

**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: LUMA's Response to September 9th
Order by the Hearing Examiner

**LUMA'S RESPONSE TO SEPTEMBER 9TH ORDER ON DATA REQUEST ABOUT
TECHNICAL AND PROFESSIONAL SERVICES COSTS**

TO THE 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. LUMA received the Hearing Examiner's Order of September 9, 2025, whereby, among others, the Hearing Examiner re-opened consideration of a certain Motion to Compel filed by PREPA's Bondholders on Saturday, September 6, 2025 ("Motion to Compel"), concerning LUMA's response to the Bondholder's Request for Information NPFGC-of-LUMA-SUPPORT-2.

2. In NPFGC-of-LUMA-SUPPORT-2, the Bondholders requested that LUMA answer the following:

LUMA's Optimal budget includes \$293 million for Professional and Technical Outsourced services in FY26, \$331 million in FY27, and \$355 million in FY28, for a total of nearly \$1 billion. These amounts are significantly higher than in the certified 2025 PREPA Fiscal Plan—more than double in FY26 and escalating each year. **Please explain in detail these significant upward variances between LUMA's Optimal Budget submitted in July 2025 as compared to the 2025 PREPA Fiscal Plan submitted in February 2025.** Your answer **should include, but is not limited to, an explanation of precisely what changed** in the four months between these dates to cause (i) a more than doubling of the amounts included for this item versus the 2025 Fiscal Plan, and (ii) a dramatic escalation year-over-year versus the 2025 Fiscal Plan.

(emphasis added).

3. On September 5th, LUMA filed a timely response to NPFGC-of-LUMA-SUPPORT-2.

4. In the Motion to Compel, the Bondholders explained that their request for information in NPFGC-of-LUMA-SUPPORT-2, sought “an explanation of precisely what changed” and to “explain in detail” what caused a more than doubling of estimated Professional and Technical Outsourced services from the 2025 PREPA Fiscal Plan to the 2025 rate petition, submitted just a few months later. The Bondholders protested that “LUMA’s short response . . . does not include any information regarding Professional and Technical Outsourced services—let alone the requested level of specifics and detail. . . .”

5. On September 6th, the Hearing Examiner denied the Bondholder’s request to compel LUMA to submit explanations regarding the variances between the 2025 Fiscal Plan and the Optimal Budget on professional and technical services costs. The Hearing Examiner reasoned that, although he could “order LUMA to identify and cost-out every professional and technical service underlying the budget confined by the 2017 rates . . . that effort’s benefit-cost ratio would likely fall below 1.0. The Energy Bureau must determine the reasonableness of this proposed cost. But the Energy Bureau will make that determination by considering the cost’s prospective benefits, not by comparing the prospective cost to its counterpart in an eight-year-old budget.” Said order was formally issued by the clerk of the Puerto Rico Energy Bureau on September 8, 2025.

6. The Bondholders did not request reconsideration of the aforementioned order denying the Motion to Compel.

7. On September 9, 2025, *motu proprio*, the Hearing Examiner resurfaced the matter of LUMA’s Response to NPFGC-of-LUMA-SUPPORT-2, directing that “[i]f LUMA has not already provided details on the total items in this category and their costs, LUMA must provide

those details as a response to NPFGC-of-LUMA-SUPPORT-2. LUMA must submit that response by September 11, 2025, preferably sooner.” The Hearing Examiner shortened the 10-day period to file responses to requests for information.

8. LUMA informs that its Rate Review filing package of July 3, 2025, includes testimonies to support proposed costs for technical and professional services in the Optimal Budget. Further, the filing package includes supporting workpapers with the information on the total costs per Department, *see* LUMA Exhibit 2.03:

	Sheet	Column	Row
Compliance	5.2.1 Support Services Detailed	Q	58
Corporate Security	5.2.1 Support Services Detailed	M	58
Emergency Preparedness	5.2.1 Support Services Detailed	J	58
Facilities	5.2.1 Support Services Detailed	L	58
HSE	5.2.1 Support Services Detailed	N	58
Customer Experience	5.2.1 Customer Service	E	58
Capital Programs	5.2.1 Utility Transformation	D	58
Finance	5.2.1 Support Services Detailed	O	58
Human Resources	5.2.1 Support Services Detailed	E	58
ITOT	5.2.1 Support Services Detailed	I	58
Legal	5.2.1 Support Services Detailed	R+S	58
Operations	5.2.1 Operations	E	58
Operation - Veg Managemen	5.2.1 Operations	F	58
Fleet	5.2.1 Support Services Detailed	K	58
Procurement and Supply Ch	5.2.1 Support Services Detailed	T	58
Regulatory	5.2.1 Support Services Detailed	P	58
Corporate Communication	5.2.1 Support Services Detailed	I	58

9. Additionally, in responses to requests for information PC-of-LUMA-ACCTPAY-6 and PC-of-LUMA-ACCTPAY-7, LUMA submitted a breakdown of professional and technical services costs for the Finance and Regulatory departments.

10. LUMA notes that in the original request NPFGC-of-LUMA-SUPPORT-2, the Bondholders did not request that LUMA produce a breakdown of the Professional and Technical Outsourced services costs. Rather, as stated above, the Bondholders requested explanations on variances between the 2025 Fiscal Plan and the rate case Optimal Budget.

11. LUMA construes the Hearing Examiner's September 9th Order as a request for a more detailed breakdown of the cost category of Professional and Technical Services costs, similar to the data submitted in PC-of-LUMA-ACCTPAY-5 and PC-of-LUMA-ACCTPAY-6, for the Finance and Regulatory departments. LUMA informs that it may submit that information as a supplemental discovery response.

12. Given that the Bondholders' request NPFGC-of-LUMA-SUPPORT-2 did not require that LUMA produce a breakdown of the costs for Professional and Technical Services, and considering that, in the past thirty-days LUMA has answered hundreds of requests for information, LUMA requests to be granted the standard 10-day period, from the date of the Hearing Examiner's order of September 9, 2025, to file the detailed breakdown of professional and technical services costs, on September 19, 2025.

13. It is respectfully submitted that the 10-day time frame to submit this information is reasonable and would give LUMA the opportunity to review the detailed costs-information on professional and technical services costs before it is filed for the record. Although the information is available to LUMA, producing the same in this proceeding requires review processes to ensure accuracy and completeness.

WHEREFORE, LUMA respectfully requests that the Hearing Examiner **take notice** of the above; and **grant** LUMA the 10-day discovery response period , until September 19, 2025, to file supplemental information on professional and technical services costs.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 10^h day of September, 2025.

WE HEREBY CERTIFY that this Response was filed using the electronic filing system of this Energy Bureau and that electronic copies of this Response will be served 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; Juan Martínez, jmartinez@gmlex.net; and Natalia Zayas Godoy, nzayas@gmlex.net; and to **Genera PR, LLC**, through: Jorge Fernández-Reboredo, jfr@sbgblaw.com; Gabriela Castrodad, gcastrudad@sbgblaw.com; José J. Díaz Alonso, jdiaz@sbgblaw.com; Stephen Romero Valle, sromero@sbgblaw.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; pvazquez.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**

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