

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

NEPR

Received:

Sep 29, 2023

5:35 PM

IN RE: REVIEW OF LUMA'S INITIAL
BUDGETS

CASE NO. NEPR-MI-2021-0004

SUBJECT: Request for Extension of Time

**MOTION FOR BRIEF EXTENSION OF TIME TO COMPLY WITH ORDER TO
SUBMIT BREAKDOWN OF BUDGETED AMOUNTS AND EXPENDITURES FOR
FEDERALLY FUNDED PROJECTS IN FISCAL YEAR 2023 AND SUPPORTING
EXPLANATIONS**

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 May 31, 2021, this honorable Puerto Rico Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) issued and published a Resolution and Order approving LUMA’s Initial Budgets (“May 31st Resolution and Order”).

2. In the May 31st Resolution and Order, the Energy Bureau listed “requirements for LUMA to fulfill during the Interim Period and going forward” for reporting on the Initial Budgets T&D System spending amounts and federal funding activity listed in Section IV, paragraphs 2 and 3 thereof, respectively. *See* May 31st Resolution and Order at pp. 36-37. With respect to the reporting on the Initial Budgets, the May 31st Resolution and Order provided, in Section IV, paragraph 2, that:

LUMA shall provide quarterly reports to the Energy Bureau detailing Initial Budget spending amounts, broken out by spending initiative, and detailing any variances from the Initial Budget filing. These reports should also include detail allowing the Energy Bureau to assess funding, withdrawals and outstanding balances in the

Operating Budget, the Capital Budget and the Generation Budget Accounts outlined in the [Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement executed among the Puerto Rico Electric Power Authority (“PREPA”), LUMA and the Puerto Rico Public Private Partnerships Authority (“P3 Authority”) dated as of June 22, 2020 (“T&D OMA”)].

Id.

3. On July 16, 2021, this Energy Bureau issued a Resolution and Order (the “July 16th Resolution and Order”) in which it modified the federal funding reporting requirements under the May 31st Resolution and Order to provide as follows:

LUMA shall submit to the Energy Bureau, on a quarterly basis, summary reports outlining federal funding activity. These summary reports shall include aggregated information showing the cumulative amount of federal funding applied for by LUMA and/or PREPA, broken out by the source of such funding, the incremental amount of federal funding applied for in the reporting quarter, and both the cumulative and monthly amount of federal funding received.

July 16th Resolution and Order, page 6.

4. On February 27, 2023, this Energy Bureau issued a Resolution and Order whereby it approved the Certified Budgets for Fiscal Year 2023, required that the quarterly reports explain and justify variances, and included the following:

1. T&D Operating Budget; Capital Budgets, both Federally- Funded and Non Federally Funded; Shared Services and all Other expenses;
2. project level detail for Capital Budgets;
3. program level detail for Improvement Portfolios;
4. both individual quarter and year to date activity;
5. actual spending amounts, broken out by spending initiative, and detailing all variances from the approved budget;
6. detail to enable the Energy Bureau to assess funding, expenditures and outstanding balances in the Operating Budget, the Capital Budget and the Generation Budget accounts as specified in the OMA; and
7. load and Sales Forecasts compared with actual Load and Sales.

See February 27 Order, page 28.

5. In compliance with the quarterly reporting requirements set forth in the May 31st Resolution and Order and the February 27th Order, on August 14, 2023 LUMA submitted its

Comprehensive Quarterly Report of Fiscal Year 2023, for the Fourth Quarter ending June 30, 2023 (“Q4 Report”).

6. On September 18, 2023, this Energy Bureau issued a Resolution and Order whereby, among others, it noted a variance of \$162.0 million for Fiscal Year 2023 between projected federally funded capital expenditures and actual expenditures. In relevant part, this Energy Bureau granted LUMA ten business days to:

provide, on or before ten (10) business days from the notification of this Resolution and Order, the list of i) projects/activities that comprised the total FY 2023 Budget for the Federally Funded Capital Expenditures with the budgeted amounts, ii) which projects were done and the actual expenditures for the year, iii) which projects were not done, why, and if applicable, iv) which projects were substituted and how much were the expenditures for the year.

See September 18th Order, page 2.

7. LUMA respectfully informs that it requires additional time, until October 10, 2023, to submit to this Energy Bureau its response to the aforementioned portion of the September 18th Order. Several components of LUMA’s organization and personnel in charge of federally funded programs are working to provide the responsive information on expenditures including the explanations requested by this Energy Bureau. That process takes time. Several levels of review are required before the response is ready for filing. Although LUMA has been working to prepare the response by the due date, it will not be possible to finalize the response by October 2, 2023.

8. By October 2, 2023, LUMA will address the other requirements of the September 18th Order: (a) explanations on the drivers of the variance between revenue forecasts and actuals; (b) explanations on how to address variances on shared services costs; and (c) GenCo’s and HoldCo’s Q4 Report.

9. This request for extension of time is filed in good faith to allow LUMA to produce a complete and responsible response to the September 18th Order.

WHEREFORE, LUMA respectfully requests that this honorable Energy Bureau **take notice** of the aforementioned and **grant** LUMA until October 10, 2023 to submit the information requested in the September 18th Order on federally funded capital costs by project with supporting information regarding federally funded capital projects for FY2023.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 28th day of September 2023.

I hereby certify that this motion was filed using the electronic filing system of this Energy Bureau. I also certify that copy of this motion will be notified to the Puerto Rico Electric Power Authority, through its attorney of record: jmarrero@diazvaz.law and to Genera PR LLC, through its counsel of record Jorge Fernández-Reboredo, jfr@sbglaw.com and Alejandro López Rodríguez, alopez@sbglaw.com.



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