

July 22, 2016

VIA ELECTRONIC MAIL:

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Ms. Néida Ayala Jiménez
General Counsel
Puerto Rico Electric Power Authority (PREPA)
PO Box 363928
San Juan, PR 00936-3928

Re: *In re*: Review of Rates of the Puerto Rico Electric Power Authority, No. CEPR-AP-2015-0001; Requirement of Information No. 5-A.

Dear Ms. Ayala,

Pursuant to the provisions in Article VIII of Regulation No. 8543, known as the Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigation Proceedings (Regulation 8543), the staff of the Puerto Energy Commission (Commission Staff) is conducting discovery in the matter *In re*: Review of Rates of the Puerto Rico Electric Power Authority, No. CEPR-AP-2015-0001.

Through this letter, the Commission Staff issues its third round of requirements of information. PREPA shall submit, **on or before July 29th, 2016**, the information, data or documents, as appropriate, in digital format, required herein. PREPA shall submit such information, data or documents in accordance with the following instructions:

I. Instructions

A. In General

1. Unless the context requires otherwise, all words used in the singular shall be deemed to also include the plural.
2. Responses to questions must be made in writing, separately and under oath. Questions should be answered by supplying any information which PREPA has knowledge of or information obtained by their representatives, employees, contractors, agents or representatives, or as a result of any investigation conducted. Each response shall state the person responsible for that response.
3. When production of a document is required, the response should identify the document produced, the format or formats in which the document was produced, and the method and date it was delivered to the Commission Staff.

The identification of the document shall include: the name or title of the document, the document date, and the name of its author.

4. If information, data or documents required for any requirement do not exist, the person to whom this request for information is directed shall so specify in his or her reply to that request.
5. Except where the context indicates otherwise, the term "any" includes "all," and vice versa.
6. PREPA shall have a continuing duty to update, correct or amend its answers and notify the Commission Staff of any additional information obtained after said request and which is the subject of this requirement of information.
7. For purposes of this requirement of information, the term "document" means any material, no matter the form, type, nature or description, whether electronic, handwritten or typed, printed, engraved, photographed or copied, and no matter by whom it was originated, prepared, produced, reproduced, published or disseminated. The term "document" includes all types of publications, reports, magazines, books, pamphlets, brochures, folders, records, and/or volume set of attached or unattached papers.
8. For purposes of this requirement of information, the term "information" includes data and documents.
9. Digital Format: **All documents must be submitted in the Word or searchable PDF format.** Analyses prepared using an electronic spreadsheet program such as Excel will be provided in native format with formulas and cross-references intact. Under no circumstances may a printed document, scanned and converted to an image in Personal Document Format (PDF), be presented if there is already a version in digital text. In view of this, the presentation of PDF images of documents that were originally produced in digital text will not be allowed. The presentation of PDF images will only be allowed for those documents that do not exist in a digital version, or for which PREPA does not have a digital version.
10. If PREPA finds it necessary to request an extension of time for the production of part of the required information, it shall do so in writing and submit its request to the Commission's Staff on or before *July 29th, 2016*. In its request, PREPA shall state the efforts undertaken thus far in order to produce the required information, and the reasons pursuant to which it will not be able to produce it within the original period, and which, according to PREPA, justify the granting of the requested extension, along with the specific date by which PREPA commits to provide a full response. However, on or before *July 29th, 2016*, PREPA shall produce all the required information that, up until that date, it has been diligently able to obtain, organize, and process in accordance with the instructions established in this letter.

B. Allegedly Confidential or Privileged Information and Documents

The Commission Staff recognizes that PREPA may assert that some of the documents responsive to these questions warrant confidential treatment. Section 1.15 of Regulation No. 8543, together with the provisions of Articles 1.4 and 6.15 of Act 57-2014, as amended, govern the information that may be unavailable for public access because it is privileged or confidential, as well as the general guidelines for the Commission to determine what information is privileged and confidential and the treatment to be given to protect such information.

Specifically, Section 1.15 of Regulation 8543 provides that when a person has the duty to submit to the Commission information that, in his or her view is privileged or confidential, that person shall (i) identify the information which he or she considers to be privileged or confidential, (ii) request the Commission to protect this information, and (iii) state in writing the arguments in support of his or her request for protection. Once the matter is submitted to the Commission, it shall proceed as provided in Article 6.15 of Act 57-2014 if the Commission determines that the information produced and identified deserves protection.

With this background, if any of the requirements of information require PREPA to submit information it understands is confidential or privileged, the following instructions shall be observed:

1. When submitting the information, PREPA shall (i) mark or identify the information as “confidential” or “privileged”; and “(ii) identify the reason why the document or information should be classified as “confidential” or “privileged”.
2. Along with the filing, PREPA shall submit a memorandum of law stating in writing the legal basis and sources to support its argument that the information or documents identified should be classified as “confidential” or “privileged”. In its memorandum, PREPA must connect each claim to a particular document or piece of information.¹ PREPA shall serve a copy of its memorandum of law to the intervenors currently participating in the proceeding.
3. Except for communications covered by attorney-client privilege, PREPA cannot fail to submit any information or document to the Commission on the grounds that it believes it is a confidential or privileged document or information. If PREPA claims that the information is attorney-client privileged, it must state the basis for this claim and affirmatively state that there is no other alternative way for PREPA to provide the information that would not be attorney-client privileged.
4. The Commission Staff will protect and maintain secure any and all information marked by PREPA as “confidential” or “privileged” unless the Commission rules otherwise.

¹ When handling “confidential” or “privileged” information, the Commission Staff will observe all the applicable rules from the *Normas Internas para el Manejo de Información Confidencial en la Comisión de Energía de Puerto Rico*. See, <http://energia.pr.gov/wp-content/uploads/2015/05/20150512141506478.pdf>

C. Questions regarding the Requirements

If PREPA has any question regarding any of the requirements of information made in this letter, it shall state its question or need for clarification in writing and submit it by electronic mail to the Commission Staff. While PREPA and the Commission Staff may have verbal discussions about PREPA's questions for efficiency purposes, all final questions and answers must be stated in writing. Verbal expressions and discussions about PREPA's questions will have no evidentiary value or effect.

II. Requirements of Information

A. Questions are to be answered by the PREPA employee or representative most knowledgeable with the subject matter of the question. PREPA shall clearly identify the person providing the answer and his or her relationship to PREPA.

1. CEPR-RS-02-01: For each rate, please provide a copy of an actual customer bill from a recent month showing all of the items listed on the bill. The specific customer identifying information can be redacted but the billing determinants, rates and charges should all be shown without any redaction.
2. CEPR-RS-02-02: Sub-section (c) of Section 6C of Act 83-1941 requires the following on bill transparency: Such bill shall itemize the categories of the different charges assessed to the customer, including fuel purchase adjustment, adjustment of energy purchased from co-generators and renewable energy manufacturers, costs associated with Renewable Energy Certificates, account handling and servicing fees, usage charge, operating expenses, energy theft, electricity loss, bond issue debt payment, public sector receivable, private sector receivable, special laws, and any other charge which influences the bill of residential and commercial customers.

Concerning this requirement, please respond to the following:

- a. Describe in detail and show specifically how PREPA proposes to produce transparent billings, in accordance with the above-cited guidance from Act 57.
 - b. Provide illustrative billings for a customer taking electric service from PREPA under each tariff rate, that PREPA would propose, if PREPA's proposed revenue requirement and rate design in the current case were to be approved. Show how each item would be shown on the customer billings.
 - c. Identify and describe any and all known limitations with PREPA's current customer billing systems that would limit the level of detail to be shown on customer billings for the rates to be established in the current PREPA base rate case.
3. CEPR-RS-02-03: Identify the personnel at PREPA who are responsible for designing and administering customer billing, including determining the content of customer bills. Briefly describe the specific responsibilities of each person or group within PREPA that is involved in the process.

4. CEPR-RS-02-04: Describe the procedures, if any, that PREPA has for logging and classifying the subject matter of customer billing inquiries.

Responses to the requirements of information shall be submitted electronically by electronic mail to the following addresses: afigueroa@energia.pr.gov, tnegron@energia.pr.gov, and gbonet@energia.pr.gov. If responses are too voluminous to be sent by electronic mail, the responses shall be saved in a USB device and sent by mail with return receipt to: Cecilia Sánchez, 268 Muñoz Rivera Ave., World Plaza Suite 703, San Juan, PR 00918.

Cordially,

/s/Alejandro J. Figueroa Ramírez, Esq.

/s/Tania M. Negrón Vélez, Esq.