



**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: Resolution and Order on the
Puerto Rico Electric Power Authority's
Request for Extension of Time to Submit
Reconciliations for the Month of August
2019.

RESOLUTION AND ORDER

On September 13, 2019, the Puerto Rico Electric Power Authority ("PREPA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Request for Extension of Time to Submit Reconciliations for the Month of August 2019* ("Motion"). In its Motion, PREPA requested the Energy Bureau permission to transfer the August 2019 reconciliation to the next quarterly period (i.e. the quarterly period from January 1, 2020 to March 31, 2020).¹

PREPA argued that even though it "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".² Moreover, PREPA expressed that "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."³ PREPA also stated that "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."⁴

PREPA's arguments are very similar to those presented in its June 12, 2019 *Motion for an Extension of Time and to Coordinate Overlapping Schedules* ("June 12 Motion") and its June 20, 2019 *Motion for Clarification or Reconsideration of One Item in June 14th Order* ("Motion for Clarification") regarding the reconciliation of the riders corresponding to the

¹ Motion, p. 2, ¶ 3.

² *Id.*

³ *Id.*, ¶ 5.

⁴ *Id.*

month of May 2019. In its Motion for Clarification, PREPA requested to transfer, **on a one-time basis**, the May 2019 reconciliation to the next quarterly review.⁵ On the other hand, in its June 12 Motion, PREPA described an accounting closeout process that was suited for the monthly reconciliation of the Fuel and Purchased Power Adjustment Clauses under the previous rate structure, but not the current one.⁶

On several occasions, the Energy Bureau has specifically instructed PREPA to modify its internal procedures to comply with the Energy Bureau's orders.⁷ Moreover, PREPA has been aware since May 31, 2017 that the quarterly reconciliation requests must be filed before the end of the second week of the third month of each quarter.⁸ PREPA has willingly ignored the Energy Bureau's orders with its refusal to modify its internal procedures to meet the Energy Bureau's timeline requirements.

The quarterly filings of the rider reconciliations are a vital component of the implementation of the new PREPA rates. As such, PREPA is required to comply with the deadlines and schedules mandated by the Energy Bureau. PREPA has failed to do so, even though it has had ample time to adhere to said deadlines and schedules.

Therefore, the Energy Bureau **DENIES** PREPA's request to transfer the August 2019 reconciliation to the next quarterly period, therefore the deadline of September 13, 2019 for the quarterly submission remains. The Energy Bureau **REMINDS** PREPA that the quarterly filing for the rider factors that will be in effect from October 1, 2019 to December 31, 2019, shall include the reconciliations for the months of May, June, July and August 2019, in accordance with the provisions of the June 21, 2019 Resolution and Order in the instant case. The Energy Bureau will not establish the rider factors for the period of October 1, 2019 to December 31, 2019 unless it has the complete reconciliation information.

The Energy Bureau **ORDERS** PREPA to attend a Technical Conference on Tuesday September 17, 2019 at 3:00 p.m. at the Energy Bureau's Hearing Room, located at the World Plaza Building, 268 Muñoz Rivera Ave., 8th Floor, San Juan, Puerto Rico. The purpose of the Technical Hearing is for PREPA to present and explain the steps it has taken towards modifying its internal procedures to comply with the orders and deadlines established in the instant case and in the approved PREPA Tariff Book.

Finally, the Energy Bureau **WARNS** PREPA that non-compliance with the deadline set forth in the April 25, 2019 Resolution and Order will result in the imposition of a **DAILY** fine in the amount of five thousand dollars (\$5,000.00) until PREPA present a complete

⁵ Motion for Clarification, p. 3, ¶ 7.


⁶ June 12 Motion, pp. 4 – 5.

⁷ See Resolution and Order, Case No. CEPR-AP-2015-0001, June 14, 2019, p. 2; and Resolution and Order Case No. CEPR-AP-2015-0001, June 21, 2019, p. 2. ("However, PREPA must modify its internal procedures to meet the Energy Bureau's requirements and its resolutions and orders. Not the other way around.")

⁸ See Resolution and Order, Case No. CEPR-AP-2015-0001, May 31, 2017. See also PREPA's Tariff Book.

reconciliation filing, starting at 5:30 pm on Friday September 13, 2019. For the purpose of the aforementioned fine, a day is defined as a period of twenty-four hours, or part thereof, starting at 5:30 pm of a given day and ending at 5:29:59 pm the next day.

Be it notified and published.



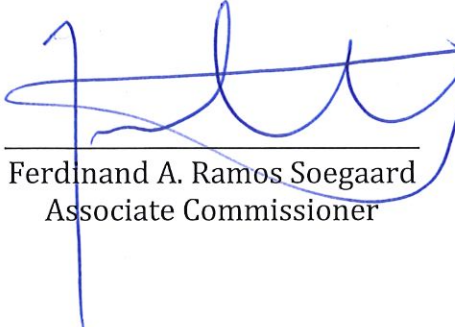
Edison Avilés Deliz
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Ángel R. Rivera de la Cruz
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Ferdinand A. Ramos Soegaard
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CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on September 13, 2019. I also certify that on September 13, 2019 a copy of this Resolution was notified by electronic mail to the following: astrid.rodriquez@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, epenergypr@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, September __, 2019, I have proceeded with the filing of the Resolution 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 September 13, 2019.

Wanda I. Cordero Morales
Clerk