

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

NEPR

Received:

May 23, 2025

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IN RE: PUERTO RICO ELECTRIC
POWER AUTHORITY RATE REVIEW

CASE NO.: NEPR-AP-2023-0003

SUBJECT: Motion Submitting LUMA's
Comments on Draft Filing Requirements on
Rate Design

**MOTION SUBMITTING LUMA'S COMMENTS ON DRAFT FILING
REQUIREMENTS ON RATE DESIGN**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU AND HEARING
EXAMINER, SCOTT HEMPLING:**

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 7, 2025, a Technical Conference, led by consultants for the Honorable Puerto Rico Energy Bureau ("Energy Bureau"), was held in the captioned proceeding. Therein, LUMA's representatives addressed questions regarding key objectives and limitations for the rate design phase of this proceeding.¹

2. Following a series of productive meetings between LUMA, the Energy Bureau's consultants, and other participants, on May 16, 2025, the Energy Bureau's Hearing Examiner, Scott Hempling, issued an *Order Circulating Draft Filing Requirements on Rate Design, Seeking Comments and Questions* ("May 16th Order"). Therein, the Hearing Examiner attached draft filing

¹ One day later, on May 8, 2025, the Energy Bureau's Hearing Examiner, Scott Hempling, issued a *Request that Participants Accommodate Limited Off-Line Meetings Between LUMA's and the Energy Bureau's Consultants* ("May 8th Order"), whereby the Hearing Examiner requested LUMA to accommodate informal discussions with the Energy Bureau's consultants regarding the feasibility of rate design matters.

requirements on rate design, prepared by the Energy Bureau's consultants, and requested participants to submit comments to the Energy Bureau by Friday, May 23, 2025, at 5:00 pm.²

3. On May 22, 2025, the Hearing Examiner issued an *Order Requesting Comments on Possible Additional Rate Design Filing Requirements* ("May 22nd Order"), whereby he requested parties to provide comments on possible additions to the draft filing requirements, circulated by way of the May 16th Order.

4. In compliance with both the May 16th and May 22nd Orders, LUMA hereby submits its comments on the draft filing requirements on rate design, prepared by the Energy Bureau's consultants. *See Exhibit 1.*

WHEREFORE, LUMA respectfully requests the Hearing Examiner **take notice** of the above; **accept** LUMA's comments on the draft filing requirements on rate design; and **deem** LUMA in compliance with the May 16th and May 22nd Orders.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 22nd day of May, 2025.

WE HEREBY CERTIFY that this Motion was filed using the electronic filing system of this Energy Bureau and that electronic copies of this Motion will be notified to Hearing Examiner, Scott Hempling, shempling@scotthemplinglaw.com; and to the attorneys of the parties of record. To wit, to the Puerto Rico Electric Power Authority, through: Mirelis Valle-Cancel, mvalle@gmlex.net; Juan González, jgonzalez@gmlex.net; and Alexis G. Rivera Medina, arivera@gmlex.net; and to Genera PR, LLC, through: Jorge Fernández-Reboredo, jfr@sbgblaw.com; regulatory@genera-pr.com; and legal@genera-pr.com.

A courtesy copy of the present Motion will also be notified to the following:
jmartinez@gmlex.net; hrivera@jrsp.pr.gov; contratistas@jrsp.pr.gov;
victorluisgonzalez@yahoo.com; agraitfe@agraitlawpr.com; Cfl@mcvpr.com;
nancy@emmanuelli.law; jrinconlopez@guidehouse.com; Josh.Llamas@fticonsulting.com;
Anu.Sen@fticonsulting.com; Ellen.Smith@fticonsulting.com; Corey.Brady@weil.com;
Intisarul.Islam@weil.com; Josef.Trachtenberg@weil.com; rafael.ortiz.mendoza@gmail.com;
rolando@emmanuelli.law; jorge@maxetaenergy.com; rafael@maxetaenergy.com;
RSmithLA@aol.com; msdady@gmail.com; mcranston29@gmail.com;
dawn.bisdorf@gmail.com; ahopkins@synapse-energy.com; clane@synapse-energy.com;

² On that same day, the Hearing Examiner sent an email changing the deadline for comments to 12:00 pm.

guy@maxetaenergy.com;
loliver@amgprlaw.com;
robert.berezin@weil.com;
tlauria@whitecase.com;
iglassman@whitecase.com;
mshepherd@whitecase.com;
dperez@cabprlaw.com;
casey.servais@cwt.com;
escalera@reichardescalera.com;
riverac@reichardescalera.com;
erickay@quinnemanuel.com;
rschell@msglawpr.com;
david.herman@dechert.com;
luke@londoneconomics.com;
zachary.ming@ethree.com;
jnieves@cstlawpr.com;
lshelfer@gibsondunn.com;
jennalvarez@sbgblaw.com;

varoon.sachdev@whitecase.com;
acasellas@amgprlaw.com;
Gabriel.morgan@weil.com;
gkurtz@whitecase.com;
tmacwright@whitecase.com;
jgreen@whitecase.com;
howard.hawkins@cwt.com;
bill.natbony@cwt.com;

epo@amgprlaw.com;
matt.barr@weil.com;
ramos@ramoscruzlegal.com;
ccolumbres@whitecase.com;
jcunningham@whitecase.com;
hburgos@cabprlaw.com;
mark.ellenberg@cwt.com;
thomas.curtin@cwt.com;
arizmendis@reichardescalera.com;
susheelkirpalani@quinnemanuel.com;
fgierbolini@msglawpr.com;
Stephen.zide@dechert.com;
Brian@londoneconomics.com;
hjudd@acciongroup.com;
jcasillas@cstlawpr.com;
mmcgill@gibsondunn.com;
stuart.steinberg@dechert.com;

dmonserrate@msglawpr.com;
eric.brunstad@dechert.com;
Julia@londoneconomics.com;
kbailey@acciongroup.com;
PREBconsultants@acciongroup.com;
pvazquez.oipc@avlawpr.com;
michael.doluisio@dechert.com;
gcastrodad@sbgblaw.com.



DLA Piper (Puerto Rico) LLC

Calle de la Tanca #500, Suite 401
 San Juan, PR 00901-1969
 Tel. 787-945-9122 / 9103
 Fax 939-697-6092 / 6063

/s/ Margarita Mercado Echegaray
 Margarita Mercado Echegaray
 RUA 16,266
margarita.mercado@us.dlapiper.com

/s/ Jan M. Albino López
 Jan M. Albino López
jan.albinolopez@us.dlapiper.com

Pro Hac Vice

/s/ Andrea J. Chambers
 Andrea J. Chambers
 DC-405613
Andrea.Chambers@us.dlapiper.com

Exhibit 1

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LUMA is in receipt of the Hearing Examiner's Draft Filing Requirements on Rate Design dated May 16, 2025, and submits the following comments. LUMA appreciates the opportunity to provide feedback and work in a collaborative manner with the Energy Bureau's consultants. LUMA has no major objections to the draft filing requirements but offers the following items to clarify certain points and ensure that the record is as easy to navigate as possible for the benefit of all parties.

Schedule L-1 in the draft filing requirements order seems duplicative of Schedule C-8 from the Energy Bureau's Rate-Case Filing Requirements dated February 12, 2025.¹ Schedule C-8 contains all the billing determinants from the sales forecast for each test year. The rates proposed by LUMA will use the billing determinants in C-8 as an input. LUMA recommends striking Schedule L-1 in the draft filing requirements order.

Schedule K-6 in the draft filing requirements order directs LUMA to "present a Bill Frequency Analysis for customer bills based on Present Rates. *Use the same year and budget assumption used in Schedule K-3*" [emphasis added]. LUMA recommends striking the second sentence because revenues at present rates will not incorporate the revenue deficiency and is therefore unnecessary.

Schedule I-2 requires LUMA to "[p]rovide the complete COSS model in unlocked Excel format." LUMA will meet the filing requirement; however, it intends to file three versions of a workbook, one for each test year. The reason for this is because LUMA uses an integrated COSS and rate model that is a large file, and one single workbook may prove cumbersome for file sharing (i.e., uploading to the docket and/ or distributing to multiple parties via email). Further, to keep the record as clean as possible, LUMA proposes only filing Excel workbooks at the utility-requested level for revenue requirement and rate design. Any additional rate designs requested by the Energy Bureau (e.g., comparison of proposed rates with new rate design versus proposed rates with existing rate design, as per Schedule K-2), LUMA will file this information as a PDF. This approach should be acceptable because the workbook(s) are used to create both rate designs (proposed and existing) so parties can make copies of the workbooks and modify the rate designs themselves to create their preferred alternatives. However, for any alternative rate designs proposed by a registered intervener or the Energy Bureau's consultants, LUMA recommends that only the PDF versions be filed as exhibits.

Schedules M-1 through M-4 will summarize the proposed tariff sheets. LUMA proposes the M schedules only contain one copy based on the utility-level rates. Following a final Order from the Energy Bureau, LUMA will prepare the final form tariff sheets that are reflective of the Energy Bureau's approved cost allocation and rate design prior as a compliance filing prior to the permanent rate(s) taking effect within sixty (60) days of said final Order.

In a subsequent order dated May 22, 2025, the Energy Bureau requested parties comments on whether to include the following four items in the rate design filing requirements that will apply to the July 3 application:

- Explain why the current customer class definitions remain reasonable in light of changes since 2017 in facts affecting Puerto Rico's electricity system.

¹ See NEPR-AP-2023-0003, Order Establishing Scope and Procedures for Rate Case dated February 12, 2025, p. 31

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- Identify any situations where a consolidation of existing customer classes might assist customers by reducing complexity, increasing efficiency, or otherwise.
- Identify any advantages or disadvantages of placing net-metering customers into their own class.
- Identify any advantages or disadvantages of recovering the costs associated with any one or more of the subsidy categories through the fixed customer charge rather than through the current volumetric charge.

LUMA takes note that the Energy Bureau is “not requesting ... comments on the merits of the ideas.” In general, LUMA agrees that the four items are worthy of further discussion that is typical of a rate design proceeding. LUMA submits, however, that these items appear more as topics for discussion through testimony rather than items of data to be included in the filing requirements.