

**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

MOTION IN COMPLIANCE WITH MARCH 20TH ORDER

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 April 24, 2024, PREPA filed the *Motion for Budget Revision to Pay Settlement of the Oliveras and Estela Case* ("April 24 Motion"). In this motion, PREPA requested that the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") review the Fiscal Year 2024 ("FY24") PREPA HoldCo Non-Labor Budget to include an increase of \$2.0 million in the *Other Income* Line in order for PREPA to cover the settlement reached in the Oliveras and Estela Case.

2. After various procedures, on August 12, 2024, the Energy Bureau denied PREPA's request. In response, PREPA filed a motion on October 8, 2024, requesting the Energy Bureau reconsider its denial and approve the requested FY24 budget increase ("October 8 Motion").

3. On March 20th, 2025, the Energy Bureau issued a *Resolution and*

Order whereby it approved PREPA's request and ordered it "to identify the specific budgetary line(s) from which the [\$2.0 million] will be reallocated to cover this expense." The Energy Bureau granted five (5) days for PREPA to submit said identification.

4. In compliance with the March 20th Order, PREPA identified within its *Non-Labor/Other Operating Expenses* the following lines to reallocate the necessary income to cover the Oliveras and Estela settlement:

- a. IT – Maintenance & Corporate Services, and
- b. External Audit Services.

5. As stated in the January 2025 Budget-to-Actual ("B2A") Report filed on March 20, 2025, the budget identified under the "IT – Maintenance & Corporate Services" relates to contracts that PREPA will need near the termination of or once the Shared Services Agreement ("SSA") between LUMA and PREPA is terminated. As of the date of this motion, the termination of the SSA has been extended until June 30, 2025.¹

6. On the other hand, and as stated on the aforementioned B2A Report, the budget allocated to "External Audit Services" encompasses performance, completeness and issuance of the FY24 audited financial statements ("AFS"). However, due to a delay in the issuance of the Fiscal Year 2023 ("FY23") AFS, the FY24 AFS process has not begun and PREPA has not incurred the budgeted expense. It is important to note that all expenses related

¹ Variance #4 in PREPA's variance detail section of the B2A Report.

to the FY23 AFS are covered by Hacienda.²

7. For the reasons stated above, PREPA respectfully submits that it has fully complied with the March 20th Order by identifying the specific budgetary lines from which funds can be reallocated to fulfill the Oliveras and Estela case settlement. Accordingly, PREPA requests that the Honorable Energy Bureau review and validate the proposed source of funds and approve the budget reallocation.

WHEREFORE, PREPA respectfully requests the Energy Bureau:

- a. to take **Notice** of the information submitted herein and deem the March 20th Order as **COMPLIED WITH** by PREPA;
- b. review and validate the proposed source of funds; and
- c. approve the budget reallocation.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 27th day of March 2025.

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>. We also certify that a true and exact copy of this document was notified to the following parties through attorneys of record: Genera PR LLC through Jorge Fernández Reboredo, jfr@sbgblaw.com; Alejandro López Rodríguez, alopez@sbgblaw.com; LUMA Energy LLC and LUMA Energy ServCo, LLC through Margarita Mercado Echegaray,

² Variance #7 in PREPA's variance detail section of the B2A Report.

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