

PUERTO RICO ELECTRIC POWER  
AUTHORITY



**ELECTRIC SERVICE RATES**

**DRAFT**

**\*The official version of this book is the Spanish version approved by the Puerto Rico Electric Power Authority's (PREPA's) Governing Board.**



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## GENERAL RESIDENTIAL SERVICE

**DESIGNATION:** GRS

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to residential customers for domestic uses such as lighting and refrigeration, among others. PREPA will provide and install the meter in each residence or apartment and the customer is responsible to supply the installations needed for its placement.

This rate may also apply to houses, apartments, and other structures which are primarily intended for residential purposes, where no more than two rooms in which the total connected load does not exceed 500 watts, are used by tenant for business or professional purposes; otherwise, the General Service at Secondary Distribution Voltage Rate shall be applied to both, business and residential uses, if not separately metered.

If the customer requests it and PREPA deems it convenient, more than one family in multiple dwelling units financed with public funds may be served through the same meter. In such event, the energy blocks and the minimum monthly billing shall be increased in proportion to the number of families served. No submeters shall be allowed for resale or energy cost allocation among the dwelling units.

### CHARACTER OF SERVICE:

Alternating current, 60 Hertz, 2 or 3 wires, single or three-phase; 120, 208, or 240 volts, at PREPA's option.

### CHARGES:

- I. Monthly Energy Charge:
  - a) 4.35 cents per kWh for the first 425 kWh of monthly consumption
  - b) 4.97 cents per kWh of additional energy consumption
- II. Monthly Fixed Charge:
 

\$3.00 per customer
- III. Plus the adjustment charge as described in the Adjustment Clause.

General Residential Service  
Page 2

**MINIMUM BILL:**

\$3.00 per month

**EFFECTIVE DATE:**

June 5, 2000

**GRS**

## LIFELINE RESIDENTIAL SERVICE

**DESIGNATION:** LRS

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to residential customers, who fulfill the Nutritional Assistance Program criteria, for all domestic uses (lighting, refrigeration, and others). PREPA will provide and install the meter in each residence or apartment and the customer is responsible to supply the installations needed for its placement.

The customers in the RH3 rate can request a transfer to the LRS rate. However, once transferred to LRS, they will not be able to return to RH3.

If the customer requests it and PREPA deems it convenient, more than one family in multiple dwelling units financed with public funds may be served through the same meter. In such event, the energy blocks and the minimum monthly billing shall be increased in proportion to the number of families served. A person living alone will be considered a family. No submeters shall be allowed for resale or energy cost allocation among the dwelling units.

### **CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 2 or 3 wires, single or three-phase; 120, 208, or 240 volts, at PREPA's option.

**CHARGES:** Monthly Energy Charge:

- a) 1.46 cents for each of the first 425 kWh of monthly consumption
- b) 4.97 cents for each kWh of additional consumption

Monthly Fixed Charge:

\$3.00 per customer

Plus the adjustment charge as described in the Adjustment Clause, except for the following:

For the first \$18 per barrel in the fuel price, the customer shall pay the following percentage of the total charge calculated according to the Fuel Purchase Clause:

Lifeline Residential Service  
Page 2

<u>Monthly Consumption, kWh</u>	<u>Percentage</u>
0 - 100	10
101 - 200	25
201 - 300	35
301 - 400	45
401 - 425	*
> 425	100

\*Those customers with a monthly energy consumption between 401 and 425 kWh will pay 45% of the purchase fuel charge as determined by the Fuel Purchase Clause for the first 400 kWh and 100% for the monthly energy consumption over 400 kWh.

**MINIMUM BILL:**

\$3.00 per month

**EFFECTIVE DATE:**

June 5, 2000

**LRS**

**RESIDENTIAL SERVICE FOR PUBLIC HOUSING PROJECTS**

**DESIGNATION:** RH3

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to residential customers of Public Housing Projects supported or subsidized in whole or in part by loans, grants, contributions or appropriations of the federal, state, or municipal governments. The owner will provide a complete electrical distribution system adequate to serve the Project, with connections for service and meter in each house or apartment in accordance with drawings and specifications approved by the Puerto Rico Electric Power Authority. The ownership of such system shall be transferred to PREPA that will assume the system operation and maintenance costs. The service shall be provided for all domestic uses including lighting, refrigeration, and other household uses.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 2 or 3 wires, single phase, 120 or 240 volts.

**CHARGES:**

**A. For customers with monthly consumption of 425 kWh or less**

Monthly Energy Charge:

0.1 cent per kWh

Monthly Fixed Charge:

\$2.00 per customer

Plus the adjustment charge as described in the Adjustment Clause, except for the following:

For the first \$18 per barrel in the fuel price, the customer shall pay the following percentage of the total charge calculated according to the Fuel Purchase Clause:



<u>Monthly Consumption, kWh</u>	<u>Percentage</u>
0 - 100	10
101 - 200	25
201 - 300	35
301 - 400	45
401 - 425	*
> 425	100

\* Those customers with a monthly energy consumption between 401 and 425 kWh will pay 45% of the purchase fuel charge determined by the Fuel Purchase Clause for the first 400 kWh and 100% of the monthly energy consumption over 400 kWh.

Minimum Bill: \$2.00 per month

**B. For customers with monthly consumption over 425 kWh**

Monthly Energy Charge:

3.3 cents per kWh

Monthly Fixed Charge:

\$2.00 per customer

Plus the adjustment charge as described in the Adjustment Clause.

Minimum Bill: \$2.00 per month

**EFFECTIVE DATE:**

June 5, 2000

**RH3**

**RESIDENTIAL FIXED RATE FOR PUBLIC HOUSING  
UNDER OWNERSHIP OF THE PUBLIC HOUSING ADMINISTRATION**

The Fixed Rate for Public Housing Under the Ownership of the Public Housing Administration was established in compliance with Act 69 of August 11, 2009, set by the Puerto Rico Electric Power Authority and approved by its Governing Board, as a payment for the consumption of the electric service of eligible customers who meet the requirements of the Regulation “*Reglamento para la Concesión de la Tarifa Fija para Residenciales Públicos bajo la Titularidad de la Administración de Vivienda Pública*”.

The Fixed Rate is granted to public housing residents and to residents temporarily living in private homes while their public housing homes are in the process of renovation, reconstruction or development.

A Fixed Rate is granted upon request to eligible customers that have the following real consumption:

**MONTHLY BILLING**

FIXED RATE	NUMBER OF ROOMS	FIXED RATE COST	MAXIMUM CONSUMPTION (kWh)	COST OF EXCESS OVER MAXIMUM CONSUMPTION
105	1	\$30	600	Over 600 kWh at \$0.05/kWh
106	2 or 3	\$40	800	Over 800 kWh at \$0.05/kWh
107	4 or 5	\$50	1,000	Over 1,000 kWh at \$0.05/kWh

**RFR**

**GENERAL SERVICE AT SECONDARY DISTRIBUTION VOLTAGE**

**DESIGNATION:** GSS

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to industrial and commercial customers for non-residential service such as offices, stores, restaurants, hotels, cold storage plants, ice plants, ball parks where admission rights are collected, guest houses, hospitals and clinics, orphanages, schools, clubs, cafes, bookstores, community houses, rooming houses, sign and show window lighting, churches, and pump installations, and common areas of buildings of offices or apartments with a load less than 50 kVA. Also, it shall apply to temporary electric power service for limited use in streets, carnivals, and others. Service shall be rendered through one point of connection and one metering point.

The customer shall supply the installations required to render the electric power service. PREPA will provide and install the meter. The customer is responsible to supply the installations needed for the placement of the meter.

The measurement will be done according to this rate and to the General Terms and Conditions for the Supply of Electric Service. The service will be provided and billed to the owner or legal entity responsible for the prompt payment of the rendered service as well as for the deposit of the respective bond.

Two or more industrial firms may contract electric power service through one meter, if they meet all the following requirements:

1. The industrial firms shall be the property of one owner or parent corporation.
2. The firms shall be located in the same building or adjacent buildings in the same lot.
3. The firms will manufacture the same product or complementary products, which form part of the same article.
4. The firms cannot have debts with PREPA at the time they request this benefit.

General Service at Secondary Distribution Voltage  
Page 2

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, single or three-phase; 120, 208, 240 or 440 volts, at PREPA's option.

**CHARGES:** Monthly Energy Charge:

7.67cents per kWh

Monthly Fixed Charge:

\$5 00 per customer

Plus the adjustment charge as described in the Adjustment Clause.

**MINIMUM BILL:**

Twenty percent of the highest bill of the six months previous to the current month, in regular billing periods.

**EFFECTIVE DATE:**

June 5, 2000

**GSS**

**GENERAL SERVICE AT PRIMARY DISTRIBUTION VOLTAGE**

**DESIGNATION:** GSP

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to industrial customers, commercial customers (such as office buildings, stores, hotels, restaurants, clinics and private hospitals, schools, clubs, movie theaters, radio stations, ball parks where admission rights are collected, and others), and common areas of buildings of offices or apartments for general uses including lighting, refrigeration, motive power, and others. Service shall be rendered through one point of connection and through only one meter.

The customer shall provide the installations required to receive the electric power service from PREPA, including the substation. The transformers and related equipment may be rented from PREPA, if they are available, following the existing procedures. PREPA will provide and install the metering system. The customer is responsible to supply the installations needed for the placement of the metering system. The measurement will be done according to this rate and to the General Terms and Conditions for the Supply of Electric Energy.

The service will be provided and billed to the owner or legal entity responsible for the prompt payment of the rendered service as well as for the deposit of the respective bond.

Two or more industrial firms may contract electric power service through one meter, if they meet all the following requirements:

1. The industrial firms shall be the property of one owner or parent corporation.
2. The firms shall be located in the same building or adjacent buildings in the same lot.
3. The firms will manufacture the same product or complementary products, which form part of the same article.
4. The firms cannot have debts with PREPA at the time they request this benefit.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase; 2,300; 4,160; 8,320; 13,200 volts or another primary distribution voltage at PREPA's option.

**CHARGES:**

I. Monthly Demand Charge:

The highest of:

- a) \$8.10 per kVA of 60% of the contracted load
- b) \$8.10 per kVA of 60% of the maximum demand established during the 11 months previous to the current month
- c) \$8.10 per kVA of the maximum demand during a period of 15 consecutive minutes during the month

If the maximum demand established during the month is higher than the contracted load, the excess over the latter shall be billed at \$10 per kVA.

II. Monthly Energy Charge:

- a) 3.6 cents for each of the first 300 kWh per kW of maximum demand
- b) 2.8 cents per each kWh of additional consumption

III. Monthly Fixed Charge:

\$200 per customer

IV. Plus the adjustment charge as described in the Adjustment Clause

**MINIMUM BILL:**

\$605 plus the adjustment charge as described in the Adjustment Clause

General Service at Primary Distribution Voltage  
Page 3

**TERM OF CONTRACT:**

One year; can be cancelled thereafter with an advance notice of 60 days by either party.

**EFFECTIVE DATE:**

June 5, 2000

**GSP**

**GENERAL SERVICE AT TRANSMISSION VOLTAGE**

**DESIGNATION:** GST

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to commercial and industrial customers, connected to the transmission system, that have a demand of 250 kVA or greater, for general uses including motive power, heating, refrigeration, and incidental lighting of industries, hotels, and any other establishment. The service shall be provided from only one point of connection and through only one meter.

The customer shall supply the installations required to receive the electric power service from PREPA, including the substation. The transformers and related equipment may be rented from PREPA, if they are available, following the existing procedures. PREPA will provide and install the metering system. The customer is responsible to supply the installations needed for the placement of the metering system. The measurement will be done according to this rate and to the General Terms and Conditions for the Supply of Electric Energy. The customer will provide the communication facilities required for the remote reading of the meter.

The service will be provided and billed to the owner or legal entity responsible for the prompt payment of the rendered service as well as for the deposit of the respective bond.

Two or more industrial firms may contract electric power service through one meter, if they meet all the following requirements:

1. The industrial firms shall be the property of one owner or parent corporation.
2. The firms shall be located in the same building or adjacent buildings in the same lot.
3. The firms will manufacture the same product or complementary products, which form part of the same article.
4. The firms cannot have debts with PREPA at the time they request this benefit.



**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase; 38 kV or 115 kV at PREPA's option.

**CHARGES:**

1. Monthly Demand Charge:

The highest of:

- a) \$7.70 per kVA of 60% of the contracted load
- b) \$7.70 per kVA of 60% of the maximum demand established during the 11 months previous to the current month
- c) \$7.70 per kVA of the maximum demand during a period of 15 consecutive minutes during the month.

If the maximum demand established during the month is higher than the contracted load, the excess over the latter shall be billed at \$9.60 per kVA.

2. Monthly Energy Charge:

- a) 2.8 cents for each one of the first 300 kWh per kW of maximum demand
- b) 2.4 cents per kWh of additional consumption

3. Monthly Fixed Charge:

\$450 per customer

4. Plus the adjustment charge as described in the Adjustment Clause

**MINIMUM BILL:**

\$2,375 plus the adjustment charge as described in the Adjustment Clause

General Service at Transmission Voltage  
Page 3

**TERM OF CONTRACT:**

One year; can be cancelled thereafter with an advance notice of 60 days by either party.

**EFFECTIVE DATE:**

June 5, 2000

**GST**

**GENERAL SERVICE AT TRANSMISSION VOLTAGE – SPECIAL****DESIGNATION:** SR-GST**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to new industries and industries with expansion areas, connected to the transmission system, that comply with the criteria and requirements established in the Regulation for the Concession of the Special Industrial Incentive Rates. These industries should have a contracted load equal to or greater than 250 kVA, a load factor greater than 30%, and a power factor greater than or equal to 85%. The electric service is provided and billed to the owner or legal entity that formalizes the electric service contract.

New Industry:

The customer shall provide the equipment and facilities required for the metering system, which will be provided and installed by the Puerto Rico Electric Power Authority (PREPA). The transformers and related equipment may be rented from PREPA, if they are available, in accordance to the existing procedures. The service shall be provided from a single point of connection and through one meter. The measurement shall be in accordance to the General Terms and Conditions for the Supply of Electric Energy. The customer shall provide the communication facilities required for the remote reading of the meter.

Two or more new industries may contract electric power service through one meter, if they meet all of the following requirements:

1. The industries must be part of the same owner or parent corporation.
2. The industries must be located in the same building or adjacent buildings on the same lot.
3. The industries must manufacture the same product or interrelated complementary products, which form part of the same article.

**Industry with Expansion Area:**

The customer shall provide the equipment and facilities for the metering system required to measure the expansion area's electric demand and consumption. PREPA shall provide and install the metering system. The transformers and related equipment may be rented from PREPA, if they are available, in accordance to the existing procedures. The customer will provide the communication facilities required for the remote reading of the meter. If meter readings, energy and demand, are performed at the secondary side of the customer's substation, the readings shall be transferred to the primary side, which is the point of delivery, using a correction factor to account for transformer losses.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase; 38 kV or 115 kV at PREPA's preference.

**NEW INDUSTRY****CHARGES:**

## 1. Monthly Demand Charge:

The highest of:

- a) \$6.85 per kVA of 60% of the contracted load
- b) \$6.85 per kVA of 60% of the maximum demand established during the 11 months previous to the current month
- c) \$6.85 per kVA of the maximum demand during a period of 15 consecutive minutes during the month. If the maximum demand established during the month is higher than the contracted load, the excess over the latter shall be billed at \$8.54 per kVA.

General Service at Transmission Voltage - Special  
Page 3

2. Monthly Energy Charge:
  - a) 2.49 cents for each one of the first 300 kWh per kW of maximum demand
  - b) 2.14 cents per kWh of additional consumption
3. Fixed Monthly Charge:  
\$400 per customer
4. Adjustment Charge (Adjustment Clause)  
89% of the Adjustment Charge New Industry

**MINIMUM BILL:**

\$2,375 plus a charge as described in the Adjustment Clause

**INDUSTRY WITH EXPANSION AREA:**

**CHARGES:**

1. Monthly Demand Charge:  
The highest of:
  - a) \$7.70 per kVA of 60% of the industry with expansion area contracted load
  - b) \$7.70 per kVA of 60% of the industry with expansion area maximum demand established during the 11 months previous to the current month
  - c) \$7.70 per kVA of the industry with expansion area maximum demand established in a 15 consecutive minute period during the month. If this maximum demand is higher than the industry with expansion area contracted load, the excess over the latter shall be billed at \$9.60 per kVA.  
Less \$0.85 per kVA of the expansion area maximum demand

General Service at Transmission Voltage - Special  
Page 4

2. Monthly Energy Charge:

a) 2.8 cents for each one of the first 300 kWh of consumption of the industry with expansion area, per kW of maximum demand of the industry with expansion area

b) 2.4 cents per kWh of additional consumption

Less 0.30¢ per kWh of consumption of expansion area

3. Fixed Monthly Charge:

\$450 per customer

4. Adjustment Charge (Adjustment Clause)

Adjustment Charge<sub>Industry + Expansion</sub> – 11% Adjustment Charge<sub>Expansion</sub>

**MINIMUM BILL:**

\$2,375 plus a charge as described in the Adjustment Clause

**TERM OF CONTRACT:**

Not greater than three years.

**PROPOSED EFFECTIVE DATE:**

September 1, 2010

**PROPOSED ENDING DATE:**

Available for new industries or industries with expansion areas that formalize an electric service contract with this rate on or before August 31, 2013.

**SR-GST**

## TIME OF USE AT PRIMARY DISTRIBUTION VOLTAGE

**DESIGNATION:** TOU-P

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to commercial and industrial customers with a demand of 1,000 kVA or greater, that:

- Transfer load from the on-peak period to the off-peak period.
- Add load during the off-peak period.
- Remove load from the on-peak period.

The following shall apply to customers with a demand equal to 1,000 kVA or greater and less than 3,000 kVA:

- A block of 10,000 kVA limits the transference and increase of load in the off-peak period.
- When this initial load block is complete, PREPA shall identify other blocks for new contracts. These blocks will be determined based on the amount of kVA that PREPA needs to transfer to the off-peak period. The Executive Director shall authorize these additional blocks.
- The granting of the rate will depend on PREPA's ability to assign generation in the off-peak period.

The customer shall provide the substation. The transformers and related equipment may be rented from PREPA, if they are available, following the existing procedures. PREPA will provide and install the metering system. The customer is responsible to supply the installations needed for the placement of the metering system.

### **Special Conditions:**

1. The Director of Planning and Environmental Protection must approve the granting of this rate.
2. The customer must inform PREPA about the actions taken to add or remove load or to transfer load from the on-peak period to the off-peak period.
3. The customer must provide the communication facilities required for the remote reading of the meter.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase, 2,300; 4,160; 8,320; 13,200 volts or another primary distribution voltage at PREPA's option.

**CHARGES:** Monthly Fixed Charge:

\$200 per customer

Monthly Demand Charge:

The highest of:

\$8.10 per kVA of maximum demand during a period of 15 consecutive minutes in the month during the on-peak period, or

\$8.10 per kVA of 60% of the maximum demand established in the on-peak period during the 11 months previous to the current month

Plus the highest of:

\$1.10 per kVA of maximum demand during a period of 15 consecutive minutes in the month during the off-peak period, or

\$1.10 per kVA of 60% of the maximum demand established in the off-peak period during the 11 months previous to the current month

Monthly Energy Charge:

5.0 cents per kWh during the on-peak period, plus

1.1 cents per kWh during the off-peak period

Plus the adjustment charge as described in the Adjustment Clause.



**MINIMUM BILL:**

For customers with a demand of 3,000 kVA or greater:

\$3,500 plus the energy charge plus the adjustment charge

For customers with a demand of 1,000 kVA or greater and less than 3,000 kVA:

\$1,300 plus the energy charge plus the adjustment charge

**PERIODS:**

Two periods are herein defined:

1. On-Peak Period:

From 9:00 a.m. to 10:00 p.m. during the weekdays (Monday through Friday)

2. Off-Peak Period:

– From 10:00 p.m. to 9:00 a.m. during the weekdays (Monday through Friday)

– All weekend

– The following holidays:

- New Year's Day
- Three Kings Day
- Good Friday
- United States Independence Day
- Constitution of the Commonwealth of Puerto Rico
- Labor Day
- Discovery Day of Puerto Rico
- Thanksgiving Day
- Christmas Day

Time Of Use at Primary Distribution Voltage  
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**MAXIMUM DEMAND AND CONSUMPTION:**

The kilowatt-hour consumption and the maximum demand for each period will be determined by the readings of the meter. The maximum demand in any month for each period will be the maximum demand registered during a period of 15 consecutive minutes in the month.

**TERM OF CONTRACT:**

One year; can be cancelled thereafter with an advance notice of 60 days by either party.

**EFFECTIVE DATE:**

June 5, 2000

**TOU-P**

## **TIME OF USE AT TRANSMISSION VOLTAGE**

**DESIGNATION:** TOU-T

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to commercial and industrial customers with a demand of 1,000 kVA or greater, that:

- Transfer load from the on-peak period to the off-peak period.
- Add load during the off-peak period.
- Remove load from the on-peak period.

The following shall apply to customers with a demand equal to 1,000 kVA or greater and less than 3,000 kVA:

- A block of 10,000 kVA limits the transference and increase of load in the off -peak period.
- When this initial load block is complete, PREPA shall identify other blocks for new contracts. These blocks will be determined based on the amount of kVA that PREPA needs to transfer to the off-peak period. The Executive Director shall authorize these additional blocks.
- The granting of the rate will depend on PREPA's ability to assign generation in the off-peak period.

The customer shall provide the substation. The transformers and related equipment may be rented from PREPA, if they are available, following the existing procedures. PREPA will provide and install the metering system. The customer is responsible to supply the installations needed for the placement of the metering system.

### **Special Conditions:**

1. The Director of Planning and Environmental Protection must approve the granting of this rate.
2. The customer must inform PREPA about the actions taken to add or remove load or to transfer load from the on-peak period to the off-peak period.
3. The customer must provide the communication facilities required for the remote reading of the meter.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase, 38 kV or 115 kV at PREPA's preference.

**CHARGES:**

Monthly Fixed Charge:

\$450 per customer

Monthly Demand Charge:

The highest of:

\$7.70 per kVA of maximum demand during a period of 15 consecutive minutes in the month during the on-peak period, or

\$7.70 per kVA of 60% of the maximum demand established in the on-peak period during the 11 months previous to the current month

Plus the highest of:

\$1.00 per kVA of maximum demand during a period of 15 consecutive minutes in the month during the off-peak period, or

\$1.00 per kVA of 60% of the maximum demand established in the off-peak period during the 11 months previous to the current month.

Monthly Energy Charges:

3.9 cents per kWh during the on-peak period, plus

1.0 cent per kWh during the off-peak period

Plus the adjustment charge as described in the Adjustment Clause

**MINIMUM BILL:**

For customers with a demand of 3,000 kVA or greater:

\$3,450 plus the energy charge plus the adjustment charge

For customers with a demand of 1,000 kVA or greater and less than 3,000 kVA:

\$1,450 plus the energy charge plus the adjustment charge

**PERIODS:**

Two periods are herein defined:

## 1. On-Peak Period:

From 9:00 a.m. to 10:00 p.m. during the weekdays (Monday through Friday)

## 2. Off-Peak Period:

– From 10:00 p.m. to 9:00 a.m. during the weekdays (Monday through Friday)

– All weekend

– The following holidays:

New Year's Day  
Three Kings Day  
Good Friday  
United States Independence Day  
Constitution of the Commonwealth of Puerto Rico  
Labor Day  
Discovery Day of Puerto Rico  
Thanksgiving Day  
Christmas Day

**MAXIMUM DEMAND AND CONSUMPTION:**

The kilowatt-hour consumption and the maximum demand for each period will be determined by the readings of the meter. The maximum demand in any month for each period will be the maximum demand registered during a period of 15 consecutive minutes in the month.

Time of Use at Transmission Voltages  
Page 4

**TERM OF CONTRACT:**

One year; can be cancelled thereafter with an advance notice of 60 days by either party.

**EFFECTIVE DATE:**

June 5, 2000

**TOU-T**

## TIME OF USE AT TRANSMISSION VOLTAGE - SPECIAL

**DESIGNATION:** SR-TOU-T

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to new industries and industries with expansion areas with a demand greater than or equal to 1,000 kVA and a power factor greater than or equal to 85%. The expansion area demand must be 250 kVA or greater. The industries must comply with the criteria and requirements established in the Regulation for the Concession of the Special Industrial Incentive Rates and must:

- Transfer load from on-peak period to off-peak period.
- Add load during off-peak period.
- Remove load from on-peak period.

The electric service is provided and billed to the owner or legal entity that formalizes the electric service contract.

The following shall apply to customers with a demand greater than or equal to 1,000 kVA and less than 3,000 kVA:

- Load increase and transfer to off-peak period is limited to a block of an initial load of 10,000 kVA.
- When this initial load block is complete, PREPA shall identify other blocks for new contracts. These blocks will be determined based on the amount of kVA that PREPA needs to transfer to off-peak period. The Executive Director authorizes these additional blocks.
- The rate concession will depend on PREPA's ability to assign generation in the off-peak period.

### Special Conditions:

1. The Planning and Environmental Protection Director evaluates the customer compliance with the rate requirements and issues a recommendation for the rate concession.
2. The customer must inform PREPA any actions taken to add or remove load or to transfer load from the on-peak period to off-peak period.

**New Industry:**

The customer shall provide the equipment and facilities required to receive the electric power service and for the metering system, which will be provided and installed by PREPA. The transformers and related equipment may be rented from PREPA, if they are available, in accordance to the existing procedures. The service shall be provided from a single point of connection and through one meter. The measurement shall be in accordance to the General Terms and Conditions for the Supply of Electric Energy. The customer shall provide the communication facilities required for the remote reading of the meter.

**Industry with Expansion Area:**

The customer shall provide the equipment and facilities for the metering system required to measure the expansion area electric demand and consumption. PREPA shall provide and install the metering system. The transformers and related equipment may be rented from PREPA, if they are available, in accordance to the existing procedures. The customer will provide the communication facilities required for the remote reading of the meter. If meter readings, energy and demand, are performed at the secondary side of the customer's substation, the readings shall be transferred to the primary side, which is the point of delivery, using a correction factor to account for transformer losses.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase, 38 kV or 115 kV at PREPA's preference.

**NEW INDUSTRY****CHARGES:**

## 1. Monthly Demand Charge:

## On-Peak Hours

The highest of:

- a) \$6.85 per kVA of monthly maximum demand established in a period of 15 consecutive minutes during on-peak hours



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- b) \$6.85 per kVA of 60% of the maximum demand established in on-peak hours during the 11 months previous to the current month

Off-Peak Hours

The highest of:

- a) \$0.89 per kVA of monthly maximum demand established in a period of 15 consecutive minutes during off-peak hours
- b) \$0.89 per kVA of 60% of the maximum demand established in the off-peak hours during the 11 months previous to the current month

2. Monthly Energy Charge:

On-Peak Hours

3.47¢ per kWh of consumption

Off-Peak Hours

0.89¢ per kWh of consumption

3. Fixed Monthly Charge:

\$400 per customer

4. Adjustment Charge (Adjustment Clause)

89% of the Adjustment Charge New Industry

**MINIMUM BILL:**

For customers with a demand of 3,000 kVA or greater:

\$3,450 plus the energy charge plus the adjustment charge

For customers with a demand greater than or equal to 1,000 kVA and less than 3,000 kVA:

\$1,450 plus the energy charge plus the adjustment charge

**INDUSTRY WITH EXPANSION AREA:**

**CHARGES:**

1. Monthly Demand Charge:

On-Peak Hours

The highest of:

- a) \$7.70 per kVA of monthly maximum demand of the industry with expansion area, established in a period of 15 consecutive minutes during on-peak hours
- b) \$7.70 per kVA of 60% of the maximum demand of the industry with expansion area, established in on-peak hours during the 11 months previous to the current month

Less \$0.85 per kVA of maximum demand of the expansion area established during a period of 15 consecutive minutes in the month.

Off-Peak Hours

The highest of:

- a) \$1.00 per kVA of monthly industry with expansion area maximum demand established in a 15 consecutive minutes period during the off-peak
- b) \$1.00 per kVA of 60% of the industry with expansion area maximum demand established in the off-peak hours during the 11 months previous to the current month

Less \$0.11 per kVA of maximum demand of the expansion area established during a period of 15 consecutive minutes in the month.

2. Monthly Energy Charge:

On-Peak Hours

3.47¢ per kWh Industry + Expansion less 0.43¢ per kWh Expansion

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Off-Peak Hours

1.0¢ per kWh <sub>Industry + Expansion</sub> less 0.11¢ per kWh <sub>Expansion</sub>

3. Fixed Monthly Charge:

\$450 per customer

4. Adjustment Charge (Adjustment Clause)

Adjustment Charge <sub>Industry + Expansion</sub> -11% Adjustment Charge <sub>Expansion</sub>

**MINIMUM BILL:**

For customers with a demand of 3,000 kVA or greater:

\$3,450 plus the energy charge plus the adjustment charge

For customers with a demand greater than or equal to 1,000 kVA and less than 3,000 kVA:

\$1,450 plus the energy charge plus the adjustment charge

**PERIODS:**

Two periods are herein defined:

– On-Peak Period:

From 9:00 a.m. to 10:00 p.m. during weekdays (Monday through Friday)

– Off-Peak Period:

– From 10:00 p.m. to 9:00 a.m. during weekdays (Monday through Friday)

– All weekends

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- The following holidays:

New Year's Day  
Three Kings' Day  
Good Friday  
United States Independence Day  
Constitution of the Commonwealth of Puerto Rico  
Labor Day  
Puerto Rico's Discovery Day  
Thanksgiving Day  
Christmas Day

**MAXIMUM DEMAND AND CONSUMPTION:**

The kilowatt-hour consumption for each period will be determined by the meter readings. The maximum demand in any month for each period will be the maximum demand registered in the meter during a period of 15 consecutive minutes in the month.

**TERM OF CONTRACT:**

Not greater than three years.

**PROPOSED EFFECTIVE DATE:**

September 1, 2010

**PROPOSED ENDING DATE:**

Available for new industries or industries with expansion areas that formalize an electric service contract with this rate on or before August 31, 2013.

**SR-TOU-T**

## TIME OF USE - COLD STORAGE AIR CONDITIONING SYSTEMS

**DESIGNATION:** TOU-C

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to industrial and commercial customers, exclusively for their cold storage air conditioning system. This system shall have a cooling capacity of 25 tons or higher and, by means of cold storage, should transfer at least 25% of this cooling capacity to the off-peak period. The customer must submit a study that reveals the amount of load to be transferred to the off-peak period, the operation strategies, and others. The consumption and demand of the air conditioning system will be measured separately from other customer loads.

The customer shall provide the equipment and facilities required for the metering system, which will be provided and installed by PREPA. The customer shall provide the communication facilities required for the remote reading of the meter.

### CHARACTER OF SERVICE:

The same as for TOU-T or TOU-P rates, according to the service voltage.

**CHARGES:** The same as the applicable TOU-T or TOU-P charges, according to the service voltage. The monthly minimum charge will be \$700 plus the energy charge plus the adjustment charge for transmission voltage service or \$250 plus the energy charge plus the adjustment charge for primary distribution service.

**PERIODS:** Two periods are herein defined:

1. On-Peak Period:

From 9:00 a.m. to 10:00 p.m. during the weekdays (Monday through Friday)

2. Off-Peak Period:

– From 10:00 p.m. to 9:00 a.m. during the weekdays (Monday through Friday)

– All weekend

- The following holidays:

New Year's Day  
Three Kings Day  
Good Friday  
United States Independence Day  
Constitution of the Commonwealth of Puerto Rico  
Labor Day  
Discovery Day of Puerto Rico  
Thanksgiving Day  
Christmas Day

**MAXIMUM DEMAND AND CONSUMPTION:**

The kilowatt-hour consumption and the maximum demand for each period will be determined by the readings of the meter. The maximum demand in any month for each period will be the maximum demand registered during a period of 15 consecutive minutes in the month.

**TERM OF CONTRACT:**

One year; can be cancelled thereafter with an advance notice of 60 days by either party.

**EFFECTIVE DATE:**

June 5, 2000

**TOU-C**

**TIME OF USE - COLD STORAGE AIR CONDITIONING SYSTEMS - SPECIAL****DESIGNATION:** SR-TOU-C**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply exclusively to cold storage air conditioning systems for new industries and industries with expansion areas, connected to the transmission system, that comply with the criteria and requirements established in the Regulation for the Concession of the Special Industrial Incentive Rates. For existing industries, the system must be installed in the expansion area. The systems shall have a cooling capacity of 25 tons or higher and, by means of cold storage, should transfer at least 25% of this cooling capacity to off-peak period. The customer must submit information to PREPA about the amount of load to be transferred to the off-peak period, the industry operation strategies, and others. The consumption and demand of the air conditioning system will be measured separately from other customer loads.

The customer shall provide the equipment and facilities required for the metering system, which will be provided and installed by PREPA. The customer shall provide the communication facilities required for the remote reading of the meter.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase, 38 kV or 115 kV at PREPA's preference.

**CHARGES:** 1. Monthly Demand Charge:

On-Peak Hours

The highest of:

- a) \$6.85 per kVA of maximum demand established in a period of 15 consecutive minutes during on-peak hours
- b) \$6.85 per kVA of 60% of the maximum demand established in on-peak hours during the 11 months previous to the current month

Off-Peak Hours

The highest of:

- a) \$0.89 per kVA of maximum demand established in a period of 15 consecutive minutes during off-peak hours
- b) \$0.89 per kVA of 60% of the maximum demand established in off-peak hours during the 11 months previous to the current month

2. Monthly Energy Charge:

On-Peak Hours

3.47¢ per kWh of consumption

Off-Peak Hours

0.89¢ per kWh of consumption

3. Fixed Monthly Charge:

\$400 per customer

4. Adjustment Charge (Adjustment Clause)

89% of the Adjustment Charge

**MINIMUM BILL:**

\$700 plus the energy charge plus the adjustment charge

**PERIODS:**

Two periods are herein defined:

1. On-Peak Period:

From 9:00 a.m. to 10:00 p.m. during weekdays  
(Monday through Friday)



2. Off-Peak Period:

- From 10:00 p.m. to 9:00 a.m. during weekdays (Monday through Friday)
- All weekend
- The following holidays:

New Year's Day  
Three Kings Day  
Good Friday  
United States Independence Day  
Constitution of the Commonwealth of Puerto Rico  
Labor Day  
Puerto Rico's Discovery Day  
Thanksgiving Day  
Christmas Day

**TERM OF CONTRACT:**

Not greater than three years.

**PROPOSED EFFECTIVE DATE:**

September 1, 2010

**PROPOSED ENDING DATE:**

Available for new industries or industries with expansion areas that formalize an electric service contract with this rate on or before August 31, 2013.

**SR-TOU-C**

**LARGE INDUSTRIAL SERVICE (115 kV)**

**DESIGNATION:** LIS

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** Exclusively to industries with a demand equal to 12,000 kW or higher, with a load factor equal to 80% or higher, and a monthly average power factor equal to 95% or higher. Customers that during any two consecutive months have a monthly load factor less than 80% will have an additional monthly energy charge corresponding to the kilowatt-hours needed to obtain a load factor of 80%. This will apply from the second month until the customer meets a monthly load factor of 80% or higher.

The customer shall supply the installations required to receive the electric power service from PREPA, including the substation. PREPA will provide and install the metering system. The customer is responsible to supply the installations needed for the placement of the metering system. The service shall be provided and measured at only one point of connection. Measurement shall be performed as established in this rate schedule according to the actual terms and conditions.

This service will only be provided if there is sufficient capacity available and if PREPA determines that the reliability of the line or sectionalizer at the connection point is not adversely affected.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, three-phase, 3 or 4 wires, 115 kV.

**SPECIAL CONDITIONS:**

1. The connection point, conditions and improvements required for the interconnection will be determined by means of consultation and coordination with the Divisions of:
  - a) Planning and Research
  - b) Transmission and Distribution
  - c) Electric System Operation

## Large Industrial Service (115 kV)

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2. Two or more industries may contract electric service through one meter under this rate as long as they meet the following requirements:
  - a) The total demand of the industries should fulfill the monthly requirement of having a demand equal to 12,000 kW or higher, a load factor of 80% or higher, and an average power factor of 95% or higher.
  - b) The industries shall be property of the same owner or parent corporation.
  - c) The industries concerned must have no arrears in the payment of their respective bills.
3. The customer must provide the necessary communications facilities for the remote reading of the meter.
4. The service will be provided and billed under the sole responsibility of the owner or legal entity responsible of the prompt payment of the service rendered, as well as the deposit of the required bond.

**CHARGES:** Monthly Fixed Charge: \$450

Monthly Demand Charge

The highest of:

- a. \$6.00 per kVA of maximum demand during a period of 15 consecutive minutes in the month
- b. \$6.00 per kVA of the 60 % of contracted load (kVA)
- c. \$6.00 per kVA of the 60% of maximum demand established during the 11 months previous to the current month, or
- d. \$72,000 or \$150,000 for a monthly demand equal to 12,000 kW or higher or equal to 25,000 kW or higher, respectively.

If the maximum demand established during the month is higher than the contracted load, the excess over the latter shall be billed at \$9.60 per kVA.

Large Industrial Service (115kV)

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Monthly Energy Charge:

- a. For industries with a demand equal to 12,000 kW or higher and less than 25,000 kW:

584 kWh for each kW of maximum demand @ \$0.016/kWh

Additional consumption @ \$0.010/kWh

- b. For industries with a demand equal to 25,000 kW or higher:

584 kWh for each kW of maximum demand @ \$0.016/kWh

Additional consumption @ \$0.006/kWh

Plus the adjustment charge as described in the Adjustment Clause.

**MINIMUM BILL:**

\$72,450 or \$150,450 per month plus the adjustment charge, for a contracted load of 12,000 kW or higher, or a contracted load of 25,000 kW or higher, respectively.

**TERM OF CONTRACT:**

One year. This contract is automatically renewable and can be canceled with a year's prior notice by either party.

**EFFECTIVE DATE:**

June 5, 2000

**LIS**

**LARGE INDUSTRIAL SERVICE 115 kV - SPECIAL**

**DESIGNATION:** SR-LIS

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** Exclusively for new industries and industries with expansion areas, connected at 115 kV that have a demand greater than or equal to 12,000 kW, a load factor greater than or equal to 80%, and a monthly average power factor equal to 95% or higher. The industries must comply with the criteria and requirements established in the Regulation for the Concession of the Special Industrial Incentive Rates. The demand of the expansion area must be 250 kVA or higher. Customers that during any two consecutive months have a monthly load factor less than 80% will have an additional monthly energy charge equal to the kilowatt-hours needed to obtain a load factor of 80%. This additional charge will apply from the second month until the customer meets a monthly load factor of 80% or higher. The electric service is provided and billed to the owner or legal entity that formalizes the electric service contract.

**New Industry:**

The customer shall provide the equipment and facilities required for the metering system, which will be provided and installed by the Puerto Rico Electric Power Authority (PREPA), and to receive the electric power service. The transformers and related equipment may be rented from PREPA, if they are available, in accordance with the existing procedures. The service shall be provided from a single point of connection and through one meter. The measurement shall be in accordance to the General Terms and Conditions for the Supply of Electric Energy. The customer shall provide the communication facilities required for the remote reading of the meter.

Two or more new industries may contract electric power service through one meter, if they meet all of the following requirements:

1. The total demand of the industries should fulfill the monthly requirement of having a demand equal to 12,000 kW or higher, a load factor of 80% or higher, and an average power factor of 95% of higher.
2. The industries must belong to the same owner or parent corporation.

**Industry with Expansion Area:**

The customer shall provide the equipment and facilities for the metering system required to measure the expansion area electric demand and consumption. PREPA shall provide and install the metering system. The transformers and related equipment may be rented from PREPA, if they are available, in accordance with the existing procedures. The customer will provide the communication facilities required for the remote reading of the meter. If meter readings, energy and demand, are performed at the secondary side of the customer's substation, the readings shall be transferred to the primary side, which is the point of delivery, using a correction factor to account for transformer losses.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, three-phase, 3 or 4 wires, 115 kV.

**SPECIAL CONDITIONS:**

1. The connection point, conditions and improvements required for the interconnection will be determined by means of consultation and coordination with the following areas within PREPA:
  - a) Planning and Research Division
  - b) Transmission and Distribution Directorate
  - c) Electric System Operation Division
2. This service will be provided only if there is sufficient available capacity and if PREPA determines that the reliability of the line or sectionalizer at the connection point is not adversely affected.

**NEW INDUSTRY****CHARGES:**

1. Monthly Demand Charge:

The highest of:

- a) \$5.34 per kVA of the maximum demand during a period of 15 consecutive minutes during the month. If the maximum demand established during the month is higher than the contracted load, the excess over the latter shall be billed at \$8.54 per kVA.
- b) \$5.34 per kVA the contracted load
- c) \$5.34 of 60% of the maximum demand established during the 11 months previous to the current month
- d) \$64,080 for industries with a monthly demand greater than or equal to 12,000 kW and less than 25,000 kW or \$133,500 for industries with a monthly demand greater than or equal to 25,000 kW.

2. Monthly Energy Charge:

Industries with a monthly maximum demand greater than or equal to 12,000 kW and less than 25,000 kW

1.4 ¢ for the first 584 kWh per kW of maximum demand

0.89 ¢ per additional kWh

Industries with a monthly maximum demand equal to 25,000 kW or higher

1.4 ¢ for the first 584 kWh for each kW of maximum demand

0.53 ¢ per additional kWh

3. Fixed Monthly Charge:

\$400 per customer

4. Adjustment Charge (Adjustment Clause)

89% of the Adjustment Charge New Industry

This charge is calculated with the monthly consumption; the additional kWh needed to complete an 80% load factor will not be considered in this calculation.

**MINIMUM BILL:**

Industries with a monthly maximum demand greater than or equal to 12,000 kW and less than 25,000 kW

\$72,450 plus a charge as described in the Adjustment Clause

Industries with a monthly maximum demand equal to 25,000 kW or higher

\$150,450 plus a charge as described in the Adjustment Clause

**INDUSTRY WITH EXPANSION AREA:**

**CHARGES:**

1. Monthly Demand Charge:

The highest of:

- a) \$6.00 per kVA of the industry with expansion area maximum demand during a period of 15 consecutive minutes during the month. If the maximum demand established during the month is higher than the contracted load, the excess over the latter shall be billed at \$9.60 per kVA.
- b) \$6.00 per kVA of the industry with expansion area contracted load
- c) \$6.00 of 60% of the industry with expansion area maximum demand established during the 11 months previous to the current month
- d) \$72,000 for industries with expansion areas whose monthly demand is equal to 12,000 kW or higher and less than 25,000 kW or \$133,500 for industries with expansion areas whose monthly demand is equal to 25,000 kW or higher.

Less \$0.66 per kVA of maximum demand of the expansion area



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2. Monthly Energy Charge:

Industries with a monthly maximum demand equal to 12,000 kW or higher and less than 25,000 kW

1.6¢ for the first 584 kWh per kW of maximum demand

1.00 ¢ per additional kWh

Less 0.18 ¢ per expansion area kWh

Industries with a monthly maximum demand equal to 25,000 kW or higher

1.6¢ for the first 584 kWh per kW of maximum demand

0.6 ¢ per additional kWh

Less 0.18 ¢ per expansion area kWh

3. Fixed Monthly Charge:

\$450 per customer

4. Adjustment Charge (Adjustment Clause)

Adjustment Charge<sub>Industry + Expansion</sub> - 11% Adjustment Charge<sub>Expansion</sub>

The Adjustment Charge<sub>Industry + Expansion</sub> is calculated using the industry with expansion area monthly consumption; the additional kWh needed to complete an 80% load factor will not be considered in this calculation.

**MINIMUM BILL:**

Industries with a monthly maximum demand equal to 12,000 kW or higher and less than 25,000 kW

\$72,450 plus a charge as described in the Adjustment Clause

Industries with a monthly maximum demand equal to 25,000 kW or higher

\$150,450 plus a charge as described in the Adjustment Clause

**TERM OF CONTRACT:**

Not greater than three years.

**PROPOSED EFFECTIVE DATE:**

September 1, 2010

**PROPOSED ENDING DATE:**

Available for new industries or industries with expansion areas that formalize an electric service contract with this rate on or before August 31, 2013.

**SR-LIS**

**STANDBY SERVICE AT TRANSMISSION OR  
PRIMARY DISTRIBUTION VOLTAGE****DESIGNATION:** SBS**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to industrial and commercial customers that require PREPA's electric service to supplement their internally generated electric power or during the outages or maintenance periods of their generating equipment. The customer's generating units may operate in parallel with the PREPA's system upon previous consent of the PREPA and subject to the terms and conditions provided for this type of operation. Service shall be rendered through one point of connection for each industry and one or more meters, as required. The customer shall supply the installations required to receive the electric power service from PREPA, including the substation. PREPA will provide and install the measuring system. The customer is responsible to supply the installations needed for the placement of the metering system.

The energy produced by customer shall not be for resale to another entity. The customer shall have the option of requesting the following services, which are defined below:

1. Supplementary Service
2. Auxiliary Service
3. Service for Maintenance
4. Interruptible Service

The first three services will be provided through one meter. The interruptible service will be metered separately from any other customer load.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wire, three phase, transmission or primary distribution voltage at PREPA's option.

Standby Service at Transmission or Primary Distribution Voltage  
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**DEFINITIONS:** For the application of this rate schedule, the following terms are defined:

1. Supplementary Service - This is the service required by the customer to supply the load in excess of the customer's installed generation capacity.
2. Auxiliary Service - This is the service required by the customer to supply the load normally served by his generating units, during forced outages of his equipment.
3. Maintenance Service - This is the service required by the customer during a short defined period of time equivalent to the maintenance period of his generating units, upon prior coordination with the PREPA.
4. Interruptible Service - This service is provided under the condition that the customer's load will be automatically interrupted by underfrequency relays, controlled by the PREPA. The load to be interrupted must be 1,000 kVA or higher and it shall be delivered only upon the availability of sufficient capacity in PREPA's generation and transmission system.

**CHARGES:** The total bill shall consist of the following charges in accordance with the supply voltage:

- I. Fixed Monthly Customer Charge - The Fixed Monthly Customer Charge shall be as established in the General Service Rates at Primary Distribution Voltage (GSP) or Transmission Voltage (GST), or in the Time of Use Rates (TOU-P or TOU-T), whichever is applicable.
- II. Monthly Adjustment Charge - The charge for kWh will be as established in the Adjustment Clause for primary distribution or transmission voltages, whichever is applicable.
- III. Monthly Energy Charge - The charge for each kWh consumed for all services shall be as established in the General Service Rate at Primary Distribution Voltage (GSP) or Transmission Voltage (GST) or Time of Use Rates (TOU-P or TOU-T), whichever is applicable.

Standby Service at Transmission or Primary Distribution Voltage  
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IV. Monthly Demand Charge:

- a) The charge for kVA for the firm services (auxiliary, supplementary and maintenance) will be computed according to the General Service Rates (GSP or GST), or the Time of Use Rates (TOU-P or TOU-T), whichever is applicable. The maximum demand established during the maintenance periods, duly coordinated with PREPA, will not be considered to calculate the 60% of the maximum demand established during the 11 months previous to the current month.
- b) For Interruptible Service, the charge will be the highest of:
  - i. \$4.60 per kVA of interruptible contracted load, or
  - ii. \$4.60 per kVA of the established maximum demand in a 15 minute period during the month

**MINIMUM BILL:**

The minimum charge will be as defined in the GSP, GST, TOU-T or TOU-P rates, whichever is applicable, according to the service voltage.

**SPECIAL REQUIREMENTS:**

In all cases in which firm (supplementary, auxiliary, or maintenance service) and interruptible service are supplied at the same time through a single connection, the customer shall segregate the auxiliary portion from the interruptible portion, with separate feeders at the substation secondary bus of interconnection with the PREPA. Generating equipment operating in parallel with the PREPA's service shall be disconnected from the interruptible load.

The PREPA shall install and maintain, at expenses of the customer, an underfrequency relay, which will automatically disconnect the customer's interruptible load if system frequency drops below 59.5 Hertz during 20 seconds, or 59.0 Hertz without time delay. The customer shall install, at his own expense, a load limiter device at the feeder (or feeders) with a firm service load, in order to prevent the occurrence of a load 110% higher than the contracted load.

Standby Service at Transmission or Primary Distribution Voltage  
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For Maintenance Service, a designated maintenance period schedule shall be specified upon previous request of not less than three months and subject to the PREPA's approval.

If meter readings, energy and demand, are performed at the secondary side of the customer's substation, the readings shall be referred to the primary side, which is the point of delivery, using a correction factor to account for transformer losses.

**TERM OF CONTRACT:**

Minimum one year, renewable yearly, thereafter.

**EFFECTIVE DATE:**

June 5, 2000

**SBS**

**STANDBY SERVICE AT TRANSMISSION VOLTAGE - SPECIAL****DESIGNATION:** SR-SBS**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to new industries and industries with expansion areas that require the Puerto Rico Electric Power Authority's (PREPA) electric service to supplement their internally generated electric power, during outages or maintenance periods of their generating equipment. These industries must comply with the criteria and requirements established in the Regulation for the Concession of the Special Industrial Incentive Rates.

The customer's generating units may operate, upon PREPA's previous consent, in parallel with PREPA's system. The energy produced by the customer's generating units shall not be for resale to another entity. The service shall be provided from a single point of connection and through one meter or more meters, as required. The measurement shall be in accordance to the General Terms and Conditions for the Supply of Electric Energy. If meter readings, energy and demand, are performed at the secondary side of the customer's substation, the readings shall be transferred to the primary side, which is the point of delivery, using a correction factor to account for transformer losses.

The customer shall supply the transformers, substation, and installations required to install the meters. For industries with expansion areas the customer shall provide the installations required to measure the expansion area energy and demand. PREPA will provide and install the meters. The firm service (supplementary, auxiliary, or maintenance) will be provided through a single meter. The customer provides the communication facilities required for remote meter reading.

The customer shall have the option of requesting the following services:

1. Supplementary Service - This is the service required to supply the load in excess of the customer's installed generation capacity.
2. Auxiliary Service - This is the service required to supply the customer load regularly served by its generating units, during forced outages of his equipment.

Standby at Transmission Voltage - Special  
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3. Maintenance Service - This is the service provided during a short defined period equivalent to the maintenance period of its generating units, upon prior coordination with PREPA.
4. Interruptible Service - This service is available only to new industries whose load to interrupt is 1,000 kVA or higher and will be provided only if PREPA has sufficient generation and transmission capacity. The service will be automatically interrupted by underfrequency relays, controlled by PREPA and will be metered separately from any other customer load.

**SPECIAL REQUIREMENTS:**

In new industries with firm and interruptible services through a single connection, the customer shall segregate the auxiliary portion from the interruptible portion, with separate feeders at the substation secondary bus of interconnection with PREPA. Generating equipment operating in parallel with PREPA's service shall be disconnected from the interruptible load.

PREPA shall install and maintain, at expenses of the customer, an underfrequency relay, which will automatically disconnect the customer's interruptible load if system frequency drops below 59.5 Hertz during 20 seconds, or 59.0 Hertz without time delay. The customer shall install, at its own expense, a load limiter device at the feeder (or feeders) with a firm service load, in order to prevent the occurrence of a load 110% higher than the contracted load.

For Maintenance Service, the customer shall specify at least three months in advance a maintenance schedule for the generating equipment. This schedule has to be approved by PREPA.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three phase, 38 or 115 kV at PREPA's preference.



**NEW INDUSTRY****CHARGES:**

1. Monthly Demand Charge:
  - a) For firm services (supplementary, auxiliary, or maintenance) the demand charge will be computed according to SR-GST or SR-TOU-T rates, the one that applies. The maximum demand established during the maintenance period, duly coordinated with PREPA, will no be considered to calculate the 60% of the maximum demand established during the 11 months previous to the current month.
  - b) For interruptible service the demand charge will be the highest of:
    - 1) \$4.09 per kVA of interruptible contracted load, or
    - 2) \$4.09 per kVA of the established maximum demand in a 15 minute period during the month

## 2. Monthly Energy Charge:

The energy charge is computed as established in the SR-GST or SR-TOU-T rates, whichever is applicable.

## 3. Fixed Monthly Charge:

\$400 per customer

## 4. Adjustment Charge (Adjustment Clause)

89% of the Adjustment Charge New Industry

**MINIMUM BILL:**

The minimum bill is computed as established in the SR-GST or SR-TOU-T rates, whichever is applicable.

**INDUSTRY WITH EXPANSION AREA:**

**CHARGES:**

1. Monthly Demand Charge:

The demand charge is computed as established in the SR-GST or SR-TOU-T rates, whichever is applicable. The maximum demand established during the maintenance period, duly coordinated with PREPA, will not be considered to calculate the 60% of the maximum demand established during the 11 months previous to the current month.

2. Monthly Energy Charge:

The energy charge is computed as established in the SR-GST or SR-TOU-T rates, whichever is applicable.

3. Fixed Monthly Charge:

\$450 per customer

4. Adjustment Charge (Adjustment Clause)

Adjustment Charge  $_{\text{Industry} + \text{Expansion}}$  - 11% Adjustment Charge  $_{\text{Expansion}}$

**MINIMUM BILL:**

The minimum bill is computed as established in the SR-GST or SR-TOU-T rates, whichever is applicable.

**TERM OF CONTRACT:**

Not greater than three years.

**PROPOSED EFFECTIVE DATE:**

September 1, 2010

Standby at Transmission Voltage - Special  
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**PROPOSED ENDING DATE:**

Available for new industries or industries with expansion areas that formalize an electric service contract with this rate on or before August 31, 2013.

**SR-SBS**

**GENERAL AGRICULTURAL SERVICE AND  
AQUEDUCT PUMPS OPERATED BY RURAL COMMUNITIES**

**DESIGNATION:** GAS

**AVAILABLE:** Rural zone of Puerto Rico

**APPLICABLE:** This rate applies to agriculturist and customers dedicated to raising animals. The service shall be provided for motive power, lighting, irrigation pumps, refrigeration and heating. Also, this rate applies to customers that operate pumps to supply aqueduct service exclusively in rural communities; incidental lighting related to this operation is permitted. Service shall be through one point of connection and one metering point for load less than 50 kVA. PREPA will provide and install the meter. The customer is responsible to supply the installations needed for the placement of the meter.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, single or three-phase, 120, 208, 240 volts or other distribution voltages at PREPA's option.

**CHARGES:** Monthly Energy Charge:

5.4 cents per kWh

Monthly Fixed Charge:

\$10.00 per customer

Plus the adjustment charge as described in the Adjustment Clause.

**MINIMUM BILL:** Twenty percent (20%) of the highest bill registered during the previous six months to the current month, in regular billing periods.

**EFFECTIVE DATE:**

June 5, 2000

**GAS**

**OUTDOOR SPORTS FIELD LIGHTING FOR  
PARKS WHERE ADMISSION RIGHTS ARE COLLECTED**

**DESIGNATION:** LP-13

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to sports fields where admission rights are collected having a connected load for outdoor illumination of 500 kilowatts or greater. Service shall be through one point of delivery and one metering point. The customer must provide all the electrical installations required for rendering service under this rate schedule, including the substation. The measurement system will be provided and installed by PREPA. The customer is responsible to supply the installations needed for the placement of the meter.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, three phase, 3 or 4 wires, 2,300 V, 4,160 V, 8,320 V, 13,200 V or other primary distribution voltage at PREPA's option.

**CHARGES:** Monthly Energy Charge:

9.0 cents for the first 100 kWh per kW of the maximum monthly demand

8.0 cents per each kWh of additional consumption

Plus the adjustment charge as described in the Adjustment Clause.

**MINIMUM BILL:**

\$1,200 plus the adjustment charge as described in the Adjustment Clause.

**TERM OF CONTRACT:**

One year; can be cancelled thereafter with an advance notice of 60 days by either party.

**EFFECTIVE DATE:**

June 5, 2000

**LP-13**

**CABLE TV POWER SUPPLIES****DESIGNATION:** CATV**AVAILABLE:** Everywhere in Puerto Rico**APPLICABLE:** This rate applies to all cable TV power supplies.**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, single or three-phase, 120 volts or other distribution voltages at PREPA's option.

**CHARGES:** Monthly Fixed Charge:

\$5 per customer

Monthly Energy Charge:

Volts	kWh	\$
60	656	50.32
90	494	37.89

Plus the adjustment charge as described in the Adjustment Clause.

In case that the Cable TV company installs, or PREPA's determines that a power supply exists with a different consumption from the presented in the previous table, the monthly energy charge will be calculated based on 7.67 ¢/kWh.

**EFFECTIVE DATE:**

June 5, 2000

**CATV**

**PUBLIC LIGHTING GENERAL**

**DESIGNATION:** PLG

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to the lighting of: streets, ball parks and other parks of free admission, plazas, telephone booths, bus shelters, and traffic and police strobe lights. PREPA will provide the conservation and renewal of lamps, brackets, photocells, standard poles, wiring and other street lighting accessories, to systems transferred to PREPA and to *dusk to dawn* luminaries. PREPA will not provide the conservation and renovation of materials to: street lighting systems that have not been transferred to PREPA, traffic lights, free admission parks, telephone booths, bus shelters, and police strobe lights. Unless indicated, the customer shall pay for the materials, labor, and other costs related to the installation or retirement of equipment needed for the connection with PREPA's system.

The following services: street lighting, *dusk to dawn*, and telephone booths will be controlled by a photocell that activates each lamp during the night and deactivates it during the day, on series or multiple systems, at PREPA's option. The photocell must be designed so that if it becomes damaged, the lamp will remain off. Each lamp will be on approximately 4,000 hours in a year.

The following tables present an estimate of the consumption in kWh for each type of lamp of street lighting systems. Also, PREPA will estimate the consumption of telephone booths, bus shelters, and police strobe lights. For other uses, service shall be rendered through one point of delivery and one meter provided and installed by PREPA. All services under this rate must have a connected load less than 50 kVA.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, two wires, single phase, secondary distribution voltage.

**I. Public Lighting Rate for Streets and Roadways Systems Owned by PREPA (Codification 420)****a. High Pressure Sodium Lamps**

Systems built at customer expense (Municipality, Public Agency, Constructor, etc.) and ownership of such system transferred and vested to PREPA. The system must have standard lighting poles made of concrete or wood.

Lamp Capacity (Watts)	Lumens	Monthly kWh	Monthly Basic Charge (\$)
50	3,300	19.7	5.75
70	5,800	27.7	6.10
100	9,500	39.0	6.75
150	16,000	57.0	7.45
200	22,000	84.7	11.50
250	25,500	105.0	12.50
400	50,000	161.7	16.90

Plus an adjustment charge as defined by the Adjustment Clause.

**b. High Pressure Sodium Lamps**

New systems constructed with PREPA's funds exclusively in existing poles used for the distribution system.

Lamp Capacity (Watts)	Lumens	Monthly kWh	Monthly Basic Charge (\$)
50	3,300	19.7	8.80
70	5,800	27.7	9.10
100	9,500	39.0	9.80
150	16,000	57.0	10.45
200	22,000	84.7	12.50
250	25,500	105.0	13.50

Plus an adjustment charge as defined by the Adjustment Clause.



Public Lighting General  
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c. Mercury Vapor Lamps

This rate shall apply for existing lighting systems at the effective date of this rate schedule.

Lamp Capacity (Watts)	Lumens	Monthly kWh	Monthly Basic Charge Urban Zone (\$)	Monthly Basic Charge Rural Zone (\$)
100	3,850	41.33	5.50	3.90
175	7,950	68.33	7.30	5.65
250	11,200	98.00	12.65	7.55
400	21,000	151.00	26.85	10.90
400 (Highway and Transportation Authority)	21,000	151.00	23.85	(Does not apply)

Plus an adjustment charge as defined by the Adjustment Clause.

**II. Public Lighting Rate for Streets and Roadways Systems Without Operation, Maintenance and Materials Renewal Costs**

This rate shall apply to high-pressure sodium systems for streets and roadways lighting. The charges under this rate do not include the operation, maintenance, and renewal of the materials needed to provide this service from the delivery point. The service shall be metered except for the existing systems in which PREPA determines that it is not possible to meet this requirement.

**CHARGES:**

Monthly Energy Charge:

7 cents per kWh

Monthly Fixed Charge:

\$5.00 per customer

Plus an adjustment charge as defined in the Adjustment Clause.

Public Lighting General  
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Existing systems in which PREPA determines that it is not possible to meter the service, the charges for the consumption shall be as specified in the following table for each lamp capacity in Watts.

Lamp Capacity (Watts)	Lumens	Monthly kWh	Monthly Basic Charge (\$)
50	3,300	19.7	1.40
70	5,800	27.7	2.00
100	9,500	39.0	2.80
150	16,000	57.0	4.00
200	22,000	84.7	6.00
250	25,500	105.0	7.50
400	50,000	161.7	11.50

For any other type of luminaires, in systems without meter, the basic charge will be calculated based on 7 cents for each kWh of monthly consumption.

An adjustment charge, as defined by the Adjustment Clause, is added to this basic charge.

Conditions:

1. This rate shall apply to customers that do not transfer the lighting system to PREPA, PREPA does not accept the transfer or the system does not meet PREPA's standards.
2. The change to this rate of existing systems with standard equipment will be only accepted if the municipality or association includes the totality of the standard equipment that it has or it controls. This change of rate is permanent; PREPA will not grant again the rate with the conservation and renewal of materials costs.

**III. Dusk to Dawn Luminaires**

This rate applies to *dusk to dawn* luminaires installed by PREPA in existing poles used for the distribution system. If not available, the customer shall provide the system needed for the installation of the luminaires.

Type of Lamp	Lamp Capacity (Watts)	Lumens	Monthly kWh	Monthly Basic Charge (\$)
High Pressure Sodium	50	3,300	19.7	8.80
	70	5,800	27.7	9.10
	100	9,500	39.0	9.80
	150	16,000	57.0	10.45
	200	22,000	84.7	12.50
	250	25,500	105.0	13.50
Mercury Vapor	175	7,950	68.3	5.25

An adjustment charge, as defined by the Adjustment Clause, is added to this basic charge of the high-pressure sodium lamp.

The mercury vapor luminaire rate shall not be available for new customers.

**IV. Public Plazas (Codification 422)**

This rate applies to systems owned and controlled by municipalities or associations, on series or multiple systems. PREPA will provide and install the meter. The customer is responsible to supply the installations needed for the placement of the meter.

**CHARGES:**

Monthly Energy Charge:

3.75 cents per kWh of consumption

Monthly Fixed Charge:

\$5.00 per customer

Plus an adjustment charge as defined by the Adjustment Clause.

#### **V. Traffic Lights (Codification 423)**

This rate shall apply to systems owned and controlled by an agency or municipality. PREPA will provide and install the meter. The customer is responsible to supply the installations needed for the placement of the meter.

##### **CHARGES:**

Monthly Energy Charge:

5.15 cents per kWh

Plus an adjustment charge as defined by the Adjustment Clause.

#### **VI. Ball Parks and Other Free Admission Parks (Codification 424)**

This rate shall apply to systems owned and controlled by government agencies, municipalities, and associations. PREPA will provide and install the meter. The customer is responsible to supply the installations needed for the placement of the meter.

##### **CHARGES:**

Monthly Energy Charge:

3.75 cents per kWh

Monthly Fixed Charge:

\$5.00 per customer

Plus an adjustment charge as defined by the Adjustment Clause.

#### **VII. Telephone Booths**

This rate shall apply to all the telephone booths in Puerto Rico. The booths will have a fluorescent lamp of a maximum capacity of 40W.

**CHARGES:**

Monthly Basic Charge:

\$1.40 per booth

Plus an adjustment charge as defined by the Adjustment Clause, based in a monthly consumption of 14.66 kWh for each booth.

**VIII. Bus Shelter**

This rate shall apply to all the bus shelters in Puerto Rico.

**CHARGES:**

Monthly Basic Charge:

\$6.60 per bus shelter

Plus an adjustment charge as defined by the Adjustment Clause, based in a monthly consumption of 117 kWh for each shelter.

**IX. Police Strobe Lights**

This rate shall apply to all the police strobe lights in Puerto Rico.

**CHARGES:**

Monthly Basic Charge:

\$1.40 per strobe light

Plus an adjustment charge as defined by the Adjustment Clause, based in a monthly consumption of 77 kWh for each shelter.

**EFFECTIVE DATE:**

June 5, 2000

**UNMETERED SERVICE FOR SMALL LOADS**

**DESIGNATION:** USSL

**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate shall apply to the services of the electric equipment installed on PREPA's pole or structures that operate 24 hours a day, with the exception of those equipments for which PREPA has another rate available (for example: Cable TV). The installed equipment consumption on every PREPA's pole or structure cannot exceed 200 kWh monthly.

The installation of the equipment has to comply with PREPA's current regulations, manuals, standards, and notices such as the National Electric Code and the National Safety Electric Code. The customer shall submit the manufacturer's data and specifications of the equipment that will be installed on PREPA's poles and structures to the Transmission and Distribution Directorate. The compliance with the previously mentioned dispositions will be verified with this information, and estimated consumption will be determined to bill this service. PREPA reserves the right to install metering equipment.

The client will be responsible to notify PREPA of any changes in the connected load and the quantity of installed equipment not later than 30 days after the change was made. In case that the customer does not comply with these dispositions, PREPA can require the client the installation of metering equipment to bill these services with the applicable rate.

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, single or three phase; secondary distribution voltage.

Unmetered Service for Small Loads  
Page 2

**CHARGES:**

Fixed Charge:

\$4.60 per each installation in PREPA's poles and structures  
Monthly Energy Charge:

7.67 cents per kWh of estimated consumption

Adjustment charge as described in the Adjustment Clause

**EFFECTIVE DATE:**

January 19, 2008

**USSL**

**POWER PRODUCERS CONNECTED AT PREPA BUS BAR****DESIGNATION:** PPBB**AVAILABLE:** Everywhere in Puerto Rico

**APPLICABLE:** This rate will apply to large power producers connected to the 230 kV bus bar that require PREPA's electric power service during startup, programmed maintenance, and outages of its generating equipment. The power producer generating units must operate in parallel with PREPA's system, upon previous consent of PREPA and subject to the terms and conditions provided for this type of operation. Service shall be provided through one point of delivery and through one or more meters as required. The power producer shall provide the metering system, the necessary communication facilities for the remote reading of the meter, and the equipment required for the interconnection with PREPA.

The power producer must have a contract with PREPA (Purchase Power Agreement) for the sale all of his produced energy exclusively to PREPA. In this contract, an equivalent availability of his generating units of at least, 85 percent must be guaranteed.

The power producer will have the option of requesting the following services:

1. Service during startup period
2. Service during programmed maintenance
3. Service for backup

**CHARACTER OF SERVICE:**

Alternating current, 60 Hertz, 3 or 4 wires, three-phase, 230 kV.

**DEFINITIONS:** For this rate, the following definitions apply:

1. Contracted load for service during the startup period:

The capacity in kVA that the power producer contracts to serve the load during the startup period of his generating equipment.

2. Contracted load for service during the programmed maintenance period:

The capacity in kVA that the power producer contracts to be used only during the periods previously approved by PREPA as programmed maintenance periods of his generating units.



3. Contracted load for backup service:

The capacity in kVA that the power producer contracted to serve the load during the outages of his generating equipment.

**CHARGES:** The monthly bill will consist of the following charges:

1. Fixed charge: \$450
2. Energy charge - The energy charge for each kWh consumed by the power producer will be \$0.0261.
3. Demand charge – One or more of the following ones apply according to the contracted service:

a) Startup period

The highest of:

- i. \$7.40 per kVA of the maximum demand during a period of 15 consecutive minutes in the month. The excess over the contracted load for the startup period will be charged at \$10 per kVA.
- ii. \$7.40 per kVA of the 60% of contracted load for the startup period

b) Programmed maintenance period

The demand charge will be the highest of the following during the periods previously designated as programmed maintenance periods:

- i. \$7.40 per kVA of the maximum demand during a period of 15 minutes in the month. The excess over the contracted load for the programmed maintenance period will be charged at \$10 per kVA.
- ii. \$7.40 per kVA of the 60 % of contracted load for the programmed maintenance period.

c) Backup period

The demand charge will be the highest of the following, once PREPA certified the termination of the startup period and the power producer is not in a programmed maintenance period:

- i. \$7.40 per kVA of the maximum demand during a period of 15 minutes in the month. The excess over the contracted load for the backup period will be charged at \$10 per kVA.
  - ii. \$7.40 per kVA of the 40% of contracted load for the backup period.
  - iii. \$7.40 per kVA of the 60% of maximum demand established during the 11 months previous to the current month.
4. Adjustment charge – The charge per kWh will be as defined in the Adjustment Clause.

**CONTRACTED LOAD DETERMINATION:**

The power producer shall, by a signed contract, establish the capacity requirements in kVA for each one of the requested services and it will be known as contracted load. This load will be in force through the term of the contract, unless both parties consent to change it with a previous agreement. PREPA will exercise the right to establish the maximum capacity to be served under this rate and it is not forced to serve a load higher than 110% of the contracted quantity. If for two consecutive billing periods the power producer maximum demand exceeds the contracted load, the higher demand will be used as the new contracted load.

**SPECIAL REQUIREMENTS:**

A service fee equal to \$7.40 per kVA of contracted load will be required for service during the startup period. This service will be provided after the payment of this fee by the power producer. The power producer will contract additional startup periods in blocks of five months, after a five months initial startup period. These additional startup periods will be subject to the service fee. PREPA will officially certify the termination of the startup period of the power producer generating units.

The programmed maintenance period will be determined according to the Purchase Power Agreement. If by any reason, the real maintenance exceeds the period specified in the agreement, the power producer will be charged after this, under option (c) of this rate.

If meter readings, energy and demand, are performed at the secondary side of the customer's substation, the readings shall be referred to the primary side, which is the point of delivery, using a correction factor to account for transformer losses.

**TERM OF CONTRACT:**

The term of contract is five-month periods for startup service and one year for maintenance programmed and backup services.

**EFFECTIVE DATE:**

June 5, 2000

**PPBB**

## ADJUSTMENT CLAUSE

The adjustment charge shall be the sum of the charges due to the fuel purchase and the power purchase charge. The purchase fuel charge is the product of the customer consumption (kWh) and the corresponding fuel purchase factor (FCC) by service voltage, in accordance to the Fuel Purchase Clause. Similarly, the purchase power charge is the product of the customer consumption (kWh) and the corresponding factor of purchase power (FCE) by service voltage, in accordance to the Purchase Power Clause.

### A. Fuel Purchase Clause

The formula to calculate the fuel purchase factor is:

$$\text{FCC (\$/kWh)} = \frac{\$/\text{BBL} \times \text{Estimated BBLS} \pm \text{Adjustment}}{0.89 \times \text{Total Estimated Net Generation} \times E}$$

#### \$/BBL

Fuel cost applicable to the corresponding billing period. It is an average between the estimated fuel cost for the billing month and the historical fuel cost for the second month previous to the billing month, based on the fuel price for PREPA of a fuel oil barrel of 42 US gallons, plus transportation, storage, handling, and any other required expense before using it in PREPA's generating units. The heating value of Residual oil #6 is used to convert natural gas measuring units into barrels.

#### Estimated BBLS

Estimated barrels of fuel to be consumed by PREPA's generating units during the billing month. The heating value of Residual oil #6 is used to convert natural gas measuring units into barrels.

#### Adjustment<sub>c</sub> (\$)

Difference between the cost of the fuel consumed by PREPA and the amount of money received from the customers through the application of the Fuel Purchase Clause, excluding the portion that corresponds to the contributions in lieu of taxes. Both quantities pertain to two months before the billing month. After each financial month closing, if the difference is a positive value, it may be deferred in a period that shall not exceed three (3) months, considering, among others, its effect on PREPA's cash flow and the process to be established for this purpose.

#### 0.89 Factor

Used to include the effect of the contributions in lieu of taxes to the central government and municipalities.

#### Total Estimated Net Generation

Net generation that PREPA estimates it will produce and purchase (excluding the energy used by the auxiliary equipment) for the billing month.

Adjustment Clause

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### E<sub>i</sub> Factor

Twelve month average efficiency for the period ending two months previous to the billing month. This is the efficiency from the bus bar to the customer delivery point. The applicable E<sub>i</sub> factor for each connection point is:

E <sub>ds</sub>	–	Secondary distribution voltage efficiency
E <sub>dp</sub>	–	Primary distribution voltage efficiency
E <sub>t</sub>	–	Transmission voltage efficiency
E <sub>bg</sub>	–	Bus bar efficiency

### **B. Purchase Power Clause**

The formula to calculate the factors of purchase power purchase is:

$$\text{FCE (\$/kWh)} = \frac{\text{Estimated Cost of Purchase Power} \pm \text{Adjustment}_{CE}}{0.89 \times \text{Total Estimated Net Generation} \times E_i}$$

### Estimated Cost of Purchase Power (\$)

It is the amount of money that PREPA will pay in the billing month to the large power producers and to renewable energy producers for purchase power, as well as the costs associated with Renewable Energy Certificates (RECs). These quantities correspond to the billing month.

As per the provisions of Act No. 82 of July 19, 2010, known as the Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act (Act 82-2010), PREPA shall comply with Renewable Portfolio Standard by submitting RECs. A REC is equal to one (1) megawatt-hour of electricity generated from a sustainable renewable energy source or alternative renewable energy source, and represents all environmental and social attributes of such energy, as defined in Act 82-2010.

### Adjustment<sub>CE</sub> (\$)

Difference between the real cost of purchasing power to large power producers and to renewable energy producers as well as the costs associated with RECs, and the amount of money received from the customers through the application of the Purchase Power Clause, excluding the portion that corresponds to the contributions in lieu of taxes. Both quantities pertain to two months before the billing month. After each financial month closing, if the difference is a positive value, it may be deferred in a period that shall not exceed three (3) months, considering, among others, its effect on PREPA's cash flow and the process to be established for this purpose.

This adjustment could include an annual reimbursement, in the event that PREPA has met the requirements of the Renewable Portfolio Standard and has sold surplus RECs

in the renewable energy market, as per Act 82-2010.

Adjustment Clause

Page 3

0.89 Factor

Used to include the effect of the contributions in lieu of taxes to the central government and municipalities.

Total Estimated Net Generation

Net generation that PREPA estimates it will produce and purchase (excluding the energy used by the auxiliary equipment) for the billing month.

E<sub>i</sub> Factor

Twelve month average efficiency for the period ending two months previous to the billing month. This is the efficiency from the bus bar to the customer delivery point. The applicable E<sub>i</sub> factor for each connection point is:

E <sub>ds</sub>	–	Secondary distribution voltage efficiency
E <sub>dp</sub>	–	Primary distribution voltage efficiency
E <sub>t</sub>	–	Transmission voltage efficiency
E <sub>bg</sub>	–	Bus bar efficiency

The adjustment charge shall be the sum of the charges due to the fuel purchase and the power purchase charge. The purchase fuel charge is the product of the customer consumption (kWh) and the corresponding fuel purchase factor (“FCC”) by service voltage, in accordance to the Fuel Purchase Clause. Similarly, the purchase power charge is the product of the customer consumption (kWh) and the corresponding factor of purchase power (“FCE”) by service voltage, in accordance to the Purchase Power Clause.

**EFFECTIVE DATE:** December, 2013