



Government of Puerto Rico
Puerto Rico Electric Power Authority

August 18, 2017

Governing Board

Ricardo L. Ramos Rodríguez
Chief Executive Officer

OPERATIONS REPORT – JUNE 2017

Enclosed is the report on the operations of the Puerto Rico Electric Power Authority of June 2017.

Enclosure

Chief Executive Officer

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MONTHLY REPORT
TO THE GOVERNING BOARD
JUNE 2017

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PUERTO RICO ELECTRIC POWER AUTHORITY

I. OPERATIONS HIGHLIGHTS

A. Production

	JUNE		Increase (Decrease)
	2016-17	2015-16	%
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,069,476	1,209,229	(11.6)
PREPA - Hydro	5,207	4,251	*
Purchased power - gas	284,950	235,824	20.8
Purchased power - coal	326,647	327,211	(0.2)
Renewable Energy	44,673	30,490	46.5
Total	1,730,953	1,807,005	(4.2)
Fiscal year-to-date:			
PREPA - Steam and gas	12,944,664	14,077,739	(8.0)
PREPA - Hydro	87,223	54,626	59.7
Purchased power - gas	3,336,863	3,227,497	3.4
Purchased power - coal	3,451,580	3,214,859	7.4
Renewable Energy	379,555	325,621	16.6
Total	20,199,885	20,900,342	(3.4)
2. Maximum hourly peak load (in MW)			
Month	3,087	2,958	4.4
Fiscal year-to-date	3,087	3,080	0.2
3. Sales (kWh in thousands)			
Month:			
Billed	1,485,486	1,493,010	(0.5)
Days billed	30.0	30.0	0.0
Fiscal year-to-date:			
Billed	17,075,787	17,273,377	(1.1)
Days billed	365.0	364.0	0.3
4. System efficiency (%)			
Month	86.1	84.9	1.4
Fiscal year-to-date	84.1	83.0	1.4
5. Average cost per barrel (\$)			
Month	60.35	50.31	20.0
Fiscal year-to-date	57.62	52.17	10.4
6. kWh/Barrel			
Month	615.35	624.11	(1.4)
Fiscal year-to-date	614.39	605.69	1.4
7. Heat rate (BTU/kWh) **			
Month	10,513	10,660	(1.4)
Fiscal year-to-date	10,686	10,809	(1.1)

*100% or over

** Revised prior year

PUERTO RICO ELECTRIC POWER AUTHORITY

JUNE

8. Fuel consumption (in thousands)	2016-17		2015-16		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	671	37,797	1,084	50,350	(38.1)	(24.9)
Gas	562	40,212	405	28,445	38.8	41.4
Natural Gas	505	26,907	467	19,599	8.1	37.3
Total	<u>1,738</u>	<u>104,916</u>	<u>1,956</u>	<u>98,394</u>	(11.1)	6.6
Fiscal year-to-date:						
Steam	10,353	566,268	12,050	566,480	(14.1)	(0.0)
Gas	5,358	382,566	5,261	363,982	1.8	5.1
Natural Gas	5,358	265,059	5,891	280,045	(9.0)	(5.4)
Total	<u>21,069</u>	<u>1,213,893</u>	<u>23,202</u>	<u>1,210,507</u>	(9.2)	0.3

JUNE

	2017	2016	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	2.18	2.76	(21.0)
2. Disconnections for nonpayment per thousand clients	7.03	8.01	(12.2)
C. Distribution System*			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.484	0.432	11.9
2. Interruption duration index			
Average interruption time per clients served (minutes)	91.23	70.86	28.7
3. Clients per interruption	244	224	8.8
4. Time per interruption (minutes)	422	335	26.1

D. Personnel

		JUNE		
		<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Management Conf. / Carr.	Reg.	1,786	1,908	(122)
	Temp.	26	6	20
U.T.I.E.R.	Reg.	3,501	3,680	(179)
	Temp.	13	9	4
	Emerg.			
U.I.T.I.C.E.	Reg.	603	642	(39)
	Temp.			
U.E.P.I.	Reg.	301	313	(12)
	Temp.			
U.P.A.E.E.	Reg.	4	4	0
	Temp.	<u>1</u>	<u>1</u>	<u>0</u>
Total		<u><u>6,235</u></u>	<u><u>6,563</u></u>	<u><u>(328)</u></u>

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	JUNE					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
kWh sales:						
Residential	593,015	592,688	0.1	6,392,324	6,439,012	(0.7)
Commercial	680,505	712,878	(4.5)	8,036,683	8,187,002	(1.8)
Industrial	184,901	200,455	(7.8)	2,187,519	2,347,455	(6.8)
Others	32,662	28,346	15.2	379,312	375,597	1.0
Total	<u>1,491,083</u>	<u>1,534,367</u>	(2.8)	<u>16,995,838</u>	<u>17,349,066</u>	(2.0)
Basic revenues:						
Residential	32,650	33,154	(1.5)	354,455	367,093	(3.4)
Commercial	45,903	49,224	(6.7)	537,196	548,119	(2.0)
Industrial	8,810	9,143	(3.6)	102,157	106,405	(4.0)
Others	5,344	4,220	26.6	62,216	61,351	1.4
Total	<u>92,707</u>	<u>95,741</u>	(3.2)	<u>1,056,024</u>	<u>1,082,968</u>	(2.5)
Provisional rate:						
Residential	7,176	0	*	72,510	0	*
Commercial	8,929	0	*	95,806	0	*
Industrial	2,463	0	*	25,960	0	*
Others	415	0	*	4,524	0	*
Total	<u>18,983</u>	<u>0</u>	*	<u>198,800</u>	<u>0</u>	*
Fuel adjustment:						
Residential	47,464	42,258	12.3	521,008	508,335	2.5
Commercial	53,909	53,612	0.6	652,407	660,175	(1.2)
Industrial	13,556	13,046	3.9	163,651	167,143	(2.1)
Others	2,666	2,198	21.3	31,737	30,324	4.7
Total	<u>117,595</u>	<u>111,114</u>	5.8	<u>1,368,803</u>	<u>1,365,977</u>	0.2
Purchased power:						
Residential	29,051	26,874	8.1	307,349	289,749	6.1
Commercial	32,497	30,700	5.9	386,483	361,728	6.8
Industrial	8,296	8,117	2.2	97,258	95,428	1.9
Others	1,402	993	41.2	19,113	17,110	11.7
Total	<u>71,246</u>	<u>66,684</u>	6.8	<u>810,203</u>	<u>764,015</u>	6.0
Total revenues:						
Residential	116,341	102,286	13.7	1,255,322	1,165,177	7.7
Commercial	141,238	133,536	5.8	1,671,892	1,570,022	6.5
Industrial	33,125	30,306	9.3	389,026	368,976	5.4
Others	9,827	7,411	32.6	117,590	108,785	8.1
Total	<u>300,531</u>	<u>273,539</u>	9.9	<u>3,433,830</u>	<u>3,212,960</u>	6.9

JUNE						
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.51	5.59	(1.4)	5.55	5.70	(2.6)
Commercial	6.75	6.90	(2.2)	6.68	6.69	(0.1)
Industrial	4.76	4.56	4.4	4.67	4.53	3.1
Others	16.36	14.89	9.9	16.40	16.33	0.4
Total	6.22	6.24	(0.3)	6.21	6.24	(0.5)
Provisional rate:						
Residential	1.21	0.00	*	1.13	0.00	*
Commercial	1.31	0.00	*	1.19	0.00	*
Industrial	1.33	0.00	*	1.19	0.00	*
Others	1.27	0.00	*	1.19	0.00	*
Total	1.27	0.00	*	1.17	0.00	*
Fuel adjustment:						
Residential	8.00	7.14	12.0	8.15	7.90	3.2
Commercial	7.91	7.52	5.2	8.12	8.07	0.6
Industrial	7.33	6.51	12.6	7.47	7.12	4.9
Others	8.17	7.75	5.4	8.37	8.07	3.7
Total	7.89	7.24	9.0	8.05	7.88	2.2
Purchased power:						
Residential	4.90	4.53	8.2	4.81	4.50	6.9
Commercial	4.78	4.31	10.9	4.81	4.42	8.8
Industrial	4.49	4.05	10.9	4.45	4.07	9.3
Others	4.29	3.50	22.6	5.04	4.56	10.5
Total	4.78	4.35	9.9	4.77	4.40	8.4
Total revenues:						
Residential	19.62	17.26	13.7	19.64	18.10	8.5
Commercial	20.75	18.73	10.8	20.80	19.18	8.4
Industrial	17.91	15.12	18.5	17.78	15.72	13.1
Others	30.09	26.14	15.1	31.00	28.96	7.0
Total	20.16	17.83	13.1	20.20	18.52	9.1
3. Clients:						
Residential	1,339,358	1,332,712	0.5	1,335,643	1,328,193	0.6
Commercial	123,769	123,924	(0.1)	123,816	123,824	(0.0)
Industrial	615	634	(3.0)	624	640	(2.5)
Others	3,349	3,235	3.5	3,360	3,360	0.0
Total	<u>1,467,091</u>	<u>1,460,505</u>	0.5	<u>1,463,443</u>	<u>1,456,017</u>	0.5
4. Average kWh per client:						
Residential	443	445	(0.4)	4,786	4,848	(1.3)
Commercial	5,498	5,753	(4.4)	64,908	66,118	(1.8)
Industrial	300,652	316,175	(4.9)	3,505,639	3,667,898	(4.4)
Others	9,753	8,762	11.3	112,890	111,785	1.0
Total	1,016	1,051	(3.3)	11,614	11,915	(2.5)

*100% or over

II. FINANCIAL HIGHLIGHTS

A. Revenue data

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

	Month		Increase (Decrease) %	Fiscal Year-to-Date		Increase (Decrease) %
	2017	2016		2016-17	2015-16	
kWh sales:						
Residential	12	10	20.0	136	124	9.7
Commercial	206,731	210,059	(1.6)	2,463,146	2,514,970	(2.1)
Industrial						
Others	29,557	27,776	6.4	351,824	348,914	0.8
Total	<u>236,300</u>	<u>237,845</u>	(0.6)	<u>2,815,106</u>	<u>2,864,008</u>	(1.7)
Basic revenues:						
Residential	1	0	*	7	6	16.7
Commercial	14,570	15,082	(3.4)	160,377	160,633	(0.2)
Industrial						
Others	5,079	4,498	12.9	60,206	59,786	0.7
Total	<u>19,650</u>	<u>19,580</u>	0.4	<u>220,590</u>	<u>220,425</u>	0.1
Provisional rate:						
Residential	0	0	*	2	0	*
Commercial	2,679	0	*	29,414	0	*
Industrial						
Others	384	0	*	4,155	0	*
Total	<u>3,063</u>	<u>0</u>	*	<u>33,571</u>	<u>0</u>	*
Fuel adjustment:						
Residential	1	1	0.0	12	10	20.0
Commercial	17,078	14,977	14.0	195,190	214,815	(9.1)
Industrial						
Others	2,562	1,687	51.9	29,464	28,495	3.4
Total	<u>19,641</u>	<u>16,665</u>	17.9	<u>224,666</u>	<u>243,320</u>	(7.7)
Purchased power:						
Residential	1	1	*	7	6	16.7
Commercial	10,784	11,247	(4.1)	113,831	108,245	5.2
Industrial						
Others	1,612	1,592	1.3	17,188	16,363	5.0
Total	<u>12,397</u>	<u>12,840</u>	(3.5)	<u>131,026</u>	<u>124,614</u>	5.1
Total revenues:						
Residential	3	2	50.0	28	22	27.3
Commercial	45,111	41,306	9.2	498,812	483,693	3.1
Industrial						
Others	9,637	7,777	23.9	111,013	104,644	6.1
Total	<u>54,751</u>	<u>49,085</u>	11.5	<u>609,853</u>	<u>588,359</u>	3.7
2. Clients:						
Residential	14	14	0.0	15	14	7.1
Commercial	21,386	24,065	(11.1)	23,438	24,688	(5.1)
Industrial						
Others	2,916	24,144	(87.9)	3,151	6,782	(53.5)
Total	<u>24,316</u>	<u>48,223</u>	(49.6)	<u>26,604</u>	<u>31,484</u>	(15.5)

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 2017					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	92.3	92.7	0.4	1,087.3	1,056.0	(2.9)
Fuel adjustment	90.5	117.6	29.9	858.1	1,368.8	59.5
Purchased power	83.7	71.2	(14.9)	930.7	810.2	(12.9)
Provisional rate	11.8	19.0	61.0	94.6	198.8	*
Revenues from sales	278.3	300.5	8.0	2,970.7	3,433.8	15.6
Other	(2.0)	(3.0)	50.0	(23.8)	(30.7)	29.0
Total revenues	276.3	297.5	7.7	2,946.9	3,403.1	15.5
Fuel	68.4	104.9	53.4	647.5	1,213.9	87.5
Purchased power	74.5	66.1	(11.3)	828.4	727.4	(12.2)
Other expenses	52.2	52.3	0.2	626.3	637.9	1.9
Total current expenses	195.1	223.3	14.5	2,102.2	2,579.2	22.7
1974 - sinking fund appropriations	17.7	55.7	*	212.3	652.9	*
Reserve Account						
Rate Stabilization Fund						
Interest on notes	3.3	4.3	30.3	39.7	52.7	32.7
Internal funds	35.2	0.0	(100.0)	366.8	1.3	(99.6)
Contribution to municipalities	4.5	3.2	(28.9)	51.8	(20.3)	*
Other appropriations	20.5	11.0	(46.3)	174.1	137.3	(21.1)
Total	276.3	297.5	7.7	2,946.9	3,403.1	15.5

EXPLANATION OF MAJOR VARIATIONS

1. The increase in the fuel adjustment and expense for the fiscal year-to-date was due to higher cost of fuel than budgeted.
2. Purchased power revenue and expenses decreased for the fiscal year-to-date due to a lower availability from cogenerators than budgeted.
3. On July 24, 2016, the Energy Commission approved the provisional rate.
4. The other revenues for the fiscal year-to-date increased due to a higher non operating income than budgeted.
5. The 1974 Sinking Fund appropriation have been accrued but not paid nor transferred.
6. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
7. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.

* 100% or Over

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

	JUNE					
	Month			Fiscal Year-to-Date		
	2017	2016	Increase (Decrease) %	2016-17	2015-16	Increase (Decrease) %
Basic charges	92.7	95.7	(3.1)	1,056.0	1,083.0	(2.5)
Fuel adjustment	117.6	111.1	5.9	1,368.8	1,366.0	0.2
Purchased power	71.2	66.7	6.7	810.2	764.0	6.0
Provisional rate	19.0		*	198.8		*
Revenues from sales	300.5	273.5	9.9	3,433.8	3,213.0	6.9
Other	(3.0)	(0.7)	*	(30.7)	23.2	*
Total revenues	<u>297.5</u>	<u>272.8</u>	9.1	<u>3,403.1</u>	<u>3,236.2</u>	5.2
Fuel	104.9	98.4	6.6	1,213.9	1,210.5	0.3
Purchased power	66.1	59.5	11.5	727.4	682.2	6.6
Other expenses	52.3	59.3	(11.8)	637.9	662.0	(3.6)
Total current expenses	223.3	217.2	2.8	2,579.2	2,554.7	1.0
1974 - sinking fund appropriations	55.7	53.7	3.7	652.9	641.6	1.8
Reserve Account						
Rate Stabilization Fund						
Interest on notes	4.3	4.3	0.0	52.7	53.6	(1.7)
Internal funds	0.0		*	1.3		*
Contribution to municipalities	3.2	(11.4)	*	(20.3)	(60.3)	(66.3)
Other appropriations	11.0	9.0	22.2	137.3	46.6	*
Total	<u>297.5</u>	<u>272.8</u>	9.1	<u>3,403.1</u>	<u>3,236.2</u>	5.2

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and expense for the fiscal year-to-date was due to lower cost of fuel than prior year.
2. Purchased power revenue and expenses increased for the fiscal year-to-date due to a higher availability from cogenerators than prior year.
3. On July 24, 2016, the Energy Commission approved the provisional rate, which it is an increase to all classes of clients by 1.299 cents per kWh.
4. The other revenues for the fiscal year-to-date decreased due to a lower non operating income than prior year.
5. The 1974 Sinking Fund appropriation for current fiscal year have been accrued but not paid nor transferred.
6. Internal funds have been accrued but not paid nor transferred to the Construction Fund. Actual amounts are maintained as part of the General Fund, to provide a reserve for current expenses.
7. Contribution to municipalities for the fiscal year-to-date decreased due to the application of ceiling limits and the annual saving of 5% in accordance with Act 4-2016.
8. Other appropriations for the fiscal year-to-date increased due a reclass of public lighting from Contribution to municipalities to other appropriation (subsidies) per Act 4-2016.

* 100% or Over

D. Notes Payable
(in thousand dollars)

JUNE

<u>Construction Financing</u>			<u>Operational Financing</u>		
	<u>2017</u>	<u>2016</u>		<u>2017</u>	<u>2016</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>713</u>	<u>713</u>	Amount received	<u>64,208</u>	<u>64,208</u>
Available balance	<u>24,641</u>	<u>24,641</u>	Available balance	<u>0</u>	<u>0</u>
Debt outstanding balance	713	713	Debt outstanding balance	0	0
Maturity Date	June 30, 2018		Maturity Date	June 30, 2014	
2. State Revolving Fund Program Aguirre & San Juan Plant (AFICA):			2. Fuel Financing (Scotiabank) :		
Line of credit	27,023	27,023	Line of credit	550,000	550,000
Amount received	<u>4,939</u>	<u>0</u>	Amount received	<u>549,950</u>	<u>549,950</u>
Available balance	<u>22,084</u>	<u>27,023</u>	Available balance	<u>50</u>	<u>50</u>
Debt outstanding balance	4,939	0	Debt outstanding balance	549,950	549,950
Maturity Date	June 30, 2033		Maturity Date	August 14, 2014	
3. Fuel Financing (Citibank) :			3. Fuel Financing (Citibank) :		
			Line of credit	150,000	150,000
			Amount received	<u>146,042</u>	<u>146,042</u>
			Available amount	<u>3,958</u>	<u>3,958</u>
			Debt outstanding balance	146,042	146,042
			Maturity Date	January 10, 2014	
4. Collateral SWAP - (GDB) :			4. Collateral SWAP - (GDB) :		
			Line of credit	100,000	100,000
			Amount received	<u>35,133</u>	<u>35,133</u>
			Available balance	<u>64,867</u>	<u>64,867</u>
			Debt outstanding balance	35,133	35,133
			Maturity Date	December 31, 2014	

E. Capital Improvements Program
(in thousand dollars)

JUNE 2017						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	6,936	8,060	16.2	83,235	70,036	(15.9)
Transmission	6,772	4,416	(34.8)	81,269	36,912	(54.6)
Distribution	6,161	3,657	(40.6)	73,935	45,376	(38.6)
Other	8,177	4,317	(47.2)	98,119	17,968	(81.7)
Total	28,046	20,450	(27.1)	336,558	170,292	(49.4)
Internal Funds	35,220	0	(100.0)	366,779	1,330	(99.6)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	126%	0%		109%	1%	
Contribution AID for Construction		77			2,212	

	2017	2016
F. Highest debt coverage as of June 30	1.21	1.03

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$0	\$56,641
Families served	1	18

*A minimum in the internal funds contribution of 25% has been recommended by the Consulting Engineers.

**Monthly figures may vary significantly due to fluctuations in the availability of funds. For more accurate results, please refer to fiscal year-to-date figures.

***Includes monthly overhead allocation.

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

	JUNE		Increase (Decrease) %
	2017	2016	
General clients	883,002	824,235	7.1
Government (State and federal agencies and public corporations)	215,795	271,221	(20.4)
Total Accounts Receivable	<u>1,098,797</u>	<u>1,095,456</u>	0.3
Uncollectibles Reserve	<u>(523,718)</u>	<u>(492,316)</u>	6.4
Accounts Receivable after Reserve	<u>575,079</u>	<u>603,140</u>	(4.7)
Sales of electric energy (12 months)			
Revenues from sales	3,237,235	3,137,411	3.2
Indicators:			
A/R to Sales	17.8%	19.2%	(7.6)
Sales Days in A/R	65	70	(7.6)
Ratio of collections to sales:			
General clients:			
Sales	2,826,595	2,624,703	7.7
Collections	2,745,580	2,675,114	2.6
%Collection to Sales	97.1	101.9	(4.8)
Government:			
Sales net of municipalities, public lightning and exclusions	410,640	512,708	(19.9)
Collections	465,400	399,420	16.5
% Collection to Sales	113.34	77.90	45.5
Total:			
Sales net of municipalities, public lightning and exclusions	3,237,235	3,137,411	3.2
Collections	3,210,980	3,074,534	4.4
%Collection to Sales	99.2	98.0	1.2

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	June 30 2017	June 30 2016
Current assets:		
Cash and cash equivalents		
General fund	\$ 60,558	\$ 60,558
Reserve for current expenses	455,578	235,221
Revenue fund	13	13
Working funds	1,170	1,033
Total cash and cash equivalents	517,319	296,825
Accounts receivable (Exhibit A)	2,012,952	1,845,977
Fuel oil inventory	104,887	71,473
Materials and supplies inventory	171,099	172,431
Prepayments and other (Exhibit B)	26,394	26,306
Total current assets	2,832,651	2,413,012
Non current receivables (Exhibit A)	132,588	132,588
Restricted Assets		
Cash held by trustees	2	(1,908)
Investments held by trustees		
Sinking funds - Interest	30	1,934
Non current restricted deposits held by trustees	8,028	8,024
Total investment held by trustees	8,058	9,958
Construction fund and other		
Construction fund	21,969	96,712
Investment held by REA	1,113	1,108
Reserve maintenance fund	16,150	16,083
Other restricted fund	5,128	5,116
Total construction fund and other	44,360	119,019
Total restricted assets	52,420	127,069
Utility Plant		
Electric plant in service	12,851,524	12,750,472
Less: accumulated depreciation	7,436,782	7,076,126
Net electric plant in service	5,414,742	5,674,346
Construction work in progress, including preliminary surveys of 17,133 and 16,876	852,626	776,948
Total utility plant	6,267,368	6,451,294
Deferred debits:		
Unamortized debt expense	(1,668)	(310)
Other	38,737	37,273
Total deferred debits	37,069	36,963
Total assets	9,322,096	9,160,926
Deferred outflows of resources	113,075	120,648
Total Assets and Deferred Outflows	\$ 9,435,171	\$ 9,281,574

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

	June 30 2017	June 30 2016
Liabilities and net position		
Current Liabilities		
Notes payable to banks	\$ 737,587	\$ 731,838
Accounts payable and accrued liabilities (Exhibit C)	1,940,350	1,775,067
Customer deposits, including accrued interest	46,516	31,830
Total current liabilities	<u>2,724,453</u>	<u>2,538,735</u>
Current liabilities payable from restricted assets		
Current portion of long-term debt	247,724	234,394
Accrued interest payable on bonds and notes	220,223	11,881
Other current liabilities (Exhibit C)	42,552	44,203
Total current liabilities from restricted assets	<u>510,499</u>	<u>290,478</u>
Non current liabilities		
Power revenue bonds, net of unamortized debt discount of (43,306) and (46,259)	8,178,379	8,202,235
Net pension liability	1,704,640	1,704,640
Non current portion, accounts payable and accrued sick leave	114,518	114,518
Accrued unfunded OPEB	134,857	134,857
Customer deposits - noncurrent	171,396	171,396
Total noncurrent liabilities	<u>10,303,790</u>	<u>10,327,646</u>
Total liabilities	<u>13,538,742</u>	<u>13,156,859</u>
Deferred inflows of resources:		
Deferred gain on pension valuation	65,946	65,946
Total net position (Deficit)	<u>(4,169,517)</u>	<u>(3,941,231)</u>
Total Liabilities and Net Position	<u>\$ 9,435,171</u>	<u>\$ 9,281,574</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget June 2017	Actual June 2017	Actual June 2016
Operating revenues:			
Sales of electric energy	\$ 278,323	\$ 304,218	\$ 273,539
Total operating revenues	<u>278,323</u>	<u>304,218</u>	<u>273,539</u>
Other income	(1,897)	(3,119)	(708)
Total revenues	<u>276,426</u>	<u>301,099</u>	<u>272,831</u>
Expenses:			
Fuel cost	68,426	104,915	98,394
Purchased power	74,493	66,069	59,517
Other production	3,531	3,908	5,328
Transmission and distribution	10,978	10,864	12,394
Maintenance	14,298	11,362	13,514
Customer accounting and collection	8,342	7,798	8,608
Administrative and general	15,050	18,392	19,411
Subtotal expenses by function	195,118	223,308	217,166
Other post - employment benefits	-	-	658
Depreciation	29,742	30,478	30,764
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	11,858	40,194	39,337
Contribution to municipalities	4,512	7,823	6,091
Other appropriations	20,495	10,974	9,053
Bond discount and defeasance amortization	-	136	128
Total expenses	<u>261,725</u>	<u>312,913</u>	<u>303,197</u>
Contributed capital	792	77	514
Changes in net position	<u>\$ 15,493</u>	<u>\$ (11,737)</u>	<u>\$ (29,852)</u>

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

	FISCAL YEAR		
	Budget June 2017	Actual June 2017	Actual June 2016
Operating revenues:			
Sales of electric energy	\$ 2,970,682	\$ 3,437,517	\$ 3,212,960
Total operating revenues	<u>2,970,682</u>	<u>3,437,517</u>	<u>3,212,960</u>
Other income	(22,759)	(30,259)	24,083
Total revenues	<u>2,947,923</u>	<u>3,407,258</u>	<u>3,237,043</u>
Expenses:			
Fuel cost	647,482	1,213,893	1,210,507
Purchased power	828,393	727,390	682,232
Other production	42,376	54,745	57,570
Transmission and distribution	131,741	143,575	148,352
Maintenance	171,572	153,123	161,810
Customer accounting and collection	100,103	93,633	93,338
Administrative and general	180,604	192,842	200,945
Subtotal expenses by function	<u>2,102,271</u>	<u>2,579,201</u>	<u>2,554,754</u>
Other post - employment benefits	-	-	7,841
Depreciation	356,900	367,822	369,249
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	142,301	483,386	466,277
Contribution to municipalities	51,784	74,037	172,332
Other appropriations	174,113	137,297	46,604
Bond discount and defeasance amortization	-	1,176	5,723
Total expenses	<u>2,827,369</u>	<u>3,642,919</u>	<u>3,622,780</u>
Contributed capital	<u>9,500</u>	<u>7,317</u>	<u>8,179</u>
Changes in net position	<u>\$ 130,054</u>	<u>\$ (228,344)</u>	<u>\$ (377,558)</u>

PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget June 2017	Actual June 2017	Actual June 2016
Revenues:			
Sales of electric energy (Exhibit D)	\$ 278,323	\$ 304,218	\$ 273,539
Total operating revenues	278,323	304,218	273,539
Other income	(1,897)	(3,119)	(708)
Total revenues	276,426	301,099	272,831
Less: 1974 construction fund investment income and gain on sale of properties	84	(51)	29
Revenues - net	276,342	301,150	272,802
Current expenses:			
Fuel cost	68,426	104,915	98,394
Purchased power	74,493	66,069	59,517
Other production	3,531	3,908	5,328
Transmission and distribution	10,978	10,864	12,394
Maintenance	14,298	11,362	13,514
Customer accounting and collection	8,342	7,798	8,608
Administrative and general	15,050	18,392	19,411
Total current expenses	195,118	223,308	217,166
Net revenues (as defined)	81,224	77,842	55,636
Contractual obligations:			
Sinking fund appropriations -			
Interest on power revenue bonds (1)	8,552	35,888	35,055
Bond redemption account (1)	9,139	19,780	18,670
Interest on notes	3,306	4,306	4,282
Capital Improvements fund	35,220	-	-
Total contractual obligations	56,217	59,974	58,007
Balance	25,007	17,868	(2,371)
Provision for Contribution in Lieu of Taxes and other appropriations			
Contribution to municipalities	4,512	6,894	(11,424)
Other	20,495	10,974	9,053
Total provision for contribution and other	25,007	17,868	(2,371)
Remainder	\$ -	\$ -	\$ -

Footnotes:

(1) The 1974 Sinking Fund appropriation have been accrued but not transferred.

(2) Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

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

	FISCAL YEAR - TO DATE			TWELVE MONTHS ENDED		
	Budget June 2017	Actual June 2017	Actual June 2016	Budget June 2017	Actual June 2017	Actual June 2016
Revenues:						
Sales of electric energy (Exhibit D)	\$ 2,970,682	\$ 3,437,517	\$ 3,212,960			
Total operating revenues	2,970,682	3,437,517	3,212,960			
Other income	(22,759)	(30,259)	24,083			
Total revenues	2,947,923	3,407,258	3,237,043			
Less: 1974 construction fund investment income and gain on sale of properties	1,007	453	837			
Revenues - net	2,946,916	3,406,805	3,236,206			
Current expenses:						
Fuel cost	647,482	1,213,893	1,210,507			
Purchased power	828,393	727,390	682,232			
Other production	42,376	54,745	57,570			
Transmission and distribution	131,741	143,575	148,352		SAME AS FISCAL YEAR	
Maintenance	171,571	153,123	161,810			
Customer accounting and collection	100,103	93,633	93,338			
Administrative and general	180,604	192,842	200,945			
Total current expenses	2,102,270	2,579,201	2,554,754			
Net revenues (as defined)	844,646	827,604	681,452			
Contractual obligations:						
Sinking fund appropriations -						
Interest on power revenue bonds (1)	102,626	430,652	392,329			
Bond redemption account (1)	109,669	222,274	249,233			
Interest on notes	39,675	52,733	53,562			
Capital Improvements fund	366,779	1,330	-			
Total contractual obligations	618,749	706,989	695,124			
Balance	225,897	120,615	(13,672)			
Provision for Contribution in Lieu of Taxes and other appropriations						
Contribution to municipalities	51,784	(16,682)	(60,276)			
Other	174,113	137,297	46,604			
Total provision for contribution and other	225,897	120,615	(13,672)			
Remainder	\$ -	\$ -	\$ -			

Footnotes:

(1) The 1974 Sinking Fund Appropriation have been accrued but not transferred.

(2) Internal funds have been accrued but not paid, nor transferred to Construction Fund. Actual amounts are maintained as part of General Fund, to provide a Reserve for Current Expenses.

PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION
(in thousands)

	June 2017	June 2016
Net Position		
Invested in utility plant, net related debt	\$ (1,052,398)	\$ (686,162)
Restricted for capital activity and debt service	(811,022)	(721,159)
Unrestricted	<u>(2,306,097)</u>	<u>(2,533,910)</u>
Total net position	<u>\$ (4,169,517)</u>	<u>\$ (3,941,231)</u>

ACCOUNTS RECEIVABLE
(in thousands)

Exhibit A

	June 2017	June 2016
Electric and related services:		
General clients	\$ 883,002	\$ 829,406
Recoveries under fuel adjustment and purchase power clause under or (over) billed	4,480	(14,191)
Unbilled services	168,767	167,574
Allowance for uncollectible accounts- General Client	<u>(465,221)</u>	<u>(434,755)</u>
Total General Clients	<u>591,028</u>	<u>548,034</u>
Government, including current and non current	1,568,932 ⁽¹⁾	1,418,851
Allowance for uncollectible accounts- Government	<u>(58,497)</u>	<u>(58,497)</u>
Total Government	1,510,435	1,360,354
Claims Receivable from Insurance Companies & Other	30,400	29,964
Advances to Irrigation Systems - net	5,534	9,098
Accrued interest	2,082	2,052
Other	<u>6,061</u>	<u>29,063</u>
Total Accounts Receivable	2,145,540	1,978,565
Less: Government Account Receivable, non current portion	<u>132,588</u>	<u>132,588</u>
Total Accounts Receivable, current portion	<u>\$ 2,012,952</u>	<u>\$ 1,845,977</u>

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

PREPAYMENTS AND OTHER
(in thousands)

Exhibit B

	June 2017	June 2016
Claims Outstanding Related to Property Damages	\$ 353	\$ 353
Prepayments and other	26,041	25,953
Total	\$ 26,394	\$ 26,306

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

	June 2017	June 2016
Exhibit C		
Accounts payable - fuel oil and other	\$ 530,702	\$ 530,136
Accrued annual leave	47,001	50,302
Accrued sick leave	-	4,681
Accrued salaries and fringe benefits	3,538	3,867
Accrued Contribution in Lieu of Taxes	1,324,976	1,146,973
Accrued Actuarial Retirement	2,193	2,193
Reserve for injuries and damages	2,070	258
Accrued Contributions Federal Social Security	408	-
Income tax withheld at source	122	-
Health plan	12,510	20,060
Pension & Benefits Deferred Employer Contribution	9,342	9,342
Other	7,488	7,255
	<u>1,940,350</u>	<u>1,775,067</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	5,914	5,672
Vouchered A/P construction	2,550	5,548
Contribution aid to construction	34,088	32,983
	<u>42,552</u>	<u>44,203</u>
Total other current payables from restricted assets		
	<u>1,982,902</u>	<u>1,819,270</u>
Total current Liabilities		
NON-CURRENT LIABILITIES		
Net Pension Liability	1,704,640	1,704,640
Accrued sick leave	114,518	114,518
Accrued Unfunded OPEB	134,857	134,857
	<u>1,954,015</u>	<u>1,954,015</u>
Total non current liabilities		
	<u>\$ 3,936,917</u>	<u>\$ 3,773,285</u>
Total accounts payables and non current liabilities		

(1) Excludes CILT set aside during fiscal year 2016-2017 and 2015-2016.

SALES OF ELECTRIC ENERGY

JUNE 2017

Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			
	Billed	Total	MONTHLY			Total
			Billed	Unbilled	Adjustment*	
Residential	1,339,358	1,339,358	575,980	352,851	(335,816)	593,015
Commercial	123,769	123,769	687,381	410,800	(417,676)	680,505
Industrial	615	615	190,139	115,941	(121,179)	184,901
Public lighting	2,156	2,156	26,516	8,599	(8,167)	26,948
Other public authorities	2	2	3,235	1,598	(1,360)	3,473
Agricultural	1,191	1,191	2,235	1,302	(1,296)	2,241
Subtotal	1,467,091	1,467,091	1,485,486	891,091	(885,494)	1,491,083
Fuel oil adjustment						
Purchased power						
Subtotal	1,467,091	1,467,091	1,485,486	891,091	(885,494)	1,491,083
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	<u>1,467,091</u>	<u>1,467,091</u>	<u>1,485,486</u>	<u>891,091</u>	<u>(885,494)</u>	<u>1,491,083</u>

Class of Service	FISCAL YEAR-TO-DATE				
	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,335,643	6,392,324	426,965	4,786	6.68
Commercial	123,816	8,036,683	633,002	64,908	7.87
Industrial	624	2,187,519	128,117	3,505,639	5.86
Public lighting	2,166	318,946	62,872	147,251	19.71
Other public authorities	2	34,518	1,942	17,259,000	5.63
Agricultural	1,192	25,848	1,926	21,685	7.45
Subtotal	1,463,443	16,995,838	1,254,824	11,614	7.38
Fuel oil adjustment			1,367,774		8.07
Purchased Power			796,249		4.78
Subtotal	1,463,443	16,995,838	3,418,847	11,614	20.12
Unrecovered fuel oil cost-net			2,222		
Unrecovered purchased Power cost-net			16,448		
Total	<u>1,463,443</u>	<u>16,995,838</u>	<u>3,437,517</u>	<u>11,614</u>	<u>20.23</u>

SALES OF ELECTRIC ENERGY

JUNE 2017

Exhibit D

Class of Service	MONTHLY			Total	Kwhrs. per Client	Cents per Kwh. Sold
	Billed	Unbilled	Adjustment*			
Residential	38,884	14,603	(13,664)	39,826	443	6.72
Commercial	55,575	26,473	(27,216)	54,832	5,498	8.06
Industrial	11,415	5,270	(5,412)	11,273	300,652	6.09
Public lighting	5,313	1,524	(1,430)	5,407	12,499	20.06
Other public authorities	180	67	(61)	186	1,736,468	5.36
Agricultural	166	70	(70)	166	1,882	7.41
Subtotal	111,533	48,007	(47,850)	111,690	1,016	7.49
Fuel oil adjustment	123,495	74,096	(72,655)	124,936		7.97
Purchased power	77,825	46,663	(40,722)	83,766		4.95
Subtotal	312,853	168,766	(161,227)	320,392	1,016	20.40
Unrecovered fuel oil cost-net				(6,148)		
Unrecovered purchased power cost-net				(10,026)		
Total	<u>312,853</u>	<u>168,766</u>	<u>0</u>	<u>304,218</u>	<u>1,016</u>	<u>20.40</u>