

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

NEPR

Received:

Sep 15, 2023

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IN RE: REVIEW OF LUMA'S INITIAL BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: PREPA's Renewed Request for Extension of Time to Submit the Budget to Actual Report as Ordered in the June 25 Order

PREPA'S RENEWED REQUEST FOR EXTENSION OF TIME TO SUBMIT THE BUDGET TO ACTUAL REPORT AS ORDERED IN THE JUNE 25 ORDER

COMES NOW the Puerto Rico Electric Power Authority ("PREPA"), through its counsel of record, and respectfully submits and requests as follows:

1. On May 16, 2023, LUMA¹ filed a document titled *Submission of Consolidated Annual Budgets for Fiscal Year 2024 and Proposed Annual T&D Projections Through Fiscal Year 2026* ("May 16 Motion") for the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") review and approval. The May 16 Motion included the following budget components: (i) the proposed T&D budget developed by LUMA, (ii) the proposed generation budget developed by Genera PR, LLC ("Genera") on behalf of the PREPA, for the PREPA subsidiary GENCO LLC ("GenCo"), and (iii) the proposed Budget developed by PREPA for its holding company, HoldCo, and its subsidiaries PREPA HydroCo LLC ("HydroCo") and PREPA PropertyCo, LLC ("PropertyCo").
2. On June 25, 2023, the Energy Bureau issued a *Resolution and Order* ("June 25 Order")

¹ LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as, "LUMA").

through which it modified the Proposed Consolidated Fiscal Year 2024 submitted by LUMA and approved the modified budgets subject to compliance with various orders ("FY24" Approved Budget").

3. The June 25 Order included a series of orders to PREPA. In what is pertinent to this motion, as part of the financial reporting requirements the Energy Bureau ordered PREPA to submit on a monthly basis the following:

a. The tracking of certified Budget to Actual ("B2A Report") for HydroCo and HoldCo based on a template to be provided by the Oversight Board, which must include the following:

- Explanation for material variances (greater than 10% and \$30 million)
- Income statement in the reporting package
- Monthly budget reporting

4. The B2A Report is ordered by the June 25 Order to be presented within twenty (20) days after the end of each month and is required to detail the Fiscal Year Budget spending amounts, broken out by spending initiative, and detailing any variances from the approved Budget filing. Further, these reports should also include details allowing the Energy Bureau to assess funding, withdrawals and outstanding balances in the operating, capital and generation budgets.

5. On August 21, 2023, PREPA submitted before the Energy Bureau a document titled *PREPA's Request for Amendment of the Deadline to Submit the Budget to Actual Report as Ordered in the June 25 Order* ("August 21 Motion"), whereby PREPA requested an amendment to the deadline to comply with the submittal of the B2A Report. This, is due to the fact that PREPA receives the account close documents from LUMA usually 25-30 days after month end, after which PREPA's finance department evaluates the documents to compile the monthly B2A Report. PREPA

also informed that consistent with prior years, PREPA had submitted a request to the Financial Oversight and Management Board for Puerto Rico (“FOMB”) to amend the deadline for the monthly B2A Report to be submitted forty-five (45) days after each month’s end, which was granted on August 17, 2023. Consequently, PREPA requested until today, September 15, 2023 to submit the B2A Report.

6. Unfortunately, there were significant delays in receiving July month-end closing documents due to the Genera PR LLC transaction. To this date, PREPA has yet to receive the finalized closing documents. As a result, PREPA requested an extension of time until Wednesday, September 27, 2023 from FOMB to submit the B2A Report.

7. PREPA herein respectfully requests the Energy Bureau for the same extension of time granted by the FOMB of twelve (12) days, until Wednesday, September 27, 2023, to submit the B2A Report.

8. This renewed request for an extension of time to submit the B2A Report is made in good faith, due to the aforementioned difficulties, of which PREPA has no control, and with no intention to delay the Energy Bureau’s evaluation of the B2A Report.

WHEREFORE, PREPA respectfully requests the Energy Bureau to take **NOTICE** of the information provided and **APPROVE** the Renewed Request for Extension until September 27, 2023, to submit the B2A Report.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 15th day of September 2023.

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CERTIFICATE OF SERVICE

It is hereby certified that, on this same date, I have filed the above motion with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and a courtesy copy of the filing was sent to LUMA through its legal representatives at margarita.mercado@us.dlapiper.com and laura.rozas@us.dlapiper.com and to Genera-PR, LLC through its legal representatives jfr@sbgblaw.com; alopez@sbgblaw.com; legal@genera-pr.com; regulatory@genera-pr.com.

In San Juan, Puerto Rico, this 15th day of September 2023.

/s Joannely Marrero-Cruz
Joannely Marrero Cruz