

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

IN RE: REQUEST FOR CERTIFICATION
HORIZON ENERGY, LLC.

CASE NO.: CEPR-CT-2016-0004

SUBJECT: Gross Revenue, Financial
Statements and Annual Operational
Reports.

RESOLUTION AND ORDER

I. Introduction

On February 28, 2022, the company HORIZON ENERGY, LLC ("HORIZON") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") the following documents:

- (1) *Updated Personal Information Electrical Power Companies Form* (Form NEPR-B01)
- (2) *Operational Report Electrical Power Companies* (Form NEPR-B03)
- (3) *Complementary Sheet* (Form NEPR-Z01)
- (4) *Gross Revenue and Financial Statements Report Electrical Power Companies* (Form NEPR-B05).
- (5) *February 28, 2022's Letter, RE: Gross Income Report Horizon Energy [...]* ("February 28 Letter")
- (6) *HORIZON ENERGY Balance Sheets, Statements of Income, Statement of Changes in Member's (Deficit) Equity, Statements of Cash Flows.* ("Unaudited Financial Statements")
- (7) Evidence of Electronic Payment, <https://online.citynational.com> [...]

In the February 28 Letter, HORIZON requested a time extension (until May 31, 2022) to file the Audited Financial Statements because auditing process has not been finalized.

On April 25, 2022 HORIZON filed before the Energy Bureau i) *copy of Email from Stephanie Jones to nepr@energia.pr.gov [...], Tuesday, April 19, 2022, 4:28pm* ("April 19 Email"), and ii) *copy of Form 556 Federal Energy Regulatory Commission, Washington, DC, Certification of Qualifying Facility (QF) Status for a Small Power Production or Cogeneration Facility* ("FERC Form 556").



II. Regulation 8701¹ and Analysis

Act 57-2014² requires that every Electric Service Company³ obtain a certification⁴ to provide services in Puerto Rico, in addition to presenting specific information in accordance with the requirements established by the Energy Bureau. Regulation 8701 establishes the requirements that any electric service company must comply with to provide electric services in Puerto Rico.

A. Personal Information

Horizon updated Personal Information in Parts B, C, D and F of Form NEPR-B01. Horizon indicated at Part G of Form NEPR-B01 there are "No changes" in the Information of Shareholders or Owners of the Company.

However, in Line 11 of FERC Form 556, Horizon indicated there was a "Change of ownership" (Change effective on March 31, 2022). Horizon must i) explain the discrepancy between the information presented in Part G of Form NEPR-B01 and the information presented in Line 11 of FERC Form 556, and ii) correct Part G of Form NEPR-B01, if necessary.

Section 2.03(A)(1)(a) requires Electrical Service Companies pay a filing fee to update its Personal Information (Form NEPR-B01). Horizon **did not file** evidence of such payment.

B. Operational Report

Section 2.02 of Regulation 8701 details the information that must be included in the Operational Report to be filed by electric service companies.

Section 2.02 (E) of Regulation 8701 establishes that "[e]lectric service companies shall refer their Operational Report to the [Energy Public Policy Program ("EPPP")] for review and comments prior to submitting it to the Energy [Bureau]. When submitting their Operational Reports before the [Energy Bureau], electric service companies shall indicate whether they referred it to the EPPP for review and comments." In addition, Section 2.02 (E) (2) of Regulation 8701 establishes that "[i]n cases where electric service companies have not referred their Operational Report to the EPPP prior to filing it before the [Energy Bureau], the electric service companies shall explain the reasons that justify them not having made said referral."

Even though HORIZON stated that their operational report was referred to the EPPP, **no evidence** of said referral was filed before the Energy Bureau.

C. Gross Income and Financial Statements

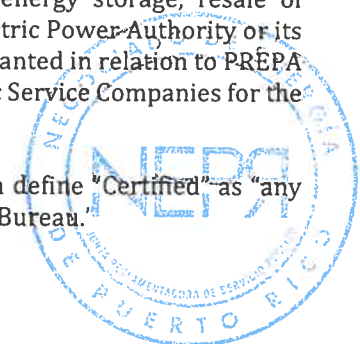
Section 4.02 of Regulation 8701 establishes the requirement for an electric service company to inform to the Energy Bureau their gross revenue. Section 4.02(A) of Regulation 8701 establishes the following:

¹ Amendment to Regulation No. 8618, on Certifications, Annual Fees and Operational Plans of Electric Service Providers in Puerto Rico, February 5, 2016. Regulation 8701 was amended by Regulation 9182, Amendment to Regulation No. 8701, on Certifications, Annual Fees and Operational Plans of Electric Service Providers in Puerto Rico, June 8, 2020.

² Known as the Transformation and Energetic RELIEF Act of Puerto Rico, as amended ("Law 57-2014")

³ Section 1.3(l) of Law 57-2014 defines the term "Energy Company" or "Electric Service Company" as "any person or entity, natural or legal, energy cooperative, dedicated to offering generation services, transmission and distribution, billing, energy wheeling, network services ("grid services"), energy storage, resale of electricity, as well as any other electrical service as defined by the Bureau. The Electric Power Authority or its successor, as well as any Contractor under an Alliance Contract or Sales Contract granted in relation to PRÉPA Transactions entered into by virtue of Law 120-2018, shall be considered as Electric Service Companies for the purposes of this Law".

⁴ See Section 6.13 of Law 57-2104. Also see, Section 1.3(h) of Law 57-2014, which define "Certified" as "any electric service company which have been evaluated and authorized by the Energy Bureau."



- A) All electric service companies operating in Puerto Rico before this Regulation entered into force must inform, along with their Personal Information filing under Section 2.01 of this Regulation, the Annual Gross Revenue generated during each Natural Year, **as well as the latest compiled or audited financial statements**, if any, as is applicable in accordance with Subsections (E) and (F) of this Section. For the following periods, electric service companies must inform their Annual Gross Revenue within a period of sixty (60) days following the conclusion each Natural Year. (Emphasis supplied.)

Specifically, Section 4.02(F) establishes that:

- F) When the Annual Gross Revenue of an Electric Service Company during a Calendar Year exceeds three million dollars (\$3,000,000.00), the gross revenue report must be signed by the Authorized Representative of the Electric Service Company. The signature of the authorized representative shall constitute a certificate under oath, under penalty of perjury, that such information is correct and complete. Likewise, the company must submit to the Energy Bureau a copy of the financial statements corresponding to the Fiscal Year, audited by an Authorized Public Accountant (CPA) authorized to practice said profession in Puerto Rico, or in any jurisdiction of the United States of America. **Such audited financial statements shall be submitted to the Energy Bureau within a term of one hundred and twenty (120) days**, counted from the date on which the Electric Service Company's Fiscal Year ends. The provisions of this paragraph shall apply to any successor to the Puerto Rico Electric Service Authority. (Emphasis supplied.)

HORIZON reports an Annual Gross Revenue of \$3,972,470.00 for the year 2021. HORIZON must comply with requirements of Section 4.02(F). In the February 28 Letter, HORIZON requested a time extension to file the Audited Financial Statements because auditing process has not been finalized (until May 31, 2022).

III. Conclusion

The Energy Bureau has evaluated all information provided by HORIZON. Consequently, HORIZON **must explain** the discrepancies found in the Personal Information Form and do any correction in Form NEPR-B01, if necessary. Horizon must comply with each and every one of the provisions of Regulation 8701.

The Energy Bureau **ORDERS** HORIZON to submit in or before five (5) days from the date of the notification of this Resolution and Order (i) evidence of payment for the filing fee of Form NEPR-B01 (Personal Information Update) (ii) evidence of the presentation of its operational report before the EPPP, and (iii) file the Audited Financial Statement.

Be it notified and published.





Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 8, 2022. Associate Commissioner Ángel R. Rivera de la Cruz did not intervene. I also certify that on June 13, 2022 a copy of this Resolution and Order was notified by electronic mail to the following: leslie.hufstetler@infinigenrenewables.com, leslie@sonnedix.com. I also certify that today, June 13, 2022, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today June 13, 2022.



Sonia Seda Gaztambide
Clerk

