

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

NEPR

Received:

Sep 24, 2025

5:42 PM

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW

CASE NO.: NEPR-AP-2023-0003

**MOTION FOR EXTENSION OF TIME TO COMPLY WITH SEPTEMBER 19TH ORDER
REGARDING EVIDENTIARY HEARING PANELS**

TO THE HEARING EXAMINER,

COMES NOW, the Puerto Rico Electric Power Authority, through its undersigned legal counsel and, very respectfully, states and prays as follows:

1. On September 16th, 2025, the Hearing Examiner, Mr. Scott Hempling, notified an e-mail in the above-captioned case, whereby he circulated to all stakeholders in this case a proposed list of panels for the evidentiary hearing. The Hearing Examiner directed each party to redline the document by inserting the names of its witnesses under the appropriate panels and submit it directly to him by Friday, September 19 (hereafter, September 16th e-mail).

2. The September 16th e-mail contained a document titled "Draft panel roster" which contained the following preliminary categories and panels:

a. Category: Annual revenue requirement category

i. Panels: (a) Generation costs; (b) Transmission costs; (c) Distribution costs; (d) Customer service costs; (e) Overhead costs; (f) Federal funds; (g) Debt; (h) Pensions; (i) Emergency Reserve Account; (j) Total revenue requirement; (k) bad debt; and (l) reconciliation of permanent and provisional rates

b. Category: Noncost matters

- i. Panels: (a) Budget process and budget flexibility; (b) Recordkeeping for project costing (Uniform System of Accounts, activity-specific budget projections); (c) Practicability of various levels of rate increase; (d) Conflicts of interest between profit and cost; and (e) Cooperation among PREPA, LUMA, Genera

c. Category: Rate design

- i. Panel: Single panel, covering load forecast, cost of service study, revenue allocation, rate design, and actual bills.

3. On September 18th, 2205, the Hearing Examiner notified an e-mail in the above-captioned case whereby it made the following informal and tentative clarifications:

(1) The panels need not be confined to individuals who submit prefilled testimony. If a party has someone who will make the panel more useful to the Commissioners, propose the person.

(2) I will provide, in advance, a set of questions for each panel, sufficiently ahead of time to allow preparation. I am inviting now, and will invite by Hearing Examiner order, your ideas on detailed subjects and questions for panels to address. The goal is for us to learn together.

4. For the "Overhead costs" panel, the Hearing Examiner provided the following clarification:

For now, I view as "overhead" costs—admittedly stretching the term—costs that are not in the other main panels, i.e., not generation, transmission, distribution, or customer service. Examples would be process improvement, cybersecurity, IT, advertising, workforce management, HR and other support services, legal services. Agreed that not all these items are technically what an accountant would call "overhead." Maybe a better term would be "miscellaneous," a term which I admit avoids providing a better definition. Point is, I wanted a place to discuss cost areas that have been a concern in prior budget cases, and about which PREB consultants have raised questions internally, but that did not have a home in other named categories. Glad for any ideas on how better to define this space.

5. For the “Budget process and budget flexibility” panel, the hearing Examiner provided the following clarification:

One purpose is to address the submissions of LUMA witnesses Balbis and Terzic. Among their points is a request for more ability in the three utilities to spend as they wish rather than have spending constrained by a detailed budget-approval order—thus the question of “budget flexibility”—which I think is their term. Another purpose of the panel is, as you identify, to discuss how the utilities (all three) can move to a future in which we are following the UsoA, and creating budgets that connect costs to activities to outcomes. If examination of the past can help us progress to the future, the past is relevant. In that context, yes, we can discuss the 2%. Thank you for that idea.

6. In compliance with the Hearing Examiner’s September 16th e-mail, on September 19th, 2025, PREPA notified the Hearing Examiner with its proposed and preliminary panel roster. PREPA reserved the right to amend the witness list set forth therein, particularly upon further clarification of the scope assigned to each panel.

7. On that same date, the Hearing Examiner issued two (2) emails concerning the proposed panels and panelists. Of particular relevance to the present matter, the second of those emails stated, as follows:

Dear Colleagues,

I wrote the prior note before adding the late-submitted names. You can immediately see from the attached that if I adopt this list, the value of the panels will asymptotically approach zero. I also question whether people whose names reappear 10 times truly expect to be, or want to be, on the hot seat for 4-5 weeks straight, 6 hours a day. The goal of the panels is to help the Commissioners learn, not to overwhelm them with voices. And I’m not going to have ambulances waiting for those who drop from exhaustion.

I am likely to limit each party to 2-3 people—which is what I thought I would get—except in special situations. Yes, I am aware that if some parties get more people than other parties, some party will argue that “due process” requires numerical equality. Please try to restrain yourselves, study your due process law if necessary, and most importantly remember our common purpose—to educate the

Commissioners so that they make the decisions that are best for Puerto Rico. Remember also that I expect no new information from panelists, unless I ask for it.

Here's a good example: For the conflicts panel, I expect to see the three utilities' CEOs only, plus the PREB consultant handling this issue. For the various cost panels, I expect to have only the technical specialists on those costs. I don't need to see the CFOs every time. If you think about matters that way, you will see the value of, and the absence of loss from, reducing the numbers.

The bottom line is that we are going to have panels, we are not going to have panels this large, and we are going to design this process in a way that removes any possibility of appellate risk for the Energy Bureau. And you are going to help me find a solution. I look forward to your ideas—starting with your reaction to a limit (not a guarantee) of 2-3 people per party. Since we are now headed toward decision making on the panels, please submit your ideas not by email but via formal motion to me, by Wednesday 24 September, 5pm. Even better, find a way to reach agreement. In these panels, please skip the long introductions; just provide solutions.

Thank you and good luck.

(hereafter, the "September 19th Order")(emphasis omitted).

8. PREPA informs that it is currently evaluating its witness list and proposed alternatives to ensure due process and an appropriate evidentiary record on issues properly within the scope of the rate case.

9. To complete this endeavor and submit a motion in compliance with the September 19th Order, PREPA respectfully requests an extension of time until October 1, 2025.

10. PREPA recognizes that time is of the essence in this proceeding and remains committed to moving the case forward without unnecessary delay. However, the brief extension requested is essential to allow PREPA to develop well-reasoned alternatives to ensure an orderly and fair evidentiary process limited to

issues properly within the scope of this rate case.

WHEREFORE, PREPA respectfully requests an extension of time until October 1, 2025, to submit its motion in compliance with the September 19th Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico this 24th day of September 2025.

CERTIFICATE OF SERVICE: We hereby certify that this document was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and notified via e-mail to the Hearing Examiner, Scott Hempling, shempling@scotthemplinglaw.com; and to the attorneys of the parties of record, attorneys of the intervenors of record, and other: LUMA Energy, LLC and LUMA Energy ServCo, LLC; Margarita Mercado margarita.mercado@us.dlapiper.com; Jan Albino, Jan.AlbinoLopez@us.dlapiper.com; Andrea Chambers, andrea.chambers@us.dlapiper.com; Carlyn Clarkin, carolyn.clarkin@us.dlapiper.com; Katiushka Bolanos, katiushka.bolanos-lugo@us.dlapiper.com; Yahaira De La Rosa, Yahaira.delarosa@us.dlapiper.com; Genera PR, LLC, through: Jorge Fernández-Reboredo, jfr@sbgbllaw.com; Gabriela Castrodad, gcastrudad@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; Oficina Independiente de Protección al Consumidor, hrivera@jrsp.pr.gov; contratistas@jrsp.pr.gov; pvazquez.oipc@avlawpr.com; Instituto de Competitividad y Sustentabilidad Económica, jpouroman@outlook.com; agraitfe@agraitlawpr.com; 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; 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; 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; Syncora Guarantee, Inc., escalera@reichardescalera.com; arizmendis@reichardescalera.com; riverac@reichardescalera.com; susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com; 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; lgng2021@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, Josh.Llamas@fticonsulting.com; Anu.Sen@fticonsulting.com; Ellen.Smith@fticonsulting.com; Intisarul.Islam@weil.com; 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; guy@maxetaenergy.com; Julia@londoneconomics.com; Brian@londoneconomics.com; luke@londoneconomics.com; kbailey@acciongroup.com; hjudd@acciongroup.com; zachary.ming@ethree.com; PREBconsultants@acciongroup.com; carl.pechman@keylogic.com; bernard.neenan@keylogic.com; tara.hamilton@ethree.com; aryeh.goldparker@ethree.com; roger@maxetaenergy.com; Shadi@acciongroup.com.

GONZÁLEZ & MARTÍNEZ

1509 López Landrón, Bldg.
Seventh Floor
San Juan, PR 00911-1933
Tel.: (787) 274-7404

s/ Natalia Zayas Godoy

Natalia Zayas Godoy
RUA No.: 20,415
Email: nzayas@gmlex.net