

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

NEPR

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**IN RE: PUERTO RICO ELECTRIC
POWER AUTHORITY RATE REVIEW**

CASE NO.: NEPR-AP-2023-0003

**SUBJECT: Revised Submission in
Compliance with Hearing Examiner's July
25th Order**

**REVISED SUBMISSION IN COMPLIANCE WITH HEARING EXAMINER'S JULY
25TH ORDER**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU AND ITS 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 July 25, 2025, the Energy Bureau's Hearing Examiner, Scott Hempling, issued an Order *Requiring Attestation Addressing PREPA's Billing System* ("July 25th Order"). Therewith, the Hearing Examiner required that Ms. Jessica Laird, for LUMA, submit responses to several requests for information on the feasibility of altering a provisional rate rider to "accommodate fixed charges rather than [the] equal cents/kWh charge, where the fixed charge would differ among the customer categories."¹

¹ LUMA notes that a Resolution and Order issued by the Hearing Examiner on April 25, 2025 at 2, it was established that the Energy Bureau would entertain a provisional rate rider and that the rider amount would be calculated as an equal-cents/kWh charge rather than as an equal - percentage charge:

Form of the provisional rate: To make timely implementation of the provisional rate feasible, LUMA may, if necessary, (a) implement the provisional rate's increase (if any), relative to current rates, through a rider, rather than as a direct change to base rates; and (b) calculate the rider amount as an equal-cents/kWh charge rather than as an equal - percentage charge. LUMA's application

2. Specifically, the Hearing Examiner requested information on the following items:
 - a. the specific characteristics of PREPA’s current billing system that would require change or replacement;
 - b. the technical steps necessary to achieve the change or replacement;
 - c. the time and cost associated with those steps; and
 - d. the specific risks—including events and consequences—that would accompany an attempt to achieve the change or replacement by September 1.

See id., at 1-2.

3. In compliance with the July 25th Order, earlier today, July 28, 2025, LUMA submitted its response in compliance with the July 25th Order. *See LUMA’s Motion in Compliance with Hearing Examiner’s July 25th Order.*

4. LUMA hereby submits a revised response in compliance with the July 25th Order and requests that the Energy Bureau disregard the response that was filed earlier today as *Exhibit 1* of LUMA’s *Motion in Compliance with Hearing Examiner’s July 25th Order*. The revised response amends the statement in response to question number “2,” on the technical steps necessary to implement the provisional rate rider in the manner suggested by the Energy Bureau to alter one of the provisional rate riders to accommodate fixed charges rather than an equal cents/kWh charge. *See Exhibit 1* of this Motion.

5. LUMA notes that this submission should not be construed as an amendment to LUMA’s provisional rate petition, whereby LUMA proposed a provisional rate rider and to “apply a uniform cents per kilowatt hour charge to all customer classes” *See* LUMA. Ex. 1.0, lines 1306-1308; *see also id.*, lines 1308-1313.

shall explain the reasons for each of these two choices. Because the July 3, 2025, rates are provisional, i.e., subject to reconciliation with the permanent rates, the latter choice will not have permanent effect

WHEREFORE, LUMA respectfully requests that the Hearing Examiner **accept** the revised response to the Hearing Examiner's July 25th Order that is submitted as *Exhibit 1* of this Motion; **disregard** the response that was filed earlier today with LUMA's *Motion in Compliance with Hearing Examiner's July 25th Order*; and **deem** LUMA in full compliance with the July 25th Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 28th day of July, 2025.

I 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; Alexis G. Rivera Medina, arivera@gmlex.net; and Juan Martínez, jmartinez@gmlex.net; and to **Genera PR, LLC**, through: Jorge Fernández-Reboredo, jfr@sbgbllaw.com; Gabriela Castrodad, gcastrodad@sbgbllaw.com; José J. Díaz Alonso, jdiaz@sbgbllaw.com; Stephen Romero Valle, sromero@sbgbllaw.com; Giuliano Vilanova-Feliberti, gvilanova@vvlawpr.com; Maraliz Vázquez-Marrero, mvazquez@vvlawpr.com; ratecase@genera-pr.com; regulatory@genera-pr.com; and legal@genera-pr.com; **Co-counsel for Oficina Independiente de Protección al Consumidor**, hrivera@jrsp.pr.gov; contratistas@jrsp.pr.gov; p vazquez.oipc@avlawpr.com; **Co-counsel for Instituto de Competitividad y Sustentabilidad Económica**, jpouroman@outlook.com; agraitfe@agraitlawpr.com; **Co-counsel for National Public Finance Guarantee Corporation**, 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; **Co-counsel for GoldenTree Asset Management LP**, lramos@ramoscruzlegal.com; tlauria@whitecase.com; gkurtz@whitecase.com; ccolumbres@whitecase.com; iglassman@whitecase.com; tmacwright@whitecase.com; jcunningham@whitecase.com; mshepherd@whitecase.com; jgreen@whitecase.com; **Co-counsel for Assured Guaranty, Inc.**, hburgos@cabprlaw.com; dperez@cabprlaw.com; mmcgill@gibsondunn.com; lshelfer@gibsondunn.com; howard.hawkins@cwt.com; mark.ellenberg@cwt.com; casey.servais@cwt.com; bill.natbony@cwt.com; thomas.curtin@cwt.com; **Co-counsel for Syncora Guarantee, Inc.**, escalera@reichardescalera.com; arizmendis@reichardescalera.com; riverac@reichardescalera.com; susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com; **Co-Counsel for the PREPA Ad Hoc Group**, dmonserrate@msglawpr.com; fgierbolini@msglawpr.com; rschell@msglawpr.com; eric.brunstad@dechert.com; Stephen.zide@dechert.com; david.herman@dechert.com; michael.doluisio@dechert.com; stuart.steinberg@dechert.com; **Sistema de Retiro de los Empleados de la Autoridad de Energía Eléctrica**, nancy@emmanuelli.law; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; monica@emmanuelli.law; cristian@emmanuelli.law; lgnq2021@gmail.com; **Official Committee of Unsecured Creditors of PREPA**, jcasillas@cstlawpr.com; jnieves@cstlawpr.com; **Solar and Energy Storage Association of Puerto Rico**, Cfl@mcvpr.com; apc@mcvpr.com; javrua@sesapr.org; mrrios@arroyorioslaw.com; ccordero@arroyorioslaw.com; **Wal-Mart Puerto Rico, Inc.**, Cfl@mcvpr.com; apc@mcvpr.com; **Mr. Victor González**, victorluisgonzalez@yahoo.com; and **the Energy Bureau's Consultants**,

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Exhibit 1

Responses to Provisional Rate Information Requests

NEPR-AP-2023-0003

Response to Hearing Examiner's Order on Billing System

SUBJECT

Billing System

REQUEST

I would like Ms. Laird to support her July 24 statements with an attestation, submitted officially to the Energy Bureau and copied to all parties as soon as possible. The attestation should contain as much detail as is available to her, should be based on facts and professional experience, and should cover the following topics:

1. the specific characteristics of PREPA's current billing system that would require change or replacement;
2. the technical steps necessary to achieve the change or replacement;
3. the time and cost associated with those steps; and
4. the specific risks—including events and consequences—that would accompany an attempt to achieve the change or replacement by September 1.

RESPONSE

1. LUMA inherited the Customer Care & Billing System ("CC&B system" or "billing system") from the Puerto Rico Electric Power Authority (PREPA) in 2020. LUMA believes that the system was last upgraded in 2019, based on information obtained at that time. LUMA believes that the system had to have been tested in 2019 due to the upgrade, but LUMA does not know the extent of the testing that occurred at that time because no documentation as to the extent of testing was shared. Since LUMA took over, it has made no modifications have been made by LUMA to the permanent rates (or "base rates").

The specific complicating characteristics of the billing system are twofold. First, the original design of the billing system dates back 14 years and was highly customized by PREPA, which makes updates risky, costly and extremely arduous. As noted in the virtual conference, there are currently 4,800 rate components that are used in different permutations and combinations to create 63 different rates in the billing system.¹ This is a nonstandard and highly customized approach that makes rate updates and/or configuration changes, time consuming, costly and risky without significant (and time consuming), and thorough testing.

¹ NEPR-AP-2023-0003 Virtual Technical Conference, at 4:11. Available at https://www.youtube.com/watch?v=2ydh_gp-PhI

For example, best practice would have been to have one residential tariff (GRS) in the billing system, that could have various riders (e.g., Net Metering (NM) or EV-TOU) added to it modularly depending on the service agreement. Instead, the system was designed by PREPA for each combination to be set up as its own rate. This means that the billing system contains a GRS rate that has no riders applied, another GRS rate that has NM applied, and another GRS rate that has EV-TOU applied and so on. In this simple example, rather than one flexible rate, there are three different rates. Therefore, updating the values for GRS requires updating the value in each discrete element, and then testing each element to ensure that it functions properly without breaking any of the underlying code.

2. To implement the provisional rate rider in the manner suggested by the Energy Bureau at the July 24 conference, where the Hearing Examiner and the Energy Bureau consultants asked Ms. Laird about the feasibility of altering one of those riders to accommodate fixed charges rather than an equal cents/kWh charge, where the fixed charge would differ among the customer categories, would entail the 4800 billing components in various combinations and permutations to create the 63 different rates within the billing system, requiring thousands of testing scenarios to be executed and validated.
3. Estimate of 6 months and several hundred thousand dollars.
4. The potential risks associated with any attempt to implement changes or replacements by September 1 are extensive and difficult to predict. LUMA may face complications such as partial billings, incorrect billings, missed billings, or over- or under-billings, all of which could lead to inaccurate invoices sent, cash flow impacts, lost revenue, an increase in Act 57 Objections, and customer frustration. This could also lead to additional complexity and administrative burden to resolve these complications in a timely and effective manner.

The system as designed by PREPA was highly customized and the underlying code was not properly documented,² which adds significant risk because modifications may break the underlying code, limiting the billing system's flexibility.

I, Jessica Laird, state that the information contained in this response is complete, true, and accurate to the best of my knowledge and belief.

/s/Jessica Laird

² LUMA Ex. 7.0, Direct testimony of Jessica Laird