
MONTHLY REPORT
TO THE GOVERNING BOARD
AUGUST 2010

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I. OPERATIONS HIGHLIGHTS

A. Production

	AUGUST		Increase (Decrease) %
	2010-11	2009-10	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,407,004	1,409,001	(0.1)
PREPA - Hydro	14,798	6,569	*
Purchased power - gas	356,431	348,464	2.3
Purchased power - coal	329,165	333,693	(1.4)
Total	2,107,398	2,097,727	0.5
Fiscal year-to-date:			
PREPA - Steam and gas	2,769,554	2,848,947	(2.8)
PREPA - Hydro	28,081	12,820	*
Purchased power - gas	695,839	712,520	(2.3)
Purchased power - coal	646,184	598,712	7.9
Total	4,139,658	4,172,999	(0.8)
Twelve months:			
PREPA - Steam and gas	16,459,557	15,834,264	3.9
PREPA - Hydro	148,952	166,515	(10.5)
Purchased power - gas	3,651,869	3,290,680	11.0
Purchased power - coal	3,285,782	3,376,677	(2.7)
Total	23,546,160	22,668,136	3.9
2. Maximum hourly peak load (in MW)			
Month	3,406	3,404	0.1
Fiscal year-to-date	3,406	3,404	0.1
Twelve months	3,406	3,404	0.1
3. Sales (kWh in thousands)			
Month:			
Billed	1,653,456	1,657,043	(0.2)
Days billed	30.35	30.35	
Fiscal year-to-date:			
Billed	3,262,880	3,270,371	(0.2)
Days billed	60.55	60.40	0.2
Twelve months:			
Billed	19,185,348	18,500,600	3.7
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	80.3	81.2	(1.1)
Fiscal year-to-date	80.2	81.7	(1.7)
Twelve months	81.3	81.7	(0.5)
5. Average cost per barrel (\$)			
Month	80.23	67.86	18.2
Fiscal year-to-date	79.01	66.69	18.5
Twelve months	78.65	65.93	19.3
6. kWh/Barrel			
Month	638.10	634.40	0.6
Fiscal year-to-date	633.04	635.93	(0.5)
Twelve months	630.32	631.93	(0.3)
7. Heat rate (BTU/kWh)			
Month	10,476	10,565	(0.8)
Fiscal year-to-date	10,590	10,532	0.6
Twelve months	10,507	10,534	(0.3)

*Over 100%.

8. Fuel consumption (in thousands)	2010-11		2009-10		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	1,983	155,423	1,899	123,241	4.4	26.1
Gas	222	21,445	322	27,521	(31.1)	(22.1)
Total	<u>2,205</u>	<u>176,868</u>	<u>2,221</u>	<u>150,762</u>	(0.7)	17.3
Fiscal year-to-date:						
Steam	4,000	309,478	3,744	236,570	6.8	30.8
Gas	375	36,228	736	62,179	(49.0)	(41.7)
Total	<u>4,375</u>	<u>345,706</u>	<u>4,480</u>	<u>298,749</u>	(2.3)	15.7
Twelve months:						
Steam	23,277	1,786,342	21,716	1,308,319	7.2	36.5
Gas	2,836	267,546	3,341	343,651	(15.1)	(22.1)
Total	<u>26,113</u>	<u>2,053,888</u>	<u>25,057</u>	<u>1,651,970</u>	4.2	24.3

AUGUST

	2010	2009	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	8.17	9.87	(17.2)
2. Disconnections for nonpayment per thousand clients	7.52	7.38	1.9
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.05	0.06	(16.7)
2. Interruption duration index			
Average interruption time per clients served (minutes)	8.28	8.76 *	(5.5)
3. Clients per interruption	54	70	(22.9)
4. Time per interruption (minutes)	251	209 *	20.1

*Revised

D. Personnel

		AUGUST		
		<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
Management Conf. / Carr.	Reg.	2,654	2,745	(91)
	Temp.	1	5	(4)
U.T.I.E.R.	Reg.	4,812	4,995	(183)
	Temp.	1		1
	Emerg.	4		4
U.I.T.I.C.E.	Reg.	918	945	(27)
	Temp.		2	(2)
U.E.P.I.	Reg.	377	388	(11)
	Temp.			
U.P.A.E.E.	Reg.	6	6	
	Temp.			
Total		<u>8,773</u>	<u>9,086</u>	<u>(313)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	AUGUST					
	Month			Fiscal Year-to-Date		
	2010	2009	Increase (Decrease) %	2010-11	2009-10	Increase (Decrease) %
kWh sales:						
Residential	642,025	650,854	(1.4)	1,254,703	1,283,271	(2.2)
Commercial	752,313	762,789	(1.4)	1,503,858	1,529,199	(1.7)
Industrial	266,667	258,102	3.3	500,989	529,608	(5.4)
Others	31,176	31,268	(0.3)	62,330	66,021	(5.6)
Total	<u>1,692,181</u>	<u>1,703,013</u>	(0.6)	<u>3,321,880</u>	<u>3,408,099</u>	(2.5)
Basic revenues:						
Residential	32,026	31,774	0.8	62,609	63,028	(0.7)
Commercial	49,869	51,084	(2.4)	98,821	101,245	(2.4)
Industrial	11,792	11,065	6.6	21,814	22,429	(2.7)
Others	4,684	4,739	(1.2)	9,477	10,085	(6.0)
Total	<u>98,371</u>	<u>98,662</u>	(0.3)	<u>192,721</u>	<u>196,787</u>	(2.1)
Fuel adjustment:						
Residential	78,390	68,097	15.1	152,058	134,279	13.2
Commercial	88,151	75,744	16.4	176,344	149,634	17.9
Industrial	28,544	22,710	25.7	53,454	46,266	15.5
Others	3,726	3,285	13.4	7,637	6,549	16.6
Total	<u>198,811</u>	<u>169,836</u>	17.1	<u>389,493</u>	<u>336,728</u>	15.7
Purchased power:						
Residential	25,743	29,663	(13.2)	50,554	57,584	(12.2)
Commercial	28,889	32,334	(10.7)	58,694	63,890	(8.1)
Industrial	9,377	9,625	(2.6)	17,718	19,845	(10.7)
Others	1,257	1,377	(8.7)	2,531	2,746	(7.8)
Total	<u>65,266</u>	<u>72,999</u>	(10.6)	<u>129,497</u>	<u>144,065</u>	(10.1)
Total revenues:						
Residential	136,159	129,534	5.1	265,221	254,891	4.1
Commercial	166,909	159,162	4.9	333,859	314,769	6.1
Industrial	49,713	43,400	14.5	92,986	88,540	5.0
Others	9,667	9,401	2.8	19,645	19,380	1.4
Total	<u>362,448</u>	<u>341,497</u>	6.1	<u>711,711</u>	<u>677,580</u>	5.0

AUGUST						
	Month			Fiscal Year-to-Date		
	2010	2009	Increase (Decrease) %	2010-11	2009-10	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	4.99	4.88	2.3	4.99	4.91	1.6
Commercial	6.63	6.70	(1.0)	6.57	6.62	(0.8)
Industrial	4.42	4.29	3.0	4.35	4.24	2.6
Others	15.02	15.16	(0.9)	15.20	15.28	(0.5)
Total	5.81	5.79	0.3	5.80	5.77	0.5
Fuel adjustment:						
Residential	12.21	10.46	16.7	12.12	10.46	15.9
Commercial	11.72	9.93	18.0	11.73	9.78	19.9
Industrial	10.70	8.80	21.6	10.67	8.73	22.2
Others	11.96	10.51	13.8	12.26	9.91	23.7
Total	11.75	9.97	17.9	11.72	9.88	18.6
Purchased power:						
Residential	4.01	4.56	(12.1)	4.03	4.49	(10.2)
Commercial	3.84	4.24	(9.4)	3.90	4.18	(6.7)
Industrial	3.52	3.73	(5.6)	3.54	3.75	(5.6)
Others	4.03	4.40	(8.4)	4.06	4.16	(2.4)
Total	3.86	4.29	(10.0)	3.90	4.23	(7.8)
Total revenues:						
Residential	21.21	19.90	6.6	21.14	19.86	6.4
Commercial	22.19	20.87	6.3	22.20	20.58	7.9
Industrial	18.64	16.82	10.8	18.56	16.72	11.0
Others	31.01	30.07	3.1	31.52	29.35	7.4
Total	21.42	20.05	6.8	21.42	19.88	7.7
3. Clients:						
Residential	1,339,894	1,331,904	0.6	1,339,844	1,331,671	0.6
Commercial	129,521	128,989	0.4	129,547	128,986	0.4
Industrial	788	827	(4.7)	791	829	(4.6)
Others	3,539	3,566	(0.8)	3,538	3,573	(1.0)
Total	<u>1,473,742</u>	<u>1,465,286</u>	0.6	<u>1,473,720</u>	<u>1,465,059</u>	0.6
4. Average kWh per client:						
Residential	479	489	(1.9)	936	964	(2.8)
Commercial	5,808	5,914	(1.8)	11,609	11,856	(2.1)
Industrial	338,410	312,094	8.4	633,362	638,852	(0.9)
Others	8,809	8,768	0.5	17,617	18,478	(4.7)
Total	1,148	1,162	(1.2)	2,254	2,326	(3.1)

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	AUGUST	
	Month	Fiscal Year-to-Date
	2010	2010-11
kWh sales:		
Residential	27	54
Commercial	222,651	435,965
Industrial	630	697
Others	28,186	55,965
Total	<u>251,494</u>	<u>492,681</u>
Basic revenues:		
Residential	1	2
Commercial	14,630	28,711
Industrial	33	49
Others	4,492	8,967
Total	<u>19,156</u>	<u>37,729</u>
Fuel adjustment:		
Residential	3	7
Commercial	26,698	50,316
Industrial	68	75
Others	3,554	6,771
Total	<u>30,323</u>	<u>57,169</u>
Purchased power:		
Residential	1	2
Commercial	7,940	16,143
Industrial	22	24
Others	1,054	2,175
Total	<u>9,017</u>	<u>18,344</u>
Total revenues:		
Residential	5	11
Commercial	49,268	95,170
Industrial	123	148
Others	9,100	17,913
Total	<u>58,496</u>	<u>113,242</u>
2. Clients:		
Residential	32	29
Commercial	21,890	21,883
Industrial	3	5
Others	2,265	2,270
Total	<u>24,190</u>	<u>24,187</u>

Statistical and financial data from the Government sector is segregated from the original sales reports prepared by the Client Service Directorate. This information will be presented in this format, until the new Client Service System (CC&B) is available to provide the fully detailed statistical data.

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

	AUGUST 2010					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	101.5	98.4	(3.1)	202.6	192.7	(4.9)
Fuel adjustment	225.6	198.8	(11.9)	442.0	389.5	(11.9)
Purchased power	71.8	65.2	(9.2)	143.6	129.5	(9.8)
Revenues from sales	398.9	362.4	(9.2)	788.2	711.7	(9.7)
Other	1.5	0.0	*	3.0	2.4	(20.0)
Total revenues	<u>400.4</u>	<u>362.4</u>	(9.5)	<u>791.2</u>	<u>714.1</u>	(9.7)
Fuel	199.9	176.9	(11.5)	391.1	345.7	(11.6)
Purchased power	63.9	58.2	(8.9)	127.8	115.6	(9.5)
Fuel Extra Expense Claimed						
Other expenses	59.2	68.4	15.5	118.5	130.5	10.1
Total current expenses	323.0	303.5	(6.0)	637.4	591.8	(7.2)
1974 - sinking fund appropriations	38.4	40.4	5.2	76.7	80.8	5.3
Reserve Maintenance Fund	0.4			0.8		
Self Insurance Fund	0.8			1.7		
Interest on notes	1.0	0.2	(80.0)	2.1	0.3	(85.7)
Internal funds	10.2		*	20.3	4.4	(78.3)
Contribution to municipalities	23.3	14.9	(36.1)	45.7	30.5	(33.3)
Other appropriations	3.3	3.4	3.0	6.5	6.3	(3.1)
Total	<u>400.4</u>	<u>362.4</u>	(9.5)	<u>791.2</u>	<u>714.1</u>	(9.7)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment revenue and fuel expense for the month and fiscal year-to-date was due to a lower price per barrel of fuel oil than budgeted.
2. The other revenues for the month and fiscal year-to-date decreased due to a lower market value of investments than budgeted.
3. Interest on notes for the month and fiscal year-to-date decreased due to lower interest rates than budgeted.
4. Internal funds for the month and fiscal year-to-date decreased due to less available funds than budgeted.
5. Contribution to municipalities for the month and fiscal year-to-date decreased due to a lower electric power consumption than budgeted.

*Over 100%

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

	AUGUST					
	Month			Fiscal Year-to-Date		
	2010	2009	Increase (Decrease) %	2010-11	2009-10	Increase (Decrease) %
Basic charges	98.4	98.7	(0.3)	192.7	196.8	(2.1)
Fuel adjustment	198.8	169.8	17.1	389.5	336.7	15.7 ¹
Purchased power	<u>65.2</u>	<u>73.0</u>	(10.7)	<u>129.5</u>	<u>144.1</u>	(10.1)
Revenues from sales	362.4	341.5	6.1	711.7	677.6	5.0
Other	<u>0.0</u>	<u>2.9</u>	*	<u>2.4</u>	<u>4.7</u>	(48.9) ²
Total revenues	<u>362.4</u>	<u>344.4</u>	5.2	<u>714.1</u>	<u>682.3</u>	4.7
Fuel	176.9	150.8	17.3	345.7	298.7	15.7 ¹
Purchased power	58.2	65.2	(10.7)	115.6	128.6	(10.1)
Fuel Extra Expense Claimed						
Other expenses	<u>68.4</u>	<u>71.4</u>	(4.2)	<u>130.5</u>	<u>133.3</u>	(2.1)
Total current expenses	303.5	287.4	5.6	591.8	560.6	5.6
1974 - sinking fund appropriations	40.4	39.3	2.8	80.8	78.6	2.8
Reserve Maintenance Fund						
Interest on notes	0.2	2.3	(91.3)	0.3	4.0	(92.5) ³
Internal funds		0.6	*	4.4	2.9	51.7 ⁴
Contribution to municipalities	14.9	11.9	25.2 ⁵	30.5	29.7	2.7
Other appropriations	<u>3.4</u>	<u>2.9</u>	17.2 ⁶	<u>6.3</u>	<u>6.5</u>	(3.1)
Total	<u>362.4</u>	<u>344.4</u>	5.2	<u>714.1</u>	<u>682.3</u>	4.7

EXPLANATION OF MAJOR VARIATIONS

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

*Over 100%

D. Notes Payable
(in thousand dollars)

AUGUST

<u>Construction Financing</u>			<u>Operational Financing</u>		
	<u>2010</u>	<u>2009</u>		<u>2010</u>	<u>2009</u>
1. Capital Improvement Program (JPM):			1. Residential Fuel Subsidy (BPPR):		
Line of credit	0	200,000	Line of credit	41,585	41,585
Amount received	<u>0</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	0	200,000	Debt outstanding balance	16,363	21,741
Maturity Date	March 1, 2010		Maturity Date	November 30, 2013	
2. Infrastructure Municipalities Settlement Agreement (GDB):			2. Municipalities Settlement Agreement :		
Line of credit	0	57,000	Line of credit	64,208	64,208
Amount received	<u>0</u>	<u>56,961</u>	Amount received	<u>64,208</u>	<u>64,208</u>
Available amount	<u>0</u>	<u>39</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	0	56,961	Debt outstanding balance	36,758	45,808
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	0	200,000
Amount received	<u>0</u>	<u>10,239</u>	Amount received	<u>0</u>	<u>199,892</u>
Available balance	<u>9,761</u>	<u>15,115</u>	Available balance	<u>0</u>	<u>108</u>
Debt outstanding balance	0	6,104	Debt outstanding balance	0	199,892
Maturity Date	June 30, 2018		Maturity Date	June 30, 2010	
4. Capital Improvement Program (Citibank) :			4. Fuel Financing (commercial banks) :		
Line of credit	0	400,000	Line of credit	0	275,000
Amount received	<u>0</u>	<u>275,000</u>	Amount received	<u>0</u>	<u>275,000</u>
Available balance	<u>0</u>	<u>125,000</u>	Available amount	<u>0</u>	<u>0</u>
Debt outstanding balance	0	275,000	Debt outstanding balance	0	275,000
Maturity Date	March 1, 2010		Maturity Date	June 30, 2010	
5. Emergency Liquidity Support :			5. Palo Seco Financing (GDB):		
Line of credit	0	96,000	Line of credit	0	100,000
Amount received	<u>0</u>	<u>48,000</u>	Amount received	<u>0</u>	<u>100,000</u>
Available balance	<u>0</u>	<u>48,000</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	0	48,000	Debt outstanding balance	0	50,000
Maturity Date	June 30, 2011		Maturity Date	June 30, 2010	
			6. Palo Seco Financing (BBVA) :		
			Line of credit	0	100,000
			Amount received	<u>0</u>	<u>100,000</u>
			Available balance	<u>0</u>	<u>0</u>
			Debt outstanding balance	0	50,000
			Maturity Date	March 31, 2010	
			7. Basis Swap Collateral (GDB) :		
			Line of credit	150,000	150,000
			Amount received	<u>21,100</u>	<u>12,749</u>
			Available balance	<u>128,900</u>	<u>137,251</u>
			Debt outstanding balance	1,878	12,749
			Maturity Date	December 31, 2010	
			8. Gasoducto del Sur:		
			Line of credit	35,000	
			Amount received	<u>26,271</u>	
			Available balance	<u>8,729</u>	
			Debt outstanding balance	26,271	
			Maturity Date	August 17, 2011	
			9. Fuel Financing (Citibank) :		
			Line of credit	200,000	
			Amount received	<u>60,000</u>	
			Available balance	<u>140,000</u>	
			Debt outstanding balance	60,000	
			Maturity Date	June 30, 2011	

E. Capital Improvements Program
(in thousand dollars)

AUGUST 2010						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	9,150	6,972	(23.8)	18,300	15,165	(17.1)
Transmission	5,618	13,142	133.9	11,237	18,300	62.9
Distribution	6,696	15,889	137.3	13,391	24,029	79.4
Other	3,536	3,130	(11.5)	7,072	6,604	(6.6)
Undistributed Overhead						
Total	25,000	39,133	56.5	50,000	64,098	28.2
Internal Funds	10,150	-		20,357	4,359	
Percentage of Internal Funds to Investment in Capital Improvements Programs*	41%	0%		41%	7%	
Contribution AID for Construction		767			1,243	

	2010	2009
F. Highest debt coverage as of August 31	1.36	1.27

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	-	\$18,384
Families served	-	5

*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)

	AUGUST		Increase (Decrease) %
	2010	2009	
General clients	640,901	597,804	7.2
Government	430,198	411,301	4.6
Subtotal	<u>1,071,099</u>	<u>1,009,105</u>	6.1
Plus:			
Subsidy (Act 106 of 1974)*	<u>18,980</u>	<u>18,980</u>	
Total adjusted accounts receivable	<u><u>1,090,079</u></u>	<u><u>1,028,085</u></u>	6.0
Sales of electric energy (12 months)			
Revenues from sales **	4,159,352	3,662,913	13.6
kWh (including subsidy)	19,148,681	18,529,684	3.3
Indicators:			
A. Ratio of accounts receivable to sales (%)	25.8	27.5	(6.5)
B. Ratio of accounts receivable to sales (%) (including subsidy)	26.0	27.8	(6.5)
C. Sales days in accounts receivable	94	101	(6.5)
D. Sales days in accounts receivable (including subsidy)	95	102	(6.5)
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	3,459,364	3,019,409	14.6
Collections	3,381,367	3,166,654	6.8
Percent	97.7	104.9	(6.8)
Government:			
Sales	699,988	643,504	8.8
Collections	653,932	639,810	2.2
Percent	93.4	99.4	(6.0)
Percent of total sales	97.0	103.9	(6.6)

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

** Excludes residential clients' subsidy of \$29,185 and \$30,697, for the 12 months ended August 2010 and August 2009, respectively.

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BALANCE SHEETS

ASSETS
(in thousands)

	August 31 2010	June 30 2010
Current assets:		
Cash and cash equivalents		
General fund	\$ 907	\$ 82,862
Revenue fund	16	16
Working funds	898	922
	<hr/>	<hr/>
Total cash and cash equivalents	1,821	83,800
Accounts receivable (Exhibit A)	1,015,208	960,990
Fuel oil inventory	196,661	185,293
Materials and supplies inventory	182,667	182,394
Prepayments and other (Exhibit B)	21,652	3,367
	<hr/>	<hr/>
Total current assets	1,418,009	1,415,844
Non current receivables (Exhibit A)	108,061	108,061
	<hr/>	<hr/>
Restricted Assets		
Cash held by trustees	181,515	198,693
	<hr/>	<hr/>
Investments held by trustees		
Sinking funds - interest	53,297	-
Sinking funds - principal	29,243	-
Non current restricted deposits held by trustees	435,138	433,496
	<hr/>	<hr/>
Total investment held by trustees	517,678	433,496
	<hr/>	<hr/>
Construction fund and other		
Construction fund	110,657	128,308
Investment held by REA	2,018	2,018
Reserve maintenance fund	10,585	10,612
Other restricted fund	7,700	1,900
	<hr/>	<hr/>
Total construction fund and other	130,960	142,838
	<hr/>	<hr/>
Total restricted assets	830,153	775,027
	<hr/>	<hr/>
Utility Plant		
Electric plant in service	10,270,417	10,254,302
Less: accumulated depreciation	4,994,010	4,932,746
	<hr/>	<hr/>
Net electric plant in service	5,276,407	5,321,556
Construction work in progress, including preliminary surveys of \$24,415 and \$23,507	1,264,928	1,167,708
	<hr/>	<hr/>
Total utility plant	6,541,335	6,489,264
	<hr/>	<hr/>
Other Properties		
Deferred debits:		
Unamortized debt expense	63,119	63,914
Other	65,412	64,276
	<hr/>	<hr/>
Total deferred debits	128,531	128,190
	<hr/>	<hr/>
Total assets	\$ 9,026,089	\$ 8,916,386

BALANCE SHEETS

LIABILITIES
(in thousands)

	August 31 2010	June 30 2010
Liabilities and net assets		
Current Liabilities		
Notes payable to banks	\$ 74,387	\$ 14,809
Accounts payable and accrued liabilities (Exhibit C)	917,150	926,138
Customer deposits, including accrued interest	41,179	40,354
Total current liabilities	1,032,716	981,301
Current liabilities payable from restricted assets		
Current portion of long-term debt	172,808	172,278
Notes payable from restricted assets		
Accrued interest payable on bonds and notes	69,016	23,978
Other current liabilities (Exhibit C)	72,207	71,593
Total current liabilities from restricted assets	314,031	267,849
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of \$(75,624) and \$(75,624)	7,323,044	7,323,044
Notes payable	66,883	66,883
Non current portion, accounts payable and accrued sick leave	128,810	128,810
Accrued Unfunded OPEB	165,194	160,763
Customer deposit-noncurrent	134,431	134,431
Total noncurrent liabilities	7,818,362	7,813,931
Total liabilities	9,165,109	9,063,081
Net assets	(139,020)	(146,695)
Total liabilities and net assets	\$ 9,026,089	\$ 8,916,386

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

	MONTH		
	Budget August 2010	Actual August 2010	Actual August 2009
Operating revenues:			
Sales of electric energy	\$ 398,919	\$ 362,448	\$ 341,497
Rural electrification	-	-	-
Total operating revenues	398,919	362,448	341,497
Other income	1,572	(39)	2,899
Total revenues	400,491	362,409	344,396
Expenses:			
Fuel cost	199,888	176,868	150,762
Purchased power	63,916	58,200	65,177
Fuel extra expenses claimed	-	-	-
Other production	4,971	5,710	5,224
Transmission and distribution	12,018	15,518	14,157
Maintenance	18,628	22,680	19,379
Customer accounting and collection	9,494	9,682	9,233
Administrative and general	13,774	14,481	23,059
Interest charges	342	353	347
Subtotal expenses by function	323,031	303,492	287,338
Other Post employment benefits	2,083	2,216	2,030
Depreciation	29,581	30,864	27,403
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	30,615	31,133	26,495
Contribution to municipalities	20,768	16,539	14,983
Other appropriations	3,255	3,388	2,931
Bond Discount and Defeasance Amortization	581	577	1,016
Total expenses	409,914	388,209	362,196
Contributed capital	3,313	31,479	311
Changes in net assets	\$ (6,110)	\$ 5,679	\$ (17,489)

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS

August
(in thousands)

	FISCAL YEAR		
	Budget 2010-2011	Actual 2010-2011	Actual 2009-2010
Operating revenues:			
Sales of electric energy	\$ 788,217	\$ 711,711	\$ 677,580
Rural electrification	-	-	-
Total operating revenues	788,217	711,711	677,580
Other income	3,144	2,450	4,737
Total revenues	791,361	714,161	682,317
Expenses:			
Fuel cost	391,136	345,706	298,749
Purchased power	127,803	115,557	128,578
Fuel extra expenses claimed	-	-	-
Other production	9,942	10,882	10,189
Transmission and distribution	24,036	30,388	27,713
Maintenance	37,256	42,479	36,532
Customer accounting and collection	18,988	16,846	18,590
Administrative and general	27,548	29,269	39,538
Interest charges	684	706	693
Subtotal expenses by function	637,393	591,833	560,582
Other post employment benefits	4,166	4,431	4,060
Depreciation	59,162	61,605	54,969
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	61,230	62,188	52,384
Contribution to municipalities	40,536	32,131	30,531
Other appropriations	6,501	6,279	6,500
Bond discount and defeasance amortization	1,162	1,155	2,032
Total expenses	810,150	759,622	711,058
Contributed capital	6,626	53,136	719
Changes in net assets	\$ (12,163)	\$ 7,675	\$ (28,022)

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

August
(in thousands)

	MONTH		
	<u>Budget</u> <u>August 2010</u>	<u>Actual</u> <u>August 2010</u>	<u>Actual</u> <u>August 2009</u>
Revenues:			
Sales of electric energy (Exhibit D)	\$ 398,919	\$ 362,448	\$ 341,497
Rural electrification	-	-	-
Total operating revenues	<u>398,919</u>	<u>362,448</u>	<u>341,497</u>
Other income	1,572	31,440	3,210
Total revenues	<u>400,491</u>	<u>393,888</u>	<u>344,707</u>
Less: 1974 construction fund investment income and gain on sale of properties	<u>61</u>	<u>31,486</u>	<u>322</u>
Revenues - net	<u>400,430</u>	<u>362,402</u>	<u>344,385</u>
Current expenses:			
Fuel cost	199,888	176,868	150,762
Purchased power	63,916	58,200	65,177
Other production	4,971	5,710	5,224
Transmission and distribution	12,018	15,518	14,157
Maintenance	18,628	22,680	19,379
Customer accounting and collection	9,494	9,682	9,233
Administrative and general	13,774	14,481	23,059
Interest charges	<u>342</u>	<u>353</u>	<u>347</u>
Total current expenses	<u>323,031</u>	<u>303,492</u>	<u>287,338</u>
Net revenues (as defined)	<u>77,399</u>	<u>58,910</u>	<u>57,047</u>
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds	24,847	25,785	24,170
Bond redemption account	14,621	14,622	15,143
Reserve Account Fund	(1,113)	-	-
Reserve maintenance fund	417	-	-
Self Insurance Fund	833	-	-
Interest on notes	1,055	177	2,324
Capital Improvements fund	<u>10,150</u>	<u>-</u>	<u>604</u>
Total contractual obligations	<u>50,810</u>	<u>40,584</u>	<u>42,241</u>
Balance	<u>26,589</u>	<u>18,326</u>	<u>14,806</u>
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	23,334	14,938	11,876
Other	<u>3,255</u>	<u>3,388</u>	<u>2,930</u>
Total provision for contribution and other	<u>26,589</u>	<u>18,326</u>	<u>14,806</u>
Remainder	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

August
(in thousands)

FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
Budget August 2010	Actual August 2010	Actual August 2009	Budget June 2011	Actual August 2010	Actual August 2009
\$ 788,217	\$ 711,711	\$ 677,580	\$ 4,503,978	\$ 4,188,537	\$ 3,693,610
-	-	-	-	-	15
788,217	711,711	677,580	4,503,978	4,188,537	3,693,625
3,144	55,586	5,456	18,862	135,064	39,600
791,361	767,297	683,036	4,522,840	4,323,601	3,733,225
122	53,207	735	727	118,734	16,724
791,239	714,090	682,301	4,522,113	4,204,867	3,716,501
391,136	345,706	298,749	2,239,021	2,053,888	1,651,970
127,803	115,557	128,578	736,171	680,703	676,607
-	-	-	-	-	-
9,942	10,882	10,189	59,655	62,770	62,499
24,036	30,388	27,713	144,207	162,785	162,764
37,256	42,479	36,532	223,548	214,168	217,833
18,988	16,846	18,590	113,931	112,549	111,154
27,548	29,269	39,538	165,291	169,677	224,813
684	706	693	4,098	1,921	2,837
637,393	591,833	560,582	3,685,922	3,458,461	3,110,477
153,846	122,257	121,719	836,191	746,406	606,024
49,694	51,571	48,341	299,472	293,098	266,674
29,242	29,243	30,286	175,455	150,464	174,488
(2,226)	-	-	(13,351)	-	(29,523)
834	-	-	5,000	-	-
1,666	-	-	10,000	10,000	10,000
2,110	275	4,043	12,662	30,218	26,718
20,357	4,359	2,875	69,117	32,389	(9,646)
101,677	85,448	85,545	558,355	516,169	438,711
52,169	36,809	36,174	277,836	230,237	167,313
45,668	30,530	29,674	244,058	191,206	126,273
6,501	6,279	6,500	33,778	39,031	41,041
52,169	36,809	36,174	277,836	230,237	167,314
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

STATEMENT OF NET ASSETS

July 2010
(in thousands)

	August 2010	June 2010
Net Assets		
Invested in utility plant, net related debt	\$ (958,790)	\$ (977,008)
Restricted for capital activity and debt service	528,058	546,056
Unrestricted	291,712	284,257
Balance at month ended	\$ (139,020)	\$ (146,695)

ACCOUNTS RECEIVABLE

(in thousands)

Exhibit A

	August 31 2010	June 30 2010
Electric and related services:		
Government	\$ 341,117	\$ 283,997
General clients	616,620	630,642
Recoveries under fuel adjustment and purchase power clause under or (over) billed	22,819	14,412
Unbilled services	186,118	179,583
Commonwealth Government subsidy for certain residential clients	-	-
Allowance for uncollectible accounts	(184,657)	(183,356)
Claims Receivable from Insurance Companies & Other	37,955	37,954
Advances to Irrigation Systems - net	(10,449)	(11,402)
Other subsidies receivable from Commonwealth Government	-	-
Accrued interest	1,443	2,150
Other	4,242	7,010
Total	\$ 1,015,208	\$ 960,990

NON-CURRENT RECEIVABLES

Government	\$ 89,081	\$ 89,081
Government subsidy for certain residential clients	18,980	18,980
Total	\$ 108,061	\$ 108,061

PREPAYMENTS AND OTHER

(in thousands)

Exhibit B

	August 31 2010	June 30 2010
Prepayments and other	<u>\$ 21,652</u>	<u>\$ 3,367</u>
Total	<u><u>\$ 21,652</u></u>	<u><u>\$ 3,367</u></u>

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

Exhibit C

	August 2010	June 2010
Accounts payable - fuel oil and other	\$ 641,740	\$ 661,879
Payable to Employees Retirement System	4,286	1,691
Accrued annual leave	61,074	59,833
Accrued sick leave	35,302	34,139
Accrued salaries and fringe benefits	16,982	10,868
Accrued Contribution in Lieu of Taxes	74,714	70,813
Reserve for injuries and damages	22,022	23,161
Accrued Contributions Federal Social Security	1,474	5,534
Income tax withheld at source	1,795	904
Health plan	16,121	14,671
Pension & Benefits Deferred Employer Contribution	13,830	13,830
Other	27,810	28,815
	<u>917,150</u>	<u>926,138</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	\$ 12,055	\$ 12,734
Vouchered A/P construction	36,635	34,864
Contribution aid to construction	23,517	23,995
	<u>72,207</u>	<u>71,593</u>
Total other current payables from restricted assets		
Total current Liabilities	<u>\$ 989,357</u>	<u>\$ 997,731</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	\$ 128,810	\$ 128,810
	<u>128,810</u>	<u>128,810</u>
Total non current liabilities	<u>\$ 128,810</u>	<u>\$ 128,810</u>
Total accounts payables and non current liabilities	<u>\$ 1,118,167</u>	<u>\$ 1,126,541</u>

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PUERTO RICO ELECTRIC POWER AUTHORITY

SALES OF ELECTRIC ENERGY

AUGUST 2010

Exhibit D

Class of Service	CLIENTS			KWHRS (in thousands)					
	Billed	Unbilled	Total	MONTHLY			BIMONTHLY		Total
				Billed	Unbilled	Adjustment*	Unbilled	Adjustment*	
Residential	1,273,735	66,159	1,339,894	627,151	322,738	(304,817)	4,160	(7,207)	642,025
Commercial	124,489	5,032	129,521	740,378	381,023	(368,627)	13,511	(13,972)	752,313
Industrial	788		788	255,229	131,375	(119,937)			266,667
Public lighting	2,090	142	2,232	23,376	11,997	(11,727)	665	(631)	23,680
Other public authorities	4		4	5,027	2,553	(2,346)			5,234
Agricultural	1,103	200	1,303	2,295	1,191	(1,294)	717	(647)	2,262
Subtotal	1,402,209	71,533	1,473,742	1,653,456	850,877	(808,748)	19,053	(22,457)	1,692,181
Fuel oil adjustment									
Purchased power									
Subtotal	1,402,209	71,533	1,473,742	1,653,456	850,877	(808,748)	19,053	(22,457)	1,692,181
Unrecovered fuel oil cost-net									
Unrecovered purchased power cost-net									
Total	1,402,209	71,533	1,473,742	1,653,456	850,877	(808,748)	19,053	(22,457)	1,692,181

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,339,844	1,254,703	62,609	936	4.99
Commercial	129,547	1,503,858	98,821	11,609	6.57
Industrial	791	500,989	21,814	633,362	4.35
Public lighting	2,236	47,498	8,776	21,242	18.48
Other public authorities	4	9,943	419	2,485,750	4.21
Agricultural	1,298	4,889	282	3,767	5.77
Subtotal	1,473,720	3,321,880	192,721	2,254	5.80
Fuel oil adjustment			383,527		11.74
Purchased Power			127,056		3.90
Subtotal	1,473,720	3,321,880	703,304	2,254	21.17
Unrecovered fuel oil cost-net			5,966		
Unrecovered purchased Power cost-net			2,441		
Total	1,473,720	3,321,880	711,711	2,254	21.42

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

AUGUST 2010

Exhibit D

REVENUES (in thousand \$)							
MONTHLY				BIMONTHLY		Kwhrs. per Client	Cents per Kwhr. Sold
Billed	Unbilled	Discount	Adjustment*	Unbilled	Total		
31,979	16,488	(15)	(15,459)	(967)	32,026	479	4.99
49,343	25,357		(24,589)	(242)	49,869	5,808	6.63
11,700	6,031	(455)	(5,484)		11,792	338,410	4.42
-4,310	2,182		(2,158)	(2)	4,332	10,609	18.29
211	109		(101)		219	1,308,500	4.18
148	77		(78)	(14)	133	1,736	5.88
97,691	50,244	(470)	(47,869)	(1,225)	98,371	1,148	5.81
201,693	95,217		(92,238)	136	204,808		11.75
60,032	32,066		(29,987)	80	62,190		3.86
359,416	177,527	(470)	(170,094)	(1,009)	365,369	1,148	21.59
					(5,997)		
					3,076		
359,416	177,527	(470)	(170,094)	(1,009)	362,448	1,148	21.42