

# COMMONWEALTH OF PUERTO RICO PUERTO RICO ENERGY COMMISSION

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW

**CASE NO.:** CEPR-AP-2015-0001

**SUBJECT**: PREPA'S URGENT MOTION FOR

**EXTENSION** 

#### RESOLUTION

Due to the imminent landfall of Hurricane María in Puerto Rico, on September 18, 2017, the Puerto Rico Energy Commission ("Commission") issued a Resolution temporarily suspending, effective September 19, 2017, all administrative proceedings before the Commission and any term for a party to appear before the Commission or file any corresponding pleading, motion or document.<sup>1</sup>

On September 29, 2017, the Puerto Rico Electric Power Authority ("PREPA") filed an *Urgent Motion for Extension of Provisional Rates and Schedules for Implementing New "Permanent" Rates and Related Processes* ("PREPA's Motion"). Through its Motion, PREPA requested the "Provisional Rate and the deadlines for implementation of the permanent rates and for any associated reconciliation be extended [...] until December 31, 2017."<sup>2</sup> Furthermore, PREPA also requested that any other filing required in relation to the Commission Final Resolution and Order in the instant proceeding, including the filing of budget materials and reconciliations, be extended until July 1, 2018.<sup>3</sup>

On October 2, 2017, PREPA filed an *Amended Urgent Motion for Extension of Provisional Rates and Schedules for Implementing New "Permanent" Rates and Related Processes* ("PREPA's Amended Motion") requesting a further extension of the effectiveness of the Provisional Rate and the deadlines for implementing the permanent rate until July 1, 2018.<sup>4</sup>

In light of the extent of the damages caused by Hurricane María, on October 5, 2017, the Commission issued a Resolution through which it stayed all administrative proceedings (including applicable terms) until either the Governor of Puerto Rico, Hon. Ricardo A. Rosselló Nevares, declared that a state of emergency is no longer in effect or until the

<sup>&</sup>lt;sup>1</sup> See Commission Resolution CEPR-MI-2017-0006.

<sup>&</sup>lt;sup>2</sup> PREPA's Motion at ¶8.

<sup>&</sup>lt;sup>3</sup> *Id*. at ¶10.

<sup>&</sup>lt;sup>4</sup> PREPA's Amended Motion at ¶8.



Commission was able to renew its operations with sufficient normalcy to continue with its proceedings.<sup>5</sup>

On October 31, 2017, the Commission issued a Resolution notifying its was resuming its administrative proceedings beginning on November 6, 2017 and providing specific instructions regarding the filing of pending motions, pleadings and documents. The Commission also specifically stayed, until further notice, five proceedings to which PREPA is a party.<sup>6</sup>

In light of the particular circumstances involving the limited availability of electric service and the uncertainties regarding the effects of Hurricane María on PREPA's financial and operational condition, which will not be fully known until the Commission is able to conclude a comprehensive investigation into the state of PREPA's electric system, the Commission hereby **GRANTS** in part and **DENIES** in part PREPA's request.

The Commissions **GRANTS** PREPA's request for a temporary extension of the effectiveness of the Provisional Rate and the specific deadlines established by the Commission in its January 10, 2017 Final Resolution and Order, as modified or amended through subsequent resolutions and orders, for the implementation of the permanent rate and the filing of supporting information and documentation related to required reconciliations and budgetary oversight and approvals. However, the Commission **DENIES** PREPA's request for such extension to last until July 1, 2018. As the restoration of electric service progresses and the Commonwealth's services and operations are normalized, the Commission will make a determination as to the appropriate timeline for the specific implementation of the directives and requirements associated with the instant proceeding, including the date of implementation of the permanent rate and the timeline and proceeding for the filing of budget materials and reconciliations.

The foregoing shall not be construed by PREPA as a limitation on the Commission's ability and authority to, at any moment, require PREPA to provide any and all information deemed relevant by the Commission to achieving a meaningful and effective oversight of PREPA's operations and actions.

Finally, the extensions granted herein are made pursuant to the Commission's authority under Section 6A of Act 83<sup>7</sup> and Article 6.25 of Act 57-2014.<sup>8</sup>

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<sup>&</sup>lt;sup>5</sup> See Commission Resolution CEPR-MI-2017-0007.

<sup>&</sup>lt;sup>6</sup> See Commission Resolution CEPR-2017-MI-0006/0007.

<sup>&</sup>lt;sup>7</sup> Act No. 83 of May 2, 1941, as amended, known as the Puerto Rico electric Power Authority Act, as amended.

<sup>&</sup>lt;sup>8</sup> The Puerto Rico Energy Transformation and RELIEF Act, as amended. For a detailed discussion of the Commissions powers and authority to extend the effectiveness of the Provisional Rate and the permanent rate, see Commission June 23, 2017 Resolution and Order in the instant case.



Be it notified and published.

Ángel R. Rivera de la Cruz Associate Commissioner José H. Román Morales Associate Commissioner Interim Chairman

#### **CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Commission has so agreed on October  $\frac{31}{2}$ , 2017. I also certify that today on November  $\frac{4}{2}$ , 2017 a copy of this Resolution regarding the Case No. CEPR-AP-2015-0001 was notified by electronic mail to the n-ayala@aeepr.com, n-vazquez@aeepr.com. following: i-morales@aeepr.com. codiot@oipc.pr.gov, jperez@oipc.pr.gov, aquino@aeepr.com, maribel.cruz@acueductospr.com, pga@caribe.net, ifeliciano@constructorespr.net, nydinmarie.watlington@cemex.com, aconer.pr@gmail.com, epenergypr@gmail.com, glenn.rippie@r3law.com, john.ratnaswamy@r3law.com, michael.guerra@r3law.com, abogados@fuerteslaw.com, jorgehernandez@escopr.net, pnieves@vnblegal.com, agraitfe@agraitlawpr.com, francisco.rullan@aae.pr.gov, ecandelaria@camarapr.net, mgrpcorp@gmail.com, manuelgabrielfernandez@gmail.com, mmuntanerlaw@gmail.com, licenciadamasferrer@gmail.com and wilma.lopez@aae.pr.gov. I also certify that today, November \_\_\_\_\_\_, 2017, I have proceeded with the filing of the Resolution issued by the Puerto Rico Energy Commission and I have sent a true and exact copy to the following:

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# **Energy & Environmental Consulting Services Corp.**

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For the record, I sign this in San Juan, Puerto Rico, today, November <u>4</u>, 2017.

María del Mar Cintrón Alvarado

Clerk