

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

**NEPR**  
**Received:**  
**Nov 10, 2023**  
**6:06 PM**

**IN RE:** REVIEW OF LUMA'S INITIAL  
BUDGETS

**CASE NO.:** NEPR-MI-2021-0004

**URGENT MOTION TO SUBMIT HEALTHCARE PLAN CONTRACTS  
FOR REVIEW AND APPROVAL**

**TO THE PUERTO RICO ENERGY BUREAU:**

**COMES NOW** the Puerto Rico Electric Power Authority ("PREPA") through its undersigned legal representation and, very respectfully, informs and requests as follows:

1. On June 25<sup>th</sup>, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board's ("Energy Bureau") issued a *Resolution and Order* ("June 25<sup>th</sup> Resolution") whereby it modified and approved the *Consolidated Annual Budgets for Fiscal Year 2024*,<sup>1</sup> subject to compliance with various orders. The June 25<sup>th</sup> Resolution ordered PREPA, among other things, to file with the Energy Bureau for its review and approval any new contract or amendment to an existing contract before its execution or award.

2. On August 16<sup>th</sup>, 2023, the Energy Bureau issued a *Resolution and Order*

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<sup>1</sup> The *Consolidated Annual Budgets for Fiscal Year 2024*, which were submitted by submitted by LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly hereafter, "LUMA"), were comprised of the following: (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").

whereby it ordered PREPA to file a table including the totality of the approved and proposed contracts for Fiscal Year 2024 ("FY 24"), the approved and proposed amounts for those contracts, the line items from the category to which they correspond, and the remaining balance for each category considering said amounts ("August 16<sup>th</sup> Resolution").

3. On September 27<sup>th</sup>, 2023, the Energy Bureau issued another *Resolution and Order* whereby it ordered PREPA, *inter alia*, to file "the totality of the contracts PREPA plans to execute for FY24" ("September 27 Resolution").

4. On November 7<sup>th</sup>, 2023, PREPA submitted its *Motion in Compliance with Orders and Request for Approval of Revised Proposed Budget* ("Motion in Compliance"), whereby it submitted for the Energy Bureau's review and approval the contracts, not previously filed, that PREPA has executed or plans to execute for Fiscal Year 2024 ("FY24"). The aforementioned motion was filed in compliance with the August 16<sup>th</sup> and September 27<sup>th</sup> Resolutions.

5. In further compliance of the August 16<sup>th</sup> and September 27<sup>th</sup> Resolutions, PREPA hereby submits, for the Energy Bureau's review and approval, the following three (3) health insurance contracts:

- A. Draft Contract with MMM Healthcare, LLC for the Healthcare Plan of Active Employees (**Annex A**): the budget for this contract was already approved by the Energy Bureau and will be allocated from the HoldCo Budget (**Annex D**) line-item 28 and the HydroCo Budget line-item 20 (**Annex E**).
- B. Draft Contract with MMM Healthcare, LLC for the Healthcare Plan of Retirees 65 years or older (**Annex B**): the budget for this contract was already approved by the Energy Bureau and will be allocated from the HoldCo Budget (**Annex D**) line-item 47. This contract is for the administration of PREPA's health benefits plan for retirees who are eligible for Medical Advantage.
- C. Draft Contract with MMM Healthcare, LLC for the Healthcare Plan of Retirees younger than 65 years (**Annex C**): the budget for this contract was

already approved by the Energy Bureau and will be allocated from the HoldCo Budget (**Annex D**) line-item 46.

(hereinafter, jointly, the “Contracts”).

6. PREPA's Governing Board approved the Contracts on August 31<sup>st</sup>, 2023.

See Annex F.

7. The urgent review and approval of these contracts is necessary to guarantee health insurance to all active employees and retirees, along with their qualifying family members, beginning on January 1<sup>st</sup>, 2024.

8. Following the Energy Bureau's approval, PREPA will also need to obtain authorization from the Fiscal Oversight and Management Board (“FOMB”) to execute the Contracts. Then, PREPA will need to begin the implementation process which includes, but is not limited to, notifying all subscribers via mail with their healthcare insurance cards, summary of benefits letters, subscriber's guide, orientation letters, among others (hereinafter, the “Implementation Plan”).

9. Pursuant to Medicare requirements, all retirees who benefit from a Medicare Advantage Plan must have their health insurance card by January 1<sup>st</sup>, 2024. To achieve the timely delivery of the healthcare insurance cards and all other required notices to the subscribers, which are sent through regular mail, they must be shipped as soon as possible. Postponing shipping until December 2023 may result in untimely delivery of the health insurance card and other required notices due to increased usage of the U.S. Postal Services during the holiday season.

10. In order to execute the Implementation Plan within the January 1<sup>st</sup>, 2024 deadline, PREPA will need to execute the Contracts **on or before November 20<sup>th</sup>, 2023**.

11. In light of the foregoing, PREPA respectfully requests the urgent approval of the Contracts submitted herewith.

12. PREPA hereby supplements its Motion in Compliance with the attached Contracts. However, PREPA respectfully requests the approval of these Contracts to be addressed in an expedited fashion, separate from the Energy Bureau's ruling on the Motion in Compliance.

**WHEREFORE**, PREPA respectfully requests the Energy Bureau to (a) take **NOTICE** of the information provided herein and (b) **APPROVE** the Contracts in an expedited fashion.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 10<sup>th</sup> day of November 2023.

**CERTIFICATE OF SERVICE:** We hereby certify that this document was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and courtesy copies were sent via e-mail to LUMA Energy, LLC through its counsels of record at [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com), [laura.rozas@us.dlapiper.com](mailto:laura.rozas@us.dlapiper.com), and to Genera-PR, LLC through its counsels of record at [jfr@sbgbllaw.com](mailto:jfr@sbgbllaw.com), [alopez@sbgbllaw.com](mailto:alopez@sbgbllaw.com), [legal@genera-pr.com](mailto:legal@genera-pr.com) and [regulatory@genera-pr.com](mailto:regulatory@genera-pr.com).

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## Annexes

<https://www.dropbox.com/t/tpT74Ee7tMgExHdV>