

Puerto Rico Electric Power Authority

Embedded Cost of Service Model

Scenario 1: FY2017 with Restructuring

May 27, 2016

Classification Method

Line	Description	Classification Method
1	Fuel and Purchased Power	Not Applicable
2	Fuel	Production Energy
3	Purchased Power	Purchased Power Classification Factor
4		Not Applicable
5	Generation	Not Applicable
6	Steam Production Expense	Production Demand
7	Steam Maintenance	Production Demand
8	Hydro Operation Expense	Hydro with General Plant Ratio
9	Hydro Maintenance	Hydro with General Plant Ratio
10	Other Operation Expense	Production with General Plant Ratio
11	Other Maintenance	Production with General Plant Ratio
12		Not Applicable
13	Transmission	Not Applicable
14	Operations	Transmission Demand
15	Maintenance	Transmission Demand
16		Not Applicable
17	Distribution	Not Applicable
18	Operations	Not Applicable
19	Supervision and Engineering	Distribution with General Plant Ratio
20	Load Dispatching	Distribution with General Plant Ratio
21	Station Expenses	Distribution with General Plant Ratio
22	Overhead Lines	Distribution with General Plant Ratio
23	Underground Lines	Distribution with General Plant Ratio
24	Street Lighting	Public Lighting
25	Meters	Customer
26	Customer Installations	Customer
27	Miscellaneous	Distribution with General Plant Ratio
28	Maintenance	Not Applicable
29	Supervision and Engineering	Distribution with General Plant Ratio
30	Structures	Distribution with General Plant Ratio
31	Station Expenses	Distribution with General Plant Ratio
32	Overhead Lines	Distribution with General Plant Ratio
33	Underground Lines	Distribution with General Plant Ratio
34	Line Transformers	Distribution with General Plant Ratio
35	Street Lighting	Public Lighting
36	Meters	Customer

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37	Miscellaneous	Distribution with General Plant Ratio
38		Not Applicable
39	Customer Billing Expense	Customer
40		Not Applicable
41	Administrative and General Expenses	Not Applicable
42	Operations	Labor Ratio
43	Maintenance	Labor Ratio
44		Not Applicable
45	Other Expenses	Not Applicable
46	Bad Debt Expense	Gross Plant Ratio
47	Energy Commission Assessment to PREPA	Customer
48	Provision for CILT - Payments	Contributions
49	Provision for CILT - Subsidies	Contributions
50		Not Applicable
51	Adjustments	Not Applicable
52	Less Other Income	Other Income
53		Not Applicable
54	Capital Expenditures	Not Applicable
55	Maintenance Capex	Not Applicable
56	Generation	Production Demand
57	Transmission	Transmission Demand
58	Distribution	Distribution Demand
59	Total System	Maintenance Capex
60	Investment Capex	Not Applicable
61	Generation	Production Demand
62	Transmission	Transmission Demand
63	Distribution	Distribution Demand
64	Total System	Investment Capex
65		Not Applicable
66	Debt Service	Not Applicable
67	Legacy Bond Service	Gross Plant Ratio
68	Securitization	Gross Plant Ratio