

---

MONTHLY REPORT  
TO THE GOVERNING BOARD  
MARCH 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

	MARCH		Increase (Decrease) %
	2013-14	2012-13	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,207,449	1,215,326	(0.6)
PREPA - Hydro	3,937	4,378	(10.1)
Purchased power - gas	260,516	340,163	(23.4)
Purchased power - coal	254,311	169,667	49.9
Renewable Energy	19,502	15,989	22.0
Total	1,745,715	1,745,523	
Fiscal year-to-date:			
PREPA - Steam and gas	10,660,984	11,267,514	(5.4)
PREPA - Hydro	56,774	62,459	(9.1)
Purchased power - gas	2,538,723	2,584,154	(1.8)
Purchased power - coal	2,603,881	2,558,361	1.8
Renewable Energy	173,495	93,231	86.1
Total	16,033,857	16,565,719	(3.2)
Twelve months:			
PREPA - Steam and gas	14,029,855	15,298,755	(8.3)
PREPA - Hydro	85,333	83,997	1.6
Purchased power - gas	3,524,921	3,472,942	1.5
Purchased power - coal	3,559,006	3,264,034	9.0
Renewable Energy	223,831	93,946	*
Total	21,422,946	22,213,674	(3.6)
2. Maximum hourly peak load (in MW)			
Month	2,852	2,890	(1.3)
Fiscal year-to-date	3,159	3,265	(3.2)
Twelve months	3,159	3,265	(3.2)
3. Sales (kWh in thousands)			
Month:			
Billed	1,389,935	1,407,449	(1.2)
Days billed	30.00	29.00	3.4
Fiscal year-to-date:			
Billed	13,201,902	13,783,518	(4.2)
Days billed	274.00	273.00	0.4
Twelve months:			
Billed	17,671,842	18,286,603	(3.4)
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	82.3	86.7	(5.0)
Fiscal year-to-date	82.4	83.0	(0.7)
Twelve months	82.6	82.2	0.5
5. Average cost per barrel (\$)			
Month	111.38	110.32	1.0
Fiscal year-to-date	105.57	111.51	(5.3)
Twelve months	106.63	113.06	(5.7)
6. kWh/Barrel			
Month	629.21	637.63	(1.3)
Fiscal year-to-date	635.68	621.11	2.3
Twelve months	636.25	624.74	1.8
7. Heat rate (BTU/kWh)			
Month	10,555	10,469	0.8
Fiscal year-to-date	10,485	10,785	(2.8)
Twelve months	10,465	10,710	(2.3)

\*Over 100%

8. Fuel consumption (in thousands)	2013-14		2012-13		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	1,183	139,363	1,337	150,470	(11.5)	(7.4)
Gas	231	31,020	209	29,633	10.5	4.7
Natural Gas	505	43,390	360	30,194	40.3	43.7
Total	<u>1,919</u>	<u>213,773</u>	<u>1,906</u>	<u>210,297</u>	0.7	1.7
Fiscal year-to-date:						
Steam	10,446	1,131,271	13,451	1,518,651	(22.3)	(25.5)
Gas	2,006	268,971	1,798	255,759	11.6	5.2
Natural Gas	4,319	370,297	2,892	248,435	49.3	49.1
Total	<u>16,771</u>	<u>1,770,539</u>	<u>18,141</u>	<u>2,022,845</u>	(7.6)	(12.5)
Twelve months:						
Steam	13,770	1,501,086	18,123	2,080,096	(24.0)	(27.8)
Gas	2,820	378,899	2,466	349,550	14.4	8.4
Natural Gas	5,461	471,286	3,899	338,891	40.1	39.1
Total	<u>22,051</u>	<u>2,351,271</u>	<u>24,488</u>	<u>2,768,537</u>	(10.0)	(15.1)

MARCH

	2014	2013	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	8.74	11.82	(26.1)
2. Disconnections for nonpayment per thousand clients	10.04	6.44	55.9
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.050	0.056	(11.4)
2. Interruption duration index			
Average interruption time per clients served (minutes)	8.32	8.30	0.2
3. Clients per interruption	43	53	(18.9)
4. Time per interruption (minutes)	272	219	24.3

D. Personnel

		MARCH		Increase (Decrease)
		<u>2014</u>	<u>2013</u>	<u></u>
Management Conf. / Carr.	Reg.	2,498	2,520	(22)
	Temp.	16	30	(14)
U.T.I.E.R.	Reg.	4,261	4,370	(109)
	Temp.	247	429	(182)
	Emerg.			
U.I.T.I.C.E.	Reg.	814	849	(35)
	Temp.			
U.E.P.I.	Reg.	347	358	(11)
	Temp.	1	2	(1)
U.P.A.E.E.	Reg.	5	6	(1)
	Temp.			
Total		<u>8,189</u>	<u>8,564</u>	<u>(375)</u>

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	MARCH					
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2013-14	2012-13	Increase (Decrease) %
kWh sales:						
Residential	485,392	488,326	(0.6)	4,723,371	5,070,755	(6.9)
Commercial	710,730	778,646	(8.7)	6,392,519	6,488,353	(1.5)
Industrial	207,018	212,713	(2.7)	1,833,517	1,922,743	(4.6)
Others	34,277	34,393	(0.3)	268,076	264,993	1.2
Total	<u>1,437,417</u>	<u>1,514,078</u>	(5.1)	<u>13,217,483</u>	<u>13,746,844</u>	(3.9)
Basic revenues:						
Residential	27,391	26,682	2.7	257,547	256,897	0.3
Commercial	45,738	50,445	(9.3)	441,397	451,527	(2.2)
Industrial	9,347	13,370	(30.1)	83,080	90,186	(7.9)
Others	5,813	5,794	0.3	44,428	41,829	6.2
Total	<u>88,289</u>	<u>96,291</u>	(8.3)	<u>826,452</u>	<u>840,439</u>	(1.7)
Fuel adjustment:						
Residential	82,665	77,627	6.5	720,309	775,094	(7.1)
Commercial	119,839	122,322	(2.0)	972,513	1,095,206	(11.2)
Industrial	31,782	30,563	4.0	252,948	292,078	(13.4)
Others	5,925	5,318	11.4	42,220	48,179	(12.4)
Total	<u>240,211</u>	<u>235,830</u>	1.9	<u>1,987,990</u>	<u>2,210,557</u>	(10.1)
Purchased power:						
Residential	24,876	21,074	18.0	236,483	227,507	3.9
Commercial	35,939	33,021	8.8	317,610	287,176	10.6
Industrial	9,563	8,249	15.9	83,234	76,833	8.3
Others	1,818	1,420	28.0	13,673	12,335	10.8
Total	<u>72,196</u>	<u>63,764</u>	13.2	<u>651,000</u>	<u>603,851</u>	7.8
Total revenues:						
Residential	134,932	125,383	7.6	1,214,339	1,259,498	(3.6)
Commercial	201,516	205,788	(2.1)	1,731,520	1,833,909	(5.6)
Industrial	50,692	52,182	(2.9)	419,262	459,097	(8.7)
Others	13,556	12,532	8.2	100,321	102,343	(2.0)
Total	<u>400,696</u>	<u>395,885</u>	1.2	<u>3,465,442</u>	<u>3,654,847</u>	(5.2)

MARCH						
Month			Fiscal Year-to-Date			
	2014	2013	Increase (Decrease) %	2013-14	2012-13	Increase (Decrease) %
<b>2. Cents per kWh</b>						
Basic revenues:						
Residential	5.64	5.46	3.3	5.45	5.07	7.5
Commercial	6.44	6.48	(0.6)	6.90	6.96	(0.9)
Industrial	4.52	6.29	(28.1)	4.53	4.69	(3.4)
Others	16.96	16.85	0.7	16.57	15.78	5.0
Total	6.14	6.36	(3.5)	6.25	6.11	2.3
Fuel adjustment:						
Residential	17.04	15.90	7.2	15.25	15.28	(0.2)
Commercial	16.85	15.71	7.3	15.22	16.87	(9.8)
Industrial	15.35	14.36	6.9	13.80	15.19	(9.2)
Others	17.29	15.46	11.8	15.75	18.19	(13.4)
Total	16.72	15.58	7.3	15.04	16.09	(6.5)
Purchased power:						
Residential	5.12	4.32	18.5	5.01	4.49	11.6
Commercial	5.06	4.24	19.3	4.97	4.43	12.2
Industrial	4.62	3.88	19.1	4.54	4.00	13.5
Others	5.30	4.13	28.3	5.10	4.65	9.7
Total	5.02	4.21	19.2	4.93	4.39	12.3
Total revenues:						
Residential	27.80	25.68	8.3	25.71	24.84	3.5
Commercial	28.35	26.43	7.3	27.09	28.26	(4.1)
Industrial	24.49	24.53	(0.2)	22.87	23.88	(4.2)
Others	39.55	36.44	8.5	37.42	38.62	(3.1)
Total	27.88	26.15	6.6	26.22	26.59	(1.4)
<b>3. Clients:</b>						
Residential	1,319,750	1,341,432	(1.6)	1,332,819	1,358,242	(1.9)
Commercial	125,089	127,153	(1.6)	126,384	126,646	(0.2)
Industrial	667	704	(5.3)	680	713	(4.6)
Others	4,118	4,172	(1.3)	4,140	4,157	(0.4)
Total	<u>1,449,624</u>	<u>1,473,461</u>	(1.6)	<u>1,464,023</u>	<u>1,489,759</u>	(1.7)
<b>4. Average kWh per client:</b>						
Residential	368	364	1.0	3,544	3,733	(5.1)
Commercial	5,682	6,124	(7.2)	50,580	51,232	(1.3)
Industrial	310,372	302,149	2.7	2,696,349	2,696,694	(0.0)
Others	8,324	8,244	1.0	64,753	63,746	1.6
Total	992	1,028	(3.5)	9,028	9,228	(2.2)

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	MARCH					
	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2014	2013		2013-14	2012-13	
kWh sales:						
Residential	10	56	(82.1)	102	514	(80.2)
Commercial	209,607	234,940	(10.8)	2,030,455	2,063,520	(1.6)
Industrial						
Others	29,729	29,680	0.2	245,474	251,923	(2.6)
Total	<u>239,346</u>	<u>264,676</u>	(9.6)	<u>2,276,031</u>	<u>2,315,957</u>	(1.7)
Basic revenues:						
Residential	1	3	(66.7)	5	26	(80.8)
Commercial	12,676	12,053	5.2	145,141	150,589	(3.6)
Industrial						
Others	5,170	5,247	(1.5)	42,646	39,932	6.8
Total	<u>17,847</u>	<u>17,303</u>	3.1	<u>187,792</u>	<u>190,547</u>	(1.4)
Fuel adjustment:						
Residential	2	11	(81.8)	16	83	(80.7)
Commercial	32,843	43,343	(24.2)	296,966	343,063	(13.4)
Industrial						
Others	4,738	5,761	(17.8)	37,584	44,158	(14.9)
Total	<u>37,583</u>	<u>49,115</u>	(23.5)	<u>334,566</u>	<u>387,304</u>	(13.6)
Purchased power:						
Residential	1	3	(66.7)	5	25	(80.0)
Commercial	10,763	11,668	(7.8)	101,088	91,047	11.0
Industrial						
Others	1,546	1,552	(0.4)	12,843	11,618	10.5
Total	<u>12,310</u>	<u>13,223</u>	(6.9)	<u>113,936</u>	<u>102,690</u>	11.0
Total revenues:						
Residential	4	17	(76.5)	26	134	(80.6)
Commercial	56,282	67,064	(16.1)	543,195	584,699	(7.1)
Industrial						
Others	11,454	12,560	(8.8)	93,073	95,708	(2.8)
Total	<u>67,740</u>	<u>79,641</u>	(14.9)	<u>636,294</u>	<u>680,541</u>	(6.5)
2. Clients:						
Residential	15	20	(25.0)	16	23	(30.4)
Commercial	24,881	26,731	(6.9)	26,350	22,338	18.0
Industrial						
Others	3,475	3,412	1.8	3,311	3,023	9.5
Total	<u>28,371</u>	<u>30,163</u>	(5.9)	<u>29,677</u>	<u>25,384</u>	16.9

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)

	MARCH 2014					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	92.8	88.3	(4.8)	854.8	826.4	(3.3)
Fuel adjustment	189.5	240.2	26.8	1,798.2	1,988.0	10.6
Purchased power	77.8	72.2	(7.2)	681.7	651.0	(4.5)
Revenues from sales	360.1	400.7	11.3	3,334.7	3,465.4	3.9
Other	2.6	1.0	(61.5)	23.4	30.6	30.8
Total revenues	362.7	401.7	10.8	3,358.1	3,496.0	4.1
Fuel	168.1	213.8	27.2	1,595.7	1,770.5	11.0
Purchased power	69.3	65.3	(5.8)	606.8	581.7	(4.1)
Other expenses	62.4	63.2	1.3	561.5	570.8	1.7
Total current expenses	299.8	342.3	14.2	2,764.0	2,923.0	5.8
1974 - sinking fund appropriations	46.9	47.0	0.2	422.0	422.9	0.2
Interest on notes	0.6	12.3	*	5.8	13.9	*
Internal funds	0.6	1.5	*	18.2	14.2	(22.0)
Contribution to municipalities	12.0	(4.4)	(136.7)	121.2	97.3	(19.7)
Other appropriations	2.8	3.0	7.1	26.9	24.7	(8.2)
Total	362.7	401.7	10.8	3,358.1	3,496.0	4.1

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the fiscal year-to-date was due to a higher fuel cost than budgeted.
2. The other revenues for the fiscal -year-to-date increased due to a higher non operating income than budgeted.
3. Interest on notes for the fiscal year-to-date increased due to termination fees of Basis Swap with Royal Bank of Canada.
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 a lower electric power consumption than budgeted.

\*Over 100%

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

	MARCH					
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2013-14	2012-13	Increase (Decrease) %
Basic charges	88.3	96.3	(8.3)	826.4	840.4	(1.7)
Fuel adjustment	240.2	235.8	1.9	1,988.0	2,210.6	(10.1)
Purchased power	72.2	63.8	13.2	651.0	603.8	7.8
Revenues from sales	400.7	395.9	1.2	3,465.4	3,654.8	(5.2)
Other	1.0	2.4	(58.3)	30.6	25.4	20.5
Total revenues	<u>401.7</u>	<u>398.3</u>	0.9	<u>3,496.0</u>	<u>3,680.2</u>	(5.0)
Fuel	213.8	210.3	1.7	1,770.5	2,022.8	(12.5)
Purchased power	65.3	60.0	8.8	581.7	548.3	6.1
Other expenses	63.2	62.6	1.0	570.8	572.9	(0.4)
Total current expenses	342.3	332.9	2.8	2,923.0	3,144.0	(7.0)
1974 - sinking fund appropriations	47.0	46.9	0.2	422.9	386.4	9.4
Interest on notes	12.3		*	13.9	0.4	*
Internal funds	1.5			14.2	16.2	(12.3)
Contribution to municipalities	(4.4)	14.8	*	97.3	101.7	(4.3)
Other appropriations	3.0	3.7	(18.9)	24.7	31.5	(21.6)
Total	<u>401.7</u>	<u>398.3</u>	0.9	<u>3,496.0</u>	<u>3,680.2</u>	(5.0)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and fuel expense for the fiscal year-to-date was due to lower fuel cost than prior year.
2. The other revenues for the fiscal year-to-date increased due to a higher non operating income than prior year.
3. Interest on notes for the fiscal year-to-date increased due to termination fees of Basis Swap with Royal Bank of Canada.
4. Internal funds for the fiscal year-to-date decreased due to less available funds than prior year.
5. 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)

MARCH

<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>750</u>	Amount received	<u>64,208</u>	<u>64,208</u>
Available balance	<u>24,611</u>	<u>9,011</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	743	750	Debt outstanding balance	2,615	12,315
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>525,753</u>	<u>486,256</u>
Available balance	<u>9,463</u>	<u>0</u>	Available amount	<u>24,247</u>	<u>13,744</u>
Debt outstanding balance	0	0	Debt outstanding balance	525,753	486,256
Maturity Date	June 30, 2033		Maturity Date	August 14, 2014	
			3. Fuel Financing (Citibank) :		
			Line of credit	250,000	250,000
			Amount received	<u>249,153</u>	<u>250,000</u>
			Available balance	<u>847</u>	<u>0</u>
			Debt outstanding balance	249,153	250,000
			Maturity Date	January 9, 2015	
			4. Fuel Financing - GDB :		
			Line of credit	0	50,000
			Amount received	<u>0</u>	<u>0</u>
			Available balance	<u>0</u>	<u>50,000</u>
			Debt outstanding balance	0	0
			Maturity Date	March 31, 2013	
			5. Collateral SWAP - (GDB) :		
			Line of credit	100,000	0
			Amount received	<u>43,682</u>	<u>0</u>
			Available balance	<u>56,318</u>	<u>0</u>
			Debt outstanding balance	43,682	0
			Maturity Date	December 31, 2014	

E. Capital Improvements Program  
(in thousand dollars)

MARCH 2014						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	8,031	2,927	(63.6)	72,279	42,884	(40.7)
Transmission	5,529	7,229	30.7	49,761	57,171	14.9
Distribution	8,324	9,784	17.5	74,915	68,140	(9.0)
Other	3,116	1,864	(40.2)	28,045	4,444	(84.2)
Undistributed Overhead	-	-		-	-	
<b>Total</b>	<u>25,000</u>	<u>21,804</u>	(12.8)	<u>225,000</u>	<u>172,639</u>	(23.3)
 Internal Funds****	 597	 1,500	 *	 18,159	 14,215	 (21.7)
 Percentage of Internal Funds to Investment in Capital Improvements Programs*	 2%	 7%		 8%	 8%	
 Contribution AID for Construction		 235			 3,241	

	2014	2013
F. Highest debt coverage as of March 31	1.16	1.11

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$4,404	\$107,992
Families served	1	25

\*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)

	MARCH		Increase (Decrease) %
	2014	2013	
General clients	870,124	920,092	(5.4)
Government	672,525	570,739	17.8
Less: Accrued Contribution in Lieu of Taxes	417,667	294,691	41.7
Total Government, Net	254,858	276,048	(7.7)
Subtotal	<u>1,124,982</u>	<u>1,196,140</u>	(5.9)
Sales of electric energy (12 months)			
Revenues from sales **	4,633,565	4,924,590	(5.9)
kWh (including subsidy)	17,691,821	18,268,237	(3.2)
Indicators:			
A. Ratio of accounts receivable to sales (%)	24.3	24.3	
B. Ratio of accounts receivable to sales (%) (including subsidy)	24.2	24.2	0.1
C. Sales days in accounts receivable	89	89	
D. Sales days in accounts receivable (including subsidy)	88	88	0.1
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales**	3,777,125	4,023,008	(6.1)
Collections	3,780,575	3,871,456	(2.3)
Percent	100.1	96.2	4.0
Government:			
Sales	856,440	901,582	(5.0)
Collections***	618,903	607,201	1.9
Percent	72.3	67.3	7.3
Percent of total sales	94.9	90.9	4.4

\* Excludes residential clients' subsidy of \$20,741 and \$27,806, for the 12 months ended March 2014 and March 2013, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

This page intentionally left blank

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

	March 31 2014	June 30 2013
Current assets:		
Cash and cash equivalents		
General fund	\$ 75,860	\$ 111,047
Revenue fund	14	770
Working funds	994	807
Total cash and cash equivalents	76,868	112,624
Accounts receivable (Exhibit A)	1,503,140	1,391,120
Fuel oil inventory	190,719	323,730
Materials and supplies inventory	197,527	197,786
Prepayments and other (Exhibit B)	9,495	5,020
Total current assets	1,977,749	2,030,280
Non current receivables (Exhibit A)	103,030	103,030
Restricted Assets		
Cash held by trustees	-	369,381
Investments held by trustees		
Sinking funds - interest	217,030	62,344
Sinking funds - principal	153,961	569
Non current restricted deposits held by trustees	545,597	490,689
Total investment held by trustees	916,588	553,602
Construction fund and other		
Construction fund	433,115	49,370
Investment held by REA	1,104	1,103
Reserve maintenance fund	15,883	15,818
Other restricted fund	44,792	17,129
Total construction fund and other	494,894	83,420
Total restricted assets	1,411,482	1,006,403
Utility Plant		
Electric plant in service	12,085,987	11,875,606
Less: accumulated depreciation	6,310,326	6,064,548
Net electric plant in service	5,775,661	5,811,058
Construction work in progress, including preliminary surveys of 20,786 and 20,786	982,824	990,223
Total utility plant	6,758,485	6,801,281
Deferred debits:		
Unamortized debt expense	55,386	55,810
Other	21,894	17,370
Total deferred debits	77,280	73,180
Total assets	10,328,026	10,014,174
Deferred outflows of resources	79,057	85,004
Total Assets and Deferred Outflows	\$ 10,407,083	\$ 10,099,178



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

March 31  
 2014

June 30  
 2013

Liabilities and net position

Current Liabilities

Notes payable to banks	\$ 778,264	\$ 754,823
Accounts payable and accrued liabilities (Exhibit C)	1,334,254	1,287,166
Customer deposits, including accrued interest	15,787	14,531
Total current liabilities	<u>2,128,305</u>	<u>2,056,520</u>

Current liabilities payable from restricted assets

Current portion of long-term debt	204,593	399,215
Notes payable from restricted assets	43,682	6,100
Accrued interest payable on bonds and notes	119,229	187,432
Other current liabilities (Exhibit C)	35,781	39,594
Total current liabilities from restricted assets	<u>403,285</u>	<u>632,341</u>

Non current liabilities

Power revenue bonds, net of unamortized debt discount of (63,352) and (78,158)	8,464,339	7,812,423
Non current portion, accounts payable and accrued sick leave	122,356	122,356
Accrued unfunded OPEB	141,927	136,050
Customer deposits - noncurrent	166,950	166,950

Total noncurrent liabilities 8,895,572 8,237,779

Total liabilities \$ 11,427,162 \$ 10,926,640

Total net position (Deficit) (1,020,079) (827,462)

Total Liabilities and Net Position \$ 10,407,083 \$ 10,099,178

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget March 2014	Actual March 2014	Actual March 2013
Operating revenues:			
Sales of electric energy	\$ 360,159	\$ 400,697	\$ 395,885
Total operating revenues	<u>360,159</u>	<u>400,697</u>	<u>395,885</u>
Other income	<u>2,605</u>	<u>1,515</u>	<u>2,463</u>
Total revenues	<u>362,764</u>	<u>402,212</u>	<u>398,348</u>
Expenses:			
Fuel cost	168,094	213,773	210,297
Purchased power	69,284	65,256	60,045
Other production	5,471	4,505	6,957
Transmission and distribution	13,230	13,780	13,005
Maintenance	19,449	17,857	18,588
Customer accounting and collection	9,615	9,125	9,567
Administrative and general	<u>14,626</u>	<u>17,952</u>	<u>14,430</u>
Subtotal expenses by function	299,769	342,248	332,889
Other cost employment benefits	653	653	610
Depreciation	31,172	26,495	36,462
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	32,471	47,097	30,666
Contribution to municipalities	12,003	20,130	23,151
Other appropriations	2,847	3,013	3,721
Bond discount and defeasance amortization	<u>300</u>	<u>348</u>	<u>348</u>
Total expenses	<u>379,215</u>	<u>439,984</u>	<u>427,847</u>
Contributed capital	<u>2,015</u>	<u>7,272</u>	<u>5,453</u>
Changes in net position	<u>\$ (14,436)</u>	<u>\$ (30,500)</u>	<u>\$ (24,046)</u>

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

	FISCAL YEAR		
	Budget March 2014	Actual March 2014	Actual March 2013
Operating revenues:			
Sales of electric energy	\$ 3,334,726	\$ 3,465,442	\$ 3,655,113
Total operating revenues	<u>3,334,726</u>	<u>3,465,442</u>	<u>3,655,113</u>
Other income	<u>23,441</u>	<u>33,262</u>	<u>25,108</u>
Total revenues	<u>3,358,167</u>	<u>3,498,704</u>	<u>3,680,221</u>
Expenses:			
Fuel cost	1,595,732	1,770,539	2,022,845
Purchased power	606,764	581,684	548,319
Other production	49,282	48,739	57,474
Transmission and distribution	119,042	133,316	129,687
Maintenance	175,032	156,196	166,311
Customer accounting and collection	86,528	84,734	87,119
Administrative and general	<u>131,628</u>	<u>147,819</u>	<u>132,258</u>
Subtotal expenses by function	2,764,008	2,923,027	3,144,013
Other post employment benefits	5,877	5,877	5,077
Depreciation	280,548	251,534	321,127
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	295,581	323,662	278,893
Contribution to municipalities	121,203	185,425	198,612
Other appropriations	26,866	24,745	31,446
Bond discount and defeasance amortization	<u>2,700</u>	<u>3,035</u>	<u>3,132</u>
Total expenses	<u>3,496,783</u>	<u>3,717,305</u>	<u>3,982,300</u>
Contributed capital	<u>18,139</u>	<u>25,984</u>	<u>18,139</u>
Changes in net position	<u>\$ (120,477)</u>	<u>\$ (192,617)</u>	<u>\$ (283,940)</u>

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget March 2014	Actual March 2014	Actual March 2013
<b>Revenues:</b>			
Sales of electric energy (Exhibit D)	\$ 360,159	\$ 400,697	\$ 395,886
Total operating revenues	360,159	400,697	395,886
Other income	2,605	1,515	2,462
Total revenues	362,764	402,212	398,348
Less: 1974 construction fund investment income and gain on sale of properties	6	534	2
Revenues - net	362,758	401,678	398,346
<b>Current expenses:</b>			
Fuel cost	168,094	213,773	210,297
Purchased power	69,284	65,256	60,045
Other production	5,471	4,505	6,957
Transmission and distribution	13,230	13,780	13,005
Maintenance	19,449	17,857	18,588
Customer accounting and collection	9,615	9,125	9,567
Administrative and general	14,626	17,952	14,430
Total current expenses	299,769	342,248	332,889
Net revenues (as defined)	62,989	59,430	65,457
<b>Contractual obligations:</b>			
Sinking fund appropriations -			
Interest on power revenue bonds	29,872	29,959	30,654
Bond redemption account	17,026	17,025	16,243
Interest on notes	644	12,345	12
Capital Improvements fund	597	1,500	-
Total contractual obligations	48,139	60,829	46,909
Balance	14,850	(1,399)	18,548
<b>Provision for Contribution in Lieu of Taxes and other appropriations</b>			
Contribution to municipalities	12,003	(4,412)	14,826
Other	2,847	3,013	3,722
Total provision for contribution and other	14,850	(1,399)	18,548
Remainder	\$ -	\$ -	\$ -

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

	FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
	Budget March 2014	Actual March 2014	Actual March 2013	Budget June 2014	Actual March 2014	Actual March 2013
<b>Revenues:</b>						
Sales of electric energy (Exhibit D)	\$ 3,334,726	\$ 3,467,061	\$ 3,655,113	\$ 4,463,032	\$ 4,633,565	\$ 4,924,590
Total operating revenues	3,334,726	3,467,061	3,655,113	4,463,032	4,633,565	4,924,590
Other income	23,441	31,643	25,108	55,440	36,701	34,136
Total revenues	3,358,167	3,498,704	3,680,221	4,518,472	4,670,266	4,958,726
Less: 1974 construction fund investment income and gain on sale of properties	57	2,652	57	24,261	3,561	85
Revenues - net	3,358,110	3,496,052	3,680,164	4,494,211	4,666,705	4,958,641
<b>Current expenses:</b>						
Fuel cost	1,595,732	1,770,539	2,022,845	2,145,911	2,351,271	2,768,537
Purchased power	606,764	581,684	548,319	805,414	789,051	715,368
Other production	49,282	48,739	57,474	65,699	62,920	77,916
Transmission and distribution	119,042	133,316	129,687	158,731	175,947	173,071
Maintenance	175,032	156,196	166,311	233,373	203,775	218,646
Customer accounting and collection	86,528	84,734	87,119	115,370	113,966	115,285
Administrative and general	131,628	147,819	132,258	175,510	207,474	230,703
Total current expenses	2,764,008	2,923,027	3,144,013	3,700,008	3,904,404	4,299,526
Net revenues (as defined)	594,102	573,025	536,151	794,203	762,301	659,115
<b>Contractual obligations:</b>						
Sinking fund appropriations -						
Interest on power revenue bonds	268,847	269,680	240,226	358,463	361,957	199,686
Bond redemption account	153,229	153,229	146,190	204,305	201,959	150,408
Self Insurance Fund	-	-	-	-	-	5,000
Interest on notes	5,798	13,895	382	7,731	13,971	3,479
Capital Improvements fund	18,159	14,215	16,243	22,677	14,959	(7,623)
Total contractual obligations	446,033	451,019	403,041	593,176	592,846	350,950
Balance	148,069	122,006	133,110	201,027	169,455	308,165
<b>Provision for Contribution in Lieu of Taxes and other appropriations</b>						
Contribution to municipalities	121,203	97,261	101,664	164,703	133,796	265,152
Other	26,866	24,745	31,446	36,324	35,659	43,013
Total provision for contribution and other	148,069	122,006	133,110	201,027	169,455	308,165
Remainder	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION  
(in thousands)

	March 2014	June 2013
Invested in utility plant, net related debt	\$ (609,419)	\$ (23,372)
Restricted for capital activity and debt service	518,622	-
Unrestricted	<u>(929,282)</u>	<u>(804,090)</u>
Total net position	<u>\$ (1,020,079)</u>	<u>\$ (827,462)</u>

## PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE  
(in thousands)

Exhibit A

	March 2014	June 2013
Electric and related services:		
General clients	\$ 886,328	\$ 884,776
Recoveries under fuel adjustment and purchase power clause under or (over) billed	45,463	10,144
Unbilled services	201,459	195,278
Allowance for uncollectible accounts	<u>(263,126)</u>	<u>(251,283)</u>
Total General Clients	<u>870,124</u>	<u>838,915</u>
Government, including current and non current	672,525	603,027
Claims receivable from insurance companies & other	37,814	37,819
Advances to Irrigation Systems - net	19,692	9,785
Accrued interest	5,601	2,857
Other	<u>414</u>	<u>1,747</u>
Total Accounts Receivable	<u>\$ 1,606,170</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>\$ 1,503,140</u>	<u>\$ 1,391,120</u>

PREPAYMENTS AND OTHER  
(in thousands)

Exhibit B

	March 2014	June 2013
Claims Outstanding Related to Property Damages	\$ 352	\$ 385
Prepayments and other	<u>9,143</u>	<u>4,635</u>
Total	<u>\$ 9,495</u>	<u>\$ 5,020</u>



## PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES  
(in thousands)

Exhibit C

	March 2014	June 2013
Accounts payable - fuel oil and other	761,657	\$ 793,434
Accrued annual leave	54,389	56,179
Accrued sick leave	27,585	31,576
Accrued salaries and fringe benefits	5,282	4,326
Accrued contribution in lieu of taxes	417,667	323,622
Reserve for injuries and damages	18,841	20,400
Accrued contributions Federal Social Security	341	1,476
Income tax withheld at source	817	1,285
Health plan	12,671	6,275
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	19,990	33,579
	<u>1,334,254</u>	<u>1,287,166</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	6,152	7,173
Vouchered A/P construction	2,653	7,051
Contribution aid to construction	26,976	25,370
	<u>35,781</u>	<u>39,594</u>
Total other current payables from restricted assets		
	<u>\$ 1,370,035</u>	<u>\$ 1,326,760</u>
Total current Liabilities		
NON-CURRENT LIABILITIES		
Accrued sick leave	\$ 122,356	\$ 122,356
Accrued Unfunded OPEB	141,927	136,050
	<u>\$ 264,283</u>	<u>\$ 258,406</u>
Total non current liabilities		
	<u>\$ 1,634,318</u>	<u>\$ 1,585,166</u>
Total accounts payables and non current liabilities		

## PUERTO RICO ELECTRIC POWER AUTHORITY

## SALES OF ELECTRIC ENERGY

MARCH 2014

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			Total
	Billed	Total	Billed	Unbilled	MONTHLY Adjustment*	
Residential	1,319,750	1,319,750	473,430	278,851	(266,889)	485,392
Commercial	125,089	125,089	684,102	376,905	(350,277)	710,730
Industrial	667	667	200,199	114,860	(108,041)	207,018
Public lighting	2,936	2,936	27,288	5,984	(4,153)	29,119
Other public authorities	2	2	2,619	1,096	(938)	2,777
Agricultural	1,180	1,180	2,297	1,262	(1,178)	2,381
Subtotal	1,449,624	1,449,624	1,389,935	778,958	(731,476)	1,437,417
Fuel oil adjustment						
Purchased power						
Subtotal	1,449,624	1,449,624	1,389,935	778,958	(731,476)	1,437,417
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,449,624	1,449,624	1,389,935	778,958	(731,476)	1,437,417

## FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,332,819	4,723,371	257,547	3,544	5.45
Commercial	126,384	6,392,519	441,397	50,580	6.90
Industrial	680	1,833,517	83,080	2,696,349	4.53
Public lighting	2,933	224,337	42,112	76,487	18.77
Other public authorities	2	23,812	1,041	11,906,000	4.37
Agricultural	1,205	19,927	1,275	16,537	6.40
Subtotal	1,464,023	13,217,483	826,452	9,028	6.25
Fuel oil adjustment			1,936,290		15.04
Purchased Power			667,382		4.93
Subtotal	1,464,023	13,217,483	3,430,124	9,028	25.95
Unrecovered fuel oil cost-net			51,700	1,987,990	
Unrecovered purchased Power cost-net			(16,382)	651,000	
Total	1,464,023	13,217,483	3,465,442	9,028	26.22

SALES OF ELECTRIC ENERGY

MARCH 2014

Exhibit D

REVENUES (in thousand \$)				Kwhrs. per Client	Cents per Kwhr. Sold
MONTHLY					
Billed	Unbilled	Adjustment*	Total		
26,957	11,275	(10,841)	27,391	368	5.64
45,168	26,187	(25,617)	45,738	5,682	6.44
9,091	5,242	(4,986)	9,347	310,372	4.52
5,077	974	(505)	5,546	9,918	19.05
120	49	(44)	125	1,388,500	4.51
137	68	(63)	142	2,018	5.97
86,550	43,795	(42,056)	88,289	992	6.14
217,443	115,582	(107,144)	225,881		16.71
71,560	42,081	(39,216)	74,425		5.02
375,553	201,458	(188,416)	388,595	992	27.03
			14,330		
			(2,229)		
<u>375,553</u>	<u>201,458</u>	<u>(188,416)</u>	<u>400,696</u>	992	27.88