

**GOVERNMENT OF PUERTO RICO  
PUBLIC SERVICE REGULATORY BOARD  
PUERTO RICO ENERGY BUREAU**

**NEPR**

**Received:**

**Sep 11, 2020**

**3:28 PM**

**IN RE:**

**PUERTO RICO ELECTRIC POWER  
AUTHORITY PERMANENT RATE**

**CASE NO.:**

NEPR-MI-2020-0001

**SUBJECT:**

FEMA, Insurance and Public Lighting  
Reports for September 2020

**REPORT ON FEMA REIMBURSEMENT, INSURANCE  
CLAIM AND PUBLIC LIGHTING REPAIRS**

TO THE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority through the undersigned legal representation and respectfully sets forth and pray:

**I. INTRODUCTION**

On July 28, 2020, the Energy Bureau of the Public Service Regulatory Board (the "Energy Bureau"), ordered the Puerto Rico Electric Power Authority (the "Authority") to, on the second Friday of each month on or before noon, submit (i) a public lighting repairs report and (ii) an update of the process to recover insurance proceeds and FEMA reimbursements related to the January 2020 earthquakes.<sup>1</sup>

In compliance with the Order, the Authority submits as follows.

**II. FEMA CLAIM**

As is has been previously informed, the Authority and the Central Office for Recovery, Reconstruction and Resilience ("COR3") continue to diligently pursue claims for the

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<sup>1</sup> *Resolución y Orden* (the "Order"), sec. III.

reimbursement from the Federal Emergency Management Agency (FEMA) for the cost of operating the emergency response units to cover the Costa Sur units 5 & 6 loss of generation. The federal offices of Legislative Affairs and the Management and Budget have not issued a decision on the approval of the funds yet.

The Authority and FEMA have not exchanged communications from August 14 to date.

### **III. INSURANCE CLAIM**

The Authority continues to actively pursue claims under its commercial property insurance policies for loss and damage arising from the January 7, 2020 earthquake.

The Authority has supplied preliminary estimates for property damage totaling \$82 million, of which approximately \$29 million has been committed (incurred or contracted) to date. Based on the support provided to date, the insurers' engineering consultants are currently characterizing \$35 million as an undisputed measure of property damage claim costs, with the remaining \$47 million held for discussion. The Authority, with the assistance of The Claro Group, will continue to supply the adjustment team with information and data necessary to refine and validate the Authority's claim for property damage.

On August 26, 2020, the Authority submitted an updated claim for extra expense, which extended the measurement through July 31, 2020 and corrected an issue with the duration of a planned maintenance outage for one of the Costa Sur units. With these updates, the aggregate extra expense measure increased to \$124.6 million, before application of a 30-day deductible waiting period. The Authority, with the assistance of The Claro Group, have been working with the insurers' claim adjuster and forensic accountant to support an initial measure of undisputed extra expense, for purposes of supporting a recommendation to the insurers for an additional

advance payment to the Authority. The insurers' adjuster has verbally communicated that based on the analysis prepared by the insurers' forensic accountant, the adjuster does not dispute that the Authority has demonstrated a \$40 million extra expense amount, net of a 30-day deductible waiting period. The Authority and The Claro Group will meet with the insurers' adjusters and forensic accountant on a regular basis to continue to progress the adjustment of the extra expense claim and will continue to evaluate a potential claim for any recoverable loss of gross earnings resulting from the earthquake.

The Authority understands that based on the insurers' adjustment team's calculation of an undisputed amount of property damage (\$35 million) and extra expense claim (\$40 million), less adjustment for the deductible (\$25 million) and the initial advance payment (\$25 million), the insurers' adjuster issued a report to insurers on Thursday, September 10, 2020 with a recommendation for an additional advance of \$25 million be paid to the Authority. The insurers have not responded if they agree with this recommendation.

As informed last August 14, 2020, in addition to advancing the insurance claim, the Authority insurance recovery team participates in weekly conference calls with the Disaster Funding Management Office in an effort to ensure insurance claim and FEMA claim coordination and support the recovery the Authority is entitled to receive for earthquake loss and damages from its insurance program and FEMA.

The Authority and the insurers have not exchanged communications from August 14 to date.

#### IV. PUBLIC LIGHTING REPORT

The public lighting repair report is attached to this motion as Exhibit A. The information is updated up to September 8, 2020. Exhibit A.

WHEREFORE, the Authority requests the Energy Bureau to find the Authority in compliance with the Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico on September 11, 2020.

/s/ Katuska Bolaños  
Katuska Bolaños  
[kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law)  
TSPR 18,888

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Exhibit A

Public Lighting Repair Report



# Puerto Rico Electric Power Authority

## Street Lighting Repairs

### Progress Status Report

September 8, 2020

Program Special Report - Full Version



01.1

Program Special Report - No Scope



01.2

Contractor's Overall Progress



02

Contractor's Performance



03

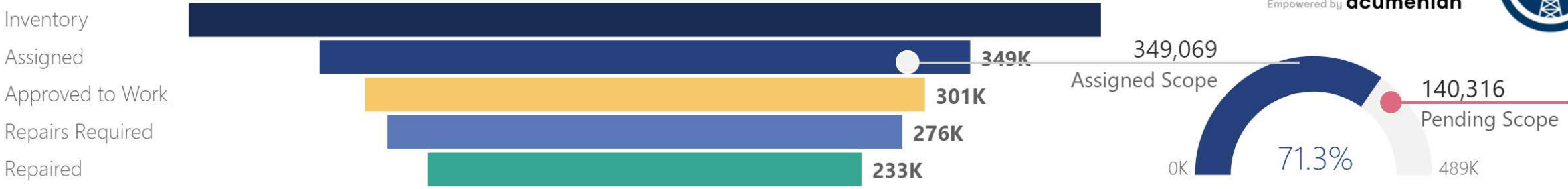
Contractor's Invoiced Status



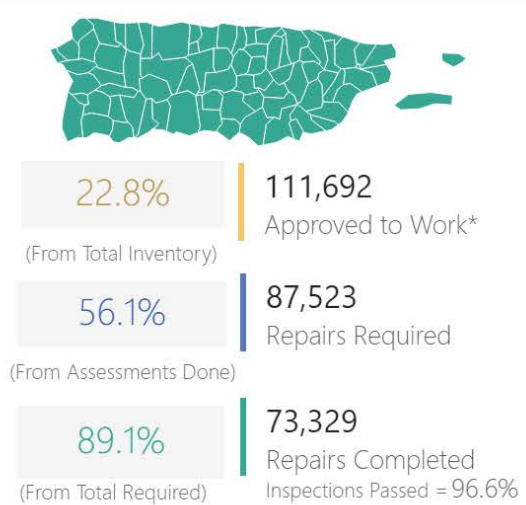
04



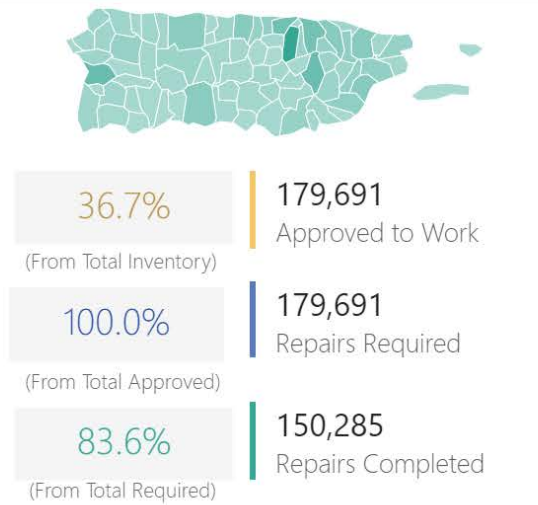
# STREET LIGHTING | EXECUTIVE VISIBILITY TOOL



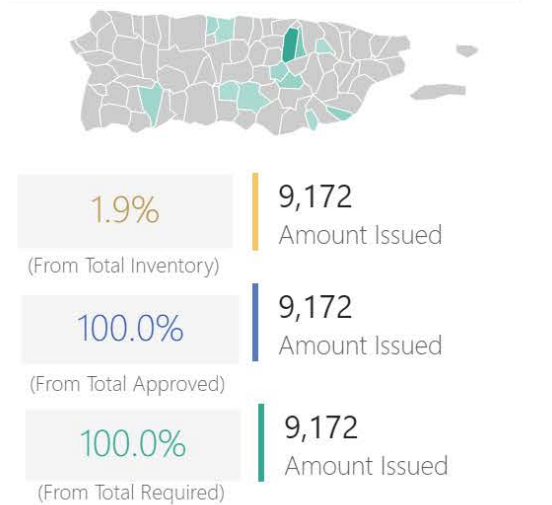
## WORKED BY CONTRACTORS:



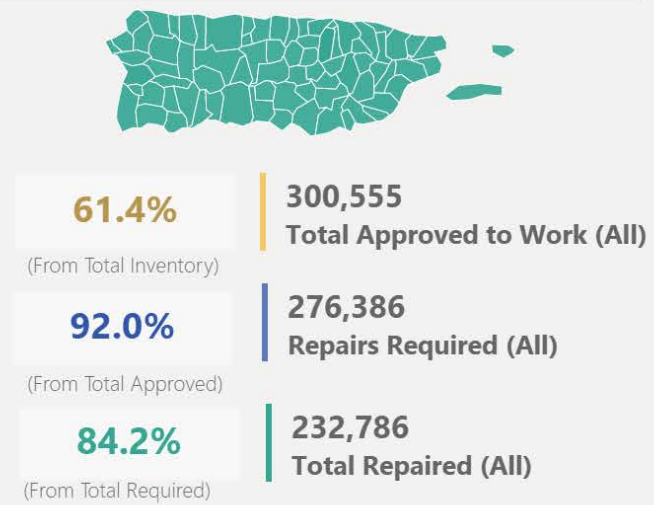
## WORKED BY T&D: (ZONE CERTIFIED BY DISTRICT, T&D)



## ISSUED TO MUNICIPALITIES (MOUs): (ZONE CERTIFIED BY DISTRICT, T&D)

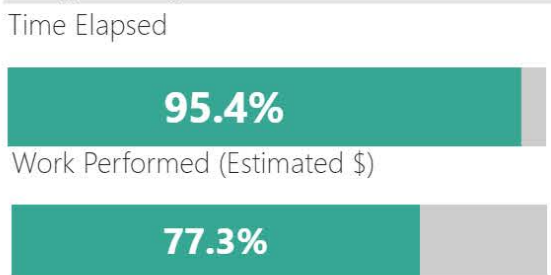


## TOTAL WORK (CONTRACTORS + T&D + MOU):

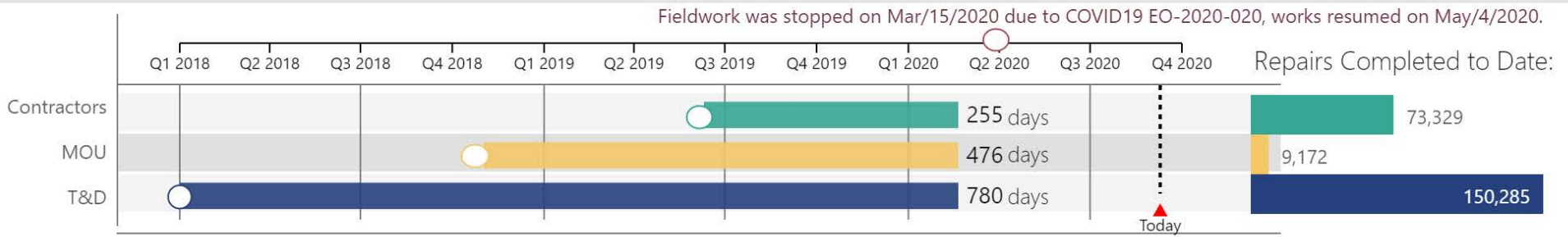


\*Approved to Work amt. is adjusted as Assessments are completed.

## Budget Analysis (Contractors)



## Timeline Analysis (All)





# STREET LIGHTING | EXECUTIVE VISIBILITY TOOL

Report Date (AST Local Time)

9/9/2020 2:59:36 AM

Latest Refresh (AST Local Time)

9/8/2020 12:28:53 PM

Empowered by **acumenian**



Inventory

Approved to Work

Repairs Required

Repaired



## WORKED BY CONTRACTORS:



22.8%

(From Total Inventory)

111,692

Approved to Work\*

56.1%

(From Assessments Done)

87,523

Repairs Required

89.1%

(From Total Required)

73,329

Repairs Completed

Inspections Passed = 96.6%

## WORKED BY T&D: (ZONE CERTIFIED BY DISTRICT, T&D)



36.7%

(From Total Inventory)

179,691

Approved to Work

100.0%

(From Total Approved)

179,691

Repairs Required

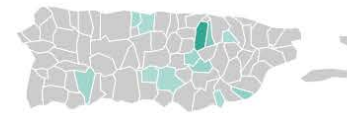
83.6%

(From Total Required)

150,285

Repairs Completed

## ISSUED TO MUNICIPALITIES (MOUs): (ZONE CERTIFIED BY DISTRICT, T&D)



1.9%

(From Total Inventory)

9,172

Amount Issued

100.0%

(From Total Approved)

9,172

Amount Issued

100.0%

(From Total Required)

9,172

Amount Issued

## TOTAL WORK (CONTRACTORS + T&D + MOU):



61.4%

(From Total Inventory)

300,555

Total Approved to Work (All)

92.0%

(From Total Approved)

276,386

Repairs Required (All)

84.2%

(From Total Required)

232,786

Total Repaired (All)

\*Approved to Work amt. is adjusted as Assessments are completed.

## Budget Analysis (Contractors)

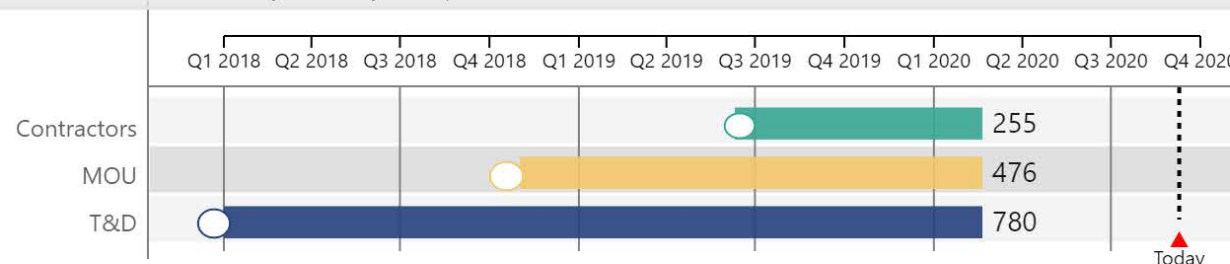
Time Elapsed

95.4%

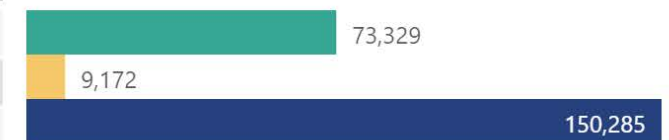
Work Performed (Estimated \$)

77.3%

## Timeline Analysis (Days Elapsed from Start)



## Repairs Completed to Date:



## REMARKS:

- Current Contractor's assigned scope is 160,206 streetlights. Available funding for contractors will last up to September 2020 due to COVID Time Extension.
- Currently we have \$15M authorized and waiting on Government Board's approval of a time extension to extend works until January 2021.



# STREET LIGHTING | CONTRACTOR's WORKFLOW & PROGRESS BY PHASE

Report Date (AST Local Time)  
9/9/2020 2:59:36 AM

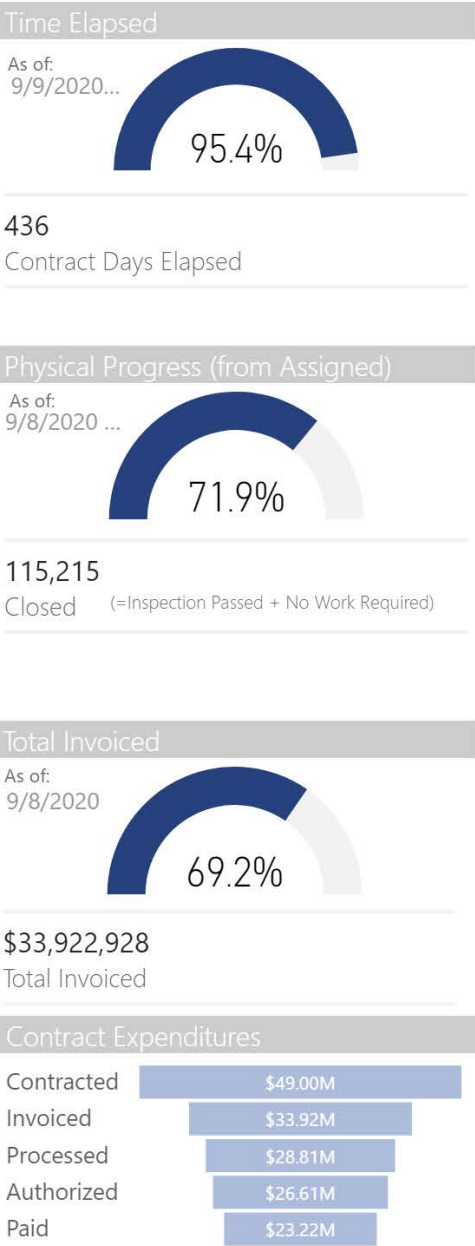
Latest Refresh (AST Local Time)  
9/8/2020 12:28:53 PM



Special Calculation\*  
111,692  
Approved to Work  
(=Assigned - No Work Required)

60,442  
No Repairs Reqd.  
48,514  
Apprvd. by Inspector

66,701  
Inspections Passed 96.6%  
6,628  
Inspections Failed





## CONTRACTORS:

Total Assigned: 160,206

## PROGRESS FROM REQUIRED:

Total Required (FIDs+SDs): 87,523

## REPAIRS COMPLETED:

Total Repaired: 73,329

## REPAIRED & INSPECTED PER MONTH:

As per Final Inspection Date

## INSPECTION PASSED:

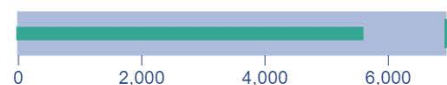
Total Passed: 66,701

### BETA

14,575 Assigned

6,953

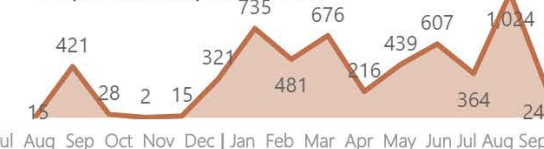
Repairs Required



**80.4%**  
(From Required)

5,591

Repairs Completed



5,411

Inspection Passed

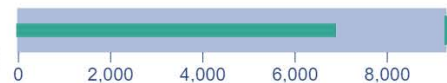
**96.8%**  
(From Repaired)

### BLDM

14,657 Assigned

9,297

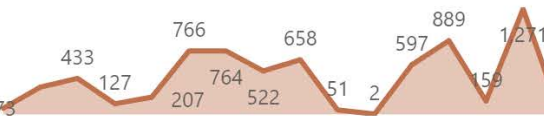
Repairs Required



**74.0%**

6,878

Repairs Completed



6,349

Inspection Passed

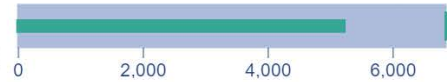
**92.3%**

### BONNEVILLE

15,338 Assigned

6,863

Repairs Required



**76.2%**

5,232

Repairs Completed



4,910

Inspections Passed

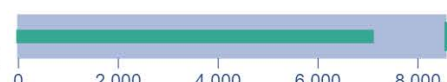
**93.8%**

### DESIGN BUILD

13,609 Assigned

8,584

Repairs Required



**82.8%**

7,109

Repairs Completed



6,686

Inspection Passed

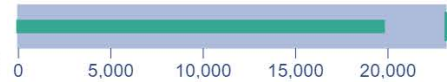
**94.0%**

### LORD

35,465 Assigned

23,198

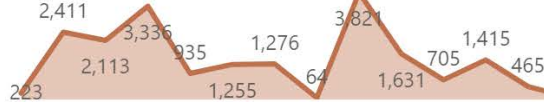
Repairs Required



**85.4%**

19,810

Repairs Completed



18,704

Inspection Passed

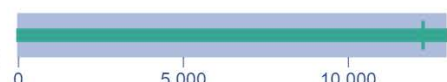
**94.4%**

### MASTEC

20,408 Assigned

12,293

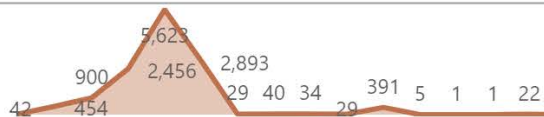
Repairs Required



**105.7%**

12,992

Repairs Completed



9,705

Inspection Passed

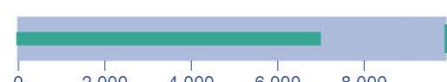
**74.7%**

### MASTER LINK

21,649 Assigned

9,917

Repairs Required



**70.5%**

6,989

Repairs Completed



6,516

Inspection Passed

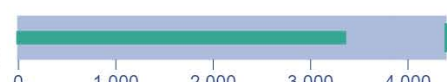
**93.2%**

### REYES

14,308 Assigned

4,401

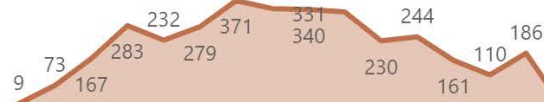
Repairs Required



**76.4%**

3,361

Repairs Completed



3,227

Inspection Passed

**96.0%**

### ROMAN

10,197 Assigned

6,017

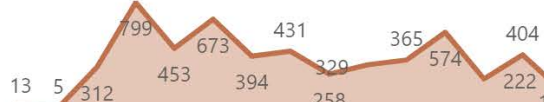
Repairs Required



**89.2%**

5,367

Repairs Completed



5,193

Inspection Passed

**96.8%**



# STREET LIGHTING PROJECT - CONTRACTOR'S INVOICED STATUS

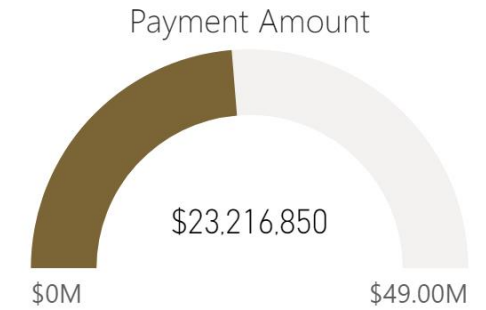
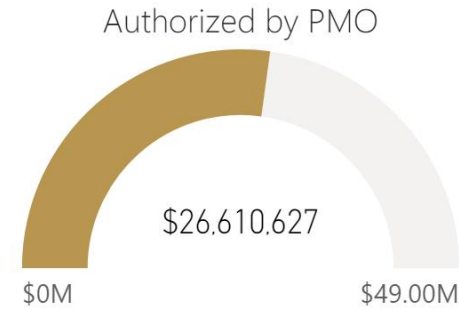
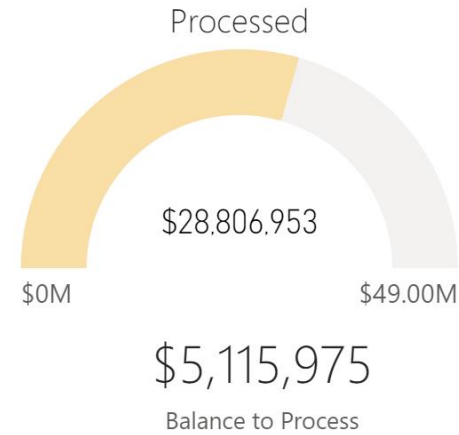
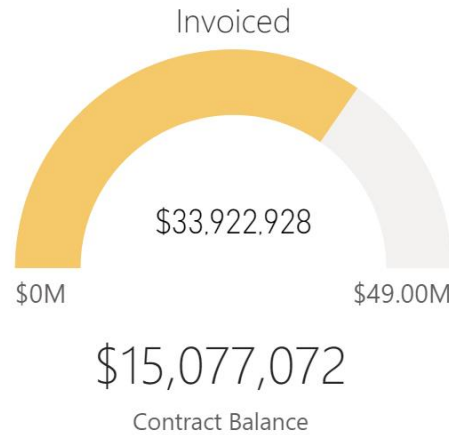
Empowered by **acumenian**

Report Date (AST Local Time)

9/9/2020 3:00:18 AM

Latest Refresh (AST Local Time)

9/8/2020 12:28:53 PM



## DETAIL BY CONTRACTOR

