

**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's Objections to Admissibility of
Requests of Information

**Hearing Examiner's Order on LUMA's Objections to
Admissibility of Requests of Information**

This Order addresses LUMA's Motion dated October 31, 2025, objecting to various requests of information (ROIs). I grant the first objection but reject all the others. Those other objections, more boilerplate than reasoning, reflect an excessively litigious mindset. I ask LUMA to replace that mindset with one that focuses on helping the Energy Bureau create a full record—one that leads to an Energy Bureau decision that serves the public interest, not any one entity's private interest.

This rate case will determine what cost customers must bear to receive electric service. Any activity that could affect that cost is a relevant activity. Every ROI discussed here, except for the first, fits into that category.

SESA: There is a boundary between a proceeding on cost of service and a proceeding on value of solar. As you prepare for hearing, please keep that boundary in mind, because your ROIs are very close to it.

PREPA Exhibit No. 31: Not admitted. This letter of June 30, 2025, from PREPA CEO Zapata to LUMA CEO Saca, accompanied revenue requirement information that PREPA provided to LUMA, so that LUMA could include that information in the three-utility combined rate application due July 3, 2025. The letter combines explanations of elements of PREPA's proposed revenue requirement with criticisms of LUMA's performance. The letter reads like direct testimony—an explanation and defense of the proposed revenue requirement. PREPA separately provided prefiled direct testimony, via CEO Zapata and other PREPA individuals. That prefiled direct testimony is where any explanation and defense of PREPA's proposal belonged.

Moreover, to admit this letter into the record now, only one week before the hearing and many weeks after the deadline for direct testimony,, would prompt LUMA to ask several dozen discovery questions, and several hours of cross-examination questions, about the

bases for the numerous statements, especially the verbal critiques that lack stated evidentiary support. The likely return on that investment is too small to justify it.

SESA Exhibit 314: Admitted. That LUMA has information on the relationship of generation to demand at one-hour intervals, but does not have that information at five-minute intervals, is relevant to whether the Energy Bureau should include in rates an amount that would permit LUMA to gather this type of information. The information could help reduce total cost. This ruling applies to exhibit SESA 314.1 also.

SESA Exhibit 325: Admitted, because LUMA's use of distributed energy resources to reduce system load is related to determining what assets customers should pay for. LUMA seems to argue that a matter falls outside the scope because its witness did not address it. Wrong. The scope of this case is determined not by the filed testimony but by the statute, which requires the Energy Bureau to set rates that are just and reasonable.

SESA Exhibit 341: Admitted, because whether LUMA has quantified avoided cost attributable to distributed energy resources on a systemwide or locational basis is relevant to the total reasonable cost of service.

SESA Exhibit 342: Admitted, because this information goes directly to LUMA's ability to minimize distribution and transmission costs. That LUMA might disagree with the questioner on whether distributed energy resources can reduce peak demand does not move this information outside this case's scope.

SESA Exhibit 344: Admitted. That LUMA has not developed any general locational cost of service studies in the last three years is relevant to its ability to defend costs in its current rate proposal.

SESA Exhibit 408: Admitted, because it relates to the cost of service, including the cost of distribution and transmission upgrades, and the relationship of that cost to the associated benefits.

SESA Exhibit 426: Admitted, because the absence of witness knowledge on LUMA's study or lack of study relating to the cost of reliability will help assess his opinion that LUMA is progressing on "efficiencies."

SESA Exhibit 438: Admitted, because the information relates to the cost of providing electric service.

SESA Exhibit 442: Admitted. Information on Daytime Light Demand, and its use in mapping hosting capacity for distributed generation projects, is relevant to the cost of planning, operating, and upgrading distribution systems, especially given the obligation to have distribution systems ready to accommodate 100% renewables by 2050. There was also a potential effect of distributed generation on billing determinants.

SESA Exhibit 443: Admitted, for the reasons justifying Exhibit 442. The information can help the Energy Bureau decide whether to increase LUMA's spending on preparing the distribution system for distributed generation. The same result for 443.1.

SESA Exhibit 444: Admitted; same explanation as for 442.

SESA Exhibit 445: Admitted, because the answer can be useful in determining what cost to approve to allow LUMA to prepare the distribution system for distributed generation.

SESA Exhibit 446: Admitted. LUMA's boilerplate about the absence of net energy metering policy from this rate case is beside the point. Admitted because the response can be useful in determining whether the Energy Bureau should increase spending to improve and speed the interconnection of distributed energy resources to the distribution system.

SESA Exhibit 451: Admitted. Studies on the economic cost of unserved energy are relevant to determining the benefit-cost relationship for all new expenditures on bulk power system assets.

SESA Exhibit 456: Admitted, for the variety of reasons stated above. This rate case needs to determine what costs LUMA should incur, for which assets, to ensure reliable service. Same answer for SESA 456.1.

SESA Exhibit 457: Admitted, for reasons already discussed. Answers about 2022 to the present can make useful comparisons. Same treatment for SESA 457.1.

Be notified and published.



Scott Hempling
Hearing Examiner

CERTIFICATION

I certify that the Hearing Examiner, Scott Hempling, has so established on November 5, 2025. I also certify that on November 5, 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;

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I sign this in San Juan, Puerto Rico, on November 5, 2025.




 Sonia Seda Gaztambide
 Clerk