

**GOVERNMENT OF PUERTO RICO  
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:** Determination on *Motion to Submit Amendment to Approved Contract and Two New Proposed Contracts for the Energy Bureau's Review and Approval*, filed by the Puerto Rico Electric Power Authority.

**RESOLUTION AND ORDER**

On June 25, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("June 25 Resolution") through which it modified the Proposed Consolidated Fiscal Year 2024 ("FY24") Budget submitted by LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively referred to as, "LUMA") and approved the modified budgets subject to compliance with various orders in the June 25 Resolution. The Energy Bureau further ordered the Puerto Rico Electric Power Authority ("PREPA") to file for review and approval, any new contract or amendment to an existing contract, before executing or making any award of such contract or amendment.

On September 12, 2023, PREPA filed a document titled *Motion to Submit Amendment to Approved Contract and Two New Proposed Contracts for the Energy Bureau's Review and Approval* ("September 12 Motion"). Through the September 12 Motion, PREPA requested an amendment to the Baker Donelson Caribe, LLC Contract approved by the Energy Bureau on July 19, 2023 for \$200,000 subject to the PREPA Restructuring & Title III line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget. Particularly, PREPA proposed an increase from \$200,000 to \$1.2MM to be deducted from the PREPA Restructuring & Title III line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget.<sup>1</sup> PREPA indicated that the referenced contractor provides legal analysis, advocacy, advice, and opinions, as requested by PREPA, in relation to investigations and audits by the Office of the Inspector General, and on all matters related to federal funding.<sup>2</sup>

PREPA also submitted for the Energy Bureau's review and approval the proposed contract between PREPA and Corretjer, LLC for the legal representation in connection with cases filed at the local or federal forums, in relation with labor and employment claims.<sup>3</sup> The Corretjer Contract shall be in effect from its date of execution until June 30, 2024 for the cumulative amount of \$20,000 to be divided in the following way: (i) \$9,000 from the legal services line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget, and (ii) \$11,000 from the Equipment, Inspections, Repairs, & Other line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget.<sup>4</sup>

Last, PREPA submitted for the Energy Bureau's review and approval the proposed contract between PREPA and NY Wiping Industrial (Safety Zone) Contract for security shoes to be provided to PREPA's employees.<sup>5</sup> The NY Wiping Industrial (Safety Zone) Contract shall be

<sup>1</sup> September 12 Motion, p. 3.

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

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*, p. 4.

<sup>5</sup> *Id.*



in effect from its date of execution until June 30, 2024 for \$27,000 subject to the Material & Supplies line item in the Non-Labor/ Other Operating Expenses Category of the HydroCo Operating & Maintenance Expenses portion of the FY24 Budget.<sup>6</sup>

PREPA certified that the works to be executed by the referenced contractors are not duplicative of the scope of work handled by LUMA and Genera.<sup>7</sup>

The Energy Bureau **APPROVES** the amended Baker Donelson Caribe, LLC Contract for \$1.2 MM which corresponds to the PREPA Restructuring & Title III line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget. This corresponds to a \$1MM increase to the \$200,000 already approved.

The Energy Bureau **APPROVES** the Corretjer Contract for \$9,000 to be deducted from the legal services line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget. The Energy Bureau **HIGHLIGHTS** that with the approval of the Corretjer Contract there are no remaining funds in the legal services line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget.

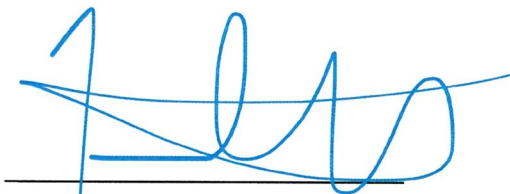
PREPA maintained that the remaining \$11,000 in connection with the Corretjer Contract were subject to the **Equipment, Inspections, Repairs, & Other** line item in the Non-Labor/ Other Operating Expenses Category of the HoldCo Operating & Maintenance Expenses portion of the FY24 Budget. Upon review of the Terms and Conditions of the referenced contract, Corretjer, LLC is to provide **legal services** to PREPA. As such, the work to be performed by Corretjer, LLC has no connection with the budget line item PREPA proposes the payment for such services be deducted from. Consequently, the Energy Bureau **DENIES** the approval of the Corretjer Contract as it pertains to the remaining \$11,000.

The Energy Bureau **APPROVES** the NY Wiping Industrial (Safety Zone) Contract for \$27,000 subject to the Material & Supplies line item in the Non-Labor/ Other Operating Expenses Category of the HydroCo Operating & Maintenance Expenses portion of the FY24 Budget. The remaining balance for the referenced line item is **\$697,000**.

Be it notified and published.



Lillian Mateo Santos  
Associate Commissioner



Ferdinand A. Ramos Soegaard  
Associate Commissioner



Sylvia B. Ugarte Araujo  
Associate Commissioner



Antonio Torres Miranda  
Associate Commissioner



<sup>6</sup> Id.

<sup>7</sup> Id.



**CERTIFICATION**

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on September 19, 2023. President Edison Avilés Deliz did not intervene. Also certify that on September 19, 2023, I have proceeded with the filing of this Resolution and Order, and was notified by email to pre@promesa.gov; margarita.mercado@us.dlapiper.com; ana.rodriguezrivera@us.dlapiper.com; julian.angladapagan@us.dlapiper.com; mvazquez@diazvaz.law; jmarrero@diazvaz.law; legal@genera-pr.com; regulatory@genera-pr.com; jfr@sbgblaw.com; alopez@sbgblaw.com.

For the record, I sign in San Juan, Puerto Rico, today, September 19, 2023.

  
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Sonia Seda Gaztambide  
Clerk

