

Schedule C-2 shall present the income statement pro forma adjustments (one adjustment per column). PREPA shall discuss and explain each adjustment in prefiled direct testimony and shall provide supporting workpapers showing the derivation of each adjustment.

See PREPA Rate Case Financial Model 2016-06-16_Debt Restructuring_Rate Change to RR RF_Schedules tab for changes over time

Revenue	FY 2014	Change in Fuel/PP Costs and kwhr	Changes in Generation Efficiency from Alix Business Plan	Changes in O&M from Alix Business Plan	Pro Forma to Reflect Uncollectible Accounts Expense	Pro Forma to Reflect PREC Assessment Fee	Pro Forma to Reflect CILT Accounting Change	Pro Forma for Cash Requirements Target	FY 2017	Notes
Fuel & Purchased Power (+CILT pre-rate structure change)	\$ 3,542,269,097								\$ 1,658,286,796	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Contribution to municipalities (CILT)	-									
Special Customer Subsidies & Public Lighting	-									
Base Rate (Non-CILT & Subsidy)	1,097,282,862								1,300,643,739	
Other Income	18,010,147								38,924,845	
Total Revenues	4,657,562,106								2,997,856,381	
YoY Growth									-4%	
Operating Expenses										
Fuel	\$ (2,344,999,982)	\$ 1,581,304,904							\$ (763,695,078)	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Purchased Power	(807,619,515)	(20,773,498)							(828,393,012)	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Performance Improvement	-		\$ 116,212,842						116,212,842	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Total Fuel & Purchased Power Expense	(3,152,619,496)	1,560,531,406	116,212,842						(1,475,875,249)	
Salaries	(335,242,719)			\$ 54,881,858					(280,360,861)	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Pension & Benefits	(195,554,701)			\$ 40,977,741					(154,576,960)	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Total Labor Expenses	(530,797,419)			95,859,598					(434,937,821)	
Pension Underfunding	-								-	
Unclassified division expenses	(188,861,088)			\$ (38,703,167)					(227,564,256)	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Total Other Operating Expenses	(188,861,088)			(38,703,167)					(227,564,256)	
Customer Service				\$ 23,750,000					23,750,000	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Procurement				\$ 55,000,000					55,000,000	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Other, Net				\$ 24,000,000					24,000,000	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Total Non-Fuel Performance Improvement				102,750,000					102,750,000	
Bad Debt Expense	(191,533,358)				\$ 106,149,591				(85,383,767)	
Energy Administration Assessment	-					\$ (5,800,000)			(5,800,000)	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Contribution to municipalities (CILT)	(249,310,364)						197,526,543		(51,783,821)	See Schedule E-8 for detail on CILT & Subsidy costs and change over time
Special Customer Subsidies & Public Lighting	(116,694,478)						(51,618,443)		(168,312,921)	See Schedule E-8 for detail on CILT & Subsidy costs and change over time
Total Other Expenses	(505,726,531)				106,149,591	(5,800,000)	145,908,100		(311,280,508)	
Total Expenses ex-Fuel/PP	(911,191,865)			159,906,431	106,149,591	(5,800,000)			(650,935,843)	
Total Flow Through Expenses (Fuel/PP)	(3,518,624,338)	1,560,531,406	116,212,842	-	-	-	145,908,100	-	(1,695,971,990)	
Total Expenses	(4,429,816,203)	1,560,531,406	116,212,842	159,906,431	106,149,591	(5,800,000)	145,908,100		(2,346,907,833)	
EBITDA	227,745,902								650,947,547	
DSCR ex-Securitization	0.36								2.07	
Depreciation Expense	(339,493,217)						17,479,027		(356,900,456)	See A-4 for detail on change in Assets and Depreciation over time
Interest / Financing Expense	(431,021,147)						(288,719,846)		(142,301,302)	See Schedule E-2 for changes in expenses over time and row 4 column headers for summary explanation
Net Income excluding Securitization	(542,768,462)								151,745,790	
Securitization										
SPV Pass Through Income for Securitization	\$0								394,237,206	See Schedule D-6 for detail on Securitized Debt Service Assumptions
DSCR	0.36								1.87	
Securitized / Refinanced Debt Interest & Fees									(318,521,242)	
Net Income Including Securitization	(542,768,462)								227,461,754	

Note:

Securitization payment is deducted from electricity sales prior to sales recognition as PREPA revenue (electricity sales - securitization payment = PREPA revenue)