

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



IN RE: THE UNBUNDLING OF THE ASSETS
OF THE PUERTO RICO ELECTRIC POWER
AUTHORITY

CASE NO.: NEPR-AP-2018-0004

SUBJECT: Report on Cost Allocation Methods
and Unbundling; Comments, Requirements
for Information and Production of
Documents.

RESOLUTION

On September 4, 2020, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued an Order in which it published the Report on Cost Allocation Methods and Unbundling Issues (“Unbundling Report”) prepared by its consultant, Resource Insight, Inc.¹ As expressed in the Order, the Report focuses on three major issues:

1. Cost allocation methods that could be applied in determining class cost responsibilities for PREPA;
2. Using the best available data to identify the portion of the class cost responsibilities associated with each major function, and particularly the generation function, which some customers may be allowed to procure from a supplier other than PREPA; and
3. Estimating the portion of PREPA’s generation costs that would be stranded costs if some customers were to switch to another power supplier and not pay for any of PREPA’s generation costs.

In the Order, the Energy Bureau provided stakeholders an opportunity to provide comments on the Report, before requiring the Puerto Rico Electric Power Authority (“PREPA”) to file unbundled rates that conform to the methodologies set forth in the Report. The Energy Bureau ordered PREPA to file comments on the Report, using Appendix B to the Order as guidance and respond to the data requests set forth in Appendix C to the Order, within three weeks of the notification date of the Order (*i.e.*, September 25, 2020).

¹ See Appendix A to the Order. Note that this Report was completed prior to the issuance of the Final Resolution and Order in the proceeding for the Integrated Resource Plan (CEPR-AP-2018-0001) and therefore, there may be a few minor items that will need to be revised going forward.

The Energy Bureau invited all stakeholders and interested parties to file comments on the Report, using Appendix B as guidance², no later than three weeks of the notification date of the Order (*i.e.*, September 25, 2020). Furthermore, all reply comments regarding PREPA's responses and to the filed comments, should be provided two weeks thereafter.

Notwithstanding the foregoing, in order to provide for ample public participation, the Energy Bureau grants the **general public** two weeks, from the date of notification of this Resolution, to file, in addition to its reply comments to PREPA's responses, any comments regarding the Report.

Be it notified and published.



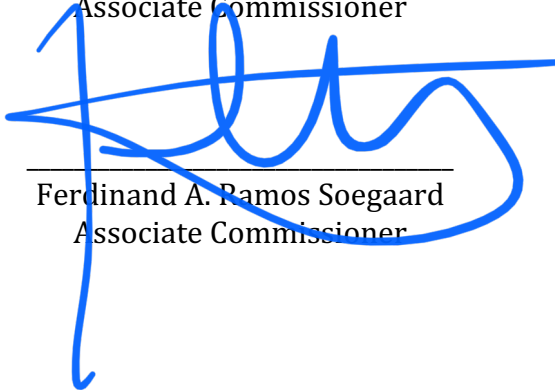
Edison Avilés Deliz
Chairman



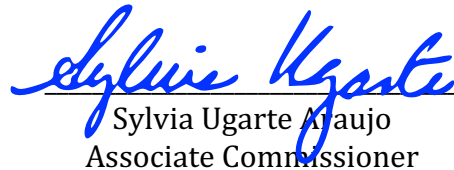
Ángel R. Rivera de la Cruz
Associate Commissioner



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia Ugarte Araujo
Associate Commissioner



² Note, however, that PREPA and stakeholders are invited to provide comments on any aspect of the Report.

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on September 26, 2020. I also certify that on September 26, 2020 a copy of this Order was notified by electronic mail to the following: astrid.rodriguez@prepa.com, jorge.ruiz@prepa.com, n-vazquez@aepr.com and c-aquino@prepa.com. I also certify that today, September 26, 2020, I have proceeded with the filing of the Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today September 26, 2020.


Wanda I. Cordero Morales
Clerk

