

July 22, 2015

**Puerto Rico Energy Commission Adopts Regulations on Certifications, Annual Fees and Operational Reports of Electrical Services Companies in Puerto Rico**

On July 10<sup>th</sup>, 2015, the Puerto Rico Energy Commission (“PREC”) adopted the “Regulations on Certifications, Annual Fees and Operational Reports of Electric Power Companies in Puerto Rico” (“Regulations”), pursuant to Act 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act”, and Act No. 170 of August 12, 1988, as amended, known as the “Uniform Administrative Procedure Act”. The Regulations apply to all electrical service companies, as defined in the Regulations.

The purpose of the Regulations is to establish the rules governing the information and reports that electrical service companies must submit to the PREC; the rules governing the content and procedures applicable to certification requests that electrical service companies providing services in Puerto Rico have to submit and obtain; and rules governing the annual or regulatory fees that electrical service companies operating in Puerto Rico must pay to the PREC, among others.

The new Regulations require all electrical service companies to obtain a Certification prior to doing business in Puerto Rico. For those electrical service companies already doing business in Puerto Rico, they must comply with the following:

- Within 30 days of the Regulations’ effective date, all electrical service companies operating in Puerto Rico must provide to the PREC a detailed list of personal information together with a \$100 fee;
- Within 90 days of the Regulations’ effective date, all electrical service companies operating in Puerto Rico must file in the PREC a detailed Operational Report together with a \$2,000 fee. Such Operational Report must be submitted once every 3 years thereafter;
- Within 90 days from the Regulations’ effective date, all electrical



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service companies operating in Puerto Rico must file in the PREC a Certification application, together with a fee that ranges from \$30 to \$25,000 depending on the type of business in which the electrical service company is engaged and its capacity.

Certification applications filed with all the required information shall be deemed granted within the next 30 days following the submittal date, unless the PREC orders the submission of additional information prior to such 30 days.

The Regulations also require electrical service companies to pay an annual fee equivalent to 0.25% of its gross income, which must be reported yearly to the PREC.

Lastly, the Regulations establish procedures for issuing cease and desist orders, orders to show cause, modifying and revoking Certifications, as well as imposing penalties when violations of law and/or regulations occur.

During a period of thirty (30) days, starting from the publication date of the Notice Concerning the Publication of the Regulations on Certifications, Annual Fees and Operational Reports of Electric Power Companies in Puerto Rico, any interested person shall be able to submit comments in writing or request an oral hearing concerning the Regulations, along with those justifications that, according to the requesting party, merit an oral hearing, to the attention of Mr. Agustín F. Carbó Lugo, Esq., President, World Plaza Building, 268 Muñoz Rivera Ave., Suite #702, Hato Rey, PR 00918, or by electronic mail at: [comentarios@energia.pr.gov](mailto:comentarios@energia.pr.gov). The publication date of the Notice is deemed to be July 11, 2015.

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