

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

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

REGULATION 8720, SECTION 2.16 (A), (B) - SCHEDULE N-1

“If PREPA proposes a formula rate structure, it shall be presented on Schedule N-1. However, the formal application shall also include an alternative rate structure that is more typical of utility rate filings; specifically, one that does not envision either annual rate increases occurring outside of a base rate case, or "true-ups" for cost elements other than fuel and purchased power. The prefiled testimony shall describe the advantages and disadvantages of both approaches.”

“The required alternative to the proposal or preferred solution presented on Schedule N-1 must reflect care and rigor comparable to that reflected in PREP A's preferred solution.”

(See Electronic Submission)