

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

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**IN RE:**

THE PERFORMANCE OF THE PUERTO  
RICO ELECTRIC POWER  
AUTHORITY

**CASE NO.:** NEPR-MI-2019-0007

**SUBJECT:** Quarterly Performance Metrics.

**MOTION SUBMITTING QUARTERLY PERFORMANCE METRICS, REQUEST FOR  
AMENDMENT TO REPORTING SCHEDULE ON CERTAIN FINANCIAL METRICS,  
REQUESTS FOR CLARIFICATIONS, AND REQUESTS TO SUBSTITUTE A METRIC,  
EXCLUDE CERTAIN METRICS AND RENAME SEVERAL METRICS**

**TO THE PUERTO RICO ENERGY BUREAU:**

**COMES NOW, LUMA ENERGY SERVCO, LLC (“LUMA”),** through the undersigned legal counsel and respectfully states and requests the following:

**I. Introduction**

The requirement to submit quarterly reports on specified metrics on the performance of the Puerto Rico Electric Power Authority (“PREPA”), arises under a Resolution and Order issued by the Puerto Rico Energy Bureau (“Energy Bureau”) on May 14, 2019 in this proceeding. Pursuant to a Resolution and Order issued on December 30, 2020, the quarterly performance metrics are due on the 20<sup>th</sup> day of the month after each quarter closes. On December 17, 2021, LUMA requested a brief extension of time until December 22, 2021 to submit the quarterly performance metrics for the months of September, October and November 2021. This Energy Bureau granted the requested extension in a Resolution and Order issued on December 21, 2021.

LUMA is committed to transparency and providing this Energy Bureau reliable data on key indicators of performance. LUMA continues to review, refine and improve data collection processes to achieve accurate reporting on performance.

## **II. Current Measures of Performance**

LUMA takes its commitment to rebuild, restore and repair the energy system in Puerto Rico seriously and believes operational metrics should be reported based on the best available data. Based on current available data, the quarterly performance metrics show LUMA is making steady and positive progress in key areas like safety, customer service, distributed generation capacity and that while the reliability metrics indicate that LUMA stabilized the system, LUMA is determined to continue to improve reliability and specifically outage duration.

Since June 1<sup>st</sup>, LUMA continues to prioritize public and employee safety and has made safety training a key focus since taking over a transmission and distribution operation that was characterized by lack of proper training, deficient equipment and broken infrastructure. As a result of a continued dedication to training and providing proper equipment so that LUMA's employees can work safely, the OSHA recordable injury rate declined by 23% and the severity rate decreased by 30% during this reporting period (September-November 2021) when compared to the prior reporting period.

Key customer service metrics have also improved. The Average Speed to Answer was reduced from 26 minutes 3 seconds to 1 minute and 1 second, while the number of calls answered increased by 17%, customers' wait time in customer service centers decreased by 5%.

LUMA also continued to stabilize the system during the past quarter, seeing a positive reduction in the frequency of outages island-wide (as measured by the System Average

Frequency Index) from 0.7 in June to 0.6 in November; and some improvement in the duration of outages system-wide (as measured by the System Average Duration Index) from a monthly average of 177 in June-August to a monthly average of 148 during the past quarter. LUMA's outage response has been – and continues to be – deliberative, factors in safety measures, and is focused on restoring power and attempting to reduce the causes of future outages, as opposed to quicker, but incomplete actions that do not address underlying grid problems. This more deliberative approach, while preventative and aimed at improving the reliability for our customers, can sometime result in longer repair times.

LUMA is proud of the results achieved in just six months of operations and will continue to build on the initial achievements. However, LUMA is not satisfied with the outage performance and believes that this metric will improve over time as LUMA continues to improve safety, training and the grid infrastructure.

LUMA has a commitment to transparency and believes that all parties benefit from an accurate accounting of performance. LUMA embraces the process of sharing with the people of Puerto Rico its progress, where LUMA has improved, and where it needs to improve. LUMA is determined to provide accurate operational metrics and will be clear about the areas of success and areas needing improvement. It is LUMA's strong belief that such dedication to operational integrity will foster a more open and honest dialogue about how we accurately measure progress and build a more reliable, more resilient and cleaner energy system for all of Puerto Rico.

### **III. Submission of Report**

LUMA hereby submits the Quarterly Performance Metrics Report for the months of September, October and November 2021. PREPA's Generation Performance Metrics are

submitted in the template separate from LUMA's Transmission and Distribution Performance Metrics.

As will be explained below, LUMA is proposing an alternate schedule for reporting on specified financial metrics to align reporting in this proceeding with the new quarterly reporting duties on financial performance required by this Energy Bureau in Case NEPR-MI-2021-0004, *In Re Review of LUMA's Initial Budgets*; Case NEPR-MI-2020-0019, *In Re System Remediation Plan*, and Case NEPR-MI-2021-0002, *In Re Review of the Puerto Rico Electric Power Authority's 10 Year Infrastructure Plan*. Furthermore, LUMA requests: clarifications of certain metrics; exclusion of certain metrics; a delay in reporting on percent of automatically-generated NTL leads found to be occurrences of theft; that this Energy Bureau substitute the metric on Total Budgeted versus Actual Head Count with metrics on Total Workforce and Total Open Positions; and that several metrics outlined in this Motion be renamed.

#### **IV. Background**

On May 21<sup>st</sup>, 2021, this Energy Bureau issued a Resolution and Order adopting principles for performance metric benchmarks; establishing four categories of performance metrics applicable to PREPA; and setting initial benchmark values for several metrics that are subject to reporting requirements, among others ("May 21<sup>st</sup> Resolution and Order"). *See* May 21<sup>st</sup> Resolution and Order at pages 3-14. Per the May 21<sup>st</sup> Resolution and Order, LUMA and PREPA are to file quarterly reports on the performance metrics that are detailed in Attachments A, B and D of said Resolution and Order.

On June 22, 2021, LUMA submitted the quarterly performance metrics for the months of March, April and May 2021, with performance data prior to Interim Service Commencement

which occurred on June 1, 2021. LUMA supplemented said filing on July 6, 2021 in a motion entitled *Motion Supplementing Quarterly Performance Metrics Report and Requesting Leave to Defer Reporting of Specified Metrics* (“July 6<sup>th</sup> Supplemental Submission”). In the July 6<sup>th</sup> Supplemental Submission, LUMA requested that the Energy Bureau defer the filing of data on the following financial metrics for the month of May 2021: (i) Capital expenses vs. budget (system); (ii) Capital expenses vs. budget - Transmission & Distribution; (iii) Capital expenses vs. budget - Generation, (iv) Capital expenses vs. budget- Customer Service; (v) Capital expenses vs. budget- Administrative & General (Exec); (vi) Capital expenses vs. budget- Planning and Environmental Protection; and (vii) Accounts Payable days outstanding. LUMA also informed that due to circumstances beyond its control, it had not been able to gather and review relevant data on fleet operations and that the data is not reliable as maintenance records were not kept by PREPA and the work order system was not functioning.

On August 6, 2021, LUMA filed a motion entitled *Motion in Compliance with Order Submitting Updated Quarterly Performance Metrics Report* (“August 13<sup>th</sup> Updated Submission”). In the August 13<sup>th</sup> Updated Submission, LUMA included clarifications on several new performance metrics that the Energy Bureau directed should be included in future quarterly reports and that are enumerated in Attachment D to the May 21<sup>st</sup> Resolution and Order. First, LUMA explained that regarding technical losses as % of net generation and technical loss reduction as a % of net generation, it computed values using PREPA’s methodology but that in LUMA’s view the data and methodology is not wholly reliable. LUMA offered to participate in collaborative discussions with the Energy Bureau on the methodology to be developed to track and report performance on technical losses as % of net generation and technical loss reduction as

a % of net generation. Second, regarding total of number of calls received, LUMA explained in the August 13<sup>th</sup> Updated Submission, that it expected that the data used by the Energy Bureau to set baselines would change significantly given that after commencing operations LUMA discovered that the call centers had trunks that limited how many lines were available for customers to call.

Furthermore, LUMA requested clarification on the metric on average length of time to resolve customer complaint appeals.

On September 20, 2021, LUMA submitted the first Quarterly Performance Metrics Report that involves data collected by LUMA after Interim Service Commencement (“June through August Quarterly PM Report”). In the June through August Quarterly PM Report, LUMA added a tab in the summary worksheet to distinguish the metrics that pertain to Transmission & Distribution (which is operated and managed by LUMA) from those that involve Generation (which is operated and managed by PREPA). For the Performance Metric on number of formal customer complaints, LUMA clarified that the data submitted in Exhibit 1 reflects both formal and informal Act 57-2014 billing complaints. LUMA explained that it would continue to follow PREPA’s methodology for reporting on this metrics for consistency in the data. LUMA requested, however, that the Energy Bureau re-name this Performance Metric to number of Act 57 customer complaints. LUMA also proposed to eliminate that historical data as it is available on past submissions and to include in future reports solely the data since LUMA’s commencement, June 2021 through Fiscal Year 2022.

Regarding technical losses as a percent (%) of net generation and technical loss reduction as a percent (%) of net generation the June through August Quarterly PM Report computed

values using PREPA's methodology. LUMA offered to participate in collaborative discussions with the Energy Bureau on the methodology to be developed to track and report performance on technical losses as % of net generation and technical loss reduction as a % of net generation.

LUMA also restated the request made in the August 13<sup>th</sup> Updated Submission for the Energy Bureau to clarify the data that is expected to be included in the new Performance Metric on average length of time to resolve customer complaint appeals.

Furthermore, LUMA requested leave to file the data on the following financial metrics for the months of July and August in the next quarterly filing due December 2021. LUMA also explained that it is available to engage in collaborative discussions with this Energy Bureau for setting a reporting calendar on financial metrics that allows LUMA to close books for the relevant quarter and provide the Energy Bureau correct data on financial performance.

Furthermore, LUMA requested an extension to submit metrics data on the Day Sales Outstanding ("DSO") metric and the Percent of Automatically Generated NTL Leads Found to be Occurrences of Theft metric.

Finally, LUMA requested to exclude from future Quarterly Reports several metrics as to which data was reported as "Non-Applicable" for 6 months or more, or the data remained unaltered for 6 months or more (Monthly Peak by Customer Class ; Monthly Peak by District; Number of Customer Complaints appealed by Customer Class; Average Time to Resolve Billing Disputes; Average Time to Respond to Service and Outage Complaints; Incremental Installed Distribution Generation Capacity per Year - Wind -; and Incremental Number of Distributed Generation Installations per Year -Wind-.

On November 4, 2021, this Energy Bureau held a Technical Conference to discuss aspects of LUMA's Quarterly Performance Metrics Submission of September 20, 2021 on several reliability metrics involving both the Transmission and Distribution System and Generation System. On November 9, 2021, LUMA submitted additional information that was requested by the Energy Bureau during the Technical Conference.

On December 14, 2021, the Energy Bureau issued a Resolution and Order on the Subject Matter of *Analysis of Performance Metrics for the Quarter of June through August 2021* ("December 14<sup>th</sup> Order"). In the December 14<sup>th</sup> Order, this Energy Bureau issued rulings on several of LUMA's prior requests regarding quarterly reporting duties and directed that the rulings shall apply for the next quarterly filing -due March 20, 2022-.

First, regarding those metrics that LUMA requested should be excluded from future quarterly filings, the Energy Bureau determined that it requires reporting on the metrics and indicated it is interested to know if LUMA has information that will supplement the metrics identified by the Energy Bureau. *See* December 14<sup>th</sup> Order at pages 3-4. However, this Energy Bureau acknowledged the request to exclude metrics on incremental capacity and quantity of what the Energy described as "wind type distributed generation systems." Also, this Energy Bureau directed LUMA to identify what alternate information LUMA may provide on the metrics that it proposed to exclude and to file a plan and timeline by January 7, 2022, to report on the information.

Second, this Energy Bureau accepted LUMA's methodology for calculating absenteeism. Third, this Energy Bureau accepted LUMA's restated SAIDI and SAIFI values that include outages that had been historically excluded. This Energy Bureau directed that for the quarterly



filing due March 2021, LUMA should clarify if the reported distribution metric is limited to distribution related outages and the reported transmission metric is limited to transmission related outages. *Id.* at page 5.

Fourth, this Energy Bureau accepted LUMA's restated work order balance calculations. Fifth, regarding financial metrics, this Energy Bureau acknowledged that LUMA is making progress to close financial books timely and apprised that delays could result in investigation or sanctions. *Id.* at page 6.

Finally, regarding fleet metrics, this Energy Bureau ordered that PREPA timely provide LUMA the fleet vehicle data and that LUMA include numbers for PREPA and LUMA vehicles in the metrics filings. *Id.*

In the December 14<sup>th</sup> Order, however, this Energy Bureau did not provide responses or clarifications to the following requests that were submitted by LUMA:

1. Clarification on the methodology to be developed to track and report performance on technical losses as % of net generation and technical loss reduction as a % of net generation;
2. Clarification on the definition of "customer complaint," nor what constitutes an "appeal," in connection with the performance metric on average length of time to resolve customer complaint appeals; and
3. LUMA's proposal to eliminate historical data and to include in future reports solely the data that LUMA owns and manages since LUMA's commencement, June 2021 through Fiscal Year 2022.

## **V. Important Changes in the Quarterly PM Report**

As requested by this Energy Bureau during the November 4<sup>th</sup> Technical Conference, LUMA is submitting data on three additional safety metrics: OSHA Dart Rate; OSHA Severity Rate; and OSHA Fatality Rate.

Also, LUMA is continuing to file PREPA's Generation Metrics separately from LUMA's T&D Metrics. PREPA submitted to LUMA the raw data prior to LUMA's filing with the Energy Bureau. Furthermore, PREPA requested that LUMA fill out a template with the data for PREPA's metrics. LUMA does not review PREPA's data or collection methods. At the time of this filing, PREPA has not certified to LUMA the data included in the template that includes the Generation Metrics.

Regarding SAIDI and SAIFI, LUMA is submitting restated values per the methodology discussed in the November 4th Technical Conference, which was accepted by this Energy Bureau in the December 14th Order. In response to the Energy Bureau's inquiry in the December 14th Order regarding SAIDI and SAIFI values, LUMA confirms that the reported distribution metric is limited to only distribution related outages (outages related to the distribution feeder breaker level and below). The transmission metric is not limited to only transmission related outages but also includes T&D substation outages (i.e., source outages to a distribution circuit breaker(s)).

As detailed in the November 9th Submission, Technical Conference Undertaking TC-RFI-LUMA-MI-19-0007-211104-PREB-007, the STORMS system has been one area where there are significant data quality concerns. A cleanup effort eliminated significantly outdated work orders prior to January 1, 2021. LUMA continues to develop processes to improve work

order tracking. For this filing, LUMA has continued to use STORMS for the purpose of this metric.

## **VI. Proposal for Submissions on Financial Performance Metrics**

LUMA appreciates that in the December 14<sup>th</sup> Order, this honorable Energy Bureau acknowledged that LUMA is making progress in its ability to close financial accounts and books. While improvements are being made to financial reporting, LUMA understands that financial reporting in this proceeding should be aligned with the new financial and spending reporting requirements adopted by this Energy Bureau whereby LUMA is called upon to file Quarterly Reports in three dockets, to wit, Case NEPR-MI-2021-0004, *In Re Review of LUMA's Initial Budgets*; Case NEPR-MI-2020-0019, *In Re System Remediation Plan*, and Case NEPR-MI-2021-0002, *In Re Review of the Puerto Rico Electric Power Authority's 10 Year Infrastructure Plan*. Specifically, LUMA requests that this Energy Bureau align submission of data on two financial performance metrics: Operating Expenses v. Budget and Capital Expenses v. Budget, with LUMA's Quarterly Reports.

As this Energy Bureau is aware, LUMA is to file a Quarterly Report in the aforementioned three dockets, forty-five (45) days after each quarter closes. In compliance with said reporting requirement, on November 15, 2021, LUMA filed the Quarterly Report for the quarter that ended on September 30, 2021. This new Quarterly Report includes detailed information on spending, budget, operations, and capital projects included in the FY2022 budget approved by this Energy Bureau. LUMA will file the next Quarterly Report by February 14, 2022 for the quarter ending December 31, 2021. LUMA respectfully requests to align reporting on Operating Expenses v. Budget and Capital Expenses v. Budget with LUMA's Quarterly

Report on budget and spending. This would mean that in each quarterly filing on performance metrics, LUMA will submit the data covered by the prior Quarterly Report. To wit, in this submission, LUMA is presenting financial data on Operating Expenses v. Budget and Capital Expenses v. Budget, covering the months of June through September 2021. The data for the months of October through December 2021, would be submitted in the quarterly performance metrics filing of March 2021.

LUMA respectfully submits that alignment of financial reporting requirements across different proceedings before this Energy Bureau will ensure that LUMA files accurate, quality, consistent and compliant information. This will allow LUMA to complete a fulsome review of financial information prior to submitting data on financial performance in this proceeding. Also, LUMA would be able to submit comments and explanations to this Energy Bureau on metrics that measure Operating Expenses v. Budget and Capital Expenses v. Budget.

## **VII. Requests for Clarifications**

Regarding absenteeism, LUMA appreciates that this Energy Bureau accepted LUMA's methodology based on the number of employees at the end of the pay period. LUMA respectfully requests additional context on the Energy Bureau's historical use of absenteeism. This is of particular importance because unlike PREPA, LUMA is a private organization bound to follow employment and labor laws different to those that applied to PREPA and former PREPA employees. Accordingly, LUMA has established company policies that vary significantly from PREPA's, which include allotted sick, vacation and leaves of absence available to its employees. Additionally, LUMA has implemented a new Human Resources Information System (Workday) which provides LUMA an opportunity to track time. LUMA can

continue to report absenteeism using PREPA's methodology. However, additional context on use, types of absences applicable and purpose, will allow LUMA to explore if an alternative metric exists and to better track and report data to this Energy Bureau.

Furthermore, LUMA respectfully restates the requests made in the August 13<sup>th</sup> Supplemental Submission and the June through August Quarterly PM Report, for clarification on the metric on average length of time to resolve customer complaint appeals. Specifically, LUMA requests clarification on how the Energy Bureau defines "Customer Complaints" and "Appeals" when calculating this metric. LUMA is unable to report this metric until it receives clarification or an understanding of how this metric should be calculated.

Relatedly, LUMA requests clarification on the metric on number of customer complaints appealed by customer class. Particularly, LUMA requests clarification on what is considered a customer complaint and what is considered an appeal. This number was historically reported as 155 each month by PREPA with no supporting documentation. While clarification is pending, LUMA proposes to exclude this metric from the quarterly reports.

Finally, regarding the metric on Average Time to Respond to Service & Outage complaints, LUMA requests clarification on what constitutes a "Service and Outage Complaint."

### **VIII. Request for Delay**

Regarding the metric on Percent of automatically-generated NTL leads found to be occurrences of theft, LUMA respectfully requests to delay reporting. This metric requires information on investigations related to irregularities. Irregularities are identified in multiple ways, including through field operations work. LUMA is currently working on training field operations employees in several key areas, including technical investigations of energy

irregularities. Training recently commenced and will be rolled out more fully starting in January 2022. LUMA will be able to report this metric as more field operations teams complete their training on technical investigations of energy irregularities.

**IX. Request to Exclude Metrics on Monthly Peak by Customer Class and Monthly Peak by District and Average Time to Resolve Billing Complaints and Request for Reconsideration.**

In the December 14<sup>th</sup> Order, this Energy Bureau acknowledged that LUMA does not currently provide information on monthly peak by customer class and monthly peak by district. *See* December 14<sup>th</sup> Order at page 4. However, the Energy Bureau did not properly consider the full details of the testimony on this subject provided by Mr. Mario Hurtado who explained that this “is not information that we have or expect to have. Because the peak is measured as a system peak and we would not have that broken out by customer class. . . . [W]e wouldn’t have any way of measuring that. And in the monthly peak by district, I think is similar. . . There isn’t a way to separate out the peak, [meaning] the total peak of the system, into our many different districts. That is just not something, in my understanding, that we could do.” *See* Technical Conference video recording November 4, 2021 at 3:40:58-3:42:03, recording *available at* <https://www.youtube.com/watch?v=SuBYMn2xpeU>.

These metrics have historically been marked as “Not Applicable” by PREPA, thereby showing that PREPA also did not have the ability to report on these metrics. LUMA respectfully requests reconsideration of its determination that LUMA provide data on monthly peak by customer class and monthly peak by district and renews the request to exclude these metrics.

Secondly, LUMA requests reconsideration of the Energy Bureau’s determination that it should continue to report on average time to resolve billing complaints. This metric has been

reported as 10-30 days historically with no variation. Drawing from this Energy Bureau's statement in the December 14th Resolution and Order that a performance metric is supposed to measure improved performance, it is respectfully submitted that an unchanged metric such as this one does not provide information to measure improvement.

#### **X. Request for Adoption of Substitute Metrics**

During the November 4<sup>th</sup> Technical Conference, this Energy Bureau requested that LUMA submit data on two metrics related to Human Resources: total budgeted head counts by employee type and total actual head counts by employee type. As an alternative, LUMA proposes the following metrics: total workforce and total open positions. These two metrics will provide transparency by detailing LUMA's current head count while at the same time sharing the positions that LUMA has active for recruitment. This is important because LUMA's workforce is not static and LUMA does not focus on headcount. Rather, workforce goals shift as LUMA continues to build its organization. Also, it is important to note that the recruitment team, in coordination with LUMA leadership, frequently reviews hiring and staffing needs, based on workload and natural attrition. It is requested that the Energy Bureau accept the proposed metrics for future quarterly filings.

#### **XI. Request to Rename Metrics**

LUMA respectfully renews its request to rename the metric on number of formal customer complaints, to be entitled number of Act 57 customer complaints. This, to better capture the fact that the data submitted by LUMA includes Act 57-2014 billing complaints.

LUMA proposes revising the name of the metric “Safety – Recordables” to OSHA Recordables. LUMA believes this metric always has reflected any work-related injury or illness as defined by OSHA.

Furthermore, LUMA proposes revising the name of the metric on fuel dispatch accuracy to Fuel Expenditure vs. Forecast. There has been no change to methodology or calculation, but the revised naming convention is more reflective of the metric’s calculation.

Lastly, LUMA requests adjusting “wait time in commercial offices” to “wait time in customer service centers” to align with LUMA’s naming convention of Customer Service Centers across the island of Puerto Rico.

**WHEREFORE**, LUMA respectfully requests this Honorable Bureau **take notice of the** aforementioned; **accept** the September through November Performance Metrics Report submitted via email; **accept** LUMA’s proposal for reporting on financial metrics stated in Section VI of this Motion; **issue** the clarifications requested in Section VII of this Motion; **grant** the delay requested in Section VIII of this Motion; **grant** the request for exclusion of metrics stated in Section IX of this Motion; **grant** the request to substitute a metric stated in Section IX of this Motion; and **grant** the request to rename two metrics as stated in Section XI of this Motion.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 22<sup>nd</sup> day of December 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](mailto:jmarrero@diazvaz.law); and Katuska Bolaños-Lugo, [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law).





**DLA Piper (Puerto Rico) LLC**  
500 Calle de la Tanca, Suite 401  
San Juan, PR 00901-1969  
Tel. 787-945-9107  
Fax 939-697-6147  
/s/ Margarita Mercado Echegaray  
Margarita Mercado Echegaray  
RUA NÚM. 16,266  
[margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com)