

**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 Setting
June 9, 2025 Conference to Address
Intercompany Cooperation in Preparing
Revenue Requirement Application

**Hearing Examiner's Order Setting June 9, 2025 Conference to Address Intercompany
Cooperation in Preparing Revenue Requirement Application**

I received from Energy Bureau colleagues this morning a June 5, 2025, letter from LUMA's Vice President, T&D OMA Contract Management, to PREPA's Chief Financial Officer. The letter, attached to this Order, states that despite LUMA's multiple requests, PREPA has not provided to LUMA the information that LUMA needs to include PREPA's proposed revenue requirement in the rate case application that LUMA must submit to the Energy Bureau on July 3, 2025.

Given the seriousness of this situation, I am scheduling an immediate conference for **Monday, June 9, 2025 at 9.30am**. Attendance is mandatory for counsel and regulatory affairs executives from LUMA and PREPA. Attendance is also mandatory for any PREPA executive whose authority is needed to ensure that LUMA's request is honored. I also would like, but do not require, attendance by Genera's counsel and regulatory affairs executive. As this conference is public, all others are welcome.

By statute, contract, and Energy Bureau orders, LUMA is responsible for presenting on July 3 a full revenue requirement, for each of a Constrained Budget and an Optimal Budget. A full revenue requirement includes the revenues required by all three companies—LUMA, PREPA, and Genera. There should be, and is, no ambiguity about PREPA's and Genera's obligations to submit to LUMA the information that LUMA needs, at the time that LUMA reasonably requires, to carry out LUMA's obligations. We are long past the date by which LUMA needed to receive this information.

Reliable electric service to millions of Puerto Rico's citizens requires close professional, technical, and financial cooperation among the three companies. In creating this tripartite arrangement, neither the Legislature nor the negotiators of the associated contracts envisioned three siloed companies, three companies acting like opponents, or three companies ignoring or undermining commonsense cooperative procedures. Nor did they envision that a proposal to set rates reflecting, finally, the true cost of electric service would consist of three independently constructed proposals, stapled together a mere three weeks before the deadline.

I expect PREPA to spend the time between now and Monday 9.30am bringing to final version the information that it has known, for months, must go to LUMA. I will use the Monday conference to confirm that this problem has gone away and will not repeat itself. Please do not put me in a position of having to inquire, up the chain of command, into why this problem has occurred, who is responsible for it, and whether there has been any outside interference preventing the companies from doing what the statute, contract, and Energy Bureau orders require. Also please do not put the Commissioners in a position of receiving, on July 3, a rate case application that is deficient.



Be notified and published.



Scott Hempling
Hearing Examiner

CERTIFICATION

I certify that the Hearing Examiner, Scott Hempling, has so established on June 6, 2025. I also certify that on June 6, 2025, a copy of this Order was notified by electronic mail to mvalle@gmlex.net; arivera@gmlex.net; jmartinez@gmlex.net; jgonzalez@gmlex.net; katiuska.bolanos-lugo@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; carolyn.clarkin@us.dlapiper.com; andrea.chambers@us.dlapiper.com; sromero@sbgblaw.com; gcastrodad@sbgblaw.com; jennalvarez@sbgblaw.com; jfr@sbgblaw.com; regulatory@genera-pr.com; legal@genera-pr.com; hrivera@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.natbony@cwt.com; thomas.curtin@cwt.com; escalera@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; juan@londoneconomics.com; mmcgill@gibsondunn.com; LShelfer@gibsondunn.com; jnieves@cstlawpr.com; arrivera@nuenergypr.com. I also certify that on June 6, 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 June 6, 2025.


Sonia Seda Gaztambide
Clerk

June 5, 2025

To: Puerto Rico Electric Power Authority ("PREPA")

Attention: Oscar X. Ocasio
Chief Financial Officer
PO BOX 364267
San Juan, Puerto Rico 00936-4267

Re: PREPA's Revenue Requirement for Fiscal Year 2026, 2027, and 2028

Dear Chief Financial Officer Ocasio:

On February 12, 2025, the Puerto Rico Energy Bureau ("Energy Bureau") issued an order establishing the scope and procedures for the Rate Case under docket NEPR-AP-2023-0003 In Re: Puerto Rico Electric Power Authority Rate Review.¹ PREPA has been part of the discussions held to date with the Energy Bureau, and it is well aware of the Rate Review process.

In compliance with the Energy Bureau Order and Pursuant Section 7.3(a) and 5.6(g) of the Transmission and Distribution Operating and Maintenance Agreement ("T&D OMA")², and section 3.1 of the Puerto Rico PREPA-GenCo-HydroCo Operating Agreement ("PGHOA")³, LUMA has requested PREPA's assistance in providing its revenue requirements on the following occasions:

- On March 19th, March 26th and April 2nd through recurring weekly virtual meeting with the Energy Bureau.
- On April 17th, through an email communication PREPA Legal Representative ("Gonzalez & Martinez") notified LUMA's Legal Representative ("DLA Piper") of its intention to submit the requested information by April 25th.

Despite multiple efforts and communications held, PREPA has not yet shared the required data.

LUMA, once again, is requesting PREPA to provide its revenue requirement for FY 2026 to 2028 and all accompanying workpapers by **Wednesday, June 11, 2025**, so these may be incorporated into the Rate Review Petition to the Energy Bureau on or around July 3, 2025.

¹ See NEPR-AP-2023-0003, Exhibit 1, Puerto Rico rate case *proc sched* SH 6 March.xlsx

² The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") executed on June 22, 2020, among 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")

³ The Puerto Rico PREPA-GenCo-HydroCo Operating Agreement ("PGHOA") executed on June 19, 2023 by and among the Puerto Rico Electric Power Authority ("PREPA"), PREPA GenCo LLC ("GenCo"), PREPA HydroCo LLC ("HydroCo"), LUMA Energy ServCo, LLC ("LUMA"), and the Puerto Rico Public-Private Partnerships Authority ("P3A").



If for any reason PREPA is unable to deliver this information on or before **June 11, 2025**, LUMA will not take any responsibility for submitting PREPA's required information to the Energy Bureau.

LUMA looks forward to working collaboratively with PREPA for the benefit of the people of Puerto Rico.

Should you have any questions, please do not hesitate to ask us.

Sincerely,

Francisco Prego Cariello

[Francisco Prego Cariello \(Jun 5, 2025 18:08 EDT\)](#)

Francisco Prego Cariello

Vice President, T&D OMA Contract Management

C: Mary C. Zapata, Executive Director, PREPA; mary.zapata@prepa.pr.gov
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