

**COMMONWEALTH OF PUERTO RICO  
PUERTO RICO ENERGY COMMISSION**

IN RE: THE PUERTO RICO ELECTRIC : NO.: CEPR-AP-2015-0001  
POWER AUTHORITY :  
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 :  
INITIAL RATE REVIEW :

**REGULATION 8720, SECTION 2.15 (A) - SCHEDULE M-1**

“Schedule M-1 shall present a rate-design proposal that includes, for each customer class or sub-class, (i) a fixed monthly charge equal to the incremental cost of serving an additional customer in that class or sub-class; (ii) where appropriate, a demand charge; and (iii) variable charges sufficient to collect all other costs necessary to serve that class or sub-class.”

(See Electronic Submission)

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**REGULATION 8720, SECTION 2.15 (B) - SCHEDULE M-2**

“Schedule M-2 shall present, for each rate design presented in Schedule M-1, the associated costs unbundled among the following four functions: customer costs (e.g. metering, billing and customer service), physical distribution, transmission and generation. For each of these four categories, Schedule M-2 shall also identify that portion of PREPA's book cost that, in the event of customer bypass (either economic or uneconomic), would need to be recovered from the bypassing customer to avoid the shifting of such cost to other customers.”

(See Electronic Submission)

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**REGULATION 8720, SECTION 2.15 (C) - SCHEDULE M-3**

“Schedule M-3 shall present any other rate design proposal PREPA wishes the Commission to consider. Should PREPA elect to present a Schedule M-3, its prefiled testimony shall describe the advantages and disadvantages of such approach, as compared to the approaches presented in Schedule M-1 and M-2, and shall show the effects of both approaches on the bills of residential consumers at different levels of consumption.”

(See Electronic Submission)