

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

NEPR Received: Jul 2, 2021 8:35 PM

IN RE: REVIEW OF LUMA’S INITIAL BUDGETS	CASE NO. NEPR-MI-2021-0004 SUBJECT: Informative Motion.
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**INFORMATIVE MOTION ON ADJUSTMENTS TO APPROVED BUDGET FOR
FISCAL YEAR 2022 AND INTENT TO FILE ANALYSIS AND PROPOSAL ON OR
BEFORE JULY 14, 2021**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC (“ManagementCo”), and **LUMA Energy ServCo, LLC** (“ServCo”), (jointly referred to as “LUMA”), and respectfully state and request the following:

1. On May 31, 2021, this honorable Puerto Rico Energy Bureau (“Energy Bureau”) issued and published a Resolution and Order approving LUMA’s Initial Budgets (“May 31st Initial Budgets Resolution and Order”).
2. Among others, in the May 31st Initial Budgets Resolution and Order the Energy Bureau approved LUMA’s proposed Budget for Fiscal Year 2022.
3. On June 14, 2021, in response to a request by LUMA, the Energy Bureau issued a Resolution and Order on LUMA’s spending for the month of June 2021.
4. On June 21, 2021, LUMA filed a “Request for Clarifications and/or Reconsideration of May 31st Resolution and Order Approving LUMA’s Initial Budgets.” Said filing is pending consideration by this honorable Energy Bureau.
5. LUMA hereby respectfully informs that some revisions to the approved Budget for Fiscal Year 2022 are needed to conform it with the base rate revenue requirement set in the

PREPA 2021 Fiscal Plan and Budget as certified by the Financial Oversight and Management Board for Puerto Rico (“FOMB”).

6. As more fully explained in Exhibit 1 to this Motion, the relevant impact on the approved Budget for Fiscal Year 2022 is an increase in the base revenue rate requirement. Rates are not subject to increase.

7. LUMA respectfully informs that with leave from the Energy Bureau, it may submit for consideration by the Energy Bureau, on or before July 14, 2021, an analysis and proposal for modification of the approved Budget for Fiscal Year 2022.

WHEREFORE, LUMA respectfully requests that the Bureau **take notice** of the aforementioned.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 2nd day of July 2021.

I hereby certify that I filed this motion using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this motion to the attorneys for PREPA, Joannely Marrero-Cruz, jmarrero@diazvaz.law; and Katuska Bolaños-Lugo, kbolanos@diazvaz.law.



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Exhibit 1

Initial Budgets

On May 31, 2021 within its Resolution and Order in Case No. NEPR-MI-2021-0004, the Energy Bureau approved the Fiscal Year 2022 of LUMA's Initial Budgets. On July 2, 2021, the Financial Oversight and Management Board (FOMB), issued the revised fiscal year 2022 budget to the Governor.

LUMA has noticed inconsistencies between the May 31, 2021 Energy Bureau Fiscal Year 2022 approved Initial Budgets, and to the July 2, 2021 FOMB Certified 2021 PREPA Fiscal Plan. Upon, preliminary review, these inconsistencies mainly result from:

- Revised macro-economic assumptions resulting in increased PREPA projected sales for Fiscal Year 2022, fuel and purchased power,
- PREPA Title III Exit assumption of June 30, 2022, and
- Additional budgeted expenditures at PREPA Legacy and GenCo.

LUMA notes that the resulting impacts do not result in increased rates. The above items would increase the base rate revenue requirement limit and be partially offset by additional expenditures, resulting in overall base rates underneath the \$0.0747/kWh base rate limit as approved in the PREPA 2017 Rate Case.

LUMA wishes by way of this letter, to notify the Bureau of its intention file, on or before July 15, 2021, an analysis and a modification of the approved Fiscal Year 2022 for the Bureau's review and approval.