




COMMONWEALTH OF PUERTO RICO
Puerto Rico Electric Power Authority

Miguel A. Cordero López, P.E.
Executive Director

August 10, 2009

Governing Board


Miguel A. Cordero López
Executive Director

OPERATIONS REPORT – JUNE 2009

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

Enclosure

MONTHLY REPORT
TO THE GOVERNING BOARD
JUNE 2009

CONTENTS

	<u>PAGE</u>
Highlights.....	1 - 10
Balance Sheet.....	12 - 13
Statements of Income	14 - 15
Statements of Revenues and Expenses for Revenue Fund Purposes Per Trust Agreement.....	16 - 17
Statement of Net Assets.....	18
Cash and Investments.....	19
Statement of Funds	20 - 23
Construction Funds.....	24 - 25
Cash and Investments Transactions	26 - 27
Accounts Receivable (Exhibit A)	28
Prepayments and Other (Exhibit B).....	29
Accounts Payable and Accrued Liabilities (Exhibit C)	30
Sales of Electric Energy (Exhibit D)	32 - 33

PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JUNE		Increase (Decrease) %
	2008-09	2007-08	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,424,301	1,426,682	(0.2)
PREPA - Hydro	13,418	7,876	70.4
Purchased power - gas	333,398	347,682	(4.1)
Purchased power - coal	189,973	232,297	(18.2)
Total	1,961,090	2,014,537	(2.7)
Fiscal year-to-date:			
PREPA - Steam and gas	15,816,894	16,410,821	(3.6)
PREPA - Hydro	170,331	129,831	31.2
Purchased power - gas	3,290,550	3,650,789	(9.9)
Purchased power - coal	3,373,152	3,646,890	(7.5)
Total	22,650,927	23,838,331	(5.0)
2. Maximum hourly peak load (in MW)			
Month	3,203	3,302	(3.0)
Fiscal year	3,351	3,546	(5.5)
3. Sales (kWh in thousands)			
Month:			
Billed	1,560,737	1,634,430	(4.5)
Days billed	30.55	30.05	1.7
Fiscal year:			
Billed	18,579,263	19,732,747	(5.8)
Days billed	365	366	(0.3)
4. System efficiency (%)			
Month	79.6	82.0	(3.0)
Fiscal year	81.7	82.2	(0.6)
5. Average cost per barrel (\$)			
Month	61.61	113.77	(45.9)
Fiscal year	76.23	84.18	(9.4)
6. kWh/Barrel			
Month	645.65	598.19	7.9
Fiscal year	628.05	599.83	4.7
7. Heat rate (BTU/kWh)			
Month	10,372	11,087	(6.4)
Fiscal year	10,613	10,971	(3.3)

8. Fuel consumption (in thousands)	2008-09		2007-08		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
	Month:					
Steam	1,925	112,403	1,743	184,394	10.4	(39.0)
Gas	281	23,500	642	86,970	(56.2)	(73.0)
Total	<u>2,206</u>	<u>135,903</u>	<u>2,385</u>	<u>271,364</u>	(7.5)	(49.9)
Fiscal year:						
Steam	21,570	1,473,120	21,258	1,656,878	1.5	(11.1)
Gas	3,614	446,669	6,101	646,158	(40.8)	(30.9)
Total	<u>25,184</u>	<u>1,919,789</u>	<u>27,359</u>	<u>2,303,036</u>	(7.9)	(16.6)

JUNE

	2009	2008	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	10.20	9.48	7.6
2. Disconnections for nonpayment per thousand clients	6.22	8.17	(23.8)
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.06	0.07	(14.3)
2. Interruption duration index			
Average interruption time per clients served (minutes)	11.75	8.84	32.9
3. Clients per interruption	63	81	(22.2)
4. Time per interruption (minutes)	284	124	129.7

D. Personnel

		JUNE		
		2009	2008	Increase (Decrease)
Management Conf. / Carr.	Reg.	2,789	2,808	(19)
	Temp.	14	45	(31)
U.T.I.E.R.	Reg.	5,049	5,110	(61)
	Temp.	6	94	(88)
	Emerg.			
U.I.T.I.C.E.	Reg.	951	942	9
	Temp.	8	35	(27)
U.E.P.I.	Reg.	389	379	10
	Temp.	4	10	(6)
U.P.A.E.E.	Reg.	6	6	
	Temp.			
Total		<u>9,216</u>	<u>9,429</u>	<u>(213)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JUNE					
	Month			Fiscal Year-to-Date		
	2009	2008	Increase (Decrease) %	2008-09	2007-08	Increase (Decrease) %
kWh sales:						
Residential	569,718	579,002	(1.6)	6,367,561	6,757,205	(5.8)
Commercial	709,621	742,540	(4.4)	8,498,118	8,743,528	(2.8)
Industrial	261,797	299,803	(12.7)	3,288,597	3,742,533	(12.1)
Others	19,272	31,207	(38.2)	361,499	358,323	0.9
Total	<u>1,560,408</u>	<u>1,652,552</u>	(5.6)	<u>18,515,775</u>	<u>19,601,589</u>	(5.5)
Basic revenues:						
Residential	27,779	28,009	(0.8)	308,274	329,729	(6.5)
Commercial	46,998	49,644	(5.3)	569,484	584,956	(2.6)
Industrial	11,446	12,680	(9.7)	139,441	162,256	(14.1)
Others	2,592	4,573	(43.3)	54,767	54,594	0.3
Total	<u>88,815</u>	<u>94,906</u>	(6.4)	<u>1,071,966</u>	<u>1,131,535</u>	(5.3)
Fuel adjustment:						
Residential	59,358	111,987	(47.0)	791,686	897,387	(11.8)
Commercial	68,817	136,631	(49.6)	983,819	1,099,640	(10.5)
Industrial	23,208	51,384	(54.8)	343,108	429,124	(20.0)
Others	1,790	5,742	(68.8)	42,992	47,076	(8.7)
Total	<u>153,173</u>	<u>305,744</u>	(49.9)	<u>2,161,605</u>	<u>2,473,227</u>	(12.6)
Purchased power:						
Residential	24,441	24,489	(0.2)	274,384	271,460	1.1
Commercial	29,214	29,269	(0.2)	343,719	330,779	3.9
Industrial	9,814	10,907	(10.0)	119,436	129,532	(7.8)
Others	911	1,228	(25.8)	15,071	13,982	7.8
Total	<u>64,380</u>	<u>65,893</u>	(2.3)	<u>752,610</u>	<u>745,753</u>	0.9
Total revenues:						
Residential	111,578	164,485	(32.2)	1,374,344	1,498,576	(8.3)
Commercial	145,029	215,544	(32.7)	1,897,022	2,015,375	(5.9)
Industrial	44,468	74,971	(40.7)	601,985	720,912	(16.5)
Others	5,293	11,543	(54.1)	112,830	115,652	(2.4)
Total	<u>306,368</u>	<u>466,543</u>	(34.3)	<u>3,986,181</u>	<u>4,350,515</u>	(8.4)

JUNE						
Month			Fiscal Year-to-Date			
	2009	2008	Increase (Decrease) %	2008-09	2007-08	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	4.88	4.84	0.8	4.84	4.88	(0.8)
Commercial	6.62	6.69	(1.0)	6.70	6.69	0.1
Industrial	4.37	4.23	3.3	4.24	4.34	(2.3)
Others	13.45	14.65	(8.2)	15.15	15.24	(0.6)
Total	5.69	5.74	(0.9)	5.79	5.77	0.3
Fuel adjustment:						
Residential	10.41	19.34	(46.2)	12.43	13.28	(6.4)
Commercial	9.70	18.40	(47.3)	11.58	12.58	(7.9)
Industrial	8.87	17.14	(48.2)	10.44	11.46	(8.9)
Others	9.28	18.40	(49.6)	11.89	13.14	(9.5)
Total	9.81	18.50	(47.0)	11.68	12.62	(7.4)
Purchased power:						
Residential	4.29	4.23	1.4	4.31	4.02	7.2
Commercial	4.12	3.94	4.6	4.04	3.78	6.9
Industrial	3.75	3.64	3.0	3.63	3.46	4.9
Others	4.73	3.94	20.1	4.17	3.90	6.9
Total	4.13	3.99	3.5	4.06	3.80	6.8
Total revenues:						
Residential	19.58	28.41	(31.1)	21.58	22.18	(2.7)
Commercial	20.44	29.03	(29.6)	22.32	23.05	(3.2)
Industrial	16.99	25.01	(32.1)	18.31	19.26	(4.9)
Others	27.46	36.99	(25.8)	31.21	32.28	(3.3)
Total	19.63	28.23	(30.5)	21.53	22.19	(3.0)
3. Clients:						
Residential	1,329,884	1,317,597	0.9	1,324,752	1,314,454	0.8
Commercial	128,940	129,487	(0.4)	129,492	130,011	(0.4)
Industrial*	833	1,473	(43.4)	898	1,514	(40.7)
Others	3,577	3,459	3.4	3,494	3,232	8.1
Total	<u>1,463,234</u>	<u>1,452,016</u>	0.8	<u>1,458,636</u>	<u>1,449,211</u>	0.7
4. Average kWh per client:						
Residential	428	439	(2.5)	4,807	5,141	(6.5)
Commercial	5,503	5,734	(4.0)	65,627	67,252	(2.4)
Industrial*	314,282	203,532	54.4	3,662,135	2,471,950	48.1
Others	5,388	9,022	(40.3)	103,463	110,867	(6.7)
Total	1,066	1,138	(6.3)	12,694	13,526	(6.1)

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

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

	JUNE 2009					
	Month			Fiscal Year-to-Date		
	Amended Budget	Actual	Increase (Decrease) %	Amended Budget	Actual	Increase (Decrease) %
Basic charges	91.1	88.8	(2.5)	1,070.6	1,072.0	0.1
Fuel adjustment	112.0	153.2	36.8	2,084.1	2,161.6	3.7
Purchased power	<u>64.9</u>	<u>64.4</u>	(0.8)	<u>754.6</u>	<u>752.6</u>	(0.3)
Revenues from sales	268.0	306.4	14.3	3,909.3	3,986.2	2.0
Other	<u>2.3</u>	<u>3.2</u>	39.1	<u>9.3</u>	<u>16.6</u>	78.5
Total revenues	<u>270.3</u>	<u>309.6</u>	14.5	<u>3,918.6</u>	<u>4,002.8</u>	2.1
Fuel	98.9	135.9	37.4	1,848.3	1,919.8	3.9
Purchased power	57.3	57.5	0.3	670.9	671.8	0.1
Fuel extra expense claimed						
Other expenses	<u>63.5</u>	<u>54.1</u>	(14.8)	<u>764.8</u>	<u>788.9</u>	3.2
Total current expenses	219.7	247.5	12.7	3,284.0	3,380.5	2.9
1974 - sinking fund appropriations	36.2	36.3	0.3	405.5	405.1	(0.1)
Reserve Maintenance Fund	0.0	5.0		5.0	5.0	0.0
Self Insurance Fund	2.5	10.0	300.0	10.0	10.0	0.0
Interest on notes	2.9	(0.8)	(127.6)	34.9	28.4	(18.6)
Internal funds	0.0	(0.8)		0.0	0.0	
Contribution to municipalities	5.3	10.5	98.1	137.2	131.7	(4.0)
Other appropriations	<u>3.7</u>	<u>1.9</u>	(48.6)	<u>42.0</u>	<u>42.1</u>	0.2
Total	<u>270.3</u>	<u>309.6</u>	14.5	<u>3,918.6</u>	<u>4,002.8</u>	2.1

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment revenues and fuel expense for the month was due to a higher price per barrel of fuel oil than budgeted.
2. Other revenues for the month and fiscal year-to-date increased due to a higher market value of investments than budgeted.
3. Other expenses for the month decreased due to less operation and maintenance expenses than budgeted.
4. Interest on notes for the month and fiscal year-to-date decreased due to an adjustment of an overaccrual of the accrued interest account, resulting from the sharp decrease in the interest yield (LIBOR), as compared to the amended budget.
5. Contributions to municipalities for the month increased due to more electric power consumption from municipalities as compared to the amended budget.
6. Other appropriations for the month decreased due to less funds assigned to residential clients' subsidy than budgeted.

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

	JUNE					
	Month			Fiscal Year-to-Date		
	2009	2008	Increase (Decrease) %	2008-09	2007-08	Increase (Decrease) %
Basic charges	88.8	95.0	(6.5)	1,072.0	1,131.5	(5.3)
Fuel adjustment	153.2	305.7	(49.9)	2,161.6	2,473.2	(12.6) ¹
Purchased power	<u>64.4</u>	<u>65.8</u>	(2.1)	<u>752.6</u>	<u>745.8</u>	0.9
Revenues from sales	306.4	466.5	(34.3)	3,986.2	4,350.5	(8.4)
Other	<u>3.2</u>	<u>(3.8)</u>	(184.2)	<u>16.6</u>	<u>19.0</u>	(12.6) ²
Total revenues	<u>309.6</u>	<u>462.7</u>	(33.1)	<u>4,002.8</u>	<u>4,369.5</u>	(8.4)
Fuel	135.9	271.4	(49.9)	1,919.8	2,303.0	(16.6) ¹
Purchased power	57.5	58.8	(2.2)	671.8	661.1	1.6
Fuel extra expense claimed					(96.3)	(100.0)
Other expenses	<u>54.1</u>	<u>79.1</u>	(31.6) ³	<u>788.9</u>	<u>820.3</u>	(3.8)
Total current expenses	247.5	409.3	(39.5)	3,380.5	3,688.1	(8.3)
1974 - sinking fund appropriations	36.3	38.7	(6.2)	405.1	420.1	(3.6)
Reserve Maintenance Fund	5.0	0.0		5.0	0.0	
Self Insurance Fund	10.0	0.0		10.0	(20.4)	(149.0)
Interest on notes	(0.8)	6.4	(112.5)	28.4	44.3	(35.9)
Internal funds	(0.8)	0.1	(900.0)	0.0	11.4	(100.0) ⁴
Contribution to municipalities	10.5	4.5	133.3	131.7	188.3	(30.1) ⁵
Other appropriations	<u>1.9</u>	<u>3.7</u>	(48.6)	<u>42.1</u>	<u>37.7</u>	11.7 ⁶
Total	<u>309.6</u>	<u>462.7</u>	(33.1)	<u>4,002.8</u>	<u>4,369.5</u>	(8.4)

EXPLANATION OF MAJOR VARIATIONS

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

D. Notes Payable
(in thousand dollars)

JUNE

<u>Construction Financing</u>			<u>Operational Financing</u>		
	<u>2009</u>	<u>2008</u>		<u>2009</u>	<u>2008</u>
1. Capital Improvement Program (JPM):			1. Residential Fuel Subsidy (BPPR):		
Line of credit	200,000	200,000	Line of credit	41,585	41,585
Amount received	<u>200,000</u>	<u>200,000</u>	Amount received	<u>41,585</u>	<u>41,585</u>
Available balance	<u>0</u>	<u>0</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	200,000	200,000	Debt outstanding balance	21,741	26,934
Maturity Date	July 31, 2010		Maturity Date	November 30, 2013	
2. Infrastructure Municipalities Settlement Agreement (GDB):			2. Municipalities Settlement Agreement :		
Line of credit	57,000	57,000	Line of credit	64,208	64,208
Amount received	<u>56,961</u>	<u>56,961</u>	Amount received	<u>64,208</u>	<u>64,208</u>
Available amount	<u>39</u>	<u>39</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	56,961	56,961	Debt outstanding balance	48,058	56,958
Maturity Date	June 30, 2010		Maturity Date	June 30, 2014	
3. Rehabilitation Isabela Dam (GDB):			3. Operational Financing (commercial banks) :		
Line of credit	25,354	25,354	Line of credit	200,000	200,000
Amount received	<u>10,239</u>	<u>10,239</u>	Amount received	<u>199,892</u>	<u>199,892</u>
Available balance	<u>15,115</u>	<u>15,115</u>	Available balance	<u>108</u>	<u>108</u>
Debt outstanding balance	6,104	6,104	Debt outstanding balance	199,892	199,892
Maturity Date	June 30, 2010		Maturity Date	June 30, 2010	
4. Capital Improvement Program (Citibank) :			4. Fuel Financing (commercial banks) :		
Line of credit	400,000	400,000	Line of credit	275,000	225,000
Amount received	<u>250,000</u>	<u>400,000</u>	Amount received	<u>275,000</u>	<u>225,000</u>
Available balance	<u>150,000</u>	<u>0</u>	Available amount	<u>0</u>	<u>0</u>
Debt outstanding balance	250,000	400,000	Debt outstanding balance	275,000	225,000
Maturity Date	September 3, 2009		Maturity Date	June 29, 2010	
5. Emergency Liquidity Support			5. Palo Seco Financing (GDB):		
Line of credit	96,000		Line of credit	100,000	100,000
Amount received	<u>48,000</u>		Amount received	<u>100,000</u>	<u>100,000</u>
Available balance	<u>48,000</u>		Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	48,000		Debt outstanding balance	50,000	50,000
Maturity Date	June 30, 2011		Maturity Date	June 30, 2010	
			6. Palo Seco Financing (BBVA) :		
			Line of credit	100,000	100,000
			Amount received	<u>100,000</u>	<u>100,000</u>
			Available balance	<u>0</u>	<u>0</u>
			Debt outstanding balance	50,000	100,000
			Maturity Date	December 18, 2009	
			7. Basis Swap Collateral (GDB) :		
			Line of credit	150,000	
			Amount received	<u>11,622</u>	
			Available balance	<u>138,378</u>	
			Debt outstanding balance	11,622	
			Maturity Date	December 31, 2009	

E. Capital Improvements Program
(in thousand dollars)

JUNE 2009						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	15,444	36,337	135.3	185,328	247,514	33.6
Transmission	8,718	32,124	268.5	104,638	93,381	(10.8)
Distribution	6,712	7,594	13.1	80,489	105,028	30.5
Other	6,295	4,140	(34.2)	75,551	37,063	(50.9)
Undistributed Overhead		(12,555)			0	
Total	<u>37,169</u>	<u>67,640</u>	82.0	<u>446,006</u>	<u>482,986</u>	8.3
Internal Funds	0	(0.8)		0	0	
Percentage of Internal Funds to Investment in Capital Improvements Programs*	0%	0%		0%	0%	
Contribution AID for Construction		1,823			15,564	

	2009	2008
F. Highest debt coverage as of June 30	1.30	1.46

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$23,547	\$275,884
Families served	6	65

*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.

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

	JUNE		Increase (Decrease) %
	2009	2008	
General clients	546,334	704,082	(22.4)
Government	487,314	357,257	36.4
Subtotal	<u>1,033,648</u>	<u>1,061,339</u>	(2.6)
Plus:			
Subsidy (Act 106 of 1974)*	<u>18,980</u>	<u>18,980</u>	
Total adjusted accounts receivable	<u><u>1,052,628</u></u>	<u><u>1,080,319</u></u>	(2.6)
Sales of electric energy (12 months)			
Revenues from sales **	3,955,601	4,326,216	(8.6)
kWh (including subsidy)	18,515,775	19,601,589	(5.5)
Indicators:			
A. Ratio of accounts receivable to sales (%)	26.1	24.5	6.5
B. Ratio of accounts receivable to sales (%) (including subsidy)	26.4	24.8	6.3
C. Sales days in accounts receivable	95	90	6.2
D. Sales days in accounts receivable (including subsidy)	96	91	6.1
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	3,271,755	3,640,878	(10.1)
Collections	3,402,056	3,391,224	0.3
Percent	104.0	93.1	11.6
Government:			
Sales	683,846	685,338	(0.2)
Collections	606,284	690,951	(12.3)
Percent	88.7	100.8	(12.1)
Percent of total sales	101.3	94.4	7.4

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

** Excludes residential clients' subsidy of \$30,579 and \$24,299, for the 12 months ended June 2009 and June 2008, respectively.

This page intentionally left blank.

BALANCE SHEETS

ASSETS
(in thousands)

	June 30 2009	June 30 2008
Current assets:		
Cash and cash equivalents		
General fund	\$ 45,627	\$ 30,396
Revenue fund	3,170	10
Working funds	1,048	1,777
Total cash and cash equivalents	49,845	32,183
Accounts receivable (Exhibit A)	1,003,981	1,147,453
Fuel oil inventory	210,262	212,026
Materials and supplies inventory	200,084	192,554
Prepayments and other (Exhibit B)	(685)	435
Total current assets	1,463,487	1,584,651
Non current receivables (Exhibit A)	101,734	101,734
Restricted Assets		
Cash held by trustees	304,480	281,624
Investments held by trustees		
Sinking funds - interest	-	
Sinking funds - principal	-	
Non current restricted deposits held by trustees	329,625	338,918
Total investment held by trustees	329,625	338,918
Construction fund and other		
Construction fund	27,519	566,341
Investment held by REA	921	924
Reserve maintenance fund	5,573	569
Other restricted fund	200	
Total construction fund and other	34,213	567,834
Total restricted assets	668,318	1,188,376
Utility Plant		
Electric plant in service	9,295,282	7,953,175
Less: accumulated depreciation	4,618,524	4,358,457
Net electric plant in service	4,676,758	3,594,718
Construction work in progress, including preliminary surveys of \$21,228 and \$21,004	1,665,184	2,551,239
Total utility plant	6,341,942	6,145,957
Other Properties		
Deferred debits:		
Unamortized debt expense	64,476	68,462
Other	80,030	84,779
Total deferred debits	144,506	153,241
Total assets	\$ 8,719,987	\$ 9,173,959

BALANCE SHEETS

LIABILITIES
(in thousands)

	June 30 2009	June 30 2008
Liabilities and net assets		
Current Liabilities		
Notes payable to banks	\$ 606,996	\$ 652,159
Accounts payable and accrued liabilities (Exhibit C)	837,154	851,385
Customer deposits, including accrued interest	169,992	164,475
Total current liabilities	1,614,142	1,668,019
Current liabilities payable from restricted assets		
Current portion of long-term debt	346,080	327,242
Accrued interest payable on bonds and notes	145,159	137,497
Other current liabilities (Exhibit C)	100,498	79,769
Total current liabilities from restricted assets	591,737	544,508
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of and	5,662,305	5,835,745
Notes payable	610,382	669,691
Non current portion, accounts payable and accrued sick leave	123,515	123,515
Accrued Unfunded OPEB	134,176	189,492
Total noncurrent liabilities	6,530,378	6,818,443
Total liabilities	8,736,258	9,030,970
Net assets	(16,270)	142,989
Total liabilities and net assets	\$ 8,719,987	\$ 9,173,959

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

June
(in thousands)

	MONTH		
	Budget June 2009	Actual June 2009	Actual June 2008
Operating revenues:			
Sales of electric energy	\$ 267,954	\$ 306,367	\$ 466,543
Rural electrification	1	1	4
Total operating revenues	267,955	306,368	466,547
Other income	3,966	3,213	(3,848)
Total revenues	271,921	309,581	462,699
Expenses:			
Fuel cost	98,899	135,918	271,364
Purchased power	57,273	57,495	58,821
Fuel extra expenses claimed	-	-	-
Other production	4,971	2,689	6,124
Transmission and distribution	11,677	11,665	18,466
Maintenance	20,557	13,105	21,077
Customer accounting and collection	9,432	7,671	12,867
Administrative and general	16,594	19,864	20,278
Interest charges	286	(863)	336
Subtotal expenses by function	219,689	247,544	409,333
Other Post employment benefits	15,016	(220,492)	189,493
Depreciation	25,522	24,275	24,677
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	25,552	28,138	49,993
Contribution to municipalities	11,269	13,335	19,227
Other appropriations	3,656	1,922	3,709
Bond Discount and Defeasance Amortization	881	1,159	1,181
Total expenses	301,585	95,881	697,613
Contributed capital	581	1,823	2,369
Changes in net assets	\$ (29,083)	\$ 215,523	\$ (232,545)

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

June
(in thousands)

	FISCAL YEAR		
	Budget 2008-2009	Actual 2008-2009	Actual 2007-2008
Operating revenues:			
Sales of electric energy	\$ 3,909,283	\$ 3,986,180	\$ 4,350,515
Rural electrification	19	19	26
Total operating revenues	3,909,302	3,986,199	4,350,541
Other income	25,368	21,334	25,879
Total revenues	3,934,670	4,007,533	4,376,420
Expenses:			
Fuel cost	1,848,270	1,919,789	2,303,036
Purchased power	670,914	671,849	661,097
Fuel extra expenses claimed	-	-	(96,273)
Other production	59,672	62,439	57,507
Transmission and distribution	140,213	162,665	171,585
Maintenance	246,880	227,493	248,406
Customer accounting and collection	113,203	111,273	118,196
Administrative and general	201,411	222,237	220,553
Interest charges	3,476	2,819	3,963
Subtotal expenses by function	3,284,039	3,380,564	3,688,070
Other post employment benefits	180,192	(55,316)	189,492
Depreciation	304,370	301,914	291,630
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	299,267	311,533	294,182
Contribution to municipalities	181,249	187,686	187,364
Other appropriations	41,972	42,070	37,778
Bond discount and defeasance amortization	12,796	13,905	14,124
Total expenses	4,303,885	4,182,356	4,702,639
Contributed capital	13,910	15,564	38,982
Changes in net assets	\$ (355,305)	\$ (159,259)	\$ (287,238)

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

June
(in thousands)

	MONTH		
	Budget June 2009	Actual June 2009	Actual June 2008
Revenues:			
Sales of electric energy (Exhibit D)	\$ 267,954	\$ 306,367	\$ 466,543
Rural electrification	1	1	4
Total operating revenues	267,955	306,368	466,547
Other income	4,549	5,036	(1,479)
Total revenues	272,504	311,404	465,068
Less: 1974 construction fund investment income and gain on sale of properties	2,233	1,824	2,376
Revenues - net	270,271	309,580	462,692
Current expenses:			
Fuel cost	98,899	135,918	271,364
Purchased power	57,273	57,495	58,821
Fuel extra expense claimed	-	-	-
Other production	4,971	2,689	6,124
Transmission and distribution	11,677	11,665	18,466
Maintenance	20,557	13,105	21,077
Customer accounting and collection	9,432	7,671	12,867
Administrative and general	16,594	19,864	20,278
Interest charges	286	(863)	336
Total current expenses	219,689	247,544	409,333
Net revenues (as defined)	50,582	62,036	53,359
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds	21,833	21,832	25,031
Bond redemption account	14,421	14,421	13,709
Reserve Account Fund	-	-	-
Reserve maintenance fund	-	5,000	-
Self Insurance Fund	2,500	10,000	-
Interest on notes	2,907	(823)	6,452
Capital Improvements fund	-	(780)	(68)
Total contractual obligations	41,661	49,650	45,124
Balance	8,921	12,386	8,235
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	5,265	10,464	4,526
Other	3,656	1,922	3,709
Total provision for contribution and other	8,921	12,386	8,235
Remainder	\$ 0	\$ 0	\$ 0

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

JUNE
(in thousands)

	FISCAL YEAR		
	Budget June 2009	Actual June 2009	Actual June 2008
Revenues:			
Sales of electric energy (Exhibit D)	\$ 3,909,283	\$ 3,986,180	\$ 4,350,515
Rural electrification	19	19	26
Total operating revenues	<u>3,909,302</u>	<u>3,986,199</u>	<u>4,350,541</u>
Other income	39,278	36,898	64,861
Total revenues	<u>3,948,580</u>	<u>4,023,097</u>	<u>4,415,402</u>
Less: 1974 construction fund investment income and gain on sale of properties	<u>29,966</u>	<u>20,287</u>	<u>45,903</u>
Revenues - net	<u>3,918,614</u>	<u>4,002,810</u>	<u>4,369,499</u>
Current expenses:			
Fuel cost	1,848,270	1,919,789	2,303,036
Purchased power	670,914	671,849	661,097
Fuel extra expense claimed		0	(96,273)
Other production	59,672	62,439	57,507
Transmission and distribution	140,213	162,665	171,585
Maintenance	246,880	227,493	248,406
Customer accounting and collection	113,203	111,273	118,196
Administrative and general	201,411	222,237	220,553
Interest charges	3,476	2,819	3,963
Total current expenses	<u>3,284,039</u>	<u>3,380,564</u>	<u>3,688,070</u>
Net revenues (as defined)	<u>634,575</u>	<u>622,246</u>	<u>681,429</u>
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds	262,002	261,485	255,593
Bond redemption power revenue bonds	173,040	173,040	164,492
Reserve	(29,522)	(29,522)	0
Self Insurance Fund	5,000	5,000	(20,438)
Reserve maintenance fund	10,000	10,000	0
Interest on notes	34,880	28,434	44,291
Internal funds	0	0	11,400
Total contractual obligations	<u>455,400</u>	<u>448,437</u>	<u>455,338</u>
Balance	<u>179,175</u>	<u>173,809</u>	<u>226,090</u>
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	137,203	131,739	188,313
Other	41,972	42,070	37,777
Total provision for contribution and other	<u>179,175</u>	<u>173,809</u>	<u>226,090</u>
Remainder	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATEMENT OF NET ASSETS

Jun 2009
(in thousands)

	Jun 2009	June 2008
Net Assets		
Invested in utility plant, net related debt	\$ (5,245)	\$ 27,065
Restricted for capital activity and debt service	121,481	307,663
Unrestricted	<u>(132,506)</u>	<u>(191,739)</u>
Balance at month ended	<u>\$ (16,270)</u>	<u>\$ 142,989</u>

ACCOUNTS RECEIVABLE

(in thousands)

Exhibit A

	June 30 2009	June 30 2008
Electric and related services:		
Government	\$ 398,234	\$ 268,176
General clients	533,960	611,773
Recoveries under fuel adjustment and purchase power clause under or (over) billed	25,189	5,487
Unbilled services	150,741	230,578
Commonwealth Government subsidy for certain residential clients	6,327	6,327
Allowance for uncollectible accounts	(163,556)	(143,756)
Claims Receivable from Insurance Companies & Other	51,229	167,733
Advances to Irrigation Systems - net	(5,570)	(5,818)
Other subsidies receivable from Commonwealth Government	0	
Accrued interest	3,336	2,773
Other	4,091	4,180
Total	\$ 1,003,981	\$ 1,147,453

NON-CURRENT RECEIVABLES

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

PREPAYMENTS AND OTHER

(in thousands)

Exhibit B

	Jun 30 2009	June 30 2008
Prepayments and other	\$ (685)	\$ 435
Total	<u>\$ (685)</u>	<u>\$ 435</u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

Exhibit C

	June 2009	June 2008
Accounts payable - fuel oil and other	\$ 538,920	\$ 630,505
Payable to Employees Retirement System	1,323	186
Accrued annual leave	57,374	57,396
Accrued sick leave	38,778	32,111
Accrued salaries and fringe benefits	11,962	15,737
Accrued Contribution in Lieu of Taxes	102,591	40,613
Reserve for injuries and damages	22,000	22,373
Accrued Contributions Federal Social Security	3,069	126
Income tax withheld at source	348	455
Health plan	23,406	20,125
Pension & Benefits Deferred Employer Contribution	13,246	13,246
Other	24,137	18,512
	<u>837,154</u>	<u>851,385</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	\$ 20,794	\$ 26,642
Vouchered A/P construction	57,108	31,788
Contribution aid to construction	22,595	21,339
	<u>100,498</u>	<u>79,769</u>
Total other current payables from restricted assets		
Total current Liabilities	<u>\$ 937,652</u>	<u>\$ 931,154</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	\$ 123,515	\$ 123,515
	<u>123,515</u>	<u>123,515</u>
Total non current liabilities	<u>\$ 123,515</u>	<u>\$ 123,515</u>
Total accounts payables and non current liabilities	<u><u>\$ 1,061,167</u></u>	<u><u>\$ 1,054,669</u></u>

This page intentionally left blank.

SALES OF ELECTRIC ENERGY

JUNE 2009

Exhibit D

Class of Service	CLIENTS			KWHRS (in thousands)					
	Billed	Unbilled	Total	MONTHLY			BIMONTHLY		
				Billed	Unbilled	Adjustment*	Unbilled	Adjustment*	Total
Residential	1,228,737	101,147	1,329,884	557,498	264,442	(247,594)	10,396	(15,023)	569,719
Commercial	121,622	7,318	128,940	713,176	338,252	(340,911)	16,492	(17,387)	709,622
Industrial	833		833	264,631	125,558	(128,393)			261,796
Public lighting	2,097	173	2,270	17,810	8,440	(14,781)	719	(648)	11,540
Other public authorities	4		4	5,007	2,369	(2,206)			5,170
Agricultural	1,036	267	1,303	2,615	1,259	(1,471)	943	(786)	2,560
Subtotal	1,354,329	108,905	1,463,234	1,560,737	740,320	(735,356)	28,550	(33,844)	1,560,407
Fuel oil adjustment									
Purchased power									
Subtotal	1,354,329	108,905	1,463,234	1,560,737	740,320	(735,356)	28,550	(33,844)	1,560,407
Unrecovered fuel oil cost-net									
Unrecovered purchased power cost-net									
Total	1,354,329	108,905	1,463,234	1,560,737	740,320	(735,356)	28,550	(33,844)	1,560,407

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs (thousands)	Revenue (thousand \$)	Kwhrs per Client	Cents per Kwhr. Sold
Residential	1,324,752	6,367,561	308,274	4,807	4.84
Commercial	129,491	8,498,118	569,484	65,627	6.70
Industrial	898	3,288,597	139,441	3,662,135	4.24
Public lighting	2,168	273,691	50,556	126,241	18.47
Other public authorities	4	57,285	2,582	14,321,250	4.51
Agricultural	1,322	30,523	1,630	23,089	5.34
Subtotal	1,458,635	18,515,775	1,071,967	12,694	5.79
Fuel oil adjustment			2,141,554		11.67
Purchased Power			752,958		4.06
Subtotal	1,458,635	18,515,775	3,966,479	12,694	21.42
Unrecovered fuel oil cost-net			20,050		
Unrecovered purchased Power cost-net			(348)		
Total	1,458,635	18,515,775	3,986,181	12,694	21.53

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

JUNE 2009

Exhibit D

REVENUES (in thousand \$)							
MONTHLY				BIMONTHLY		Kwhrs per Client	Cents per Kwhr. Sold
Billed	Unbilled	Discount	Adjustment*	Unbilled	Total		
27,895	13,272	(14)	(12,543)	(831)	27,779	428	4.88
47,746	22,604		(23,221)	(132)	46,997	5,504	6.62
12,184	5,790	(595)	(5,933)		11,446	314,281	4.37
3,362	1,568		(2,687)	2	2,245	5,084	19.45
204	98		(97)		205	1,292,500	3.96
159	73		(88)	(1)	143	1,965	5.56
91,550	43,405	(609)	(44,569)	(962)	88,815	1,066	5.69
164,144	68,127		(53,628)	244	178,887		9.82
56,264	29,590		(32,282)	69	53,641		4.13
311,958	141,122	(609)	(130,479)	(649)	321,343	1,066	20.59
					(25,714)		
					10,739		
<u>311,958</u>	<u>141,122</u>	<u>(609)</u>	<u>(130,479)</u>	<u>(649)</u>	<u>306,368</u>	1,066	19.63