



COMMONWEALTH OF PUERTO RICO
Puerto Rico Electric Power Authority

Juan F. Alicea Flores, P.E.
Executive Director

September 15, 2014

TO ALL SUPPLIERS

Dear supplier:

On August 14, 2014, was announced that the Puerto Rico Electric Power Authority's (PREPA) reached an agreement with its bondholders and creditors that will propend the corporation to be financially self-sufficient.

The terms of the aforementioned agreements provide access to funds that will allow the payment of PREPA's current expenses and capital improvements. Our creditors have also agreed to refrain from exercising the remedies available to them as a result of the credit downgrades and other events that have adversely affected the financial position of PREPA. Thus, we will have until March 31, 2015 to work towards restructuring the corporation to achieve the financial and operational objectives that will guarantee the continuity of electric service to the island.

These agreements are beneficial to our company and to our suppliers. Although these circumstances require a higher degree of care in the administration of our funds, the agreements provide PREPA with sufficient liquidity in order to continue payments to our suppliers.

PREPA's efforts to achieve stability, both economic and financial, shall continue and the agreements give us an additional boost. We have achieved our first target to appoint Lisa Donahue as Chief Restructuring Officer. Mrs. Donahue has an impressive background of collaboration with corporations in the power industry that have faced similar financial challenges, helping to achieve restructuring goals, and we are confident that she will help PREPA achieve its goals.

We appreciate your continued support and we want to express our ongoing commitment to provide updated information regarding our new goals and key objectives in the restructuring process. In the meantime, we are available to answer any questions that might arise during this process.

Cordially,

A handwritten signature in blue ink, appearing to read "Juan F. Alicea Flores".

Juan F. Alicea Flores
Executive Director

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