
MONTHLY REPORT
TO THE GOVERNING BOARD
JANUARY 2011

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JANUARY		Increase (Decrease) %
	2010-11	2009-10	%
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,161,676	1,226,307	(5.3)
PREPA - Hydro	12,625	9,618	31.3
Purchased power - gas	305,495	255,743	19.5
Purchased power - coal	282,467	326,181	(13.4)
Total	1,762,263	1,817,849	(3.1)
Fiscal year-to-date:			
PREPA - Steam and gas	9,150,159	9,464,677	(3.3)
PREPA - Hydro	103,591	75,330	37.5
Purchased power - gas	2,292,515	2,301,869	(0.4)
Purchased power - coal	2,018,509	2,110,664	(4.4)
Total	13,564,774	13,952,540	(2.8)
Twelve months:			
PREPA - Steam and gas	16,224,432	16,080,757	0.9
PREPA - Hydro	161,952	127,947	26.6
Purchased power - gas	3,659,196	3,425,249	6.8
Purchased power - coal	3,146,155	3,380,544	(6.9)
Total	23,191,735	23,014,497	0.8
2. Maximum hourly peak load (in MW)			
Month	2,896	3,007	(3.7)
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	1,426,885	1,503,672	(5.1)
Days billed	30.75	30.65	0.3
Fiscal year-to-date:			
Billed	11,114,914	11,322,866	(1.8)
Days billed	213.35	212.90	0.2
Twelve months:			
Billed	18,984,886	18,709,175	1.5
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	78.4	81.4	(3.8)
Fiscal year-to-date	81.5	81.7	(0.3)
Twelve months	81.4	81.6	(0.2)
5. Average cost per barrel (\$)			
Month	95.37	80.03	19.2
Fiscal year-to-date	84.61	73.11	15.7
Twelve months	83.14	65.53	26.9
6. kWh/Barrel			
Month	642.52	623.12	3.1
Fiscal year-to-date	639.38	625.35	2.2
Twelve months	638.96	629.93	1.4
7. Heat rate (BTU/kWh)			
Month	10,425	10,843	(3.9)
Fiscal year-to-date	10,490	10,734	(2.3)
Twelve months	10,459	10,632	(1.6)

PUERTO RICO ELECTRIC POWER AUTHORITY

8. Fuel consumption
(in thousands)

	2010-11		2009-10		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	1,594	147,895	1,902	151,535	(16.2)	(2.4)
Gas	215	24,588	66	5,962	*	*
Total	<u>1,809</u>	<u>172,483</u>	<u>1,968</u>	<u>157,497</u>	(8.1)	9.5
Fiscal year-to-date:						
Steam	12,875	1,062,194	13,465	959,712	(4.4)	10.7
Gas	1,436	148,646	1,670	146,928	(14.0)	1.2
Total	<u>14,311</u>	<u>1,210,840</u>	<u>15,135</u>	<u>1,106,640</u>	(5.4)	9.4
Twelve months:						
Steam	22,431	1,815,916	22,706	1,427,129	(1.2)	27.2
Gas	2,961	295,215	2,822	245,706	4.9	20.1
Total	<u>25,392</u>	<u>2,111,131</u>	<u>25,528</u>	<u>1,672,835</u>	(0.5)	26.2

JANUARY

	2011	2010	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	9.37	8.08	15.9
2. Disconnections for nonpayment per thousand clients	8.11	5.62	44.3
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.05	0.05	
Average interruption time per clients served (minutes)	8.43	6.41	31.5
3. Clients per interruption	59	51	15.7
4. Time per interruption (minutes)	228	211	8.3

*Over 100%.

D. Personnel

		JANUARY		
		<u>2011</u>	<u>2010</u>	<u>Increase (Decrease)</u>
Management Conf. / Carr.	Reg.	2,640	2,682	(42)
	Temp.	3	3	
U.T.I.E.R.	Reg.	4,751	4,909	(158)
	Temp.	37		37
	Emerg.	16		16
U.I.T.I.C.E.	Reg.	911	938	(27)
	Temp.		1	(1)
U.E.P.I.	Reg.	374	384	(10)
	Temp.			
U.P.A.E.E.	Reg.	6	6	
	Temp.			
Total		<u>8,738</u>	<u>8,923</u>	<u>(185)</u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JANUARY					
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2010-11	2009-10	Increase (Decrease) %
kWh sales:						
Residential	501,003	568,363	(11.9)	4,073,953	4,222,723	(3.5)
Commercial	638,246	661,475	(3.5)	5,069,382	5,174,288	(2.0)
Industrial	211,242	219,857	(3.9)	1,696,008	1,783,892	(4.9)
Others	30,426	30,338	0.3	212,337	220,402	(3.7)
Total	<u>1,380,917</u>	<u>1,480,033</u>	(6.7)	<u>11,051,680</u>	<u>11,401,305</u>	(3.1)
Basic revenues:						
Residential	25,947	27,885	(6.9)	204,373	205,788	(0.7)
Commercial	42,731	45,099	(5.3)	336,284	345,182	(2.6)
Industrial	9,029	9,364	(3.6)	72,922	76,137	(4.2)
Others	4,590	4,685	(2.0)	32,576	33,380	(2.4)
Total	<u>82,297</u>	<u>87,033</u>	(5.4)	<u>646,155</u>	<u>660,487</u>	(2.2)
Fuel adjustment:						
Residential	72,338	71,786	0.8	518,559	487,351	6.4
Commercial	89,878	77,972	15.3	626,928	559,955	12.0
Industrial	27,581	24,077	14.6	190,844	175,098	9.0
Others	4,378	3,567	22.7	27,408	24,525	11.8
Total	<u>194,175</u>	<u>177,402</u>	9.5	<u>1,363,739</u>	<u>1,246,929</u>	9.4
Purchased power:						
Residential	21,617	24,995	(13.5)	163,939	192,325	(14.8)
Commercial	26,649	27,263	(2.3)	197,610	220,210	(10.3)
Industrial	8,188	8,005	2.3	60,060	68,936	(12.9)
Others	1,329	1,390	(4.4)	8,549	9,669	(11.6)
Total	<u>57,783</u>	<u>61,653</u>	(6.3)	<u>430,158</u>	<u>491,140</u>	(12.4)
Total revenues:						
Residential	119,902	124,666	(3.8)	886,871	885,464	0.2
Commercial	159,258	150,334	5.9	1,160,822	1,125,347	3.2
Industrial	44,798	41,446	8.1	323,826	320,171	1.1
Others	10,297	9,642	6.8	68,533	67,574	1.4
Total	<u>334,255</u>	<u>326,088</u>	2.5	<u>2,440,052</u>	<u>2,398,556</u>	1.7

JANUARY					
Month			Fiscal Year-to-Date		
2011	2010	Increase (Decrease) %	2010-11	2009-10	Increase (Decrease) %

2. Cents per kWh

Basic revenues:

Residential	5.18	4.91	5.5	5.02	4.87	3.1
Commercial	6.70	6.82	(1.8)	6.63	6.67	(0.6)
Industrial	4.27	4.26	0.2	4.30	4.27	0.7
Others	15.09	15.44	(2.3)	15.34	15.15	1.3
Total	5.96	5.88	1.4	5.85	5.79	1.0

Fuel adjustment:

Residential	14.44	12.62	14.4	12.73	11.55	10.2
Commercial	14.07	11.79	19.3	12.37	10.82	14.3
Industrial	13.06	10.95	19.3	11.25	9.82	14.6
Others	14.38	11.76	22.3	12.91	11.12	16.1
Total	14.07	11.98	17.4	12.34	10.94	12.8

Purchased power:

Residential	4.31	4.40	(2.0)	4.02	4.55	(11.6)
Commercial	4.18	4.12	1.5	3.90	4.26	(8.5)
Industrial	3.88	3.64	6.6	3.54	3.86	(8.3)
Others	4.37	4.58	(4.6)	4.03	4.39	(8.2)
Total	4.18	4.17	0.2	3.89	4.31	(9.7)

Total revenues:

Residential	23.93	21.93	9.1	21.77	20.97	3.8
Commercial	24.95	22.73	9.8	22.90	21.75	5.3
Industrial	21.21	18.85	12.5	19.09	17.95	6.4
Others	33.84	31.78	6.5	32.28	30.66	5.3
Total	24.21	22.03	9.9	22.08	21.04	4.9

3. Clients:

Residential	1,341,825	1,336,566	0.4	1,340,761	1,333,538	0.5
Commercial	129,588	129,046	0.4	129,613	129,044	0.4
Industrial	765	804	(4.9)	779	816	(4.5)
Others	3,527	3,547	(0.6)	3,533	3,560	(0.8)
Total	<u>1,475,705</u>	<u>1,469,963</u>	0.4	<u>1,474,686</u>	<u>1,466,958</u>	0.5

4. Average kWh per client:

Residential	373	425	(12.2)	3,039	3,167	(4.0)
Commercial	4,925	5,126	(3.9)	39,112	40,097	(2.5)
Industrial	276,133	273,454	1.0	2,177,160	2,186,142	(0.4)
Others	8,627	8,553	0.9	60,101	61,911	(2.9)
Total	936	1,007	(7.1)	7,494	7,772	(3.6)

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JANUARY	
	Month	Fiscal Year-to-Date
	2011	2010-11
kWh sales:		
Residential	47	255
Commercial	209,545	1,558,904
Industrial	153	1,427
Others	27,280	193,460
Total	<u>237,025</u>	<u>1,754,045</u>
Basic revenues:		
Residential	2	12
Commercial	13,604	101,944
Industrial	25	160
Others	4,454	31,298
Total	<u>18,085</u>	<u>133,414</u>
Fuel adjustment:		
Residential	6	33
Commercial	27,780	185,735
Industrial	19	156
Others	3,810	24,195
Total	<u>31,615</u>	<u>210,119</u>
Purchased power:		
Residential	2	10
Commercial	7,608	59,358
Industrial	5	50
Others	1,043	7,740
Total	<u>8,658</u>	<u>67,158</u>
Total revenues:		
Residential	10	55
Commercial	48,992	347,037
Industrial	49	366
Others	9,307	63,233
Total	<u>58,358</u>	<u>410,691</u>
2. Clients:		
Residential	9	23
Commercial	21,922	21,905
Industrial	6	5
Others	2,251	2,259
Total	<u>24,188</u>	<u>24,192</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)

	JANUARY 2011					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	88.9	82.3	(7.4)	682.5	646.1	(5.3)
Fuel adjustment	209.1	194.2	(7.1)	1,493.9	1,363.7	(8.7)
Purchased power	<u>61.2</u>	<u>57.8</u>	(5.6)	<u>485.5</u>	<u>430.2</u>	(11.4)
Revenues from sales	359.2	334.3	(6.9)	2,661.9	2,440.0	(8.3)
Other	<u>1.5</u>	<u>6.5</u>	*	<u>10.6</u>	<u>4.2</u>	(60.4)
Total revenues	<u>360.7</u>	<u>340.8</u>	(5.5)	<u>2,672.5</u>	<u>2,444.2</u>	(8.5)
Fuel	185.2	172.5	(6.9)	1,323.1	1,210.8	(8.5)
Purchased power	54.4	51.5	(5.3)	432.1	383.8	(11.2)
Fuel Extra Expense Claimed						
Other expenses	<u>59.3</u>	<u>58.9</u>	(0.7)	<u>414.6</u>	<u>456.5</u>	10.1
Total current expenses	298.9	282.9	(5.4)	2,169.8	2,051.1	(5.5)
1974 - sinking fund appropriations	38.6	39.7	2.8	268.7	280.1	4.2
Reserve Maintenance Fund	0.4			2.9		
Self Insurance Fund	0.8			5.8		
Interest on notes	1.1	0.8	(27.3)	7.4	1.4	(81.1)
Internal funds	1.1			49.1	4.4	(91.0)
Contribution to municipalities	17.1	14.3	(16.4)	148.2	85.5	(42.3)
Other appropriations	<u>2.7</u>	<u>3.1</u>	14.8	<u>20.6</u>	<u>21.7</u>	5.3
Total	<u>360.7</u>	<u>340.8</u>	(5.5)	<u>2,672.5</u>	<u>2,444.2</u>	(8.5)

EXPLANATION OF MAJOR VARIATIONS

1. Purchased power revenue and expense decreased for the fiscal year-to-date due to lower a cost per kWh from cogenerators than budgeted.
2. The other revenues for the fiscal year-to-date decreased due to a lower market value of investments than budgeted.
3. The other expenses for the fiscal year-to-date increased due to the overtime worked related to the Tropical Storm Earl and the Tree Trimming Program.
4. Interest on notes for the month and fiscal year-to-date decreased due to less interest rates than budgeted.
5. Internal funds for the fiscal year-to-date decreased due to less available funds than budgeted.
6. Contribution to municipalities for the month and fiscal year-to-date decreased due to a lower electric power consumption than budgeted.
7. Other appropriations for the month increased due to more funds assigned to residential clients's subsidy than budgeted.

*Over 100%

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

	JANUARY					
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2010-11	2009-10	Increase (Decrease) %
Basic charges	82.3	87.0	(5.4)	646.1	660.5	(2.2)
Fuel adjustment	194.2	177.4	9.5	1,363.7	1,246.9	9.4
Purchased power	57.8	61.7	(6.3)	430.2	491.1	(12.4)
Revenues from sales	334.3	326.1	2.5	2,440.0	2,398.5	1.7
Other	6.5	(0.8)	*	4.2	5.8	(27.6)
Total revenues	340.8	325.3	4.8	2,444.2	2,404.3	1.7
Fuel	172.5	157.5	9.5	1,210.8	1,106.6	9.4
Purchased power	51.5	55.0	(6.4)	383.8	438.2	(12.4)
Fuel Extra Expense Claimed						
Other expenses	58.9	54.7	7.7	456.5	429.3	6.3
Total current expenses	282.9	267.2	5.9	2,051.1	1,974.1	3.9
1974 - sinking fund appropriations	39.7	39.4	0.8	280.1	275.2	1.8
Reserve Maintenance Fund						
Interest on notes	0.8	4.1	(80.5)	1.4	22.6	(93.8)
Internal funds		0.2		4.4	6.0	(26.7)
Contribution to municipalities	14.3	10.9	31.2	85.5	103.8	(17.6)
Other appropriations	3.1	3.5	(11.4)	21.7	22.6	(4.0)
Total	340.8	325.3	4.8	2,444.2	2,404.3	1.7

EXPLANATION OF MAJOR VARIATIONS

1. Purchased power revenue and expense decreased for the fiscal year-to-date due to a lower cost per kWh from cogenerators 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 decreased due to less available funds than prior year.
5. Contribution to municipalities for the fiscal year-to-date decreased due to a lower electric power consumption than prior year.
6. Other appropriations for the month decreased due to less funds assigned to residential clients' subsidy than prior year.

*Over 100%

D. Notes Payable
(in thousand dollars)

JANUARY

<u>Construction Financing</u>			<u>Operational Financing</u>		
	<u>2011</u>	<u>2010</u>		<u>2011</u>	<u>2010</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	0	200,000	Amount received	41,585	41,585
Available balance	0	0	Available balance	0	0
Debt outstanding balance	0	200,000	Debt outstanding balance	10,754	16,363
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	0	56,961	Amount received	64,208	64,208
Available amount	0	39	Available balance	0	0
Debt outstanding balance	0	56,961	Debt outstanding balance	32,158	41,308
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	0	10,239	Amount received	0	199,892
Available balance	9,761	15,115	Available balance	0	108
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	300,000	Line of credit	0	275,000
Amount received	0	300,000	Amount received	0	275,000
Available balance	0	0	Available amount	0	0
Debt outstanding balance	0	300,000	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	0	84,610	Amount received	0	100,000
Available balance	0	11,390	Available balance	0	0
Debt outstanding balance	0	84,610	Debt outstanding balance	0	50,000
Maturity Date	June 30, 2011		Maturity Date	June 30, 2010	
5. First Bank-Via Verde:			6. Palo Seco Financing (BBVA) :		
Line of credit	50,000		Line of credit	0	100,000
Amount received	50,000		Amount received	0	100,000
Available balance	0		Available balance	0	0
Debt outstanding balance	0		Debt outstanding balance	0	50,000
Maturity Date	December 30, 2010		Maturity Date	March 31, 2010	
6. LOC Firstbank:			7. Basis Swap Collateral (GDB) :		
Line of credit	0	150,000	Line of credit	150,000	150,000
Amount received	0	50,000	Amount received	0	0
Available balance	0	100,000	Available balance	150,000	150,000
Debt outstanding balance	0	50,000	Debt outstanding balance	0	0
Maturity Date	June 15, 2010		Maturity Date	December 31, 2012	
			8. Gasoducto del Sur:		
			Line of credit	35,000	35,000
			Amount received	26,357	26,172
			Available balance	8,643	8,828
			Debt outstanding balance	26,357	26,172
			Maturity Date	August 17, 2011	
			9. Fuel Financing (Citibank) :		
			Line of credit	160,000	
			Amount received	125,000	
			Available balance	35,000	
			Debt outstanding balance	125,000	
			Maturity Date	June 30, 2011	

E. Capital Improvements Program
(in thousand dollars)

JANUARY 2011						
	Month **			Fiscal Year-to-Date***		
			Increase (Decrease)			Increase (Decrease)
	Budget	Actual	%	Budget	Actual	%
Production	9,150	13,406	46.5	64,049	84,085	31.3
Transmission	5,618	6,676	18.8	39,328	43,204	9.9
Distribution	6,696	6,718	0.3	46,870	70,781	51.0
Other	3,536	1,000	(71.7)	24,753	13,960	(43.6)
Undistributed Overhead						
Total	<u>25,000</u>	<u>27,800</u>	11.2	<u>175,000</u>	<u>212,030</u>	21.2
Internal Funds	1,097	0		49,067	4,359	
Percentage of Internal Funds to Investment in Capital Improvements Programs*	4%	0%		28%	2%	
Contribution AID for Construction		843			4,332	

	<u>2011</u>	<u>2010</u>
F. Highest debt coverage as January 31	1.24	1.44

G. REA Projects

	<u>Month</u>	<u>Fiscal Year-to-Date</u>
Total investment	\$8,920	\$112,102
Families served	2	26

*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 monthly overhead allocation.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	JANUARY		Increase (Decrease) %
	2011	2010	
General clients	629,181	648,715	(3.0)
Government	396,148	394,771	0.3
Subtotal	1,025,329	1,043,486	(1.7)
Plus:			
Subsidy (Act 106 of 1974)*	12,653	18,980	(33.3)
Total adjusted accounts receivable	1,037,982	1,062,466	(2.3)
Sales of electric energy (12 months)			
Revenues from sales **	4,168,209	3,736,821	11.5
kWh (including subsidy)	18,885,274	18,771,058	0.6
Indicators:			
A. Ratio of accounts receivable to sales (%)	24.6	27.9	(11.9)
B. Ratio of accounts receivable to sales (%) (including subsidy)	24.7	28.2	(12.2)
C. Sales days in accounts receivable	90	102	(11.9)
D. Sales days in accounts receivable (including subsidy)	90	103	(12.2)
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	3,455,521	3,096,433	11.6
Collections	3,463,844	3,006,391	15.2
Percent	100.2	97.1	3.2
Government:			
Sales	712,688	640,388	11.3
Collections***	644,141	700,614	(8.1)
Percent	90.4	109.4	(17.4)
Percent of total sales	98.6	99.2	(0.7)

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

** Excludes residential clients' subsidy of \$27,703 and \$32,232, for the 12 months ended January 2011 and January 2010, respectively.

*** Includes Contribution in Lieu of Taxes of \$162,861 and \$161,021, for the 12 months ended January 2011 and January 2010, respectively.

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PUERTO RICO ELECTRIC POWER AUTHORITY

BALANCE SHEETS
ASSETS
(in thousands)

	January 31 2012	June 30 2011
Current assets:		
Cash and cash equivalents		
General fund	\$ 113,538	\$ 48,849
Revenue fund	14	14
Working funds	853	911
Total cash and cash equivalents	<u>114,405</u>	<u>49,774</u>
Accounts receivable (Exhibit A)	1,220,131	1,184,279
Fuel oil inventory	247,393	228,007
Materials and supplies inventory	196,461	196,649
Prepayments and other (Exhibit B)	19,665	(101)
Total current assets	<u>1,798,055</u>	<u>1,658,608</u>
Non current receivables (Exhibit A)	<u>95,408</u>	<u>95,407</u>
Restricted Assets		
Cash held by trustees	-	313,531
Investments held by trustees		
Sinking funds - interest	98,395	153,958
Sinking funds - principal	108,343	
Non current restricted deposits held by trustees	467,565	462,548
Total investment held by trustees	<u>674,303</u>	<u>616,506</u>
Construction fund and other		
Construction fund	96,670	224,332
Investment held by REA	1,100	2,020
Reserve maintenance fund	15,783	15,692
Other restricted fund	1,900	1,900
PREPA Client fund	2,001	500
Total construction fund and other	<u>117,454</u>	<u>244,444</u>
Total restricted assets	<u>791,757</u>	<u>1,174,481</u>
Utility Plant		
Electric plant in service	11,344,945	11,104,152
Less: accumulated depreciation	5,569,345	5,334,931
Net electric plant in service	<u>5,775,600</u>	<u>5,769,221</u>
Construction work in progress, including preliminary surveys of 21,907 and 22,247	1,022,103	1,013,358
Total utility plant	<u>6,797,703</u>	<u>6,782,579</u>
Other Properties	-	-
Deferred debits:		
Unamortized debt expense	58,726	60,961
Other	118,785	119,949
Total deferred debits	<u>177,511</u>	<u>180,910</u>
Total assets	<u>\$ 9,660,434</u>	<u>\$ 9,891,985</u>

BALANCE SHEETS
LIABILITIES
(in thousands)

	January 31 2012	June 30 2011
Liabilities and net assets		
Current Liabilities		
Notes payable to banks	\$ 314,660	\$ 192,788
Accounts payable and accrued liabilities (Exhibit C)	1,292,570	1,246,047
Customer deposits, including accrued interest	40,872	39,505
Total current liabilities	1,648,102	1,478,340
Current liabilities payable from restricted assets		
Current portion of long-term debt	184,560	358,552
Notes payable from restricted assets	107,400	-
Accrued interest payable on bonds and notes	31,819	183,315
Other current liabilities (Exhibit C)	48,967	69,407
Total current liabilities from restricted assets	372,746	611,274
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	25,059	25,059
Non current portion, accounts payable and accrued sick leave		
Accrued Unfunded OPEB	139,904	139,904
Customer deposits - Noncurrent	127,886	123,616
	136,274	136,274
	404,064	399,794
Total noncurrent liabilities	8,000,964	7,996,694
Total liabilities	10,021,812	10,086,308
Net assets	(361,378)	(194,323)
Total liabilities and net assets	9,660,434	9,891,985

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget January 2012	Actual January 2012	Actual January 2011
Operating revenues:			
Sales of electric energy	\$ 358,997	\$ 378,283	\$ 334,255
Rural electrification	-	-	-
Total operating revenues	358,997	378,283	334,255
Other income	1,580	4,184	6,529
Total revenues	<u>360,577</u>	<u>382,467</u>	<u>340,784</u>
Expenses:			
Fuel cost	171,136	227,787	172,483
Purchased power	72,870	54,568	51,547
Fuel extra expenses claimed	-	-	-
Other production	5,124	6,272	5,406
Transmission and distribution	13,238	18,238	13,808
Maintenance	20,003	11,886	15,014
Customer accounting and collection	9,582	10,482	12,292
Administrative and general	16,446	31,872	12,019
Interest charges	-	-	352
Subtotal expenses by function	308,399	361,105	282,921
Other Post employment benefits	2,415	(20,218)	2,216
Depreciation	33,201	34,528	32,249
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	32,051	32,221	32,157
Contribution to municipalities	9,693	20,312	17,752
Other appropriations	2,851	3,948	3,105
Bond Discount and Defeasance Amortization	529	528	536
Total expenses	<u>389,139</u>	<u>432,424</u>	<u>370,936</u>
Contributed capital	<u>2,000</u>	<u>1,803</u>	<u>28,712</u>
Changes in net assets	<u>\$ (26,562)</u>	<u>\$ (48,154)</u>	<u>\$ (1,440)</u>

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

	FISCAL YEAR		
	Budget January 2012	Actual January 2012	Actual January 2011
Operating revenues:			
Sales of electric energy	\$ 2,908,685	\$ 2,972,069	\$ 2,440,052
Rural electrification	-	-	-
Total operating revenues	2,908,685	2,972,069	2,440,052
Other income	11,060	15,908	4,740
Total revenues	2,919,745	2,987,977	2,444,792
Expenses:			
Fuel cost	1,552,764	1,684,415	1,210,840
Purchased power	454,090	410,749	383,780
Fuel extra expenses claimed	-	-	-
Other production	35,868	42,268	39,732
Transmission and distribution	92,666	104,630	107,838
Maintenance	140,021	123,470	135,397
Customer accounting and collection	67,074	68,188	70,037
Administrative and general	115,122	122,420	101,053
Interest charges	-	-	2,445
Subtotal expenses by function	2,457,605	2,556,140	2,051,122
Other post employment benefits	16,905	(6,352)	15,509
Depreciation	232,413	239,427	219,874
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	224,357	214,625	212,187
Contribution to municipalities	130,149	141,315	117,654
Other appropriations	19,957	24,447	21,752
Bond discount and defeasance amortization	3,697	3,698	3,816
Total expenses	3,085,083	3,173,300	2,641,914
Contributed capital	14,000	18,268	212,998
Changes in net assets	\$ (151,338)	\$ (167,055)	\$ 15,876

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget January 2012	Actual January 2012	Actual January 2011
Revenues:			
Sales of electric energy (Exhibit D)	\$ 358,997	\$ 378,283	\$ 334,255
Rural electrification	-	-	-
Total operating revenues	<u>358,997</u>	<u>378,283</u>	<u>334,255</u>
Other income	1,580	5,987	35,241
Total revenues	<u>360,577</u>	<u>384,270</u>	<u>369,496</u>
Less: 1974 construction fund investment income and gain on sale of properties	<u>65</u>	<u>2,366</u>	<u>28,737</u>
Revenues - net	<u>360,512</u>	<u>381,904</u>	<u>340,759</u>
Current expenses:			
Fuel cost	171,136	227,787	172,483
Purchased power	72,870	54,568	51,547
Fuel extra expense claimed	-	-	-
Other production	5,124	6,271	5,406
Transmission and distribution	13,238	18,238	13,808
Maintenance	20,003	11,886	15,014
Customer accounting and collection	9,582	10,482	12,292
Administrative and general	16,446	31,872	12,019
Interest charges	-	-	352
Total current expenses	<u>308,399</u>	<u>361,104</u>	<u>282,921</u>
Net revenues (as defined)	<u>52,113</u>	<u>20,800</u>	<u>57,838</u>
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds	24,978	31,450	32,174
Int on Pow. Rev. Fund - CR Bal Serie RR	-	(6,472)	(7,105)
Bond redemption account	15,467	15,467	14,621
Reserve Account Fund	-	-	-
Reserve maintenance fund	417	-	-
Self Insurance Fund	833	-	-
Interest on notes	601	212	758
Capital Improvements fund	<u>3,200</u>	<u>1,000</u>	<u>-</u>
Total contractual obligations	<u>45,496</u>	<u>41,657</u>	<u>40,448</u>
Balance	<u>6,617</u>	<u>(20,857)</u>	<u>17,390</u>
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	3,766	(24,805)	14,284
Other	<u>2,851</u>	<u>3,948</u>	<u>3,106</u>
Total provision for contribution and other	<u>6,617</u>	<u>(20,857)</u>	<u>17,390</u>
Remainder	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
Budget January 2012	Actual January 2012	Actual January 2011	Budget June 2012	Actual January 2012	Actual January 2011
\$ 2,908,685	\$ 2,972,069	\$ 2,440,052	\$ 4,908,986	\$ 4,938,172	\$ 4,195,912
-	-	-	-	-	-
2,908,685	2,972,069	2,440,052	4,908,986	4,938,172	4,195,912
11,060	34,176	217,738	18,966	(164,116)	303,380
2,919,745	3,006,245	2,657,790	4,927,952	4,774,056	4,499,292
449	18,849	213,555	765	(180,317)	293,678
2,919,296	2,987,396	2,444,235	4,927,187	4,954,373	4,205,614
1,552,764	1,684,414	1,210,840	2,614,980	2,764,961	2,111,131
454,090	410,749	383,780	774,885	687,841	639,250
-	-	-	-	-	-
35,868	42,268	39,732	61,495	69,986	66,915
92,666	104,630	107,838	158,858	173,161	176,831
140,021	123,471	135,397	240,031	208,849	224,302
67,074	68,188	70,037	114,985	112,988	120,946
115,122	122,420	101,052	197,352	194,869	164,748
-	-	2,445	-	(2,445)	1,936
2,457,605	2,556,140	2,051,121	4,162,586	4,210,210	3,506,059
461,691	431,256	393,114	764,601	744,163	699,555
174,846	220,148	217,861	299,738	380,631	353,285
-	(45,301)	(40,086)	-	(78,781)	(98,627)
108,269	108,270	102,349	185,605	181,376	147,856
-	-	-	-	-	-
2,919	-	-	5,000	-	-
5,831	-	-	10,000	10,000	10,000
4,207	942	1,390	7,210	1,102	12,806
56,996	36,951	4,359	77,265	49,824	61,782
353,068	321,010	285,873	584,818	544,152	487,102
108,623	110,246	107,241	179,783	200,011	212,453
88,666	85,799	85,489	145,579	158,502	172,013
19,957	24,447	21,752	34,204	41,509	40,440
108,623	110,246	107,241	179,783	200,011	212,453
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

PUERTO RICO ELECTRIC POWER AUTHORITY

STATEMENT OF NET ASSETS
(in thousands)

	January 2012	June 2011
Net Assets		
Invested in utility plant, net related debt	\$ (48,527)	\$ (60,896)
Restricted for capital activity and debt service	(43,331)	125,290
Unrestricted	<u>(269,520)</u>	<u>(258,717)</u>
Balance at month ended	<u>\$ (361,378)</u>	<u>\$ (194,323)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	January 2012	June 2011
Electric and related services:		
Government	\$ 363,912	\$ 375,022
General clients	755,402	720,133
Recoveries under fuel adjustment and purchase power clause under or (over) billed	13,650	28,329
Unbilled services	238,068	203,499
Commonwealth Government subsidy for certain residential clients	6,327	6,327
Allowance for uncollectible accounts	(221,995)	(214,126)
Claims Receivable from Insurance Companies & Other	37,802	37,649
Advances to Irrigation Systems - net	21,539	20,311
Other subsidies receivable from Commonwealth Government	-	-
Accrued interest	2,035	1,377
Other	3,391	5,758
Total	\$ 1,220,131	\$ 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

	January 2012	June 2011
Claims Outstanding Related to Property Damages	\$ 15,918	\$ (708)
Prepayments and other	<u>3,747</u>	<u>607</u>
Total	<u>\$ 19,665</u>	<u>\$ (101)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	January 2012	June 2011
Accounts payable - fuel oil and other	\$ 818,339	\$ 830,643
Payable to Employees Retirement System	4,522	2,211
Accrued annual leave	61,620	60,609
Accrued sick leave	18,979	26,665
Accrued salaries and fringe benefits	(6,753)	7,911
Accrued Contribution in Lieu of Taxes	239,305	176,514
Reserve for injuries and damages	20,727	23,911
Accrued Contributions Federal Social Security	1,391	203
Income tax withheld at source	1,984	869
Health plan	73,901	76,922
Pension & Benefits Deferred Employer Contribution	14,377	14,377
Other	44,178	25,212
	<u>1,292,570</u>	<u>1,246,047</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	9,383	10,209
Vouchered A/P construction	16,064	34,198
Contribution aid to construction	23,520	25,000
	<u>48,967</u>	<u>69,407</u>
Total other current payables from restricted assets		
Total current Liabilities	<u>\$ 1,341,537</u>	<u>\$ 1,315,454</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	<u>\$ 139,904</u>	<u>\$ 139,904</u>
Total non current liabilities	<u>\$ 139,904</u>	<u>\$ 139,904</u>
Total accounts payables and non current liabilities	<u><u>\$ 1,481,441</u></u>	<u><u>\$ 1,455,358</u></u>

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PUERTO RICO ELECTRIC POWER AUTHORITY

SALES OF ELECTRIC ENERGY

JANUARY 2012

Exhibit D

Class of Service	CLIENTS			KWHRS (in thousands)					
	Billed	Unbilled	Total	MONTHLY			BIMONTHLY		Total
				Billed	Unbilled	Adjustment*	Unbilled	Adjustment*	
Residential	1,321,975	18,524	1,340,499	524,112	305,786	(312,825)	(11,740)	12,400	517,733
Commercial	126,439	2,144	128,583	685,979	400,176	(395,644)	9,309	(10,014)	689,806
Industrial	733		733	196,157	114,408	(140,256)			170,309
Public lighting	2,121	91	2,212	23,473	13,736	(14,034)	577	(613)	23,139
Other public authorities	2		2	3,774	2,178	(2,252)			3,700
Agricultural	1,115	156	1,271	2,197	1,256	(1,299)	438	(415)	2,177
Subtotal	1,452,385	20,915	1,473,300	1,435,692	837,540	(866,310)	(1,416)	1,358	1,406,864
Fuel oil adjustment									
Purchased power									
Subtotal	1,452,385	20,915	1,473,300	1,435,692	837,540	(866,310)	(1,416)	1,358	1,406,864
Unrecovered fuel oil cost-net									
Unrecovered purchased power cost-net									
Total	1,452,385	20,915	1,473,300	1,435,692	837,540	(866,310)	(1,416)	1,358	1,406,864

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Conts per Kwhr. Sold
Residential	1,341,288	3,970,075	203,800	2,960	5.13
Commercial	128,936	5,042,366	335,910	39,108	6.66
Industrial	739	1,606,043	67,706	2,173,265	4.22
Public lighting	2,217	164,677	30,377	74,279	18.45
Other public authorities	2	29,464	1,276	14,732,000	4.33
Agricultural	1,282	14,953	907	11,664	6.07
Subtotal	1,474,464	10,827,578	639,976	7,343	5.91
Fuel oil adjustment			1,892,629		17.28
Purchased Power			454,144		4.26
Subtotal	1,474,464	10,827,578	2,986,749	7,343	27.58
Unrecovered fuel oil cost-net			(21,446)		
Unrecovered purchased Power cost-net			6,766		
Total	1,474,464	10,827,578	2,972,069	7,343	27.45

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

JANUARY 2012

Exhibit D

REVENUES (in thousands)							
MONTHLY				BIMONTHLY		Kwhrs. per Client	Cents per Kwhr. Sold
Billed	Unbilled	Discount	Adjustment*	Unbilled	Total		
27,128	15,801	(10)	(16,268)	(19)	26,632	386	5.14
45,723	26,698		(27,531)	(195)	44,695	5,365	6.48
10,125	5,917	(805)	(6,490)		8,747	232,345	5.14
4,324	2,504		(2,542)	(12)	4,274	10,461	18.47
160	94		(97)		157	1,850,000	4.24
139	83		(82)	0	140	1,713	6.43
87,599	51,097	(815)	(53,010)	(226)	84,645	955	6.02
269,383	146,585		(126,543)	213	289,638		16.52
55,439	35,931		(38,595)	36	52,811		4.35
412,421	233,613	(815)	(218,148)	23	427,094	955	30.36
					(57,165)		
					8,354		
<u>412,421</u>	<u>233,613</u>	<u>(815)</u>	<u>(218,148)</u>	<u>23</u>	<u>378,283</u>	955	26.89