



Gobierno de Puerto Rico
Autoridad de Energía Eléctrica

5118

23 de febrero de 2018

Honorable Thomas Rivera Schatz
Presidente
Senado de Puerto Rico
PO Box 9023431
San Juan, PR 00902-3431

Handwritten initials and faint stamps

Estimado señor Presidente:

Reciban un cordial saludo de parte de la Autoridad de Energía Eléctrica de Puerto Rico (AEE). En cumplimiento con lo dispuesto en la Resolución Conjunta 16-2018, incluimos un informe con datos relacionados con la asistencia de emergencia otorgada recientemente a la AEE por el Gobierno de Puerto Rico.

Cualquier pregunta sobre la información provista, pueden comunicarse a nuestras oficinas.

Cordialmente,

Justo L. González Torres
Justo L. González Torres
Director Ejecutivo, Interino

Anejo

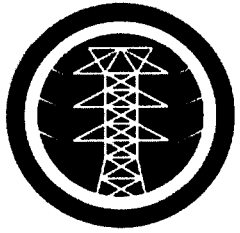
c Hon. Raúl Maldonado Gautier
Sr. Gerardo J. Portela Franco

Director Ejecutivo

Apartado 364267
San Juan, Puerto Rico 00936-4267

☎ 787.521.4666
📠 787.521.4665





**Puerto Rico
Electric Power
Authority**

Report to the Legislature of Puerto Rico

Pursuant to Joint Resolution 16-2018

February 23, 2018

JJOT

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Recap of Legislative Action & Current Status

- Pursuant to Section 1 of Joint Resolution 16-2018 of the Legislature of Puerto Rico, the Secretary of Treasury of Puerto Rico was authorized, on behalf of the Government of Puerto Rico, to provide one or more loans or make available one or more credit facilities or disbursements (the “Emergency Assistance”) to the Puerto Rico Electric Power Authority (“PREPA”), pursuant to such terms, conditions and with such priority and security agreed pursuant to the resolution, in order to finance PREPA’s operating expenses (as defined below), up to the maximum amount of five hundred and fifty million dollars (\$550,000,000)
 - The provisions of the Joint Resolution authorized the Secretary to provide the Emergency Assistance as a loan, to be repaid pursuant to the terms and conditions agreed with the Secretary
 - During the course of negotiations with various creditor and legal constituencies involved in PREPA, and the rulings of the Court, the maximum loan amount from the Government of Puerto Rico to PREPA decreased to \$300 million, while the interest rate was increased to a rate of 5% per annum, payable monthly. This loan will be unsecured and have super-priority status within the financial structure and Title III case of PREPA
 - Within PREPA’s Title III process, the Court approved this loan amount and related terms on February 19, 2018
 - The term “operating expenses,” as used in the legislation means: payroll expenses with respect to the employees of PREPA; purchase of the fuel, energy, materials, and equipment necessary for the operations of PREPA; payment for services performed by PREPA for the maintenance, repair and recovery of the electric systems after the passage of Hurricanes Irma and María
- The Joint Resolution required that PREPA provide the Legislative Assembly with immediate notice of the specific amount and details of any loan, credit or disbursement granted or made pursuant to the resolution
 - Concurrently, PREPA is to provide this report which outlines how the funds from the Emergency Assistance will be disbursed

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Initial Request for Emergency Assistance & Use of Proceeds

- On February 23, 2018, PREPA formally received an Emergency Assistance amount of \$300,000,000 pursuant to the Joint Resolution and under the loan terms negotiated between the Secretary and PREPA
- This Emergency Assistance amount will be utilized to assist in paying the following projected operating expenses, as defined by the Joint Resolution, over the period from February 26, 2018 through May 18, 2018
 - Payroll & payroll related expenses = \$119 million
 - Purchases of fuel and energy = \$485 million
 - Purchases of materials, equipment and other general operating expenses = \$92 million
 - The projected amounts for operating expenses from February 26, 2018 through May 18, 2018 are derived from and equal to the most recent projections filed within the Title III court action seeking approval for the loan from the Government of Puerto Rico to PREPA

JST



HOJA DE TRÁMITE

Fecha referido: 26 DE FEBRERO DE 2018

Referido a: SR. MANUEL A. TORRES NIEVES, SECRETARIO DEL SENADO DE PUERTO RICO

De: GINA HERNÁNDEZ GONZÁLEZ, SECRETARIA EJECUTIVA DEL PRESIDENTE DEL SENADO

Asunto: 1. ADJUNTO INFORME DE CUMPLIMIENTO RELACIONADOS CON LA ASISTENCIA DE EMERGENCIA OTROGADA A LA AEE.

- Para su conocimiento
- Para acción correspondiente
- Para trabajar y contestar directamente
- Autorizado

SECRETARÍA DEL SENADO
FEB 26 2018 PM 04:04

OBSERVACIONES

Recibido por _____ Fecha _____ Hora _____