

Puerto Rico Electric Power Authority

Embedded Cost of Service Model

Scenario 1: FY2017 with Restructuring

May 27, 2016

Functionalization of Maintenance and Investment Capex

Line	Description	Revenue Requirement	Functionalization Method	Production	Transmission	Distribution
1	Capital Expenditures					
2	Capital Expenditures	\$ -	Not Applicable	0.0%	0.0%	0.0%
3	Maintenance Capex	\$ -	Not Applicable	0.0%	0.0%	0.0%
4	Generation	\$ 68,905,000	Production	100.0%	0.0%	0.0%
5	Transmission	\$ 26,372,000	Transmission	0.0%	100.0%	0.0%
6	Distribution	\$ 103,035,000	Distribution	0.0%	0.0%	100.0%
7	Total System	\$ 33,754,000	Maintenance Capex	34.7%	13.3%	52.0%
8	Investment Capex	\$ -	Not Applicable	0.0%	0.0%	0.0%
9	Generation	\$ 56,339,808	Production	100.0%	0.0%	0.0%
10	Transmission	\$ 24,076,000	Transmission	0.0%	100.0%	0.0%
11	Distribution	\$ 24,076,000	Distribution	0.0%	0.0%	100.0%
12	Total System	\$ -	Investment Capex	53.9%	23.0%	23.0%
13						
14	Functionalization of Maintenance Capex					
15	Production	\$ 68,905,000	34.7%			
16	Transmission	\$ 26,372,000	13.3%			
17	Distribution	\$ 103,035,000	52.0%			
18	Total System	\$ 198,312,000	100.0%			
19						
20	Functionalization of Investment Capex					
21	Production	\$ 56,339,808	53.9%			
22	Transmission	\$ 24,076,000	23.0%			
23	Distribution	\$ 24,076,000	23.0%			
24	Total System	\$ 104,491,808	100.0%			