

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

IN RE: REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Provide a certification that the FY2023 Budget has been duly consolidated

RESOLUTION AND ORDER

On May 19, 2022, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("May 19 Resolution")¹ through which it established a procedural calendar for the instant case ("Procedural Calendar").² In its May 19 Resolution, the Energy Bureau scheduled a Virtual Technical Conference³ which was held on June 10, 2022 ("June 10 Technical Conference").

During the June 10 Technical Conference, the Energy Bureau decided to postpone the hearing and issued a bench order establishing that the June 10 Technical Hearing would take place June 17, 2022, at 10:00 a.m. ("June 17 Technical Conference").

On June 13, 2022, the Energy Bureau issued a Resolution and Order ("June 13 Order") amending the Procedural Calendar to reflect the June 17 Technical Conference and modifying the agenda for said conference. Through the June 13 Order the Energy Bureau ordered LUMA⁴ to present and discuss thoroughly, during the June 17 Technical Conference, the proposed FY2023 Budgets.

Because LUMA, to date, has not requested the Energy Bureau a rate adjustment or increase the FY2023 Budgets shall be within the constraints of the 2017 Rate Order⁵ and the IRP Order⁶. It is not evident, from the record of the instant case, that a rate modification would not be required to fund the budgets, as presented by LUMA for the operation and maintenance of the transmission and distribution system ("T&D Budget") and the generation system ("Generation Budget").

The Energy Bureau **ORDERS** LUMA to file on or before Thursday, June 16, 2022, by 1:00p.m., a motion **CERTIFYING** the following for the June 17 Technical Conference:

- a. LUMA has concluded all the actions required by the Parties of the OMA⁷ to obtain a consolidated budget, including, but not limited to any budget dispute resolution available to the Parties.

¹ See, Resolution and Order, *In re: Review of LUMA's Initial Budgets*, Case No. NEPR-MI-2021-0004, May 19, 2022 ("May 19 Resolution").

² May 19 Resolution, p. 8.

³ Note that to prevent the spread of Covid-19, the foregoing Virtual Technical Conference will be held remotely via the Microsoft Teams platform from 10:00 a.m. to 5:00 p.m.

⁴ LUMA Energy, LLC ("ManagementCo") and LUMA Energy ServCo, LLC ("ServCo"), (jointly referred to as "LUMA").

⁵ See *In Re: Puerto Rico Electric Power Authority Rate Review*, Case No. CEPR-AP-2015-0001, Final Resolution and Order, January 10, 2017, and Final Resolution, March 8, 2017 ("2017 Rate Order").

⁶ Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, *In re: Review of the Integrated Resource Plan of the Puerto Rico Electric Power Authority*, Case No. CEPR-AP-2018-0001, August 24, 2020 ("IRP Order").

⁷ On June 22, 2020, the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A"), and LUMA (jointly referred as, ("Parties")) entered into an Operation and Maintenance Agreement ("OMA").



- b. LUMA assures that the FY2023 consolidated Budget takes into consideration all savings LUMA has been able to achieve for such budget and such savings are made available to both the T&D Budget and the Generation Budget, which along with other measures, assures that a rate increase is not required.

- c. LUMA will use such consolidated budget, in full compliance and according to the OMA, during the June 17 Technical Conference.

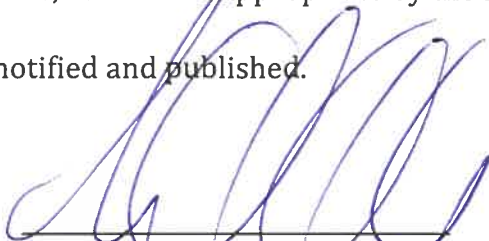
The Energy Bureau **DETERMINES** that in the event LUMA cannot provide such certification, the **June 17 Technical Conference and the June 24, 2022 Virtual Public Hearing are automatically postponed**, and as agreed by the Parties in the OMA, the Default Budget shall remain in effect until such time as the FY2023 consolidated Budget is submitted and approved by the Energy Bureau.

All other aspects of the May 19 Resolution remain unaltered.

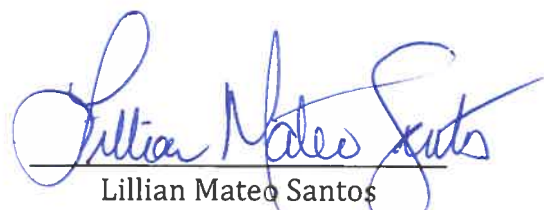
The Energy Bureau **ORDERS** LUMA and PREPA to ensure that all persons (*i.e.*, employees, consultants, or representatives) involved in the preparation of the FY 2023 Annual Budgets proposal appear during the June 17 Technical Conference, if not automatically postponed, and are duly prepared and ready to answer questions from the Energy Bureau, its staff, and consultants, regarding its presentation and all aspects of the proposed consolidated FY 2023 Annual Budgets.

The Energy Bureau **WARNS LUMA and PREPA** that, noncompliance with any provision of this Resolution and Order, may result in the imposition of fines under Act 57-2014⁸ and applicable Energy Bureau's regulations and/or any other appropriate administrative sanctions, as deemed appropriate by the Energy Bureau.

Be it notified and published.



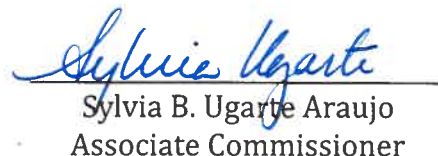
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



⁸ Known as *Puerto Rico Energy Transformation and RELIEF Act*, as amended.

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 15, 2022. Associate Commissioner Ángel R. Rivera de la Cruz dissented without written opinion. I also certify that on June 15, 2022 a copy of this Resolution and Order was notified by electronic mail to the following: ana.rodriguezrivera@us.dlapiper.com; jmarrero@diazvaz.law and kbolanos@diazvaz.law. I also certify that today, June __, 2022, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today June 15, 2022.



Sonia Seda Gaztambide
Clerk

