

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

NEER

Received:

Apr 5, 2021

1:45 PM

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

CASE NO.:
NEPR-AP-2018-0004

SUBJECT:
Weekly Status Report;
April 2, 2021

**MOTION TO SUBMIT WEEKLY STATUS REPORT FOR
THE WEEK ENDING ON APRIL 2, 2021**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW, the Puerto Rico Electric Power Authority (the “Authority”), through its undersigned counsel and, in compliance with the February 5, 2021 Order¹, respectfully submits the *Estimate of Deliverables and Timing of Meeting Regulatory Commitment for an Unbundled Rate Proposal* (the “Weekly Status Report”) dated April 2, 2021. Exhibit A.

WHEREFORE, the Authority respectfully requests the Puerto Rico Energy Bureau of the Public Service Regulatory Board to note the Authority’s compliance with the Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 5th day of April 2021.

¹ *Resolution and Order* entered on February 5, 2021 (the “Order”).

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CERTIFICATE OF SERVICE

It is hereby certified that, on this same date, I have filed the above motion with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and a courtesy copy of the filing was sent via e-mail to hrivera@oipc.pr.gov, ramonluisnieves@rlnlegal.com; manualgabrielfernandez@gmail.com; ccf@tcm.law.

In San Juan, Puerto Rico, this 5th day of April 2021.

/s Joannely Marrero Cruz

Joannely Marrero Cruz

Exhibit A



Memorandum

To: Puerto Rico Electric Power Authority

From: Guidehouse

Date: April 2, 2021

Re: Puerto Rico Energy Bureau Weekly Status Report, *Estimate of Deliverables and Timing of Meeting Regulatory Commitment for an Unbundled Rate Proposal*

This status report describes work performed in the preceding week, **March 26 – April 1, 2021**, on the tasks outlined in the *Estimate of Deliverables and Timing of Meeting Regulatory Commitment for an Unbundled Rate Proposal*, in support of the May 10, 2021 filing deadline established by the Energy Bureau.

Description of Work Performed

- Guidehouse continued Cost of Service analysis including:
 - Finalizing slides for internal Cost of Service Workshop, including methodology, assumptions, and preliminary results
 - Updating marginal capacity costs by driver (e.g., restoration, resilience, lifecycle replacement, load, and policy) and asset category (e.g., generation, transmission, and distribution) based on source of capital funded projects
 - Continuing to identify load sensitivity and capital investment planning scenarios to further assess marginal cost estimates
- Guidehouse continued rate design activities including:
 - Calculating residual revenue requirements based on current rates / total revenue requirement and marginal revenue calculations
 - Developing other billing determinants for marginal and residual rate design
- Guidehouse began process of developing universal services agreement to include outlining operational model for wheeling that will support the proposed tariff design.
- As Guidehouse spends some additional time finalizing marginal costs and rate design, the Test Rate sub-task is estimated to be pushed back approximately one week in the schedule, but this is not anticipated to affect the overall timeline.
- Guidehouse, PREPA and LUMA held the internal Cost of Service workshop on March 30. At this time, two internal workshops have been conducted, gathering input on:
 - Unbundled rate design for wheeling objectives and outcomes
 - The unbundling rate process – from the first step determining the “bundles” to the final step calculating rates by class
 - Wheeling model operational design – from the first step of determining service providers to the final step determining fees and true-up mechanisms

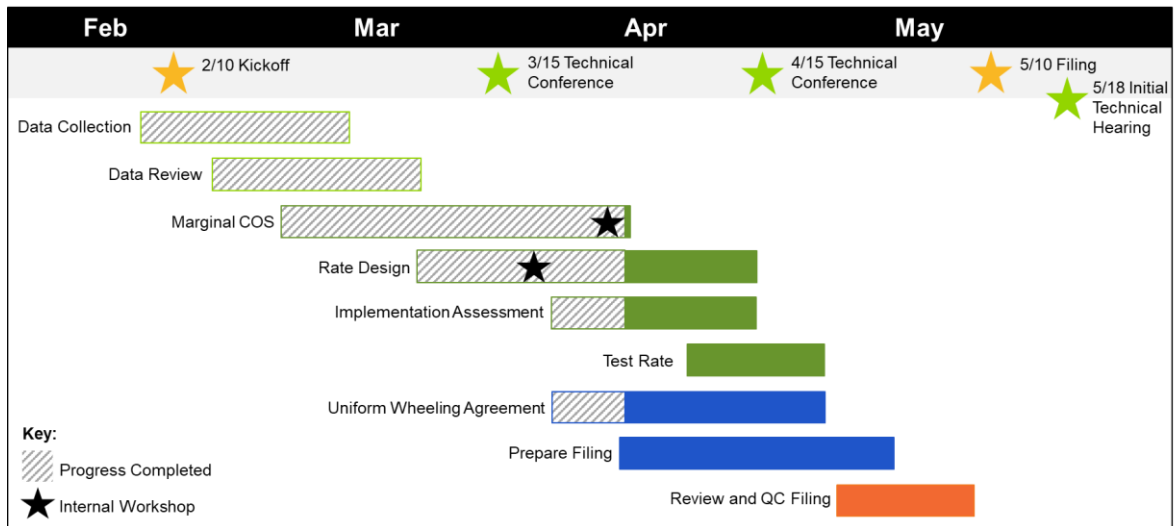


- Guidehouse, PREPA and LUMA held a project check-in meeting on March 31.
- Guidehouse began outreach on interview requests for the Rate Implementation Assessment.

Progress by Task

Task	Description	Estimated Duration ¹	Progress
Data Collection	Gather all relevant cost, planning and load forecast data from PREPA, to include anticipated transmission flows and interconnections.	3 weeks	100%
Data Review	Review data for quality and design proxies where data are insufficient or poor in quality.	3 weeks	100%
Cost of Service Study	Conduct marginal cost of service study, which includes reviewing all planned projects and identification of which projects are designed to meet load growth versus infrastructure improvements, lifecycle replacement and grid hardening.	4 weeks	95%
Rate Design	Design wheeling rate based on cost of service study results.	5 weeks	60%
Implementation Assessment	Interview key PREPA personnel responsible for billing, contract management, metering, accounting and other organizations as needed to determine what PREPA's capabilities are to implement and maintain the proposed wheeling rate.	3 weeks	20%
Test Rate	Test wheeling rate against different ESPC demands.	2 weeks	0%
Uniform Wheeling Agreement	Develop a uniform wheeling services agreement and vet with PREPA's legal teams.	4 weeks	20%
Filing Preparation	Prepare regulatory filing, including professional testimony and supporting workpapers.	4 weeks	0%
Filing Review	Review and QC final workpapers and testimony.	2 weeks	0%

¹ Tasks will be performed in parallel.



Issue Register

No issues to report at this time.