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MONTHLY REPORT  
TO THE GOVERNING BOARD  
JUNE 2014

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

|                                     | JUNE       |            | Increase<br>(Decrease) |
|-------------------------------------|------------|------------|------------------------|
|                                     | 2013-14    | 2012-13    | %                      |
| 1. Generation (kWh in thousands)    |            |            |                        |
| Month:                              |            |            |                        |
| PREPA - Steam and gas               | 1,113,721  | 1,122,667  | (0.8)                  |
| PREPA - Hydro                       | 3,908      | 10,468     | (62.7)                 |
| Purchased power - gas               | 352,568    | 329,583    | 7.0                    |
| Purchased power - coal              | 334,868    | 324,754    | 3.1                    |
| Renewable Energy                    | 26,524     | 9,831      | *                      |
| Total                               | 1,831,589  | 1,797,303  | 1.9                    |
| Fiscal year:                        |            |            |                        |
| PREPA - Steam and gas               | 13,874,230 | 14,636,385 | (5.2)                  |
| PREPA - Hydro                       | 69,955     | 91,018     | (23.1)                 |
| Purchased power - gas               | 3,614,282  | 3,570,316  | 1.2                    |
| Purchased power - coal              | 3,557,040  | 3,513,485  | 1.2                    |
| Renewable Energy                    | 247,206    | 143,579    | 72.2                   |
| Total                               | 21,362,713 | 21,954,783 | (2.7)                  |
| 2. Maximum hourly peak load (in MW) |            |            |                        |
| Month                               | 2,964      | 2,943      | 0.7                    |
| Fiscal year                         | 3,159      | 3,265      | (3.2)                  |
| 3. Sales (kWh in thousands)         |            |            |                        |
| Month:                              |            |            |                        |
| Billed                              | 1,493,211  | 1,510,276  | (1.1)                  |
| Days billed                         | 31.00      | 31.00      |                        |
| Fiscal year:                        |            |            |                        |
| Billed                              | 17,482,775 | 18,253,457 | (4.2)                  |
| Days billed                         | 365.00     | 365.00     |                        |
| 4. System efficiency (%)            |            |            |                        |
| Month                               | 79.7       | 83.4       | (4.5)                  |
| Fiscal year                         | 82.2       | 83.0       | (1.0)                  |
| 5. Average cost per barrel (\$)     |            |            |                        |
| Month                               | 107.64     | 107.24     | 0.4                    |
| Fiscal year                         | 106.71     | 111.17     | (4.0)                  |
| 6. kWh/Barrel                       |            |            |                        |
| Month                               | 611.60     | 645.95     | (5.3)                  |
| Fiscal year                         | 631.34     | 624.95     | 1.0                    |
| 7. Heat rate (BTU/kWh) *            |            |            |                        |
| Month                               | 11,006     | 10,197     | 7.9                    |
| Fiscal year                         | 10,573     | 10,696     | (1.1)                  |

\*Over 100%

## PUERTO RICO ELECTRIC POWER AUTHORITY

JUNE

8. Fuel consumption  
(in thousands)

|              | 2013-14       |                  | 2012-13       |                  | Increase<br>(Decrease)<br>% |        |
|--------------|---------------|------------------|---------------|------------------|-----------------------------|--------|
|              | BBL           | Cost             | BBL           | Cost             | BBL                         | Cost   |
| Month:       |               |                  |               |                  |                             |        |
| Steam        | 1,205         | 130,745          | 937           | 97,342           | 28.6                        | 34.3   |
| Gas          | 154           | 20,416           | 390           | 51,927           | (60.5)                      | (60.7) |
| Natural Gas  | 462           | 44,827           | 411           | 37,069           | 12.4                        | 20.9   |
| Total        | <u>1,821</u>  | <u>195,988</u>   | <u>1,738</u>  | <u>186,338</u>   | 4.8                         | 5.2    |
| Fiscal year: |               |                  |               |                  |                             |        |
| Steam        | 13,978        | 1,527,973        | 16,774        | 1,888,465        | (16.7)                      | (19.1) |
| Gas          | 2,480         | 332,245          | 2,612         | 365,688          | (5.1)                       | (9.1)  |
| Natural Gas  | 5,518         | 484,781          | 4,034         | 349,424          | 36.8                        | 38.7   |
| Total        | <u>21,976</u> | <u>2,344,999</u> | <u>23,420</u> | <u>2,603,577</u> | (6.2)                       | (9.9)  |

JUNE

|   | 2014  | 2013  | Increase<br>(Decrease)<br>% |
|---|-------|-------|-----------------------------|
|   |       |       |                             |
| B. Client Service   |       |       |                             |
| 1. Service complaints<br>per thousand clients             | 6.89  | 6.96  | (1.0)                       |
| 2. Disconnections for nonpayment<br>per thousand clients  | 10.33 | 9.48  | 9.0                         |
| C. Distribution System                                    |       |       |                             |
| 1. Interruption frequency index                           |       |       |                             |
| Total interruptions per<br>thousand clients served        | 0.058 | 0.047 | 22.4                        |
| 2. Interruption duration index                            |       |       |                             |
| Average interruption time<br>per clients served (minutes) | 6.46  | 7.52  | (14.1)                      |
| 3. Clients per interruption                               | 66    | 42    | 57.1                        |
| 4. Time per interruption (minutes)                        | 200   | 224   | (10.9)                      |

D. Personnel

|                             |        | JUNE                |                     |                                |
|-----------------------------|--------|---------------------|---------------------|--------------------------------|
|                             |        | <u>2014</u>         | <u>2013</u>         | <u>Increase<br/>(Decrease)</u> |
| Management<br>Conf. / Carr. | Reg.   | 2,302               | 2,513               | (211)                          |
|                             | Temp.  | 12                  | 30                  | (18)                           |
| U.T.I.E.R.                  | Reg.   | 4,178               | 4,359               | (181)                          |
|                             | Temp.  | 195                 | 358                 | (163)                          |
|                             | Emerg. |                     |                     |                                |
| U.I.T.I.C.E.                | Reg.   | 794                 | 839                 | (45)                           |
|                             | Temp.  |                     |                     |                                |
| U.E.P.I.                    | Reg.   | 335                 | 358                 | (23)                           |
|                             | Temp.  | 1                   | 2                   | (1)                            |
| U.P.A.E.E.                  | Reg.   | 5                   | 6                   | (1)                            |
|                             | Temp.  |                     |                     |                                |
| Total                       |        | <u><u>7,822</u></u> | <u><u>8,465</u></u> | <u><u>(643)</u></u>            |

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

|                         | JUNE             |                  |                             |                   |                   |                             |
|-------------------------|------------------|------------------|-----------------------------|-------------------|-------------------|-----------------------------|
|                         | Month            |                  |                             | Fiscal Year       |                   |                             |
|                         | 2014             | 2013             | Increase<br>(Decrease)<br>% | 2013-14           | 2012-13           | Increase<br>(Decrease)<br>% |
| <b>kWh sales:</b>       |                  |                  |                             |                   |                   |                             |
| Residential             | 518,448          | 545,260          | (4.9)                       | 6,270,838         | 6,655,596         | (5.8)                       |
| Commercial              | 710,396          | 701,196          | 1.3                         | 8,497,360         | 8,635,165         | (1.6)                       |
| Industrial              | 201,419          | 222,078          | (9.3)                       | 2,434,410         | 2,578,386         | (5.6)                       |
| Others                  | 29,008           | 29,600           | (2.0)                       | 358,294           | 352,035           | 1.8                         |
| Total                   | <u>1,459,271</u> | <u>1,498,134</u> | (2.6)                       | <u>17,560,902</u> | <u>18,221,182</u> | (3.6)                       |
| <b>Basic revenues:</b>  |                  |                  |                             |                   |                   |                             |
| Residential             | 28,917           | 29,195           | (1.0)                       | 342,787           | 341,774           | 0.3                         |
| Commercial              | 41,631           | 46,024           | (9.5)                       | 585,444           | 600,768           | (2.6)                       |
| Industrial              | 8,831            | 8,785            | 0.5                         | 110,273           | 115,896           | (4.9)                       |
| Others                  | 4,663            | 4,336            | 7.5                         | 58,779            | 55,614            | 5.7                         |
| Total                   | <u>84,042</u>    | <u>88,340</u>    | (4.9)                       | <u>1,097,283</u>  | <u>1,114,052</u>  | (1.5)                       |
| <b>Fuel adjustment:</b> |                  |                  |                             |                   |                   |                             |
| Residential             | 84,877           | 78,156           | 8.6                         | 963,174           | 1,010,924         | (4.7)                       |
| Commercial              | 101,031          | 99,680           | 1.4                         | 1,275,872         | 1,411,559         | (9.6)                       |
| Industrial              | 29,251           | 27,030           | 8.2                         | 337,240           | 378,049           | (10.8)                      |
| Others                  | 4,950            | 4,385            | 12.9                        | 56,970            | 61,435            | (7.3)                       |
| Total                   | <u>220,109</u>   | <u>209,251</u>   | 5.2                         | <u>2,633,256</u>  | <u>2,861,967</u>  | (8.0)                       |
| <b>Purchased power:</b> |                  |                  |                             |                   |                   |                             |
| Residential             | 31,560           | 28,921           | 9.1                         | 328,447           | 314,443           | 4.5                         |
| Commercial              | 42,024           | 36,440           | 15.3                        | 441,103           | 405,155           | 8.9                         |
| Industrial              | 10,836           | 9,818            | 10.4                        | 115,229           | 108,317           | 6.4                         |
| Others                  | 1,694            | 1,480            | 14.5                        | 19,207            | 17,414            | 10.3                        |
| Total                   | <u>86,114</u>    | <u>76,659</u>    | 12.3                        | <u>903,986</u>    | <u>845,329</u>    | 6.9                         |
| <b>Total revenues:</b>  |                  |                  |                             |                   |                   |                             |
| Residential             | 145,354          | 136,272          | 6.7                         | 1,634,408         | 1,667,141         | (2.0)                       |
| Commercial              | 184,686          | 182,144          | 1.4                         | 2,302,419         | 2,417,482         | (4.8)                       |
| Industrial              | 48,918           | 45,633           | 7.2                         | 562,742           | 602,262           | (6.6)                       |
| Others                  | 11,307           | 10,201           | 10.8                        | 134,956           | 134,463           | 0.4                         |
| Total                   | <u>390,265</u>   | <u>374,250</u>   | 4.3                         | <u>4,634,525</u>  | <u>4,821,348</u>  | (3.9)                       |

| JUNE                              |                  |                  |                             |                  |                  |                             |
|-----------------------------------|------------------|------------------|-----------------------------|------------------|------------------|-----------------------------|
|                                   | Month            |                  |                             | Fiscal Year      |                  |                             |
|                                   | 2014             | 2013             | Increase<br>(Decrease)<br>% | 2013-14          | 2012-13          | Increase<br>(Decrease)<br>% |
| <b>2. Cents per kWh</b>           |                  |                  |                             |                  |                  |                             |
| Basic revenues:                   |                  |                  |                             |                  |                  |                             |
| Residential                       | 5.58             | 5.35             | 4.3                         | 5.47             | 5.14             | 6.4                         |
| Commercial                        | 5.86             | 6.56             | (10.7)                      | 6.89             | 6.96             | (1.0)                       |
| Industrial                        | 4.38             | 3.96             | 10.6                        | 4.53             | 4.49             | 0.9                         |
| Others                            | 16.07            | 14.65            | 9.7                         | 16.41            | 15.80            | 3.9                         |
| Total                             | 5.76             | 5.90             | (2.4)                       | 6.25             | 6.11             | 2.3                         |
| Fuel adjustment:                  |                  |                  |                             |                  |                  |                             |
| Residential                       | 16.37            | 14.34            | 14.2                        | 15.35            | 15.19            | 1.1                         |
| Commercial                        | 14.22            | 14.22            | 0.0                         | 15.02            | 16.35            | (8.1)                       |
| Industrial                        | 14.53            | 12.17            | 19.4                        | 13.86            | 14.67            | (5.5)                       |
| Others                            | 17.07            | 14.81            | 15.3                        | 15.90            | 17.45            | (8.9)                       |
| Total                             | 15.08            | 13.96            | 8.0                         | 14.99            | 15.71            | (4.6)                       |
| Purchased power:                  |                  |                  |                             |                  |                  |                             |
| Residential                       | 6.09             | 5.30             | 14.9                        | 5.24             | 4.72             | 11.0                        |
| Commercial                        | 5.92             | 5.20             | 13.8                        | 5.19             | 4.69             | 10.7                        |
| Industrial                        | 5.38             | 4.42             | 21.7                        | 4.73             | 4.20             | 12.6                        |
| Others                            | 5.84             | 5.00             | 16.8                        | 5.36             | 4.95             | 8.3                         |
| Total                             | 5.90             | 5.12             | 15.2                        | 5.15             | 4.64             | 11.0                        |
| Total revenues:                   |                  |                  |                             |                  |                  |                             |
| Residential                       | 28.04            | 24.99            | 12.2                        | 26.06            | 25.05            | 4.0                         |
| Commercial                        | 26.00            | 25.98            | 0.1                         | 27.10            | 28.00            | (3.2)                       |
| Industrial                        | 24.29            | 20.55            | 18.2                        | 23.12            | 23.36            | (1.0)                       |
| Others                            | 38.98            | 34.46            | 13.1                        | 37.67            | 38.20            | (1.4)                       |
| Total                             | 26.74            | 24.98            | 7.0                         | 26.39            | 26.46            | (0.3)                       |
| <b>3. Clients:</b>                |                  |                  |                             |                  |                  |                             |
| Residential                       | 1,327,995        | 1,337,898        | (0.7)                       | 1,331,856        | 1,353,550        | (1.6)                       |
| Commercial                        | 125,065          | 126,974          | (1.5)                       | 126,133          | 126,735          | (0.5)                       |
| Industrial                        | 660              | 692              | (4.6)                       | 676              | 709              | (4.7)                       |
| Others                            | 4,097            | 4,150            | (1.3)                       | 4,135            | 4,156            | (0.5)                       |
| Total                             | <u>1,457,817</u> | <u>1,469,714</u> | (0.8)                       | <u>1,462,800</u> | <u>1,485,150</u> | (1.5)                       |
| <b>4. Average kWh per client:</b> |                  |                  |                             |                  |                  |                             |
| Residential                       | 390              | 408              | (4.2)                       | 4,708            | 4,917            | (4.2)                       |
| Commercial                        | 5,680            | 5,522            | 2.9                         | 67,368           | 68,136           | (1.1)                       |
| Industrial                        | 305,180          | 320,922          | (4.9)                       | 3,601,198        | 3,636,652        | (1.0)                       |
| Others                            | 7,080            | 7,133            | (0.7)                       | 86,649           | 84,705           | 2.3                         |
| Total                             | 1,001            | 1,019            | (1.8)                       | 12,005           | 12,269           | (2.2)                       |

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

|                  | JUNE    |         |                             |             |           |                             |
|------------------|---------|---------|-----------------------------|-------------|-----------|-----------------------------|
|                  | Month   |         | Increase<br>(Decrease)<br>% | Fiscal Year |           | Increase<br>(Decrease)<br>% |
|                  | 2013    | 2013    |                             | 2013-14     | 2012-13   |                             |
| kWh sales:       |         |         |                             |             |           |                             |
| Residential      | 10      | 49      | (79.6)                      | 132         | 676       | (80.5)                      |
| Commercial       | 225,371 | 221,864 | 1.6                         | 2,686,458   | 2,728,709 | (1.5)                       |
| Industrial       |         |         |                             |             |           |                             |
| Others           | 24,758  | 28,088  | (11.9)                      | 328,352     | 333,915   | (1.7)                       |
| Total            | 250,139 | 250,001 | 0.1                         | 3,014,942   | 3,063,300 | (1.6)                       |
| Basic revenues:  |         |         |                             |             |           |                             |
| Residential      | 1       | 3       | (66.7)                      | 7           | 34        | (79.4)                      |
| Commercial       | 5,035   | 13,523  | (62.8)                      | 180,029     | 199,449   | (9.7)                       |
| Industrial       |         |         |                             |             |           |                             |
| Others           | 4,081   | 4,807   | (15.1)                      | 56,445      | 54,060    | 4.4                         |
| Total            | 9,117   | 18,333  | (50.3)                      | 236,481     | 253,543   | (6.7)                       |
| Fuel adjustment: |         |         |                             |             |           |                             |
| Residential      | 2       | 7       | (71.4)                      | 21          | 111       | (81.1)                      |
| Commercial       | 21,611  | 30,804  | (29.8)                      | 374,346     | 449,697   | (16.8)                      |
| Industrial       |         |         |                             |             |           |                             |
| Others           | 3,898   | 4,133   | (5.7)                       | 50,842      | 58,048    | (12.4)                      |
| Total            | 25,511  | 34,944  | (27.0)                      | 425,209     | 507,856   | (16.3)                      |
| Purchased power: |         |         |                             |             |           |                             |
| Residential      | 1       | 3       | (66.7)                      | 7           | 34        | (79.4)                      |
| Commercial       | 13,017  | 12,223  | 6.5                         | 136,483     | 123,419   | 10.6                        |
| Industrial       |         |         |                             |             |           |                             |
| Others           | 1,508   | 1,631   | (7.5)                       | 17,511      | 15,835    | 10.6                        |
| Total            | 14,526  | 13,857  | 4.8                         | 154,001     | 139,288   | 10.6                        |
| Total revenues:  |         |         |                             |             |           |                             |
| Residential      | 4       | 13      | (69.2)                      | 35          | 179       | (80.4)                      |
| Commercial       | 39,663  | 56,550  | (29.9)                      | 690,858     | 772,565   | (10.6)                      |
| Industrial       |         |         |                             |             |           |                             |
| Others           | 9,487   | 10,571  | (10.3)                      | 124,798     | 127,943   | (2.5)                       |
| Total            | 49,154  | 67,134  | (26.8)                      | 815,691     | 900,687   | (9.4)                       |
| 2. Clients:      |         |         |                             |             |           |                             |
| Residential      | 15      | 20      | (25.0)                      | 16          | 22        | (27.3)                      |
| Commercial       | 46,560  | 23,935  | 94.5                        | 27,735      | 23,191    | 19.6                        |
| Industrial       |         |         |                             |             |           |                             |
| Others           | 2,070   | 3,149   | (34.3)                      | 3,103       | 3,073     | 1.0                         |
| Total            | 48,645  | 27,104  | 79.5                        | 30,854      | 26,286    | 17.4                        |

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



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

| JUNE 2014                          |              |              |                             |                |                |                             |
|------------------------------------|--------------|--------------|-----------------------------|----------------|----------------|-----------------------------|
|                                    | Month        |              |                             | Fiscal Year    |                |                             |
|                                    | Budget       | Actual       | Increase<br>(Decrease)<br>% | Budget         | Actual         | Increase<br>(Decrease)<br>% |
| Basic charges                      | 98.0         | 84.1         | (14.2)                      | 1,139.8        | 1,097.3        | (3.7)                       |
| Fuel adjustment                    | 202.5        | 220.1        | 8.7                         | 2,418.3        | 2,633.3        | 8.9 <sup>1</sup>            |
| Purchased power                    | 79.1         | 86.1         | 8.8                         | 904.9          | 904.0          | (0.1)                       |
| Revenues from sales                | 379.6        | 390.3        | 2.8                         | 4,463.0        | 4,634.6        | 3.8                         |
| Other                              | 2.6          | 2.9          | 11.5                        | 31.2           | 40.8           | 30.8 <sup>2</sup>           |
| Total revenues                     | <u>382.2</u> | <u>393.2</u> | 2.9                         | <u>4,494.2</u> | <u>4,675.4</u> | 4.0                         |
| Fuel                               | 179.7        | 196.0        | 9.1                         | 2,145.9        | 2,345.0        | 9.3 <sup>1</sup>            |
| Purchased power                    | 70.4         | 77.7         | 10.4                        | 805.4          | 808.2          | 0.3                         |
| Other expenses                     | 62.4         | 53.3         | (14.6)                      | 748.7          | 745.4          | (0.4)                       |
| Total current expenses             | 312.5        | 327.0        | 4.6                         | 3,700.0        | 3,898.6        | 5.4                         |
| 1974 - sinking fund appropriations | 46.9         | 46.6         | (0.6)                       | 562.8          | 563.5          | 0.1 <sup>3</sup>            |
| Interest on notes                  | 0.6          | 28.5         | *                           | 7.7            | 44.7           | * <sup>4</sup>              |
| Internal funds                     | 2.2          | (1.8)        | *                           | 22.7           | 15.4           | (32.2) <sup>4</sup>         |
| Reserve account                    | 0.0          | (41.5)       | *                           | 0.0            | (41.5)         | * <sup>5</sup>              |
| Contribution to municipalities     | 16.7         | 31.5         | 88.6 <sup>6</sup>           | 164.7          | 160.9          | (2.3)                       |
| Other appropriations               | 3.3          | 2.9          | (12.1)                      | 36.3           | 33.8           | (6.9) <sup>7</sup>          |
| Total                              | <u>382.2</u> | <u>393.2</u> | 2.9                         | <u>4,494.2</u> | <u>4,675.4</u> | 4.0                         |

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the fiscal year was due to higher fuel price per barrel than budgeted.
2. The other revenues for the fiscal year increased due to a higher non operating income than budgeted.
3. Interest on notes for the fiscal year increased due to termination collateral of Basis Swap and Interest Rate Swap with Deutsche Bank and JP Morgan.
4. Internal funds for the fiscal year decreased due to less available funds than budgeted.
5. Reserve account for the fiscal year decreased due to transfers to cover interest requirements.
6. Contribution to municipalities for the month increased due to higher net revenue than budgeted.
7. Other appropriations for the fiscal year decreased due to less funds assigned to residential clients' subsidy than budgeted.

\*Over 100%

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

|                                    | JUNE         |              |                             |                |                |                             |
|------------------------------------|--------------|--------------|-----------------------------|----------------|----------------|-----------------------------|
|                                    | Month        |              |                             | Fiscal Year    |                |                             |
|                                    | 2014         | 2013         | Increase<br>(Decrease)<br>% | 2013-14        | 2012-13        | Increase<br>(Decrease)<br>% |
| Basic charges                      | 84.1         | 88.3         | (4.8)                       | 1,097.3        | 1,114.1        | (1.5)                       |
| Fuel adjustment                    | 220.1        | 209.3        | 5.2                         | 2,633.3        | 2,862.0        | (8.0)                       |
| Purchased power                    | 86.1         | 76.7         | 12.3                        | 904.0          | 845.3          | 6.9                         |
| Revenues from sales                | 390.3        | 374.3        | 4.3                         | 4,634.6        | 4,821.4        | (3.9)                       |
| Other                              | 2.9          | 3.7          | (21.6)                      | 40.8           | 29.4           | 38.8                        |
| Total revenues                     | <u>393.2</u> | <u>378.0</u> | 4.0                         | <u>4,675.4</u> | <u>4,850.8</u> | (3.6)                       |
| Fuel                               | 196.0        | 186.3        | 5.2                         | 2,345.0        | 2,603.6        | (9.9)                       |
| Purchased power                    | 77.7         | 68.8         | 12.9                        | 808.2          | 755.7          | 6.9                         |
| Other expenses                     | 53.3         | 70.6         | (24.5)                      | 745.4          | 766.1          | (2.7)                       |
| Total current expenses             | 327.0        | 325.7        | 0.4                         | 3,898.6        | 4,125.4        | (5.5)                       |
| 1974 - sinking fund appropriations | 46.6         | 47.2         | (1.3)                       | 563.5          | 527.4          | 6.8                         |
| Interest on notes                  | 28.5         | 0.1          | *                           | 44.7           | 0.4            | *                           |
| Internal funds                     | (1.8)        | 0.7          | *                           | 15.4           | 17.0           | (9.4)                       |
| Reserve account                    | (41.5)       | 0.0          | *                           | (41.5)         | 0.0            | *                           |
| Contribution to municipalities     | 31.5         | 4.0          | *                           | 160.9          | 138.2          | 16.4                        |
| Other appropriations               | 2.9          | 0.3          | *                           | 33.8           | 42.4           | (20.3)                      |
| Total                              | <u>393.2</u> | <u>378.0</u> | 4.0                         | <u>4,675.4</u> | <u>4,850.8</u> | (3.6)                       |

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year was due to lower fuel price per barrel than prior year.
2. The other revenues for the fiscal year increased due to a higher non operating income than prior year.
3. Interest on notes for the fiscal year increased due to termination collateral of Basis Swap and Interest Rate Swap with Deutsche Bank and JP Morgan.
4. Internal funds for the fiscal year decreased due to less available funds than prior year.
5. Reserve account for the fiscal year decreased due to transfers to cover interest requirements.
6. Contribution to municipalities for the month increased due to higher net revenue than prior year.
7. Other appropriations for the fiscal year-to-date decreased due to less funds assigned to residential clients' subsidy than prior year.

\*Over 100%

D. Notes Payable  
(in thousand dollars)

JUNE

| <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>64,208</u>  |
| Available balance  | <u>24,611</u> | <u>9,018</u> | Available balance                        | <u>0</u>          | <u>0</u>       |
| Debt outstanding balance   | 743           | 743          | Debt outstanding balance                 | 0                 | 9,700          |
| 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           | 500,000        |
| Amount received  | <u>0</u>      | <u>0</u>     | Amount received                          | <u>549,976</u>    | <u>495,242</u> |
| Available balance  | <u>9,463</u>  | <u>0</u>     | Available amount                         | <u>24</u>         | <u>4,758</u>   |
| Debt outstanding balance   | 0             | 0            | Debt outstanding balance                 | 549,976           | 495,242        |
| 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>249,138</u> |
|  |               |              | Available balance                        | <u>3,958</u>      | <u>862</u>     |
|  |               |              | Debt outstanding balance                 | 146,042           | 249,138        |
|  |               |              | Maturity Date                            | January 10, 2014  |                |
|  |               |              | 4. Collateral SWAP - (GDB):              |                   |                |
|  |               |              | Line of credit                           | 100,000           | 100,000        |
|  |               |              | Amount received                          | <u>35,137</u>     | <u>6,100</u>   |
|  |               |              | Available balance                        | <u>64,863</u>     | <u>93,900</u>  |
|  |               |              | Debt outstanding balance                 | 35,137            | 6,100          |
|  |               |              | Maturity Date                            | December 31, 2014 |                |

E. Capital Improvements Program  
(in thousand dollars)

| JUNE 2014  |               |               |                             |                |                |                             |
|--|---------------|---------------|-----------------------------|----------------|----------------|-----------------------------|
|  | Month **      |               |                             | Fiscal Year*** |                |                             |
|  | Budget        | Actual        | Increase<br>(Decrease)<br>% | Budget         | Actual         | Increase<br>(Decrease)<br>% |
| Production   | 8,034         | 12,350        | 53.7                        | 96,375         | 73,663         | (23.6)                      |
| Transmission   | 5,528         | 8,363         | 51.3                        | 66,347         | 80,104         | 20.7                        |
| Distribution   | 8,321         | 9,953         | 19.6                        | 99,884         | 93,566         | (6.3)                       |
| Other  | 3,118         | 13,418        | ****                        | 37,394         | 18,043         | (51.7)                      |
| Total  | <u>25,001</u> | <u>44,084</u> | 76.3                        | <u>300,000</u> | <u>265,376</u> | (11.5)                      |
| Internal Funds   | 2,193         | (1,823)       | ****                        | 22,677         | 15,392         | (32.1)                      |
| Percentage of Internal Funds<br>to Investment in Capital<br>Improvements Programs* | 9%            | -4%           | ****                        | 8%             | 6%             | (23.3)                      |
| Contribution AID for Construction  |               | 464           |                             |                | 4,358          |                             |

|  | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|
| F. Highest debt coverage as of June 30 | 1.18        | 1.19        |

G. REA Projects

|                  | <u>Month</u> | <u>Fiscal Year</u> |
|------------------|--------------|--------------------|
| Total investment | \$0          | \$117,710          |
| Families served  | 0            | 28                 |

\*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.  
 \*\*\*\*Over 100%.

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

|  | JUNE             |                  | Increase<br>(Decrease)<br>% |
|--|------------------|------------------|-----------------------------|
|  | 2014             | 2013             |                             |
| General clients  | 949,190          | 838,915          | 13.1                        |
| Government   | 640,825          | 603,027          | 6.3                         |
| Less: Accrued Contribution in Lieu of Taxes                      | 420,570          | 323,622          | 30.0                        |
| Total Government, Net  | 220,255          | 279,405          | (21.2)                      |
| Subtotal   | <u>1,169,445</u> | <u>1,118,320</u> | 4.6                         |
| Sales of electric energy (12 months)                             |                  |                  |                             |
| Revenues from sales **   | 4,636,143        | 4,821,617        | (3.8)                       |
| kWh (including subsidy)  | 17,560,902       | 18,221,182       | (3.6)                       |
| Indicators:  |                  |                  |                             |
| A. Ratio of accounts receivable to sales (%)                     | 25.2             | 23.2             | 8.8                         |
| B. Ratio of accounts receivable to sales (%) (including subsidy) | 25.1             | 23.1             | 8.9                         |
| C. Sales days in accounts receivable                             | 92               | 85               | 8.8                         |
| D. Sales days in accounts receivable (including subsidy)         | 92               | 84               | 8.9                         |
| E. Ratio of collections to sales of electric energy:             |                  |                  |                             |
| General clients:   |                  |                  |                             |
| Sales**  | 3,820,454        | 3,920,929        | (2.6)                       |
| Collections  | 3,695,974        | 3,869,041        | (4.5)                       |
| Percent  | 96.7             | 98.7             | (2.0)                       |
| Government:  |                  |                  |                             |
| Sales  | 815,689          | 900,688          | (9.4)                       |
| Collections***   | 615,624          | 611,501          | 0.7                         |
| Percent  | 75.5             | 67.9             | 11.2                        |
| Percent of total sales   | 93.0             | 92.9             | 0.1                         |

\* Excludes residential clients' subsidy of \$19,781 and \$26,352 for the 12 months ended June 2014 and June 2013, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

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

|  | June 30<br>2014 | June 30<br>2013 |
|--|-----------------|-----------------|
| <b>Current assets:</b>   |                 |                 |
| Cash and cash equivalents  |                 |                 |
| General fund   | \$ 136,291      | \$ 111,047      |
| Revenue fund   | 14              | 770             |
| Working funds  | 996             | 807             |
| Total cash and cash equivalents  | 137,301         | 112,624         |
| Accounts receivable (Exhibit A)  | 1,550,973       | 1,391,120       |
| Fuel oil inventory   | 194,072         | 323,730         |
| Materials and supplies inventory   | 196,887         | 197,786         |
| Prepayments and other (Exhibit B)  | 391             | 5,020           |
| Total current assets   | 2,079,624       | 2,030,280       |
| Non current receivables (Exhibit A)  | 103,030         | 103,030         |
| <b>Restricted Assets</b>   |                 |                 |
| Cash held by trustees  | 321,626         | 369,381         |
| Investments held by trustees   |                 |                 |
| Sinking funds - interest   | 148,398         | 62,344          |
| Sinking funds - principal  | -               | 569             |
| Non current restricted deposits held<br>by trustees                                  | 532,678         | 490,689         |
| Total investment held by trustees  | 681,076         | 553,602         |
| Construction fund and other  |                 |                 |
| Construction fund  | 303,793         | 49,370          |
| Investment held by REA   | 1,104           | 1,103           |
| Reserve maintenance fund   | 15,949          | 15,818          |
| Other restricted fund  | 5,077           | 17,129          |
| Total construction fund and other  | 325,923         | 83,420          |
| Total restricted assets  | 1,328,625       | 1,006,403       |
| <b>Utility Plant</b>   |                 |                 |
| Electric plant in service  | 12,202,083      | 11,875,606      |
| Less: accumulated depreciation   | 6,385,962       | 6,064,548       |
| Net electric plant in service  | 5,816,121       | 5,811,058       |
| Construction work in progress, including<br>preliminary surveys of 21,002 and 20,786 | 975,739         | 990,223         |
| Total utility plant  | 6,791,860       | 6,801,281       |
| <b>Deferred debits:</b>  |                 |                 |
| Unamortized debt expense   | 54,408          | 55,810          |
| Other  | 20,193          | 17,370          |
| Total deferred debits  | 74,601          | 73,180          |
| Total assets   | 10,377,740      | 10,014,174      |
| Deferred outflows of resources   | 79,057          | 85,004          |
| <b>Total Assets and Deferred Outflows</b>  | \$ 10,456,797   | \$ 10,099,178   |



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

June 30  
2014

June 30  
2013

Liabilities and net position

|  |                      |                      |
|--|----------------------|----------------------|
| <b>Current Liabilities</b>   |                      |                      |
| Notes payable to banks   | \$ 731,898           | \$ 754,823           |
| Accounts payable and accrued liabilities (Exhibit C)                           | 1,423,352            | 1,287,166            |
| Customer deposits, including accrued interest                                  | 17,631               | 14,531               |
| <b>Total current liabilities</b>   | <u>2,172,881</u>     | <u>2,056,520</u>     |
| <br>   |                      |                      |
| <b>Current liabilities payable from restricted assets</b>                      |                      |                      |
| Current portion of long-term debt  | 421,100              | 399,215              |
| Notes payable from restricted assets   | -                    | 6,100                |
| Accrued interest payable on bonds and notes                                    | 218,467              | 187,432              |
| Other current liabilities (Exhibit C)  | 57,611               | 39,594               |
| <b>Total current liabilities from restricted assets</b>                        | <u>697,178</u>       | <u>632,341</u>       |
| <br>   |                      |                      |
| <b>Non current liabilities</b>   |                      |                      |
| Power revenue bonds, net of unamortized debt discount of (61,381) and (78,158) | 8,247,958            | 7,812,423            |
| Non current portion, accounts payable and accrued sick leave                   | 122,356              | 122,356              |
| Accrued unfunded OPEB  | 143,886              | 136,050              |
| Customer deposits - noncurrent   | 166,950              | 166,950              |
| <br>   |                      |                      |
| <b>Total noncurrent liabilities</b>  | <u>8,681,150</u>     | <u>8,237,779</u>     |
| <br>   |                      |                      |
| <b>Total liabilities</b>   | <u>11,551,209</u>    | <u>10,926,640</u>    |
| <br>   |                      |                      |
| <b>Total net position (Deficit)</b>  | <u>(1,094,412)</u>   | <u>(827,462)</u>     |
| <br>   |                      |                      |
| <b>Total Liabilities and Net Position</b>                                      | <u>\$ 10,456,797</u> | <u>\$ 10,099,178</u> |

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

|  | MONTH               |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | Budget<br>June 2014 | Actual<br>June 2014 | Actual<br>June 2013 |
| Operating revenues:  |                     |                     |                     |
| Sales of electric energy   | \$ 379,604          | \$ 390,265          | \$ 374,250          |
| Total operating revenues   | <u>379,604</u>      | <u>390,265</u>      | <u>374,250</u>      |
| Other income   | <u>2,605</u>        | <u>3,333</u>        | <u>3,743</u>        |
| Total revenues   | <u>382,209</u>      | <u>393,598</u>      | <u>377,993</u>      |
| Expenses:  |                     |                     |                     |
| Fuel cost  | 179,711             | 195,988             | 186,338             |
| Purchased power  | 70,397              | 77,732              | 68,828              |
| Other production   | 5,785               | 4,986               | 5,022               |
| Transmission and distribution  | 13,234              | 9,938               | 14,866              |
| Maintenance  | 19,130              | 11,852              | 16,004              |
| Customer accounting and collection   | 9,614               | 7,252               | 10,339              |
| Administrative and general   | <u>14,627</u>       | <u>19,239</u>       | <u>24,341</u>       |
| Subtotal expenses by function  | 312,498             | 326,987             | 325,738             |
| Other cost employment benefits   | 658                 | 653                 | (960)               |
| Depreciation   | 31,172              | 29,359              | 7,236               |
| Interest on bonds, capital improvement<br>notes, general obligation notes, less<br>allowance for funds used during<br>construction | 32,304              | 62,848              | 35,968              |
| Contribution to municipalities   | 16,709              | 20,485              | 19,286              |
| Other appropriations   | 3,261               | 2,966               | 298                 |
| Bond discount and defeasance amortization  | <u>300</u>          | <u>348</u>          | <u>348</u>          |
| Total expenses   | <u>396,902</u>      | <u>443,646</u>      | <u>387,914</u>      |
| Contributed capital  | <u>2,015</u>        | <u>6,018</u>        | <u>2,617</u>        |
| Changes in net position  | <u>\$ (12,678)</u>  | <u>\$ (44,030)</u>  | <u>\$ (7,304)</u>   |

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

|  | FISCAL YEAR         |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | Budget<br>June 2014 | Actual<br>June 2014 | Actual<br>June 2013 |
| Operating revenues:  |                     |                     |                     |
| Sales of electric energy   | \$ 4,463,032        | \$ 4,634,525        | \$ 4,821,348        |
| Total operating revenues   | <u>4,463,032</u>    | <u>4,634,525</u>    | <u>4,821,348</u>    |
| Other income   | 31,254              | 44,891              | 30,435              |
| Total revenues   | <u>4,494,286</u>    | <u>4,679,416</u>    | <u>4,851,783</u>    |
| Expenses:  |                     |                     |                     |
| Fuel cost  | 2,145,911           | 2,344,999           | 2,603,577           |
| Purchased power  | 805,414             | 808,237             | 755,686             |
| Other production   | 66,022              | 64,200              | 71,655              |
| Transmission and distribution  | 158,745             | 171,822             | 172,318             |
| Maintenance  | 233,029             | 196,978             | 213,891             |
| Customer accounting and collection   | 115,371             | 111,032             | 116,351             |
| Administrative and general   | <u>175,516</u>      | <u>201,286</u>      | <u>191,912</u>      |
| Subtotal expenses by function  | 3,700,008           | 3,898,554           | 4,125,390           |
| Other cost employment benefits   | 7,841               | 7,836               | 5,338               |
| Depreciation   | 374,064             | 339,268             | 342,437             |
| Interest on bonds, capital improvement<br>notes, general obligation notes, less<br>allowance for funds used during<br>construction | 392,660             | 458,395             | 386,034             |
| Contribution to municipalities   | 164,703             | 249,310             | 260,839             |
| Other appropriations   | 36,324              | 33,822              | 42,360              |
| Bond discount and defeasance amortization  | <u>3,600</u>        | <u>4,139</u>        | <u>4,176</u>        |
| Total expenses   | <u>4,679,200</u>    | <u>4,991,324</u>    | <u>5,166,574</u>    |
| Contributed capital  | <u>24,185</u>       | <u>44,958</u>       | <u>31,979</u>       |
| Changes in net position  | <u>\$ (160,729)</u> | <u>\$ (266,950)</u> | <u>\$ (282,812)</u> |

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

|  | MONTH               |                     |                     |
|--|---------------------|---------------------|---------------------|
|  | Budget<br>June 2014 | Actual<br>June 2014 | Actual<br>June 2013 |
| <b>Revenues:</b>   |                     |                     |                     |
| Sales of electric energy (Exhibit D)   | \$ 379,604          | \$ 390,265          | \$ 374,250          |
| Total operating revenues   | 379,604             | 390,265             | 374,250             |
| Other income   | 2,605               | 3,333               | 3,743               |
| Total revenues   | 382,209             | 393,598             | 377,993             |
| Less: 1974 construction fund investment<br>income and gain on sale of properties | 7                   | 389                 | 3                   |
| Revenues - net   | 382,202             | 393,209             | 377,990             |
| <b>Current expenses:</b>   |                     |                     |                     |
| Fuel cost  | 179,711             | 195,988             | 186,338             |
| Purchased power  | 70,397              | 77,732              | 68,828              |
| Other production   | 5,785               | 4,986               | 5,022               |
| Transmission and distribution  | 13,234              | 9,938               | 14,866              |
| Maintenance  | 19,130              | 11,852              | 16,004              |
| Customer accounting and collection   | 9,614               | 7,252               | 10,339              |
| Administrative and general   | 14,627              | 19,239              | 24,341              |
| Total current expenses   | 312,498             | 326,987             | 325,738             |
| Net revenues (as defined)  | 69,705              | 66,222              | 52,252              |
| <b>Contractual obligations:</b>  |                     |                     |                     |
| Sinking fund appropriations -  |                     |                     |                     |
| Interest on power revenue bonds  | 29,872              | 29,587              | 30,968              |
| Bond redemption account  | 17,026              | 17,025              | 16,243              |
| Reserve Account Fund   | -                   | (41,480)            | -                   |
| Interest on notes  | 644                 | 28,469              | 58                  |
| Capital Improvements fund  | 2,193               | (1,823)             | 744                 |
| Total contractual obligations  | 49,735              | 31,778              | 48,013              |
| Balance  | 19,970              | 34,444              | 4,239               |
| <b>Provision for Contribution in Lieu of Taxes and<br/>other appropriations</b>  |                     |                     |                     |
| Contribution to municipalities   | 16,709              | 31,478              | 3,941               |
| Other  | 3,261               | 2,966               | 298                 |
| Total provision for contribution and other                                       | 19,970              | 34,444              | 4,239               |
| Remainder  | \$ -                | \$ -                | \$ -                |

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

|  | FISCAL YEAR - TO DATE |                     |                     | TWELVE MONTHS ENDED |                     |                     |
|--|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | Budget<br>June 2014   | Actual<br>June 2014 | Actual<br>June 2013 | Budget<br>June 2014 | Actual<br>June 2014 | Actual<br>June 2013 |
| Revenues:  |                       |                     |                     |                     |                     |                     |
| Sales of electric energy (Exhibit D)   | \$ 4,463,032          | \$ 4,634,525        | \$ 4,821,617        |                     |                     |                     |
| Total operating revenues   | 4,463,032             | 4,634,525           | 4,821,617           |                     |                     |                     |
| Other income   | 31,254                | 44,892              | 30,166              |                     |                     |                     |
| Total revenues   | 4,494,286             | 4,679,417           | 4,851,783           |                     |                     |                     |
| Less: 1974 construction fund investment<br>income and gain on sale of properties | 76                    | 4,036               | 966                 |                     |                     |                     |
| Revenues - net   | 4,494,210             | 4,675,381           | 4,850,817           |                     |                     |                     |
| Current expenses:  |                       |                     |                     |                     |                     |                     |
| Fuel cost  | 2,145,911             | 2,344,999           | 2,603,577           |                     |                     |                     |
| Purchased power  | 805,414               | 808,237             | 755,686             |                     |                     |                     |
| Other production   | 66,022                | 64,200              | 71,655              |                     |                     |                     |
| Transmission and distribution  | 158,745               | 171,821             | 172,318             |                     |                     |                     |
| Maintenance  | 233,029               | 196,978             | 213,890             |                     |                     |                     |
| Customer accounting and collection   | 115,371               | 111,033             | 116,351             |                     |                     |                     |
| Administrative and general   | 175,516               | 201,287             | 191,913             |                     |                     |                     |
| Total current expenses   | 3,700,008             | 3,898,555           | 4,125,390           |                     |                     |                     |
| Net revenues (as defined)  | 794,202               | 776,826             | 725,427             |                     |                     |                     |
| Contractual obligations:   |                       |                     |                     |                     |                     |                     |
| Sinking fund appropriations -  |                       |                     |                     |                     |                     |                     |
| Interest on power revenue bonds  | 358,463               | 359,183             | 332,503             |                     |                     |                     |
| Bond redemption account  | 204,305               | 204,305             | 194,920             |                     |                     |                     |
| Reserve Account Fund   | -                     | (41,480)            | -                   |                     |                     |                     |
| Interest on notes  | 7,730                 | 44,746              | 458                 |                     |                     |                     |
| Capital Improvements fund  | 22,677                | 15,392              | 16,987              |                     |                     |                     |
| Total contractual obligations  | 593,175               | 582,146             | 544,868             |                     |                     |                     |
| Balance  | 201,027               | 194,680             | 180,559             |                     |                     |                     |
| Provision for Contribution in Lieu of Taxes and<br>other appropriations          |                       |                     |                     |                     |                     |                     |
| Contribution to municipalities   | 164,703               | 160,858             | 138,199             |                     |                     |                     |
| Other  | 36,324                | 33,822              | 42,360              |                     |                     |                     |
| Total provision for contribution and other                                       | 201,027               | 194,680             | 180,559             |                     |                     |                     |
| Remainder  | \$ -                  | \$ -                | \$ -                |                     |                     |                     |

SAME AS FISCAL YEAR

## PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION  
(in thousands)

|  | June<br>2014          | June<br>2013        |
|--|-----------------------|---------------------|
| Invested in utility plant, net related debt      | \$ (498,918)          | \$ (23,372)         |
| Restricted for capital activity and debt service | 280,150               | -                   |
| Unrestricted                                     | <u>(875,644)</u>      | <u>(804,090)</u>    |
| Total net position                               | <u>\$ (1,094,412)</u> | <u>\$ (827,462)</u> |

## PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE  
(in thousands)

Exhibit A

|  | June<br>2014        | June<br>2013        |
|--|---------------------|---------------------|
| Electric and related services:   |                     |                     |
| General clients  | \$ 928,277          | \$ 884,776          |
| Recoveries under fuel adjustment and purchase<br>power clause under or (over) billed | 67,766              | 10,144              |
| Unbilled services  | 220,104             | 195,278             |
| Allowance for uncollectible<br>accounts  | <u>(266,957)</u>    | <u>(251,283)</u>    |
| Total General Clients  | <u>949,190</u>      | <u>838,915</u>      |
| Government, including current and non current  | 640,826             | 603,027             |
| Claims receivable from insurance companies & other                                   | 37,814              | 37,819              |
| Advances to Irrigation Systems - net   | 20,619              | 9,785               |
| Accrued interest   | 4,540               | 2,857               |
| Other  | <u>1,014</u>        | <u>1,747</u>        |
| Total Accounts Receivable  | <u>\$ 1,654,003</u> | <u>\$ 1,494,150</u> |
| Less: Government Account Receivable, non current portion                             | <u>\$ 103,030</u>   | <u>\$ 103,030</u>   |
| Total Accounts Receivable, current portion   | <u>\$ 1,550,973</u> | <u>\$ 1,391,120</u> |

PREPAYMENTS AND OTHER  
(in thousands)

Exhibit B

June  
2014

JUNE  
2013

|  |               |                 |
|--|---------------|-----------------|
| Claims Outstanding Related to Property Damages | \$ 352        | \$ 385          |
| Prepayments and other                          | <u>39</u>     | <u>4,635</u>    |
| Total  | <u>\$ 391</u> | <u>\$ 5,020</u> |



## PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES  
(in thousands)

Exhibit C

|   | June<br>2014        | June<br>2013        |
|---|---------------------|---------------------|
| Accounts payable - fuel oil and other               | 840,284             | \$ 793,434          |
| Accrued annual leave                                | 54,271              | 56,179              |
| Accrued sick leave                                  | 26,777              | 31,576              |
| Accrued salaries and fringe benefits                | 756                 | 4,326               |
| Accrued contribution in lieu of taxes               | 420,570             | 323,622             |
| Reserve for injuries and damages                    | 20,107              | 20,400              |
| Accrued contributions Federal Social Security       | 1,484               | 1,476               |
| Income tax withheld at source                       | 1,055               | 1,285               |
| Health plan   | 24,186              | 6,275               |
| Pension & Benefits Deferred Employer Contribution   | 15,014              | 15,014              |
| Other   | 18,848              | 33,579              |
|   | <u>1,423,352</u>    | <u>1,287,166</u>    |
| Sub total current liabilities                       |                     |                     |
| Other current payables from restricted assets       |                     |                     |
| Retention on Contract Work                          | 6,165               | 7,173               |
| Vouchered A/P construction                          | 23,759              | 7,051               |
| Contribution aid to construction                    | 27,687              | 25,370              |
|   | <u>57,611</u>       | <u>39,594</u>       |
| Total other current payables from restricted assets |                     |                     |
| Total current Liabilities                           | <u>\$ 1,480,963</u> | <u>\$ 1,326,760</u> |
| NON-CURRENT LIABILITIES                             |                     |                     |
| Accrued sick leave                                  | \$ 122,356          | \$ 122,356          |
| Accrued Unfunded OPEB                               | 143,886             | 136,050             |
|   | <u>266,242</u>      | <u>258,406</u>      |
| Total non current liabilities                       |                     |                     |
| Total accounts payables and non current liabilities | <u>\$ 1,747,205</u> | <u>\$ 1,585,166</u> |

## SALES OF ELECTRIC ENERGY

JUNE 2014

## Exhibit D

| Class of Service                     | CLIENTS   |           | MONTHLY                 |          |             | Total     |
|--------------------------------------|-----------|-----------|-------------------------|----------|-------------|-----------|
|                                      | Billed    | Total     | KWHRS<br>(in thousands) |          |             |           |
|                                      |           |           | Billed                  | Unbilled | Adjustment* |           |
| Residential                          | 1,327,995 | 1,327,995 | 532,716                 | 313,270  | (327,538)   | 518,448   |
| Commercial                           | 125,065   | 125,065   | 724,992                 | 401,795  | (416,391)   | 710,396   |
| Industrial                           | 660       | 660       | 208,410                 | 117,586  | (124,577)   | 201,419   |
| Public lighting                      | 2,934     | 2,934     | 21,721                  | 6,375    | (4,262)     | 23,834    |
| Other public authorities             | 2         | 2         | 3,094                   | 1,209    | (1,388)     | 2,914     |
| Agricultural                         | 1,161     | 1,161     | 2,278                   | 1,268    | (1,286)     | 2,260     |
| Subtotal                             | 1,457,817 | 1,457,817 | 1,493,211               | 841,503  | (875,442)   | 1,459,271 |
| Fuel oil adjustment                  |           |           |                         |          |             |           |
| Purchased power                      |           |           |                         |          |             |           |
| Subtotal                             | 1,457,817 | 1,457,817 | 1,493,211               | 841,503  | (875,442)   | 1,459,271 |
| Unrecovered fuel oil cost-net        |           |           |                         |          |             |           |
| Unrecovered purchased power cost-net |           |           |                         |          |             |           |
| Total                                | 1,457,817 | 1,457,817 | 1,493,211               | 841,503  | (875,442)   | 1,459,271 |

| Class of Service                     | FISCAL YEAR-TO-DATE |                    |                       |                   |                      |
|--------------------------------------|---------------------|--------------------|-----------------------|-------------------|----------------------|
|                                      | Average Clients     | Kwhrs. (thousands) | Revenue (thousand \$) | Kwhrs. per Client | Cents per Kwhr. Sold |
| Residential                          | 1,331,856           | 6,270,838          | 342,787               | 4,708             | 5.47                 |
| Commercial                           | 126,133             | 8,497,360          | 585,444               | 67,368            | 6.89                 |
| Industrial                           | 676                 | 2,434,410          | 110,273               | 3,601,198         | 4.53                 |
| Public lighting                      | 2,934               | 299,176            | 55,671                | 101,969           | 18.61                |
| Other public authorities             | 2                   | 32,570             | 1,423                 | 16,285,000        | 4.37                 |
| Agricultural                         | 1,199               | 26,548             | 1,685                 | 22,142            | 6.35                 |
| Subtotal                             | 1,462,800           | 17,560,902         | 1,097,283             | 12,005            | 6.25                 |
| Fuel oil adjustment                  |                     |                    | 2,568,571             |                   | 14.99                |
| Purchased Power                      |                     |                    | 904,549               |                   | 5.15                 |
| Subtotal                             | 1,462,800           | 17,560,902         | 4,570,403             | 12,005            | 26.03                |
| Unrecovered fuel oil cost-net        |                     |                    | 64,685                |                   |                      |
| Unrecovered purchased Power cost-net |                     |                    | (563)                 |                   |                      |
| Total                                | 1,462,800           | 17,560,902         | 4,634,525             | 12,005            | 26.39                |

\*Unbilled previous month.

SALES OF ELECTRIC ENERGY

JUNE 2014

Exhibit D

| Class of Service                        | REVENUES<br>(in thousands \$) |                |             | Total          | Kwhs. per<br>Client | Cents<br>per Kwhr.<br>Sold |
|---|-------------------------------|----------------|-------------|----------------|---------------------|----------------------------|
|   | MONTHLY                       |                |             |                |                     |                            |
|   | Billed                        | Unbilled       | Adjustment* |                |                     |                            |
| Residential                             | 29,467                        | 12,847         | (13,397)    | 28,917         | 390                 | 5.58                       |
| Commercial                              | 41,725                        | 34,151         | (34,245)    | 41,631         | 5,680               | 5.86                       |
| Industrial                              | 9,259                         | 5,240          | (5,668)     | 8,831          | 305,180             | 4.38                       |
| Public lighting                         | 3,967                         | 1,954          | (622)       | 4,399          | 8,123               | 18.46                      |
| Other public authorities                | 132                           | 51             | (61)        | 122            | 1,457,000           | 4.17                       |
| Agricultural                            | 142                           | 69             | (69)        | 142            | 1,947               | 6.27                       |
| Subtotal                                | 84,692                        | 53,412         | (54,062)    | 84,042         | 1,001               | 5.76                       |
| Fuel oil adjustment                     | 212,347                       | 119,943        | (121,689)   | 210,601        |                     | 15.08                      |
| Purchased power                         | 86,794                        | 46,750         | (47,346)    | 86,198         |                     | 5.90                       |
| Subtotal                                | 383,833                       | 220,105        | (223,097)   | 380,841        | 1,001               | 26.10                      |
| Unrecovered fuel oil<br>cost-net        |                               |                |             | 9,508          |                     |                            |
| Unrecovered purchased<br>power cost-net |                               |                |             | (84)           |                     |                            |
| Total                                   | <u>383,833</u>                | <u>220,105</u> | <u>0</u>    | <u>390,265</u> | 1,001               | 26.74                      |