



ESTADO LIBRE ASOCIADO DE PUERTO RICO  
**Autoridad de Energía Eléctrica de Puerto Rico**

Ing. Miguel A. Cordero López  
Director Ejecutivo

March 10, 2009

Governing Board

Miguel A. Cordero López  
Executive Director

**OPERATIONS REPORT – JANUARY 2009**

Enclosed is the report on the operations of the Puerto Rico Electric Power Authority for January 2009.

Enclosure

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MONTHLY REPORT  
TO THE GOVERNING BOARD  
JANUARY 2009

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JANUARY		Increase (Decrease) %
	2008-09	2007-08	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,187,423	1,245,057	(4.6)
PREPA - Hydro	8,422	15,320	(45.0)
Purchased power - gas	263,581	263,527	
Purchased power - coal	332,514	332,946	(0.1)
Total	1,791,940	1,856,850	(3.5)
Fiscal year-to-date:			
PREPA - Steam and gas	9,200,815	10,027,089	(8.2)
PREPA - Hydro	117,713	93,394	26.0
Purchased power - gas	2,167,170	2,086,681	3.9
Purchased power - coal	2,103,272	2,168,303	(3.0)
Total	13,588,970	14,375,467	(5.5)
Twelve months:			
PREPA - Steam and gas	15,585,534	17,316,696	(10.0)
PREPA - Hydro	154,151	126,728	21.6
Purchased power - gas	3,731,278	3,462,488	7.8
Purchased power - coal	3,581,859	3,642,762	(1.7)
Total	23,052,822	24,548,674	(6.1)
2. Maximum hourly peak load (in MW)			
Month	2,953	3,016	(2.1)
Fiscal year-to-date	3,351	3,546	(5.5)
Twelve months	3,351	3,546	(5.5)
3. Sales (kWh in thousands)			
Month:			
Billed	1,443,119	1,578,304	(8.6)
Days billed	30.65	31.80	(3.6)
Fiscal year-to-date:			
Billed	11,192,955	11,946,899	(6.3)
Days billed	213.95	215.35	(0.7)
Twelve months:			
Billed	18,978,802	20,173,888	(5.9)
Days billed	365.0	366.0	(0.3)
4. System efficiency (%)			
Month	78.8	80.6	(2.2)
Fiscal year-to-date	82.0	82.0	(0.0)
Twelve months	82.2	82.0	0.2
5. Average cost per barrel (\$)			
Month	51.84	84.92	(39.0)
Fiscal year-to-date	91.52	77.34	18.3
Twelve months	93.02	70.76	31.5
6. kWh/Barrel			
Month	626.61	629.13	(0.4)
Fiscal year-to-date	622.05	595.33	4.5
Twelve months	615.86	593.53	3.8
7. Heat rate (BTU/kWh)			
Month	10,650	10,767	(1.1)
Fiscal year-to-date	10,706	10,872	(1.5)
Twelve months	10,802	10,857	(0.5)

\*Revised

8. Fuel consumption (in thousands)	2008-09		2007-08		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	1,779	86,308	1,759	143,644	1.1	(39.9)
Gas	116	11,917	220	24,445	(47.3)	(51.2)
Total	<u>1,895</u>	<u>98,225</u>	<u>1,979</u>	<u>168,089</u>	(4.2)	(41.6)
Fiscal year-to-date:						
Steam	12,329	1,005,703	12,604	888,326	(2.2)	13.2
Gas	2,462	347,891	4,239	414,338	(41.9)	(16.0)
Total	<u>14,791</u>	<u>1,353,594</u>	<u>16,843</u>	<u>1,302,664</u>	(12.2)	3.9
Twelve months:						
Steam	20,983	1,774,254	20,827	1,312,745	0.7	35.2
Gas	4,324	579,711	8,349	751,672	(48.2)	(22.9)
Total	<u>25,307</u>	<u>2,353,965</u>	<u>29,176</u>	<u>2,064,417</u>	(13.3)	14.0

JANUARY

	2009	2008	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	9.77	12.49	(21.8)
2. Disconnections for nonpayment per thousand clients	6.14	9.86	(37.7)
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.79	0.79	
2. Interruption duration index			
Average interruption time per clients served (minutes)	0.19	0.14	38.6
3. Clients per interruption	117	54	*
4. Time per interruption (minutes)	246	182	35.2

\* Over 100%

D. Personnel

		JANUARY		
		<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>
Management Conf. / Carr.	Reg.	2,819	2,782	37
	Temp.	67	40	27
U.T.I.E.R.	Reg.	5,106	5,094	12
	Temp.	70	190	(120)
	Emerg.			
U.I.T.I.C.E.	Reg.	961	950	11
	Temp.	44	12	32
U.E.P.I.	Reg.	376	380	(4)
	Temp.	17		17
U.P.A.E.E.	Reg.	6	6	
	Temp.			
Total		<u>9,466</u>	<u>9,454</u>	<u>12</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JANUARY					
	Month			Fiscal Year-to-Date		
	2009	2008	Increase (Decrease) %	2008-09	2007-08	Increase (Decrease) %
<b>kWh sales:</b>						
Residential	502,350	531,070	(5.4)	3,851,086	4,164,003	(7.5)
Commercial	644,407	666,494	(3.3)	5,087,358	5,192,614	(2.0)
Industrial	236,240	269,618	(12.4)	1,994,684	2,226,893	(10.4)
Others	29,928	29,027	3.1	212,895	207,769	2.5
Total	<u>1,412,925</u>	<u>1,496,209</u>	(5.6)	<u>11,146,023</u>	<u>11,791,279</u>	(5.5)
<b>Basic revenues:</b>						
Residential	23,823	26,289	(9.4)	185,025	204,470	(9.5)
Commercial	44,380	47,184	(5.9)	339,736	342,654	(0.9)
Industrial	10,294	11,844	(13.1)	83,779	97,054	(13.7)
Others	4,711	4,375	7.7	32,189	31,692	1.6
Total	<u>83,208</u>	<u>89,692</u>	(7.2)	<u>640,729</u>	<u>675,870</u>	(5.2)
<b>Fuel adjustment:</b>						
Residential	40,116	70,937	(43.4)	558,334	501,028	11.4
Commercial	51,600	83,405	(38.1)	691,083	591,557	16.8
Industrial	16,546	31,198	(47.0)	243,049	231,561	5.0
Others	2,718	3,555	(23.5)	30,277	24,767	22.2
Total	<u>110,980</u>	<u>189,095</u>	(41.3)	<u>1,522,743</u>	<u>1,348,913</u>	12.9
<b>Purchased power:</b>						
Residential	23,263	21,225	9.6	165,883	159,577	4.0
Commercial	28,169	24,753	13.8	205,297	186,843	9.9
Industrial	9,085	9,099	(0.2)	72,229	73,416	(1.6)
Others	1,391	1,099	26.6	8,802	7,660	14.9
Total	<u>61,908</u>	<u>56,176</u>	10.2	<u>452,211</u>	<u>427,496</u>	5.8
<b>Total revenues:</b>						
Residential	87,202	118,451	(26.4)	909,242	865,075	5.1
Commercial	124,149	155,342	(20.1)	1,236,116	1,121,054	10.3
Industrial	35,925	52,141	(31.1)	399,057	402,031	(0.7)
Others	8,820	9,029	(2.3)	71,268	64,119	11.1
Total	<u>256,096</u>	<u>334,963</u>	(23.5)	<u>2,615,683</u>	<u>2,452,279</u>	6.7

JANUARY						
	Month			Fiscal Year-to-Date		
	2009	2008	Increase (Decrease) %	2008-09	2007-08	Increase (Decrease) %
<b>2. Cents per kWh</b>						
Basic revenues:						
Residential	4.74	4.95	(4.2)	4.80	4.91	(2.2)
Commercial	6.89	7.08	(2.7)	6.68	6.60	1.2
Industrial	4.36	4.39	(0.7)	4.20	4.36	(3.7)
Others	15.74	15.07	4.4	15.12	15.25	(0.9)
Total	5.89	5.99	(1.7)	5.75	5.73	
Fuel adjustment:						
Residential	7.99	13.35	(40.1)	14.50	12.04	20.4
Commercial	8.01	12.52	(36.0)	13.58	11.39	19.2
Industrial	7.00	11.58	(39.6)	12.19	10.39	17.3
Others	9.08	12.25	(25.9)	14.23	11.92	19.4
Total	7.86	12.65	(37.9)	13.66	11.44	19.4
Purchased power:						
Residential	4.63	4.00	15.8	4.31	3.83	12.5
Commercial	4.37	3.71	17.8	4.04	3.60	12.2
Industrial	3.85	3.37	14.2	3.62	3.30	9.7
Others	4.65	3.79	22.7	4.13	3.69	11.9
Total	4.38	3.75	16.8	4.06	3.63	11.8
Total revenues:						
Residential	17.36	22.30	(22.2)	23.61	20.78	13.6
Commercial	19.27	23.31	(17.3)	24.30	21.59	12.6
Industrial	15.21	19.34	(21.4)	20.01	18.05	10.9
Others	29.47	31.11	(5.3)	33.48	30.86	8.5
Total	18.13	22.39	(19.0)	23.47	20.80	12.8
<b>3. Clients:</b>						
Residential	1,326,503	1,314,612	0.9	1,322,235	1,313,602	0.7
Commercial	129,516	130,172	(0.5)	129,810	130,198	(0.3)
Industrial*	844	1,512	(44.2)	942	1,532	(38.5)
Others	3,475	3,170	9.6	3,481	3,180	9.5
Total	<u>1,460,338</u>	<u>1,449,466</u>	0.8	<u>1,456,468</u>	<u>1,448,512</u>	0.5
<b>4. Average kWh per client:</b>						
Residential	379	404	(6.3)	2,913	3,170	(8.1)
Commercial	4,976	5,120	(2.8)	39,191	39,882	(1.7)
Industrial	279,905	178,319	57.0	2,117,499	1,453,586	45.7
Others	8,612	9,157	(5.9)	61,159	65,336	(6.4)
Total	968	1,032	(6.3)	7,653	8,140	(6.0)

\* The amount of industrial clients since August 2008 decreased due to 612 government accounts that changed from industrial tariff 311 to commercial tariff 211 that corresponds. These changes do not affect Kwh and the total sales amount.



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

JANUARY 2009						
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	87.3	83.2	(4.7)	671.6	640.7	(4.6)
Fuel adjustment	220.0	111.0	(49.5) <sup>1</sup>	1,658.5	1,522.7	(8.2)
Purchased power	49.9	61.9	24.0	409.1	452.2	10.5 <sup>2</sup>
Revenues from sales	357.2	256.1	(28.3)	2,739.2	2,615.7	(4.5)
Other	2.6	(1.7)	*	10.2	6.9	(32.4) <sup>3</sup>
Total revenues	<u>359.8</u>	<u>254.4</u>	(29.3) <sup>1</sup>	<u>2,749.4</u>	<u>2,622.6</u>	(4.6)
Fuel	194.8	98.2	(49.6)	1,469.5	1,353.6	(7.9)
Purchased power	44.4	55.2	24.3	364.1	403.7	10.9 <sup>2</sup>
Fuel Extra Expense Claimed						
Other expenses	63.7	59.8	(6.1)	446.2	492.8	10.4
Total current expenses	302.9	213.2	(29.6)	2,279.8	2,250.1	(1.3)
1974 - sinking fund appropriations	36.3	36.2	(0.3)	263.7	253.2	(4.0)
Reserve fund					(29.5)	
Interest on notes	1.7	3.2	88.2	11.9	20.4	71.4
Internal funds	2.6	(16.9)	*	42.0	(27.9)	* <sup>4</sup>
Contribution to municipalities	12.9	15.3	18.6 <sup>5</sup>	128.4	132.4	3.1
Other appropriations	3.4	3.4		23.6	23.9	1.3
Total	<u>359.8</u>	<u>254.4</u>	(29.3)	<u>2,749.4</u>	<u>2,622.6</u>	(4.6)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment revenues and fuel expense for the month was due to a lesser price per barrel of fuel oil than budgeted.
2. Purchased Power revenue and expense increased for the month and fiscal year -to-date due to a higher availability from cogenerators than budgeted.
3. Other revenues for the month and fiscal year-to-date decreased due to less market value of investments than budgeted.
4. Internal funds for the month and fiscal year decreased due to less available funds as compared to budgeted.
5. Contributions to municipalities for the month increased due to higher electric power consumption from municipalities as compared to budgeted.

\* Over 100%

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

	JANUARY					
	Month			Fiscal Year-to-Date		
	2009	2008	Increase (Decrease) %	2008-09	2007-08	Increase (Decrease) %
Basic charges	83.2	89.7	(7.2)	640.7	675.9	(5.2)
Fuel adjustment	111.0	189.1	(41.3)	1,522.7	1,348.9	12.9
Purchased power	61.9	56.2	10.1	452.2	427.5	5.8
Revenues from sales	256.1	335.0	(23.6)	2,615.7	2,452.3	6.7
Other	(1.7)	2.8	*	6.9	19.2	(64.1)
Total revenues	<u>254.4</u>	<u>337.8</u>	(24.7)	<u>2,622.6</u>	<u>2,471.5</u>	6.1
Fuel	98.2	168.1	(41.6)	1,353.6	1,302.7	3.9
Purchased power	55.2	53.1	4.0	403.7	376.7	7.2
Fuel Extra Expense Claimed		(2.9)			(96.3)	
Other expenses	<u>59.8</u>	<u>61.6</u>	(2.9)	<u>492.8</u>	<u>473.5</u>	4.1
Total current expenses	213.2	279.9	(23.8)	2,250.1	2,056.6	9.4
1974 - sinking fund appropriations	36.2	33.7	7.4	253.2	235.1	7.7
Reserve fund				(29.5)		
Interest on notes	3.2	3.6	(11.1)	20.4	24.4	(16.4)
Internal funds	(16.9)	(4.7)	*	(27.9)	20.9	*
Contribution to municipalities	15.3	21.3	(28.2)	132.4	112.3	17.9
Other appropriations	<u>3.4</u>	<u>4.0</u>	(15.0)	<u>23.9</u>	<u>22.2</u>	7.7
Total	<u>254.4</u>	<u>337.8</u>	32.8	<u>2,622.6</u>	<u>2,471.5</u>	(5.8)

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment revenues and fuel expenses for the fiscal year-to-date was due to higher price per barrel of fuel oil as compared to prior year.
2. Other revenues for the fiscal year-to-date decreased due to a less market value of investments than prior year.
3. Internal funds for the month and fiscal year-to-date decreased due to less available funds as compared to prior year.
4. Contribution to municipalities for the fiscal year-to-date increased due to a higher electric power consumption from municipalities as compared to prior year.
5. Other appropriations for the month decreased due to less funds assigned to residential clients' subsidy than prior year.

\* Over 100%

D. Notes Payable  
(in thousand dollars)

JANUARY

	<u>Construction Financing</u>		<u>Operational Financing</u>		
	2009	2008	2009	2008	
<p>1. Capital Improvement Program (JPM):</p> <p>Line of credit           200,000       200,000</p> <p>Amount received       <u>200,000</u>      <u>200,000</u></p> <p>Available balance       <u>0</u>             <u>0</u></p> <p>Debt outstanding balance   200,000       200,000</p> <p>Maturity Date           June 30, 2009</p>			<p>1. Residential Fuel Subsidy (BPPR):</p> <p>Line of credit           41,585        41,585</p> <p>Amount received       <u>41,585</u>      <u>41,585</u></p> <p>Available balance       <u>0</u>             <u>0</u></p> <p>Debt outstanding balance   21,741        26,934</p> <p>Maturity Date           November 30, 2013</p>		
<p>2. Infrastructure Municipalities Settlement Agreement (GDB):</p> <p>Line of credit           57,000        57,000</p> <p>Amount received       <u>56,961</u>      <u>56,961</u></p> <p>Available amount       <u>39</u>            <u>39</u></p> <p>Debt outstanding balance   56,961        56,961</p> <p>Maturity Date           June 30, 2009</p>			<p>2. Municipalities Settlement Agreement :</p> <p>Line of credit           64,208        64,208</p> <p>Amount received       <u>64,208</u>      <u>64,208</u></p> <p>Available balance       <u>0</u>             <u>0</u></p> <p>Debt outstanding balance   50,283        58,771</p> <p>Maturity Date           June 30, 2014</p>		
<p>3. Rehabilitation Isabela Damn (GDB):</p> <p>Line of credit           25,354        25,354</p> <p>Amount received       <u>10,239</u>      <u>10,239</u></p> <p>Available balance       <u>15,115</u>      <u>15,115</u></p> <p>Debt outstanding balance   6,104         6,104</p> <p>Maturity Date           June 30, 2009</p>			<p>3. Operational Financing (commercial banks) :</p> <p>Line of credit           200,000       200,000</p> <p>Amount received       <u>199,892</u>     <u>199,892</u></p> <p>Available balance       <u>108</u>          <u>108</u></p> <p>Debt outstanding balance   199,892       199,892</p> <p>Maturity Date           December 21, 2009</p>		
<p>4. Capital Improvement Program (Citibank) :</p> <p>Line of credit           400,000       400,000</p> <p>Amount received       <u>250,000</u>     <u>300,000</u></p> <p>Available balance       <u>150,000</u>     <u>100,000</u></p> <p>Debt outstanding balance   250,000       300,000</p> <p>Maturity Date           September 3, 2009</p>			<p>4. Fuel Financing (commercial banks) :</p> <p>Line of credit           275,000       175,000</p> <p>Amount received       <u>275,000</u>     <u>175,000</u></p> <p>Available amount       <u>0</u>             <u>0</u></p> <p>Debt outstanding balance   275,000       175,000</p> <p>Maturity Date           June 29, 2009</p>		
			<p>5. Palo Seco Financing (GDB):</p> <p>Line of credit           100,000       100,000</p> <p>Amount received       <u>100,000</u>     <u>100,000</u></p> <p>Available balance       <u>0</u>             <u>0</u></p> <p>Debt outstanding balance   50,000        50,000</p> <p>Maturity Date           June 30, 2009</p>		
			<p>6. Palo Seco Financing (BBVA) :</p> <p>Line of credit           100,000       100,000</p> <p>Amount received       <u>100,000</u>     <u>100,000</u></p> <p>Available balance       <u>0</u>             <u>0</u></p> <p>Debt outstanding balance   100,000       100,000</p> <p>Maturity Date           December 18, 2009</p>		
			<p>7. Basis Swap Collateral (GDB) :</p> <p>Line of credit           150,000</p> <p>Amount received       <u>74,798</u></p> <p>Available balance       <u>75,202</u>      <u>0</u></p> <p>Debt outstanding balance   74,798</p> <p>Maturity Date           December 31, 2009</p>		

E. Capital Improvements Program  
(in thousand dollars)

JANUARY 2009						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	15,444	7,937	(48.6)	108,108	150,792	39.5
Transmission	8,720	4,228	(51.5)	61,040	42,655	(30.1)
Distribution	6,707	5,168	(22.9)	46,949	56,627	20.6
Other	6,296	1,517	(75.9)	44,072	28,065	(36.3)
Undistributed Overhead		10,059			10,059	
<b>Total</b>	<b>37,167</b>	<b>28,909</b>	<b>(22.2)</b>	<b>260,169</b>	<b>288,198</b>	<b>10.8</b>
Internal Funds	2,583	(16,940)	****	42,004	(27,943)	****
Percentage of Internal Funds to Investment in Capital Improvements Programs*	7%	-59%		16%	-10%	
Contribution AID for Construction		559			7,018	

	2009	2008
F. Highest debt coverage as of January 31	1.34	1.55

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$48,389	\$187,221
Families served	8	41

\*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 quarterly overhead allocation.  
 \*\*\*\*Over 100%

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

	JANUARY		Increase (Decrease) %
	2009	2008	
General clients	591,323	598,941	(1.3)
Government	391,637	366,064	7.0
Subtotal	982,960	965,005	1.9
Plus:			
Subsidy (Act 106 of 1974)*	18,980	18,980	
Total adjusted accounts receivable	1,001,940	983,985	1.8
Sales of electric energy (12 months)			
Revenues from sales **	4,488,109	3,926,081	14.3
kWh (including subsidy)	18,956,333	20,136,030	(5.9)
Indicators:			
A. Ratio of accounts receivable to sales (%)	21.9	24.6	(10.9)
B. Ratio of accounts receivable to sales (%) (including subsidy)	22.2	24.9	(10.9)
C. Sales days in accounts receivable	80	90	(10.9)
D. Sales days in accounts receivable (including subsidy)	81	91	(10.9)
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	3,746,926	3,299,707	13.6
Collections	3,696,948	3,168,203	16.7
Percent	98.7	96.0	2.8
Government:			
Sales	741,183	626,374	18.3
Collections	759,520	566,749	34.0
Percent	102.5	90.5	13.3
Percent of total sales	99.3	95.1	4.4

\* The residential clients' subsidy is paid by the Commonwealth Government in annual installments of \$6.3 millions.

\*\* Excludes residential clients' subsidy 12 months January 2009, \$25,811 and January 2008, \$24,949.

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BALANCE SHEETS

ASSETS  
(in thousands)

	January 31 2009	June 30 2008
Current assets:		
Cash and cash equivalents		
General fund	\$ (51,191) *	\$ 30,396
Revenue fund	10	10
Working funds	1,417	1,777
Total cash and cash equivalents	(49,764)	32,183
Accounts receivable (Exhibit A)	1,014,097	1,147,453
Fuel oil inventory	209,667	212,026
Materials and supplies inventory	202,876	192,554
Prepayments and other (Exhibit B)	12,051	435
Total current assets	1,388,927	1,584,651
Non current receivables (Exhibit A)	101,734	101,734
Restricted Assets		
Cash held by trustees		281,624
Investments held by trustees		
Sinking funds - interest	62,198	
Sinking funds - principal	100,813	
Non current restricted deposits held by trustees	316,938	338,918
Total investment held by trustees	479,949	338,918
Construction fund and other		
Construction fund	171,634 *	566,341
Investment held by REA	927	924
Reserve maintenance fund	572	569
Other restricted fund	75,320	
Total construction fund and other	248,453	567,834
Total restricted assets	728,402	1,188,376
Utility Plant		
Electric plant in service	8,044,609	7,953,175
Less: accumulated depreciation	4,527,520	4,358,457
Net electric plant in service	3,517,089	3,594,718
Construction work in progress, including preliminary surveys of \$20,763 and \$21,566	2,749,290	2,551,239
Total utility plant	6,266,379	6,145,957
Other Properties		
Deferred debits:		
Unamortized debt expense	66,135	68,462
Other	81,638	84,779
Total deferred debits	147,773	153,241
Total assets	\$ 8,633,215	\$ 9,173,959

\* Construction fund is \$118,301 in accordance with Treasury Records. Also, there are transactions in the General Fund pending to be properly classified.

BALANCE SHEETS

LIABILITIES  
(in thousands)

	January 31 2009	June 30 2008
Liabilities and net assets		
Current Liabilities		
Notes payable to banks	\$ 765,088	\$ 652,159
Accounts payable and accrued liabilities (Exhibit C)	696,026	851,385
Customer deposits, including accrued interest	169,150	164,475
Total current liabilities	1,630,264	1,668,019
Current liabilities payable from restricted assets		
Current portion of long-term debt	168,933	327,242
Accrued interest payable on bonds and notes	54,229	137,497
Other current liabilities (Exhibit C)	85,589	79,769
Total current liabilities from restricted assets	308,751	544,508
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of \$22,306 and \$37,118	5,835,323	5,835,745
Notes payable	519,691	669,691
Non current portion, accounts payable and accrued sick leave	418,119	313,007
Total noncurrent liabilities	6,773,133	6,818,443
Total liabilities	8,712,148	9,030,970
Net assets	(78,933)	142,989
Total liabilities and net assets	\$ 8,633,215	\$ 9,173,959



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

	MONTH		
	Budget January 2009	Actual January 2009	Actual January 2008
Operating revenues:			
Sales of electric energy	\$ 357,170	\$ 256,096	\$ 334,963
Rural electrification	2	2	2
Total operating revenues	357,172	256,098	334,965
Other income	3,787	(1,487)	3,239
Total revenues	360,959	254,611	338,204
Expenses:			
Fuel cost	194,795	98,226	168,089
Purchased power	44,411	55,221	53,078
Fuel extra expenses claimed			(2,894)
Other production	4,975	4,923	1,663
Transmission and distribution	11,678	12,154	13,466
Maintenance	20,556	17,496	16,411
Customer accounting and collection	9,433	8,341	9,917
Administrative and general	16,807	16,563	19,880
Interest charges	290	342	333
Subtotal expenses by function	302,945	213,266	279,943
Other Post employment benefits	19,016	15,016	
Depreciation	24,901	25,467	24,416
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	24,565	25,224	22,079
Contribution to municipalities	11,216	11,216	15,852
Other appropriations	3,386	3,351	4,050
Bond Discount and Defeasance Amortization	1,159	1,159	1,177
Total expenses	387,188	294,699	347,517
Contributed capital	3,973	769	196
Changes in net assets	\$ (22,256)	\$ (39,319)	\$ (9,117)

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

	FISCAL YEAR		
	Budget 2008-2009	Actual 2008-2009	Actual 2007-2008
Operating revenues:			
Sales of electric energy	\$ 2,739,161	\$ 2,615,683	\$ 2,452,279
Rural electrification	14	14	14
Total operating revenues	2,739,175	2,615,697	2,452,293
Other income	18,484	10,788	26,064
Total revenues	2,757,659	2,626,485	2,478,357
Expenses:			
Fuel cost	1,469,489	1,353,594	1,302,664
Purchased power	364,063	403,726	376,704
Fuel extra expenses claimed		-	(96,273)
Other production	34,800	38,658	33,661
Transmission and distribution	81,825	103,685	97,263
Maintenance	144,100	146,173	152,822
Customer accounting and collection	66,041	69,278	65,719
Administrative and general	117,377	132,617	121,743
Interest charges	2,030	2,357	2,290
Subtotal expenses by function	2,279,725	2,250,088	2,056,593
Other post employment benefits	133,112	105,112	
Depreciation	174,307	176,755	168,570
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	171,955	176,255	156,483
Contribution to municipalities	116,545	118,112	104,907
Other appropriations	23,590	23,868	22,186
Bond discount and defeasance amortization	8,113	8,110	8,236
Total expenses	2,907,347	2,858,300	2,516,975
Contributed capital	27,811	9,892	17,882
Changes in net assets	\$ (121,877)	\$ (221,923)	\$ (20,736)

STATEMENTS OF REVENUES AND EXPENSES FOR REVENUE FUND  
PURPOSES PER TRUST AGREEMENT

JANUARY  
(in thousands)

	MONTH		
	Budget January 2009	Actual January 2009	Actual January 2008
<b>Revenues:</b>			
Sales of electric energy (Exhibit D)	\$ 357,170	\$ 256,096	\$ 334,963
Rural electrification	2	2	2
Total operating revenues	357,172	256,098	334,965
Other income	7,760	(718)	3,435
Total revenues	364,932	255,380	338,400
Less: 1974 construction fund investment income and gain on sale of properties	5,154	971	601
Revenues - net	359,778	254,409	337,799
<b>Current expenses:</b>			
Fuel cost	194,795	98,226	168,089
Purchased power	44,411	55,221	53,078
Fuel extra expense claimed	-	-	(2,894)
Other production	4,975	4,923	1,663
Transmission and distribution	11,678	12,154	13,466
Maintenance	20,556	17,496	16,411
Customer accounting and collection	9,433	8,341	9,917
Administrative and general	16,807	16,563	19,880
Interest charges	290	342	333
Total current expenses	302,945	213,266	279,943
Net revenues (as defined)	56,833	41,143	57,856
<b>Contractual obligations:</b>			
Sinking fund appropriations -			
Interest on power revenue bonds	21,833	21,832	19,873
Bond redemption account	14,421	14,421	13,709
Reserve Account Fund			
Reserve maintenance fund	-	-	
Self Insurance Fund	-	-	
Interest on notes	1,699	3,199	3,611
Capital Improvements fund	2,583	(16,940)	(4,676)
Total contractual obligations	40,536	22,512	32,517
Balance	16,297	18,631	25,339
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	12,911	15,280	21,289
Other	3,386	3,351	4,050
Total provision for contribution and other	16,297	18,631	25,339
Remainder	\$	\$	\$

STATEMENTS OF REVENUES AND EXPENSES FOR REVENUE FUND  
PURPOSES PER TRUST AGREEMENT

JANUARY  
(in thousands)

FISCAL YEAR TO DATE			TWELVE MONTHS ENDED		
Budget January 2009	Actual January 2009	Actual January 2008	Budget June 2009	Actual January 2009	Actual January 2008
\$ 2,739,161	\$ 2,615,683	\$ 2,452,279	\$ 4,521,036	\$ 4,513,919	\$ 3,951,030
14	14	14	19	26	48
2,739,175	2,615,697	2,452,293	4,521,055	4,513,945	3,951,078
46,295	20,680	43,946	80,275	41,594	73,982
2,785,470	2,636,377	2,496,239	4,601,330	4,555,539	4,025,060
36,078	13,742	24,729	61,842	34,916	60,469
2,749,392	2,622,635	2,471,510	4,539,488	4,520,623	3,964,591
1,469,489	1,353,594	1,302,664	2,372,066	2,353,966	2,064,416
364,063	403,726	376,704	635,077	688,119	635,548
	-	(96,273)		-	(210,534)
34,800	38,658	33,661	59,674	62,504	55,796
81,825	103,685	97,263	140,215	178,007	161,967
144,100	146,173	152,822	246,879	241,757	260,154
66,041	69,278	65,719	113,202	121,755	113,698
117,377	132,617	121,743	201,410	231,427	209,730
2,030	2,357	2,290	3,476	4,030	1,474
2,279,725	2,250,088	2,056,593	3,771,999	3,881,565	3,292,249
469,667	372,547	414,917	767,489	639,058	672,342
152,837	152,322	139,120	262,002	268,795	245,403
100,935	100,936	95,949	173,040	169,479	178,272
	(29,523)			(29,523)	
5,000	-		5,000	(20,438)	-
5,000	-		10,000		-
11,893	20,458	24,385	20,385	40,364	44,972
42,004	(27,943)	20,931	59,565	(37,474)	20,187
317,669	216,250	280,385	529,992	391,203	488,834
151,998	156,297	134,532	237,497	247,855	183,508
128,408	132,429	112,346	198,338	208,396	145,458
23,590	23,868	22,186	39,159	39,459	38,050
151,998	156,297	134,532	237,497	247,855	183,508
\$	\$	\$	\$	\$	\$

STATEMENT OF NET ASSETS

January 2009  
(in thousands)

	January 2009	June 2008
Net Assets		
Invested in utility plant, net related debt	\$ (118,916)	\$ 27,065
Restricted for capital activity and debt service	445,364	307,663
Unrestricted	(405,381)	(191,739)
Balance at month ended	\$ (78,933)	\$ 142,989

ACCOUNTS RECEIVABLE

(in thousands)

Exhibit A

	January 31 2009	June 30 2008
Electric and related services:		
Government	\$ 302,556	\$ 268,176
General clients	526,201	611,773
Recoveries under fuel adjustment and purchase power clause under or (over) billed	84,610	5,487
Unbilled services	135,818	230,578
Commonwealth Government subsidy for certain residential clients	6,327	6,327
Allowance for uncollectible accounts	(155,306)	(143,756)
Claims Receivable from Insurance Companies & Other	109,887	167,733
Advances to Irrigation Systems - net	(3,548)	(5,818)
Other subsidies receivable from Commonwealth Government	3	
Accrued interest	3,426	2,773
Other	4,123	4,180
Total	<u>\$ 1,014,097</u>	<u>\$ 1,147,453</u>

NON-CURRENT RECEIVABLES

Government	\$ 89,081	\$ 89,081
Government subsidy for certain residential clients	12,653	12,653
Total	<u>\$ 101,734</u>	<u>\$ 101,734</u>

PREPAYMENTS AND OTHER

(in thousands)

Exhibit B

	January 31 2009	June 30 2008
Prepayments and other	\$ 12,051	\$ 435
Total	\$ 12,051	\$ 435

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

Exhibit C

	January 2009	June 2008
Accounts payable - fuel oil and other	\$ 455,042	\$ 630,505
Payable to Employees Retirement System	2,312	186
Accrued annual leave	59,528	57,396
Accrued sick leave	40,580	32,111
Accrued salaries and fringe benefits	1,231	15,737
Accrued Contribution in Lieu of Taxes	41,664	40,613
Reserve for injuries and damages	20,512	22,373
Accrued Contributions Federal Social Security	3,333	126
Income tax withheld at source	938	455
Health plan	16,298	20,125
Pension & Benefits Deferred Employer Contribution	13,246	13,246
Other	41,342	18,512
Sub total current liabilities	696,026	851,385
Other current payables from restricted assets		
Retention on Contract Work	\$ 26,783	\$ 26,642
Vouchered A/P construction	34,921	31,788
Contribution aid to construction	23,885	21,339
Total other current payables from restricted assets	85,589	79,769
Total current Liabilities	\$ 781,615	\$ 931,154
NON-CURRENT LIABILITIES		
Accrued sick leave	\$ 123,515	\$ 123,515
Pension & Benefits Deferred Employer Contribution	294,604	
Total non current liabilities	\$ 418,119	\$ 123,515
Total accounts payables and non current liabilities	\$ 1,199,734	\$ 1,054,669



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SALES OF ELECTRIC ENERGY

JANUARY 2009

Exhibit D

Class of Service	CLIENTS			KWHRS (in thousands)					
	Billed	Unbilled	Total	MONTHLY			BIMONTHLY		
				Billed	Unbilled	Adjustment*	Unbilled	Adjustment*	Total
Residential	1,202,416	124,087	1,326,503	504,072	261,391	(266,414)	48,175	(14,357)	532,867
Commercial	120,739	8,777	129,516	661,102	342,809	(360,227)	27,872	(17,305)	654,251
Industrial	844		844	248,126	128,637	(140,523)			236,240
Public lighting	1,994	154	2,148	23,218	12,049	(11,580)	745	(709)	23,723
Other public authorities	4		4	4,343	2,246	(2,426)			4,163
Agricultural	973	350	1,323	2,258	1,196	(1,252)	1,217	(828)	2,591
Subtotal	1,326,970	133,368	1,460,338	1,443,119	748,328	(782,422)	78,009	(33,199)	1,453,835
Fuel oil adjustment									
Purchased power									
Subtotal	1,326,970	133,368	1,460,338	1,443,119	748,328	(782,422)	78,009	(33,199)	1,453,835
Unrecovered fuel oil cost-net									
Unrecovered purchased power cost-net									
Total	1,326,970	133,368	1,460,338	1,443,119	748,328	(782,422)	78,009	(33,199)	1,453,835

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,322,235	3,881,603	185,025	2,936	4.77
Commercial	129,810	5,097,202	339,736	39,267	6.67
Industrial	942	1,994,684	83,779	2,117,499	4.20
Public lighting	2,147	161,868	29,688	75,393	18.34
Other public authorities	4	34,386	1,619	8,596,500	4.71
Agricultural	1,330	17,189	881	12,924	5.13
Subtotal	1,456,468	11,186,932	640,728	7,681	5.73
Fuel oil adjustment			1,435,764		13.61
Purchased Power			460,068		4.04
Subtotal	1,456,468	11,186,932	2,536,560	7,681	22.67
Unrecovered fuel oil cost-net			86,980		
Unrecovered purchased Power cost-net			(7,857)		
Total	1,456,468	11,186,932	2,615,683	7,681	23.38

\*Unbilled previous month.

SALES OF ELECTRIC ENERGY

JANUARY 2009

Exhibit D

REVENUES (in thousand \$)						Kwhrs. per Client	Cents per Kwhr. Sold
MONTHLY				BIMONTHLY			
Billed	Unbilled	Discount	Adjustment*	Unbilled	Total		
25,429	13,208	(12)	(13,508)	(1,294)	23,823	402	4.47
45,533	23,582		(24,147)	(588)	44,380	5,052	6.78
11,511	5,980	(616)	(6,581)		10,294	279,905	4.36
4,278	2,197		(2,026)	(22)	4,427	11,044	18.66
190	97		(106)		181	1,040,750	4.35
149	79		(81)	(44)	103	1,958	3.98
87,090	45,143	(628)	(46,449)	(1,948)	83,208	996	5.72
101,495	48,232		(59,954)	320	90,093		7.64
58,199	31,432		(31,513)	424	58,542		4.26
246,784	124,807	(628)	(137,916)	(1,204)	231,843	996	15.95
					20,888		
					3,365		
<u>246,784</u>	<u>124,807</u>	<u>(628)</u>	<u>(137,916)</u>	<u>(1,204)</u>	<u>256,096</u>	996	17.62