

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

NEPR
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IN RE:

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY PERMANENT RATE

CASE NO. NEPR-MI-2020-0001

**SUBJECT: Urgent Additional Request for Brief
Extension of Time to Submit Quarterly Reconciliations
and FCA, PPCA, and FOS Calculated Factors**

**URGENT ADDITIONAL REQUEST FOR BRIEF EXTENSION OF TIME TO SUBMIT
QUARTERLY RECONCILIATIONS ON FUEL AND PURCHASED POWER COSTS
FOR THE MONTHS OF DECEMBER 2023 THROUGH FEBRUARY 2024 AND
CALCULATED FACTORS**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES now LUMA Energy ServCo, LLC (“ServCo”), (“LUMA”), and respectfully states and requests the following:

1. LUMA’s duties over system regulatory matters pursuant to Section 5.6 of the Puerto Rico Transmission and Distribution Operation and Maintenance Agreement (“T&D OMA”) as supplemented by the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement, include preparation of the required reconciliations of the Fuel Charge Adjustment (“FCA”), Purchased Power Charge Adjustment (“PPCA”), and Fuel Oil Subsidy (“FOS”) riders.

2. Pursuant to a Resolution and Order dated January 17, 2020, issued by this Honorable Puerto Rico Energy Bureau (“Energy Bureau”), in this proceeding, reconciliations of fuel and purchased power costs and calculated FCA, PPCA, and FOS factors are filed quarterly.

See also Final Rate Order issued on January 10, 2017, Case CEPR-AP-2015-0001, as amended (“Final Rate Order”).

3. On December 21, 2023, this Energy Bureau set the FCA, PPCA, and FOS factors to be applied from January 1, 2024, until March 31, 2024 (“December 21st Order”). Furthermore, in the December 21st Order, the Energy Bureau directed that on or before March 15, 2024, at noon, LUMA shall file the FCA, PPCA, and FOS reconciliations for December 2023 through February 2024, as well as the factors to be applied for the quarter beginning on April 1, 2024.

4. On January 16, 2024, LUMA filed an *Informative Motion on FCA and PPCA Costs for December 2023, and Request for Confidential Treatment*, whereby LUMA informed this Energy Bureau that the reconciliation for December 2023 yielded excess revenues of more than \$20 million (the “January 16th Motion”).¹ LUMA requested the Energy Bureau to consider the reconciliation issue during the next quarter due to the uncertainty of international fuel prices.

5. On January 24, 2024, this Energy Bureau issued a Resolution and Order whereby it took notice of LUMA’s January 16th Motion and ruled that it had nothing to provide at the time.²

6. Meanwhile, on January 14, 2024, the Puerto Rico Electric Power Authority (“PREPA”) filed a document titled *Urgent Motion Submitting for Review and Approval of the Scope of Work for the Transfer/Ownership to PREPA of the Temporary Generation Unit* (“January 14th PREPA Motion”) before this Energy Bureau in Case No. NEPR-MI-2021-0002. Through the January 14th PREPA Motion, PREPA informed that on January 5, 2024, the Federal Emergency Management Agency (“FEMA”) sent a letter to the Puerto Rico Central Office for Recovery,

¹ LUMA also requested confidential treatment for certain spreadsheets submitted in Excel format and with formulae as part of a Confidential file included with the Motion.

² The Energy Bureau also granted LUMA’s request for confidential treatment of the Excel spreadsheets included with its January 16th Motion. It noted that LUMA presented a public version of those files that contained all the information and data included in the confidential version of the documents, excluding formulae and references.

Reconstruction, and Resiliency (“COR3”) approving negotiations for the acquisition of the temporary generation units installed in the Palo Seco Steam Plant and the San Juan Plant (hereby, “Temporary Units”). PREPA also indicated that FEMA would provide funding to acquire the Temporary Units. In the January 14th PREPA Motion, PREPA requested the Energy Bureau’s approval of the Initial Scope of Work for the acquisition and ownership by PREPA of the Temporary Units.

7. On February 21, 2024, this Honorable Energy Bureau entered a Resolution and Order in Case No. NEPR-MI-2022-0003, whereby, among others, it took notice of the forthcoming acquisition by PREPA of the Temporary Units. The Energy Bureau determined that the Temporary Units shall be used through December 31, 2025, and approved the initial scope of work for acquiring the Temporary Units. *See* February 21st Order, pp. 4 and 5.

8. On March 13, 2024, PREPA filed an *Urgent Informative Motion* in Case No. NEPR-MI-2022-0003. Therein, PREPA informed the Energy Bureau that New Fortress Energy has confirmed to the COR3 that they do not possess three (3) of the seven (7) Gen 8 Model generators at the Palo Seco temporary generation site and that their current owner is unwilling to sell these three units. Since FEMA only authorized the fourteen (14) onsite units, it anticipated changes to the Project Worksheet and the draft Asset Purchase Agreement would occur.

9. On March 14, 2024, LUMA filed an *Urgent Request for Extension of Time to Submit Quarterly Reconciliations and FCA, PPCA, and FOS Calculated Factors*, petitioning the Energy Bureau for an extension until March 22, 2024, at noon, to submit the FCA, PPCA, and FOS reconciliations for December 2023 through February 2024, and the calculated factors to be applied for the next quarter.

10. On March 15, 2024, the Energy Bureau issued a Resolution and Order granting the extension requested.

11. Currently, LUMA is reviewing and incorporating the most recent data, including projected fuel and other costs. LUMA expects to complete such a review by next Monday, March 25, 2024. Thus, LUMA cannot complete requisite analyses on fuel costs to present reliable projections to this Energy Bureau by March 22, 2024.

12. Given the aforementioned circumstances, LUMA requires a brief additional time to file the quarterly reconciliation and proposed FCA, PPCA, and FOS calculated factors to be effective from April 1, 2024, through June 30, 2024. Given that the fuel cost data review is still taking place, LUMA understands that it will need until March 25, 2024, at noon, to file the quarterly reconciliation and proposed FCA, PPCA, and FOS calculated factors.

13. This request for a brief additional extension of time is filed in good faith and with the only purpose of putting LUMA in a position to prepare the calculated factors with accurate information on fuel costs. This brief extension should not unduly delay the Energy Bureau's processes related to quarterly reconciliations and calculated factors.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **grant** LUMA until Monday, March 25, 2024, at noon, to inform this Energy Bureau of the quarterly reconciliations and proposed FCA, PPCA, and FOS calculated factors.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 22nd day of March 2024.

I hereby certify that I filed this Motion using the electronic filing system of this Energy Bureau. I will send an electronic copy of this Motion to counsel for PREPA Alexis Rivera,

arivera@gmlex.net, counsels for Genera, alopez@sbgblaw.com, and jfr@sbgblaw.com, and the Independent Consumer Protection Office through Director Hannia Rivera, hrivera@jrsp.pr.gov.



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