

COMISIÓN DE ENERGÍA DE PUERTO RICO  
Recibido por: *Aracely Rivera*  
Fecha: *24/6/16* Hora: *11:02AM*

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

**PREPA'S 1<sup>st</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 first 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"). This submission is supported by two attached affidavits.

Please note that while this filing addresses a large majority of the completeness of items identified in the Order, PREPA and its advisors are diligently working on but have not completed the remaining items. PREPA currently anticipates filing the remaining items within the next two days.

Please also note that certain of the attached documents are Excel spreadsheets that are sufficiently large that it is not reasonably practical to print them in hard copy or .pdf form, and, accordingly those spreadsheets are being submitted only in Excel format.

**Certain Spreadsheets That May Be of Particular Interest and Usefulness**

PREPA is providing a complete list of today's compliance filing, below, but, for the convenience of the Commission and its advisors, PREPA wishes to point to and explain certain Excel spreadsheets attached hereto that the Commission and its advisors may find of particular interest or usefulness. More specifically, PREPA wishes

to point the Commission and its advisors to where, in the attachments, they can find **functional** versions of various revenue requirement Schedules.

- PREPA's May 27, 2016, filing included some items that were provided in Excel format. One of those items was a spreadsheet, filed as part of Attachment C to the Petition, with a file name of "Sch. D-2 (Worksheet).xlsx". Although, only Schedule D-2 was referenced in the file name, that spreadsheet in fact had electronic versions of Schedules A-1, A-2, A-3, A-4, A-5, A-6, B-1, B-2, B-3, C-1, C-2, C-3, D-1, D-2a, D-2B, D-3, D-4, D-5, D-6, E-1, E-2, E-3, E-4, E-5, E-6, E-7, E-8, F-1, F-2, and F-3. Those versions were in what often is called "values format".
- On June 3, 2016, PREPA filed several motions, all of which remain pending as of the time of preparation of the instant compliance filing. One of the June 3<sup>rd</sup> motions was entitled "PREPA's Motion to Amend Index and to Supply Additional Work Paper and Corrected Schedule D-2". Among other things, that motion provided a revised version of the spreadsheet mentioned in the above bullet point. The June 3<sup>rd</sup> version differed from the May 27<sup>th</sup> version in two respects. First, a correction was made in cell A1 of Schedule D-2b. Second, the file name of the spreadsheet was changed to "Sch. A through F (Except for E-9, F-4) CORR.xlsx", to reflect that it also included those other Schedules. The spreadsheet remained in values format.
- Today's compliance filing includes, among other things, revised versions of Schedules A-1, A-2, A-3, A-4, A-5, A-6, B-1, B-2, B-3, C-1, C-2, C-3, D-1, D-2, E-1, E-2, E-3, E-4, E-5, E-6, E-7, E-8, F-1, F-2, and F-3. PREPA acknowledges that Schedules A-2, A-3, B-1, B-3, C-1, E-1, E-2, E-3, E-4, E-6, F-1 and F-2 were not deemed deficient in the June 13<sup>th</sup> Order. However, these additional "not deficient" Schedules have been revised only to add a reference to their corresponding **functional** version, as described below. All of the revised Schedules are being provided in an



attached spreadsheet called "Sch. A through F (Except for E-9, F-4) REV.xlsx" which remains in values format.

- PREPA understands that the Commission also seeks functional versions of those of the Schedules A through F that involve the use of formulae. (Some of the Schedules A through F essentially are just lists or other informative items that do not involve the use of formulae).
  - One of the spreadsheets that is attached to today's compliance filing is called "PREPA Rate Case Financial Model 2016-06-20\_Debt Restructuring\_ Rate\_Change to RR.xlsm". As the name suggests, this spreadsheet assumes debt restructuring and PREPA's proposed base rate changes. This spreadsheet has several tabs, one of which is called "RF\_Schedules". That tab includes **functional** versions of Schedules B-1, B-2, B-3, C-1, C-2, E-3, E-4, E-5, E-6, and E-7, for compliance purposes.
  - Another of the spreadsheets is entitled "PREPA Rate Case Financial Model 2016-06-20\_Debt Restructuring\_No Rate Change.xlsm". This spreadsheet has several tabs, one of which is called "RF\_Schedules". That tab includes **functional** versions of Schedules A-1, A-2, A-3, A-4, A-5, and A-6, for compliance purposes.
  - Please note that **functional** versions of Schedules F-1 and F-2 are found in both of those spreadsheets, for compliance purposes, because those two Schedules are drawn in part from each of those spreadsheets. More specifically, Schedules F-1 and F-2 incorporate by reference information from both the "PREPA Rate Case Financial Model 2016-06-20\_Debt Restructuring\_Rate Change to RR.xlsm" and the "PREPA Rate Case Financial Model 2016-06-20\_Debt Restructuring\_No Rate Change.xlsm" spreadsheets referenced above. Both spreadsheets contain tabs called "IS" – information related to PREPA's Income Statements –



and "BS" – information related to PREPA's Balance Sheets. Schedule F-1 incorporates by reference information from both "IS" tabs in both spreadsheets. Schedule F-2 incorporates by reference information from both "BS" in both spreadsheets.

**Complete List of Compliance Items**

The following table is a complete list of PREPA's response to the items identified in the June 13, 2016 Order.

<b>Item</b>	<b>PREPA's Response</b>	<b>File Name</b>	<b>Bates Range</b>
Schedule A-1	Schedule A-1 has been revised to identify rate year revenues at proposed and current rates. Schedule A-1 additionally incorporates by reference the "RF_Schedules" tab of the document submitted herewith entitled, "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_No Rate Change.xlsm" which includes a functional version of this Schedule.	Schedule A-1 REV.pdf	A 000008
Schedule A-4	Schedule A-4 has been revised to clarify that information related to "Gross Fixed Assets" does not include non-utility property. The revisions additionally indicate that Gross Fixed Assets and Net Utility Plant includes the amount of Construction Work in Progress ("CWIP") shown in Schedule A-4. Schedule A-4 additionally incorporates by reference the "RF_Schedules" tab of the document submitted herewith entitled, "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_No Rate Change.xlsm" which includes a functional version of this Schedule.	Schedule A-4 REV.pdf	A 000009
Schedule A-5	Schedule A-5 has been revised to indicate that information related to cash flows from Fiscal Years ("FY") 2012, 2013 and 2014 was taken from PREPA's audited financial statements which may not precisely reflect the changes in financial position presented for FYs 2015, 2016 and 2017. Schedule A-5 additionally incorporates by reference the "RF_Schedules" tab of the document submitted herewith entitled, "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_No Rate Change.xlsm" which includes a functional version of this Schedule.	Schedule A-5 REV.pdf	A 000010 – A 000011
Schedule A-6	Schedule A-6 has been updated to include the actual costs of Fuel and Purchased Power as provided by PREPA. Schedule A-6 additionally incorporates by reference the "RF_Schedules" tab of the document submitted herewith entitled, "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_No Rate Change.xlsm" which includes a functional version of this Schedule.	Schedule A-6 REV.pdf	A 000012 – A 000014

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Item	PREPA's Response	File Name	Bates Range
Schedule B-2/ PREPA Ex. 5.0	Schedule B-2 has been revised to clarify that it represents only a hypothetical calculation of revenue requirement since a Rate Base/Rate of Return approach was not utilized to calculate PREPA's revenue requirement. In PREPA Ex. 5.0 PREPA witnesses Pampush, Porter and Stathos compare this hypothetical Rate Base/Rate of Return approach with a Modified Cash Needs approach which was adopted to determine PREPA's revenue requirement. Schedule B-2 additionally incorporates by reference the "RF_Schedules" tab of the document submitted herewith entitled, "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_Rate Change to RR.xlsm" which includes a functional version of this Schedule. "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_Rate Change to RR.xlsm" contains supporting workpapers for each B Schedule adjustment.	Schedule B-2 REV.pdf	B 000005
Schedule C-2/ PREPA Ex. 5.0	Schedule C-2 has been revised to provide additional information regarding PREPA's pro forma income statements for the test year and the rate year. Schedule C-2 additionally incorporates by reference the "RF_Schedules" tab of the document submitted herewith entitled, "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_Rate Change to RR.xlsm" which includes a functional version of this Schedule. "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_Rate Change to RR.xlsm" contains supporting workpapers for each C Schedule adjustment.	Schedule C-2 REV.pdf	C 000005
Schedule C-3	Schedule C-3 has been revised to clarify that PREPA's proposal does not include the use of a Gross Revenue Conversion Factor ("GRCF") for any item; however, a hypothetical calculation of GRCF is provided only for illustrative purposes. Additionally, the document submitted herewith entitled, "PREPA Bad Debt Expense Ratio Calculation 2016 April.xlsx" is being provided as a workpaper for this Schedule.	Schedule C-3 REV.pdf	C 000006
Schedule D-1	The stated deficiency in Schedule D-1 is addressed in PREPA's Verified Combined Motion for Clarification, for Leave to Submit Table, and for Confidentiality Designation, filed with the Commission on June 17, 2016.	N/A	N/A
Schedule D-2	Schedule D-2 has been revised to compare the effect of restructuring PREPA's debt service on revenue requirement with a scenario in which PREPA's debt is not restructured.	Schedule D-2 REV.pdf	D 000009 – D 000022
Schedule E-5	Schedule E-5 has been revised to add all available account numbers. Additionally, the document entitled "Plant Investment and Depreciation FY14 and FY15 Reclassified.xlsx" is being provided as a workpaper for this Schedule.	Schedule E-5 CORR.pdf	E 000118
Schedule E-7	Schedule E-7 has been revised to include the following additional operating statistics: Total kWh Generation; Total kWh Sales; Total Average Clients; Average Monthly Consumption per Customer (kWh); Peak Demand; Barrels of Oil Consumed; and Load Factor.	Schedule E-7 REV.pdf	E 000119
Schedule E-8	Schedule E-8 has been revised to include the details of accounts receivable for each PREPA government client to which CLT applies as to the beginning and end of the test year.	Schedule E-8 REV.pdf	E 000120 – E 000124
Schedule F-3	Schedule F-3 has been revised to add IRP reference codes and a table summarizing the years covered by the proposed construction and capital expenditures.	Schedule F-3 REV.pdf	F 000023 – F 000037
Public Notice	The stated deficiency regarding the Public Notice is addressed in PREPA's Verified Combined Motion for Clarification, for Leave to Submit Table, and for Confidentiality Designation, filed with the Commission on June 17, 2016.	N/A	N/A

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Item	PREPA's Response	File Name	Bates Range
Functional versions of the applicable Schedules A-F	The stated deficiency regarding the provision of Excel files with formulas intact is addressed through the attachment of two Excel spreadsheets called "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_No Rate Change.xlsm" and "PREPA Rate Case Financial Model 2016-06-20_Debt Restructuring_Rate Change to RR.xlsm".	PREPA Rate Case Financial Model 160620_Debt Restructuring_No Rate Change.xml  PREPA Rate Case Financial Model 160620_Debt Restructuring_Rate Change to RR.xml	N/A
Dates of Schedule preparation and filing	The stated deficiency regarding the inclusion of dates of Schedule preparation and filing is addressed in PREPA's Verified Combined Motion for Clarification, for Leave to Submit Table, and for Confidentiality Designation, filed with the Commission on June 17, 2016.	N/A	N/A
Redaction of certain individual financial information in signature blocks of PREPA's production under Reg. No. 8720, Section 3.02(B)	The stated deficiency regarding the redaction of individual financial information in signature blocks in PREPA's production under Reg. No. 8720, Section 3.02(B) is addressed in PREPA's Verified Combined Motion for Clarification, for Leave to Submit Table, and for Confidentiality Designation, filed with the Commission on June 17, 2016.	N/A	N/A

WHEREFORE, the Puerto Rico Electric Power Authority respectfully requests that the Commission accept PREPA's 1<sup>st</sup> Submission of Material in Compliance with the Commission's Resolution and Order of June 13, 2016.

Respectfully submitted, on June 24, 2016.

THE PUERTO RICO ELECTRIC POWER AUTHORITY



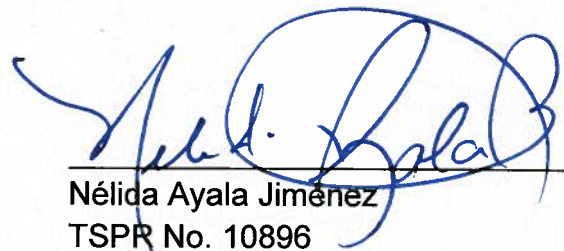
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**CERTIFICATE OF SERVICE**

I hereby certify that I have sent the above PREPA'S 1<sup>st</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 June 24, 2016.



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