,826)
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,114	(14,684)	(10,525)
Other	12,896	12,164	2,699
Total provision for contribution and other	17,010	(2,520)	(7,826)
Remainder	\$ -	\$ -	\$ -

Footnotes:

(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.

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

	FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
	Budget February 2017	Actual February 2017	Actual February 2016	Budget June 2017	Actual February 2017	Actual February 2017
Revenues:						
Sales of electric energy (Exhibit D)	\$ 1,920,081	\$ 2,280,568	\$ 2,207,948	\$ 2,970,682	\$ 3,285,580	\$ 3,427,250
Total operating revenues	1,920,081	2,280,568	2,207,948	2,970,682	3,285,580	3,427,250
Other income	(15,173)	(19,665)	17,435	(22,759)	(13,018)	(6,626)
Total revenues	1,904,908	2,260,903	2,225,383	2,947,923	3,272,562	3,420,624
Less: 1974 construction fund investment income and gain on sale of properties	671	399	727	1,007	509	1,370
Revenues - net	1,904,237	2,260,504	2,224,656	2,946,916	3,272,053	3,419,254
Current expenses:						
Fuel cost	411,477	814,979	875,990	647,482	1,149,496	1,401,579
Purchased power	536,124	471,315	449,234	828,393	704,312	692,841
Other production	28,251	37,063	37,954	42,376	56,679	58,767
Transmission and distribution	87,827	98,003	96,280	131,741	150,075	148,106
Maintenance	114,381	105,681	109,621	171,571	157,870	170,083
Customer accounting and collection	66,735	64,134	62,262	100,103	95,211	95,139
Administrative and general	120,403	134,296	126,718	180,604	208,522	207,744
Total current expenses	1,365,198	1,725,471	1,758,059	2,102,270	2,522,165	2,774,259
Net revenues (as defined)	539,039	535,033	466,597	844,646	749,888	644,995
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	68,418	287,101	277,691	102,626	424,958	418,468
Int on Pow. Rev. Fund - CR Bal Serie RR	-	-	(23,220)	-	-	(38,699)
Bond redemption account (1)	73,112	143,152	174,555	109,669	217,830	246,024
Reserve Account Fund (1)	-	-	-	-	-	(236,785)
Rate Stabilization Account	-	-	-	-	-	17,282
Interest on notes	26,450	35,122	35,847	39,675	52,837	54,210
Capital Improvements fund	224,462	828	-	366,779	828	(46,133)
Total contractual obligations	392,442	466,203	464,873	618,749	696,453	414,367
Balance	146,597	68,830	1,724	225,897	53,435	230,628
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	34,570	(25,004)	(21,961)	51,784	(63,318)	190,712
Other	112,027	93,834	23,685	174,113	116,753	39,916
Total provision for contribution and other	146,597	68,830	1,724	225,897	53,435	230,628
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnotes:

(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)

	February 2017	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (996,714)	\$ (684,844)
Restricted for capital activity and debt service	(570,112)	(633,700)
Unrestricted	<u>(2,380,748)</u>	<u>(2,463,080)</u>
Total net position	<u>\$ (3,947,574)</u>	<u>\$ (3,781,624)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	February 2017	June 2016
Electric and related services:		
General clients	\$ 849,308	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	5,727	(14,191)
Unbilled services	164,874	167,574
Allowance for uncollectible accounts- General Client	<u>(446,471)</u>	<u>(434,755)</u>
Total General Clients	<u>573,438</u>	<u>548,034</u>
Government, including current and non current	1,313,476	1,249,267
Allowance for uncollectible accounts- Government	<u>(58,497)</u>	<u>(58,497)</u>
Total Government	1,254,979	1,190,770
Claims Receivable from Insurance Companies & Other	30,227	29,964
Advances to Irrigation Systems - net	6,778	9,095
Accrued interest	2,066	2,052
Other	<u>7,376</u>	<u>29,063</u>
Total Accounts Receivable	<u>1,874,864</u>	<u>1,808,978</u>
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,742,276</u></u>	<u><u>\$ 1,676,390</u></u>

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	February 2017	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	<u>29,551</u>	<u>25,953</u>
Total	<u>\$ 29,904</u>	<u>\$ 26,306</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	February 2017	June 2016
Accounts payable - fuel oil and other	\$ 499,115	\$ 530,072
Accrued annual leave	47,762	50,302
Accrued sick leave	(1,921)	4,682
Accrued salaries and fringe benefits	2,121	3,867
Accrued Contribution in Lieu of Taxes	1,090,799	977,388
Accrued Actuarial Retirement	2,192	2,193
Reserve for injuries and damages	5,967	4,557
Accrued Contributions Federal Social Security	807	-
Income tax withheld at source	372	-
Health plan	-	1,797
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	908	7,255
Sub total current liabilities	<u>1,657,464</u>	<u>1,591,455</u>
Other current payables from restricted assets		
Retention on Contract Work	5,954	5,672
Vouchered A/P construction	3,007	5,548
Contribution aid to construction	<u>34,328</u>	<u>32,983</u>
Total other current payables from restricted assets	<u>43,289</u>	<u>44,203</u>
Total current Liabilities	<u>1,700,753</u>	<u>1,635,658</u>
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	<u>134,857</u>	<u>134,857</u>
Total non current liabilities	<u>1,954,015</u>	<u>1,954,015</u>
Total accounts payables and non current liabilities	<u>\$ 3,654,767</u>	<u>\$ 3,589,673</u>

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

PUERTO RICO ELECTRIC POWER AUTHORITY
SALES OF ELECTRIC ENERGY
FEBRUARY 2017

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	Billed	MONTHLY Unbilled	Adjustment*	Total
Residential	1,337,086	1,337,086	454,597	314,516	(375,273)	393,840
Commercial	123,868	123,868	605,561	415,018	(460,116)	560,463
Industrial	625	625	163,715	109,950	(119,262)	154,403
Public lighting	2,166	2,166	27,341	13,377	(12,376)	28,342
Other public authorit	2	2	2,399	1,599	(1,703)	2,295
Agricultural	1,192	1,192	1,955	1,468	(1,553)	1,870
Subtotal	1,464,939	1,464,939	1,255,568	855,928	(970,283)	1,141,213
Fuel oil adjustment						
Purchased power						
Subtotal	1,464,939	1,464,939	1,255,568	855,928	(970,283)	1,141,213
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,464,939	1,464,939	1,255,568	855,928	(970,283)	1,141,213

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,334,734	4,296,761	286,071	3,219	6.66
Commercial	123,849	5,381,014	417,567	43,448	7.76
Industrial	627	1,443,892	84,208	2,302,858	5.84
Public lighting	2,171	218,822	42,466	100,793	19.41
Other public authorit	2	22,891	1,281	11,445,500	5.60
Agricultural	1,193	17,420	1,291	14,602	7.41
Subtotal	1,462,576	11,380,800	832,884	7,781	7.32
Fuel oil adjustment			919,334		8.08
Purchased Power			508,432		4.64
Subtotal	1,462,576	11,380,800	2,260,650	7,781	19.86
Unrecovered fuel oil cost-net			277		
Unrecovered purchased Power cost-net			19,641		
Total	1,462,576	11,380,800	2,280,568	7,781	20.04

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

FEBRUARY 2017

Exhibit D

Class of Service	REVENUES (in thousand \$)				Kwhrs. per Client	Cents per Kwhr. Sold
	Billed	MONTHLY Unbilled	Adjustment*	Total		
Residential	31,155	12,642	(15,268)	28,529	295	7.25
Commercial	48,022	27,267	(29,659)	45,630	4,525	8.14
Industrial	9,957	5,118	(5,492)	9,583	247,045	6.21
Public lighting	5,332	2,235	(2,164)	5,403	13,086	19.06
Other public authorities	146	76	(76)	146	1,148,146	6.36
Agricultural	151	79	(84)	146	1,569	7.81
Subtotal	94,763	47,417	(52,743)	89,437	779	7.84
Fuel oil adjustment	121,319	75,854	(75,983)	121,190		9.80
Purchased power	61,656	41,603	(48,353)	54,906		5.41
Subtotal	277,738	164,874	(177,079)	265,533	779	23.27
				(9,320)		
				6,883		
Total	277,738	164,874	(177,079)	263,096	779	23.05