

**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 on
LUMA-PREPA ROIs

Hearing Examiner's Order on LUMA-PREPA ROIs

This Order addresses PREPA's objections to LUMA's requests designated below. The ROIs and the objections appear at the back of this Order. Where I require answers, PREPA should assume that I want the answers just as much as LUMA does.

PREPA's deadline will be **6pm Atlantic** one week before the of the panel that addresses the topic. Most of LUMA's questions seem to go to the Multi-Utility Cost panel. I have tentatively scheduled that panel for December 3. So the answers for that panel are due **Wednesday, November 26**.

LUMA: For every question that you asked PREPA about outside legal services, assume that I have asked that question of LUMA. I require those answers no later than **Wednesday, November 26**. File those questions formally as a motion in compliance with this Order of November 3.

LUMA and PREPA: For all external counsel whose costs are part of your proposed revenue requirement, provide the billing rates. No names of individuals, but do differentiate among law firms. Provide the scale from top to bottom, with some generic label associated with the rate level, such as number years out of law school. Include paralegals. Due **Wednesday, November 26**.

Rulings on ROIs¹

75: ROI# LUMA-of-PREPA-RR-42 (Category: Revenue Requirement): This question is excessive, and reflects a misunderstanding of why I invited the named individuals to the hearing. No one is going to be “testifying or delivering opinions or providing data, assumptions, and methodologies,” unless I ask for it. Their purpose is to supplement comments made by panel members, where that person has more information than does the panel member. I do require PREPA to identify the specific items on the 28-page set of agenda subtopics that I circulated last week for which these individuals have professional responsibility and knowledge. Simply connect each individual with the appropriate agenda subtopics.

76: ROI# LUMA-of-PREPA-RR-43 (Category: Revenue Requirement): Question rejected. This question again misunderstands the purpose of the non-witness panelists.

77: ROI# LUMA-of-PREPA-RR-44 (Category: Revenue Requirement): Same. Whoever wrote these questions has been paying insufficient attention to my orders. I don’t expect any one to have come to the panel with some kind of “anticipated testimony.” They are there to answer the questions that I or my Energy Bureau colleague asks.

78: LUMA-of-PREPA-RR-45 (Category: Revenue Requirement): Same answer, with emphasis. All LUMA attorneys, especially the one writing these questions, shall review my orders on panel purposes and the reasons for nonwitness panelists.

81: LUMA-of-PREPA-ACCTPAY-72 (Category: Vendors, Contractors and Work Force): I require PREPA to answer all of 81. This type of question is standard discovery material.

86: LUMA-of-PREPA-RR-49 (Category: Revenue Requirement): PREPA must answer all subdivisions. Same reason.

87: LUMA-of-PREPA-RR-50 (Category: Revenue Requirement): PREPA must answer all subdivisions. Same reason.

88: LUMA-of-PREPA-SHARED-3 (Category: Shared Services): PREPA must answer the all subdivisions.

89: LUMA-of-PREPA-RR-51 (Category: Revenue Requirement): PREPA must answer all subdivisions.

90: LUMA-of-PREPA-RR-52 (Category: Revenue Requirement): PREPA must answer all subdivisions.

¹ As numbered in the email sent to me by the parties on November 1, 2025.

92: LUMA-of-PREPA-RR-53 (Category: Revenue Requirement): PREPA must answer all subdivisions.

93-94: LUMA-of-PREPA-RR-54 and 55 (Category: Revenue Requirement) PREPA must stand for all subdivisions.

95: LUMA-of-PREPA-RR-56 (Category: Revenue Requirement): PREPA must answer all subdivisions except: part (b) because a comparison of PREPA's situation to other utilities has insufficient value to justify a nationwide survey at the last minute; and part (d) because it's vague and will produce a self-serving answer, unless PREPA thinks it can produce an answer that is rooted in facts. PREPA must answer all of the remainder of 95.

Be notified and published.



Scott Hempling
Hearing Examiner

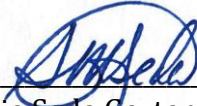
CERTIFICATION

I certify that the Hearing Examiner, Scott Hempling, has so established on November 3, 2025. I also certify that on November 3, 2025, I have proceeded with the filing of the Order, and a copy was notified by electronic mail to: mvalle@gmlex.net; alexis.rivera@prepa.pr.gov; jmartinez@gmlex.net; jgonzalez@gmlex.net; nzayas@gmlex.net; Gerard.Gil@ankura.com; Jorge.SanMiguel@ankura.com; Lucas.Porter@ankura.com; mdiconza@omm.com; golivera@omm.com; pfriedman@omm.com; msyassin@omm.com; 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; regulatory@genera-pr.com; legal@genera-pr.com; mvazquez@vvlawpr.com; gvilanova@vvlawpr.com; dbillock@vvlawpr.com; ratecase@genera-pr.com; jfr@sbgblaw.com; hrivera@jrsp.pr.gov; gerardo_cosme@solartekpr.net; 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; alexis.ramsey@weil.com; kara.smith@weil.com; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; monica@emmanuelli.law; cristian@emmanuelli.law; luis@emmanuelli.law; jan.albinolopez@us.dlapiper.com; Rachel.Albanese@us.dlapiper.com; varoon.sachdev@whitecase.com; javrua@sesapr.org; Brett.ingerman@us.dlapiper.com;

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tmacwright@whitecase.com; jcunningham@whitecase.com; mshepherd@whitecase.com;
jgreen@whitecase.com; hburgos@cabprlaw.com; dperez@cabprlaw.com;
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bill.natbony@cwt.com; zack.schrieber@cwt.com; thomas.curtin@cwt.com;
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Isaac.Stevens@dechert.com; James.Moser@dechert.com; michael.doluisio@dechert.com;
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I sign this in San Juan, Puerto Rico, on November 3, 2025.




Sonia Seda Gaztambide
Clerk

The ROIs at Issue

ROIs	Objection
75) ROI# LUMA-of-PREPA-RR-42 (Category: Revenue Requirement)	
For each of PREPA's nonwitness panelists – Mr. Lucas Porter, Mr. Gerard Gil, and Ms. Suzette Díaz – please identify with specificity the topics, subtopics, and opinions on which each individual will testify during the panel(s) to which they are assigned, including the scope of their expected testimony; the factual bases for each opinion; all data, assumptions, and methodologies they intend to rely upon; and the relationship of that testimony to any prefiled testimony or expert report already in the record. Please also identify any portions of the record that the individual intends to adopt as his or her own testimony and any witnesses whose testimony they intend to support or clarify.	PREPA objects to this ROI on the grounds that it directly contravenes the Hearing Examiner's <i>Order on Panel Structure</i> issued on October 14, 2025, which expressly determined that “no additional written direct testimony” is required in this proceeding and that “there is no current evidentiary need for new prefiled testimony” from PREPA panelists that have not filed written direct testimony. The ROI impermissibly seeks detailed disclosures regarding the topics, opinions, factual bases, data, assumptions, and methodologies of PREPA's non-witness panelists—information equivalent to pre-filed expert testimony that the Hearing Examiner has explicitly ruled unnecessary. PREPA further objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders. Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.

76) ROI# LUMA-of-PREPA-RR-43 (Category: Revenue Requirement)	
For each of PREPA's nonwitness panelists – Mr. Lucas Porter, Mr. Gerard Gil, and Ms. Suzette Díaz – please produce all documents, presentations, analyses, memoranda, communications, or materials the individual has reviewed, prepared, or intends to rely upon in connection with their anticipated panel testimony.	PREPA objects to this ROI to the extent that it seeks to discover information protected by the attorney work-product doctrine, as it calls for the production of documents, analyses, memoranda, communications, and other materials prepared by or at the direction of PREPA's counsel and advisors in anticipation of the evidentiary hearing. Such materials reflect counsel's mental impressions, legal strategy, and deliberative processes, and are therefore protected from disclosure. PREPA further objects to this ROI on the ground that it directly contravenes the Hearing Examiner's <i>Order on Panel Structure</i> issued on October 14, 2025, which expressly determined that “no additional written direct testimony” is required in this proceeding and that “there is no current evidentiary need for new prefiled testimony” from PREPA panelists that have not filed written direct testimony. The ROI impermissibly seeks detailed disclosures of PREPA's non-witness panelists—information equivalent to pre-filed expert testimony that the Hearing Examiner has explicitly ruled unnecessary. PREPA further objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders. Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.

77) ROI# LUMA-of-PREPA-RR-44 (Category: Revenue Requirement)	
For each of PREPA's nonwitness panelists – Mr. Lucas Porter, Mr. Gerard Gil, and Ms. Suzette Díaz – please provide an outline of the anticipated testimony, to be offered by each in the panels to which they are currently assigned as per the panel roster issued by the Hearing Examiner on October 16, 2025.	PREPA objects to this ROI on the grounds that it directly contravenes the Hearing Examiner's <i>Order on Panel Structure</i> issued on October 14, 2025, which expressly determined that "<i>no additional written direct testimony</i>" is required in this proceeding and that "<i>there is no current evidentiary need for new prefiled testimony</i>" from PREPA panelists that have not filed written direct testimony. The ROI impermissibly seeks detailed disclosures regarding the topics, opinions, factual bases, data, assumptions, and methodologies of PREPA's non-witness panelists—information equivalent to pre-filed expert testimony that the Hearing Examiner has explicitly ruled unnecessary. PREPA further objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders. Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.
78) LUMA-of-PREPA-RR-45 (Category: Revenue Requirement)	
For each of PREPA's nonwitness panelists – Mr. Lucas Porter, Mr. Gerard Gil, and Ms. Suzette Díaz – please provide an outline of the anticipated testimony, to be offered by each in the panels to which they are currently assigned as per the panel roster issued by the Hearing Examiner on October 16, 2025.	PREPA incorporates its objections to ROI# LUMA-of-PREPA-RR-44.

81) LUMA-of-PREPA-ACCTPAY-72 (Category: Vendors, Contractors and Work Force)

Fiscal Year	HoldCo	HydroCo
2024 - Approved	87 Employees;	54 Employees
2025 - Approved	58 Employees	57 Employees
2026 - Proposed	103 Employees	117 Employees

- a) Given the June 25, 2023, December 8, 2023, and May 17, 2024, Resolution and Orders from the PREB instructing PREPA to reduce its headcount and overall operations, why does PREPA anticipate almost doubling its headcount for FY26? For each company, please detail the proposed roles that new staff will fill, each role's proposed annual salary, and explain why the services of each additional role is required.
- b) Does PREPA anticipate eliminating any staff positions in FY26?
- c) In the details submitted under "PREPA_FY2026 Consolidated Budget Requests (2025.06.30)_vF)", in the tab "FY26_Corporate Responsibilities", under the section "IT- Maintenance & Corporate Services," HoldCo acknowledges "a mandated reorganization." Please detail PREPA's short- and long-term plans to reduce its headcount to achieve efficiencies and cost savings as part of the mandated reorganization?
- d) In 2025, the approved salary per person was \$61,384 on average. HoldCo is proposing an average salary of \$71,919 per person in 2026. Why does PREPA propose to increase salaries year-on-year by such a figure?
- e) Has PREPA begun hiring for any of these newly proposed positions yet? If so, how many personnel have been hired to date, in what roles, and at what annual salaries?
- f) For the FY2025 budget, PREB found PREPA's request to increase headcount "to lack empirical evidence." What new empirical evidence has HoldCo provided that requires resubmission in FY2026?

PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders.

Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.

PREPA objects to this ROI on the grounds that it is duplicative of other ROIs previously notified by LUMA, including ROI No. LUMA-of-PREPA-NONPHYS_OPS-109. This request seeks substantially the same information already requested in those prior ROIs, rendering it repetitive, cumulative, and unnecessarily burdensome.

86) LUMA-of-PREPA-RR-49 (Category: Revenue Requirement)			
Security			PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders. Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.
Fiscal Year	HoldCo	HydroCo	
FY24 – Approved	\$797,000	\$1.7 million	
FY25 – Approved	\$797,000	\$1.7 million	
FY26 – Approved FOMB	\$744,000	\$1.598 million	
2026 – Proposed	\$1.6 million	\$2.1 million	
a) The T&D OMA assigns physical and data security to LUMA. Why is HoldCo seeking \$1.6 million for security for FY2026? b) In 2024, the PREB found PREPA's security submissions "extremely excessive and not reflective of the expected reductions from eliminating superfluous security". Please describe the steps PREPA has taken to eliminate superfluous security. Does the 2026 budget request reflect the results of such steps? If not, why not? c) Given the transition of operations to the operators - why is PREPA requesting any budget at all for security? Has PREPA evaluated if these services are duplicated with requests from the operators? d) How did PREPA come to the conclusion of the proposed security needs? What evidence, RFPs, analysis, and other budgetary tasks were accomplished to determine the budget? What competitive bidding was performed recently? e) Why is HoldCo requesting Security line item within Non-Labor Operating Expenses and then requesting Security Systems in NME as well? Are these duplicate requests? If not, explain why not.			

87) LUMA-of-PREPA-RR-50 (Category: Revenue Requirement)		
IT Maintenance & Corporate Services		PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders.
Fiscal Year	HoldCo	
FY24 – Approved	\$780,000	
FY25 – Approved	\$1.494 million	
FY26 – Proposed	\$2.478 million	
a) What are the reasons for the increase in your request for funds for FY26 for IT Maintenance & Corporate Services? b) Please provide a detailed breakdown for the individual sources of the FY26 IT Maintenance & Corporate Services requested budget. c) Given PREPA is factoring in the mandated reorganization, what is behind the forecasting it has performed in order to build the requested budget?		Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.

88)LUMA-of-PREPA-SHARED-3 (Category: Shared Services)

Shared Services & Shared Services Separation

Fiscal Year	HoldCo	HydroCo
FY24 – Approved	\$1.993 million	\$1.181 million
FY25 – Approved	\$3.805 million	\$2.537 million
FY26 – Proposed	\$4.208 million	\$2.805 million
FY26 Proposed Separation (Business Process Outsource and ERP Implementation)	\$4 million	\$0

- a) PREPA is only budgeting for Shared Services through December 2025. Yet, given what appears to be a lack of substantial progress on Shared Services Separation, what is PREPA's detailed plan, with milestones, to separate by December 2025? What are the specific workstreams currently being performed to absorb Shared Services in less than 2 months? Have these milestones been communicated to PREB, P3A, and FOMB? If so, please share them in your response.
- b) LUMA has extended Shared Services for multiple years beyond what was originally intended, what is PREPA's plan to separate shared services after December 2025, given PREPA isn't budgeting past December?
- c) Is there any funding that has been identified, assigned, associated with the ERP system coming from AAFAF, Hacienda, FOMB, or any other governmental entity? If so, how much has been assigned? How does that factor into the budget?
- d) How does the ERP system implementation factor into this budget?
- e) Under "Corporate Responsibilities – IT Maintenance & Corporate Services" there is a line item to maintain operational independence mandated by the reorganization. This sounds like it's related to Shared Services Separation. Is it? If so, are there other line-items that are redundant across the budget as well?
- f) In its June 26, 2024 R&O, the PREB determined that "Oracle ERP Cloud Licensing is known for being at the higher end of the price spectrum. Because PREPA is now significantly smaller and a less complex organization than before, such an upgrade seemed excessive." What work has PREPA done to reduce the cost of its ERP System Selection? Does PREPA continue to intend to use Oracle ERP Cloud? Does its ERP pricing in the proposed FY26 budget align with this R&O?

PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders.

Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.

89) LUMA-of-PREPA-RR-51 (Category: Revenue Requirement)			
Necessary Maintenance Expense			PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders. Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.
Fiscal Year	HoldCo	HydroCo	
FY24 – Approved	\$645,000	\$2.471 million	
FY25 – Approved	\$645,000	\$1.234 million	
FY26 – Proposed	\$2.065 million	\$8.382 million	
a) What is driving the increase to both HoldCo and HydroCo's NME? b) What is the associated megawatts expected out of HydroCo? What is that relative to the entire system? c) Why is PREPA requesting NME at such large volumes and not leveraging its Operators to perform these tasks?			

90) LUMA-of-PREPA-RR-52 (Category: Revenue Requirement)		
Title III Expenses		PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders.
Fiscal Year	HoldCo	
FY24 – Approved	\$21.4 million	
FY25 – Approved	\$18.7 million	
FY26 – Proposed	\$18.7 million	
a) Please provide a breakdown of how the \$18.7 million will be utilized for each professional firm.		Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.
b) What services is Ankura performing for PREPA?		
c) Has PREPA assessed the \$8+ million in fees Ankura has performed and will perform to determine what tasks can be reduced?		
d) Is Ankura performing any non-Title III related work? If so, where is that budgeted?		
e) How was the budget created for PREPA Restructuring and Title III?		
f) O'Melveny and Meyers LLP appear to have overlap with firms providing Legal Services provided in the Corporate Responsibilities part of the budget. Did PREPA assess its Title III Bankruptcy costs to determine where there is overlap and, if so, how much?		

92) LUMA-of-PREPA-RR-53 (Category: Revenue Requirement)	
Legal Services	
Fiscal Year	HoldCo
FY24 – Approved	\$3.688 million
FY25 – Approved	\$3.847 million
FY26 – Proposed	\$7.267 million
a) HoldCo's legal services budget points to a number of areas required for review of federal funds and federal funds oversight. Section 5.9(b) and 5.9(3) of the T&D OMA affords LUMA the ability to administer, manage, deploy and apply any Federal Funds. Given LUMA's roles in overseeing the management, submission, and deployment of Federal Funds, why is HoldCo submitting duplicative funding requests? b) Baker Donelson Caribe is identified as providing legal services related federal funding matters. In addition, HoldCo seeks \$1 million for "Legal Firm – Federal Funding Compliance"? Are these requests duplicative in any manner? Why is the second firm not named? If no firm has been retained, how did HoldCo develop the budget of \$1 million? c) Why is HoldCo requesting \$1.5 million in generic legal services for a "legal consultant"? What matters will the consultant be advising on? How did HoldCo develop the budget of \$1.5 million? d) HoldCo is requesting funds for legal services for Corretjer, Lcdo. Ramon, M. Mendoza Rosario, Prime Counselors P.S.C., Gonzalez & Martinze Law Office, P.S.C., McGuireWoods, all for federal related work. Are any of these services duplicative in any capacity? If so, please describe why multiple firms are required for the same services? e) Please explain the steps HoldCo has taken to minimize legal and other administrative costs. f) Please explain how the legal services for which funds are sought relate to PREPA's operational needs	
PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders. Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.	

93) LUMA-of-PREPA-RR-54 (Category: Revenue Requirement)	
94) LUMA-of-PREPA-RR-55 (Category: Revenue Requirement)	

Professional and Technical Outsourced Services

Fiscal Year	HoldCo	HydroCo
FY24 – Approved	\$1.365 million	\$187,000
FY25 – Approved	\$1.235 million	\$187,000
FY26 – Proposed	\$6.918 million	\$1.246 million

- a) With respect to the request for funds in the table above, PREPA has outlined various responsibilities under this budget that appear duplicative with LUMA and Genera responsibilities – such as communications, project management of P3A generation initiatives, technical and advisory services of engineering studies and regulatory requirements, fuel planning, and other services totaling nearly \$5 million. Why is PREPA not requesting that LUMA and Genera provide these services?
- b) Why is HoldCo submitting a \$300,000 budget for social media management, communications, and media monitoring services? What needs does HoldCo have that necessitates this line-item? How does this align with HoldCo's operational objectives?
- c) HoldCo is requesting \$500,000 for "Professional strategic, engineering consulting and technical advisory services to assist PREPA during the Renewable Energy Generation Storage Resources Tranche 1 Process for matters such as changes / amendments to contracts, Tranche 1 project performance evaluation and compliance, etc." Does PREPA contend that such work is separate and apart from the work that will be performed by LUMA and Genera on that project? Why is it seeking a separate budget here?
- d) HoldCo's budget submission request of \$300,000 for fuel acquisition for fleet appears to be a line item for duties and responsibilities covered by Genera. If you believe that to be incorrect, please explain why.
- e) Why is HoldCo submitting a \$1.5 million budget for technical and advisory services, engineering studies and advisor services, fuel planning, environmental and compliance matters? Do you contend these funds are sought for services not otherwise provided by the operators? If so, please explain.
- f) HoldCo is requesting \$150,000 for legal and technical advisory services under the line item in the table above. Why was this not included in the legal services part of the budget?
- g) HoldCo is requesting \$1.060 million for the election of a member of the Governing Board. How did HoldCo determine this budget? Did PREPA submit an RFP for

PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA's well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau's Consultants, the Hearing Examiner, and other stakeholders.

Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA's interest in complying with the Hearing Examiner's and Energy Bureau's directives and preparing for the upcoming evidentiary hearing.

each of the sub-components of getting the election materials prepared? h) How does HoldCo's budget submission for Professional and Outsourced Services align with the previous R&Os and mandates in the Certified Fiscal Plan to reduce roles and responsibilities and leverage PREPA's operators? i) PREPA has a line item associated with technology support integration. Why is this separate from and not contained with the budget request for IT Maintenance & Corporate Services or Shared Services Separation? j) HoldCo is submitting a budget request for \$150,000 for professional services that includes strategic planning support, fiscal plan monitoring and reporting, and financial analysis. It appears this line-item would align with Title III related costs. Why is this being included here? Does this item relate to something different from Title III cost?	
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95) LUMA-of-PREPA-RR-56 (Category: Revenue Requirement)		
External Audit Services		PREPA objects to this ROI as unduly burdensome in light of the proximity of the evidentiary hearing and PREPA’s well-known limited human and financial resources. PREPA needs to use the remaining time to prepare for the evidentiary hearing and to respond to the ROIs issued by the Energy Bureau’s Consultants, the Hearing Examiner, and other stakeholders. Additionally, PREPA objects to this ROI as an undue and abusive use of the discovery process. LUMA has already propounded thirty-four (34) ROIs to PREPA, many containing multiple subparts that, in total, exceed one hundred (100) individual questions. Considering that LUMA will not be permitted to cross-examine PREPA during the evidentiary hearing, any purported interest LUMA may have in obtaining this information is substantially outweighed by PREPA’s interest in complying with the Hearing Examiner’s and Energy Bureau’s directives and preparing for the upcoming evidentiary hearing.
Fiscal Year	HoldCo	
FY24 – Approved	\$1.108	
FY25 – Approved	\$2.2 million	
FY26 – Proposed	\$5.486 million	
a) Please explain the reasons for the significant requested increases in budget for audits—and presumably the corresponding increase in auditing work—from FY25 to FY26.		
b) How does PREPA’s budget for audit align with comparable utilities?		
c) Did PREPA perform a competitive bidding process for FY25 audit (not just extend contracts from previous years)? If so, can it share the results of the proposals?		
d) What is PREPA doing to leverage internal resources moving forward in order to reduce these expenses?		
e) Is any of this work aligned with PREPA’s accounting remediation efforts?		
f) Is there any internal and external duplication of audit work expected? Has PREPA performed any studies to identify what audit work could be most efficiently transitioned to internal staff? If it has, what is the timetable for implementation? If not, why hasn’t it performed this task?		
g) In reviewing the proposed services, many of the services overlap with responsibilities that the T&D OMA assigns to LUMA and Genera – for example, Federal Funding related work. What work is PREPA performing to ensure that it is reducing its roles and responsibilities in alignment with previous certified fiscal plans and PREB R&Os?		