

SECOND AMENDING AGREEMENT
TO
CREDIT AGREEMENT

This Second Amending Agreement (the "Second Amending Agreement") to that certain Credit Agreement, dated as of May 4, 2012, by and among PUERTO RICO ELECTRIC POWER AUTHORITY (the "Borrower"), the LENDERS party thereto, and SCOTIABANK DE PUERTO RICO, as Administrative Agent (in such capacity, the "Agent") (the "Credit Agreement") is made as of April 25, 2013.

WITNESSETH:

WHEREAS, the Borrower, the Lenders and the Agent entered into the Credit Agreement, pursuant to which the Lenders granted to the Borrower certain revolving credit facility.

WHEREAS, the Credit Agreement was amended by a *First Amending Agreement to Credit Agreement* dated October 23, 2012 (the "First Amending Agreement").

WHEREAS, all capitalized terms used herein and not otherwise defined, are used with the same meanings given to such terms in the Credit Agreement, as amended by the First Amending Agreement.

WHEREAS, the parties have agreed to further amend the Credit Agreement to (i) grant a waiver and extension to the term to deliver certain financial documents, and (ii) extend the Maturity Date, all as more fully set out below; as well as to acknowledge that Oriental Bank has become a Lender, as successor by merger to Banco Bilbao Vizcaya Argentaria Puerto Rico.

NOW THEREFORE, the parties hereby execute this Second Amending Agreement under the following:

TERMS AND CONDITIONS

1. Delivery of Financial Information.

The Borrower was required under Section 5.01(a) of the Credit Agreement to furnish to the Administrative Agent, by December 31, 2012, its audited consolidated balance sheet and related statements of revenues, expenses and changes in net assets and cash flows for the fiscal year ended June 30, 2012, together with the related certificates required by subsections (c) and (d) of Section 5.01. At the Borrower's request the Administrative Agent and all Lenders hereby waive the Borrower's failure to comply with said term, and extend until April 30, 2013 the term granted by Section 5.01, subsections (a), (c) and (d), to provide the financial statements and certificates required by said subsections with respect to the fiscal year ended June 30, 2012.

2. Extension of Maturity Date.

At the Borrower's request, the Administrative Agent and all Lenders agree to extend the Maturity Date to June 30, 2013. Accordingly, the definition of "Maturity Date" contained in Section 1.01 of the Credit Agreement is hereby amended to read as follows:

"Maturity Date" means June 30, 2013.

3. Limited Effect of Waiver and Consent.

The Borrower acknowledges that, in accordance with Section 9.02(a) of the Credit Agreement, the waiver and consent granted herein to the Borrower's departure from the established terms of the Credit Agreement, is effective only in this specific instance and for the purpose for which it is given. No inference is to be drawn from this Second Amending Agreement that the Lenders will grant any waiver, consent or extension in any other instance or with respect to any other terms of the Credit Agreement.

4. Allonges to Notes.

9/18
Concurrently herewith the Borrower has executed and delivered to the Agent four allonges, substantially in the form of Exhibit A to this Second Amending Agreement, referencing the four Notes issued by the Borrower to the order of the Lenders. The Agent shall forthwith deliver each allonge to its corresponding Lender, who will then attach the allonge to the Note issued by the Borrower to such Lender, thereby evidencing the extension to the Maturity Date of the Notes granted by this Second Amending Agreement.

5. Extension Fee.

The Lenders grant the foregoing waiver, consent and extension to the Maturity Date in consideration of the payment by the Borrower to the Agent, for the pro-rata benefit of the Lenders, of an extension fee in the sum of \$312,500, the receipt of which the Agent acknowledges on this date.

6. Acknowledgement of Successor Lender.

The parties acknowledge that Oriental Bank, as the surviving entity of a merger with Banco Bilbao Vizcaya Argentaria Puerto Rico effective as of December 18, 2012, succeeded by operation of law to all rights and obligations of Banco Bilbao Vizcaya Argentaria Puerto Rico as Lender in respect of the Credit Agreement and all other Loan Documents.

7. All Other Provisions Applicable.


The Credit Agreement, as changed, altered, amended or modified by this Second Amending Agreement, shall continue in full force and effect and is hereby in all respects ratified and confirmed and the rights and obligations of all parties thereunder shall not be affected or

prejudiced in any manner except as specifically provided for herein. All terms, conditions, covenants and undertakings of the Loan Documents and all other instruments executed and/or delivered in connection therewith not expressly amended, substituted or otherwise revoked by the terms hereof, remain in full force and effect.

8. References to Agreement.

All references in the Credit Agreement to the "Agreement" shall now mean the Credit Agreement, as amended by the First Amending Agreement and this Second Amending Agreement; and all references to the "Credit Documents" shall now include this Second Amending Agreement.

9. No Novation.

 The foregoing modifications to the terms of the Credit Agreement shall not be construed nor do they constitute an extinctive novation of the Borrower's Obligations under the Credit Agreement.

10. Inconsistent Terms.

If any provision of this Second Amending Agreement is inconsistent or conflicts with any provision of the Credit Agreement, the relevant provision of this Second Amending Agreement shall prevail and be paramount.

11. Execution in Counterparts.

This Second Amending Agreement may be executed by its signatories in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

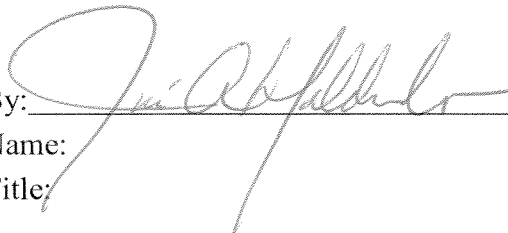
(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Second Amending Agreement to be duly executed by their respective authorized officers as of the date first above written.

PUERTO RICO ELECTRIC POWER
AUTHORITY, Borrower

By: _____
Name:
Title:

SCOTIABANK DE PUERTO RICO, as Lender and
Administrative Agent

By:  _____
Name:
Title:

ORIENTAL BANK, as successor by merger to
BANCO BILBAO VIZCAYA ARGENTARIA
PUERTO RICO, as Lender

By: _____
Name: Patrick J. Haggarty Phillips
Title: SVP – Wholesale Banking

By: _____
Name: Helen M. Pardo Hernández
Title: SVP – Corporate & Institutional Banking

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have caused this Second Amending Agreement to be duly executed by their respective authorized officers as of the date first above written.

PUERTO RICO ELECTRIC POWER
AUTHORITY, Borrower

By: 
Name: Juan F. Alicea Flores
Title: Executive Director

SCOTIABANK DE PUERTO RICO, as Lender and
Administrative Agent

By: _____
Name:
Title:

ORIENTAL BANK, as successor by merger to
BANCO BILBAO VIZCAYA ARGENTARIA
PUERTO RICO, as Lender

By: _____
Name: Patrick J. Haggarty Phillips
Title: SVP – Wholesale Banking

By: _____
Name: Helen M. Pardo Hernández
Title: SVP – Corporate & Institutional Banking

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

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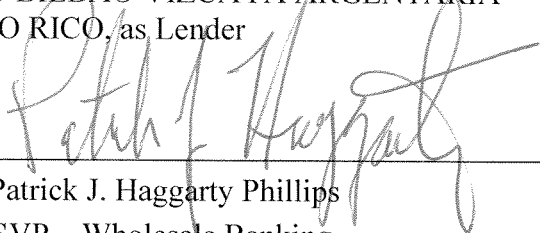
PUERTO RICO ELECTRIC POWER
AUTHORITY, Borrower

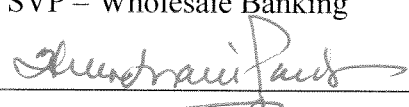
By: _____
Name:
Title:

SCOTIABANK DE PUERTO RICO, as Lender and
Administrative Agent

By: _____
Name:
Title:

ORIENTAL BANK, as successor by merger to
BANCO BILBAO VIZCAYA ARGENTARIA
PUERTO RICO, as Lender

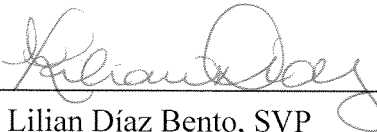
By: 
Name: Patrick J. Haggarty Phillips
Title: SVP – Wholesale Banking

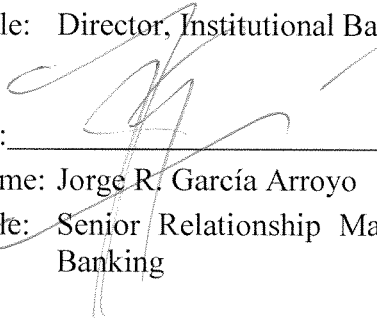
By: 
Name: Helen M. Pardo Hernández
Title: SVP – Corporate & Institutional Banking

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

(SIGNATURE PAGE CONTINUED)

BANCO SANTANDER PUERTO RICO, as Lender

By: 
Name: Lilian Díaz Bento, SVP
Title: Director, Institutional Banking

By: 
Name: Jorge R. García Arroyo
Title: Senior Relationship Manager, Institutional
Banking

BANCO POPULAR DE PUERTO RICO, as
Lender

By: _____
Name:
Title:

(SIGNATURE PAGE CONTINUED)

BANCO SANTANDER PUERTO RICO, as Lender

By: _____

Name: Lilian Díaz Bento, SVP

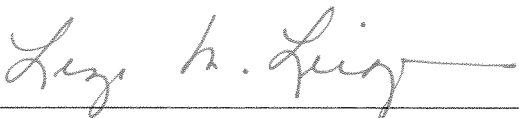
Title: Director, Institutional Banking

By: _____

Name: Jorge R. García Arroyo

Title: Senior Relationship Manager, Institutional
Banking

BANCO POPULAR DE PUERTO RICO, as
Lender

By:  _____


Name: Liza M. Lúgaro Rodríguez

Title: VP & Credit Manager, Corporate Banking

PREPA Officers and Seal Certificate

Office-Officer	Commencement of Term	Expiration of Term
<u>Chairman and Member</u> Harry Rodríguez-García	January 15, 2013	June 17, 2014
<u>Vice Chairman and Member</u> Edgardo J. Fábregas-Castro	July 7, 2012	June 17, 2013
<u>Member</u> Roberto A. Volckers-Esteves	November 18, 2011	June 17, 2013
<u>Member</u> Andrés E. Salas-Soler	April 17, 2012	June 17, 2016
<u>Member</u> Norma Burgos-Andújar	December 29, 2012	June 17, 2014
<u>Member</u> Gabriel Hernández-Rodríguez	December 28, 2012	February 1, 2015
<u>Member</u> Agustín Irizarry-Rivera	June 11, 2012	September 11, 2013
<u>Member</u> Juan E. Rosario-Maldonado	June 11, 2012	September 11, 2013
<u>Member</u> Miguel A. Torres-Díaz		Indefinite
<u>Executive Director</u> Juan F. Alicea-Flores		Indefinite
<u>General Counsel</u> Jorge A. Concepción-Rivera		Indefinite
<u>Director of Finance</u> Luis Figueroa-Baez		Indefinite
<u>Treasurer</u> Ariel R. Tirado-Rivera		Indefinite
<u>Secretary</u> María M. Méndez-Rivera		Indefinite

Seal


 María M. Méndez-Rivera
 Corporate Secretary

ALLONGE

To the Note in the principal sum of \$200,000,000 issued by
Puerto Rico Electric Power Authority to the order of Scotiabank de Puerto Rico
dated as of October 23, 2012 (the "Note")

Pursuant to that certain *Second Amending Agreement to Credit Agreement* dated as of
April 25, 2013, between the issuer of this Note and the Lenders party thereto, the Maturity Date
of this Note has been extended to June 30, 2013.

All provisions of the Note not expressly modified by this allonge remain in full force and
effect and are hereby confirmed by Puerto Rico Electric Power Authority.

In San Juan, Puerto Rico, as of April 25, 2013.

IN WITNESS WHEREOF, Puerto Rico Electric Power Authority has caused this Note to
bear the manual signatures of the Executive Director and the Secretary of the Authority and its
corporate seal to be imprinted hereon, all as of the date set forth above.

PUERTO RICO ELECTRIC POWER
AUTHORITY

By:


Executive Director

By:


Secretary

ALLONGE

To the Note in the principal sum of \$200,000,000 issued by
Puerto Rico Electric Power Authority to the order of
Banco Bilbao Vizcaya Argentaria Puerto Rico
dated May 4, 2012 (the "Note")

Pursuant to that certain *Second Amending Agreement to Credit Agreement* dated as of April 25, 2013, between the issuer of this Note and the Lenders party thereto, (i) the Maturity Date of this Note has been extended to June 30, 2013; and (ii) the Authority acknowledges that Oriental Bank became the payee of this Note as successor in interest to Banco Bilbao Vizcaya Argentaria Puerto Rico, by virtue of a merger effective December 18, 2012.

All provisions of the Note not expressly modified by this allonge remain in full force and effect and are hereby confirmed by Puerto Rico Electric Power Authority.

In San Juan, Puerto Rico, as of April 25, 2013.

IN WITNESS WHEREOF, Puerto Rico Electric Power Authority has caused this Note to bear the manual signatures of the Executive Director and the Secretary of the Authority and its corporate seal to be imprinted hereon, all as of the date set forth above.

PUERTO RICO ELECTRIC POWER
AUTHORITY

By:  _____
Executive Director

By:  _____
Secretary

ALLONGE

To the Note in the principal sum of \$50,000,000 issued by
Puerto Rico Electric Power Authority to the order of
Banco Popular de Puerto Rico
dated as of October 23, 2012 (the "Note")

Pursuant to that certain *Second Amending Agreement to Credit Agreement* dated as of April 25, 2013, between the issuer of this Note and the Lenders party thereto, the Maturity Date of this Note has been extended to June 30, 2013.

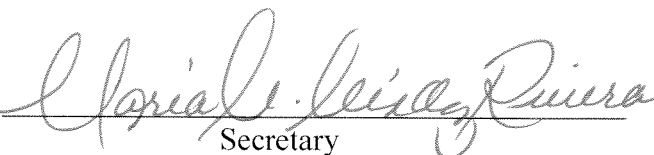
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PUERTO RICO ELECTRIC POWER
AUTHORITY

By: 
Executive Director

By: 
Secretary

ALLONGE

To the Note in the principal sum of \$50,000,000 issued by
Puerto Rico Electric Power Authority to the order of
Banco Santander Puerto Rico
dated as of October 23, 2012 (the "Note")

Pursuant to that certain *Second Amending Agreement to Credit Agreement* dated as of April 25, 2013, between the issuer of this Note and the Lenders party thereto, the Maturity Date of this Note has been extended to June 30, 2013.

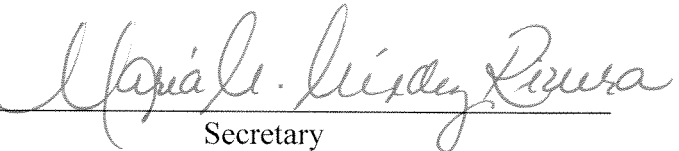
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PUERTO RICO ELECTRIC POWER
AUTHORITY

By: 
Executive Director

By: 
Secretary