

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

NEPR

Received:

Mar 31, 2025

4:49 PM

IN RE: REVIEW OF LUMA’S INITIAL
BUDGETS

CASE NO.: NEPR-MI-2021-0004

SUBJECT: Notice of Budget Amendment

NOTICE OF BUDGET AMENDMENT

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC (“ManagementCo”), and **LUMA Energy ServCo, LLC** (“ServCo”), (jointly referred to as “LUMA”), and respectfully state and request the following:

1. On May 25, 2024, LUMA submitted to this Puerto Rico Energy Bureau (“Energy Bureau”) the proposed System Budgets for the Puerto Rico Energy System (“the System”), which are comprised of the Proposed T&D Budgets, developed by LUMA (“FY2025 T&D Budget”); the budget proposal for the legacy thermal generation units (the “GenCo Budget”), the budget proposal for the hydroelectric generating units and the public irrigation facilities (the “HydroCo Budget”) and the budget proposal for the Puerto Rico Electric Power Authority (“PREPA”) and its subsidiaries other than GenCo and HydroCo (the “HoldCo Budget”) (collectively referred to as the “System Annual Budgets”).

2. On June 26, 2024, this Energy Bureau issued a Resolution and Order (the “June 26th Order”) whereby it approved the System Annual Budgets, subject to certain amendments to such budgets.

3. On July 16, 2024, LUMA submitted a *Motion for Partial Reconsideration of Resolution and Order of June 26, 2024 on Fiscal Year 2025 System Budgets*, requesting that the Energy Bureau reconsider its determination to increase LUMA’s FY2025 T&D Budgets allocation in certain areas and de-prioritize in other areas, contrary to what was proposed by LUMA for Fiscal Year 2025.

4. On December 2, 2024, the Energy Bureau issued a Resolution and Order (the “December 2nd Order”) granting LUMA’s Motion for Reconsideration and reversing the contested allocations made to LUMA’s Proposed T&D Budget established in the June 26th Order.¹

5. This Energy Bureau has affirmed its expectation that budget amendment requests should be timely anticipated and promptly notified to the Energy Bureau. *See e.g.*, Resolutions and Orders dated August 3, 2022, November 11, 2022, December 14, 2022, and June 29, 2023, July 17, 2024.

6. LUMA hereby informs the need to submit a budget amendment, pursuant to Section 7.3(e) of the Puerto Rico Transmission and Distribution Operation and Maintenance Agreement (“T&D OMA”) executed on June 22, 2020, among PREPA, the Puerto Rico Public-Private Partnership Authority (“P3A”), and LUMA. LUMA is including as an exhibit to this Motion, a courtesy copy of a budget amendment notice to the Puerto Rico Public-Private Partnerships Authority. *See Exhibit 1* to this Motion.

¹ On December 23, 2024, LUMA filed a *Request to Amend Attachment B of the December 2nd, 2024 Resolution and Order*, whereby it requested the Energy Bureau to, pursuant to Section 11.04 of the Energy Bureau’s *Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigation Procedures*, correct a clerical error and amend Attachment B of the December 2nd Order to reflect the corresponding budget allocation for Vegetation Management, as approved by the Energy Bureau. On January 24, 2024, this Energy Bureau issued a Resolution *Nunc Pro Tunc* where it recognized and corrected the referenced clerical error, through the issuance of a revised version of Attachment B of the December 2nd Order. In a Resolution and Order issued on January 31, 2025, this Energy Bureau revised Attachment B of the June 26th Order in response to LUMA’s *December 23, 2024 Motion Submitting Responses to Requests for Information of the December 2, 2024 Resolution and Order and in Support of LUMA’s Budget Spending*.

7. LUMA is finalizing the expected budget amendment request. Once the information and materials necessary to support a formal budget amendment request have been completed, LUMA will submit such request to the Energy Bureau.

WHEREFORE, LUMA respectfully requests that this honorable Energy Bureau **take notice** of the aforementioned.

RESPECTFULLY SUBMITTED.

I HEREBY CERTIFY that this motion was filed using the electronic filing system of this Energy Bureau. We also certify that copy of this motion will be notified to the Puerto Rico Electric Power Authority, through its attorneys of record: Mirelis Valle-Cancel, mvalle@gmlex.net; and Alexis G. Rivera Medina, arivera@gmlex.net; and to Genera PR LLC through: Jorge Fernández-Reboredo, jfr@sbglaw.com; Alejandro López Rodríguez, alopez@sbglaw.com; legal@genera-pr.com; and regulatory@genera-pr.com.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on March 31, 2025.



DLA Piper (Puerto Rico) LLC
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/s/ Margarita Mercado Echegaray
Margarita Mercado Echegaray
PR Bar No. 16,266
margarita.mercado@us.dlapiper.com

Exhibit 1

March 31, 2025

To: Puerto Rico Public-Private Partnerships Authority ("P3A")

Attention: Josué Colón Ortiz

Executive Director

Roberto Sánchez Vilella (Minillas) Government Center

De Diego Ave. Stop 22,

San Juan, PR 00907

Re: Fiscal Year 2025 Budget Amendment Notice

Dear Executive Director

Pursuant to Section 7.3(e) of the Transmission and Distribution Operation and Maintenance Agreement ("T&D OMA")¹ LUMA may, from time to time, propose to amend the approved Operating Budget and Capital Budget for a given Contract Year, provided that the amendment is compliant with the applicable Rate Order.

LUMA anticipates an amendment to the Fiscal Year ("FY") 2025 budget will be necessary to align budgeted expenditures to the transmission and distribution system's actual needs, as such needs evolve throughout the course of a Contract Year. LUMA will submit the proposed amendment to the P3A for its determination that such amendment is consistent with the applicable Rate Order.

LUMA remains committed to ensuring compliance with the T&D OMA while prioritizing the necessary improvements to deliver improved electric service to our customers.

Sincerely,

Francisco Prego

Francisco Prego (Mar 31, 2025 16:11 EDT)

Francisco Prego

VP, T&D OMA Contract Management

C: Alejandro J. Figueroa Ramirez, Chief Regulatory Officer, LUMA; alejandro.figueroara@lumapr.com
Andrew Smith, Chief Financial Officer, LUMA; andrew.smith@lumapr.com
Rubén Lugo, Contract Compliance and Control Manager, P3A; Ruben.lugo@p3.pr.gov
Eduardo Moreno, Manager, T&D OMA Contract Management, LUMA; eduardo.morenorodrig@lumapr.com
Amanda Walters, Director, Budgets & SRP, LUMA; amanda.walters@lumapr.com

¹ The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") executed on June 22, 2020, amongst the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A") and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA")