
MONTHLY REPORT
TO THE GOVERNING BOARD
DECEMBER 2011

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	DECEMBER		Increase (Decrease) %
	2011-12	2010-11	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,141,417	1,278,208	(10.7)
PREPA - Hydro	10,472	11,550	(9.3)
Purchased power - gas	306,402	248,880	23.1
Purchased power - coal	327,129	256,383	27.6
Renewal Energy	304		
Total	1,785,724	1,795,021	(0.5)
Fiscal year-to-date:			
PREPA - Steam and gas	7,801,913	7,988,483	(2.3)
PREPA - Hydro	86,861	90,966	(4.5)
Purchased power - gas	1,799,765	1,987,019	(9.4)
Purchased power - coal	1,738,192	1,736,042	0.1
Renewal Energy	754		
Total	11,427,485	11,802,510	(3.2)
Twelve months:			
PREPA - Steam and gas	15,198,318	16,289,063	(6.7)
PREPA - Hydro	145,689	158,945	(8.3)
Purchased power - gas	3,399,274	3,609,444	(5.8)
Purchased power - coal	3,511,837	3,189,869	10.1
Renewal Energy	754		
Total	22,255,872	23,247,321	(4.3)
2. Maximum hourly peak load (in MW)			
Month	2,974	3,125	(4.8)
Fiscal year-to-date	3,303	3,406	(3.0)
Twelve months	3,303	3,406	(3.0)
3. Sales (kWh in thousands)			
Month:			
Billed	1,443,118	1,542,501	(6.4)
Days billed	31.00	31.30	(1.0)
Fiscal year-to-date:			
Billed	9,316,304	9,688,029	(3.8)
Days billed	183.50	182.60	0.5
Twelve months:			
Billed	18,180,071	19,061,673	(4.6)
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	81.1	82.0	(1.1)
Fiscal year-to-date	82.4	81.9	0.7
Twelve months	82.1	81.7	0.4
5. Average cost per barrel (\$)			
Month	115.36	89.85	28.4
Fiscal year-to-date	117.01	83.05	40.9
Twelve months	113.68	82.04	38.6
6. kWh/Barrel			
Month	643.41	643.61	
Fiscal year-to-date	626.76	638.98	(1.9)
Twelve months	637.59	637.51	0.0
7. Heat rate (BTU/kWh) *			
Month	10,511	10,492	0.2
Fiscal year-to-date	10,616	10,494	1.2
Twelve months	10,512	10,486	0.2

* Revised prior year.

Interim Operational and Financial Information subject to change.

PUERTO RICO ELECTRIC POWER AUTHORITY

8. Fuel consumption
(in thousands)

	2011-12		2010-11		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	1,606	181,473	1,816	159,674	(11.6)	13.7
Gas	168	23,131	170	18,770	(1.2)	23.2
Natural Gas						
Total	<u>1,774</u>	<u>204,604</u>	<u>1,986</u>	<u>178,444</u>	(10.7)	14.7
Fiscal year-to-date:						
Steam	10,852	1,249,918	11,281	914,298	(3.8)	36.7
Gas	1,502	199,656	1,221	124,058	23.0	60.9
Natural Gas	94	7,054				
Total	<u>12,448</u>	<u>1,456,628</u>	<u>12,502</u>	<u>1,038,356</u>	(0.4)	40.3
Twelve months:						
Steam	20,951	2,349,065	22,739	1,819,555	(7.9)	29.1
Gas	2,792	353,538	2,812	276,589	(0.7)	27.8
Natural Gas	94	7,054				
Total	<u>23,837</u>	<u>2,709,657</u>	<u>25,551</u>	<u>2,096,144</u>	(6.7)	29.3

DECEMBER

	2011	2010	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	7.12	7.05	0.9
2. Disconnections for nonpayment per thousand clients	8.95	7.58	18.0
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.048	0.05	(4.0)
2. Interruption duration index			
Average interruption time per clients served (minutes)	5.85	8.38	(30.2)
3. Clients per interruption	50	48	4.2
4. Time per interruption (minutes)	210	257	(18.5)

Interim Operational and Financial Information subject to change.

PUERTO RICO ELECTRIC POWER AUTHORITY

D. Personnel

		DECEMBER		Increase (Decrease)
		2011	2010	
Management Conf. / Carr.	Reg.	2,634	2,653	(19)
	Temp.	9	2	7
U.T.I.E.R.	Reg.	4,595	4,771	(176)
	Temp.	91	37	54
	Emerg.	51	16	35
U.I.T.I.C.E.	Reg.	888	912	(24)
	Temp.			
U.E.P.I.	Reg.	365	375	(10)
	Temp.			
U.P.A.E.E.	Reg.	6	6	
	Temp.			
Total		8,639	8,772	(133)

Interim Operational and Financial Information subject to change.

PUERTO RICO ELECTRIC POWER AUTHORITY

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	DECEMBER					
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2011-12	2010-11	Increase (Decrease) %
kWh sales:						
Residential	530,114	521,780	1.6	3,452,342	3,572,951	(3.4)
Commercial	644,385	698,330	(7.7)	4,352,559	4,431,135	(1.8)
Industrial	243,614	223,632	8.9	1,435,734	1,484,766	(3.3)
Others	29,932	28,728	4.2	180,077	181,911	(1.0)
Total	<u>1,448,045</u>	<u>1,472,470</u>	(1.7)	<u>9,420,712</u>	<u>9,670,763</u>	(2.6)
Basic revenues:						
Residential	27,067	25,689	5.4	177,168	178,427	(0.7)
Commercial	46,044	46,566	(1.1)	291,215	293,553	(0.8)
Industrial	10,624	10,636	(0.1)	58,959	63,892	(7.7)
Others	4,626	4,567	1.3	27,989	27,986	(0.1)
Total	<u>88,361</u>	<u>87,458</u>	1.0	<u>555,331</u>	<u>563,858</u>	(1.5)
Fuel adjustment:						
Residential	77,640	73,417	5.8	608,780	446,220	36.4
Commercial	109,937	95,993	14.5	766,580	537,050	42.7
Industrial	37,250	27,067	37.6	230,493	163,264	41.2
Others	5,341	4,420	20.8	32,856	23,030	42.7
Total	<u>230,168</u>	<u>200,897</u>	14.6	<u>1,638,709</u>	<u>1,169,564</u>	40.1
Purchased power:						
Residential	25,324	20,839	21.5	150,008	142,322	5.4
Commercial	30,564	27,234	12.2	185,737	170,961	8.6
Industrial	10,184	7,610	33.8	56,067	51,872	8.1
Others	1,447	1,145	26.4	7,935	7,220	9.9
Total	<u>67,519</u>	<u>56,828</u>	18.8	<u>399,747</u>	<u>372,375</u>	7.4
Total revenues:						
Residential	130,031	119,945	8.4	935,956	766,969	22.0
Commercial	186,545	169,793	9.9	1,243,532	1,001,564	24.2
Industrial	58,058	45,313	28.1	345,519	279,028	23.8
Others	11,414	10,132	12.7	68,780	58,236	18.1
Total	<u>386,048</u>	<u>345,183</u>	11.8	<u>2,593,787</u>	<u>2,105,797</u>	23.2

	DECEMBER					
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2011-12	2010-11	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.11	4.92	3.9	5.13	4.99	2.8
Commercial	7.15	6.67	7.2	6.69	6.62	1.1
Industrial	4.36	4.76	(8.4)	4.11	4.30	(4.4)
Others	15.46	15.90	(2.8)	15.54	15.38	1.0
Total	6.10	5.94	2.7	5.89	5.83	1.0
Fuel adjustment:						
Residential	14.64	14.08	4.0			
Commercial	17.06	13.74	24.2	17.63	12.50	41.0
Industrial	15.29	12.10	26.4	17.61	12.12	45.3
Others	17.84	15.38	16.0	16.05	11.00	45.9
Total	15.90	13.64	16.6	18.24	12.66	44.1
				17.40	12.09	43.9
Purchased power:						
Residential	4.78	3.99	19.8			
Commercial	4.74	3.90	21.5	4.35	3.98	9.3
Industrial	4.18	3.40	22.9	4.27	3.86	10.6
Others	4.83	3.99	21.1	3.91	3.49	12.0
Total	4.66	3.86	20.7	4.41	3.97	11.1
				4.24	3.85	10.1
Total revenues:						
Residential	24.53	22.99	6.7			
Commercial	28.95	24.31	19.1	27.11	21.47	26.3
Industrial	23.83	20.26	17.6	28.57	22.60	26.4
Others	38.13	35.27	8.1	24.07	18.79	28.1
Total	26.66	23.44	13.7	38.19	32.01	19.3
				27.53	21.77	26.5
3. Clients:						
Residential	1,340,536	1,341,674	(0.1)			
Commercial	128,742	129,725	(0.8)	1,341,419	1,340,584	0.1
Industrial	734	771	(4.8)	128,995	129,618	(0.5)
Others	3,493	3,528	(1.0)	740	781	(5.2)
Total	<u>1,473,505</u>	<u>1,475,698</u>	(0.1)	<u>3,504</u>	<u>3,534</u>	(0.8)
				<u>1,474,658</u>	<u>1,474,517</u>	
4. Average kWh per client:						
Residential	395	389	1.7			
Commercial	5,005	5,383	(7.0)	2,574	2,665	(3.4)
Industrial	331,899	290,054	14.4	33,742	34,186	(1.3)
Others	8,569	8,143	5.2	1,940,181	1,901,109	2.1
Total	983	998	(1.5)	51,392	51,475	(0.2)
				6,388	6,559	(2.6)

PUERTO RICO ELECTRIC POWER AUTHORITY

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	DECEMBER					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2011	2010		2011-12	2010-11	
kWh sales:						
Residential	81	33	*	375	208	80.3
Commercial	219,216	218,242	0.4	1,348,788	1,349,359	
Industrial	434	168	*	2,803	1,273	*
Others	26,872	27,310	(1.6)	163,104	166,180	(1.9)
Total	246,603	245,753	0.3	1,515,070	1,517,020	(0.1)
Basic revenues:						
Residential	4	2	*	18	10	80.0
Commercial	14,420	14,489	(0.5)	87,654	88,340	(0.8)
Industrial	34	21	61.9	258	135	91.1
Others	4,450	4,455	(0.1)	26,675	26,844	(0.6)
Total	18,908	18,967	(0.3)	114,605	115,329	(0.6)
Fuel adjustment:						
Residential	14	4	*	68	26	*
Commercial	37,135	22,341	66.2	229,122	157,956	45.1
Industrial	70	16	*	464	137	*
Others	4,783	2,951	62.1	29,117	20,385	42.8
Total	42,002	25,312	65.9	258,771	178,504	45.0
Purchased power:						
Residential	4	1	*	17	9	88.9
Commercial	9,173	9,283	(1.2)	56,476	51,749	9.1
Industrial	17	7	*	113	45	*
Others	1,183	1,218	(2.9)	7,151	6,697	6.8
Total	10,377	10,509	(1.3)	63,757	58,500	9.0
Total revenues:						
Residential	22	7	*	103	45	*
Commercial	60,728	46,113	31.7	373,252	298,045	25.2
Industrial	121	44	*	835	317	*
Others	10,416	8,624	20.8	62,943	53,926	16.7
Total	71,287	54,788	30.1	437,133	352,333	24.1
2. Clients:						
Residential	12	6	*	13	26	(50.0)
Commercial	21,876	21,949	(0.3)	21,916	21,902	0.1
Industrial	6	6		7	4	75.0
Others	2,241	2,253	(0.5)	2,246	2,261	(0.7)
Total	24,135	24,214		24,182	24,193	

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.

*Over 100%

Interim Operational and Financial Information subject to change.

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PUERTO RICO ELECTRIC POWER AUTHORITY

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

	DECEMBER 2011					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	89.6	88.4	(1.3)	564.7	555.3	(1.7)
Fuel adjustment	225.7	230.2	2.0	1,556.7	1,638.7	5.3
Purchased power	<u>71.8</u>	<u>67.5</u>	(6.0)	<u>428.3</u>	<u>399.8</u>	(6.7)
Revenues from sales	387.1	386.1	(0.3)	2,549.7	2,593.8	1.7
Other	<u>1.5</u>	<u>1.7</u>	13.3	<u>9.1</u>	<u>11.7</u>	28.6
Total revenues	<u>388.6</u>	<u>387.8</u>	(0.2)	<u>2,558.8</u>	<u>2,605.5</u>	1.8
Fuel	200.4	204.6	2.1	1,381.6	1,456.7	5.4
Purchased power	63.9	60.2	(5.8)	381.2	356.2	(6.6)
Other expenses	<u>64.4</u>	<u>63.4</u>	(1.6)	<u>386.4</u>	<u>382.2</u>	(1.1)
Total current expenses	328.7	328.2	(0.2)	2,149.2	2,195.1	2.1
1974 - sinking fund appropriations	40.6	40.5	(0.2)	242.7	242.7	
Reserve Maintenance Fund	0.4			2.5		
Self Insurance Fund	0.8			5.0		
Interest on notes	0.6	0.1	(83.3)	3.6	0.7	(80.6)
Internal funds	0.6	1.0	66.7	53.8	35.9	(33.3)
Contribution to municipalities	14.1	14.0	(0.7)	84.9	110.6	30.3
Other appropriations	<u>2.8</u>	<u>4.0</u>	42.9	<u>17.1</u>	<u>20.5</u>	19.9
Total	<u>388.6</u>	<u>387.8</u>	(0.2)	<u>2,558.8</u>	<u>2,605.5</u>	1.8

EXPLANATION OF MAJOR VARIATIONS

1. The other revenues for the month and fiscal year-to-date increased due to a higher market value of investments than budgeted.
2. Interest on notes for the month and fiscal year-to-date decreased due to lower interest rates than budgeted.
3. Internal funds for the fiscal year-to-date decreased due to less available funds than budgeted.
4. Contribution to municipalities for the fiscal year-to-date increased due to a higher electric power consumption than budgeted.
5. Other appropriations for the month and fiscal year-to-date increased due to more funds assigned to residential clients' subsidy than budgeted.

Interim Operational and Financial Information subject to change.

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

	DECEMBER					
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2011-12	2010-11	Increase (Decrease) %
Basic charges	88.4	87.5	1.0	555.3	563.8	(1.5)
Fuel adjustment	230.2	200.9	14.6	1,638.7	1,169.6	40.1
Purchased power	<u>67.5</u>	<u>56.8</u>	18.8	<u>399.8</u>	<u>372.4</u>	7.4
Revenues from sales	386.1	345.2	11.8	2,593.8	2,105.8	23.2
Other	<u>1.7</u>	<u>(4.1)</u>	*	<u>11.7</u>	<u>(2.3)</u>	*
Total revenues	<u>387.8</u>	<u>341.1</u>	13.7	<u>2,605.5</u>	<u>2,103.5</u>	23.9
Fuel	204.6	178.4	14.7	1,456.7	1,038.4	40.3
Purchased power	60.2	50.7	18.7	356.2	332.2	7.2
Other expenses	<u>63.4</u>	<u>62.3</u>	1.8	<u>382.2</u>	<u>397.6</u>	(3.9)
Total current expenses	328.2	291.4	12.6	2,195.1	1,768.2	24.1
1974 - sinking fund appropriations	40.5	39.8	1.8	242.7	240.5	0.9
Reserve Maintenance Fund						
Interest on notes	0.1	0.1		0.7	0.6	16.7
Internal funds	1.0			35.9	4.4	*
Contribution to municipalities	14.0	7.6	84.2	110.6	71.2	55.3
Other appropriations	<u>4.0</u>	<u>2.2</u>	81.8	<u>20.5</u>	<u>18.6</u>	10.2
Total	<u>387.8</u>	<u>341.1</u>	13.7	<u>2,605.5</u>	<u>2,103.5</u>	23.9

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. Purchased power revenue and expense increased for the month due to a higher cost per kWh from cogenerators than prior year.
3. The other revenues for the month and fiscal year-to-date decreased due to a lower market value of investments than prior year.
4. Interest on notes for the fiscal year-to-date increased due to higher interest rates than prior year.
5. Internal funds for the fiscal year-to-date increased due to more available funds than prior year.
6. Contribution to municipalities for the month and fiscal year-to-date increased due to a higher electric power consumption than prior year.
7. Other appropriations for the month increased due to more funds assigned to residential clients' subsidy than prior year.

*Over 100%

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D. Notes Payable
(in thousand dollars)

DECEMBER

Construction Financing

	2011	2010
1. Rehabilitation Isabela Dam (GDB):		
Line of credit	25,354	25,354
Amount received	750	0
Available balance	<u>9,011</u>	<u>9,761</u>
Debt outstanding balance	750	0
Maturity Date	June 30, 2018	
2. First Bank-Via Verde:		
Line of credit	0	50,000
Amount received	0	50,000
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	0	0
Maturity Date	December 30, 2010	

Operational Financing

	2011	2010
1. Residential Fuel Subsidy (BPPR):		
Line of credit	41,585	41,585
Amount received	41,585	41,585
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	4,901	10,754
Maturity Date	November 30, 2013	
2. Municipalities Settlement Agreement :		
Line of credit	64,208	64,208
Amount received	64,208	64,208
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	25,008	34,458
Maturity Date	June 30, 2014	
3. Fuel Financing (Scotiabank) :		
Line of credit	150,000	0
Amount received	150,000	0
Available amount	<u>0</u>	<u>0</u>
Debt outstanding balance	150,000	0
Maturity Date	June 15, 2012	
4. Basis Swap Collateral (GDB) :		
Line of credit	150,000	150,000
Amount received	0	0
Available balance	<u>150,000</u>	<u>150,000</u>
Debt outstanding balance	0	0
Maturity Date	December 31, 2012	
5. Gasoducto del Sur:		
Line of credit	35,000	35,000
Amount received	26,485	26,357
Available balance	<u>8,515</u>	<u>8,643</u>
Debt outstanding balance	26,485	26,357
Maturity Date	August 17, 2011	
6. Fuel Financing (Citibank) :		
Line of credit	235,000	160,000
Amount received	150,000	125,000
Available balance	<u>85,000</u>	<u>35,000</u>
Debt outstanding balance	150,000	125,000
Maturity Date	July 13, 2012	
7. Estability Fund - GDB :		
Line of credit	244,000	
Amount received	77,400	
Available balance	<u>166,600</u>	
Debt outstanding balance	77,400	
Maturity Date	July 1, 2012	

E. Capital Improvements Program
(in thousand dollars)

DECEMBER 2011						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	8,695	9,908	14.0	52,170	81,976	57.1
Transmission	6,343	4,489	(29.2)	38,058	29,408	(22.7)
Distribution	7,267	4,748	(34.7)	43,602	50,467	15.7
Other	4,904	1,671	(65.9)	29,424	24,569	(16.5)
Undistributed Overhead		6,572			6,572	
Total	<u>27,209</u>	<u>27,388</u>	0.7	<u>163,254</u>	<u>192,992</u>	18.2
Internal Funds	639	1,000		53,796	35,951	
Percentage of Internal Funds to Investment in Capital Improvements Programs*	2%	4%		33%	19%	
Contribution AID for Construction		281			4,560	

	2011	2010
F. Highest debt coverage as of December 31	1.39	1.24

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$9,051	\$46,169
Families served	3	14

*A minimum in the internal funds contribution of 23% 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

Interim Operational and Financial Information subject to change.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	DECEMBER		Increase (Decrease %)
	2011	2010	
General clients			
Government	783,874	597,209	31.3
Subtotal	<u>461,141</u>	<u>386,792</u>	19.2
	1,245,015	984,001	26.5
Plus:			
Subsidy (Act 106 of 1974)*			
	<u>12,653</u>	<u>12,653</u>	
Total adjusted accounts receivable	<u>1,257,668</u>	<u>996,654</u>	26.2
Sales of electric energy (12 months)			
Revenues from sales ** kWh (including subsidy)	4,866,729 18,251,359	4,159,527 18,984,390	17.0 (3.9)
Indicators:			
A. Ratio of accounts receivable to sales (%)	25.6	23.7	8.1
B. Ratio of accounts receivable to sales (%) (including subsidy)	25.7	23.8	8.0
C. Sales days in accounts receivable	93	86	8.1
D. Sales days in accounts receivable (including subsidy)	94	87	8.0
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**			
Collections	4,027,126	3,449,359	16.7
Percent	3,858,152	3,492,058	10.5
	95.8	101.2	(5.4)
Government:			
Sales	839,603	710,168	18.2
Collections***	564,112	683,374	(17.5)
Percent	67.2	96.2	(30.2)
Percent of total sales	90.9	100.4	(9.5)

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

** Excludes residential clients' subsidy of \$27,416 and \$28,217, for the 12 months ended December 2011 and December 2010, respectively.

***Includes Contribution in Lieu of Taxes of \$33,562 and \$162,127, for the 12 months ended December 2011 and December 2010, respectively.
Interim Operational and Financial Information subject to change.

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PUERTO RICO ELECTRIC POWER AUTHORITY

BALANCE SHEETS
ASSETS
(in thousands)

December 31
2011

June 30
2011

Current assets:		
Cash and cash equivalents		
General fund	\$ 114,354	\$ 48,849
Revenue fund	912	14
Working funds	641	911
Total cash and cash equivalents	115,907	49,774
Accounts receivable (Exhibit A)		
Fuel oil inventory	1,226,528	1,184,279
Materials and supplies inventory	299,088	228,007
Prepayments and other (Exhibit B)	193,803	196,649
Total current assets	29,769	(101)
	1,865,095	1,658,608
Non current receivables (Exhibit A)	95,408	95,407
Restricted Assets		
Cash held by trustees		
Investments held by trustees	117,716	313,531
Sinking funds - interest		
Sinking funds - principal	109,943	153,958
Non current restricted deposits held by trustees	92,876	
Total investment held by trustees	467,195	462,548
	670,014	616,506
Construction fund and other		
Construction fund		
Investment held by REA	124,225	224,332
Reserve maintenance fund	1,100	2,020
Other restricted fund	15,756	15,692
PREPA Client fund	1,900	1,900
Total construction fund and other	2,001	500
	144,982	244,444
Total restricted assets	932,712	1,174,481
Utility Plant		
Electric plant in service		
Less: accumulated depreciation	11,250,969	11,056,977
Net electric plant in service	5,471,165	5,270,657
Construction work in progress, including preliminary surveys of 21,907 and 22,247	5,779,804	5,786,320
Total utility plant	1,023,877	1,004,943
	6,803,681	6,791,263
Other Properties		
Deferred debits:		
Unamortized debt expense		
Other	59,045	60,961
Total deferred debits	123,111	128,364
	182,156	189,325
Total assets	\$ 9,879,052	\$ 9,909,084

PUERTO RICO ELECTRIC POWER AUTHORITY

BALANCE SHEETS
LIABILITIES
(in thousands)

December 31
2011

June 30
2011

Liabilities and net assets		
Current Liabilities		
Notes payable to banks	\$ 332,085	\$ 192,788
Accounts payable and accrued liabilities (Exhibit C)	1,303,317	1,246,047
Customer deposits, including accrued interest	40,404	39,505
Total current liabilities	<u>1,675,806</u>	<u>1,478,340</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	184,351	358,552
Notes payable from restricted assets	77,400	-
Accrued interest payable on bonds and notes	173,604	183,314
Other current liabilities (Exhibit C)	53,456	69,408
Total current liabilities from restricted assets	<u>488,811</u>	<u>611,274</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (82,870) and (82,870)	7,571,841	7,571,841
Notes payable	25,060	25,059
Non current portion, accounts payable and accrued sick leave	139,904	139,904
Accrued Unfunded OPEB	137,481	123,616
Customer deposits - Noncurrent	136,274	136,274
	<u>413,659</u>	<u>399,794</u>
Total noncurrent liabilities	<u>8,010,560</u>	<u>7,996,694</u>
Total liabilities	<u>10,175,177</u>	<u>10,086,308</u>
Net assets	<u>(296,125)</u>	<u>(177,224)</u>
Total liabilities and net assets	<u><u>9,879,052</u></u>	<u><u>9,909,084</u></u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget December 2011	Actual December 2011	Actual December 2010
Operating revenues:			
Sales of electric energy	\$ 387,121	\$ 386,048	\$ 345,183
Rural electrification	-	-	-
Total operating revenues	387,121	386,048	345,183
Other income	1,580	1,710	(4,042)
Total revenues	<u>388,701</u>	<u>387,758</u>	<u>341,141</u>
Expenses:			
Fuel cost	200,390	204,605	178,444
Purchased power	63,918	60,230	50,701
Fuel extra expenses claimed	-	-	-
Other production	5,124	6,009	5,470
Transmission and distribution	13,238	14,180	14,718
Maintenance	20,003	17,659	14,788
Customer accounting and collection	9,582	9,476	9,986
Administrative and general	16,446	16,095	16,983
Interest charges	-	-	352
Subtotal expenses by function	328,701	328,254	291,442
Other Post employment benefits	2,415	2,311	2,215
Depreciation	33,202	34,511	32,092
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	32,051	30,384	30,243
Contribution to municipalities	20,076	20,236	16,328
Other appropriations	2,851	3,982	2,233
Bond Discount and Defeasance Amortization	528	528	516
Total expenses	<u>419,824</u>	<u>420,206</u>	<u>375,069</u>
Contributed capital	2,000	1,571	36,675
Changes in net assets	<u>\$ (29,123)</u>	<u>\$ (30,877)</u>	<u>\$ 2,747</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	FISCAL YEAR		
	Budget December 2011	Actual December 2011	Actual December 2010
Operating revenues:			
Sales of electric energy	\$ 2,549,688	\$ 2,593,787	\$ 2,105,797
Rural electrification	-	-	-
Total operating revenues	2,549,688	2,593,787	2,105,797
Other income	9,480	11,724	(1,789)
Total revenues	2,559,168	2,605,511	2,104,008
Expenses:			
Fuel cost			
Purchased power	1,381,628	1,456,628	1,038,356
Fuel extra expenses claimed	381,220	356,181	332,234
Other production			
Transmission and distribution	30,744	35,996	34,326
Maintenance	79,428	86,392	94,030
Customer accounting and collection	120,018	111,585	120,384
Administrative and general	57,492	57,705	57,745
Interest charges	98,676	90,548	89,033
	-	-	2,093
Subtotal expenses by function	2,149,206	2,195,035	1,768,201
Other post employment benefits	14,490	13,866	13,293
Depreciation	199,212	204,899	187,624
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction			
Contribution to municipalities	192,306	182,404	180,030
Other appropriations	120,456	121,003	99,903
Bond discount and defeasance amortization	17,106	20,499	18,646
	3,168	3,170	3,280
Total expenses	2,695,944	2,740,876	2,270,977
Contributed capital	12,000	16,465	184,286
Changes in net assets	\$ (124,776)	\$ (118,900)	\$ 17,317

PUERTO RICO ELECTRIC POWER AUTHORITY
 STATEMENTS OF REVENUES AND EXPENSES FOR REVENUE FUND
 PURPOSES PER TRUST AGREEMENT
 (in thousands)

	MONTH		
	Budget December 2011	Actual December 2011	Actual December 2010
Revenues:			
Sales of electric energy (Exhibit D)	\$ 387,121	\$ 386,048	\$ 345,183
Rural electrification	-	-	-
Total operating revenues	<u>387,121</u>	<u>386,048</u>	<u>345,183</u>
Other income	1,580	3,281	32,633
Total revenues	<u>388,701</u>	<u>389,329</u>	<u>377,816</u>
Less: 1974 construction fund investment income and gain on sale of properties	64	1,572	36,707
Revenues - net	<u>388,637</u>	<u>387,757</u>	<u>341,109</u>
Current expenses:			
Fuel cost			
Purchased power	200,390	204,605	178,444
Fuel extra expense claimed	63,918	60,230	50,701
Other production	-	-	-
Transmission and distribution	5,124	6,009	-
Maintenance	13,238	14,180	5,470
Customer accounting and collection	20,003	17,659	14,718
Administrative and general	9,582	9,476	14,788
Interest charges	16,446	16,095	9,986
Total current expenses	<u>328,701</u>	<u>328,254</u>	<u>352</u>
Net revenues (as defined)	<u>59,936</u>	<u>59,503</u>	<u>291,442</u>
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds	24,978	31,450	30,947
Int on Pow. Rev. Fund - CR Bal Serie RR	-	(6,472)	(5,794)
Bond redemption account	15,467	15,467	14,621
Reserve Account Fund	-	-	-
Reserve maintenance fund	417	-	-
Self Insurance Fund	833	-	-
Interest on notes	601	105	71
Capital Improvements fund	639	1,000	-
Total contractual obligations	<u>42,935</u>	<u>41,550</u>	<u>39,845</u>
Balance	<u>17,001</u>	<u>17,953</u>	<u>9,822</u>
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	14,150	13,971	7,589
Other	2,851	3,982	2,233
Total provision for contribution and other	<u>17,001</u>	<u>17,953</u>	<u>9,822</u>
Remainder	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

FISCAL YEAR TO DATE			TWELVE MONTHS ENDED		
Budget December 2011	Actual December 2011	Actual December 2010	Budget June 2012	Actual December 2011	Actual December 2010
\$ 2,549,688	\$ 2,593,787	\$ 2,105,797	\$ 4,908,986	\$ 4,894,145	\$ 4,187,745
2,549,688	2,593,787	2,105,797	4,908,986	4,894,145	4,187,745
9,480	28,189	182,497	18,966	86,780	245,303
2,559,168	2,621,976	2,288,294	4,927,952	4,980,925	4,433,048
384	16,484	184,818	765	67,696	242,916
2,558,784	2,605,492	2,103,476	4,927,187	4,913,229	4,190,132
1,381,628	1,456,628	1,038,356	2,614,980	2,709,657	2,096,144
381,220	356,181	332,233	774,885	684,820	642,713
-	-	-	-	-	-
30,744	35,996	34,326	61,495	69,121	65,958
79,428	86,392	94,030	158,858	168,731	175,772
120,018	111,585	120,384	240,031	211,976	224,929
57,492	57,706	57,745	114,985	114,798	116,722
98,676	90,548	89,033	197,352	175,017	166,157
-	-	2,093	-	(2,093)	1,934
2,149,206	2,195,036	1,768,200	4,162,586	4,132,027	3,490,329
409,578	410,456	335,276	764,601	781,202	699,803
149,868	188,699	185,687	299,738	381,355	345,279
-	(38,830)	(32,981)	-	(79,414)	(91,522)
92,802	92,803	87,728	185,605	180,530	148,377
2,502	-	-	-	-	-
4,998	-	-	5,000	-	-
3,606	730	632	10,000	10,000	10,000
53,796	35,951	4,359	7,210	1,649	16,187
307,572	279,353	245,425	77,265	48,824	61,982
102,006	131,103	89,851	584,818	542,944	490,303
84,900	110,604	71,205	179,783	238,258	209,500
17,106	20,499	18,646	145,579	197,592	168,674
102,006	131,103	89,851	34,204	40,666	40,826
\$ -	\$ -	\$ -	179,783	238,258	209,500
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PUERTO RICO ELECTRIC POWER AUTHORITY

STATEMENT OF NET ASSETS
(in thousands)

	December 2011	June 2011
Net Assets		
Invested in utility plant, net related debt	\$ (27,488)	\$ (52,212)
Restricted for capital activity and debt service	(33,183)	125,290
Unrestricted	<u>(235,454)</u>	<u>(250,302)</u>
Balance at month ended	<u>\$ (296,125)</u>	<u>\$ (177,224)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	December 2011	June 2011
Electric and related services:		
Government	\$ 372,059	\$ 375,022
General clients	719,516	720,133
Recoveries under fuel adjustment and purchase power clause under or (over) billed	62,460	28,329
Unbilled services	222,582	203,499
Commonwealth Government subsidy for certain residential clients	6,327	6,327
Allowance for uncollectible accounts	(220,684)	(214,126)
Claims Receivable from Insurance Companies & Other	37,802	37,649
Advances to Irrigation Systems - net	20,644	20,311
Other subsidies receivable from Commonwealth Government	-	-
Accrued interest	2,381	1,377
Other	3,441	5,758
Total	\$ 1,226,528	\$ 1,184,279
NON-CURRENT RECEIVABLES		
Government	89,082	89,081
Government subsidy for certain residential clients	6,326	6,326
Total	\$ 95,408	\$ 95,407

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	December 2011	June 2011
Claims Outstanding Related to Property Damages	\$ 15,706	\$ (708)
Prepayments and other	14,063	607
Total	\$ 29,769	\$ (101)

PUERTO RICO ELECTRIC POWER AUTHORITY
 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
 (in thousands)

Exhibit C

	December 2011	June 2011
Accounts payable - fuel oil and other	\$ 881,005	\$ 830,643
Payable to Employees Retirement System	3,060	2,211
Accrued annual leave	60,584	60,609
Accrued sick leave	16,186	26,665
Accrued salaries and fringe benefits	(44,683)	7,911
Accrued Contribution in Lieu of Taxes	191,763	176,514
Reserve for injuries and damages	23,172	23,911
Accrued Contributions Federal Social Security	497	203
Income tax withheld at source	1,217	869
Health plan	82,560	76,922
Pension & Benefits Deferred Employer Contribution	14,377	14,377
Other	73,579	25,212
Sub total current liabilities	1,303,317	1,246,047
Other current payables from restricted assets		
Retention on Contract Work	9,259	10,209
Vouchered A/P construction	20,141	34,199
Contribution aid to construction	24,056	25,000
Total other current payables from restricted assets	53,456	69,408
Total current Liabilities	\$ 1,356,773	\$ 1,315,455
NON-CURRENT LIABILITIES		
Accrued sick leave	\$ 156,090	\$ 166,569
Total non current liabilities	\$ 156,090	\$ 166,569
Total accounts payables and non current liabilities	\$ 1,512,863	\$ 1,482,024