

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

NEPR

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IN RE: REVIEW OF LUMA'S INITIAL
BUDGETS

CASE NO.: NEPR-MI-2021-0004

REQUEST TO WITHDRAW JANUARY 18TH MOTION FOR APPROVAL OF CONTRACTS

TO THE HONORABLE 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 25th, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a *Resolution and Order* ("June 25th Resolution") whereby it modified and approved the *Consolidated Annual Budgets for Fiscal Year 2024*,¹ subject to compliance with various orders. The June 25th 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 16th, 2023, the Energy Bureau issued a *Resolution and Order* whereby it ordered PREPA to file a table including the totality of the approved and

¹ The *Consolidated Annual Budgets for Fiscal Year 2024*, 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").

proposed contracts for Fiscal Year 2024 ("FY24"), 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 16th Resolution").

3. After other procedural incidents, on November 7th, 2023, PREPA filed its *Motion in Compliance with Orders and Request for Approval of Revised Proposed Budget* ("November 7th Motion").

4. In response to the November 7th Motion, on December 8th, 2023, the Energy Bureau issued another *Resolution and Order* whereby it increased the HoldCo Non-Labor Budget from \$11,772,000.00, as authorized in the June 25th Resolution, to \$18,072,000.00 ("December 8th Resolution").

5. On December 12th, 2023, the Fiscal Oversight and Management Board certified the HoldCo Non-Labor Budget, as approved by the Energy Bureau in the December 8th, 2023. See **Exhibit A** – HoldCo Budget.

6. In compliance with the June 25th and August 16th Resolutions, on January 18th, 2024, PREPA filed a motion titled *Motion for Approval of Contracts or Amendments, and to Inform Developments Regarding PREPA's Separation from Shared Services* ("January 18th Motion") where it submitted the following contracts or amendments identified below, for the Energy Bureau's review and approval.²

² It is worth noting that, participation by contractors in PREPA's competitive process in no way creates an obligation to award the contract to the bidder. Furthermore, being selected as the successful bidder or proponent in the process does not create any obligation on PREPA's part to award such contract. No contract submitted, discussed, or negotiated between the PREPA and the bidders or proponents shall be effective or valid until it is approved by Energy Bureau, the Puerto Rico Financial Oversight and Management Board, and the Office of Management and Budget (whichever is applicable).

I. Proposed Contracts or Amendments

A. HoldCo Non-Labor Operating Budget: Materials & Supplies; & HydroCo Non-Labor Operating Budget: Materials & Supplies

- i. Morivivi, LLC
- ii. Safety Zone (formerly New York Wiping Industrial Products Co Inc.)

B. HoldCo Non-Labor Operating Budget: Transportation, Per Diem, and Mileage; & Hydro Co Non-Labor Operating Budget: Transportation, Per Diem, and Mileage

- i. American Petroleum / Administration of General Services (“ASG” per its Spanish acronym)

C. HoldCo Non-Labor Operating Budget: Legal Services

- i. González & Martínez, P.S.C. (“G&M”)
- ii. Corretjer, LLC
- iii. Eng. Victor M. Ruiz Pérez
- iv. Global Consultas Asociados, LLC
- v. King & Spalding, LLP
- vi. Prime Counselors P.S.C.
- vii. Regulatory Compliance Service Corp. (“RECOMS”) – For Non-Title III, Non-Federal Disaster Relief work
- viii. Strategia Legale LLC
- ix. Ramón M. Mendoza Rosario, Esq.

D. HoldCo Non-Labor Operating Budget: Professional & Technical Outsourced Services

- i. EDR Solutions, LLC (“EDR”)
- ii. Liberty Communications of Puerto Rico Inc. (“Liberty Communications”)

- iii. Fusion Works LLC
- iv. Elda M. Rodríguez Cora (Examining officer)
- v. Jan C. Bonilla Silva (Examining Officer)

E. HoldCo Necessary Maintenance Expenses

- i. ARM Construction
- ii. Protective Security Systems, Inc.
- iii. Protective Security Systems, Inc.

F. HydroCo Necessary Maintenance Expenses (NME)

- i. Integrations Technologies Corp ("In Two Corp") (Microsoft Azure)
- ii. Integrations Technologies Corp ("In Two Corp") (Cybersecurity)

7. In response to a motion titled *Urgent Motion for Approval of the U.S. Geological Survey agreement* filed by PREPA on December 28th, 2023, the Energy Bureau issued a *Resolution and Order* on January 23rd, 2024 ("January 23rd Resolution") whereby it, among other, rescinded of the requirement for it to approve PREPA's contracts before their execution under the admonition that PREPA must effectively assess the need for, prioritize, bid, negotiate, and oversee contracts and be ready to provide documentation of such to the Energy Bureau upon request.

8. In virtue of the January 23rd Resolution, PREPA respectfully requests to withdraw the January 18th Motion filed before this Honorable Bureau.

WHEREFORE, PREPA respectfully requests the Energy Bureau to take **NOTICE** of the above-stated information and **APPROVE** the withdrawal of the January 18th Motion and the contracts submitted for approval.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 26th day of January 2024.

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>, which automatically notifies all attorneys of record with copy of the filed motion.

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