

---

MONTHLY REPORT  
TO THE GOVERNING BOARD  
FEBRUARY 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

	FEBRUARY		Increase (Decrease) %
	2013-14	2012-13	
1. Generation (kWh in thousands)			
Month:			
PREPA - Steam and gas	1,048,634	1,223,260	(14.3)
PREPA - Hydro	8,094	5,045	60.4
Purchased power - gas	140,422	36,192	*
Purchased power - coal	305,208	275,843	10.6
Renewable Energy	25,678	22,267	15.3
Total	1,528,036	1,562,607	(2.2)
Fiscal year-to-date:			
PREPA - Steam and gas	9,453,535	10,052,188	(6.0)
PREPA - Hydro	52,837	58,081	(9.0)
Purchased power - gas	2,278,208	2,243,991	1.5
Purchased power - coal	2,349,570	2,388,694	(1.6)
Renewable Energy	153,992	77,242	99.4
Total	14,288,142	14,820,196	(3.6)
Twelve months:			
PREPA - Steam and gas	14,037,732	15,248,258	(7.9)
PREPA - Hydro	85,774	84,949	1.0
Purchased power - gas	3,604,532	3,433,948	5.0
Purchased power - coal	3,474,362	3,378,402	2.8
Renewable Energy	220,330	78,178	*
Total	21,422,730	22,223,735	(3.6)
2. Maximum hourly peak load (in MW)			
Month	2,707	2,786	(2.8)
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	1,338,875	1,402,893	(4.6)
Days billed	30.00	31.00	(3.2)
Fiscal year-to-date:			
Billed	11,811,967	12,376,068	(4.6)
Days billed	244.00	244.00	
Twelve months:			
Billed	17,689,356	18,320,528	(3.4)
Days billed	365.0	365.0	
4. System efficiency (%)			
Month	81.9	81.6	0.4
Fiscal year-to-date	82.4	82.5	(0.1)
Twelve months	82.9	82.0	1.1
5. Average cost per barrel (\$)			
Month	112.17	120.51	(6.9)
Fiscal year-to-date	104.82	111.65	(6.1)
Twelve months	106.54	114.40	(6.9)
6. kWh/Barrel			
Month	636.69	620.63	2.6
Fiscal year-to-date	636.52	619.21	2.8
Twelve months	636.98	625.06	1.9
7. Heat rate (BTU/kWh)			
Month	10,382	10,610	(2.1)
Fiscal year-to-date	10,476	10,824	(3.2)
Twelve months	10,457	10,713	(2.4)

\*Over 100%

## PUERTO RICO ELECTRIC POWER AUTHORITY

8. Fuel consumption (in thousands)	2013-14		2012-13		Increase (Decrease) %	
	BBL	Cost	BBL	Cost	BBL	Cost
Month:						
Steam	926	108,730	1,400	164,962	(33.9)	(34.1)
Gas	273	37,494	418	59,777	(34.7)	(37.3)
Natural Gas	448	38,470	153	12,817	*	*
Total	<u>1,647</u>	<u>184,694</u>	<u>1,971</u>	<u>237,556</u>	(16.4)	(22.3)
Fiscal year-to-date:						
Steam	9,263	991,908	12,113	1,368,181	(23.5)	(27.5)
Gas	1,775	237,951	1,589	226,127	11.7	5.2
Natural Gas	3,814	326,907	2,532	218,241	50.6	49.8
Total	<u>14,852</u>	<u>1,556,766</u>	<u>16,234</u>	<u>1,812,549</u>	(8.5)	(14.1)
Twelve months:						
Steam	13,924	1,512,193	18,437	2,137,605	(24.5)	(29.3)
Gas	2,798	377,512	2,420	344,519	15.6	9.6
Natural Gas	5,316	458,089	3,538	308,697	50.3	48.4
Total	<u>22,038</u>	<u>2,347,794</u>	<u>24,395</u>	<u>2,790,821</u>	(9.7)	(15.9)

## FEBRUARY

	2014	2013	Increase (Decrease) %
B. Client Service			
1. Service complaints per thousand clients	8.22	3.94	*
2. Disconnections for nonpayment per thousand clients	10.72	0.75	*
C. Distribution System			
1. Interruption frequency index			
Total interruptions per thousand clients served	0.049	0.047	5.6
2. Interruption duration index			
Average interruption time per clients served (minutes)	7.25	6.60	9.8
3. Clients per interruption	48	51	(5.9)
4. Time per interruption (minutes)	269	222	21.1

\* Over 100%

D. Personnel

		FEBRUARY		
		<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Management Conf. / Carr.	Reg.	2,516	2,529	(13)
	Temp.	17	29	(12)
U.T.I.E.R.	Reg.	4,268	4,381	(113)
	Temp.	251	439	(188)
	Emerg.			
U.I.T.I.C.E.	Reg.	816	853	(37)
	Temp.			
U.E.P.I.	Reg.	349	358	(9)
	Temp.	1	2	(1)
U.P.A.E.E.	Reg.	5	6	(1)
	Temp.			
Total		<u>8,223</u>	<u>8,597</u>	<u>(374)</u>

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2012-13	2012-13	Increase (Decrease) %
<b>kWh sales:</b>						
Residential	422,002	417,001	1.2	4,237,979	4,582,428	(7.5)
Commercial	616,502	638,658	(3.5)	5,681,789	5,709,708	(0.5)
Industrial	189,588	194,712	(2.6)	1,626,500	1,710,030	(4.9)
Others	23,690	24,203	(2.1)	233,799	230,600	1.4
Total	<u>1,251,782</u>	<u>1,274,574</u>	(1.8)	<u>11,780,067</u>	<u>12,232,766</u>	(3.7)
<b>Basic revenues:</b>						
Residential	24,994	19,654	27.2	230,157	230,216	(0.0)
Commercial	46,778	46,402	0.8	395,658	401,082	(1.4)
Industrial	8,651	8,985	(3.7)	73,733	76,817	(4.0)
Others	3,634	3,797	(4.3)	38,615	36,033	7.2
Total	<u>84,057</u>	<u>78,838</u>	6.6	<u>738,163</u>	<u>744,148</u>	(0.8)
<b>Fuel adjustment:</b>						
Residential	71,276	92,460	(22.9)	637,644	697,467	(8.6)
Commercial	103,337	132,731	(22.1)	852,674	972,885	(12.4)
Industrial	28,523	35,797	(20.3)	221,166	261,514	(15.4)
Others	4,238	5,164	(17.9)	36,296	42,861	(15.3)
Total	<u>207,374</u>	<u>266,152</u>	(22.1)	<u>1,747,780</u>	<u>1,974,727</u>	(11.5)
<b>Purchased power:</b>						
Residential	23,902	15,538	53.8	211,607	206,432	2.5
Commercial	34,358	28,729	19.6	281,672	254,155	10.8
Industrial	9,558	7,880	21.3	73,671	68,584	7.4
Others	1,266	1,014	24.9	11,853	10,916	8.6
Total	<u>69,084</u>	<u>53,161</u>	30.0	<u>578,803</u>	<u>540,087</u>	7.2
<b>Total revenues:</b>						
Residential	120,172	127,652	(5.9)	1,079,408	1,134,115	(4.8)
Commercial	184,473	207,862	(11.3)	1,530,004	1,628,122	(6.0)
Industrial	46,732	52,662	(11.3)	368,570	406,915	(9.4)
Others	9,138	9,975	(8.4)	86,764	89,810	(3.4)
Total	<u>360,515</u>	<u>398,151</u>	(9.5)	<u>3,064,746</u>	<u>3,258,962</u>	(6.0)

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2013-14	2012-13	Increase (Decrease) %
2. Cents per kWh						
Basic revenues:						
Residential	5.92	4.71	25.7	5.43	5.02	8.2
Commercial	7.59	7.27	4.4	6.96	7.02	(0.9)
Industrial	4.56	4.61	(1.1)	4.53	4.49	0.9
Others	15.34	15.69	(2.2)	16.52	15.63	5.7
Total	6.71	6.19	8.4	6.27	6.08	3.1
Fuel adjustment:						
Residential	16.90	22.17	(23.8)	15.05	15.23	(1.2)
Commercial	16.76	20.78	(19.3)	15.01	17.04	(11.9)
Industrial	15.05	18.39	(18.2)	13.60	15.30	(11.1)
Others	17.89	21.33	(16.1)	15.52	18.59	(16.5)
Total	16.57	20.88	(20.6)	14.84	16.14	(8.1)
Purchased power:						
Residential	5.66	3.73	51.7	4.99	4.50	10.9
Commercial	5.57	4.50	23.8	4.96	4.45	11.5
Industrial	5.04	4.05	24.4	4.53	4.01	13.0
Others	5.34	4.19	27.4	5.07	4.73	7.2
Total	5.52	4.17	32.4	4.91	4.42	11.1
Total revenues:						
Residential	28.48	30.61	(7.0)	25.47	24.75	2.9
Commercial	29.92	32.55	(8.1)	26.93	28.51	(5.5)
Industrial	24.65	27.05	(8.9)	22.66	23.80	(4.8)
Others	38.57	41.21	(6.4)	37.11	38.95	(4.7)
Total	28.80	31.24	(7.8)	26.02	26.64	(2.3)
3. Clients:						
Residential	1,331,857	1,341,364	(0.7)	1,334,453	1,360,344	(1.9)
Commercial	126,948	127,190	(0.2)	126,652	126,583	0.1
Industrial	721	706	2.1	688	714	(3.6)
Others	4,140	4,159	(0.5)	4,144	4,155	(0.3)
Total	<u>1,463,666</u>	<u>1,473,419</u>	(0.7)	<u>1,465,937</u>	<u>1,491,795</u>	(1.7)
4. Average kWh per client:						
Residential	317	311	1.9	3,176	3,369	(5.7)
Commercial	4,856	5,021	(3.3)	44,861	45,106	(0.5)
Industrial	262,951	275,796	(4.7)	2,364,099	2,395,000	(1.3)
Others	5,722	5,819	(1.7)	56,419	55,499	1.7
Total	855	865	(1.1)	8,036	8,200	(2.0)

## II. FINANCIAL HIGHLIGHTS

## A. Revenue data

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

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2013-14	2012-13	Increase (Decrease) %
kWh sales:						
Residential	11	62	(82.3)	92	458	(79.9)
Commercial	215,179	209,884	2.5	1,820,848	1,828,580	(0.4)
Industrial						
Others	24,648	24,834	(0.7)	215,745	222,243	(2.9)
Total	<u>239,838</u>	<u>234,780</u>	2.2	<u>2,036,685</u>	<u>2,051,281</u>	(0.7)
Basic revenues:						
Residential	1	3	(66.7)	5	23	(78.3)
Commercial	18,239	17,942	1.7	132,465	138,536	(4.4)
Industrial						
Others	4,183	4,103	1.9	37,475	34,685	8.0
Total	<u>22,423</u>	<u>22,048</u>	1.7	<u>169,945</u>	<u>173,244</u>	(1.9)
Fuel adjustment:						
Residential	2	12	(83.3)	14	72	(80.6)
Commercial	30,253	38,132	(20.7)	264,124	299,719	(11.9)
Industrial						
Others	3,660	4,740	(22.8)	32,846	38,398	(14.5)
Total	<u>33,915</u>	<u>42,884</u>	(20.9)	<u>296,984</u>	<u>338,189</u>	(12.2)
Purchased power:						
Residential	1	3	(66.7)	5	23	(78.3)
Commercial	11,697	10,237	14.3	90,325	79,378	13.8
Industrial						
Others	1,416	1,274	11.1	11,296	10,066	12.2
Total	<u>13,114</u>	<u>11,514</u>	13.9	<u>101,626</u>	<u>89,467</u>	13.6
Total revenues:						
Residential	4	18	(77.8)	24	118	(79.7)
Commercial	60,189	66,311	(9.2)	486,914	517,633	(5.9)
Industrial						
Others	9,259	10,117	(8.5)	81,617	83,149	(1.8)
Total	<u>69,452</u>	<u>76,446</u>	(9.1)	<u>568,555</u>	<u>600,900</u>	(5.4)
2. Clients:						
Residential	15	21	(28.6)	17	24	(29.2)
Commercial	22,142	20,904	5.9	26,534	21,789	21.8
Industrial						
Others	2,876	2,839	1.3	3,290	2,976	10.6
Total	<u>25,033</u>	<u>23,764</u>	5.3	<u>29,841</u>	<u>24,789</u>	20.4

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



PUERTO RICO ELECTRIC POWER AUTHORITY

This page intentionally left blank

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

	FEBRUARY 2014					
	Month			Fiscal Year-to-Date		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Basic charges	84.6	84.0	(0.7)	762.0	738.2	(3.1)
Fuel adjustment	162.8	207.4	27.4	1,608.7	1,747.8	8.6
Purchased power	<u>74.7</u>	<u>69.1</u>	(7.5)	<u>603.9</u>	<u>578.8</u>	(4.2)
Revenues from sales	322.1	360.5	11.9	2,974.6	3,064.8	3.0
Other	<u>2.6</u>	<u>3.3</u>	26.9	<u>20.8</u>	<u>29.6</u>	42.3 <sup>1</sup>
Total revenues	<u>324.7</u>	<u>363.8</u>	12.0	<u>2,995.4</u>	<u>3,094.4</u>	3.3
Fuel	144.4	184.7	27.9	1,427.6	1,556.8	9.1
Purchased power	66.5	62.1	(6.6)	537.5	516.4	(3.9)
Other expenses	<u>62.4</u>	<u>60.6</u>	(2.9)	<u>499.1</u>	<u>507.6</u>	1.7
Total current expenses	273.3	307.4	12.5	2,464.2	2,580.8	4.7
1974 - sinking fund appropriations	46.9	47.0	0.2	375.2	375.9	0.2
Interest on notes	0.6	0.4	(33.3)	5.2	1.6	(69.2) <sup>2</sup>
Internal funds	0.5	1.5	*	17.6	12.7	(27.8) <sup>3</sup>
Contribution to municipalities	0.8	5.2	*	109.2	101.7	(6.9)
Other appropriations	<u>2.6</u>	<u>2.3</u>	(11.5)	<u>24.0</u>	<u>21.7</u>	(9.6)
Total	<u>324.7</u>	<u>363.8</u>	12.0	<u>2,995.4</u>	<u>3,094.4</u>	3.3

EXPLANATION OF MAJOR VARIATIONS

1. The other revenues for the fiscal-year-to-date increase due to a higher non operating income than budgeted.
2. Interest on notes for the fiscal year-to-date decreased due to lower borrowed amount (line of credit) than budgeted.
3. Internal funds for the fiscal year-to-date decreased due to less available funds than budgeted.

\*Over 100%

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

	FEBRUARY					
	Month			Fiscal Year-to-Date		
	2014	2013	Increase (Decrease) %	2013-14	2012-13	Increase (Decrease) %
Basic charges	84.0	78.8	6.6	738.2	744.1	(0.8)
Fuel adjustment	207.4	266.2	(22.1)	1,747.8	1,974.7	(11.5)
Purchased power	69.1	53.2	29.9	578.8	540.1	7.2
Revenues from sales	360.5	398.2	(9.5)	3,064.8	3,258.9	(6.0)
Other	3.3	1.9	73.7	29.6	22.9	29.3
Total revenues	<u>363.8</u>	<u>400.1</u>	(9.1)	<u>3,094.4</u>	<u>3,281.8</u>	(5.7)
Fuel	184.7	237.6	(22.3)	1,556.8	1,812.5	(14.1)
Purchased power	62.1	50.6	22.7	516.4	488.3	5.8
Other expenses	60.6	56.1	8.0	507.6	510.3	(0.5)
Total current expenses	307.4	344.3	(10.7)	2,580.8	2,811.1	(8.2)
1974 - sinking fund appropriations	47.0	46.9	0.2	375.9	339.5	10.7
Interest on notes	0.4	0.1	*	1.6	0.4	*
Internal funds	1.5			12.7	16.2	(21.6)
Contribution to municipalities	5.2	3.5	48.6	101.7	86.9	17.0
Other appropriations	2.3	5.3	(56.6)	21.7	27.7	(21.7)
Total	<u>363.8</u>	<u>400.1</u>	(9.1)	<u>3,094.4</u>	<u>3,281.8</u>	(5.7)

EXPLANATION OF MAJOR VARIATIONS

1. The decrease in the fuel adjustment and 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 higher borrowed amount (line of credit) than prior year.
4. Internal funds for the fiscal year-to-date decreased due to less available funds than prior year.
5. Contribution to municipalities for the fiscal year-to-date increased due to a higher electric power consumption than prior year.
6. 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)

FEBRUARY

<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. Fondo Rotativo JCA AFICA Aguirre and San Juan Plant:			2. Fuel Financing (Scotiabank):		
Line of credit	27,023	0	Line of credit	550,000	500,000
Amount received	<u>0</u>	<u>0</u>	Amount received	<u>502,308</u>	<u>486,256</u>
Available balance	<u>27,023</u>	<u>0</u>	Available balance	<u>47,692</u>	<u>13,744</u>
Debt outstanding balance	0	0	Debt outstanding balance	502,308	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	October 7, 2014	
			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	Mar. 31, 2013	
			5. Collateral SWAP - (GDB):		
			Line of credit	100,000	0
			Amount received	<u>41,577</u>	<u>0</u>
			Available balance	<u>58,423</u>	<u>0</u>
			Debt outstanding balance	41,577	0
			Maturity Date	Dec. 31, 2014	

E. Capital Improvements Program  
(in thousand dollars)

FEBRUARY 2014						
	Month **			Fiscal Year-to-Date***		
	Budget	Actual	Increase (Decrease) %	Budget	Actual	Increase (Decrease) %
Production	8,031	5,718	(28.8)	64,248	38,308	(40.4)
Transmission	5,529	2,473	(55.3)	44,232	47,579	7.6
Distribution	8,324	5,873	(29.4)	66,591	54,619	(18.0)
Other	3,116	(131)	(104.2)	24,928	2,580	(89.7)
Undistributed Overhead		7,750			7,750	
Total	<u>25,000</u>	<u>21,683</u>	(13.3)	<u>199,999</u>	<u>150,836</u>	(24.6)
Internal Funds	498	1,500	****	17,562	12,715	(27.6)
Percentage of Internal Funds to Investment in Capital Improvements Programs*	2%	7%		9%	8%	
Contribution AID for Construction		252			3,007	

	2014	2013
F. Highest debt coverage as of February 28	1.17	1.09

G. REA Projects

	Month	Fiscal Year-to-Date
Total investment	\$27,424	\$103,588
Families served	8	24

\*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)

	FEBRUARY		Increase (Decrease) %
	2014	2013	
General clients	827,461	923,302	(10.4)
Government	653,338	543,995	20.1
Less: Accrued Contribution in Lieu of Taxes	393,125	286,366	37.3
Total Government, Net	260,213	257,629	1.0
Subtotal	1,087,674	1,180,931	(7.9)
Sales of electric energy (12 months)			
Revenues from sales	4,628,754	4,940,809	(6.3)
kWh (including subsidy)	17,768,483	18,220,366	(2.5)
Indicators:			
A. Ratio of accounts receivable to sales (%)	23.5	23.9	(1.7)
B. Ratio of accounts receivable to sales (%) (including subsidy)	23.4	23.8	(1.6)
C. Sales days in accounts receivable	86	87	(1.7)
D. Sales days in accounts receivable (including subsidy)	85	87	(1.6)
E. Ratio of collections to sales of electric energy:			
General clients:			
Sales	3,760,412	4,046,786	(7.1)
Collections	3,808,164	3,856,539	(1.3)
Percent	101.3	95.3	6.3
Government:			
Sales	868,342	894,023	(2.9)
Collections	604,004	606,988	(0.5)
Percent	69.6	67.9	2.5
Percent of total sales	95.3	90.3	5.5

\* Excludes residential clients' subsidy of \$21,846 and \$26,720, for the 12 months ended February 2014 and February 2013, respectively.

PUERTO RICO ELECTRIC POWER AUTHORITY

This page intentionally left blank

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

	February 28 2014	June 30 2013
<b>Current assets:</b>		
Cash and cash equivalents		
General fund	\$ 51,287	\$ 111,047
Revenue fund	14	770
Working funds	793	807
Total cash and cash equivalents	52,094	112,624
Accounts receivable (Exhibit A)	1,441,708	1,391,120
Fuel oil inventory	215,925	323,730
Materials and supplies inventory	198,031	197,786
Prepayments and other (Exhibit B)	10,937	5,021
Total current assets	1,918,695	2,030,281
Non current receivables (Exhibit A)	103,030	103,030
<b>Restricted Assets</b>		
Cash held by trustees	-	369,381
Investments held by trustees		
Sinking funds - interest	185,122	62,344
Sinking funds - principal	136,936	569
Non current restricted deposits held by trustees	546,593	490,689
Total investment held by trustees	868,651	553,602
Construction fund and other		
Construction fund	443,588	49,370
Investment held by REA	1,104	1,103
Reserve maintenance fund	15,906	15,818
Other restricted fund	52,516	17,129
Total construction fund and other	513,114	83,420
Total restricted assets	1,381,765	1,006,403
<b>Utility Plant</b>		
Electric plant in service	12,047,430	11,875,606
Less: accumulated depreciation	6,284,457	6,064,548
Net electric plant in service	5,762,973	5,811,058
Construction work in progress, including preliminary surveys of 20,778 and 20,786	993,453	990,224
Total utility plant	6,756,426	6,801,282
<b>Deferred debits:</b>		
Unamortized debt expense	55,691	55,810
Other	25,556	17,369
Total deferred debits	81,247	73,179
Total assets	10,241,163	10,014,175
Deferred outflows of resources	79,057	85,004
Total Assets and Deferred Outflows	\$ 10,320,220	\$ 10,099,179



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

February 28  
 2014

June 30  
 2013

Liabilities and net position

Current Liabilities

Notes payable to banks	\$ 754,818	\$ 754,823
Accounts payable and accrued liabilities (Exhibit C)	1,286,532	1,287,167
Customer deposits, including accrued interest	13,951	14,531
Total current liabilities	<u>2,055,301</u>	<u>2,056,521</u>

Current liabilities payable from restricted assets

Current portion of long-term debt	204,550	399,215
Notes payable from restricted assets	41,577	6,100
Accrued interest payable on bonds and notes	76,579	187,432
Other current liabilities (Exhibit C)	36,873	39,594
Total current liabilities from restricted assets	<u>359,579</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	141,274	136,050
Customer deposits - noncurrent	166,950	166,950

Total noncurrent liabilities	<u>8,894,919</u>	<u>8,237,779</u>
------------------------------	------------------	------------------

Total liabilities	<u>\$ 11,309,799</u>	<u>\$ 10,926,641.00</u>
-------------------	----------------------	-------------------------

Total net position (deficit)	<u>(989,579)</u>	<u>(827,462)</u>
------------------------------	------------------	------------------

Total Liabilities and Net Position	<u>\$ 10,320,220</u>	<u>\$ 10,099,179</u>
------------------------------------	----------------------	----------------------

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

	MONTH		
	Budget February 2014	Actual February 2014	Actual February 2013
Operating revenues:			
Sales of electric energy	\$ 322,052	\$ 360,516	\$ 398,152
Total operating revenues	<u>322,052</u>	<u>360,515</u>	<u>398,152</u>
Other income	2,605	3,771	1,977
Total revenues	<u>324,657</u>	<u>364,286</u>	<u>400,129</u>
Expenses:			
Fuel cost	144,435	184,693	237,556
Purchased power	66,455	62,080	50,645
Other production	5,481	4,655	5,620
Transmission and distribution	13,227	13,187	12,676
Maintenance	19,443	15,448	16,528
Customer accounting and collection	9,614	7,183	9,241
Administrative and general	<u>14,625</u>	<u>20,161</u>	<u>12,067</u>
Subtotal expenses by function	273,280	307,407	344,333
Other Post employment benefits	653	653	610
Depreciation	31,172	26,468	35,646
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	32,638	35,141	30,731
Contribution to municipalities	773	19,829	23,031
Other appropriations	2,558	2,317	5,305
Bond discount and defeasance amortization	<u>300</u>	<u>348</u>	<u>348</u>
Total expenses	<u>341,374</u>	<u>392,163</u>	<u>440,004</u>
Contributed capital	<u>2,015</u>	<u>3,186</u>	<u>1,471</u>
Changes in net position	<u>\$ (14,702)</u>	<u>\$ (24,691)</u>	<u>\$ (38,404)</u>

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

	FISCAL YEAR		
	Budget February 2014	Actual February 2014	Actual February 2013
Operating revenues:			
Sales of electric energy	\$ 2,974,567	\$ 3,064,746	\$ 3,259,227
Total operating revenues	<u>2,974,567</u>	<u>3,064,746</u>	<u>3,259,227</u>
Other income	20,836	31,746	22,646
Total revenues	<u>2,995,403</u>	<u>3,096,492</u>	<u>3,281,873</u>
Expenses:			
Fuel cost	1,427,637	1,556,766	1,812,549
Purchased power	537,480	516,427	488,274
Other production	43,812	44,234	50,517
Transmission and distribution	105,812	119,535	116,682
Maintenance	155,583	138,340	147,723
Customer accounting and collection	76,913	75,610	77,552
Administrative and general	117,002	129,867	117,827
Subtotal expenses by function	2,464,239	2,580,779	2,811,124
Other post employment benefits	5,224	5,224	4,467
Depreciation	249,376	225,039	284,666
Interest on bonds, capital improvement notes, general obligation notes, less allowance for funds used during construction	263,109	276,566	248,227
Contribution to municipalities	109,200	165,295	175,460
Other appropriations	24,019	21,732	27,725
Bond discount and defeasance amortization	2,400	2,686	2,784
Total expenses	<u>3,117,567</u>	<u>3,277,321</u>	<u>3,554,453</u>
Contributed capital	<u>16,123</u>	<u>18,713</u>	<u>12,686</u>
Changes in net position	<u>\$ (106,041)</u>	<u>\$ (162,116)</u>	<u>\$ (259,894)</u>

## PUERTO RICO ELECTRIC POWER AUTHORITY

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

	MONTH		
	Budget February 2014	Actual February 2014	Actual February 2013
<b>Revenues:</b>			
Sales of electric energy (Exhibit D)	\$ 322,052	\$ 360,516	\$ 398,152
Total operating revenues	322,052	360,516	398,152
Other income	2,605	3,770	1,977
Total revenues	324,657	364,286	400,129
Less: 1974 construction fund investment income and gain on sale of properties	7	490	2
Revenues - net	324,650	363,796	400,127
<b>Current expenses:</b>			
Fuel cost	144,435	184,693	237,556
Purchased power	66,454	62,080	50,645
Other production	5,481	4,655	5,620
Transmission and distribution	13,227	13,187	12,676
Maintenance	19,443	15,448	16,528
Customer accounting and collection	9,614	7,183	9,241
Administrative and general	14,625	20,161	12,067
Total current expenses	273,279	307,407	344,333
Net revenues (as defined)	51,371	56,389	55,794
<b>Contractual obligations:</b>			
Sinking fund appropriations -			
Interest on power revenue bonds	29,872	29,960	30,654
Bond redemption account	17,026	17,025	16,244
Interest on notes	644	389	77
Capital Improvements fund	498	1,500	-
Total contractual obligations	48,040	48,874	46,975
Balance	3,331	7,515	8,819
<b>Provision for Contribution in Lieu of Taxes and other appropriations</b>			
Contribution to municipalities	773	5,198	3,514
Other	2,558	2,317	5,305
Total provision for contribution and other	3,331	7,515	8,819
Remainder	\$ -	\$ -	\$ -



## PUERTO RICO ELECTRIC POWER AUTHORITY

NET POSITION  
(in thousands)

	February 2014	June 2013
Invested in utility plant, net related debt	\$ (626,050)	\$ (23,371)
Restricted for capital activity and debt service	547,489	-
Unrestricted	<u>(911,018)</u>	<u>(804,091)</u>
Total net position	<u>\$ (989,579)</u>	<u>\$ (827,462)</u>

## PUERTO RICO ELECTRIC POWER AUTHORITY

ACCOUNTS RECEIVABLE  
(in thousands)

Exhibit A

	February 2014	June 2013
Electric and related services:		
General clients	\$ 867,535	\$ 884,776
Recoveries under fuel adjustment and purchase power clause under or (over) billed	33,362	10,144
Unbilled services	188,416	195,278
Allowance for uncollectible accounts	<u>(261,852)</u>	<u>(251,283)</u>
Total General Clients	<u>827,461</u>	<u>838,915</u>
Government, including current and non current	653,338	603,027
Claims receivable from insurance companies & other	37,814	37,819
Advances to Irrigation Systems - net	20,953	9,785
Accrued interest	5,109	2,857
Other	<u>63</u>	<u>1,747</u>
Total Accounts Receivable	<u>\$ 1,544,738</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>\$ 1,441,708</u>	<u>\$ 1,391,120</u>

PREPAYMENTS AND OTHER  
(in thousands)

Exhibit B

	February 2014	June 2013
Claims Outstanding Related to Property Damages	\$ 352	\$ 385
Prepayments and other	<u>10,585</u>	<u>4,636</u>
Total	<u>\$ 10,937</u>	<u>\$ 5,021</u>



## PUERTO RICO ELECTRIC POWER AUTHORITY

## ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(in thousands)

Exhibit C

	February 2014	June 2013
Accounts payable - fuel oil and other	739,267	\$ 793,435
Accrued annual leave	54,661	56,179
Accrued sick leave	28,541	31,576
Accrued salaries and fringe benefits	2,983	4,326
Accrued Contribution in Lieu of Taxes	393,125	323,622
Reserve for injuries and damages	19,170	20,400
Accrued Contributions Federal Social Security	24	1,476
Income tax withheld at source	295	1,285
Health plan	17,148	6,275
Pension & Benefits Deferred Employer Contribution	15,014	15,014
Other	16,304	33,579
	<u>1,286,532</u>	<u>1,287,167</u>
Sub total current liabilities		
Other current payables from restricted assets		
Retention on Contract Work	6,139	7,173
Vouchered A/P construction	4,372	7,052
Contribution aid to construction	26,362	25,369
	<u>36,873</u>	<u>39,594</u>
Total other current payables from restricted assets		
Total current Liabilities	<u>\$ 1,323,405</u>	<u>\$ 1,326,761</u>
NON-CURRENT LIABILITIES		
Accrued sick leave	\$ 122,356	\$ 122,356
Accrued Unfunded OPEB	141,274	136,050
	<u>263,630</u>	<u>258,406</u>
Total non current liabilities		
Total accounts payables and non current liabilities	<u>\$ 1,587,035</u>	<u>\$ 1,585,167</u>

## PUERTO RICO ELECTRIC POWER AUTHORITY

## SALES OF ELECTRIC ENERGY

FEBRUARY 2014

## Exhibit D

Class of Service	CLIENTS		KWHRS (in thousands)			Total
	Billed	Total	Billed	Unbilled	Adjustment*	
Residential	1,331,857	1,331,857	465,465	266,889	(310,352)	422,002
Commercial	126,948	126,948	657,844	350,277	(391,619)	616,502
Industrial	721	721	188,832	108,041	(107,285)	189,588
Public lighting	2,945	2,945	22,287	4,153	(7,165)	19,275
Other public authorities	2	2	2,465	938	(907)	2,496
Agricultural	1,193	1,193	1,982	1,178	(1,241)	1,919
Subtotal	1,463,666	1,463,666	1,338,875	731,476	(818,569)	1,251,782
Fuel oil adjustment						
Purchased power						
Subtotal	1,463,666	1,463,666	1,338,875	731,476	(818,569)	1,251,782
Unrecovered fuel oil cost-net						
Unrecovered purchased power cost-net						
Total	1,463,666	1,463,666	1,338,875	731,476	(818,569)	1,251,782

## FISCAL YEAR-TO-DATE

Class of Service	Average Clients	Kwhrs. (thousands)	Revenue (thousand \$)	Kwhrs. per Client	Cents per Kwhr. Sold
Residential	1,334,453	4,237,979	230,157	3,176	5.43
Commercial	126,632	5,681,789	395,658	44,861	6.96
Industrial	688	1,626,500	73,733	2,364,099	4.53
Public lighting	2,934	195,219	36,566	66,537	18.73
Other public authorities	2	21,034	916	10,517,000	4.35
Agricultural	1,208	17,546	1,133	14,525	6.46
Subtotal	1,465,937	11,780,067	738,163	8,036	6.27
Fuel oil adjustment			1,710,409		14.84
Purchased Power			592,956		4.91
Subtotal	1,465,937	11,780,067	3,041,528	8,036	25.82
Unrecovered fuel oil cost-net			37,371		
Unrecovered purchased Power cost-net			(14,153)		
Total	1,465,937	11,780,067	3,064,746	8,036	26.02

\*Unbilled previous month.

SALES OF ELECTRIC ENERGY

FEBRUARY 2014

Exhibit D

REVENUES (In thousands \$)				Kwhrs. per Client	Cents per Kwhr. Sold
MONTHLY			Total		
Billed	Unbilled	Adjustment*	Total		
26,727	10,841	(12,575)	24,993	317	5.92
47,814	25,617	(26,654)	46,777	4,856	7.59
8,755	4,986	(5,089)	8,652	262,952	4.56
4,088	505	(1,196)	3,397	6,545	17.62
117	44	(43)	118	1,248,029	4.73
123	63	(67)	119	1,609	6.20
87,624	42,056	(45,624)	84,056	855	6.71
189,406	107,144	(116,274)	180,276		16.57
73,194	39,216	(45,181)	67,229		5.52
350,224	188,416	(207,079)	331,561	855	26.49
			27,099		
			1,855		
350,224	188,416	(207,079)	360,515	855	28.80