
MONTHLY REPORT
TO THE GOVERNING BOARD
AUGUST 2014

CONTENTS

	<u>PAGE</u>
Operation Highlights	1 - 12
Statement of Net Position.....	14 - 15
Statements of Revenues, Expenses and Change in Net Position.....	16 - 17
Statements of Revenues and Expenses for Revenue Fund Purposes Per Trust Agreement	18 - 19
Net Position.....	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

	AUGUST		Increase (Decrease) %
	2014-15	2013-14	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,162,676	1,321,046	(12.0)
PREPA - Hydro	7,788	6,963	11.8
Purchased power - gas	332,632	343,239	(3.1)
Purchased power - coal	337,331	255,378	32.1
Renewable Energy	29,064	22,262	30.6
Total	1,869,491	1,948,888	(4.1)
Fiscal year-to-date:			
PREPA - Steam and gas	2,301,250	2,552,724	(9.9)
PREPA - Hydro	14,263	15,082	(5.4)
Purchased power - gas	682,901	637,643	7.1
Purchased power - coal	680,535	578,962	17.5
Renewable Energy	60,455	38,775	55.9
Total	3,739,404	3,823,186	(2.2)
Twelve months:			
PREPA - Steam and gas	13,622,756	14,494,505	(6.0)
PREPA - Hydro	69,136	95,488	(27.6)
Purchased power - gas	3,659,540	3,556,155	2.9
Purchased power - coal	3,658,613	3,506,229	4.3
Renewable Energy	268,886	177,967	51.1
Total	21,278,931	21,830,344	(2.5)
2. Maximum hourly peak load (in MW)			
Month	3,008	3,122	(3.7)
Fiscal year-to-date	3,008	3,122	(3.7)
Twelve months	3,159	3,265	(3.2)
3. Sales (kWh in thousands)			
Month:			
Billed	1,537,487	1,481,595	3.8
Days billed	31.00	30.00	3.3
Fiscal year-to-date:			
Billed	3,037,932	3,012,200	0.9
Days billed	62.00	61.00	1.6
Twelve months:			
Billed	17,508,506	18,089,704	(3.2)
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	82.3	80.6	2.1
Fiscal year-to-date	82.8	81.6	1.5
Twelve months	82.4	82.4	
5. Average cost per barrel (\$)			
Month	107.87	106.05	1.7
Fiscal year-to-date	107.36	105.87	1.4
Twelve months	106.98	109.83	(2.6)
6. kWh/Barrel			
Month	576.15	636.65	(9.5)
Fiscal year-to-date	589.91	636.27	(7.3)
Twelve months	623.04	627.88	(0.8)
7. Heat rate (BTU/kWh) *			
Month	11,277	10,473	7.7
Fiscal year-to-date	11,120	10,460	6.3
Twelve months	10,629	10,640	(0.1)

* Revised prior year

8. Fuel consumption (in thousands)	2014-15		2013-14		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	1,008	\$ 103,934	1,367	\$ 146,000	(26.3)	(28.8)
Gas	497	64,739	239	32,589	*	98.7
Natural Gas	513	49,002	469	41,413	9.4	18.3
Total	<u>2,018</u>	<u>\$ 217,675</u>	<u>2,075</u>	<u>\$ 220,002</u>	(2.7)	(1.1)
Fiscal year-to-date:						
Steam	2,145	\$ 224,618	2,494	\$ 264,381	(14.0)	(15.0)
Gas	747	97,859	556	75,344	34.4	29.9
Natural Gas	1,009	96,368	962	85,007	4.9	13.4
Total	<u>3,901</u>	<u>\$ 418,845</u>	<u>4,012</u>	<u>\$ 424,732</u>	(2.8)	(1.4)
Twelve months:						
Steam	13,628	\$ 1,488,211	15,843	\$ 1,767,028	(14.0)	(15.8)
Gas	2,672	354,759	2,674	372,120	(0.1)	(4.7)
Natural Gas	5,565	496,143	4,568	396,194	21.8	25.2
Total	<u>21,865</u>	<u>\$ 2,339,113</u>	<u>23,085</u>	<u>\$ 2,535,342</u>	(5.3)	(7.7)

AUGUST

	2014	2013	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	7.57	6.38	18.7
2. Disconnections for nonpayment per thousand clients	11.31	11.23	0.7
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.060	0.076	(21.7)
2. Interruption duration index			
Average interruption time per clients served (minutes)	9.62	9.07	6.1
3. Clients per interruption	74	67	9.7
4. Time per interruption (minutes)	319	210	52.0

*100% or over.

D. Personnel

		AUGUST		
		2014	2013	Increase (Decrease)
Management Conf. / Carr.	Reg.	2,122	2,516	(394)
	Temp.	31	32	(1)
U.T.I.E.R.	Reg.	4,024	4,344	(320)
	Temp.	171	318	(147)
	Emerg.			
U.I.T.I.C.E.	Reg.	765	833	(68)
	Temp.			
U.E.P.I.	Reg.	320	355	(35)
	Temp.	0	1	(1)
U.P.A.E.E.	Reg.	4	6	(2)
	Temp.			
Total		<u>7,437</u>	<u>8,405</u>	<u>(968)</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		
	2014	2013	Increase (Decrease) %	2014-15	2013-14	Increase (Decrease) %
kWh sales:						
Residential	574,784	591,252	(2.8)	1,166,276	1,154,018	1.1
Commercial	734,798	740,675	(0.8)	1,462,320	1,481,641	(1.3)
Industrial	198,951	208,959	(4.8)	407,598	423,491	(3.8)
Others	29,180	30,686	(4.9)	59,862	61,781	(3.1)
Total	<u>1,537,713</u>	<u>1,571,572</u>	(2.2)	<u>3,096,056</u>	<u>3,120,931</u>	(0.8)
Basic revenues:						
Residential	\$ 31,381	\$ 31,592	(0.7)	\$ 63,585	\$ 61,480	3.4
Commercial	55,851	53,720	4.0	101,105	106,795	(5.3)
Industrial	8,035	9,819	(18.2)	18,307	19,388	(5.6)
Others	4,676	5,017	(6.8)	9,661	10,236	(5.6)
Total	<u>99,943</u>	<u>100,148</u>	(0.2)	<u>192,658</u>	<u>197,899</u>	(2.6)
Fuel adjustment:						
Residential	94,135	93,469	0.7	182,849	179,114	2.1
Commercial	116,546	116,873	(0.3)	221,430	227,478	(2.7)
Industrial	28,805	31,380	(8.2)	56,607	60,095	(5.8)
Others	5,037	5,459	(7.7)	9,568	10,266	(6.8)
Total	<u>244,523</u>	<u>247,181</u>	(1.1)	<u>470,454</u>	<u>476,953</u>	(1.4)
Purchased power:						
Residential	31,558	28,865	9.3	64,937	55,796	16.4
Commercial	39,568	35,387	11.8	79,853	70,019	14.0
Industrial	9,651	9,741	(0.9)	20,125	18,836	6.8
Others	1,610	1,374	17.2	3,366	2,898	16.1
Total	<u>82,387</u>	<u>75,367</u>	9.3	<u>168,281</u>	<u>147,549</u>	14.1
Total revenues:						
Residential	157,074	153,926	2.0	311,371	296,390	5.1
Commercial	211,965	205,980	2.9	402,388	404,292	(0.5)
Industrial	46,491	50,940	(8.7)	95,039	98,319	(3.3)
Others	11,323	11,850	(4.4)	22,595	23,400	(3.4)
Total	<u>\$ 426,853</u>	<u>\$ 422,696</u>	1.0	<u>\$ 831,393</u>	<u>\$ 822,401</u>	1.1

AUGUST						
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2014-15	2013-14	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.46	5.34	2.2	5.45	5.33	2.3
Commercial	7.60	7.25	4.8	6.91	7.21	(4.2)
Industrial	4.04	4.70	(14.0)	4.49	4.58	(2.0)
Others	16.02	16.35	(2.0)	16.14	16.57	(2.6)
Total	6.50	6.37	2.0	6.22	6.34	(1.9)
Fuel adjustment:						
Residential	16.38	15.81	3.6	15.68	15.52	1.0
Commercial	15.87	15.78	0.6	15.15	15.35	(1.3)
Industrial	14.48	15.02	(3.6)	13.89	14.19	(2.1)
Others	17.26	17.79	(3.0)	15.99	16.62	(3.8)
Total	15.90	15.73	1.1	15.19	15.28	(0.6)
Purchased power:						
Residential	5.49	4.88	12.5	5.57	4.83	15.3
Commercial	5.38	4.78	12.6	5.46	4.73	15.4
Industrial	4.85	4.66	4.1	4.94	4.45	11.0
Others	5.52	4.48	23.2	5.62	4.69	19.8
Total	5.36	4.80	11.7	5.44	4.73	15.0
Total revenues:						
Residential	27.33	26.03	5.0	26.70	25.68	4.0
Commercial	28.85	27.81	3.7	27.52	27.29	0.8
Industrial	23.37	24.38	(4.1)	23.32	23.22	0.4
Others	38.80	38.62	0.5	37.75	37.88	(0.3)
Total	27.76	26.90	3.2	26.85	26.35	1.9
3. Clients:						
Residential	1,327,829	1,336,263	(0.6)	1,328,039	1,336,607	(0.6)
Commercial	124,729	126,782	(1.6)	124,861	126,872	(1.6)
Industrial	652	686	(5.0)	654	686	(4.7)
Others	4,132	4,166	(0.8)	4,133	4,160	(0.6)
Total	<u>1,457,342</u>	<u>1,467,897</u>	(0.7)	<u>1,457,687</u>	<u>1,468,325</u>	(0.7)
4. Average kWh per client:						
Residential	433	442	(2.2)	878	863	1.7
Commercial	5,891	5,842	0.8	11,712	11,678	0.3
Industrial	305,140	304,605	0.2	623,239	617,334	1.0
Others	7,062	7,366	(4.1)	14,484	14,851	(2.5)
Total	1,055	1,071	(1.4)	2,124	2,126	(0.1)

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	AUGUST					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2014	2013		2014-15	2013-14	
kWh sales:						
Residential	10	12	(16.7)	20	24	(16.7)
Commercial	228,663	219,916	4.0	446,105	449,778	(0.8)
Industrial						
Others	<u>29,434</u>	<u>28,552</u>	3.1	<u>55,813</u>	<u>56,570</u>	(1.3)
Total	<u>258,107</u>	<u>248,480</u>	3.9	<u>501,938</u>	<u>506,372</u>	(0.9)
Basic revenues:						
Residential	\$ 1	\$ 1		\$ 1	\$ 1	
Commercial	21,003	18,011	16.6	40,870	36,094	13.2
Industrial						
Others	<u>5,031</u>	<u>4,969</u>	1.2	<u>9,475.0</u>	<u>9,852</u>	(3.8)
Total	<u>26,035</u>	<u>22,981</u>	13.3	<u>50,346</u>	<u>45,947</u>	9.6
Fuel adjustment:						
Residential	2	2		3	4	(25.0)
Commercial	31,963	29,002	10.2	65,644	62,994	4.2
Industrial						
Others	<u>4,770</u>	<u>3,977</u>	19.9	<u>9,104</u>	<u>8,402</u>	8.4
Total	<u>36,735</u>	<u>32,981</u>	11.4	<u>74,751</u>	<u>71,400</u>	4.7
Purchased power:						
Residential	1	1		1	1	
Commercial	12,856	12,085	6.4	25,205	23,386	7.8
Industrial						
Others	<u>1,760</u>	<u>1,657</u>	6.2	<u>3,349.0</u>	<u>3,120</u>	7.3
Total	<u>14,617</u>	<u>13,743</u>	6.4	<u>28,555</u>	<u>26,507</u>	7.7
Total revenues:						
Residential	4	4		5	6	(16.7)
Commercial	65,822	59,098	11.4	131,719	122,474	7.5
Industrial						
Others	<u>11,561</u>	<u>10,603</u>	9.0	<u>21,928</u>	<u>21,374</u>	2.6
Total	<u>\$ 77,387</u>	<u>\$ 69,705</u>	11.0	<u>\$ 153,652</u>	<u>\$ 143,854</u>	6.8
2. Clients:						
Residential	15	21	(28.6)	15	18	(16.7)
Commercial	23,118	23,726	(2.6)	23,420	24,666	(5.1)
Industrial						
Others	<u>1,929</u>	<u>3,032</u>	(36.4)	<u>1,925</u>	<u>3,088</u>	(37.7)
Total	<u>25,062</u>	<u>26,779</u>	(6.4)	<u>25,360</u>	<u>27,772</u>	(8.7)

Statistical and financial data from the Government sector is segregated from the original sales reports (CC&B) prepared by the Client Service Directorate.

PUERTO RICO ELECTRIC POWER AUTHORITY

This page intentionally left blank

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

	AUGUST 2014					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	98.3	99.9	1.6	197.2	192.7	(2.3)
Fuel adjustment	225.9	244.5	8.2	438.3	470.4	7.3
Purchased power	88.6	82.4	(7.0)	176.6	168.3	(4.7)
Revenues from sales	412.8	426.8	3.4	812.1	831.4	2.4
Other	2.7	3.6	33.3	5.4	5.0	(7.4)
Total revenues	415.5	430.4	3.6	817.5	836.4	2.3
Fuel	200.6	217.7	8.5	389.1	418.9	7.7
Purchased power	78.8	73.5	(6.7)	157.1	149.5	(4.8)
Other expenses	57.0	55.0	(3.5)	114.0	111.2	(2.5)
Total current expenses	336.4	346.2	2.9	660.2	679.6	2.9
1974 - sinking fund appropriations	46.6	46.6		93.1	93.1	
Reserve Account	(28.7)		*	(57.4)		*
Rate Stabilization Fund	6.3	6.8	7.9	12.3	13.1	6.5
Interest on notes	4.3	4.5	4.7	8.6	10.8	25.6
Internal funds	22.2	1.5	(93.2)	44.3	3.0	(93.2)
Contribution to municipalities	25.2	21.7	(13.9)	49.8	30.7	(38.4)
Other appropriations	3.3	3.1	(6.1)	6.7	6.1	(9.0)
Total	415.6	430.4	3.6	817.6	836.4	2.3

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment revenue and fuel expense for the fiscal year-to-date was due to higher price per barrel of fuel oil than budgeted.
2. In accordance with the forbearance agreement with insurers and bondholders controlling more than 60 percent of PREPA's power revenue bonds, (i) PREPA did not make any cash deposits to the sinking fund during the month of August 2014, and (ii) a specified fractional amount of interest on power revenue bonds due October 1, 2014 and January 1, 2015 was transferred from the reserve account in the sinking fund to a separate, special defeasance fund held in the reserve account.
3. Interest on notes for the fiscal year-to-date increased due to payment of interest to the fuel line of credit.
4. Internal funds for the fiscal year-to-date decreased due to less available funds than budgeted.
5. Contribution to municipalities for the fiscal year-to-date decreased due to less available fund than budgeted.

*100% or over

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

	AUGUST					
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2014-15	2013-14	Increase (Decrease) %
Basic charges	99.9	100.1	(0.2)	192.7	197.9	(2.6)
Fuel adjustment	244.5	247.2	(1.1)	470.4	477.0	(1.4)
Purchased power	82.4	75.4	9.3	168.3	147.5	14.1
Revenues from sales	426.8	422.7	1.0	831.4	822.4	1.1
Other	3.6	(0.3)	*	5.0	3.8	31.6
Total revenues	430.4	422.4	1.9	836.4	826.2	1.2
Fuel	217.7	220.0	(1.0)	418.9	424.8	(1.4)
Purchased power	73.5	67.2	9.4	149.5	131.4	13.8
Other expenses	55.0	67.1	(18.0)	111.2	132.2	(15.9)
Total current expenses	346.2	354.3	(2.3)	679.6	688.4	(1.3)
1974 - sinking fund appropriations	46.6	47.0	(0.9)	93.1	94.0	(1.0)
Rate Stabilization Fund	6.8			13.1		
Interest on notes	4.5			10.8		
Internal funds	1.5	1.7	(11.8)	3.0	3.2	(6.3)
Contribution to municipalities	21.7	18.4	17.9	30.7	35.2	(12.8)
Other appropriations	3.1	1.0	*	6.1	5.4	13.0
Total	430.4	422.4	1.9	836.4	826.2	1.2

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment revenue and fuel expense for the fiscal year-to-date was due to a lower price per barrel of fuel oil than prior year.
2. Purchased power revenue and expenses increased for the fiscal year-to-date due to a higher availability from cogenerators than prior year.
3. The other revenues for the fiscal year-to-date increased due to a higher non operating income than last year.
4. Other expenses for the fiscal year-to-date decreased due to a decrease in the number of employees.
5. In accordance with the forbearance agreement with insurers and bondholders controlling more than 60 percent of PREPA's power revenue bonds, (i) PREPA did not made any cash deposits to the sinking fund during the month of September 2014, and (ii) a specified fractional amount of interest on power revenue bonds due October 1, 2014 and January 1, 2015 was transferred from the reserve account in the sinking fund to a separate, special defeasance fund held in the reserve account.
6. Rate stabilization fund for the fiscal year-to-date increased due to the creation of this fund under the Energy Reform Act (Act No. 57-2014).
7. Contributions to municipalities for the fiscal year-to-date decreased due to a less available funds than prior year.
8. Other appropriations for the fiscal year-to-date increased due to more funds assigned to residential clients' subsidy than last year.

*100% or over

D. Notes Payable
(in thousand dollars)

AUGUST

<u>Construction Financing</u>			<u>Operational Financing</u>		
	<u>2014</u>	<u>2013</u>		<u>2014</u>	<u>2013</u>
1. Rehabilitation Isabela Dam (GDB):			1. Municipalities Settlement Agreement :		
Line of credit	25,354	25,354	Line of credit	64,208	64,208
Amount received	<u>743</u>	<u>743</u>	Amount received	<u>64,208</u>	<u>7,844</u>
Available balance	<u><u>24,611</u></u>	<u><u>9,018</u></u>	Available balance	<u><u>0</u></u>	<u><u>0</u></u>
Debt outstanding balance	743	743	Debt outstanding balance	0	7,844
Maturity Date	June 30, 2018		Maturity Date	June 30, 2014	
2. State Revolving Fund Program Aguirre and San Juan Plants (AFICA):			2. Fuel Financing (Scotiabank) :		
Line of credit	9,463	0	Line of credit	550,000	550,000
Amount received	<u>0</u>	<u>0</u>	Amount received	<u>549,950</u>	<u>490,906</u>
Available balance	<u><u>9,463</u></u>	<u><u>0</u></u>	Available balance	<u><u>50</u></u>	<u><u>59,094</u></u>
Debt outstanding balance	0	0	Debt outstanding balance	549,950	490,906
Maturity Date	June 30, 2033		Maturity Date	August 14, 2014	
			3. Fuel Financing (Citibank) :		
			Line of credit	150,000	250,000
			Amount received	<u>146,042</u>	<u>249,911</u>
			Available balance	<u><u>3,958</u></u>	<u><u>89</u></u>
			Debt outstanding balance	146,042	249,911
			Maturity Date	January 10, 2014	
			4. Collateral SWAP - (GDB) :		
			Line of credit	100,000	100,000
			Amount received	<u>35,136</u>	<u>32,745</u>
			Available balance	<u><u>64,864</u></u>	<u><u>67,255</u></u>
			Debt outstanding balance	35,136	32,745
			Maturity Date	December 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

AUGUST 2014						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,720	6,229	(7.3)	13,439	7,765	(42.2)
Transmission	4,307	1,765	(59.0)	8,615	2,952	(65.7)
Distribution	7,114	7,726	8.6	14,227	17,817	25.2
Other	2,252	1,031	(54.2)	4,504	1,031	(77.1)
Total	<u>20,393</u>	<u>16,751</u>	(17.9)	<u>40,785</u>	<u>29,565</u>	(27.5)
Internal Funds	22,153	1,500	(93.2)	44,255	3,000	(93.2)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	109%	9%		109%	10%	
Contribution AID for Construction		390			521	

	2014	2013
F. Highest debt coverage as of August 31	1.21	1.12

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$5,000	\$9,954
Families served	1	2

*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.

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

	AUGUST		Increase (Decrease) %
	2014	2013	
General clients	953,539	875,052	9.0
Government	719,905	579,114	24.3
Less: Accrued Contribution in Lieu of Taxes	462,663	330,992	
Total Government, Net	257,242	248,122	
Subtotal	1,210,781	1,123,174	7.8
Sales of electric energy (12 months)			
Revenues from Sales	4,643,518	4,762,819	(2.5)
kWh (including subsidy)	17,536,027	17,985,788	(2.5)
Indicators:			
A. Ratio of accounts receivable to sales (%)	26.1	23.6	10.6
B. Ratio of accounts receivable to sales (%) (including subsidy)	26.0	23.5	10.7
C. Sales days in accounts receivable	95	86	10.6
D. Sales days in accounts receivable (including subsidy)	95	86	10.7
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales*	3,797,480	3,870,318	(1.9)
Collections	3,751,616	3,778,603	(0.7)
Percent	98.8	97.6	1.2
Government:			
Sales	846,038	892,501	(5.2)
Collections	595,288	630,630	(5.6)
Percent	70.4	70.7	(0.4)
Percent of total sales	93.6	92.6	1.1

* Excludes residential clients' subsidy of \$20,789 and \$25,067, for the 12 months ended August 2014 and August 2013, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

This page intentionally left blank

STATEMENT OF NET POSITION
ASSETS AND DEFERRED OUTFLOWS
(in thousands)

	August 31 2014	June 30 2014
Current assets:		
Cash and cash equivalents		
General fund	\$ 32,893	\$ 136,291
Reserve for current expenses	50,000	-
Revenue fund	14	14
Working funds	996	996
Total cash and cash equivalents	83,903	137,301
Accounts receivable (Exhibit A)	1,634,868	1,550,973
Fuel oil inventory	214,890	194,072
Materials and supplies inventory	199,343	196,887
Prepayments and other (Exhibit B)	5,160	391
Total current assets	2,138,164	2,079,624
Non current receivables (Exhibit A)	103,030	103,030
Restricted Assets		
Cash held by trustees	30,770	321,626
Investments held by trustees		
Sinking funds - interest	86,091	148,398
Sinking funds - principal	-	-
Non current restricted deposits held by trustees	478,338	532,678
Total investment held by trustees	564,429	681,076
Construction fund and other		
Construction fund	271,840	303,793
Investment held by REA	1,105	1,104
Reserve maintenance fund	15,933	15,949
Other restricted fund	5,077	5,077
Total construction fund and other	293,955	325,923
Total restricted assets	889,154	1,328,625
Utility Plant		
Electric plant in service	12,228,991	12,202,083
Less: accumulated depreciation	6,439,559	6,385,962
Net electric plant in service	5,789,432	5,816,121
Construction work in progress, including preliminary surveys of 21,151 and 21,077	975,712	975,739
Total utility plant	6,765,144	6,791,860
Deferred debits:		
Unamortized debt expense	53,805	54,408
Other	20,886	20,193
Total deferred debits	74,691	74,601
Total assets	9,970,183	10,377,740
Deferred outflows of resources	79,057	79,057
Total Assets and Deferred Outflows	\$ 10,049,240	\$ 10,456,797

STATEMENT OF NET POSITION
 LIABILITIES AND NET POSITION
 (in thousands)

	August 31 2014	June 30 2014
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 731,871	\$ 731,898
Accounts payable and accrued liabilities (Exhibit C)	1,399,025	1,423,352
Customer deposits, including accrued interest	14,523	17,631
Total current liabilities	2,145,419	2,172,881
Current liabilities payable from restricted assets		
Current portion of long-term debt	420,772	421,100
Notes payable from restricted assets	-	-
Accrued interest payable on bonds and notes	77,512	218,467
Other current liabilities (Exhibit C)	48,474	57,611
Total current liabilities from restricted assets	546,758	697,178
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (61,381) and (61,381)	8,043,653	8,247,958
Non current portion, accounts payable and accrued sick leave	122,356	122,356
Accrued unfunded OPEB	145,192	143,886
Customer deposits - noncurrent	166,950	166,950
Total noncurrent liabilities	8,478,151	8,681,150
Total liabilities	11,170,328	11,551,209
Total net position (Deficit)	(1,121,088)	(1,094,412)
Total Liabilities and Net Position	\$ 10,049,240	\$ 10,456,797

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget August 2014	Actual August 2014	Actual August 2013
Operating revenues:			
Sales of electric energy	\$ 412,826	\$ 426,853	\$ 422,696
Total operating revenues	<u>412,826</u>	<u>426,853</u>	<u>422,696</u>
Other income	<u>3,014</u>	<u>3,821</u>	<u>(329)</u>
Total revenues	<u>415,840</u>	<u>430,674</u>	<u>422,367</u>
Expenses:			
Fuel cost	200,557	217,674	220,002
Purchased power	78,811	73,565	67,253
Other production	4,735	5,000	6,010
Transmission and distribution	11,431	13,003	15,533
Maintenance	16,377	13,933	20,417
Customer accounting and collection	8,600	8,820	10,015
Administrative and general	<u>15,859</u>	<u>14,255</u>	<u>15,115</u>
Subtotal expenses by function	336,370	346,250	354,345
Other post - employment benefits	653	653	653
Depreciation	28,787	29,442	28,968
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	38,081	38,274	32,609
Contribution to municipalities	25,228	19,986	19,760
Other appropriations	3,334	3,129	987
Bond discount and defeasance amortization	<u>137</u>	<u>137</u>	<u>300</u>
Total expenses	<u>432,590</u>	<u>437,871</u>	<u>437,622</u>
Contributed capital	<u>2,165</u>	<u>1,050</u>	<u>432</u>
Changes in net position	<u>\$ (14,585)</u>	<u>\$ (6,147)</u>	<u>\$ (14,823)</u>

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

	FISCAL YEAR		
	Budget August 2014	Actual August 2014	Actual August 2013
Operating revenues:			
Sales of electric energy	\$ 812,151	\$ 831,393	\$ 822,401
Total operating revenues	<u>812,151</u>	<u>831,393</u>	<u>822,401</u>
Other income	<u>6,027</u>	<u>5,560</u>	<u>3,765</u>
Total revenues	<u>818,178</u>	<u>836,953</u>	<u>826,166</u>
Expenses:			
Fuel cost	389,091	418,845	424,732
Purchased power	157,136	149,489	131,420
Other production	9,469	9,937	11,844
Transmission and distribution	22,862	26,532	30,622
Maintenance	32,754	27,362	39,418
Customer accounting and collection	17,200	17,000	20,183
Administrative and general	<u>31,717</u>	<u>30,408</u>	<u>30,161</u>
Subtotal expenses by function	660,229	679,573	688,380
Other post - employment benefits	1,306	1,306	1,306
Depreciation	57,573	58,838	57,974
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	76,162	78,390	65,218
Contribution to municipalities	49,795	42,093	41,890
Other appropriations	6,668	6,110	5,387
Bond discount and defeasance amortization	<u>275</u>	<u>275</u>	<u>600</u>
Total expenses	<u>852,008</u>	<u>866,585</u>	<u>860,755</u>
Contributed capital	<u>4,330</u>	<u>2,956</u>	<u>3,147</u>
Changes in net position	<u>\$ (29,500)</u>	<u>\$ (26,676)</u>	<u>\$ (31,442)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget August 2014	Actual August 2014	Actual August 2013
Revenues:			
Sales of electric energy (Exhibit D)	\$ 412,826	\$ 426,853	\$ 422,696
Total operating revenues	412,826	426,853	422,696
Other income	3,014	3,821	(329)
Total revenues	415,840	430,674	422,367
Less: 1974 construction fund investment income and gain on sale of properties	295	249	5
Revenues - net	415,545	430,425	422,362
Current expenses:			
Fuel cost	200,557	217,675	220,002
Purchased power	78,811	73,564	67,252
Other production	4,735	5,000	6,010
Transmission and distribution	11,431	13,003	15,533
Maintenance	16,377	13,933	20,417
Customer accounting and collection	8,600	8,820	10,016
Administrative and general	15,859	14,255	15,115
Total current expenses	336,370	346,250	354,345
Net revenues (as defined)	79,175	84,175	68,017
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds ⁽¹⁾	28,701	28,701	29,976
Bond redemption account ⁽¹⁾	17,867	17,868	17,025
Reserve account	(28,701)	-	-
Rate Stabilization Account	6,289	6,816	-
Interest on notes	4,304	4,496	10
Capital Improvements fund	22,153	1,500	1,700
Total contractual obligations	50,613	59,381	48,711
Balance	28,562	24,794	19,306
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	25,228	21,665	18,319
Other	3,334	3,129	987
Total provision for contribution and other	28,562	24,794	19,306
Remainder	\$ -	\$ -	\$ -

Footnote:

1. In accordance with the forbearance agreement with insurers and bondholders controlling more than 60 percent of PREPA's power revenue bonds, (i) PREPA did not make any cash deposits to the sinking fund during the month of August 2014, and (ii) a specified fractional amount of interest on power revenue bonds due October 1, 2014 and January 1, 2015 was transferred from the reserve account in the sinking fund to a separate, special defeasance fund held in the reserve account.

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

	FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
	Budget August 2014	Actual August 2014	Actual August 2013	Budget June 2015	Actual August 2014	Actual August 2013
Revenues:						
Sales of electric energy (Exhibit D)	\$ 812,150	\$ 831,393	\$ 822,401	\$ 4,598,098	\$ 4,645,135	\$ 4,762,841
Total operating revenues	812,150	831,393	822,401	4,598,098	4,645,135	4,762,841
Other income	6,028	5,559	3,765	36,166	45,068	32,280
Total revenues	818,178	836,952	826,166	4,634,264	4,690,203	4,795,121
Less: 1974 construction fund investment income and gain on sale of properties	590	538	5	3,536	4,569	944
Revenues - net	817,588	836,414	826,161	4,630,728	4,685,634	4,794,177
Current expenses:						
Fuel cost	389,091	418,845	424,732	2,225,325	2,339,113	2,535,342
Purchased power	157,136	149,489	131,420	871,976	826,306	764,714
Other production	9,469	9,937	11,844	60,024	62,293	72,477
Transmission and distribution	22,862	26,532	30,622	145,021	167,731	171,741
Maintenance	32,754	27,362	39,418	105,405	184,923	214,450
Customer accounting and collection	17,200	17,000	20,183	160,351	107,849	114,261
Administrative and general	31,717	30,408	30,161	213,216	201,505	190,620
Interest charges	-	-	-	-	28	-
Total current expenses	660,229	679,573	688,380	3,781,318	3,889,748	4,063,605
Net revenues (as defined)	157,359	156,841	137,781	849,410	795,886	730,572
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds ⁽ⁱ⁾	57,402	57,402	59,953	360,153	356,634	343,035
Bond redemption account ⁽ⁱ⁾	35,735	35,735	34,051	214,410	205,989	196,484
Reserve Account Fund	(57,402)	-	-	(172,207)	(41,480)	-
Rate Stabilization Account	12,297	13,053	-	69,733	13,052	-
Interest on notes	8,608	10,842	18	51,650	55,569	404
Capital Improvements fund	44,256	3,000	3,200	21,422	15,192	6,005
Total contractual obligations	100,896	120,032	97,222	545,161	604,956	545,928
Balance	56,463	36,809	40,559	304,249	190,930	184,644
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	49,795	30,699	35,172	264,235	156,385	143,890
Other	6,668	6,110	5,387	40,014	34,545	40,754
Total provision for contribution and other	56,463	36,809	40,559	304,249	190,930	184,644
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnote:

1. In accordance with the forbearance agreement with insurers and bondholders controlling more than 60 percent of PREPA's power revenue bonds, (i) PREPA did not make any cash deposits to the sinking fund during the month of August 2014, and (ii) a specified fractional amount of interest on power revenue bonds due October 1, 2014 and January 1, 2015 was transferred from the reserve account in the sinking fund to a separate, special defeasance fund held in the reserve account.

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

	August 2014	June 2014
Invested in utility plant, net related debt	\$ (510,113)	\$ (498,918)
Restricted for capital activity and debt service	179,279	280,150
Unrestricted	<u>(790,254)</u>	<u>(875,644)</u>
Total net position	<u>\$ (1,121,088)</u>	<u>\$ (1,094,412)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	August 2014	June 2014
Electric and related services:		
General clients	\$ 942,649	\$ 928,277
Recoveries under fuel adjustment and purchase power clause under or (over) billed	54,287	67,766
Unbilled services	226,079	220,104
Allowance for uncollectible accounts	<u>(269,476)</u>	<u>(266,957)</u>
Total General Clients	<u>953,539</u>	<u>949,190</u>
Government, including current and non current	719,905	640,826
Claims receivable from insurance companies & other	37,814	37,814
Advances to Irrigation Systems - net	20,070	20,619
Accrued interest	4,906	4,540
Other	<u>1,664</u>	<u>1,014</u>
Total Accounts Receivable	<u>\$ 1,737,898</u>	<u>\$ 1,654,003</u>
Less: Government Account Receivable, non current portion	<u>\$ 103,030</u>	<u>\$ 103,030</u>
Total Accounts Receivable, current portion	<u><u>\$ 1,634,868</u></u>	<u><u>\$ 1,550,973</u></u>

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	August 2014	June 2014
Claims Outstanding Related to Property Damages	\$ 352	\$ 352
Prepayments and other	4,808	39
Total	\$ 5,160	\$ 391

PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

Exhibit C

	August 2014	June 2014
Accounts payable - fuel oil and other	787,858	\$ 840,284
Accrued annual leave	54,346	54,271
Accrued sick leave	26,865	26,777
Accrued salaries and fringe benefits	6,829	756
Accrued contribution in lieu of taxes	462,663	420,570
Reserve for injuries and damages	20,537	20,107
Accrued contributions Federal Social Security	163	1,484
Income tax withheld at source	240	1,055
Health plan	7,830	24,186
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	16,680	18,848
	<u>1,399,025</u>	<u>1,423,352</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	5,601	6,165
Vouchered A/P construction	14,772	23,759
Contribution aid to construction	28,101	27,687
	<u>48,474</u>	<u>57,611</u>
Total other current payables from restricted assets		
Total current Liabilities	<u>\$ 1,447,499</u>	<u>\$ 1,480,963</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	\$ 122,356	\$ 122,356
Accrued Unfunded OPEB	145,192	143,886
	<u>\$ 267,548</u>	<u>\$ 266,242</u>
Total non current liabilities		
Total accounts payables and non current liabilities	<u>\$ 1,715,047</u>	<u>\$ 1,747,205</u>

SALES OF ELECTRIC ENERGY

AUGUST 2014

Exhibit D

Class of Service	CLIENTS		MONTHLY			Total
	Billed	Total	Billed	Unbilled	Adjustment*	
Residential	1,327,829	1,327,829	572,486	347,611	(345,313)	574,784
Commercial	124,729	124,729	731,218	423,195	(419,615)	734,798
Industrial	652	652	202,070	120,578	(123,697)	198,951
Public lighting	2,930	2,930	26,596	5,690	(8,275)	24,011
Other public authorities	2	2	2,977	1,313	(1,199)	3,091
Agricultural	1,200	1,200	2,141	1,240	(1,303)	2,078
Subtotal	1,457,342	1,457,342	1,537,488	899,627	(899,402)	1,537,713
Fuel oil adjustment						
Purchased power						
Subtotal	1,457,342	1,457,342	1,537,488	899,627	(899,402)	1,537,713
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,457,342	1,457,342	1,537,488	899,627	(899,402)	1,537,713

FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,328,039	1,166,276	63,585	878	5.45
Commercial	124,861	1,462,320	101,105	11,712	6.91
Industrial	654	407,598	18,307	623,239	4.49
Public lighting	2,931	49,475	9,130	16,880	18.45
Other public authorities	2	6,039	263	3,019,500	4.36
Agricultural	1,200	4,348	268	3,623	6.16
Subtotal	1,457,687	3,096,056	192,658	2,124	6.22
Fuel oil adjustment			477,210		15.20
Purchased Power			175,003		5.44
Subtotal	1,457,687	3,096,056	844,871	2,124	27.29
Unrecovered fuel oil cost-net			(6,756)		
Unrecovered purchased Power cost-net			(6,722)		
Total	1,457,687	3,096,056	831,393	2,124	26.85

*Unbilled previous month.

SALES OF ELECTRIC ENERGY

AUGUST 2014

Exhibit D

Class of Service	REVENUES (in thousands \$)			Total	Kwhrs. per Client	Cents per Kwhr. Sold
	MONTHLY					
	Billed	Unbilled	Adjustment*			
Residential	31,262	14,419	(14,300)	31,381	433	5.46
Commercial	54,783	27,798	(26,730)	55,851	5,891	7.60
Industrial	8,507	5,350	(5,822)	8,035	305,141	4.04
Public lighting	4,926	920	(1,434)	4,412	8,195	18.37
Other public authorities	130	56	(51)	135	1,546,049	4.40
Agricultural	132	67	(70)	129	1,733	6.20
Subtotal	99,740	48,610	(48,407)	99,943	1,055	6.50
Fuel oil adjustment	234,400	129,462	(130,907)	232,955		15.90
Purchased power	87,516	48,007	(49,079)	86,444		5.36
Subtotal	421,656	226,079	(228,393)	419,342	1,055	28.27
Unrecovered fuel oil cost-net				11,569		
Unrecovered purchased power cost-net				(4,058)		
Total	<u>421,656</u>	<u>226,079</u>	<u>(228,393)</u>	<u>426,853</u>	1,055	27.76