

Puerto Rico Electric Power Authority

Embedded Cost of Service Model

Scenario 1: FY2017 with Restructuring

May 27, 2016

Functionalization Method

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

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Line	Description	Functionalization Method
37	Miscellaneous	Distribution
38		Not Applicable
39	Customer Billing Expense	Distribution
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	Distribution
48	Provision for CILT - Payments	Distribution
49	Provision for CILT - Subsidies	Distribution
50		Not Applicable
51	Adjustments	Not Applicable
52	Less Other Income	Distribution
53		Not Applicable
54	Capital Expenditures	Not Applicable
55	Maintenance Capex	Not Applicable
56	Generation	Production
57	Transmission	Transmission
58	Distribution	Distribution
59	Total System	Maintenance Capex
60	Investment Capex	Not Applicable
61	Generation	Production
62	Transmission	Transmission
63	Distribution	Distribution
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