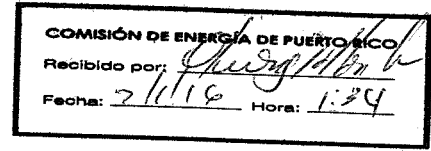


COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ENERGY COMMISSION



IN RE: REVIEW OF RATES OF  
THE PUERTO RICO ELECTRIC  
POWER AUTHORITY

NO. CEPR-AP-2015-0001

SUBJECT: 2<sup>nd</sup> SUBMISSION OF  
MATERIAL IN COMPLIANCE  
WITH THE COMMISSION'S  
RESOLUTION AND ORDER OF  
JUNE 13, 2016

**PREPA'S 2<sup>nd</sup> SUBMISSION OF MATERIAL IN COMPLIANCE  
WITH THE COMMISSION'S RESOLUTION AND ORDER OF JUNE 13, 2016**

TO THE HONORABLE PUERTO RICO ENERGY COMMISSION:

COMES NOW the Puerto Rico Electric Power Authority ("PREPA") and submits the following second set of information and attached documents in compliance with the Puerto Rico Energy Commission's (the "Commission") Resolution and Order dated June 13, 2016, on "Determination of Filing Completeness" ("Order").

With the exception of Schedule D-1, as discussed more fully below, PREPA intends for this submission to address the remaining items not addressed in PREPA's 1<sup>st</sup> Submission of Material in Compliance with the Commission's Resolution and Order of June 13, 2016 ("1<sup>st</sup> Submission"), which was submitted on June 23, 2016. In addition to submitting certain supplemental and revised Schedules that are described in the table below, today's compliance filing is supported by an attached affidavit, and also includes a revised Index (marked as Attachment A); a production log identifying and explaining the basis for certain materials that have been marked confidential (marked as Attachment B); and a table identifying the dates of preparation and filing of all Schedules (marked as Attachment C), as authorized by the Commission's Resolution and Order of June 29, 2016.

**Submission of Schedule D-1**

PREPA acknowledges and appreciates the Commission's Resolution and Order of June 29, 2016, which clarified that the phrase "including cost rates" for purposes allowing PREPA to fully and sufficiently respond to the deficiency for Schedule D-1 identified in the Commission's June 13<sup>th</sup> Order. PREPA is diligently working to complete a revised Schedule D-1 which addresses the stated deficiency and will provide this schedule as soon as practically possible.

**Complete List of Remaining Compliance Items**

The following table is a complete list of PREPA's response to the remaining items (after the 1<sup>st</sup> Submission) identified in the June 13, 2016 Order.

| <b>Item</b>  | <b>PREPA's Response</b>   | <b>File Name</b>                           | <b>Bates Range<br/>(For PDF)</b> |
|--------------|---|--|----------------------------------|
| Schedule H-5 | PREPA is submitting herewith Schedule H-5 Supp. CONF (TOU-P and LIS), which presents additional bill count and bill frequency analysis. Certain information in this document has been marked confidential for the reasons provided in the attached Document Production Log.   | Schedule H-5 SUPP CONF (TOU-P and LIS).pdf | H 000056 – H 000074              |
| Schedule J-3 | PREPA is submitting herewith Schedule J-3 REV with Plans of Administration for the eight (8) reconciliation clauses and riders identified in its original filing.   | Schedule J-3 REV.pdf                       | J 000225 – J000234               |
| Schedule J-4 | PREPA is submitting herewith Schedule J-4 REV with a revised Energy Efficiency Rider, which identifies the timing and frequency of updates and the allocation of the costs among and within customer classes. The revised rider also clarifies the categories of costs to be covered. The rider is limited by what information is available at this time. | Schedule J-4 REV.pdf                       | J 000235 – J000236               |

PREPA's 2<sup>nd</sup> Submission of Material in Compliance with the Commission's Resolution and Order of June 13, 2016

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| <b>Item</b>  | <b>PREPA's Response</b>  | <b>File Name</b>           | <b>Bates Range<br/>(For PDF)</b> |
|--|--|----------------------------|----------------------------------|
| Schedule J-5   | PREPA is submitting herewith Schedule J-5 REV, which describes the revenue decoupling mechanism.   | Schedule J-5 REV.pdf       | J 000237 – J000238               |
| Schedule L-1/PREPA Ex. 4.0                           | PREPA is supplying a Schedule L-1 Supp., which indicated that it has addressed this stated deficiency in the attached affidavit of Ralph Zarumba.  | Schedule L-1 SUPP.pdf      | L 000003                         |
| Schedule L-2/PREPA Ex. 4.0                           | PREPA is submitting herewith Schedule L-2 Supp., which provides a description of the subsidies' legal basis, purposes, and beneficiaries. This attachment also evaluates the costs and benefits of the subsidies. The Schedule reflects that most of the items are directed by the Legislative Assembly.   | Schedule L-2 SUPP.pdf      | L 000004 – L 000005              |
| Schedule M-2   | PREPA is submitting herewith a Schedule M-2 Supp. CONF., which identifies the portions of PREPA's book costs that, in the event of customer bypass, would need to be recovered from the bypassing customer to avoid the shifting of such cost to other customers. This document has been marked confidential for the reasons provided in the attached Document Production Log. | Schedule M-2 SUPP CONF.pdf | M 000004                         |
| Schedule N-1/PREPA Ex. 4.0                           | PREPA is submitting herewith Schedule N-1 REV, which describes the advantages and disadvantages of the formula ratemaking mechanism.   | Schedule N-1 REV.pdf       | N 000002 – N 000003              |
| Information on Schedule Preparation and Filing Dates | PREPA is submitting a Table (Attachment C hereto), as noted earlier.   | N/A                        | N/A                              |

WHEREFORE, the Puerto Rico Electric Power Authority respectfully requests that the Commission accept PREPA's 2<sup>nd</sup> Submission of Material in Compliance with the Commission's

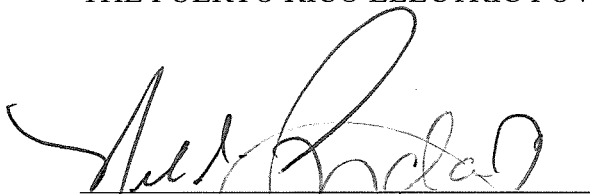
PREPA's 2<sup>nd</sup> Submission of Material in Compliance with the Commission's Resolution and Order of June 13, 2016  
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Resolution and Order of June 13, 2016, and deem PREPA's Verified Petition for Approval of Permanent Rates and Temporary Rates to be complete, either *nunc pro tunc* to May 27, 2016, June 23, 2016 (the date of the 1<sup>st</sup> Submission), or alternatively, as of the date of this compliance filing.

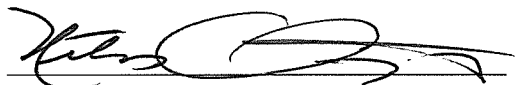
Dated: July 1st, 2016

Respectfully submitted,

THE PUERTO RICO ELECTRIC POWER AUTHORITY



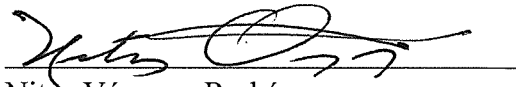
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**CERTIFICATE OF SERVICE**

I hereby certify that I have sent the above PREPA'S 2<sup>nd</sup> SUBMISSION OF MATERIAL IN COMPLIANCE WITH THE COMMISSION'S RESOLUTION AND ORDER OF JUNE 13, 2016 to the Puerto Rico Energy Commission, through its General Legal Counsel, on July 1st, 2016.



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