

EXHIBIT I

**Stipulation on the Condition Assessment, by and between the Authority and the
Technical Consultant to the PSC dated as of December 12, 2006.**

WHEREAS, the Authority had earlier this year ordered replacement transformers for these units, but those replacements will not arrive for a substantial period of time; and

WHEREAS, the failed transformer served two distinct functions, acting as both a “step-up” transformer for Unit 13, one of the Authority’s two largest units, and as a tie-in between the two service busses, increasing system reliability; and

WHEREAS, the Authority has identified two transformers on Puerto Rico which are able to replace the failed transformers functions until such time as the new equipment is received. The Authority is now in the process of obtaining and installing that equipment; and

WHEREAS, the Authority petitioned the Commission on or about July 27, 2007, for permission to use up to \$1,500,000.00 of the Self-Insurance and Hazard Mitigation Fund to purchase and install the used transformers as a temporary measure; and

WHEREAS, the Authority clarified at the meeting that it was seeking to access those funds as a grant; and

WHEREAS, prior to the Commission’s meeting on August 22, 2007, the balance in the fund was \$8,535,754.53;

NOW, THEREFORE, THE COMMISSION ORDERS:

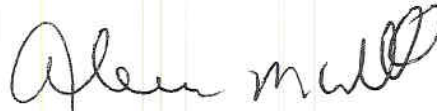
1. The Public Services Commission authorizes the Authority to use up to \$1,500,000 from the Self-Insurance and Hazard Mitigation Fund to fund out of pocket costs associated with the replacement of the failed transformer and installation of the two temporary replacements.
2. The Authority shall report to the Commission all expenses incurred and estimated within ten business days of the installation of the first

ORDER NO. 33/2007
TO USE SELF-INSURANCE FUND
TO REPLACE TRANSFORMER AT THE
RANDOLPH HARLEY GENERATING STATION

transformer; and shall submit its final report on costs allocated to the Self-Insurance and Hazard Mitigation Fund within ten business days of the installation of the second transformer.

So Ordered:

Dated: Sept. 6, 2007



ALECIA M. WELLS
Chairwoman

cc: Keithley Joseph, Executive Director, PSC
Tanisha M. Bailey-Roka, General Counsel, PSC
Boyd L. Sprehn, Counsel, PSC
Nellon L. Bowry, Acting Executive Director, WAPA
Lorelei Farrington, General Counsel, WAPA