

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

<b>NEPR</b>  <b>Received:</b>  <b>Dec 27, 2022</b>  <b>6:44 PM</b>
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**IN RE: DESIGN OF FUEL  
PROCUREMENT HEDGING STRATEGY  
PROGRAM FOR THE PUERTO RICO  
ELECTRIC POWER AUTHORITY**

**CASE NO. NEPR-MI-2022-0004**

**SUBJECT: Motion in Compliance with  
Resolution and Order of December 15, 2022**

**MOTION IN COMPLIANCE WITH  
RESOLUTION AND ORDER OF DECEMBER 15, 2022**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU:**

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

1. On October 13, 2022, the Puerto Rico Energy Bureau (“Energy Bureau”) opened this instant proceeding to initiate administrative procedures to develop a methodical and structured Fuel Procurement Hedging Strategy Program (“Fuel Hedging Program”) for the Puerto Rico Electric Power Authority (“PREPA”). As part of the proceeding, the Energy Bureau ordered PREPA to respond to a request for information (“October 13 Order”).

2. The records show that on November 4, 2022, PREPA filed a *Motion In Compliance with the October 13 Resolution And Order*, whereas it submitted documents and information in response to the request for information on the October 13 Order.

3. On December 15, 2022, the Energy Bureau entered a Resolution and Order stating that PREPA did not comply with the October 13 Order. As such, it ordered PREPA to submit, within five days, answers to certain requests of information of the October 13 Order and any related documentation and to be specific in its responses. It also instructed LUMA to file, within ten days,

any data or information available in its records about PREPA’s Energy Commodity Procurement or Hedge Based Policy and Procedural Documentation (refer to questions 4(a) and 4(b) of the October 13 Order) and any pertinent management meeting notes for input fuel procurement or hedge activity (refer to question 5(b) of the October 13 Order)<sup>1</sup>, if available (“December 15 Order”).

4. In compliance with the December 15 Order, LUMA hereby informs that fuel procurement is not one of the services delegated pursuant to Section 5.1 and Annex I of the Puerto Rico Transmission and Distribution Operation and Maintenance Agreement. Neither is one of the services comprised under the Shared Services Agreement entered with PREPA. Further, LUMA does not participate in the fuel procurement processes carried out by PREPA. Thus, LUMA has no data or information on PREPA’s Energy Commodity Procurement or Hedge Based Policy and Procedural Documentation or pertinent management meeting notes for input fuel procurement or hedge activity in its possession, custody and/or control.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned; and **deem** LUMA complied with the December 15 Order.

**RESPECTFULLY SUBMITTED.**

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<sup>1</sup> Specifically, questions 4(a) and (b) of the October 13 Order requested:

- (4) What type of formal documentation is already in place to manage energy procurement/ hedging?
  - (a) Any Procurement/Hedge Based Policy and Procedural Documentation
  - (b) Documentation that will help the Energy Bureau ascertain PREPA’s energy commodity procurement:
    - (i) Objectives
    - (ii) Risk Tolerances
    - (iii) Governance/internal controls
    - (iv) Reporting requirements.

In turn, question 5(b) of the October 13 Order stated:

- (5) What type of reports (and what is the frequency) are in place to manage input fuel procurement/hedge activity?
  - (a) Documentation/reporting that relates to commodity risk management/input fuel source operations.
  - (b) Any pertinent management meeting notes.

*See* Resolution and Order of October 13, 2022.

In San Juan, Puerto Rico, on this 27<sup>th</sup> day of December 2022.

We hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau. We will send an electronic copy of this Motion to counsel for PREPA Katiuska Bolaños-Lugo, [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law), and Joannely Marrero, [jmarrero@diazvaz.law](mailto:jmarrero@diazvaz.law).



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