

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

NEPR

Received:

Aug 20, 2025

12:17 PM

CASE NO. NEPR-MI-2025-0004

**IN RE: FISCAL YEAR 2026 EMERGENCY
RESERVE ACCOUNT**

SUBJECT: Informative Notice Regarding
Hurricane Erin Emergency Response and
Anticipated Expenditures in Excess of \$3
Million

NOTICE

COME NOW LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”),
and respectfully informs as follows:

I. PURPOSE OF THIS FILING

1. This submission is an informative notice, not a petition for withdrawal of funds. LUMA hereby apprises the Puerto Rico Energy Bureau (“Energy Bureau”) that, in connection with its ongoing emergency response to the impacts of Hurricane Erin, it projects that initial restoration activities will require expenditures in excess of three million dollars (\$3,000,000). When detailed, itemized cost information becomes available, LUMA will file a formal request, which will be consistent with the Resolution and Order entered July 31, 2025 (“July 31st Order”) in case no. NEPR-AP-2023-0003, which established the Emergency Reserve Account.¹ This notice is

¹ See *Resolution and Order* entered on July 31, 2025, in case *In Re: Puerto Rico Electric Power Authority Rate Review*, case no. NEPR-AP-2023-0003, with the subject: *Establishment of Fiscal Year 2026 Provisional Rates and Fiscal Year 2026 Provisional Rates*, in which the Energy Bureau established the Emergency Reserve Account for extraordinary costs due to high-impact reliability events that exceed the normal operating budgets. On August 11, 2025, the Energy Bureau entered a further Resolution and Order to clarify certain inconsistencies found in the July 31st Order, specifying that the allocated amount for the Emergency Reserve Account is set at \$15 million.

intended to provide the Energy Bureau with prompt visibility into the scope of the emergency response and anticipated financial requirements.

II. EMERGENCY CONDITIONS

2. Hurricane Erin's outer rainbands began affecting Puerto Rico on August 16, 2025, producing tropical-storm-force winds, heavy rainfall, lightning, and dangerous surf conditions. Widespread damage to the transmission and distribution system ("T&D") infrastructure has resulted in significant service interruptions across the island, including, but not limited to, downed conductors, damaged poles and hardware, vegetation contact, and impaired protective relaying and control equipment. Crews have been deployed to perform assessment, make-safe, and restore work under evolving hazardous conditions.

3. Based on preliminary information available as of the date of this filing, the peak number of customers without electric service, attributable to the effects of Hurricane Erin in the transmission and distribution system ("T&D System") and not attributable to planned maintenance activities, was registered at 05:00 hours on August 17, 2025, totaling nearly 171,800 customers (11.7% of total customers). By August 17, 2025, LUMA had restored the majority of the customers, with less than 70,000 customers remaining out of service. As of 18:00 hours on August 19, 2025, approximately 23,000 customers (1.5% of total customers) remain without service.²

III. PRELIMINARY FORECAST OF RESTORATION COSTS

4. Based on field assessments conducted to date, LUMA presently estimates that immediate restoration expenses will exceed \$3 million. The projected cost categories include, without limitation:

- Mobilization and demobilization of local response crews;

² Customers out of service data is calculated within the currently available Outage Management System, which includes Gray Sky Day criteria applicable to Puerto Rico weather in line with IEEE PES-TR83.

- Overtime for LUMA field personnel, system operators, and support staff; and
- Critical materials (conductors, poles, transformers, switchgear, personal protective equipment, and fleet fuel), including procurement and expedited delivery as needed.

5. These figures are preliminary and subject to refinement as additional damage surveys continue.

IV. FORTHCOMING COMPLIANCE SUBMISSION

6. The Fiscal Year 2026 Temporary Budget does not make provisions for the allocation of funds necessary to address the restoration of service interruptions and damages incurred to the T&D System as a result of emergency events, such as damages caused by hurricanes. This includes any funding required for the Operating Account of LUMA.

7. LUMA remains committed to full transparency in its emergency response expenditures and compliance with the July 31st Order will, in any forthcoming petition, provide, at a minimum:

- a. a full description of the emergency event,
- b. a detailed, itemized estimate of the required funds, and
- c. a sworn statement certifying that the costs cannot be covered by LUMA's approved operational budget.

V. RESERVATION OF RIGHTS

8. By filing this notice, LUMA does not waive and expressly reserves all rights to seek future rate recovery, cost reimbursement, or any other relief available under applicable law, the T&D OMA,³ or Energy Bureau orders. No portion of this notice should be construed as a waiver, admission, or concession beyond the specific representations herein.

³ *Transmission and Distribution System Operation and Management Agreement* executed by LUMA Energy, LLC and LUMA Energy ServCo, LLC, the Puerto Rico Electric Power Authority and the Puerto Rico Public-Private Partnerships Authority on June 22, 2020, as supplemented and amended by the *Puerto Rico Transmission and Distribution System Operation and Maintenance Supplemental Terms Agreement* ("T&D OMA").

VI. CONCLUSION

9. LUMA files this informative notice to ensure that the Energy Bureau is promptly apprised of the emergency response activities currently underway and the associated preliminary cost projections. LUMA will continue to coordinate closely with the Energy Bureau and will submit a formal funding request pursuant to the July 31st Order established protocol as soon as the requisite detailed information is available.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 20th day of August 2025.



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