

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

**IN RE:** THE PERFORMANCE OF THE  
PUERTO RICO ELECTRIC POWER  
AUTHORITY

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

**SUBJECT:** Review of December 22  
Submission and January 5 Request.

**RESOLUTION**

On May 14, 2019, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("May 14 Resolution") through which it initiated a proceeding to establish the quarterly reporting of performance metrics for operating the electric system. Through the May 14 Resolution, the Energy Bureau has received quarterly metric data reported by the Puerto Rico Electric Power Authority ("PREPA") regarding its performance.

On June 21, 2021, LUMA Energy, LLC as Management Co., and LUMA Energy Servco, LLC (collectively, "LUMA") filed a document titled *Motion Submitting Quarterly Performance Metrics and Request for Additional Time to Submit Data on Several of the Metrics* (June 21 Submission"), in which it submitted the quarterly report for the months of March, April, and May 2021 on performance metrics based on performance data collected before the Interim Service Commencement of June 1, 2021.

On July 6, 2021, LUMA filed a document titled *Motion Supplementing Quarterly Performance Metrics Report and Requesting Leave to Defer Reporting on Specified Metrics* ("July 6 Supplemental Submission") for the Energy Bureau to consider the deferment of several financial metrics for the month of May 2021 because LUMA needed to reconcile data.<sup>1</sup> These metrics include: Capital expenses vs. budget (system), Capital expense vs. budget (Transmission and Distribution), Capital expenses vs. budget (Generation), Capital expenses vs. budget (Customer Service), Capital expenses vs. budget (Exec), Capital expenses vs. budget (Planning and Environmental Protection), and Accounts Payable days outstanding.<sup>2</sup> As part of the July 6 Supplemental Submission, LUMA informed the Energy Bureau that it could not gather and review data of fleet operations due to the unavailability of maintenance records and difficulties with the work order system.<sup>3</sup>

On August 13, 2021, LUMA filed a document titled *Motion in Compliance with Order Submitting Updated Quarterly Performance Metrics Report* as an updated supplemental submission ("August 13 Updated Submission") to inform the Energy Bureau of clarifications to new performance metrics identified by the Energy Bureau.<sup>4</sup> In the August 13 Updated Submission, LUMA identified that it did not believe the methodology that PREPA used to calculate technical losses as percent of net generation and technical loss reduction as percent of net generation to be reliable.<sup>5</sup> LUMA also informed the Bureau that LUMA had discovered that PREPA had limited the number of lines available to handle call center complaints.<sup>6</sup>

On September 20, 2021, LUMA filed a document titled *Motion Submitting Quarterly Performance Metrics, Requesting Leave to Defer Reporting on Specified Metrics and Request for Clarifications* ("September 20 Submission"), which is the first quarterly performance

<sup>1</sup> July 6 Supplemental Submission, p. 3, ¶ 7.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*, pp. 3-4, ¶ 8.

<sup>4</sup> August 13 Updated Submission, p. 2, ¶ 4.

<sup>5</sup> *Id.*, p. 2, ¶ 5.

<sup>6</sup> *Id.*, pp. 2-3, ¶ 6.



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metrics collected by LUMA after the Interim Service Commencement that occurred on June 1, 2021. In its September 20 Submission, LUMA requested the Energy Bureau to defer the July and August data of these financial metrics: Operational expenses vs. Budget (excluding fuel)(system), Operational expenses vs. Budget (excluding fuel)(by directorate), Capital expenses vs. budget (system), Capital expense vs. budget (Transmission and Distribution), Capital expenses vs. budget (Generation), Capital expenses vs. budget (Customer Service), Capital expenses vs. budget (Exec), Capital expenses vs. budget (Planning and Environmental Protection), Cost of generation by customer (for August 2021), Timely submission of the Monthly Operating Report, and Accounts payable days outstanding.<sup>7</sup>

On November 4, 2021, the Energy Bureau held a Technical Conference to discuss metrics identified in the October 21, 2021, Resolution and Order ("October 21 Order"). A recast of Technical Conference is available on the Energy Bureau's YouTube channel.<sup>8</sup> During the Technical Session, LUMA provided a slide presentation addressing data gaps affecting transmission and distribution, and generation metrics, reliability metrics, system reliability remediation initiatives, and purchased energy.<sup>9</sup> The Energy Bureau's consultants presented its slide presentation on the 29 metrics, deferred financial metrics, 11 metrics proposed for removal, and a new metric on employee counts.<sup>10</sup>

On December 14, 2021, the Energy Bureau issued a Resolution and Order ("December 14 Order") that accepted adjustments to specified metrics based on findings from the November 4, 2021, Technical Session and supplemental responses provided by both LUMA and PREPA<sup>11,12</sup> The December 14 Order also acknowledged LUMA's request to exclude certain metrics from reporting due to the unavailability data and/or the lack of definition from information previously reported or unreported by PREPA.<sup>13</sup> As part of the December 14 Order, the Energy Bureau ordered LUMA to provide alternate information, plan and timeline for the requested metrics.<sup>14</sup>

On December 22, 2021, LUMA filed a document titled *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* ("December 22 Submission") in which LUMA presented the second quarterly performance metrics collected by LUMA. In its December 22 Submission, LUMA requested the Energy Bureau to delay the reporting of non-technical losses (NTL) found to be occurrences of theft to accommodate the technical training schedule for LUMA's energy irregularity investigation process.<sup>15</sup> In addition, LUMA renewed its request to exclude the monthly peak by customer class and monthly peak by district

<sup>7</sup> September 20 Submission, pp. 6-7, ¶ 21.

<sup>8</sup> Available at: [https://www.youtube.com/results?search\\_query=energy+bureau+puerto+rico+nepr-mi-2019-0007](https://www.youtube.com/results?search_query=energy+bureau+puerto+rico+nepr-mi-2019-0007). Last visited January 20, 2022.

<sup>9</sup> Available at: <https://energia.pr.gov/wp-content/uploads/sites/7/2021/11/Motion-Submitting-Lumas-Presentation-During-the-Technical-Conference-of-November-4-2021-NEPR-MI-2019-0007-1.pdf>. Last visited January 20, 2022.

<sup>10</sup> Available at: [https://energia.pr.gov/wp-content/uploads/sites/7/2021/11/Technical-Conference-Slides\\_11\\_4\\_2021.pdf](https://energia.pr.gov/wp-content/uploads/sites/7/2021/11/Technical-Conference-Slides_11_4_2021.pdf). Last visited January 20, 2022.

<sup>11</sup> Motion in Compliance with Bench Order Entered on November 4, 2021, *In re. The Performance of the Puerto Rico Electric Power Authority*, Case No. NEPR-MI-2019-0007, November 8, 2021. Filed by PREPA.

<sup>12</sup> Motion in Compliance with Requests Issued in Technical Conference of November 4, 2021, *In re. The Performance of the Puerto Rico Electric Power Authority*, Case No. NEPR-MI-2019-0007, November 9, 2021. Filed by LUMA.

<sup>13</sup> December 14 Order, p. 5.

<sup>14</sup> *Id.*

<sup>15</sup> December 22 Submission, Section VIII, p. 13.





metrics.<sup>16</sup> LUMA also renewed its request for the Energy Bureau to exclude average time to resolve billing complaints.<sup>17</sup> LUMA proposed to include to new metrics, total workforce and total open position, to address the Energy Bureau's November 4 Technical Conference request on total budgeted head counts by employee type and total actual head counts by employee type.<sup>18</sup> LUMA also requested the Energy Bureau to rename the metric of formal customer complaints to number of Act 57 customer complaints; to rename the metric of Safety-Recordables to OSHA Recordables; to rename fuel dispatch accuracy to Fuel Expenditure vs. Forecast; and to rename wait time in commercial offices to wait time in customer service centers.<sup>19</sup>

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On January 5, 2022, LUMA filed a document titled *Request to Stay Portion of Resolution and Order of December 14, 2021 to Identify Additional Information and Submit Plan to Produce Information on Specified Metrics, and Request for Extension of Time* ("January 5 Request") for the Energy Bureau to consider to stay the December 14 Order to produce information and plans regarding LUMA's proposed excluded metrics.<sup>20</sup> Specifically, LUMA requests that the Energy Bureau clarify the following performance metrics: Number of Customer Complaints appealed by Customer Class and Average Time to Respond to Service and Outage Complaints.<sup>21</sup> LUMA also requests an extension, until January 21, 2022, to comply with the portion of the December 14 Resolution that directs LUMA to identify data and submit a plan for producing available data on the following performance metrics: Incremental Installed Distribution Generation Capacity per Year - Wind, and Incremental Number of Distribution Generation Installations per Year - Wind. ("Wind Metrics")<sup>22</sup>

DM  
On January 21, 2022, LUMA filed a document titled *Motion in Compliance with Order and Submitting Proposal to Produce Information on Specified Performance Metrics* ("January 21 Motion") in which. Among other matters, LUMA filed its plan to report on Wind Metrics.<sup>23</sup>

In its review of the December 22 Submission, the Energy Bureau has identified a list of comments it seeks clarification from LUMA and PREPA. The comments are included in Attachment A to this Resolution and Order.

The Energy Bureau will hold a **Technical Conference on February 24, 2022, at 10:00 a.m.**<sup>24</sup> As part of the Technical Conference, LUMA and PREPA will have the opportunity to discuss their comments and to answer questions from the Energy Bureau.

To prevent the spread of Covid-19, the February 24, 2022, Technical Conference will be held remotely via the *Microsoft Teams* platform and livestreamed via the Energy Bureau's YouTube Channel.

The Energy Bureau **ORDERS** LUMA and PREPA to ensure that all its relevant representatives shall be ready to answer, under oath, questions that the Energy Bureau staff, consultants and/or Commissioners may have.

<sup>16</sup> *Id.*, Section IX, pp. 14-15.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*, Section X, p. 15.

<sup>19</sup> *Id.*, Section XI, pp. 15-16.

<sup>20</sup> January 5 Request, pp. 3-4, ¶ 6.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*, pp. 4-5, ¶ 7.

<sup>23</sup> January 21 Motion, Exhibit 1.

<sup>24</sup> The Energy Bureau will hold the Technical Conferences via the *Microsoft Teams* platform. The login information will be provided through separate communication.



The Energy Bureau **WARNS** LUMA and PREPA that noncompliance with the Energy Bureau's orders or applicable legal requirements may carry the imposition of administrative fines of up to twenty-five thousand dollars (\$25,000.00) per day, per violation and/or other sanctions that the Energy Bureau may deem appropriate.

Be it notified and published.

Edison Avilés Deliz  
Chairman

Ángel R. Rivera de la Cruz  
Associate Commissioner

Lillian Mateo Santos  
Associate Commissioner

Ferdinand A. Ramos Soegaard  
Associate Commissioner

Sylvia B. Ugarte Araujo  
Associate Commissioner

**CERTIFICATION**

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on January 31, 2022. I also certify that on this date a copy of this Resolution was notified by electronic mail to: margarita.mercado@us.dlapiper.com, jmarrero@diazvaz.law, kbolanos@diazvaz.law. I also certify that today, January 31, 2022, I have filed the Resolution issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today January 31, 2022.

  
Sonia Seda Gaztambide  
Clerk



ATTACHMENT A

Metric	LUMA Comment
<b>Finance</b>	
Operational expenses vs. budget	LUMA requests to align reporting on this metric with LUMA's Quarterly Report on budget and spending.
Capital expenses vs. budget	LUMA requests to align reporting on this metric with LUMA's Quarterly Report on budget and spending.
Timely submission of Monthly Operating Report	LUMA would like to request a one-month lag on Finance metrics due to final month's close schedule.
Accounts Payable days outstanding	LUMA would like to request a one-month lag on Finance metrics due to final month's close schedule.
<b>Customer Service</b>	
Average length of time to resolve customer complaint appeals	New Metric from May 21, 2021 - LUMA requests clarification, how does PREB define "customer complaints" and "appeals" when calculating this metric.
DSO (Days Sales Outstanding) - Total customers	LUMA would like to request a one-month lag on Finance metrics due to final month's close schedule.
DSO (Days Sales Outstanding) - government customers	LUMA would like to request a one-month lag on Finance metrics due to final month's close schedule.
DSO (Days Sales Outstanding) - general customers	LUMA would like to request a one-month lag on Finance metrics due to final month's close schedule.
Number of customer complaints appealed by customer class	Provide clarification on definition of customer complaints & process / definition of "appealed". This has historically been reported by PREPA as 155 with no supporting documentation.
Number of formal customer complaints	Formal Customer Complaints in this metric equates to Act 57-2019 claims
Average time to resolve billing disputes	Propose exclusion; continue to use PREPA's methodology of inputting 10 to 30 days.
Percent of automatically generated NTL leads found to be occurrences of theft	This metric requests information for investigations related to irregularities, which are identified in multiple ways, including through field operations work. LUMA is currently working through training with field operations employees on a number of areas of importance, including the technical investigations of energy irregularities
Technical losses as % of net generation	Require clarification on the methodology to be developed to track and report performance
Technical loss reduction as a % of net generation	Require clarification on the methodology to be developed to track and report performance
Average time to respond to service and outage complaints	Require clarification on what constitutes a "Service and Outage Complaint"
Wait time in commercial offices	Requests to rename "Wait time in customer service centers"
<b>Overall System</b>	
Monthly peak by customer class	Propose exclusion - this metric has historically been marked as "Not Applicable"
Monthly peak by district	Propose exclusion - this metric has historically been marked as "Not Applicable"
<b>Transmission and Distribution</b>	
Net monthly work orders balance	The STORMS system has been one area where there are significant data quality concerns. A clean-up effort eliminated old work orders prior to January 1, 2021, and LUMA continues to explore how to improve work order tracking. LUMA has continued to use STORMS for the purpose of this metric but would appreciate a discussion with PREB as more information becomes available.
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Metric	LUMA Comment
<b>Planning &amp; Environmental</b>	
Timeliness of permitting- new and renewals	LUMA requests clarification on how PREPA calculated this metric
<b>Operations-Warehousing</b>	
Inventory turns (annualized percent of value)**	Intentionally left blank
Inventory turns: Warehouse General Depot, T&D, Plants	Intentionally left blank
<b>Operations-Fuel</b>	
Fuel Expenditure vs Forecast	Previously named Fuel Dispatch Accuracy; no changes to methodology, just renamed based on value calculated
<b>Human Resources</b>	
Absenteeism	LUMA requests additional context on purpose of this metric; through the implementation of new technologies, would like to explore an alternative metric.
Safety Recordables	Renamed from "Safety Recordables" to OSHA Recordable Rate; metric calculation remains the same.
<b>Renewable Energy and Demand Side Management</b>	
Mean time to interconnect utility scale RPS eligible projects	Intentionally left blank
Incremental number of distributed generation installations per month	Intentionally left blank
Incremental number of distributed generation installations per month- Wind	Propose exclusion - LUMA currently doesn't have visibility to report on this in DG Portal. Additional capital investments required to DG Portal for calculation.
Total installed energy storage capacity by type (system and per district)	Propose exclusion - LUMA currently doesn't have visibility to report on this in DG Portal. Additional capital investments required to DG Portal for calculation.
Incremental installed energy storage capacity per year by type (system and per district)	Propose exclusion - LUMA currently doesn't have visibility to report on this in DG Portal. Additional capital investments required to DG Portal for calculation.
Total number of energy storage installations by type (system and per district)	Propose exclusion - LUMA currently doesn't have visibility to report on this in DG Portal. Additional capital investments required to DG Portal for calculation.
Incremental number of energy storage installations per year by type (system and per district)	Propose exclusion - LUMA currently doesn't have visibility to report on this in DG Portal. Additional capital investments required to DG Portal for calculation.

