

GOVERNMENT OF PUERTO RICO  
PUBLIC SERVICE REGULATORY BOARD  
PUERTO RICO ENERGY BUREAU



IN RE: PUERTO RICO ELECTRIC POWER  
AUTHORITY RATE REVIEW

CASE NO.: CEPR-AP-2015-0001; NEPR-AP-  
2018-0003

SUBJECT: PREPA's Refiling of Certain  
Documents and Request for Additional  
Information.

**RESOLUTION AND ORDER**

On March 28, 2019, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") held a Technical Conference (via telephone) with the Puerto Rico Electric Power Authority ("PREPA"). The purpose of the Technical Conference was to discuss certain information contained in PREPA's proposed Fuel, Purchased Power and Subsidies factors to be used in the implementation of the Permanent Rate on May 1, 2019. During the Technical Conference, the Energy Bureau instructed PREPA to provide certain information and to make several corrections or modifications to the documents related to the calculation of the aforementioned factors. This Resolution and Order contains the specific information and documents PREPA must provide to comply with the requests made during the technical conference.

In addition to the factors to be implemented on May 1, 2019, the Energy Bureau is analyzing the proposed factors to reconcile the provisional rate and the permanent rate, as well as the yearly and quarterly Fuel, Purchased Power and Subsidies factors to be applied on July 1, 2019. Based on our initial review of the documents provided in PREPA's compliance filings of February 21, 2019 and March 1, 2019, in the instant case, we determined that additional information is required. Appendix A to this Resolution and Order details the required information and documents associated with these factors.

Moreover, on March 29, 2019, PREPA filed a document titled "PREPA's Motion for Extension of Time for Updated Factor Calculations in Order to Allow Application of arch 28<sup>th</sup> Technical Conference Discussion" ("Motion"). In its Motion, PREPA request to extend the April 1, 2019, deadline for submission of the updated calculations of the fuel, purchased power and subsidies factors to be implemented on May 1, 2019. PREPA argued that the topics discussed during the March 28 Technical Conference will affect such calculations.<sup>1</sup> After reviewing PREPA's arguments, the Energy Bureau **GRANTS** PREPA's request for extension of the April 1 deadline. As such, PREPA must submit the updated calculations of the fuel, purchased power and subsidies factors to be implemented on May 1, 2019 on or before April 3, 2019.





<sup>1</sup> Motion, p. 2.

Therefore, the Energy Bureau **ORDERS** PREPA to (i) on or before 12:00 p.m. on April 3, 2019, file with the Energy Bureau the documents and information detailed in Sections (I) and (II) of Appendix A to this Resolution and Order, including updated calculations of the fuel, purchased power and subsidies factors to be implemented on May 1, 2019; and (ii) attend a Technical Conference (via telephone) at 10:00 a.m. on Friday, April 5, 2019 in order for PREPA to provide a thorough walkthrough of the documents listed in Section (III) of Appendix A to this Resolution and Order.



Any person interested in joining the technical phone conference can request, on or before April 3, 2019, the access information via email at legal@energia.pr.gov. All interested persons are welcomed to listen to the conference, however, the Energy Bureau will not allow questions from such participants.

Be it notified and published.

		
Ángel R. Rivera de la Cruz Associate Commissioner	Edison Avilés Deliz Chair	Lillian Mateo Santos Associate Commissioner
		
	Ferdinand A. Ramos Soegaard Associate Commissioner	

## CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on March 29, 2019. I also certify that on this date a copy of this Resolution and Order was notified by electronic mail to the following: astrid.rodriguez@prepa.com, jorge.ruiz@prepa.com, n-vazquez@prepa.com, n-ayala@prepa.com, c-aquino@prepa.com, j-morales@prepa.com, hriviera@oipc.pr.gov, maribel.cruz@acueductospr.com, pga@caribe.net, jfeliciano@constructorespr.net, nydinmarie.watlington@cemex.com, epenegypr@gmail.com, aconer.pr@gmail.com, glenn.rippie@r3law.com, john.ratnaswamy@r3law.com, michael.guerra@r3law.com, pnieves@vnblegal.com, abogados@fuerteslaw.com, jorgehernandez@escopr.net, ecandelaria@camarapr.net, agraitfe@agraitlawpr.com, francisco.rullan@aae.pr.gov, mgrpcorp@gmail.com, manuelgabrielfernandez@gmail.com, mmuntanerlaw@gmail.com, licenciadamasferrer@gmail.com and wilma.lopez@aae.pr.gov. I also certify that today, March 29, 2019, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and I have sent a true and exact copy to the following:





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For the record, I sign this in San Juan, Puerto Rico, today March 29, 2019.

A handwritten signature in blue ink, which appears to read 'M. del Mar Cintrón Alvarado'.

María del Mar Cintrón Alvarado  
Clerk

## Appendix A

### I. May 1, 2019 implementation factors

- (1) Provide a corrected version of the file identified as "Top CILT calculations 20190320.xlsx", using the methodology to calculate the municipal CILT allotment as established in Section 2.03 of Regulation 8818.
- (2) On the "TOP Calculations" tab of the file identified as "Top CILT calculations 20190320.xlsx", please identify and provide the source documents for column F, "2014 kWh Profit", and column G, "New SA's between 07/2014 and 06/2016".
- (3) Provide a list, by municipality, of the installations associated with the consumption listed on column G, "New SA's between 07/2014 and 06/2016" of the "TOP Calculations" tab of the file identified as "Top CILT calculations 20190320.xlsx". Also, for each installation, provide evidence that such installation complies with the requirements of Section 2.04 of Regulation 8818.
- (4) Refer to the files identified as "Calculo costo del CELI 2019 (Modificado).xlsx" and "Calculo costo del CELI 2019.xlsx". Provide the source data and methodology to calculate the distribution factors contained in the "Proporciones" tab.
- (5) Refer to the file identified as "ESTIMADO LUMINARIAS AFECTADAS POR MUNICIPIO 18 marzo 2019.xlsx". Provide clarification of the term "LUMINARIAS AFECTADAS", contained on all tabs. Also, provide clarification of the term "LUMINARIAS REPARADAS (INFORMES)".
- (6) As discussed in the March 28, 2019 Technical Conference, according to PREPA's data, only 85% of the public lighting is operating at this time. PREPA must use such percentage in the calculation of the estimated cost of municipal public lighting to be included in the subsidies' rider. PREPA must modify its work papers and proposed factor calculation sheets, as needed, to reflect this change. PREPA may opt to adjust the estimated cost of public lighting on a per-municipality basis, if such data is available. PREPA must provide a narrative of the changes made to its work papers and Excel files to reflect this directive.
- (7) Refer to the file identified as "Subsidios 2019 (Modificado).xlsx". On tab "RFR" cells L15 to L18 and L25 to L27 must contain the same formulas as cells L7 to L9. PREPA must correct these discrepancies and refile the document.
- (8) Refer to the files identified as "Ingresos mensuales 2019 (Modificado).xlsx" and "Ingresos mensuales 2019.xlsx". Provide the source data and methodology to calculate the values of cells D2 to D6 and D9 to E14 of the tabs "apr", "may" and "jun".
- (9) Provide updated versions of the following files to reflect the rate implementation date of May 1, 2019 (*i.e.*, eliminate the April data and its effects on the calculation



of the proposed factors): "DRAFT-Factores Ajuste 2019 Abril Filing 20190308.xlsx", "DRAFT-PROPOSED Factores Ajuste 2019 Abril Filing 20190308.xlsx", "DRAFT-PROPOSED Subsidios 2019 Abril Filing 20190308.xlsx", "DRAFT-Subsidios 2019 Abril Filing 20190308.xlsx", "Subsidios 2019.xlsx", "Subsidios 2019 (Modificado).xlsx", "Ingresos mensuales 2019.xlsx", and "Ingresos mensuales 2019 (Modificado).xlsx".



## **II. Reconciliation factors**

- (1) Refer to the file identified as "Reconciling Clause Reconciliations(Facturado) 20190219.xlsx" included in the March 1, 2019 compliance filing. Provide the source data for the "Fuel Expense" contained on Line No. 4 of the "i." tab.
- (2) Refer to the file identified as "Reconciling Clause Reconciliations(Facturado) 20190219.xlsx" included in the March 1, 2019 compliance filing. Provide the source data for the "Purchased Power Expense (Included renewable)" contained on Line No. 4 of the "j." tab.
- (3) Refer to the file identified as "Reconciling Clause Reconciliations(Facturado) 20190219.xlsx" included in the March 1, 2019 compliance filing. Provide the source data for the subsidies contained in Lines No. 7 to 22 of the "k." tab.
- (4) Refer to the file identified as "Reconciling Clause Reconciliations(Facturado) 20190219.xlsx" included in the March 1, 2019 compliance filing. Provide the source data and methodology for the calculation of the values contained in the "FY19" tab.

## **III. Files requiring a thorough walkthrough**

- (1) DRAFT-PROPOSED Factores Ajuste 2019 Abril Filing 20190308.xlsx
- (2) DRAFT-PROPOSED Subsidios 2019 Abril Filing 20190308.xlsx
- (3) DRAFT-Subsidios 2019 Abril Filing 20190308.xlsx
- (4) Subsidios 2019.xlsx
- (5) Subsidios 2019 (Modificado).xlsx
- (6) Ingresos mensuales 2019.xlsx
- (7) Ingresos mensuales 2019 (Modificado).xlsx
- (8) Calculo costo del CELI 2019.xlsx
- (9) Calculo costo del CELI 2019 (Modificado).xlsx