

---

MONTHLY REPORT  
TO THE GOVERNING BOARD  
OCTOBER 2011

---

## CONTENTS

	<u>PAGE</u>
Operations Highlights .....	1 - 12
Balance Sheet .....	14 - 15
Statements of Revenues, Expenses and Changes in Net Assets .....	16 - 17
Statements of Revenues and Expenses for Revenue Fund Purposes Per Trust Agreement.....	18 - 19
Statement of Net Assets .....	20
Accounts Receivable (Exhibit A) .....	21
Prepayments and Other (Exhibit B).....	22
Accounts Payable and Accrued Liabilities (Exhibit C) .....	23
Sales of Electric Energy (Exhibit D) .....	24 - 25

PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	OCTOBER		Increase (Decrease) %
	2011-12	2010-11	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,388,304	1,445,719	(4.0)
PREPA - Hydro	16,023	19,534	(18.0)
Purchased power - gas	300,144	367,670	(18.4)
Purchased power - coal	274,561	196,163	40.0
Renewal Energy	219		
Total	1,979,251	2,029,086	(2.5)
Fiscal year-to-date:			
PREPA - Steam and gas	5,478,711	5,542,641	(1.2)
PREPA - Hydro	60,604	67,455	(10.2)
Purchased power - gas	1,192,716	1,404,579	(15.1)
Purchased power - coal	1,083,583	1,166,830	(7.1)
Renewal Energy	287		
Total	7,815,901	8,181,505	(4.5)
Twelve months:			
PREPA - Steam and gas	15,320,960	16,406,417	(6.6)
PREPA - Hydro	142,942	160,878	(11.1)
Purchased power - gas	3,374,665	3,688,180	(8.5)
Purchased power - coal	3,426,440	3,228,727	6.1
Renewal Energy	287		
Total	22,265,294	23,484,202	(5.2)
2. Maximum hourly peak load (in MW)			
Month	3,134	3,234	(3.1)
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	1,602,990	1,647,403	(2.7)
Days billed	30.40	30.45	(0.2)
Fiscal year-to-date:			
Billed	6,386,422	6,572,669	(2.8)
Days billed	122.55	121.50	0.9
Twelve months:			
Billed	18,365,548	19,182,253	(4.3)
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	83.0	82.2	1.0
Fiscal year-to-date	82.4	81.1	1.6
Twelve months	82.2	81.4	1.0
5. Average cost per barrel (\$)			
Month	118.04	83.83	40.8
Fiscal year-to-date	117.17	80.76	45.1
Twelve months	109.24	80.64	35.5
6. kWh/Barrel			
Month	620.89	645.41	(3.8)
Fiscal year-to-date	621.24	635.41	(2.2)
Twelve months	638.72	633.79	0.8
7. Heat rate (BTU/kWh) *			
Month	10,683	10,307	3.6
Fiscal year-to-date	10,635	10,531	1.0
Twelve months	10,488	10,556	(0.6)

\* Revised prior year.

## PUERTO RICO ELECTRIC POWER AUTHORITY

8. Fuel consumption (in thousands)	2011-12		2010-11		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	1,766	201,432	1,942	157,374	(9.1)	28.0
Gas	470	62,495	298	30,382	57.7	*
Natural Gas	0	0				
Total	<u>2,236</u>	<u>263,927</u>	<u>2,240</u>	<u>187,756</u>	(0.2)	40.6
Fiscal year-to-date:						
Steam	7,552	872,166	7,855	618,676	(3.9)	41.0
Gas	1,173	154,086	868	85,806	35.1	79.6
Natural Gas	94	7,054				
Total	<u>8,819</u>	<u>1,033,306</u>	<u>8,723</u>	<u>704,482</u>	1.1	46.7
Twelve months:						
Steam	21,077	2,266,936	23,221	1,829,914	(9.2)	23.9
Gas	2,816	346,220	2,665	257,427	5.7	34.5
Natural Gas	94	7,054				
Total	<u>23,987</u>	<u>2,620,210</u>	<u>25,886</u>	<u>2,087,341</u>	(7.3)	25.5

## OCTOBER

	2011	2010	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	8.85	8.98	(1.5)
2. Disconnections for nonpayment per thousand clients	11.99	9.62	24.6
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.04	0.05	(19.6)
2. Interruption duration index			
Average interruption time per clients served (minutes)	5.56	8.30	(33.0)
3. Clients per interruption	39	51	(23.5)
4. Time per interruption (minutes)	205	253	(19.1)

D. Personnel

		OCTOBER		Increase (Decrease)
		<u>2011</u>	<u>2010</u>	<u>          </u>
Management Conf. / Carr.	Reg.	2,630	2,653	(23)
	Temp.	8	1	7
U.T.I.E.R.	Reg.	4,622	4,795	(173)
	Temp.	74	31	43
	Emerg.	27	18	9
U.I.T.I.C.E.	Reg.	896	917	(21)
	Temp.			
U.E.P.I.	Reg.	366	375	(9)
	Temp.			
U.P.A.E.E.	Reg.	6	6	
	Temp.			
Total		<u>8,629</u>	<u>8,796</u>	<u>(167)</u>

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	OCTOBER					
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2011-12	2010-11	Increase (Decrease) %
kWh sales:						
Residential	581,409	595,790	(2.4)	2,390,440	2,480,366	(3.6)
Commercial	771,817	766,036	0.8	2,967,367	3,017,833	(1.7)
Industrial	258,085	275,512	(6.3)	962,169	1,016,898	(5.4)
Others	32,033	30,477	5.1	119,052	122,429	(2.8)
Total	<u>1,643,344</u>	<u>1,667,815</u>	(1.5)	<u>6,439,028</u>	<u>6,637,526</u>	(3.0)
Basic revenues:						
Residential	29,364	30,125	(2.5)	122,301	123,867	(1.3)
Commercial	50,577	50,402	0.3	196,063	199,061	(1.5)
Industrial	10,164	11,776	(13.7)	38,496	42,627	(9.7)
Others	4,837	4,708	2.7	18,425	18,750	(1.7)
Total	<u>94,942</u>	<u>97,011</u>	(2.1)	<u>375,285</u>	<u>384,305</u>	(2.3)
Fuel adjustment:						
Residential	108,522	79,630	36.3	443,517	307,187	44.4
Commercial	140,326	96,390	45.6	537,824	360,361	49.2
Industrial	41,663	31,767	31.2	158,771	111,120	42.9
Others	6,530	3,696	76.7	22,384	14,932	49.9
Total	<u>297,041</u>	<u>211,483</u>	40.5	<u>1,162,496</u>	<u>793,600</u>	46.5
Purchased power:						
Residential	24,041	22,200	8.3	96,845	97,938	(1.1)
Commercial	30,379	27,096	12.1	117,238	115,029	1.9
Industrial	9,497	8,915	6.5	35,043	35,216	(0.5)
Others	1,066	1,156	(7.8)	4,713	4,863	(3.1)
Total	<u>64,983</u>	<u>59,367</u>	9.5	<u>253,839</u>	<u>253,046</u>	0.3
Total revenues:						
Residential	161,927	131,955	22.7	662,663	528,992	25.3
Commercial	221,282	173,888	27.3	851,125	674,451	26.2
Industrial	61,324	52,458	16.9	232,310	188,963	22.9
Others	12,433	9,560	30.1	45,522	38,545	18.1
Total	<u>456,966</u>	<u>367,861</u>	24.2	<u>1,791,620</u>	<u>1,430,951</u>	25.2

OCTOBER						
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2011-12	2010-11	Increase (Decrease) %
<b>2. Cents per kWh</b>						
Basic revenues:						
Residential	5.05	5.06	(0.2)	5.12	4.99	2.6
Commercial	6.55	6.58	(0.5)	6.61	6.60	0.2
Industrial	3.94	4.27	(7.7)	4.00	4.19	(4.5)
Others	15.10	15.45	(2.3)	15.48	15.31	1.1
Total	5.78	5.82	(0.7)	5.83	5.79	0.7
Fuel adjustment:						
Residential	18.67	13.36	39.7	18.55	12.39	49.7
Commercial	18.18	12.58	44.5	18.12	11.94	51.8
Industrial	16.14	11.53	40.0	16.50	10.93	51.0
Others	20.38	12.13	68.0	18.80	12.20	54.1
Total	18.08	12.68	42.6	18.05	11.96	50.9
Purchased power:						
Residential	4.13	3.73	10.7	4.05	3.95	2.5
Commercial	3.94	3.54	11.3	3.95	3.81	3.7
Industrial	3.68	3.24	13.6	3.64	3.46	5.2
Others	3.33	3.79	(12.1)	3.96	3.97	(0.3)
Total	3.95	3.56	11.0	3.94	3.81	3.4
Total revenues:						
Residential	27.85	22.15	25.7	27.72	21.33	30.0
Commercial	28.67	22.70	26.3	28.68	22.35	28.3
Industrial	23.76	19.04	24.8	24.14	18.58	29.9
Others	38.81	31.37	23.7	38.24	31.48	21.5
Total	27.81	22.06	26.1	27.82	21.56	29.0
<b>3. Clients:</b>						
Residential	1,341,087	1,340,061	0.1	1,342,116	1,340,154	0.1
Commercial	128,880	129,544	(0.5)	129,121	129,569	(0.3)
Industrial	738	776	(4.9)	744	786	(5.3)
Others	3,504	3,532	(0.8)	3,508	3,538	(0.8)
Total	<u>1,474,209</u>	<u>1,473,913</u>		<u>1,475,489</u>	<u>1,474,047</u>	0.1
<b>4. Average kWh per client:</b>						
Residential	434	445	(2.5)	1,781	1,851	(3.8)
Commercial	5,989	5,913	1.3	22,981	23,291	(1.3)
Industrial	349,709	355,041	(1.5)	1,293,238	1,293,763	
Others	9,142	8,629	5.9	33,937	34,604	(1.9)
Total	1,115	1,132	(1.5)	4,364	4,503	(3.1)

## PUERTO RICO ELECTRIC POWER AUTHORITY

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	OCTOBER					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2011	2010		2011-12	2010-11	
<b>kWh sales:</b>						
Residential	62	39	59.0	229	141	62.4
Commercial	242,511	243,328	(0.3)	918,977	908,629	1.1
Industrial	474	107	*	1,811	937	93.3
Others	27,076	27,565	(1.8)	109,196	111,202	(1.8)
<b>Total</b>	<b>270,123</b>	<b>271,039</b>	<b>(0.3)</b>	<b>1,030,213</b>	<b>1,026,909</b>	<b>0.9</b>
<b>Basic revenues:</b>						
Residential	3	2	50.0	11	6	83.3
Commercial	15,270	15,556	(1.8)	59,029	59,310	(0.5)
Industrial	64	22	*	181	93	94.6
Others	4,370	4,473	(2.3)	17,766	17,920	(0.9)
<b>Total</b>	<b>19,707</b>	<b>20,053</b>	<b>(1.7)</b>	<b>76,987</b>	<b>77,329</b>	<b>(0.4)</b>
<b>Fuel adjustment:</b>						
Residential	10	6	66.7	42	19	*
Commercial	35,040	32,847	6.7	157,967	109,369	44.4
Industrial	65	13	*	309	102	*
Others	4,087	3,920	4.3	19,756	14,008	41.0
<b>Total</b>	<b>39,202</b>	<b>36,786</b>	<b>6.6</b>	<b>178,074</b>	<b>123,498</b>	<b>44.2</b>
<b>Purchased power:</b>						
Residential	4	1	*	10	6	66.7
Commercial	13,324	8,262	61.3	38,383	33,441	14.8
Industrial	25	3	*	73	32	*
Others	1,563	979	59.7	4,751	4,297	10.6
<b>Total</b>	<b>14,916</b>	<b>9,245</b>	<b>61.3</b>	<b>43,217</b>	<b>37,776</b>	<b>14.4</b>
<b>Total revenues:</b>						
Residential	17	9	88.9	63	31	*
Commercial	63,634	56,665	12.3	255,379	202,120	26.4
Industrial	154	38	*	563	227	*
Others	10,020	9,372	6.9	42,273	36,225	16.7
<b>Total</b>	<b>73,825</b>	<b>66,084</b>	<b>11.7</b>	<b>298,278</b>	<b>238,603</b>	<b>25.0</b>
<b>2. Clients:</b>						
Residential	19	37	(48.6)	12	32	(62.5)
Commercial	21,925	21,889	0.2	21,940	21,885	0.3
Industrial	7	3	*	7	4	75.0
Others	2,245	2,259	(0.6)	2,248	2,265	(0.8)
<b>Total</b>	<b>24,196</b>	<b>24,188</b>		<b>24,207</b>	<b>24,186</b>	<b>0.1</b>

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%



This page intentionally left in blank.

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

	OCTOBER 2011					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	97.0	94.9	(2.2)	384.5	375.3	(2.4)
Fuel adjustment	270.8	297.0	9.7	1,095.7	1,162.5	6.1
Purchased power	71.9	65.0	(9.6)	286.2	253.8	(11.3)
Revenues from sales	439.7	456.9	3.9	1,766.4	1,791.6	1.4
Other	1.5	3.7	*	6.1	11.6	90.2
Total revenues	441.2	460.6	4.4	1,772.5	1,803.2	1.7
Fuel	240.4	263.9	9.8	972.3	1,033.3	6.3
Purchased power	64.0	57.9	(9.5)	254.7	226.0	(11.3)
Other expenses	64.4	63.7	(1.1)	257.6	269.9	4.8
Total current expenses	368.8	385.5	4.5	1,484.6	1,529.2	3.0
1974 - sinking fund appropriations	40.6	40.5	(0.2)	161.9	161.8	(0.1)
Reserve Maintenance Fund	0.4			1.7		
Self Insurance Fund	0.8			3.3		
Interest on notes	0.6	0.1	(83.3)	2.4	0.5	(79.2)
Internal funds	13.1	8.0	(38.9)	50.6	23.7	(53.2)
Contribution to municipalities	14.1	23.9	69.5	56.6	74.2	31.1
Other appropriations	2.8	2.6	(7.1)	11.4	13.8	21.1
Total	441.2	460.6	4.4	1,772.5	1,803.2	1.7

EXPLANATION OF MAJOR VARIATIONS

1. Purchase power revenue and expense decreased for the fiscal year-to-date due to a lower cost per MWh from cogenerators than budgeted.
2. The other revenues for the month and fiscal year-to-date increased due to a higher 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 increased due to a higher electric power consumption than budgeted.
6. Other appropriations for the fiscal year-to-date increased due to more funds assigned to residential clients' subsidy than budgeted.

\*Over 100%

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

	OCTOBER					
	Month			Fiscal Year-to-Date		
	2011	2010	Increase (Decrease) %	2011-12	2010-11	Increase (Decrease) %
Basic charges	94.9	97.0	(2.2)	375.3	384.3	(2.3)
Fuel adjustment	297.0	211.5	40.4	1,162.5	793.6	46.5
Purchased power	65.0	59.4	9.4	253.8	253.0	0.3
Revenues from sales	456.9	367.9	24.2	1,791.6	1,430.9	25.2
Other	3.7	(1.2)	*	11.6	2.4	*
Total revenues	460.6	366.7	25.6	1,803.2	1,433.3	25.8
Fuel	263.9	187.8	40.5	1,033.3	704.5	46.7
Purchased power	57.9	53.0	9.2	226.0	225.8	0.1
Other expenses	63.7	67.5	(5.6)	269.9	272.0	(0.8)
Total current expenses	385.5	308.3	25.0	1,529.2	1,202.3	27.2
1974 - sinking fund appropriations	40.5	39.7	2.0	161.8	160.8	0.6
Reserve Maintenance Fund						
Interest on notes	0.1	0.1		0.5	0.5	
Internal funds	8.0			23.7	4.4	*
Contribution to municipalities	23.9	15.1	58.3	74.2	52.3	41.9
Other appropriations	2.6	3.5	(25.7)	13.8	13.0	6.2
Total	460.6	366.7	25.6	1,803.2	1,433.3	25.8

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 fiscal year-to-date increased due to a higher market value of investments than prior year.
3. Internal funds for the fiscal year-to-date increased due to more available funds than prior year.
4. Contribution to municipalities for the month and fiscal year-to-date increased due to a higher electric power consumption than prior year.
5. Other appropriations for the month decreased due to less funds assigned to residential clients' subsidy than prior year.

\*Over 100%

D Notes Payable  
(in thousand dollars)

OCTOBER

Construction Financing

	<u>2011</u>	<u>2010</u>
1 Rehabilitation Isabela Dam (GDB):		
Line of credit	25,354	25,354
Amount received	<u>750</u>	<u>0</u>
Available balance	<u>9,011</u>	<u>9,761</u>
Debt outstanding balance	750	0
Maturity Date	June 30, 2018	

Operational Financing

	<u>2011</u>	<u>2010</u>
1 Residential Fuel Subsidy (BPPK)		
Line of credit	41,585	41,585
Amount received	<u>41,585</u>	<u>41,585</u>
Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	10,754	16,363
Maturity Date	November 30, 2013	
2 Municipalities Settlement Agreement		
Line of credit	64,208	64,208
Amount received	<u>64,208</u>	<u>64,208</u>
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	<u>150,000</u>	<u>0</u>
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	<u>0</u>	<u>0</u>
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	15,000	15,000
Amount received	<u>26,485</u>	<u>26,357</u>
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	200,000	200,000
Amount received	<u>100,000</u>	<u>94,347</u>
Available balance	<u>100,000</u>	<u>105,653</u>
Debt outstanding balance	100,000	94,347
Maturity Date	July 13, 2012	
7 Establimiento Fund - GDB		
Line of credit	244,000	
Amount received	<u>25,800</u>	
Available balance	<u>218,200</u>	
Debt outstanding balance	25,800	
Maturity Date	July 1, 2012	

E. Capital Improvements Program  
(in thousand dollars)

OCTOBER 2011						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	8,695		(100.0)	34,780		(100.0)
Transmission	6,343		(100.0)	25,372		(100.0)
Distribution	7,267		(100.0)	29,068		(100.0)
Other	4,904		(100.0)	19,616		(100.0)
Undistributed Overhead						
Total	<u>27,209</u>	<u>0</u>	(100.0)	<u>108,836</u>	<u>0</u>	(100.0)
Internal Funds	13,067	8,052		50,645	23,741	
Percentage of Internal Funds to Investment in Capital Improvements Programs*	48%	#DIV/0!		47%	#DIV/0!	
Contribution AID for Construction		2,125			3,294	

	2011	2010
F. Highest debt coverage as of October 31	1.33	1.31

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$13,311	\$24,814
Families served	4	7

\*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.

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	OCTOBER		Increase (Decrease) %
	2011	2010	
General clients	820,626	648,789	26.5
Government	484,647	410,055	18.2
Subtotal	1,305,273	1,058,844	23.3
Plus:			
Subsidy (Act 106 of 1974)*	12,653	12,653	
Total adjusted accounts receivable	1,317,926	1,071,497	23.0
Sales of electric energy (12 months)			
Revenues from sales **	4,740,421	4,175,865	13.5
kWh (including subsidy)	18,302,911	19,110,720	(4.2)
Indicators:			
A. Ratio of accounts receivable to sales (%)	27.5	25.4	8.6
B. Ratio of accounts receivable to sales (%) (including subsidy)	27.6	25.5	8.5
C. Sales days in accounts receivable	101	93	8.6
D. Sales days in accounts receivable (including subsidy)	101	93	8.5
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	3,925,999	3,463,437	13.4
Collections	3,772,025	3,450,060	9.3
Percent	96.1	99.6	(3.5)
Government:			
Sales	814,422	712,428	14.3
Collections***	664,702	640,411	3.8
Percent	81.6	89.9	(9.2)
Percent of total sales	93.6	98.0	(4.5)

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

\*\* Excludes residential clients' subsidy of \$26,403 and \$29,692, for the 12 months ended October 2011 and October 2010, respectively.

\*\*\*Includes Contribution in Lieu of Taxes of \$229,055 and \$173,967, for the 12 months ended October 2011 and October 2010, respectively.

This page intentionally left blank.

## PUERTO RICO ELECTRIC POWER AUTHORITY

BALANCE SHEETS  
ASSETS  
(in thousands)

	October 31 2011	June 30 2011
<b>Current assets:</b>		
Cash and cash equivalents		
General fund	\$ 108,221	\$ 48,849
Revenue fund	14	14
Working funds	596	911
Total cash and cash equivalents	108,831	49,774
Accounts receivable (Exhibit A)	1,290,292	1,184,279
Fuel oil inventory	235,437	228,007
Materials and supplies inventory	195,425	196,649
Prepayments and other (Exhibit B)	20,769	(3,765)
Total current assets	1,850,754	1,654,944
Non current receivables (Exhibit A)	95,408	95,407
<b>Restricted Assets</b>		
Cash held by trustees	-	313,531
Investments held by trustees		
Sinking funds - interest	117,794	153,958
Sinking funds - principal	61,873	-
Non current restricted deposits held by trustees	466,045	462,548
Total investment held by trustees	645,712	616,506
Construction fund and other		
Construction fund	211,135	224,332
Investment held by REA	1,099	2,020
Reserve maintenance fund	15,732	15,692
Other restricted fund	1,900	1,900
PREPA Client fund	501	500
Total construction fund and other	230,367	244,444
Total restricted assets	876,079	1,174,481
<b>Utility Plant</b>		
Electric plant in service	11,232,995	11,056,977
Less: accumulated depreciation	5,404,320	5,270,657
Net electric plant in service	5,828,675	5,786,320
Construction work in progress, including preliminary surveys of \$21,907 and \$22,247	985,792	1,013,358
Total utility plant	6,814,467	6,799,678
<b>Other Properties</b>		
	-	-
<b>Deferred debits:</b>		
Unamortized debt expense	59,683	60,960
Other	112,012	119,949
Total deferred debits	171,695	180,909
Total assets	\$ 9,808,403	\$ 9,905,419



BALANCE SHEETS  
LIABILITIES  
(in thousands)

	October 31 2011	June 30 2011
Liabilities and net assets		
Current Liabilities		
Notes payable to banks	\$ 287,939	\$ 192,788
Accounts payable and accrued liabilities (Exhibit C)	1,277,057	1,178,648
Customer deposits, including accrued interest	39,860	39,505
Total current liabilities	1,604,856	1,410,941
Current liabilities payable from restricted assets		
Current portion of long-term debt	183,933	358,552
Notes payable from restricted assets	25,800	-
Accrued interest payable on bonds and notes	114,236	183,314
Other current liabilities (Exhibit C)	65,391	69,408
Total current liabilities from restricted assets	389,360	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	139,904	139,904
Accrued Unfunded OPEB	196,594	187,350
Customer deposits - Noncurrent	136,274	136,274
	472,772	463,528
Total noncurrent liabilities	8,069,672	8,060,428
Total liabilities	10,063,888	10,082,643
Net assets	(255,485)	(177,224)
Total liabilities and net assets	\$ 9,808,403	\$ 9,905,419

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget October 2011	Actual October 2011	Actual October 2010
Operating revenues:			
Sales of electric energy	\$ 439,710	\$ 456,966	\$ 367,861
Rural electrification	-	-	-
Total operating revenues	439,710	456,966	367,861
Other income	1,580	3,647	(903)
Total revenues	441,290	460,613	366,958
Expenses:			
Fuel cost	240,426	263,927	187,756
Purchased power	64,043	57,945	52,960
Fuel extra expenses claimed	-	-	-
Other production	5,124	5,766	6,256
Transmission and distribution	13,238	14,171	15,714
Maintenance	20,003	18,887	20,955
Customer accounting and collection	9,582	9,388	9,711
Administrative and general	16,446	15,365	14,549
Interest charges	-	-	352
Subtotal expenses by function	368,862	385,449	308,253
Other Post employment benefits	2,415	2,311	2,216
Depreciation	33,202	34,186	31,291
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	32,051	30,400	31,013
Contribution to municipalities	20,076	21,522	17,775
Other appropriations	2,851	2,594	3,544
Bond Discount and Defeasance Amortization	528	528	516
Total expenses	459,985	476,990	394,608
Contributed capital	2,000	2,670	30,282
Changes in net assets	\$ (16,695)	\$ (13,707)	\$ 2,632

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

	FISCAL YEAR		
	Budget 2011-2012	Actual 2011-2012	Actual 2010-2011
Operating revenues:			
Sales of electric energy	\$ 1,766,411	\$ 1,791,620	\$ 1,430,951
Rural electrification	-	-	-
Total operating revenues	1,766,411	1,791,620	1,430,951
Other income	6,320	11,640	2,798
Total revenues	1,772,731	1,803,260	1,433,749
Expenses:			
Fuel cost	972,336	1,033,306	704,482
Purchased power	254,734	226,054	225,784
Fuel extra expenses claimed	-	-	-
Other production	20,496	24,555	23,141
Transmission and distribution	52,952	64,628	64,257
Maintenance	80,012	80,399	86,685
Customer accounting and collection	38,328	39,761	37,961
Administrative and general	65,784	60,496	58,562
Interest charges	-	-	1,399
Subtotal expenses by function	1,484,642	1,529,199	1,202,271
Other post employment benefits	9,660	9,244	8,862
Depreciation	132,808	135,766	123,897
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	128,204	121,622	124,264
Contribution to municipalities	80,304	83,320	66,727
Other appropriations	11,404	13,830	13,008
Bond discount and defeasance amortization	2,112	2,113	2,248
Total expenses	1,849,134	1,895,094	1,541,277
Contributed capital	8,000	13,573	114,839
Changes in net assets	\$ (68,403)	\$ (78,261)	\$ 7,311

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

	MONTH		
	Budget October 2011	Actual October 2011	Actual October 2010
<b>Revenues:</b>			
Sales of electric energy (Exhibit D)	\$ 439,710	\$ 456,966	\$ 367,861
Rural electrification	-	-	-
Total operating revenues	<u>439,710</u>	<u>456,966</u>	<u>367,861</u>
Other income	1,580	6,317	29,379
Total revenues	<u>441,290</u>	<u>463,283</u>	<u>397,240</u>
Less: 1974 construction fund investment income and gain on sale of properties	<u>64</u>	<u>2,675</u>	<u>30,552</u>
Revenues - net	<u>441,226</u>	<u>460,608</u>	<u>366,688</u>
<b>Current expenses:</b>			
Fuel cost	240,426	263,927	187,756
Purchased power	64,043	57,945	52,960
Fuel extra expense claimed	-	-	-
Other production	5,124	5,766	6,256
Transmission and distribution	13,238	14,171	15,714
Maintenance	20,003	18,887	20,955
Customer accounting and collection	9,582	9,388	9,711
Administrative and general	16,446	15,365	14,549
Interest charges	-	-	352
Total current expenses	<u>368,862</u>	<u>385,449</u>	<u>308,253</u>
Net revenues (as defined)	<u>72,364</u>	<u>75,159</u>	<u>58,435</u>
<b>Contractual obligations:</b>			
Sinking fund appropriations -			
Interest on power revenue bonds	24,978	31,450	30,923
Int on Pow. Rev. Fund - CR Bal Serie RR	-	(6,472)	(5,879)
Bond redemption account	15,467	15,467	14,621
Reserve Account Fund	-	-	-
Reserve maintenance fund	417	-	-
Self Insurance Fund	833	-	-
Interest on notes	601	121	89
Capital Improvements fund	13,067	8,052	-
Total contractual obligations	<u>55,363</u>	<u>48,618</u>	<u>39,754</u>
Balance	<u>17,001</u>	<u>26,541</u>	<u>18,681</u>
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	14,150	23,947	15,137
Other	2,851	2,594	3,544
Total provision for contribution and other	<u>17,001</u>	<u>26,541</u>	<u>18,681</u>
Remainder	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## PUERTO RICO ELECTRIC POWER AUTHORITY

STATEMENT OF NET ASSETS  
(in thousands)

	October 2011	June 2011
Net Assets		
Invested in utility plant, net related debt	\$ 4,951	\$ (43,797)
Restricted for capital activity and debt service	(11,380)	125,288
Unrestricted	<u>(249,056)</u>	<u>(258,715)</u>
Balance at month ended	<u>\$ (255,485)</u>	<u>\$ (177,224)</u>

ACCOUNTS RECEIVABLE  
(in thousands)

Exhibit A	October 31 2011	June 30 2011
Electric and related services:		
Government	\$ 395,565	\$ 375,022
General clients	772,817	720,133
Recoveries under fuel adjustment and purchase power clause under or (over) billed	41,188	28,329
Unbilled services	224,682	203,499
Commonwealth Government subsidy for certain residential clients	6,327	6,327
Allowance for uncollectible accounts	(218,061)	(214,126)
Claims Receivable from Insurance Companies & Other	37,777	37,649
Advances to Irrigation Systems - net	21,799	20,311
Other subsidies receivable from Commonwealth Government	-	-
Accrued interest	2,195	1,377
Other	6,003	5,758
Total	\$ 1,290,292	\$ 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

## PUERTO RICO ELECTRIC POWER AUTHORITY

PREPAYMENTS AND OTHER  
(in thousands)

Exhibit B

	October 31 2011	June 30 2011
Prepayments and other	\$ 20,769	\$ (3,765)
Total	<u>\$ 20,769</u>	<u>\$ (3,765)</u>



ACCOUNTS PAYABLE AND ACCRUED LIABILITIES  
(in thousands)

Exhibit C

	October 2011	June 2011
Accounts payable - fuel oil and other	\$ 905,017	\$ 830,643
Payable to Employees Retirement System	875	2,211
Accrued annual leave	60,282	60,609
Accrued sick leave	13,861	26,665
Accrued salaries and fringe benefits	20,590	7,911
Accrued Contribution in Lieu of Taxes	190,499	176,514
Reserve for injuries and damages	23,924	23,911
Accrued Contributions Federal Social Security	-	203
Income tax withheld at source	577	868
Health plan	17,498	13,188
Pension & Benefits Deferred Employer Contribution	14,377	14,377
Other	29,557	21,548
	<u>1,277,057</u>	<u>1,178,648</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	\$ 10,201	\$ 10,209
Vouchered A/P construction	22,665	34,199
Contribution aid to construction	32,525	25,000
	<u>65,391</u>	<u>69,408</u>
Total other current payables from restricted assets		
Total current Liabilities	<u>\$ 1,342,448</u>	<u>\$ 1,248,056</u>
 <b>NON-CURRENT LIABILITIES</b>		
Accrued sick leave	\$ 139,904	\$ 139,904
Total non current liabilities	\$ 139,904	\$ 139,904
Total accounts payables and non current liabilities	<u>\$ 1,482,352</u>	<u>\$ 1,387,960</u>