

A-1 shall present a computation of the change in the Base Rates gross revenue requirement being requested by PREPA. It shall include information on the test year Embedded Cost of Service and pro forma adjusted rate year Embedded Cost of Service as well as the debt service and interest costs. It will also include the proposed coverage on debt service and interest, as well as a comparison of revenues at proposed and current rates.

See PREPA Rate Case Financial Model 2016-06-16_Debt Restructuring_No Rate Change RF_Schedules tab

Operating Expenses	FY 2014	Adjustments	FY 2017	Notes
Fuel	\$2,344,999,982	(\$1,689,031,615)	\$655,968,367	
Purchased Power	807,619,515	12,287,367	819,906,882	
Generation Expenses	160,541,902	(38,131,386)	122,410,515	
Transmission Expenses	44,882,530	(10,660,351)	34,222,179	
Distribution Expenses	222,007,687	(52,730,538)	169,277,149	
Customer Billing Expenses	111,405,645	(26,460,704)	84,944,941	
Administrative and General Expenses	195,279,419	(46,382,128)	148,897,292	
Total Labor & Other Operating Expenses	734,117,183	(174,365,107)	559,752,076	
CILT Subsidy Recovery Required in Base Rate	(23,644,759)	61,329,953	37,685,194	
Total Non-fuel O&M Expense	710,472,425	(21,851,388)	688,621,037	
Bad Debt Expense	191,533,358	(106,149,591)	85,383,767	
Energy Administration Assessment	-	5,800,000	5,800,000	
Less Other Income	(18,010,147)	(20,914,698)	(38,924,845)	
Total Operating Expense	\$4,429,816,203	(\$2,082,908,370)	\$2,346,907,833	
Debt Service (Principal & Interest)	635,326,147	(320,936,408)	314,389,739	
Capital Expenditure (Maintenance & Investment)	316,002,245	20,555,563	336,557,808	
Total Base Rate Revenue Requirement	5,363,134,449	(2,404,203,914)	\$2,958,930,536	<<<Revenues at proposed rates
Base Rate Increase Requirement				
Fuel Pass-through	\$3,542,269,097	(\$1,883,982,301)	\$1,658,286,796	
Base Rate	1,097,282,862	(18,895,913)	1,078,386,949	
Total Revenue	\$4,639,551,959	(\$1,902,878,214)	\$2,736,673,745	<<<Revenues at current rates
Deficiency (Excess)	723,582,491	(501,325,700)	\$222,256,790	
Base Rate Change Required	65.9%	-45.3%	20.6%	
Debt Service for Securitization	-	394,237,206	394,237,206	
Gross-up for Collections Lag and Uncollectible Revenue	-	109,027,031	109,027,031	
PREPARC Revenue Requirement (SPV)	\$0	\$503,264,236	\$503,264,236	
Total Revenue Requirement including Securitization	\$5,363,134,449	(\$1,900,939,677)	\$3,462,194,772	
Base Rate Change Required including TC	65.9%	1.3%	67.3%	
Overall Rate Change Required including TC	15.6%	10.9%	26.5%	