

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

**NEPR**

**Received:**

**Oct 7, 2022**

**10:15 PM**

IN RE: REVIEW OF LUMA'S INITIAL  
BUDGETS

**CASE NO. NEPR-MI-2021-0004**

**SUBJECT: First Set of Responses to Requests for  
Information**

**SUBMISSION OF FIRST SET OF RESPONSES TO REQUESTS FOR INFORMATION  
IN COMPLIANCE WITH BENCH ORDER ISSUED DURING TECHNICAL  
CONFERENCE OF SEPTEMBER 13, 2022**

**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 April 2, 2022, LUMA submitted to this Energy Bureau its Annual Budgets for Fiscal Years 2023 through 2025 (“Annual Budgets”). LUMA also submitted supporting workpapers on April 8, 2022.
2. On May 19, 2022, this Energy Bureau issued a Resolution and Order with the subject “Fiscal Year 2023 Annual Budget Review: Requirement of Information and Establishing a Procedural Calendar” (“May 19<sup>th</sup> Order”). This Energy Bureau issued one hundred and sixteen (116) requests for information, stated in Attachments A through F of the May 19<sup>th</sup> Order. Additionally, in the May 19<sup>th</sup> Order, this Energy Bureau scheduled a Technical Conference for June 10, 2022, which conference convened and was cancelled minutes after the record opened and witnesses were administered the oath or affirmation.

3. In compliance with the May 19<sup>th</sup> Order, through separate filings dated May 26, June 3 and June 7, 2022, LUMA and the Puerto Rico Electric Power Authority (“PREPA”) submitted their responses to the Energy Bureau’s Requirements for Information.<sup>1</sup>

4. On July 13, 2022, LUMA filed a *Motion Submitting Fiscal Year 2023 Annual Budget as Approved by the Financial Oversight and Management Board for Puerto Rico* (the “Informative Motion”) whereby it submitted to this Energy Bureau the Fiscal Year 2023 Budget as certified by the Financial Oversight Management Board for Puerto Rico (“FOMB”). LUMA included the FY2023 Budget as certified by the FOMB (“Certified Budget”), an updated LUMA Annual Budgets report for FY2023 to FY2025, and its accompanying updated schedules with its Informative Motion.

5. On July 16, 2022, the Energy Bureau entered a Resolution and Order (the “July 16<sup>th</sup> Order”) whereby it took notice of the Certified Budget. The Energy Bureau further determined to open a review of the Certified Budget. As part of such process, the Energy Bureau ordered LUMA to submit further responses to 9 requests included in the July 16<sup>th</sup> Order before July 29, 2022 at noon.

6. In compliance with the July 16<sup>th</sup> Order, on July 29, 2022, LUMA submitted the information requested. On the same date, this Energy Bureau entered a Resolution and Order whereby it established a second procedural calendar in this proceeding. As per the second procedural calendar a virtual technical conference was scheduled for August 17, 2022.

7. On August 12, 2022, this Energy Bureau entered a Resolution and Order through which, in its pertinent part, it issued a third revision to the procedural calendar as per which the virtual technical conference was postponed for September 9, 2022, the filing of revised or

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<sup>1</sup> LUMA responded to all of the Energy Bureau’s requirements, except for Requirements nos. A7, A8, A9, F1, F2, F3(A)-(C), F4, F5(A)-(E), F6(A)-(E), F7, F8, F9(A), F10(A)-(D) which were responded by PREPA.

additional information required by the Energy Bureau during the conference was scheduled for September 23, 2022 and the virtual public hearing and filing of comments by the public was set for October 7, 2022 (“August 12<sup>th</sup> Order”). LUMA’s filing of its presentation for the virtual technical conference was consequently set for September 6, 2022. In the August 12<sup>th</sup> Order, this Energy Bureau also issued seven (7) additional requests for information due on August 29, 2022.

8. On August 18, 2022, PREPA filed a *Request for Continuance of Technical Conference* which was granted through Resolution and Order entered on August 19, 2022. Therefore, the virtual technical conference was postponed to September 13, 2022.

9. On August 29, 2022, LUMA submitted its Responses in Compliance with the August 12<sup>th</sup> Order.

10. On September 7, 2022, LUMA was notified of a Resolution and Order whereby this Energy Bureau set September 14, 2022, as a second day for the Technical Conference to consider the Certified Budget (“September 7<sup>th</sup> Order”). On September 9, 2021, LUMA filed a motion styled “Urgent Request to Re-Schedule Second Day of Technical Conference and for Issuance of Agenda,” where it informed that several of its witnesses and management personnel as well as PREPA’s witnesses, were not available to appear before this honorable Energy Bureau on September 14, 2022 and requested that the Energy Bureau re-schedule the second day of the Technical Conference on the Certified Budget.

11. The first day of the Technical Conference on the Certified Budget was held on September 13, 2022 from 10:00 a.m. until past 5:00 p.m. (“September 13<sup>th</sup> Technical Conference”). Twenty-nine (29) members of LUMA’s work force in charge of different aspects of LUMA’s operations and organization, appeared and were sworn in to answer questions from

this Energy Bureau. Representatives of PREPA also appeared but were excused given that the Energy Bureau and its consultants first addressed questions to LUMA.

12. Regarding the second day for the Technical Conference, this Energy Bureau informed that at the close of the September 13<sup>th</sup> Technical Conference it would make a determination on the need to convene LUMA and PREPA for a second day and, if needed, the second day of the Technical Conference would be held on September 27, 2022.

13. Throughout the Technical Conference, this Energy Bureau and its consultants issued several requests for information to LUMA (“RFIs”). In total, the Energy Bureau issued eighteen (18) RFIs, some of which include several requests.

14. Close to 5:00 pm during the September 13<sup>th</sup> Technical Conference, this Energy Bureau determined that it was necessary to extend the Technical Conference for a second day and set the same for September 27, 2022.

15. Regarding the RFIs, at the close of the September 13<sup>th</sup> Technical Conference, this Energy Bureau indicated that it would issue a written order with the RFIs and granted LUMA until 5:00 pm on September 23, 2022 to submit its responses. The Energy Bureau explained that the responses were needed on September 23<sup>rd</sup> to allow Commissioners and Energy Bureau consultants to review the responses ahead of the September 27<sup>th</sup> Technical Conference. At the time of the filing of this Motion, this Energy Bureau has not issued a written order with the RFIs.

16. On September 16, 2022, PREPA submitted a motion styled “Request for Continuance of Technical Conference Scheduled for September 27, 2022,” (“PREPA’s Motion to Continue Second Day of Technical Conference”) whereby it informed that one of its main witnesses, its chief financial advisor, was not available to appear before this Energy Bureau on

September 27<sup>th</sup>. Thus, PREPA requested to continue the second day of the Technical Conference for a later date on or after October 7, 2022.

17. On September 20, 2022, this Energy Bureau issued a Resolution and Order whereby it issued an amended procedural calendar in this proceeding (“September 20<sup>th</sup> Order”). In what is relevant to this Motion, this Energy Bureau set the date for LUMA to file its responses to the RFIs for October 7, 2022. Further, the Energy Bureau scheduled the continuation of the Technical Conference for October 18, 2022.

18. On October 5, 2022, LUMA submitted a Motion styled *Urgent Request for Extension of Time to Submit Responses to Requests for Information and Request for an Agenda for the October 18th Technical Conference* (“October 5<sup>th</sup> Request for Extension”). In the October 5<sup>th</sup> Request for Extension, LUMA explained that although after the September 13<sup>th</sup> Technical Conference ended, LUMA’s witnesses and supporting personnel adopted a workplan to answer the RFIs and immediately begun work to prepare the responses, the unforeseen event beyond LUMA’s control of the passage through Puerto Rico of Hurricane Fiona on September 18, 2022, required the deployment of LUMA’s workforce to prepare for and address an island-wide emergency and forced LUMA and its personnel to stay work on the responses to the RFIs. LUMA explained that several of its witnesses regarding the Certified Budget and supporting personnel involved in preparing the responses to the RFIs, were activated in LUMA’s Emergency Operations Center (“LEOC”) and remain activated in the recuperation and restoration efforts in the aftermath of Hurricane Fiona. Consequently, LUMA informed this Energy Bureau that it was not possible at this time to complete the full set of responses to the RFIs by October 7, 2022.

19. In the October 5<sup>th</sup> Request for Extension, LUMA proposed to submit a first set of RFI responses by October 7<sup>th</sup> and requested that additional time beyond October 7<sup>th</sup>, until October 12, 2022, be granted to submit a second set of responses.

20. In compliance with the bench orders issued on September 13<sup>th</sup> and the September 20<sup>th</sup> Order, LUMA hereby submits a first set of responses to the RFIs. *See* Exhibit 1.

21. LUMA respectfully restates the petition included in the October 5<sup>th</sup> Request for Extension, to submit the balance of the RFIs by October 12, 2022, and that the Energy Bureau maintain the second day of the Technical Conference as scheduled for October 18, 2022.

**WHEREFORE**, LUMA respectfully requests that the honorable Bureau **take notice** of the aforementioned for all purposes; **deem** that LUMA partially complied with the bench orders with requests for information issued on September 13, 2022; **extend** the time to submit the full set of responses to the RFIs to at least October 12, 2022; **hold** the second day for the Technical Conference on October 18, 2022; and **issue** an agenda for the second day of the Technical Conference.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 7<sup>th</sup> day of October, 2022.

We hereby certify that this motion was filed using the electronic filing system of this Energy Bureau. We also certify that copy of this motion will be notified to the Puerto Rico Electric Power Authority, through its attorneys of record: [jmarrero@diazvaz.law](mailto:jmarrero@diazvaz.law) and [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law).



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*Exhibit 1*

*First Set of Responses to Requests for Information Issued on September 13, 2022:*

Four Responses Submitted in pdf format and one Attachment to Response 1, in excel format, that will be submitted via email



# Annual Budgets for Fiscal Year 2023

## NEPR-MI-2021-0004

### Response: TC-RFI-LUMA-MI-2021-0004-220913-PREB-001

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#### SUBJECT

Operator Service Fees - CPI Factor

#### REQUEST

Provide additional information on the CPI Factor included within the forecast Fiscal Year 2023 Operator Service Fee.

#### RESPONSE

CPI Factor and CPI Value are defined on Page 17 of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“T&D OMA”), executed on June 22, 2020, among the Puerto Rico Electric Power Authority (“PREPA”), the Puerto Rico Public-Private Partnerships Authority (“P3A”) and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”).

With PREPA’s exit from Title III anticipated to be Supplemental FY2023, the Operator Service Fee is calculated as provided on page 5 of the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement, executed on June 22, 2020, among the Puerto Rico Electric Power Authority (“PREPA”), the Puerto Rico Public-Private Partnerships Authority (“P3A”) and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”).

Forecasted FY2023 CPI Value is based on year-to-date actual monthly CPI values and forecasted monthly CPI values based on actual trends from December 2021 to May 2022.

Invoiced Service Fees will be based on actual published CPI Values and may differ from estimates. Please refer to TC-RFI-LUMA-MI-2021-0004-220913-PREB-001 Attachment 1 – FY23 Operator Service Fee CPI Factor.

# Annual Budgets for Fiscal Year 2023

## NEPR-MI-2021-0004

**Response: TC-RFI-LUMA-MI-2021-0004-220913-PREB-002**

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### **SUBJECT**

Imposed Penalties

### **REQUEST**

Identify any fines or penalties from FY22 and from what account where they paid. If paid, identify whether the source of payment was a fee or a pass-through expense.

### **RESPONSE**

PREB did not impose penalties or fines on LUMA in Fiscal Year 2022.

# Annual Budgets for Fiscal Year 2023

NEPR-MI-2021-0004

**Response: TC-RFI-LUMA-MI-2021-0004-220913-PREB-003**

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## **SUBJECT**

Forecast vs Actual Sales

## **REQUEST**

Provide a comparison of the forecasted sales for FY22 with the actual sales for FY22. In gigawatt-hours.

## **RESPONSE**

The forecasted sales for FY2022 were 16,765 GWh and \$1,198 million in basic revenue and the actual sales for FY2022 are 16,282 GWh and \$1,195 million of basic revenue.

# Annual Budgets for Fiscal Year 2023

NEPR-MI-2021-0004

**Response: TC-RFI-LUMA-MI-2021-0004-220913-PREB-004**

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## **SUBJECT**

Federal Funding

## **REQUEST**

Provide a list of federal funding consultants (including IEM).

## **RESPONSE**

IEM is currently LUMA's only consultant contracted for federal funding advisory services.