

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY BUREAU

18 OCT 24 AIO 55

IN RE: REVIEW OF THE PUERTO RICO ELECTRIC POWER AUTHORITY FY19 RATES	CASE NO.: CEPR-AP-2018-0002 SUBJECT: Proceeding to Determine PREPA's Rates for FY2019, and to Modify the January 2017 Rate Order.
--	--

MOTION COMMENTING PREPA'S INFORMATIVE MOTION AND PUBLIC
STATEMENTS REGARDING REVIEW OF FY19 RATES

TO THE ENERGY BUREAU:

NOW COMES INSTITUTO DE COMPETITIVIDAD Y SOSTENIBILIDAD
ECONOMICA DE PUERTO RICO (ICSE) REPRESENTED BY APPEARING COUNSEL
AND RESPECTFULLY STATES AND PRAYED:

1. On June 22, 2018, the Puerto Rico Energy Bureau ("Energy Bureau") issued a Resolution and Order Establishing the Calendar for Submission of Information ("June 22 Resolution and Order") in the FY 2019 Rates proceeding.
2. On September 17 PREPA requested a time extension from September 17, 2018 to September 25, 2018 or until the FOMB finally approved PREPA's budget.
3. On September 30, 2018 the Fiscal Oversight and Management Board (FOMB) issued a compliance certification that the fiscal year 2019 budget for the Puerto Rico Electric Power Authority ("PREPA"), as developed by the Oversight Board pursuant to section 202(c)(2), is a compliant budget as set forth in a Written Consent.
4. On October 4, 2018, Mr. José F. Ortiz Vázquez Chief Executive Officer of the Puerto Rico Electric Power Authority announced that PREPA will be reducing the rates that it charges consumers by 3.5-3.9 cents per kilowatt hour due to certain efficiencies in power generation.
5. On October 4, 2018 the FOMB issued a letter to The Honorable Ricardo A. Rosselló Nevares Governor of Puerto Rico and Mr. José F. Ortiz Vázquez Chief Executive Officer of Puerto Rico Electric Power Authority indicating that the FOMB believes that the assertions supporting the rate reduction announcement are inconsistent with the information and data that has been provided by PREPA about its liquidity, operational expenses, fuel costs, and

revenue projections. Additionally, the FOMB indicated that is concerned that this proposed rate reduction would cause a significant variance in PREPA's ability to service the Commonwealth loan to PREPA.

6. The FOMB requested to The Honorable Ricardo A. Rosselló Nevares Governor of Puerto Rico and to Mr. José F. Ortiz Vázquez Chief Executive Officer of Puerto Rico Electric Power Authority to provide by October 9, 2018 all supporting information to justify PREPA's announced efficiencies, PREPA's liquidity projections for fiscal year 2019, and PREPA's perspective on expected revenues for fiscal year 2019.
7. The actions on rate reduction by the Puerto Rico Electric Power Authority are done outside of and alter the regulatory proceeding that PREB is currently executing.

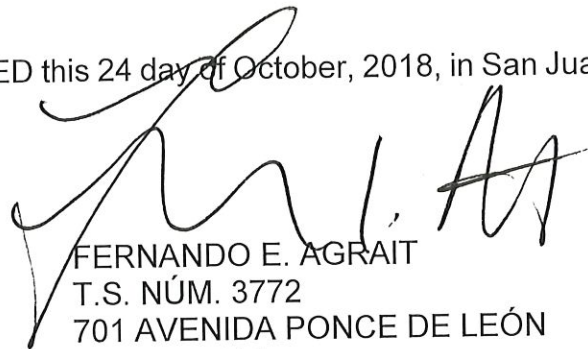
WHEREFORE ICSE respectfully request that the PREB, exercises its powers and request the Puerto Rico Electric Power Authority to cease and desist any announcement or action of rate modification outside of the regulatory proceeding the PREB is conducting and to submit to the PREB all documentation required as part of this announcement so the PREB in an expedite manner act upon it.

CERTIFY OF FILING AND SERVICE

I hereby certify that on October 16, 2018, I have sent the above filing (including its attachment) to the Puerto Rico Energy Bureau through its Clerk via email to secretaria@energia.pr.gov and mcintron@energia.pr.gov; and to the office of the Bureau's internal legal counsel via email to legal@energia.pr.gov and sugarte@energia.pr.gov.

Nitza D. Vázquez Rodríguez
TSPR No. 9311
Senior Attorney
Puerto Rico Electric Power Authority
PO Box 363928
San Juan, Puerto Rico 00936-4267
Tel. 787-521-449
Email: n-vazquez@aeep.com

RESPECTFULLY SUBMITTED this 24 day of October, 2018, in San Juan, Puerto Rico.

A handwritten signature in black ink, appearing to read 'F. Agrait', written over the printed name and address.

FERNANDO E. AGRAIT
T.S. NÚM. 3772
701 AVENIDA PONCE DE LEÓN
OFICINA 414
SAN JUAN, PUERTO RICO 00907
TELS 787-725-3390/3391
FAX 787-724-0353
EMAIL: agraitfe@agraitlawpr.com