

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

2019 JUN 21 AM 11: 21

IN RE: THE PUERTO RICO ELECTRIC
POWER AUTHORITY

INITIAL RATE REVIEW


NO. CEPR-AP-2015-0001

SUBJECT: PREPA's Cover Filing for
Quarterly and Annual Riders
Compliance Filing and Procedural
Question

**PREPA'S COVER FILING FOR QUARTERLY AND ANNUAL RIDERS
COMPLIANCE FILING AND PROCEDURAL QUESTION**

The Puerto Rico Electric Power Authority ("PREPA") hereby respectfully submits to the Puerto Rico Energy Bureau (the "Energy Bureau") this Cover Filing for Quarterly and Annual Riders Compliance Filing and Procedural Question. This filing is submitted in compliance with the Energy Bureau's orders of April 25, and June 14, 2019, subject to PREPA's pending June 20, 2019, motion for clarification or reconsideration of one item in the June 14th order, as referenced further below. This filing also includes PREPA's request for the Energy Bureau's clarification of one aspect of the filing procedure for future quarterly and annual rider compliance filings.

1. This compliance filing involves: (a) quarterly factors and reconciliations for three riders; and (b) annual factors and reconciliations for three other riders, except that the three annual reconciliations automatically start at zero under the April 25th order.¹

 ¹ The April 25th order (at p. 1, fn. 1) indicates that a seventh rider, the Energy Efficiency Rider ("EE"), relates to a program that had not been implemented; that the factor for the EE rider therefore should be zero for May 1, 2019, through June 30, 2019; and, that the Energy Bureau would make a later determination of the annual factor to go into effect on July 1, 2019. The energy efficiency program still has not been implemented. The Bureau has not issued any further directive to PREPA on the subject of the EE rider. PREPA interprets that to mean that no factor is going into effect for the EE rider on July 1, 2019.

2. The three riders being addressed on a quarterly basis are: the Fuel Charge Adjustment Rider ("FCA"), the Purchased Power Charge Adjustment Rider ("PPCA"), and the Fuel Oil Subsidy Rider ("FOS"). The filing calculates the factors that will go into effect for those three riders, for a three-month period beginning on July 1, 2019, subject to Energy Bureau review and approval. The filing also presents the underlying supporting data.

3. The three riders being addressed here on an annual basis are: the CILT Cost Adjustment Rider ("CILTA"), the Help to Humans Subsidy Rider ("SUBA-HH"), and the Non-Help to Humans Rider ("SUBA-NHH"). The filing calculates the factors that will go into effect for those three riders, for a 12-month period beginning on July 1, 2019, subject to Energy Bureau review and approval.² The filing also presents the underlying supporting data.

4. This filing in part incorporates the applicable data in PREPA's June 19, 2019, compliance filing.

5. The attachments to this filing are the following three folders: NEPR – Filing 06192019, Supporting Data 06202019, and Riders Scenarios 06202019. The attachments are provided in electronic form only, on a USB drive.

6. There are two important points that must be presented in this filing.

7. First, PREPA does not yet have the May 2019 reconciliations data that was expected to be part of the quarterly reconciliations in this filing, and PREPA therefore proposes to add the May 2019 reconciliations data, on a one-time only basis, to the quarterly rider compliance filing due on September 13, 2019, while using the March and

² As noted earlier, the April 25th order sets the three annual reconciliations to start at zero.

April 2019 reconciliations data in today's compliance filing. That subject is discussed at greater length in PREPA's pending June 20th motion for clarification or reconsideration of one item in the June 14th order.

8. Second, PREPA, in this filing, is presenting two different scenarios for the Energy Bureau's review.

a. In the first scenario:

- The FCA, PPCA, and FOS riders incorporate March and April but not May 2019 reconciliations. The amounts for these riders were presented in PREPA's June 19th compliance filing.
- The factors will not include the effect of the Hurricane fuel and purchased power reconciliations backlog adjustments.
- The CILTA, SUBA-HH, and SUBA-NHH riders are based on forecasted costs only. The factors will not include the effect of the corresponding reconciliations presented in PREPA's June 19th compliance filing.
- Under this scenario, the typical bill will not reflect the effect of the proposed provisional rate reconciliation.

b. In the second scenario:

- The FCA, PPCA, and FOS riders incorporate March and April but not May 2019 reconciliations. The amounts for these riders were presented in PREPA's June 19th compliance filing.
- The factors will include the effect of the fuel and purchased power reconciliations backlog adjustments.

- The CILTA, SUBA-HH, and SUBA-NHH riders are based on forecasted costs and will include the effect of the corresponding reconciliations presented in PREPA's June 19th compliance filing.
- The typical bill will reflect the effect of the proposed provisional rate reconciliation.

9. The purpose for presenting two scenarios is that the Energy Bureau can evaluate the effect of a cleaner version and one that has all the reconciliation elements. The Scenario 1 is the cleaner version, subject to PREPA's pending June 20, 2019, motion for clarification or reconsideration of one item. The second scenario considers all the pending reconciliations presented in PREPA's June 19th compliance filing.

10. Finally, PREPA has a procedural question. PREPA has filed this quarterly and annual riders compliance filing in the 2015 rate implementation docket. PREPA is unsure, however, whether future quarterly and annual riders compliance filings also should be filed in this docket, in some other docket, or as some other form of submission without a specified docket. If the future filings continue to be filed in the 2015 rate implementation docket, then this docket will have to remain open "forever", so to speak, unless and until the future filings are reassigned to another docket. Moreover, if the future filings continue to be filed in the 2015 rate implementation docket, then they need to be served "forever", so to speak, on the numerous intervenors in the 2015 rate review, unless the Energy Bureau directs that continued service of the filings is not required. PREPA respectfully requests that the Energy Bureau clarify whether future quarterly and annual

riders compliance filings should be filed in this docket, in some other docket, or as some other form of submission without a specified docket.

WHEREFORE, the Puerto Rico Electric Power Authority respectfully requests that the Puerto Rico Energy Bureau accept this compliance filing (and the underlying June 19th compliance filing), grant PREPA's June 20th motion referenced above, address the procedural question raised with regard to future quarterly and annual riders compliance filings, and enter such other orders as are warranted.

RESPECTFULLY SUBMITTED,

IN SAN JUAN, PUERTO RICO, THIS 21st DAY OF JUNE, 2019

PUERTO RICO ELECTRIC POWER AUTHORITY

I HEREBY CERTIFY that the foregoing Motion was filed on this day at the office of the Clerk of the Puerto Rico Energy Bureau; and, further, that the was sent via email to the parties of record at the following email addresses: cfl@mcvpr.com; ivc@mcvpr.com; pnieves@vnblegal.com; mmuntanerlaw@gmail.com; maribel.cruz@acueductospr.com; jfeliciano@constructorespr.net; abogados@fuerteslaw.com; eirizarry@ccdlawpr.com; jose.maeso@aae.pr.gov; edwin.quinones@aae.pr.gov; nydinmarie.watlington@cemex.com; aconer.pr@gmail.com; epenegypr@gmail.com; jorgehernandez@escopr.net; ecandelaria@camarapr.net; pga@caribe.net; manualgabrielfernandez@gmail.com; agraitefe@agraitlawpr.com; mgrpcorp@gmail.com.



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