

**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 *Urgent Motion to Request Approval for the Proposed Contracts for Insurance Defense*, 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 22, 2023, PREPA filed a document titled *Urgent Motion to Request Approval for the Proposed Contracts for Insurance Defense* ("September 22 Motion"). Through the September 22 Motion, PREPA submitted for the Energy Bureau's review and approval the following three (3) contracts between PREPA and various contractors: the Freese and Nichols Inc. Contract for \$445,783; the Claro Group LLC Contract for \$393,750; and the Willis Tower Watson Contract for \$974,400.¹ According to PREPA, Freese and Nichols will assist PREPA with insurance claims.² Claro Group will assist PREPA in quantifying and preparing claims, claim settlement, litigation support, which includes, but it is not limited to, assisting PREPA in defense and responding inquiries from insurance claims.³ Last, Willis Tower Watson will assist PREPA with Forensic Accountants and Complex Claims Office representatives who work on the Hurricane María claim⁴. PREPA indicated that the funds for the three (3) referenced contracts are not part of the approved FY24 Budgets and certified that they are to be covered by insurance policy payments.⁵

PREPA also reiterated its request for the approval of the McGuire Contract, filed through a previous motion.⁶

Upon review, the Energy Bureau **APPROVES** the Freese and Nichols Inc. Contract for \$445,783; the Claro Group LLC Contract for \$393,750; and the Willis Tower Watson Contract for \$974,400.

A determination on the McGuire Woods contract will be made in a separate Resolution.

Be it notified and published.

¹ September 22 Motion, pp. 2 – 3, ¶¶ 4, 5.

² *Id.*, p. 2, ¶ 4.

³ *Id.*, pp. 2 – 3, ¶ 4.

⁴ *Id.* p. 3, ¶ 5.

⁵ *Id.*, p. 4, ¶ 8.

⁶ *Id.*, pp. 3 – 5.





Edison Avilés Deliz
Chairman

Ferdinand A. Ramos Soegaard
Associate Commissioner


Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on September 27, 2023. Associate Commissioner Lillian Mateo Santos dissented without written opinion. Also certify that on September 27, 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.rodriquezrivera@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 27, 2023.



Sonia Seda Gaztambide
Clerk