

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

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Received:
Sep 13, 2019
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IN RE:

**PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW**

CASE NO.:

CEPR-AP-2015-0001; NEPR-AP-2018-0003

SUBJECT:

PREPA's Request for Extension of Time to
Submit Reconciliations

**REQUEST FOR EXTENSION OF TIME TO SUBMIT
RECONCILIATIONS FOR THE MONTH OF AUGUST 2019**

TO THE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority through the undersigned legal representation and respectfully sets forth and pray:

1. On April 25, 2019, the Puerto Rico Energy Bureau (the "Energy Bureau") entered a Resolution and Order in which, among other matters, established and ordered the processes to be carried out for the approval of the factors associated with the fuel adjustment, purchased power, fuel oil subsidy, CILT cost adjustment, human and non-human subsidies and the energy efficiency riders (the "April 25 Resolution"). The Energy Bureau established that the factors associated with the fuel adjustment, purchased power, fuel oil subsidy were going to be reviewed and approved by the Energy Bureau on a quarterly basis, while the CILT cost adjustment, human and non-human subsidies and the energy efficiency factors would be reviewed and approved on a yearly basis.

2. The April 25 Resolution states that

[f]or the quarterly riders that will be in effect on October 1, 2019, [the Puerto Rico Electric Power Authority (PREPA)] will submit, on or before September 13, 2019, the proposed factors, including the proposed reconciliations for the months of June, July and August 2019. The Energy Bureau will review the information provided by PREPA and will timely approve the factors and reconciliations that will be in effect from October 1, 2019 to December 31, 2019.

3. Even though PREPA has been working diligently to present all the reconciliations to the Energy Bureau in a timely fashion, for the reasons already presented in the previously filed motions, it is impossible to comply and thus, PREPA moves the Energy Bureau to grant an extension of time, until the next quarterly period filing is due, to file the August 2019 reconciliation.

4. The instant request and PREPA's inability to comply with the April 25 Resolution's deadlines was anticipated to the Energy Bureau in the *PREPA's Motion for an Extension of Time and to Coordinate Overlapping Schedules* dated June 12, 2019 (the "June 12 Motion")¹.

5. As already mentioned in the June 12 Motion, new internal processes in the generation of the new reports and their data validation are inherent to the creation and establishment of the new rate structure. The new reports' format and contents must be reviewed by officers of several PREPA departments, including the Finance, Customer Service and the Planning and Environmental directorates. As of today, as it happened with the May 2019 reconciliation filing, PREPA has not been able to complete the processes required to generate and validate the reports. The PREPA Finance Department experienced significant delays in completing the accounting closes of May, June and July, and will not be able to complete the August 2019 accounting close by September 13, 2019. Even though PREPA agrees with the Energy Bureaus expressions' included in the June 21 Resolution, and its moving to "modify its internal processes to meet the Energy Bureau's requirements and to comply with its resolutions and orders", including the case of caption's, the April 25 Resolution's deadlines are still pressing to PREPA and do not fit into PREPA's current operational reality. PREPA acknowledges that it must move towards updating

¹ PREPA hereby incorporates all the arguments presented in the June 12 Motion to the arguments presented in the instant motion.

its systems and processes to be able to comply with the April 25 Resolution's deadlines. Among the changes PREPA has made to accelerate the accounting close process (once the reports issue is solved) is to further automatize the process to compute the sales and the reconciliation adjustments, as well as assigning additional staff to process and validate the information of monthly fuel costs, as provided by the Fuel Office and the administrative staff of the different power plants. PREPA is in the process of identifying additional revisions and implementations to the already-existing internal proceedings. Such revisions will be informed to the Energy Bureau in due course.

6. For the reasons stated above, PREPA informs the Energy Bureau that it will not be able to comply with both the April 25 Resolution deadline to present the August 2019 reconciliation and respectfully requests and extension of time, until the next quarterly period filing is due, to submit the reconciliation pertaining to August 2019.

WHEREFORE, PREPA respectfully moves the Energy Bureau to grant an extension of time until the next quarterly period filing is due to present the August 2019 reconciliation.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 13th day of September 2019.

/s/ Katuska Bolaños
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CERTIFICATE OF SERVICE

We hereby certify that, on this same date we have filed the above motion at the office of the Clerk of the Puerto Rico Energy Bureau; and a courtesy copy of the filing was sent via e-mail to the Puerto Rico Energy Bureau Clerk and internal legal counsel to: secretaria@energia.pr.gov; wcordova@energia.pr.gov; legal@energia.pr.gov; and sugarte@energia.pr.gov.

In addition, the foregoing filing was sent via e-mail to: jorge.ruiz@prepa.com; nvazquez@prepa.com; n-ayala@prepa.com; c-aquino@prepa.com; j-morales@prepa.com; hrivera@oipc.pr.gov; glenn.rippie@r3law.com; john.ratnaswamy@r3law.com; miguel.guerra@r3law.com; abogados@fuerteslaw.com; francisco.rullan@aae.pr.gov; mgrpcorp@gmail.com; licenciadamasferrer@gmail.com; wilma.lopez@aae.pr.gov; cfl@mcvpr.com; ivc@mcvpr.com; pnieves@vnblegal.com; mmuntanerlaw@gmail.com; maribel.cruz@acueductospr.com; jfeliciano@constructorespr.net; abogados@fuerteslaw.com; eirizarry@ccdawpr.com; edwin.quinones@aae.pr.gov; nydinmarie.watlington@cemex.com; aconer.pr@gmail.com; epenergypr@gmail.com; jorgehernandez@escopr.net; ecandelaria@camarapr.net; pga@caribe.net; manuelgabrielfernandez@gmail.com; mreyes@midapr.com; agraitfe@agraitlawpr.com; attystgo@yahoo.com;

In San Juan, Puerto Rico, this 13th day of September 2019.

/s/ Katuska Bolaños
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