

NEPR

Received:

May 26, 2020

12:00 PM

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

IN RE:

**PUERTO RICO ELECTRIC POWER
AUTHORITY PERMANENT RATE**

CASE NO.:
NEPR-MI-2020-0001

SUBJECT:
Bench orders entered on May 22, 2020.

**ERRATA MOTION IN COMPLIANCE WITH BENCH ORDERS ENTERED
DURING MAY 22, 2020 TECHNICAL CONFERENCE**

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 as follows:

1. On May 22, 2020, the Energy Bureau of the Puerto Rico Service Regulatory Board (the “Energy Bureau”) held a Technical Conference to discuss several documents that the Puerto Rico Electric Power Authority (PREPA) filed last week. During the Technical Conference the Energy Bureau entered two bench orders. The first order directed PREPA to submit a revised estimate of fuel costs for the month of June 2020 and the second order was for PREPA to report on its current cash flow status and inform whether PREPA is considering any Federal Emergency Management (FEMA) reimbursement in the projections to manage the corporation or not. In compliance with both orders, PREPA herein submits the following.

CASH FLOW UPDATE

2. PREPA monitors its cash flow on daily basis. Also, PREPA prepares a cash flow report which was last updated on May 20, 2020.¹ The Cash Flow Report is updated on a weekly basis and shared with several PREPA stakeholders.

3. As the Cash Flow Report states, PREPA's projections include assumptions considering the COVID-19 impact on residential, commercial and industrial customers to date. Given that the COVID-19 situation is ongoing, the impacts to date are not necessarily indicative of future impacts; and therefore the Cash Flow Report budget remains subject to potential material change.

4. The most recent version of the Cash Flow Report includes a budget to actuals account from March 27 through May 15 and also, a revised budget.² As the budget to actuals and the updated cash flow report show, PREPA's projections do consider any substantial FEMA reimbursements to be received during the next 13 weeks.³ The only FEMA reimbursement contemplated in the Cash Flow Report is a \$10MM payment to be received during the week of June 26, 2020.⁴ The reimbursement is for office expenses that are part of the Management Cost Project Worksheet.

REVISED FUEL COST ESTIMATES FOR THE MONTH OF JUNE 2020

5. As requested by the Energy Bureau during the Technical Conference, PREPA revised the fuel cost estimates for the month of June 2020. PREPA herein submits the revised cost

¹ Puerto Rico Electric Power Authority 13-Week Cash Flow Report, May 20, 2020 (the "Cash Flow Report") (Exhibit A).

² See Exhibit A at page 5 and 6, respectively.

³ *Id.* at page 6.

⁴ *Id.* at A, page 6, Restoration, Reconstruction & Insurance, FEMA Proceeds, week 6/26.

estimates with the assumptions used to complete the PROMOD simulation for the generation and fuel budget per power plant and the detailed estimate of maximum demand, consumption and generation.⁵

WHEREFORE, PREPA respectfully requests the Energy Bureau to note the filing of the attached documents and PREPA's compliance with the bench orders entered during the Technical Conference held on May 22, 2020.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 26th day of May 2020.

/s Katiuska Bolaños
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⁵ See Exhibit B and C, respectively.

Exhibit A

Cash Flow Report



Puerto Rico
Electric Power
Authority

Puerto Rico Electric Power Authority

13-Week Cash Flow Update

May 20, 2020

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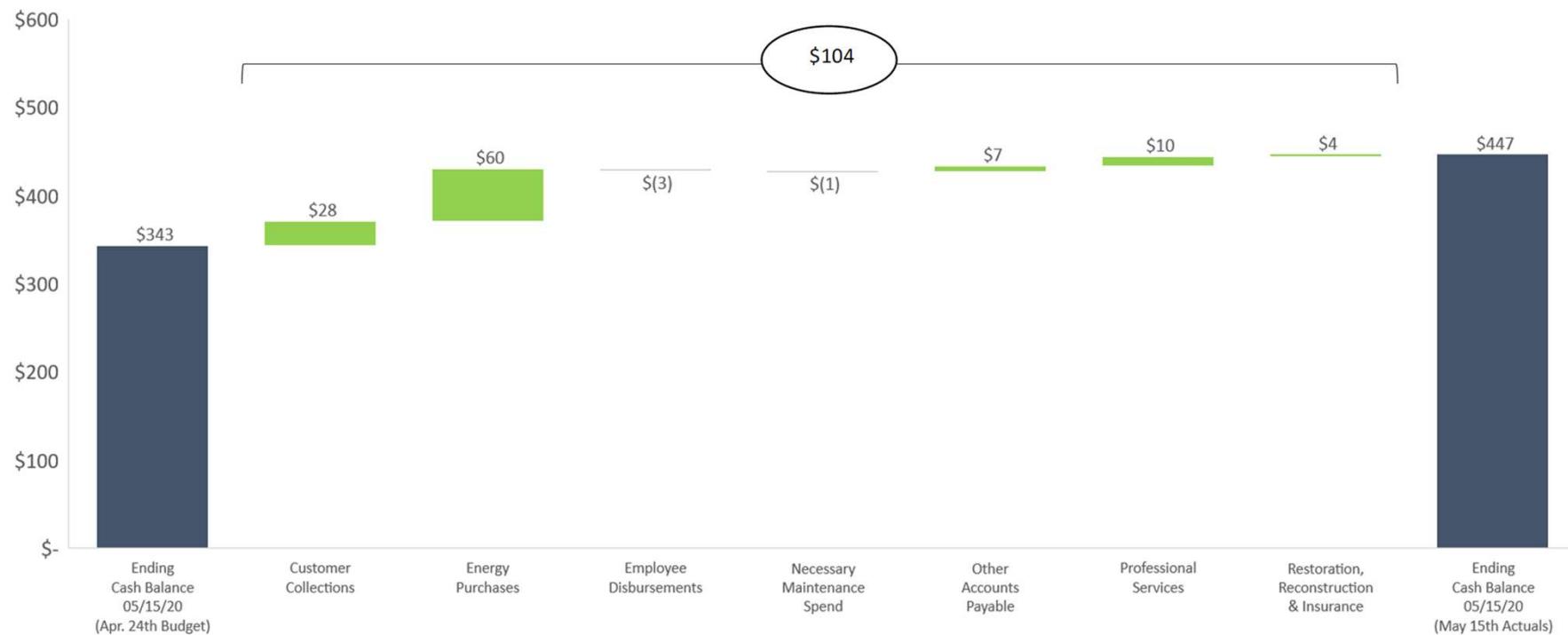
General Overview

- The April 24th Budget With Actuals Through 5/15 vs April 24th Budget Cash Bridge captures the cumulative variance from 04/17/20 through 05/15/20
- Any timing related variances from actual weeks have not been re-timed into future periods for purposes of this analysis

The projections set forth in this report are based on cash flow projections prepared by PREPA on or before April 24, 2020. On March 12, 2020, Governor Wanda Vázquez Garced declared a state of emergency for Puerto Rico in response to the worldwide COVID-19 outbreak. On March 15, 2020, the Governor signed an Executive Order to Make Viable the Necessary Government and Private Closures to Fight the Effects of Coronavirus (COVID-19) and Control the Risk of Contagion on Our Island, Administrative Bulletin No. OE-2020-023 (the “Executive Order”). The Executive Order directed the closure of all businesses in Puerto Rico as of March 15 at 6:00 p.m. until March 30, 2020 (the “Emergency Period”) and imposed a curfew from 9:00 p.m. through 5:00 a.m. during which all residents of Puerto Rico must remain in their residences. In addition, on March 23, 2020, the Governor formally announced that the utilities in Puerto Rico, including PREPA would not disconnect customers for non-payment during the Emergency Period. On April 11, 2020, Governor Vazquez extended the Emergency Period until May 3, 2020. On May 1, 2020, the Governor issued an Executive Order extending the mandatory lockdown through May 25, 2020, with certain exceptions.

The projections presented herein utilize assumptions taking into account the COVID-19 impact to residential, commercial and industrial customers of PREPA to date. As the COVID-19 situation is ongoing, the impacts to date are not necessarily indicative of future impacts; and therefore the cash flow budget remains subject to potential material change.

April 24th Budget With Actuals Through 5/15 vs April 24th Budget Cash Bridge as of May 15, 2020



- “Customer Collection” variance partially due to timing and higher than budgeted run rate related to residential and commercial customers
- “Energy Purchases” variance primarily due to timing of AES and EcoElectrica payments (\$58.6MM budgeted for 5/15; however, actual payment was made on 5/18)
- “Employee Disbursements” variance primarily due to higher than budgeted overtime and related social security and payroll tax payments
- “Other Accounts Payable” variance primarily due to the timing of check receipts and disbursements clearing our operating accounts
- “Professional Services” variance primarily due to timing of PREPA Restructuring & Title III related payments
- “Restoration, Reconstruction & Insurance” variance primarily due to timing of payments related to Costa Sur repairs

Exhibit B

PROMOD Simulation and June 2020 Estimate Assumptions

Energy Dispatch (June 2020) - PROMOD

- Load Forecast:

Estimado junio 2020 (millones de kWh)

Gen	1,644.5
DMAX	2763

- Costa Sur plant was not considered in operation.
- San Juan combined cycle considered using natural gas during the study period.
- Unit availability according to information provided by Operations.
- Fuel price forecast provided by PREPA's Fuel Office:

	Bunker Aguirre (\$/Bbl)	Bunker SJ/PS (\$/Bbl)	Diesel (\$/Bbl)
June 2020	47.81	45.81	50.61

Natural Gas SJCC	Forecast Price (\$/MMBtu)
June 2020	10.4665

- Purchased energy costs provided by Planning Directorate.
 - Coal price: \$4.3887/MMBtu
 - Eco's fuel price: \$4.8322/MMBtu
 - Eco's spot fuel price Eco: \$11.50/MMBtu



GENERACION Y PRESUPUESTO DE COMBUSTIBLE POR PLANTA

Proyección: Demanda enviada por JE 22MAY2020

(Incluyendo Acarreo y Generación Bruta)

Junio 2020

Año Fiscal 2020

JUN

AGUIRRE	Residual	BBLX1000	634
		MBTUX1000	3,994
		\$000	30,310
		ACARREO	254
		\$000 TOTAL	30,563
		\$/BBL	48.21
		\$/MBTU	7.65
		GWHR	406
		<i>MCF</i>	0
COSTA SUR	Gas Natural	MBTUX1000	0
		BBLX1000Equivalente	0
		\$000 TOTAL	0
		\$/BBL	0.00
		\$/MBTU	0.00
		GWHR	0
		BBLX1000	399
		MBTUX1000	2,516
		\$000	18,295
PALO SECO	Residual	ACARREO	160
		\$000 TOTAL	18,455
		\$/BBL	46.21
		\$/MBTU	7.33
		GWHR	250
		BBLX1000	177
		MBTUX1000	1,113
		\$000	8,090
		ACARREO	71
SAN JUAN	Residual	\$000 TOTAL	8,161
		\$/BBL	46.21
		\$/MBTU	7.33
		GWHR	105
		BBLX1000	58
		MBTUX1000	334
		\$000	2,911
		ACARREO	23
		\$000 TOTAL	2,934
CICLO COMBINADO AGUIRRE	Destilado	\$/BBL	51.01
		\$/MBTU	8.79
		GWHR	28
		BBLX1000	130
		MBTUX1000	752
		\$000	6,566
		ACARREO	52
		\$000 TOTAL	6,618
		\$/BBL	51.01
TURBINAS DE COMBUSTION & MAYAGÜEZ	Destilado	\$/MBTU	8.79
		GWHR	69
		BBLX1000	18
		MBTUX1000	103
		\$000	898
		ACARREO	7
		\$000 TOTAL	906
		\$/BBL	51.01
		\$/MBTU	8.79
CAMBALACHE	Destilado	GWHR	8
		BBLX1000	0
		MBTUX1000	0
		\$000	0
		ACARREO	0
		\$000 TOTAL	0
		\$/BBL	0.00
		\$/MBTU	0.00
		GWHR	0
REPOWERING SJ5&6	Destilado	BBLX1000	0
		MBTUX1000	0
		\$000	0
		ACARREO	0
		\$000 TOTAL	0
		\$/BBL	0.00
		\$/MBTU	0.00
		GWHR	0
		<i>MCF</i>	1,868,242
REPOWERING SJ5&6	Gas Natural	MBTUX1000	1,962
		BBLX1000Equivalente	311
		\$000 TOTAL	20,532
		\$/BBL	65.94
		\$/MBTU	10.47
		GWHR	250
		SUB-TOTAL \$000	88,168
		TOTAL \$000	88,168
		BBLX1000Equivalente	1,726
SISTEMA TOTAL		MBTUX1000	10,773
		\$/BBL Equivalente	51.07
		\$/MBTU	8.18
		GWHR	1,116
		HIDRO (GWHR)	4
		TOTAL (GWHR)	1,120
		\$000	31,693
		\$/MWH	106.63
		GWHR	297
COMPRA ENERGIA	EcoEléctrica	\$000	22,964
		\$/MWH	122.65
		GWHR	187
	AES	\$000	54,657
		\$/MWH	112.82
		GWHR	484
	COMPRA ENERGIA RENOVABLE	\$000	4,512
		\$/MWH	189.85
		GWHR	24
		\$000	2,186
		\$/MWH	166.48
		GWHR	13
		\$000	346
		\$/MWH	100.00
		GWHR	3
		\$000	7,044
		\$/MWH	174.55
		GWHR	40

* En el caso de gas natural el costo por acarreo de combustible está incluido en el precio del combustible.

* La generación de las cogeneradoras y de los proyectos de energía renovable se presenta en valores netos.

Exhibit C

[The native form of this exhibit has been submitted under.]

2018	4.32	(8.74)
2019	4.51	4.60

average	4.62	(2.78)	0.9722
crecimiento promedio anual		(0.01)	0.9999

Seleccionado		%	
Cambio porcentual			
Generación junio 2020	1,644.5	gen. 2019	Cambio
julio a mayo (may est.)	17,101.1	18,430.6	1.71
Gen estimada 2019-20	18,745.6	gen 2017	-7.20
20,199.9			

Tasa de crecimiento		%	
Generación marzo a junio 2015	1,691.5		
julio a mayo (may est.)	17,101.1	18,430.6	1.96
Gen estimada 2019-20	18,792.6	gen 2017	-6.97
20,199.9			

Distribución Ventas por Clase de Servicio

Datos - gen y consumo abril

Clase de Servicio	Jul-abril 2020	Jul - Abril 2019	% de cambio	Jul-abril 2017	% de cambio	Año Fiscal 2019	Estimado Extrapolación	% cambio con 2019	Año Fiscal 2017	% cambio con Estimado 2020
Residencial	5,180.7	5,007.0	3.47	5,277.8	-1.84	6,074.5	6,372.1	4.90	6,392.3	-0.32
Comercial	6,147.0	6,246.8	-1.60	6,690.2	-8.12	7,535.4	7,297.0	-3.16	8,036.7	-9.20
Industrial	1,624.8	1,710.7	-5.02	1,820.3	-10.74	2,069.9	1,963.0	-5.17	2,187.5	-10.27
Alumbrado Público	264.1	259.2	1.88	266.8	-1.03	304.2	312.7	2.82	318.9	-1.95
Agrícola	21.1	21.1	-0.15	21.6	-2.36	25.6	25.4	-0.69	25.8	-1.61
Otras Autoridades	34.1	32.1	5.99	28.1	21.10	40.3	39.5	-2.01	34.5	14.49
Total	13,271.8	13,277.0	-0.04	14,104.8	-5.91	16,049.8	16,009.7	-0.25	16,995.8	-5.80
Generación	15,505.7	15,168.7	2.22	16,722.4	-7.28	18,430.6	18,745.6	1.71	20,199.9	-7.20
Demanda Máxima	2,866	2,771	3.43	3,087	(7.16)	2,771	2,866	3.43	2,810	1.98
Eficiencia*:	0.8559	0.8753		0.8435		0.8708	0.8540		0.8414	

Generación diaria de mayo 2020

Row Label: Sum of MW

5/1/20	50383 v
5/2/20	48041 s
5/3/20	47187 d
5/4/20	50678 l
5/5/20	50791 m
5/6/20	52037 w
5/7/20	53491 j
5/8/20	53812 v
5/9/20	52047 s
5/10/20	49044 d
5/11/20	51342 l
5/12/20	51268 m
5/13/20	51928 w
5/14/20	51395 j
5/15/20	51440 v
5/16/20	49800 s
5/17/20	49995 d
5/18/20	54169 l
5/19/20	53743 m
5/20/20	53661 w
5/21/20	55517 j
5/22/20	52626 v
5/23/20	48921 s
5/24/20	49520 d
5/25/20	52756 l
5/26/20	52506 m
5/27/20	52795 w
5/28/20	53456 j
5/29/20	52626 v
5/30/20	48921 s
5/31/20	49520 d

Total 1,595,413

Revisión factor

l	52,755.5
m	52,505.5
w	52,794.5
j	53,456.0
v	52,626.0
s	48,920.5
d	49,519.5

Peak Load

Row Label: Max of MW
5/1/20 2393 v
5/2/20 2313 s
5/3/20 2328 d
5/4/20 2347 l
5/5/20 2373 m
5/6/20 2498 w
5/7/20 2526 j
5/8/20 2563 v
5/9/20 2451 s
5/10/20 2355 d
5/11/20 2398 l
5/12/20 2402 m
5/13/20 2407 w
5/14/20 2409 j
5/15/20 2427 v
5/16/20 2392 s
5/17/20 2473 d
5/18/20 2531 l
5/19/20 2493 m
5/20/20 2470 w
5/21/20 2656 j
2656