

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

NEPR

Received:

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IN RE: REVIEW OF LUMA'S INITIAL
BUDGETS

CASE NO.: NEPR-MI-2021-0004

**URGENT MOTION FOR APPROVAL OF THE CONDITIONALLY AUTHORIZED BUDGET
FOR EXTERNAL AUDIT**

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 December 8th, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a *Resolution and Order* whereby it increased the HoldCo Non-Labor Budget from its original amount of \$11.772MM to \$18.072MM. As part of its ruling, the Energy Bureau conditionally approved PREPA's request for an increase to the HoldCo Non-Labor External Audit budget line-item of \$751,000.00 ("Conditionally Authorized Budget"), "pending the submittal of the renegotiated contracts as stipulated in the August 14th, 2023 Resolution and Order." ("December 8th Resolution").

2. On February 12th, 2024, PREPA filed its *Motion in Compliance with the December 8th Resolution* ("February 12th Motion") whereby it requested approval of the following proposed allocation of the Conditionally Authorized Budget:

a. ScottMadden, Inc. ("ScottMadden"): allocate **\$236,000.00** of the

Conditionally Authorized Budget to retain the services of ScottMadden to provide the following services:

- i. Project management services to coordinate the preparation of the 2022 and 2023 financial statements, and their auditing process.
- ii. Coordinate and align intricate requests and track key deliverables between KPMG, PREPA, and LUMA for the preparation of the financial statements.
- iii. Track important deliverables and coordinate intricate requests between KPMG, PREPA, LUMA and GeneraPR for the preparation of the audited financial statements.
- iv. This contract allows PREPA to comply with current industry standards (GAAP), relevant laws, corporate policies, and regulatory requirements.

b. Nexvel Consulting, LLC ("Nexvel"): allocate **\$58,000.00** of the Conditionally Authorized Budget to retain the services of Nexvell to provide the following services:

- i. Support of the account reconciliations, supplementary schedules, entry and review of journals, and support of financial services to complete the external audits.
- ii. Accounting Closing Management.
- iii. Entry and Review of Journals.
- iv. Fixed Assets-Estimated Retirement.
- v. Audit Adjustments.
- vi. Support in the management of files and digitization of files.

c. González & Martínez Law Offices P.S.C. ("González & Martínez"): Allocate **\$300,000.00** of the Conditionally Authorized Budget for the second amendment to the González & Martínez Contract¹ to cover the legal services provided by González & Martínez in connection with PREPA's 2022 and 2023 audited financial statements.

3. PREPA hereby reiterates its urgent need for the above-mentioned services and budgetary allocations. As such, it very respectfully requests the Energy

¹ The total amount of the second amendment to the González & Martínez Contract is \$1,000,000.00 to be allocated as follows: \$450,000 from the Legal Services line-item; \$300,000.00 from the External Audit Services line-item; and \$250,000.00 from the Restructuring & Title III line-item.

Bureau to approve the Conditionally Authorized Budget for the purposes identified in the February 12th Motion.

WHEREFORE, PREPA respectfully requests the Energy Bureau to **GRANT FINAL APPROVAL** to the increase to the HoldCo Non-Labor External Audit budget line-item of \$751,000.00 that was conditionally authorized in the December 8th Resolution.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 3rd day of April 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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