

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

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW

CASE NO.: NEPR-AP-2023-0003

SUBJECT: Hearing Examiner's Order on
Procedure and Rate Design Conference

Hearing Examiner's Order on Procedure and Rate Design Conference

Procedural schedule

This rate proceeding will follow the schedule attached to this Order. I appreciate the efforts by counsel for LUMA and Bondholders, resulting in a joint proposal emailed to me informally on May 1. Several changes were necessary, as follows:

- Gave the Energy Bureau more time to address the rate design filing requirements.
- Made LUMA's July 3 filing due at noon, to allow for PREB to ratify prior interventions that day so that intervenor discovery can begin that day.
- Allowed discovery to continue through the end of evidentiary hearing, because questions can always arise and we all want the fullest possible record. But: Information requests made unnecessarily late in the process risk being denied by me on grounds of undue burden.
- Made adjustments to correct the joint proposal's error of having applicants' surrebuttal filed on the opening day of evidentiary hearing on rev requirement, leaving no time for anyone to study it.
- Made intervenor answering testimony earlier (still two months after application), to allow more time between applicant surrebuttal and beginning of hearing.
- Created more time for the Energy Bureau consultants' reports.



- Eliminated one of the two separate sessions to organize the hearing. Once all prefiled testimony arrives, organizing hearings requires only one conference.

The tight schedules starting in July are a direct result of LUMA's gaining two months to prepare its Application, from April 30 to July 3, as a result of the Energy Bureau's April 21 Order. One way to create more space between submissions from July forward is for LUMA to volunteer to make its July 3 submission earlier, but that is voluntary with LUMA because the July 3 date came from the Energy Bureau. If on that point I hear nothing by May 9, the attached schedule will apply.

I make the following statement without intending to apply it to any particular party. When a party's counsel volunteers to take on a planning task, they take on that task for the benefit of all parties and for the tribunal. I expect no one to use that voluntary role to advance their own interests at the expense of others' interests.

Rate design: Initial steps

There will be a technical conference on rate design on **May 7, 2025, 12.00pm AS**. Energy Bureau consultant Zach Ming will lead the discussion. The agenda, and a list of questions that LUMA should come prepared to address, appear at the back of this Order.

Web-based platform for discovery

The Energy Bureau intends to use a web-based platform for all discovery steps. The exception is appeals of Hearing Examiner decisions; parties will make those submissions via normal filing procedure.

On **June 24, 2025, at 12:00 pm AS**, the Energy Bureau's consultants will present a tutorial on how to use the platform. There will be a second tutorial **on June 26, 2025, at 12:00 pm AS**, for anyone who missed the first one or who wants a refresher. I will issue written guidance on the platform before those dates.

Be notified and published.



Scott Hempling
Hearing Examiner



CERTIFICATION

I certify that the Hearing Examiner, Scott Hempling, has so established on May 2, 2025. I also certify that on May 2, 2025, a copy of this Order was notified by electronic mail to mvalle@gmlex.net; arivera@gmlex.net; jmartinez@gmlex.net, jgonzalez@gmlex.net; Yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; carolyn.clarkin@us.dlapiper.com; andrea.chambers@us.dlapiper.com; gcastrodad@sbgblaw.com; jennalvarez@sbgblaw.com; jfr@sbgblaw.com; regulatory@genera-pr.com; legal@genera-pr.com; hriviera@jrsp.pr.gov; contratistas@jrsp.pr.gov; victorluisgonzalez@yahoo.com; Cfl@mcvpr.com; nancy@emmanuelli.law; jrinconlopez@guidehouse.com; Josh.Llamas@fticonsulting.com; Anu.Sen@fticonsulting.com; Ellen.Smith@fticonsulting.com; Intisarul.Islam@weil.com; kara.smith@weil.com; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; jan.albinolopez@us.dlapiper.com; Rachel.Albanese@us.dlapiper.com; varoon.sachdev@whitecase.com; epo@amgprlaw.com; loliver@amgprlaw.com; acasellas@amgprlaw.com; matt.barr@weil.com; Robert.berezin@weil.com; Gabriel.morgan@weil.com; corey.brady@weil.com; lramos@ramoscruzlegal.com; tlauria@whitecase.com; gkurtz@whitecase.com; ccolumbres@whitecase.com; isaac.glassman@whitecase.com; tmacwright@whitecase.com; jcunningham@whitecase.com; mshepherd@whitecase.com; jgreen@whitecase.com; hburgos@cabprlaw.com; dperez@cabprlaw.com; howard.hawkins@cwt.com; mark.ellenberg@cwt.com; casey.servais@cwt.com; bill.nathony@cwt.com; thomas.curtin@cwt.com; escalera@reichardescalera.com; arizmendis@reichardescalera.com; riverac@reichardescalera.com; susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com; dmonserrate@msglawpr.com; fgierbolini@msglawpr.com; rschell@msglawpr.com; eric.brunstad@dechert.com; Stephen.zide@dechert.com; David.herman@dechert.com; Julia@londoneconomics.com; Brian@londoneconomics.com; luke@londoneconomics.com; mmcgill@gibsondunn.com; LShelfer@gibsondunn.com; scasillas@cstlawpr.com; jnieves@cstlawpr.com; arrivera@nuenergypr.com. I also certify that on May 2, 2025, I have proceeded with the filing of the Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, on May 2, 2025.




Sonia Seda Gaztambide
Clerk

Rate Case Schedule**

Starting now	Participants submit requests to intervene in rate case
Thursday, May 1, 2025	Hearing Examiner begins approving rate case interventions (ongoing)
Wednesday, May 7, 2025	<i>Technical conference on rate design</i>
TBD	<i>Technical conference on rate design (if necessary)</i>
Friday, May 16, 2025	Hearing Examiner circulates draft rate design filing requirements
Friday, May 23, 2025	Participants submit comments on draft rate design filing requirements
TBD	<i>Technical conference on rate design filing requirements (if necessary)</i>
Friday, May 30, 2025	Order establishing rate design filing requirements*
Thursday, July 3, 2025	Applicants file complete formal application by noon , consisting of revenue requirement materials, <i>rate design materials</i> , permanent rates, provisional rates, amendment to the FY 2025 budget, FY2026 Constrained Budget, FY 2026 Optimal Budget, and all associated prefiled testimony
Thursday, July 3, 2025	PREB ratifies Hearing Examiner's prior approvals of rate case interventions*
Thursday, July 3, 2025	Discovery opens. (All discovery is rolling discovery, as described in Hearing Examiner's Order of April 25, and continues through the end of the evidentiary hearing.)
TBD	PREB approves provisional rates
TBD	Public hearing on provisional rates (per Act 57-2014, section 6.25(e))
Tuesday, August 5, 2025	Determination of completeness of July 3 application*
Monday, September 1, 2025	Intervenors' answering testimony on revenue requirement and rate design; plus any testimony of PREPA, LUMA, or Genera responding to one of the other two companies on revenue requirement and rate design
Monday, September 29, 2025	PREB consultants file expert reports on revenue requirement and rate design
Friday, October 17, 2025	Intervenors' rebuttal to PREB consultants' expert reports on revenue requirement and rate design



Monday, October 20, 2025	Prehearing conference to organize evidentiary hearing on revenue requirement and rate design
Monday, October 27, 2025	Applicants' surrebuttals to all intervenor testimony on revenue requirement and rate design, and to PREB consultants' expert reports on revenue requirement and rate design
Monday, November 10, 2025	Start of evidentiary hearing on revenue requirement
Friday, December 12, 2025	End of evidentiary hearing on revenue requirement*
TBD	Public hearing
TBD	Public comment deadline
<i>Monday, December 15, 2025</i>	<i>Start of evidentiary hearing on rate design</i>
<i>Friday, December 19, 2025</i>	<i>End of evidentiary hearing on rate design*</i>
Friday, January 16, 2026	Initial briefs on revenue requirement and rate design*
Monday, February 2, 2026	Reply briefs on revenue requirement and rate design*
<i>2/5/2026 to 4/5/2026</i>	Final order on revenue requirement and rate design (approximately 180-240 days after determination of completeness*

*Estimated date

**Rate design items in italics



Agenda for the May 7 Rate Design Conference

1. Introductions
2. Context of the July 3, 2025 rate design application
3. Discussion of rate design objectives
4. Discussion of rate design reforms to support objectives
5. Discussion of key data, system, and analysis needs for rate design reforms
6. Questions on Embedded and Marginal COSS
7. Questions on AMI implementation
8. Questions on customer bill impact analysis
9. Questions on ability to file multiple rate options



Questions for LUMA to address at the May 7 Conference

1. What does LUMA see as the key objectives for the rate design phase of this proceeding?
 2. What are the types of rate reforms that LUMA is planning to put forward in its July 3, 2025 rate design application?
 3. In its “Rate Review – Phase 1 Report”, LUMA described the development of a load research program to *“accurately reflect the consumption patterns of the customers in each rate class, and other characterizations such as net metering.”* (See LUMA, Rate Review – Phase 1 Report as attachment to Motion in Compliance with June 30th Resolution and Order – Submission of Phase 1 Report, filed October 4, 2023 in NEPR-AP-2023-0003.)
 - a. Please confirm that LUMA has completed this effort.
 - b. If (a) is not confirmed, please describe the current status of the load research program and provide an estimated completion date.
- +
- c. Please clarify whether LUMA now has hourly or sub-hourly representative load profiles for each customer rate class.
4. In Appendix A of its “Rate Review – Phase 1 Report”^{Error! Bookmark not defined.}, LUMA explained for Regulation 8720 filing requirements G-1, G-2, and G4 (related to the embedded Cost of Service Study (COSS) and cost allocation) that it *“intends to file a modified cost of service analysis that uses direct allocation of costs wherever possible.”*
 - a. Please confirm that LUMA plans to file a *“modified cost of service analysis”* with its rate design application on July 3, 2025.
 - b. Does LUMA plan to file both Embedded and Marginal cost of service studies (CCOS)?
 - c. Please confirm that the updates to the load research program described in Question 2 above will be incorporated into the *“modified cost of service analysis.”*
 - d. Please describe the current data limitations of the cost-of-service analysis.



5. What is the timeline for the AMI implementation? Please provide the following details:
 - a. Targeted completion date for full the AMI program
 - b. Targeted completion date of installation of AMI for all residential customers
 - c. Targeted completion date of installation of AMI for all C&I customers
6. Does LUMA have processes and analysis techniques in place to analyze bill impacts for:
 - a. Each customer class?
 - b. Customers with different usage levels within customer classes?
 - c. NEM customers?
 - d. Any other sub-categorization of customers? (please provide details)
7. What is LUMA's ability to file multiple proposed rate options for some customer classes on July 3, 2025?.. For example:
 - a. A residential rate with an increased customer charge
 - b. A residential rate with a demand charge
 - c. A residential rate with an increased customer and demand charges

