

New Electric Power Authority Rates Go Into Effect in April

Consumers Will Pay 0.3 Cents Less Because Energy Bureau Determined Utility's Revenue Deficiency Was Less Than Prepa Reported

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Starting in April, the Puerto Rico Electric Power Authority (Prepa) will put into effect new rates that will result in lower utility bills.

Edison Avilés, a member of the local Energy Bureau, said the rates vary according to client and type of service. He said the permanent rate is lower

than the provisional rate that went into effect in June 2016 and is 1.299 cents per kilowatt-hour (kWh). "In general terms, the permanent rate approved by the Energy Bureau is, on average, 0.3 cents less than the temporary rate that is in effect," Avilés said.

For instance, the general residential charge is 0.04944 cents per kWh for

the first 425 kilowatt-hours of monthly consumption, and then goes up to 0.00564 cents per kWh afterward. For large industrial service, the minimum bill is \$450 per month and the rate is 0.02496 cents per kWh for the first 584 kWh per kilowatt of maximum demand and 0.01896 cents per kWh for the additional consumption. There are

different rates for agriculture, public housing and public park lights.

The permanent rates, which were approved in January 2017, were originally slated to go into effect in July 2017, but Prepa requested several extensions because of the effects of Hurricane Maria until the Energy Bureau finally said it was not going to grant any more extensions.

The permanent rate, which remains in effect until the Energy Bureau changes it, is a reduction from the provisional rate because the bureau determined that Prepa's revenue deficiency was \$171 million, and not \$222 million as the utility had first determined. "That is why the permanent rate is less than the provisional rate," he said.

Because the Energy Bureau determined the permanent rate is smaller than the provisional rate, the \$50 million in savings will be passed on to

consumers. How will consumers be reimbursed? "The mechanism to reconcile the difference will be through a credit on the consumer bill," he said. Consumers will see the credit once the process to reconcile the two rate structures is completed.

Prepa, Avilés said, was not overcharging consumers because the law stated the provisional rate was going to be in effect until the permanent rate structure is implemented.

The new rate structure will appear in a new so-called transparent bill to consumers, which will contain a breakdown of all charges levied. "One of the most significant changes is that the fuel-adjustment and energy-purchase formulas will be broken down, so consumers can see the different fees," he said. Consumers will then be able to see how much the payment is for public lighting and energy subsidies.



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