

**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 Informative
Motion Regarding Revisions to LUMA
Ex. 14.0**

INFORMATIVE MOTION REGARDING REVISIONS TO LUMA EX. 14.0

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU, AND ITS HEARING
EXAMINER, SCOTT HEMPLING:**

COME NOW LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, "LUMA"), and respectfully state and request the following:

1. In the ordinary course of responding to ROIs and preparing for the Evidentiary Hearings, various LUMA witnesses identified clarifications, corrections, and updates to discrete portions of their July 3 pre-filed testimonies, relevant exhibits, and supporting schedules. These revisions arose from the iterative nature of the discovery process, including data refinements, correction of inadvertent errors, and alignment of testimony with information produced in response to ROIs.

2. Accordingly, on October 27, 2025, LUMA filed *LUMA's Informative Motion Regarding Revisions to Prefiled Testimony, Supporting Exhibits, and Relevant Schedules* ("October 27 Motion"), informing the Energy Bureau that revised versions of the relevant pre-filed testimonies had been uploaded to the Accion Discovery Platform.

3. One amended testimony was LUMA Exhibit 14, *Direct Testimony of Lorenzo López, Chief Communications and Stakeholder Engagement, LUMA Energy ServCo, LLC* ("Communications Testimony").

4. During preparations for the upcoming Evidentiary Hearings, LUMA determined that the Communications Testimony required additional amendments to align with Schedules 2.03 and 2.04. These changes do not alter the revenue requirement or budgets presented to the Energy Bureau in those schedules.

5. In the interest of transparency and maintaining a clear administrative record, LUMA submits a summary table outlining the revisions and corrections to the Communications Testimony for ease of reference by all stakeholders. *See* Exhibit 1. The table identifies each revision, the corresponding testimony section, and a concise description of the modification. The accompanying materials preserve the integrity of the record, avoid unnecessary duplication, and ensure the Energy Bureau has the most accurate and current information.

6. To further assist the Energy Bureau, its consultants, participants, intervenors, and the public, LUMA also provides a redlined version of the revised Communications Testimony to maintain a clear audit trail and support the orderly progression of this proceeding. *See* Exhibit 2.

7. A clean version of the revised Communications Testimony is attached as Exhibit 3 and will be uploaded to the Accion Platform forthwith. LUMA will coordinate with the administrator of the Accion Platform to substitute the attached revised Communications Testimony in place of current LUMA Ex. 14.0.

WHEREFORE, LUMA respectfully requests that the Energy Bureau and its Hearing Examiner **take notice** of the aforementioned; **accept** the redlined version of the corrected Communications Testimony and the summary table submitted herewith; and **grant** such other and further relief as deemed just and proper.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 26th day of November, 2025.

WE HEREBY CERTIFY that this Motion was filed using the electronic filing system of this Energy Bureau and that electronic copies of this Motion will be notified 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@sbgbllaw.com; Giuliano Vilanova-Feliberti, gvilanova@vvlawpr.com; Maraliz Vázquez-Marrero, m vazquez@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; p vazquez.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; alexis.ramsey@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 of Puerto Rico**, Cfl@mcvpr.com; apc@mcvpr.com; javrua@sesapr.org; mrios@arroyorioslaw.com; ccordero@arroyorioslaw.com; **Wal-Mart Puerto Rico, Inc.**, Cfl@mcvpr.com; apc@mcvpr.com; **Solar United Neighbors**, ramonluisnieves@rlnlegal.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; Gerard.Gil@ankura.com; Jorge.SanMiguel@ankura.com; Lucas.Porter@ankura.com; gerardo_cosme@solartekpr.net; jrinconlopez@guidehouse.com; kara.smith@weil.com; varoon.sachdev@whitecase.com; zack.schrieber@cwt.com; Isaac.Stevens@dechert.com; James.Moser@dechert.com; Kayla.Yoon@dechert.com; juan@londoneconomics.com; arivera@nuenergypr.com; ahopkins@synapse-energy.com.



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Jan M. Albino López
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Exhibit I
Table Outlining Corrections to Prefiled Testimony

LUMA Ex. 14.0 Direct Testimony of Lorenzo López, Chief Communications and Stakeholder Engagement, LUMA Energy ServCo, LLC

Section	Correction
Cover Page	Identified testimony as amended on November 25, 2025
Page i	Corrected amounts allocated for FY2026, FY2027 and FY2028 Optimal Budgets
Page 8, Response to Question 17	Corrected amounts increased in the FY2026 and FY2028 Optimal Budgets
Page 8, Table 1	Corrected amounts allocated for Technical and Professional Services, Corporate Communications Subtotal and Corporate Communications Total for FY2025, FY2027 and FY2028
Page 16, Response to Question 35	Corrected amounts decreased in the FY2026 and FY2028 Constrained Budget
Page 16, Table 2	Corrected amounts allocated for Technical and Professional Services, Corporate Communications Subtotal and Corporate Communications Total for FY2025, FY2027 and FY2028
Attestation page	Removed the attestation information. Mr. Lopez' attestation will be submitted separately

Exhibit 2
Redline Communications Testimony

LUMA Ex. 14.0 Direct Testimony of Lorenzo López, Chief Communications and Stakeholder Engagement, LUMA Energy ServCo, LLC

LUMA Ex. 14.00

**GOVERNMENT OF PUERTO RICO
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

Direct Testimony of

Lorenzo López

Chief of Communications and Stakeholder Engagement, LUMA Energy ServCo, LLC

June 30, 2025 as amended on October 22, 2025, and subsequently on November 25, 2025

**Summary of Prepared Direct Testimony of
LORENZO LÓPEZ
ON BEHALF OF
LUMA ENERGY LLC AND LUMA ENERGY SERVCO, LLC**

Mr. Lorenzo López is Chief of Communications and Stakeholder Engagement at LUMA Energy ServCo, LLC. The purpose of Mr. López’s prepared direct testimony in this proceeding is to provide the operations and maintenance (“O&M”) costs for the Corporate Communications Department (“Corporate Communications”) in the Optimal and Constrained Budget on behalf of LUMA Energy LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”).

Mr. López’s testimony addresses Corporate Communications’ existing and projected costs for staffing, technical and professional services, materials and supplies, transportation, per diem and mileage, and other miscellaneous costs to provide customer communications, including bill inserts, informative and educational advertising, and customer facing web content. Based on existing and projected company needs, Mr. López recommends an Optimal Budget for Corporate Communications of ~~\$13.50~~11.16 million for Fiscal Year (“FY”) 2026, ~~\$14.15~~11.81 million for FY2027, and ~~\$14.83~~12.49 million for FY2028. Mr. López’s testimony for Corporate Communications also includes a Constrained Budget, as ordered by the Energy Bureau. Mr. López explains the activities and projects that would be deferred, reduced or defunded under the Constrained Budget, and identifies the impacts of deferring or delaying those activities and projects.

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I. WITNESS AND CASE INTRODUCTION

Q.1. Please state your name, business address, title, and employer.

A. My name is Lorenzo López. My business address is LUMA Energy, PO Box 363508, San Juan, Puerto Rico 00936-3508. I am the Chief of Communications and Stakeholder Engagement for LUMA Energy ServCo, LLC.

Q.2. On whose behalf are you testifying in this proceeding?

A. My testimony is on behalf of LUMA Energy LLC and LUMA Energy ServCo, LLC which I will jointly refer to as “LUMA,” as part of the Commonwealth of Puerto Rico Energy Bureau’s (“Energy Bureau”) proceeding NEPR-AP-2023-0003, the Puerto Rico Electric Power Authority (“PREPA”) Rate Review.

Q.3. What is your educational background?

A. I graduated from Rider University in New Jersey with a Bachelor of Science in business administration.

Q.4. What is your professional experience?

A. I have over twenty (20) years of strategic communications and leadership experience. Most recently, I served as Vice President of Communications for Diageo North America, leading corporate communications, media relations, executive support, storytelling initiatives, and crisis response. I have also held senior leadership roles at Walmart and other organizations, where I gained extensive experience in public affairs, government relations, and stakeholder engagement. I joined LUMA on March 3, 2025. I oversee LUMA’s communications strategy and stakeholder engagement efforts, ensuring transparency and collaboration with media, government stakeholders, and the non-profit and business organizations that we serve.

Q.5. Have you previously testified or participated in technical conferences before the Energy Bureau?

A. No, I have not.

Q.6. Are you sponsoring any exhibits with your direct testimony?

A. Along with this testimony, I am sponsoring the cost information for the Corporate Communications Department (“Corporate Communications” or “Department”) in LUMA Ex. 2.03 (Optimal Budget Workpapers) and LUMA Ex. 2.04 (Constrained Budget Workpapers).

Q.7. Which documents did you consider for your testimony?

A. In preparation for this testimony, I reviewed the following documents:

- Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement executed by PREPA, the Puerto Rico Public-Private Partnerships Authority (“P3A”), and LUMA dated as of June 22, 2020 (“T&D OMA”)
- Order Establishing Scope and Procedures for Rate Case, Case No. NEPR-AP-2023-0003 (Feb. 12, 2025) (“February 12th Order”)

Q.8. Briefly describe the purpose of your Direct Testimony.

A. My testimony presents the operations and maintenance (“O&M”) costs for Corporate Communications in the Optimal and Constrained Budgets for FY2026 to FY2028.

Q.9. Please provide an overview of how your testimony is organized.

A. In Section II, I provide background on the Department, LUMA’s obligations as they pertain to communications, and the general importance of effective communication between the utility and customers. In Section III, I present the proposed O&M costs for the Department in the Optimal Budget. Lastly, in Section IV, I present the proposed

O&M costs for the Department in the Constrained Budget and describe the costs and activities eliminated or deferred under that budget.

II. BACKGROUND

Q.10. Please describe the functions of Corporate Communications.

A. Corporate Communications is responsible for LUMA's internal and external communications. The Department furthers LUMA's commitment to transparency and provides customers with as much information as possible, keeping in mind current operational and technological limitations. The Department also furthers LUMA's commitment to social responsibility and community engagement, by educating and protecting our communities.

The Department develops content that is important to the customer, based on what has been gathered through the Voice of the Customer tool (a tool for gaining customer feedback) and JD Power surveys, as well as on our experience of what customers and stakeholders have found beneficial. This content to be shared with customers includes information on customer rates and rate changes;¹ how to request service and where to pay electricity bills; real-time updates regarding the Transmission and Distribution System ("T&D System"), including service interruptions, system conditions, outages, energy safety and emergency responses, and customer service programs, including energy efficiency, net metering, customer battery emergency sharing, LED streetlights, electric vehicles; and anticipated projects such as significant T&D System upgrades and Advanced Metering Infrastructure ("AMI"). The Department also supports LUMA's

¹ This includes communications regarding Fuel Cost Adjustments ("FCA") and Purchase Power Cost Adjustments ("PPCA") as well as anticipated rate adjustments in anticipation of approvals herein the present rate review.

LUMA Ex. 14.00

investment in the communities in which its employees live and work, including sponsoring community and volunteer events. Corporate Communications is responsible for developing organizational-wide internal communications including email announcements, internal employee dashboards, and organized employee town halls with LUMA leadership.

Finally, the Department engages with external stakeholders. The Stakeholder Engagement team was created to engage with external stakeholders on operational issues and initiatives. These stakeholders include elected officials, local governments and communities (such as municipalities), private, professional and non-profit organizations, or other interest groups. The Stakeholder Engagement team reaches out to external groups on the T&D System and strengthens LUMA's relationships, collaboration and partnerships with stakeholder groups. Most recently, the Stakeholder Engagement team promoted the AMI program by engaging residents of Nemesio Canales public housing to educate customers and raise awareness about the benefits of the program, and engaged stakeholders on costs, as required by the February 12th Order in this rate review.²

Q.11. Please provide more information on the Department's role regarding educating and protecting communities.

A. As part of our commitment to social responsibility and community engagement, the Department is guided by three pillars focused on educating and protecting our communities: Youth Education and Wellness, Economic Development and Recovery, and Energy Stewardship. This year, we continued our *Illuminate Your Community*

² See NEPR-AP-2023-0003, Order Establishing Scope and Procedures for Rate Case, p. 6. Where, the Energy Bureau stated that recommendations about which costs and activities should be deferred in the Constrained Budget should consider, but need not be bound by, consultations with interested entities, including but not limited to the Independent Consumer Protection Office; the bondholders; government, industrial, and commercial customers; and providers of renewable energy.

LUMA Ex. 14.00

campaign, reinforcing our support for non-profits and our community pillars. We renewed our collaboration with the American Red Cross for a third year, promoting volunteerism and enhancing education and well-being. Through *LUMA in Your Community*, we donated nonperishable items across San Juan and other municipalities while raising awareness about energy efficiency. We also delivered an electrical safety talk using sign language at Colegio San Gabriel, reaching young deaf students directly.

Q.12. What platforms are used by Corporate Communications to communicate with customers?

A. The Department prepares information to be shared with customers through multiple channels, including LUMA's website and MiLUMA application, traditional media,³ newsletters, social media, and through optional SMS messaging. Corporate Communications prepares content to be shared on these channels on, among others planned upgrades, outages, service interruptions, restoration times, and billing matters. LUMA also communicates with customers through information in customer bills. Since customers review LUMA bills, it is considered an ideal way to deliver important messages directly to customers monthly. Bill inserts serve as a direct communication method, allowing us to provide personalized information, new updates, and tips on energy efficiency—ensuring visibility and relevance. These inserts are especially valuable for delivering seasonal safety messages, outage protocols, and billing changes. LUMA also conducts educational campaigns both traditional and digital, such as safety campaigns and hurricane preparedness.

Q.13. What is the importance of communicating information to customers?

³ For clarity, and as described in ROI-LUMA-AP-2023-0003-20250324-PREB-065, communications respecting LUMA are not funded by customer rates.

LUMA Ex. 14.00

A. Effective customer communication is critical to protect life and property. Without LUMA's communication with customers via multiple channels, including SMS messaging, customers may not have adequate information of when there may be service disruptions, outages, or emergencies and accordingly plan for those events. In some cases, effective communication is life or death for customers, particularly those that rely on medical devices that require stable power supplies. With the anticipated generation shortages, and in turn, potential outages as described in LUMA's recently filed Resource Adequacy Study for Summer 2025,⁴ effective communication will become even more important.

Q.14. What are the other benefits of effective communication?

A. Effective communication also has the benefit of countering any potential spread of false information and scams and engaging with customers to establish trust. Without readily accessible facts and data published expeditiously and directly from LUMA, customers and the public may be susceptible to fraud or misinformation, potentially damaging LUMA's relationship with its customers. Some examples of communication that would be helpful for customers include information on rates or even how to engage with LUMA for services. In addition, effective customer communication tools support LUMA's ability to provide reliable electric service at the lowest reasonable cost. For example, rather than calling the call center, customers can use MiLUMA to report outages, inquire about services, manage their accounts, make bill payments, find answers to frequently asked questions, or report any issues they encounter. By providing informational content

⁴ See Motion to Submit Interim Update for Summer 2025 of LUMA's Fiscal Year 2025 Resource Adequacy Study, Exhibit 1, Puerto Rico Electricity System Resource Adequacy: Interim Update for Summer 2025, filed in Case No. NEPR-MI-2022-0002, on March 24, 2025.

for customers to access on MiLUMA, as well as LUMA's website and social media, LUMA may reduce the volume of calls to the call center about an outage or repair because customers are already aware and do not need to report or inquire. This improves wait times for other customers and helps ensure that call center representatives can assist customers with other inquiries, improving overall customer service and responsiveness.

Q.15. Why does Corporate Communications use traditional media for customer outreach?

A. Corporate Communications uses traditional media, such as radio and print outlets, to reach customers that prefer receiving or consuming information on these popular channels. We also consider that many of our customers do not have or lack access to the internet or social media. These customer populations often include elderly and disadvantaged populations, which could be more reliant on notifications of service disruptions or emergencies.

Q.16. Is Corporate Communications' role required by the T&D OMA?

A. Yes. Corporate Communications directly supports LUMA's compliance with the T&D OMA. Section 13.1(g)(ii) of the T&D OMA provides that LUMA "shall have direct responsibility for media and other public communications on all utility related matters."⁵ Section IV of Annex I of the T&D OMA sets forth LUMA's obligations for communications, including media, the community and customers on all T&D utility-related matters.⁶ Specifically, Sections IV(D) and (E) of Annex I state that LUMA is responsible for "achieving a high level of customer satisfaction," "maintaining customer contact," "maintaining and overseeing a customer online and mobile website, mobile

⁵ See T&D OMA, Section 13.1(g)(ii), at 114.

⁶ See T&D OMA, Annex I, Section IV, at I-5-I-7.

LUMA Ex. 14.00

applications, including iPhone and Android, and other electronic media,” “customer care and institutional communications,” and “developing and maintaining customer education programs for customer programs.”⁷

III. OPTIMAL BUDGET

Q.17. Describe the requested Optimal Budget for Corporate Communications.

A. Corporate Communications requests an O&M budget of ~~\$13.50~~\$11.16 million for FY2026, increasing to ~~\$14.83~~\$12.49 million in FY2028. The FY2026 budget is approximately ~~\$5.05~~\$2.71 million more than the FY2025 budget. Table 1 provides a detailed breakdown of the Department’s FY2025 budget and requested budgets for FY2026 to FY2028. This cost information is also included in LUMA Ex. 2.03, in the tab titled, “Support Services,” and in the columns titled, “Corp Services - Communications.”

Table 1. Summary of Corporate Communications Business Plan FY2026 to FY2028								
	FY2025 Approved Amount (\$MM)		FY2026 Amount Required (\$MM)		FY2027 Amount Required (\$MM)		FY2028 Amount Required (\$MM)	
Program/Activity	O&M	NFC	O&M	NFC	O&M	NFC	O&M	NFC
Staffing	\$1.34	-	\$2.84	-	\$2.95	-	\$3.07	-
Materials and Supplies	\$0.22	-	\$0.20	-	\$0.21	-	\$0.22	-
Transportation, Per Diem, and Mileage	\$0.05	-	\$0.10	-	\$0.11	-	\$0.11	-
Technical and Professional Services	\$5.73	-	\$5.83 49	-	\$6.27 93	-	\$6.74 40	-
Miscellaneous Expense	\$1.12	-	\$1.54 53	-	\$1.61	-	\$1.69	-
CORPORATE COMMUNICATIONS SUBTOTAL	\$8.45	-	\$10.50 11 16	-	\$11.15 81	-	\$11.83 12 49	-
CORPORATE COMMUNICATIONS TOTAL	\$8.45		\$10.50 11 16		\$11.15 81		\$11.83 12 49	
Note: Technical and Professional Services includes IT Service Agreements and Professional & Technical Services Miscellaneous expenses includes Communications Expenses and Misc. Expenses								

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Q.18. What methodology did the Department use to determine the requested O&M?

A. Like all LUMA departments, Corporate Communications prepared the O&M budget using a bottom-up approach. Corporate Communications first identified its existing costs that would allow the Department to maintain its customer communications, including the

⁷ *Id.*, Section IV(D) and (E), at I-6-I-7.

LUMA Ex. 14.00

Department's current staff and the costs for staff to perform their duties, such as IT applications and transportation. Then, the Department assessed LUMA's upcoming communication needs,⁸ evaluated LUMA's upcoming programs and projects, as well as customer input on the information that customers wanted to see and would find helpful. Some of these needs include bill inserts, seasonal campaigns and hurricane readiness.

Q.19. What costs are included in staffing?

A. Staffing costs include compensation for Corporate Communications' seventeen (17) FTE positions and five (5) planned hires in FY2026. Staffing costs include base salaries, fringe benefits and bonuses.

Q.20. Please briefly describe Corporate Communication and Stakeholder Engagements' current staff.

A. The current staff consists of seventeen (17) FTE positions. We have: one (1) Chief Communications and Stakeholder Engagement Officer, one (1) director of media and brand strategy, four (4) communications specialists, one (1) media relations specialist (vacant), one (1) manager of internal and external communications, two (2) translators (1 vacant), one (1) director of brand and community engagement, two (2) graphic designers, one (1) manager of community engagement, one (1) director of external affairs, one (1) manager of stakeholders, and one (1) analyst of stakeholders.

Q.21. Are you aware of how does the Department's size compares to other utilities?

A. Yes. Based on research data available to me, some utilities in the East Coast of the United States have teams of fifteen (15) employees solely dedicated to *social media support and management*. Currently, my Department manages internal and external communications,

⁸ For example, it is reasonably expected that this rate review will generate a lot of news reports and stories about LUMA in the media that LUMA expects it will either need to comment on or issue a statement if LUMA was not contacted.

community and media relations as well as educational and informational campaigns with 17 employees.

Q.22. What role will the additional hires for FY2026 serve?

A. Corporate Communications plans to hire one (1) media relations director, one (1) internal communications director, two (2) media relations managers and one (1) manager to support external communications. Like other departments, as LUMA takes on more significant projects in the coming years, the Corporate Communications Department will need to grow to proactively communicate with customers and develop communication materials regarding large scale construction or replacement projects, including deploying transformers and circuit breakers, transmission pole replacements, and rebuilding transmission lines. The Department would also benefit from these additional employees to create “bench strength.” Currently, when LUMA’s Emergency Operations Center (“LEOC”) is activated, one or more of my directors are activated, which is appropriate given the need for effective communications during an emergency. Without additional hires, however, additional stress and strain will be placed on the rest of the team when it comes to day-to-day operations of the Department during the LEOC activation.

Q.23. Why is the Department hiring an internal communications director?

A. The Department is hiring an Internal Communications Director to address a critical gap in ensuring consistent, effective communication across the organization. As the company navigates operational and cultural transformation, this role will help align employees with key initiatives, improve engagement, and support the successful execution of strategic priorities. Without this position, the company risks inconsistent messaging, reduced morale, and lower adoption of essential programs—ultimately impacting performance and service delivery.

Q.24. Why is the Department hiring one external communications manager?

A. The Department's decision to hire an External Communications Manager is driven by the need to enhance its media interactions and ensure clear, timely communication across all organizational levels. This role is crucial for developing and executing integrated communication plans, creating content for social media and digital platforms, and managing media inquiries to mitigate potential reputational risks. By fostering positive relationships with media and community partners, the manager will enhance the company's public image and transparency. This proactive communication strategy benefits customers by keeping them informed about system improvements, key initiatives, and critical updates, ultimately fostering trust and engagement with the utility provider.

Q.25. Why is the Department hiring two media relations managers?

A. The Department's decision to hire two (2) media relations managers is driven by the need to enhance its communication capabilities and ensure effective media engagement, which ultimately benefits customers. These managers will coordinate media interactions, develop integrated communication plans, and establish relationships with media outlets to ensure timely and accurate information dissemination. By managing media inquiries and crafting strategic messaging, they will help maintain the company's public image and mitigate reputational risks. This proactive approach in media relations ensures that customers receive clear, consistent, and transparent information, especially during crises or major initiatives, thereby fostering trust and confidence in the utility's operations and services.

Q.26. Why is the Department hiring one media relations director?

LUMA Ex. 14.00

238 A. The Department is hiring a Media Relations director to enhance communication
239 strategies and manage media relationships, benefiting both the company and its
240 customers. The role is essential for developing and implementing communication plans,
241 handling rapid response and crisis communications, and engaging with media outlets and
242 stakeholders. This position supports internal communication efforts, oversees media
243 campaigns, and collaborates on community and regulatory events, ensuring effective
244 public engagement and that technical concepts are communicated in simple, everyday
245 language. Generally, I am looking to hire a more senior level employees with more
246 experience to deal with the complexities⁹ of Puerto Rico and customers' expectations.
247 Where possible, I am looking for people who come from regulated industries such as
248 banking, telecommunications etc.

249 **Q.27. What types of costs are included in Technical and Professional Services?**

250 A. Technical and Professional Services includes external consultant costs for website design
251 services, paid media to provide information to customers and the public, and
252 communication consultants to design and implement a communication strategy that raises
253 awareness and educates customers and stakeholders communities about LUMA's tools
254 and resources, energy efficiency, safety, and hurricane preparedness. Stakeholders could
255 include, among others, government agencies and collaborators and non-profit
256 organizations to support our customers. External consultants add additional capabilities to
257 support LUMA in communicating to customers important information related to the
258 utility, the T&D System, and rates, in a clear and informative manner. This external

⁹ Where complexities refer to the degraded state of the electrical system, the interaction between three system operators and interplay with government and other stakeholders (i.e., FOMB, P3A, PREB, COR3 etc.)

LUMA Ex. 14.00

resource helps ensure we are incorporating industry best practices when communicating with customers and other important stakeholders. Additionally, IT Service Agreements are also included in Technical and Professional Services.

Q.28. How did Corporate Communications project Technical and Professional Services?

A. The estimated Technical and Professional Service costs are based on historical costs and competitive processes for selecting Technical and Professional Services.

Q.29. Why does Corporate Communications need external consultants?

A. Specialized support for communications and crisis management is needed to continue improving public messaging efforts. Engaging external consultants provides our team with critical additional bandwidth to effectively manage the high volume of requests we receive from the media,¹⁰ as well as from both internal and external stakeholders. This allows us to maintain a high standard of responsiveness and quality in our communications. Furthermore, consultants offer an outside perspective that helps us stay informed on emerging strategies, tools, and best practices. Their expertise ensures that we are aligned with industry standards and consistently operate at a level of excellence. While these external consultants provide valuable insights and feedback, we anticipate a decrease in the scope of external consultants as the Corporate Communications Department will be able to perform some of their current duties, including customer newsletters. We expect to see this starting in FY2027.

¹⁰ In my estimate, LUMA is the subject of between ten (10) and fifty (50) stories a week. Some reports contact LUMA for comment and some don't. If the latter, LUMA will often need to put out its own statement.

Q.30. How will customers benefit from the added Technical and Professional Services?

A. The added Technical and Professional Services will ensure that relevant and timely information is available to educate all customer sectors, including residential, industrial, commercial, and government customers. By expanding the team's capabilities with external resources, LUMA will be able to support educational and informational campaigns on specific projects including AMI, vegetation clearing and emergency response efforts. External vendors allow LUMA the short-term flexibility of scaling or reducing the number of individuals if needed. Given the need to communicate, this allows LUMA to increase resources to provide a more agile response to customers' needs during major events, emergencies requiring customer awareness, the availability of public information and timely responses to media inquiries as well as improved communications for stakeholders, including mayors, central government, agencies and key customer groups through tailored messages following industry standards.

Q.31. What types of costs are included in Materials and Supplies?

A. Materials and Supplies include the costs for generic office supplies and equipment. The Department estimated Materials and Supplies based on experience and current vendor prices.

Q.32. Please describe the costs included in Miscellaneous Expense.

A. Miscellaneous Expense includes specialized materials for specific projects, events or initiatives that do not fit within any other category of the budget but are nonetheless needed for the continuation of services by the Department. For example, field visits to capture (e.g., photographs) of the work that is happening to report to customers – and any interested stakeholder – on the improvements LUMA is making to the electrical system. This is especially important when reaching more remote or small communities across the

LUMA Ex. 14.00

island where customers do not have or lack internet access. LUMA also envisions reaching these customers by conducting community outreach events. Photographs or other content may also be used by the Capital Programs department (for example, for future recruiting). All of these specialized materials for specific projects support LUMA's goal of communicating with customers and communities. The Department estimated Miscellaneous Expense costs based on historical vendor pricing. LUMA expects historical vendor pricing to increase by at least 5% in FY2026.

Q.33. Are Corporate Communication's O&M costs in the Optimal Budget consistent with just and reasonable performance and that of a prudently performing operator? Please explain.

A. Yes. The O&M costs for Corporate Communications are necessary to fulfill LUMA's obligations under the T&D OMA including, "achieving a high level of customer satisfaction," "maintaining customer contact," "maintaining and overseeing a customer online and mobile website, mobile applications, including iPhone and Android, and other electronic media," "customer care and institutional communications," and "developing and maintaining customer education programs for customer programs."¹¹ Timeliness, frequency and cadence of communications determine how customers can react and adapt to emergencies or outage events.

Q.34. Are the Department's O&M costs in the Optimal Budget avoidable?

A. The February 12th Order defines avoidable costs as costs that are "to-be-incurred."¹² Corporate Communications has not incurred costs for its planned hires and the costs to support those planned hires in their duties or the technical and professional services for

¹¹ See T&D OMA, Annex I, Section IV (D) and (E), at I-6-I-7.

¹² Order Establishing Scope and Procedures for Rate Case, Case No. NEPR-AP-2023-0003, at 10 (Feb. 12, 2025).

LUMA Ex. 14.00

additional projects. However, an RFP process has been completed for external consultants to support or advise on LUMA's communications strategy that is budgeted for FY2026, and the plan is for those consultants to start supporting in July 2025.

IV. CONSTRAINED BUDGET

Q.35. Please describe Corporate Communication's proposed O&M costs under the Constrained Budget.

A. The Constrained Budget reduces the Department's total budget by approximately \$4,921.41 million in FY2026, \$5,141.63 million in FY2027, and \$5,371.86 million in FY2028. Table 2 below shows a summary of the Constrained Budget based on cost category and fiscal year. This cost information is also included in LUMA Ex. 2.04, in the tab titled, "Support Services," and in the columns titled, "Corp Services - Communications."

Table 2. Summary of Constrained Corporate Communications Business Plan FY2026 to FY28								
Program/Activity	FY2025 Approved Amount (\$MM)		FY2026 Amount Required (\$MM)		FY2027 Amount Required (\$MM)		FY2028 Amount Required (\$MM)	
	O&M	NFC	O&M	NFC	O&M	NFC	O&M	NFC
Staffing	\$1.34	-	\$2.83	-	\$2.97	-	\$3.12	-
Materials and Supplies	\$0.22	-	\$0.08	-	\$0.08	-	\$0.08	-
Transportation, Per Diem, and Mileage	\$0.05	-	\$0.06	-	\$0.06	-	\$0.06	-
Technical and Professional Services	\$5.73	-	\$4,095.26	-	\$4,295.46	-	\$4,505.67	-
Miscellaneous Expense	\$1.11	-	\$1.53	-	\$1.61	-	\$1.69	-
CORPORATE COMMUNICATIONS SUBTOTAL	\$8.45	-	\$5,589.75	-	\$6,041.018	-	\$6,461.0.63	-
CORPORATE COMMUNICATIONS TOTAL	\$8.45		\$5,589.75		\$6,041.018		\$6,461.0.63	

Note: Technical and Professional Services includes IT Service Agreements and Professional & Technical Services
Miscellaneous expenses includes Communications Expenses and Misc. Expenses

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Q.36. How did the Department prepare the Constrained Budget?

A. The Communications Department followed a structured, bottom-up approach to prepare the FY26 Constrained Budget. The Department reviewed all incremental initiatives and existing expenses to prioritize and remove initiatives that could be deferred. For the

projection years, the Department applied a percentage increase that was standard for all LUMA departments.

Q.37. What costs or activities are eliminated or deferred under the Constrained Budget?

A. Under the Constrained Budget, Corporate Communications would organize fewer community events and traditional media campaigns. This results in fewer materials and supplies costs, and lower transportation, per diem and mileage costs. One of these community events that may need to be done on a smaller scale is the active yearly agreement with the Puerto Rico Department of Education to provide recurring public safety workshops for grade school children. These workshops include specific educational materials and activities that promote awareness and a proper understanding of what to do around fallen electric lines in or around their homes, schools or neighborhood. Corporate Communications would also have less budget available for printing, and in some cases, would only be able to print on one side of informational materials enclosed with bills, potentially reducing the amount of information for customers who obtain their information through non-digital means. Additionally, Salaries under the constrained budget will have a smaller increase year over year than in the optimal. Finally, the use of external consultants was dramatically reduced under the Constrained Budget.

Q.38. What customer benefits would not be gained if those activities are not funded?

A. If the Department's budget for community events, traditional media, and printing is reduced under the Constrained Budget, there is the potential for customers to be less informed of customer programs and upcoming projects. For example, programs promoted through community events, informational materials enclosed with bills, and other printed materials include important information regarding energy efficiency programs that not

LUMA Ex. 14.00

only help customers save money on their bills but also promote behavioral load shaping messaging. This commonly used industry practice allows customers that do not engage through digital devices or the internet, due to geographical, infrastructure or physical limitations, to benefit from these programs. Furthermore, community events and materials help spread information on special rates, payment plans and financial assistance as was the case with the Low-Income Home Energy Assistance Program (“LIHEAP”) and other support programs promoted by LUMA. Reducing funding for community events will also affect the extent that LUMA is able to perform duties required by the T&D OMA, including educating customers on emergency preparedness, public safety around electricity and customer programs in schools, community gatherings and events.

Q.39. If the Constrained Budget is approved, will the Department meet its contractual and legal duties?

A. Yes.

Q.40. Please explain.

A. Under the Constrained Budget, Corporate Communications will continue to fulfill LUMA’s obligations under the T&D OMA, including having “direct responsibility for media and other public communications on all utility related matters”¹³ and “maintaining customer contact,” “maintaining and overseeing a customer online and mobile website, mobile applications, including iPhone and Android, and other electronic media,” “customer care and institutional communications,” and “developing and maintaining customer education programs for customer programs.”¹⁴

¹³ See T&D OMA, Section 13.1(g)(ii), at 114.

¹⁴ See T&D OMA, Annex I, Section IV(D) and (E), at I-6-I-7.

385 **Q.41. What would be the impact if the Constrained Budget for the Department is**
386 **reduced?**

387 A. If the Energy Bureau approves a final budget that is less than the Constrained Budget, the
388 Department will have less resources to inform customers of customer programs and
389 LUMA projects. Specifically, a reduced budget for external consultants impairs LUMA's
390 flexibility to instantly scale up resources if a situation demands it. This could result in
391 increased risk of employee burnout and/or turnover from longer hours and more pressure
392 (especially during emergency situations) and/or insufficient information being provided
393 to customers or other stakeholders.

394 **Q.42. Does this complete your testimony?**

395 A. Yes.

ATTESTATION

~~Affiant, Lorenzo López, being first duly sworn, states the following:~~

The prepared Direct Testimony, and the cost information for the Corporate Communications Department in LUMA Ex. 2.03 and LUMA Ex. 2.04, constitute my direct testimony in the above-styled case before the Puerto Rico Energy Bureau. I would give the answers set forth in the Direct Testimony if asked the questions that are included in the Direct Testimony. I further state that the facts and statements provided herein are my Direct Testimony and to the best of my knowledge are true and correct.

Lorenzo López

Affidavit No. _____

~~Acknowledged and subscribed before me by Lorenzo López, in his capacity as Chief of Communications and Stakeholder Engagement of LUMA Energy ServCo, LLC, of legal age, married, and resident of San Juan, Puerto Rico, who has been identified by means of his driver's license/U.S. Passport with registration number _____,~~

~~In San Juan, Puerto Rico, this 22nd day of October 2025.~~

~~Notary Public~~

TO BE SUBMITTED SEPARATELY

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Exhibit 3
Clean Communications Testimony

LUMA Ex. 14.0 Direct Testimony of Lorenzo López, Chief Communications and Stakeholder Engagement, LUMA Energy ServCo, LLC

**GOVERNMENT OF PUERTO RICO
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

Direct Testimony of

Lorenzo López

Chief of Communications and Stakeholder Engagement, LUMA Energy ServCo, LLC

June 30, 2025 as amended on October 22, 2025, and subsequently on November 25, 2025

**Summary of Prepared Direct Testimony of
LORENZO LÓPEZ
ON BEHALF OF
LUMA ENERGY LLC AND LUMA ENERGY SERVCO, LLC**

Mr. Lorenzo López is Chief of Communications and Stakeholder Engagement at LUMA Energy ServCo, LLC. The purpose of Mr. López’s prepared direct testimony in this proceeding is to provide the operations and maintenance (“O&M”) costs for the Corporate Communications Department (“Corporate Communications”) in the Optimal and Constrained Budget on behalf of LUMA Energy LLC and LUMA Energy ServCo, LLC (collectively, “LUMA”).

Mr. López’s testimony addresses Corporate Communications’ existing and projected costs for staffing, technical and professional services, materials and supplies, transportation, per diem and mileage, and other miscellaneous costs to provide customer communications, including bill inserts, informative and educational advertising, and customer facing web content. Based on existing and projected company needs, Mr. López recommends an Optimal Budget for Corporate Communications of \$11.16 million for Fiscal Year (“FY”) 2026, \$11.81 million for FY2027, and \$12.49 million for FY2028. Mr. López’s testimony for Corporate Communications also includes a Constrained Budget, as ordered by the Energy Bureau. Mr. López explains the activities and projects that would be deferred, reduced or defunded under the Constrained Budget, and identifies the impacts of deferring or delaying those activities and projects.

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I. WITNESS AND CASE INTRODUCTION

Q.1. Please state your name, business address, title, and employer.

A. My name is Lorenzo López. My business address is LUMA Energy, PO Box 363508, San Juan, Puerto Rico 00936-3508. I am the Chief of Communications and Stakeholder Engagement for LUMA Energy ServCo, LLC.

Q.2. On whose behalf are you testifying in this proceeding?

A. My testimony is on behalf of LUMA Energy LLC and LUMA Energy ServCo, LLC which I will jointly refer to as “LUMA,” as part of the Commonwealth of Puerto Rico Energy Bureau’s (“Energy Bureau”) proceeding NEPR-AP-2023-0003, the Puerto Rico Electric Power Authority (“PREPA”) Rate Review.

Q.3. What is your educational background?

A. I graduated from Rider University in New Jersey with a Bachelor of Science in business administration.

Q.4. What is your professional experience?

A. I have over twenty (20) years of strategic communications and leadership experience. Most recently, I served as Vice President of Communications for Diageo North America, leading corporate communications, media relations, executive support, storytelling initiatives, and crisis response. I have also held senior leadership roles at Walmart and other organizations, where I gained extensive experience in public affairs, government relations, and stakeholder engagement. I joined LUMA on March 3, 2025. I oversee LUMA’s communications strategy and stakeholder engagement efforts, ensuring transparency and collaboration with media, government stakeholders, and the non-profit and business organizations that we serve.

Q.5. Have you previously testified or participated in technical conferences before the Energy Bureau?

A. No, I have not.

Q.6. Are you sponsoring any exhibits with your direct testimony?

A. Along with this testimony, I am sponsoring the cost information for the Corporate Communications Department (“Corporate Communications” or “Department”) in LUMA Ex. 2.03 (Optimal Budget Workpapers) and LUMA Ex. 2.04 (Constrained Budget Workpapers).

Q.7. Which documents did you consider for your testimony?

A. In preparation for this testimony, I reviewed the following documents:

- Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement executed by PREPA, the Puerto Rico Public-Private Partnerships Authority (“P3A”), and LUMA dated as of June 22, 2020 (“T&D OMA”)
- Order Establishing Scope and Procedures for Rate Case, Case No. NEPR-AP-2023-0003 (Feb. 12, 2025) (“February 12th Order”)

Q.8. Briefly describe the purpose of your Direct Testimony.

A. My testimony presents the operations and maintenance (“O&M”) costs for Corporate Communications in the Optimal and Constrained Budgets for FY2026 to FY2028.

Q.9. Please provide an overview of how your testimony is organized.

A. In Section II, I provide background on the Department, LUMA’s obligations as they pertain to communications, and the general importance of effective communication between the utility and customers. In Section III, I present the proposed O&M costs for the Department in the Optimal Budget. Lastly, in Section IV, I present the proposed

O&M costs for the Department in the Constrained Budget and describe the costs and activities eliminated or deferred under that budget.

II. BACKGROUND

Q.10. Please describe the functions of Corporate Communications.

A. Corporate Communications is responsible for LUMA’s internal and external communications. The Department furthers LUMA’s commitment to transparency and provides customers with as much information as possible, keeping in mind current operational and technological limitations. The Department also furthers LUMA’s commitment to social responsibility and community engagement, by educating and protecting our communities.

The Department develops content that is important to the customer, based on what has been gathered through the Voice of the Customer tool (a tool for gaining customer feedback) and JD Power surveys, as well as on our experience of what customers and stakeholders have found beneficial. This content to be shared with costumers includes information on customer rates and rate changes;¹ how to request service and where to pay electricity bills; real-time updates regarding the Transmission and Distribution System (“T&D System”), including service interruptions, system conditions, outages, energy safety and emergency responses, and customer service programs, including energy efficiency, net metering, customer battery emergency sharing, LED streetlights, electric vehicles; and anticipated projects such as significant T&D System upgrades and Advanced Metering Infrastructure (“AMI”). The Department also supports LUMA’s

¹ This includes communications regarding Fuel Cost Adjustments (“FCA”) and Purchase Power Cost Adjustments (“PPCA”) as well as anticipated rate adjustments in anticipation of approvals herein the present rate review.

investment in the communities in which its employees live and work, including sponsoring community and volunteer events. Corporate Communications is responsible for developing organizational-wide internal communications including email announcements, internal employee dashboards, and organized employee town halls with LUMA leadership.

Finally, the Department engages with external stakeholders. The Stakeholder Engagement team was created to engage with external stakeholders on operational issues and initiatives. These stakeholders include elected officials, local governments and communities (such as municipalities), private, professional and non-profit organizations, or other interest groups. The Stakeholder Engagement team reaches out to external groups on the T&D System and strengthens LUMA's relationships, collaboration and partnerships with stakeholder groups. Most recently, the Stakeholder Engagement team promoted the AMI program by engaging residents of Nemesio Canales public housing to educate customers and raise awareness about the benefits of the program, and engaged stakeholders on costs, as required by the February 12th Order in this rate review.²

Q.11. Please provide more information on the Department's role regarding educating and protecting communities.

A. As part of our commitment to social responsibility and community engagement, the Department is guided by three pillars focused on educating and protecting our communities: Youth Education and Wellness, Economic Development and Recovery, and Energy Stewardship. This year, we continued our *Illuminate Your Community*

² See NEPR-AP-2023-0003, Order Establishing Scope and Procedures for Rate Case, p. 6. Where, the Energy Bureau stated that recommendations about which costs and activities should be deferred in the Constrained Budget should consider, but need not be bound by, consultations with interested entities, including but not limited to the Independent Consumer Protection Office; the bondholders; government, industrial, and commercial customers; and providers of renewable energy.

campaign, reinforcing our support for non-profits and our community pillars. We renewed our collaboration with the American Red Cross for a third year, promoting volunteerism and enhancing education and well-being. Through *LUMA in Your Community*, we donated nonperishable items across San Juan and other municipalities while raising awareness about energy efficiency. We also delivered an electrical safety talk using sign language at Colegio San Gabriel, reaching young deaf students directly.

Q.12. What platforms are used by Corporate Communications to communicate with customers?

A. The Department prepares information to be shared with customers through multiple channels, including LUMA’s website and MiLUMA application, traditional media,³ newsletters, social media, and through optional SMS messaging. Corporate Communications prepares content to be shared on these channels on, among others planned upgrades, outages, service interruptions, restoration times, and billing matters. LUMA also communicates with customers through information in customer bills. Since customers review LUMA bills, it is considered an ideal way to deliver important messages directly to customers monthly. Bill inserts serve as a direct communication method, allowing us to provide personalized information, new updates, and tips on energy efficiency—ensuring visibility and relevance. These inserts are especially valuable for delivering seasonal safety messages, outage protocols, and billing changes. LUMA also conducts educational campaigns both traditional and digital, such as safety campaigns and hurricane preparedness.

Q.13. What is the importance of communicating information to customers?

³ For clarity, and as described in ROI-LUMA-AP-2023-0003-20250324-PREB-065, communications respecting LUMA are not funded by customer rates.

A. Effective customer communication is critical to protect life and property. Without LUMA's communication with customers via multiple channels, including SMS messaging, customers may not have adequate information of when there may be service disruptions, outages, or emergencies and accordingly plan for those events. In some cases, effective communication is life or death for customers, particularly those that rely on medical devices that require stable power supplies. With the anticipated generation shortages, and in turn, potential outages as described in LUMA's recently filed Resource Adequacy Study for Summer 2025,⁴ effective communication will become even more important.

Q.14. What are the other benefits of effective communication?

A. Effective communication also has the benefit of countering any potential spread of false information and scams and engaging with customers to establish trust. Without readily accessible facts and data published expeditiously and directly from LUMA, customers and the public may be susceptible to fraud or misinformation, potentially damaging LUMA's relationship with its customers. Some examples of communication that would be helpful for customers include information on rates or even how to engage with LUMA for services. In addition, effective customer communication tools support LUMA's ability to provide reliable electric service at the lowest reasonable cost. For example, rather than calling the call center, customers can use MiLUMA to report outages, inquire about services, manage their accounts, make bill payments, find answers to frequently asked questions, or report any issues they encounter. By providing informational content

⁴ See Motion to Submit Interim Update for Summer 2025 of LUMA's Fiscal Year 2025 Resource Adequacy Study, Exhibit 1, Puerto Rico Electricity System Resource Adequacy: Interim Update for Summer 2025, filed in Case No. NEPR-MI-2022-0002, on March 24, 2025.

for customers to access on MiLUMA, as well as LUMA’s website and social media, LUMA may reduce the volume of calls to the call center about an outage or repair because customers are already aware and do not need to report or inquire. This improves wait times for other customers and helps ensure that call center representatives can assist customers with other inquiries, improving overall customer service and responsiveness.

Q.15. Why does Corporate Communications use traditional media for customer outreach?

A. Corporate Communications uses traditional media, such as radio and print outlets, to reach customers that prefer receiving or consuming information on these popular channels. We also consider that many of our customers do not have or lack access to the internet or social media. These customer populations often include elderly and disadvantaged populations, which could be more reliant on notifications of service disruptions or emergencies.

Q.16. Is Corporate Communications’ role required by the T&D OMA?

A. Yes. Corporate Communications directly supports LUMA’s compliance with the T&D OMA. Section 13.1(g)(ii) of the T&D OMA provides that LUMA “shall have direct responsibility for media and other public communications on all utility related matters.”⁵ Section IV of Annex I of the T&D OMA sets forth LUMA’s obligations for communications, including media, the community and customers on all T&D utility-related matters.⁶ Specifically, Sections IV(D) and (E) of Annex I state that LUMA is responsible for “achieving a high level of customer satisfaction,” “maintaining customer contact,” “maintaining and overseeing a customer online and mobile website, mobile

⁵ See T&D OMA, Section 13.1(g)(ii), at 114.

⁶ See T&D OMA, Annex I, Section IV, at I-5-I-7.

applications, including iPhone and Android, and other electronic media,” “customer care and institutional communications,” and “developing and maintaining customer education programs for customer programs.”⁷

III. OPTIMAL BUDGET

Q.17. Describe the requested Optimal Budget for Corporate Communications.

A. Corporate Communications requests an O&M budget of \$11.16 million for FY2026, increasing to \$12.49 million in FY2028. The FY2026 budget is approximately \$2.71 million more than the FY2025 budget. Table 1 provides a detailed breakdown of the Department’s FY2025 budget and requested budgets for FY2026 to FY2028. This cost information is also included in LUMA Ex. 2.03, in the tab titled, “Support Services,” and in the columns titled, “Corp Services - Communications.”

Table 1. Summary of Corporate Communications Business Plan FY2026 to FY2028								
	FY2025 Approved Amount (\$MM)		FY2026 Amount Required (\$MM)		FY2027 Amount Required (\$MM)		FY2028 Amount Required (\$MM)	
Program/Activity	O&M	NFC	O&M	NFC	O&M	NFC	O&M	NFC
Staffing	\$1.34	-	\$2.84	-	\$2.95	-	\$3.07	-
Materials and Supplies	\$0.22	-	\$0.20	-	\$0.21	-	\$0.22	-
Transportation, Per Diem, and Mileage	\$0.05	-	\$0.10	-	\$0.11	-	\$0.11	-
Technical and Professional Services	\$5.73	-	\$6.49	-	\$6.93	-	\$7.40	-
Miscellaneous Expense	\$1.12	-	\$1.53	-	\$1.61	-	\$1.69	-
CORPORATE COMMUNICATIONS SUBTOTAL	\$8.45	-	\$11.16	-	\$11.81	-	\$12.49	-
CORPORATE COMMUNICATIONS TOTAL	\$8.45		\$11.16		\$11.81		\$12.49	
Note: Technical and Professional Services includes IT Service Agreements and Professional & Technical Services Miscellaneous expenses includes Communications Expenses and Misc. Expenses								

Q.18. What methodology did the Department use to determine the requested O&M?

A. Like all LUMA departments, Corporate Communications prepared the O&M budget using a bottom-up approach. Corporate Communications first identified its existing costs that would allow the Department to maintain its customer communications, including the

⁷ *Id.*, Section IV(D) and (E), at I-6-I-7.

Department's current staff and the costs for staff to perform their duties, such as IT applications and transportation. Then, the Department assessed LUMA's upcoming communication needs,⁸ evaluated LUMA's upcoming programs and projects, as well as customer input on the information that customers wanted to see and would find helpful. Some of these needs include bill inserts, seasonal campaigns and hurricane readiness.

Q.19. What costs are included in staffing?

A. Staffing costs include compensation for Corporate Communications' seventeen (17) FTE positions and five (5) planned hires in FY2026. Staffing costs include base salaries, fringe benefits and bonuses.

Q.20. Please briefly describe Corporate Communication and Stakeholder Engagements' current staff.

A. The current staff consists of seventeen (17) FTE positions. We have: one (1) Chief Communications and Stakeholder Engagement Officer, one (1) director of media and brand strategy, four (4) communications specialists, one (1) media relations specialist (vacant), one (1) manager of internal and external communications, two (2) translators (1 vacant), one (1) director of brand and community engagement, two (2) graphic designers, one (1) manager of community engagement, one (1) director of external affairs, one (1) manager of stakeholders, and one (1) analyst of stakeholders.

Q.21. Are you aware of how does the Department's size compares to other utilities?

A. Yes. Based on research data available to me, some utilities in the East Coast of the United States have teams of fifteen (15) employees solely dedicated to *social media support and management*. Currently, my Department manages internal and external communications,

⁸ For example, it is reasonably expected that this rate review will generate a lot of news reports and stories about LUMA in the media that LUMA expects it will either need to comment on or issue a statement if LUMA was not contacted.

community and media relations as well as educational and informational campaigns with 17 employees.

Q.22. What role will the additional hires for FY2026 serve?

A. Corporate Communications plans to hire one (1) media relations director, one (1) internal communications director, two (2) media relations managers and one (1) manager to support external communications. Like other departments, as LUMA takes on more significant projects in the coming years, the Corporate Communications Department will need to grow to proactively communicate with customers and develop communication materials regarding large scale construction or replacement projects, including deploying transformers and circuit breakers, transmission pole replacements, and rebuilding transmission lines. The Department would also benefit from these additional employees to create “bench strength.” Currently, when LUMA’s Emergency Operations Center (“LEOC”) is activated, one or more of my directors are activated, which is appropriate given the need for effective communications during an emergency. Without additional hires, however, additional stress and strain will be placed on the rest of the team when it comes to day-to-day operations of the Department during the LEOC activation.

Q.23. Why is the Department hiring an internal communications director?

A. The Department is hiring an Internal Communications Director to address a critical gap in ensuring consistent, effective communication across the organization. As the company navigates operational and cultural transformation, this role will help align employees with key initiatives, improve engagement, and support the successful execution of strategic priorities. Without this position, the company risks inconsistent messaging, reduced morale, and lower adoption of essential programs—ultimately impacting performance and service delivery.

Q.24. Why is the Department hiring one external communications manager?

A. The Department's decision to hire an External Communications Manager is driven by the need to enhance its media interactions and ensure clear, timely communication across all organizational levels. This role is crucial for developing and executing integrated communication plans, creating content for social media and digital platforms, and managing media inquiries to mitigate potential reputational risks. By fostering positive relationships with media and community partners, the manager will enhance the company's public image and transparency. This proactive communication strategy benefits customers by keeping them informed about system improvements, key initiatives, and critical updates, ultimately fostering trust and engagement with the utility provider.

Q.25. Why is the Department hiring two media relations managers?

A. The Department's decision to hire two (2) media relations managers is driven by the need to enhance its communication capabilities and ensure effective media engagement, which ultimately benefits customers. These managers will coordinate media interactions, develop integrated communication plans, and establish relationships with media outlets to ensure timely and accurate information dissemination. By managing media inquiries and crafting strategic messaging, they will help maintain the company's public image and mitigate reputational risks. This proactive approach in media relations ensures that customers receive clear, consistent, and transparent information, especially during crises or major initiatives, thereby fostering trust and confidence in the utility's operations and services.

Q.26. Why is the Department hiring one media relations director?

A. The Department is hiring a Media Relations director to enhance communication strategies and manage media relationships, benefiting both the company and its customers. The role is essential for developing and implementing communication plans, handling rapid response and crisis communications, and engaging with media outlets and stakeholders. This position supports internal communication efforts, oversees media campaigns, and collaborates on community and regulatory events, ensuring effective public engagement and that technical concepts are communicated in simple, everyday language. Generally, I am looking to hire a more senior level employees with more experience to deal with the complexities⁹ of Puerto Rico and customers' expectations. Where possible, I am looking for people who come from regulated industries such as banking, telecommunications etc.

Q.27. What types of costs are included in Technical and Professional Services?

A. Technical and Professional Services includes external consultant costs for website design services, paid media to provide information to customers and the public, and communication consultants to design and implement a communication strategy that raises awareness and educates customers and stakeholders communities about LUMA's tools and resources, energy efficiency, safety, and hurricane preparedness. Stakeholders could include, among others, government agencies and collaborators and non-profit organizations to support our customers. External consultants add additional capabilities to support LUMA in communicating to customers important information related to the utility, the T&D System, and rates, in a clear and informative manner. This external

⁹ Where complexities refer to the degraded state of the electrical system, the interaction between three system operators and interplay with government and other stakeholders (i.e., FOMB, P3A, PREB, COR3 etc.)

resource helps ensure we are incorporating industry best practices when communicating with customers and other important stakeholders. Additionally, IT Service Agreements are also included in Technical and Professional Services.

Q.28. How did Corporate Communications project Technical and Professional Services?

A. The estimated Technical and Professional Service costs are based on historical costs and competitive processes for selecting Technical and Professional Services.

Q.29. Why does Corporate Communications need external consultants?

A. Specialized support for communications and crisis management is needed to continue improving public messaging efforts. Engaging external consultants provides our team with critical additional bandwidth to effectively manage the high volume of requests we receive from the media,¹⁰ as well as from both internal and external stakeholders. This allows us to maintain a high standard of responsiveness and quality in our communications. Furthermore, consultants offer an outside perspective that helps us stay informed on emerging strategies, tools, and best practices. Their expertise ensures that we are aligned with industry standards and consistently operate at a level of excellence. While these external consultants provide valuable insights and feedback, we anticipate a decrease in the scope of external consultants as the Corporate Communications Department will be able to perform some of their current duties, including customer newsletters. We expect to see this starting in FY2027.

¹⁰ In my estimate, LUMA is the subject of between ten (10) and fifty (50) stories a week. Some reports contact LUMA for comment and some don't. If the latter, LUMA will often need to put out its own statement.

Q.30. How will customers benefit from the added Technical and Professional Services?

A. The added Technical and Professional Services will ensure that relevant and timely information is available to educate all customer sectors, including residential, industrial, commercial, and government customers. By expanding the team's capabilities with external resources, LUMA will be able to support educational and informational campaigns on specific projects including AMI, vegetation clearing and emergency response efforts. External vendors allow LUMA the short-term flexibility of scaling or reducing the number of individuals if needed. Given the need to communicate, this allows LUMA to increase resources to provide a more agile response to customers' needs during major events, emergencies requiring customer awareness, the availability of public information and timely responses to media inquiries as well as improved communications for stakeholders, including mayors, central government, agencies and key customer groups through tailored messages following industry standards.

Q.31. What types of costs are included in Materials and Supplies?

A. Materials and Supplies include the costs for generic office supplies and equipment. The Department estimated Materials and Supplies based on experience and current vendor prices.

Q.32. Please describe the costs included in Miscellaneous Expense.

A. Miscellaneous Expense includes specialized materials for specific projects, events or initiatives that do not fit within any other category of the budget but are nonetheless needed for the continuation of services by the Department. For example, field visits to capture (e.g., photographs) of the work that is happening to report to customers – and any interested stakeholder – on the improvements LUMA is making to the electrical system. This is especially important when reaching more remote or small communities across the

island where customers do not have or lack internet access. LUMA also envisions reaching these customers by conducting community outreach events. Photographs or other content may also be used by the Capital Programs department (for example, for future recruiting). All of these specialized materials for specific projects support LUMA's goal of communicating with customers and communities. The Department estimated Miscellaneous Expense costs based on historical vendor pricing. LUMA expects historical vendor pricing to increase by at least 5% in FY2026.

Q.33. Are Corporate Communication's O&M costs in the Optimal Budget consistent with just and reasonable performance and that of a prudently performing operator? Please explain.

A. Yes. The O&M costs for Corporate Communications are necessary to fulfill LUMA's obligations under the T&D OMA including, "achieving a high level of customer satisfaction," "maintaining customer contact," "maintaining and overseeing a customer online and mobile website, mobile applications, including iPhone and Android, and other electronic media," "customer care and institutional communications," and "developing and maintaining customer education programs for customer programs."¹¹ Timeliness, frequency and cadence of communications determine how customers can react and adapt to emergencies or outage events.

Q.34. Are the Department's O&M costs in the Optimal Budget avoidable?

A. The February 12th Order defines avoidable costs as costs that are "to-be-incurred."¹² Corporate Communications has not incurred costs for its planned hires and the costs to support those planned hires in their duties or the technical and professional services for

¹¹ See T&D OMA, Annex I, Section IV (D) and (E), at I-6-I-7.

¹² Order Establishing Scope and Procedures for Rate Case, Case No. NEPR-AP-2023-0003, at 10 (Feb. 12, 2025).

additional projects. However, an RFP process has been completed for external consultants to support or advise on LUMA’s communications strategy that is budgeted for FY2026, and the plan is for those consultants to start supporting in July 2025.

IV. CONSTRAINED BUDGET

Q.35. Please describe Corporate Communication’s proposed O&M costs under the Constrained Budget.

- A. The Constrained Budget reduces the Department’s total budget by approximately \$1.41 million in FY2026, \$1.63 million in FY2027, and \$1.86 million in FY2028. Table 2 below shows a summary of the Constrained Budget based on cost category and fiscal year. This cost information is also included in LUMA Ex. 2.04, in the tab titled, “Support Services,” and in the columns titled, “Corp Services - Communications.”

Table 2. Summary of Constrained Corporate Communications Business Plan FY2026 to FY28								
	FY2025 Approved Amount (\$MM)		FY2026 Amount Required (\$MM)		FY2027 Amount Required (\$MM)		FY2028 Amount Required (\$MM)	
Program/Activity	O&M	NFC	O&M	NFC	O&M	NFC	O&M	NFC
Staffing	\$1.34	-	\$2.83	-	\$2.97	-	\$3.12	-
Materials and Supplies	\$0.22	-	\$0.08	-	\$0.08	-	\$0.08	-
Transportation, Per Diem, and Mileage	\$0.05	-	\$0.06	-	\$0.06	-	\$0.06	-
Technical and Professional Services	\$5.73	-	\$5.26	-	\$5.46	-	\$5.67	-
Miscellaneous Expense	\$1.11	-	\$1.53	-	\$1.61	-	\$1.69	-
CORPORATE COMMUNICATIONS SUBTOTAL	\$8.45	-	\$9.75	-	\$10.18	-	\$10.63	-
CORPORATE COMMUNICATIONS TOTAL	\$8.45		\$9.75		\$10.18		\$10.63	
Note: Technical and Professional Services includes IT Service Agreements and Professional & Technical Services Miscellaneous expenses includes Communications Expenses and Misc. Expenses								

Q.36. How did the Department prepare the Constrained Budget?

- A. The Communications Department followed a structured, bottom-up approach to prepare the FY26 Constrained Budget. The Department reviewed all incremental initiatives and existing expenses to prioritize and remove initiatives that could be deferred. For the projection years, the Department applied a percentage increase that was standard for all

LUMA departments.

Q.37. What costs or activities are eliminated or deferred under the Constrained Budget?

A. Under the Constrained Budget, Corporate Communications would organize fewer community events and traditional media campaigns. This results in fewer materials and supplies costs, and lower transportation, per diem and mileage costs. One of these community events that may need to be done on a smaller scale is the active yearly agreement with the Puerto Rico Department of Education to provide recurring public safety workshops for grade school children. These workshops include specific educational materials and activities that promote awareness and a proper understanding of what to do around fallen electric lines in or around their homes, schools or neighborhood. Corporate Communications would also have less budget available for printing, and in some cases, would only be able to print on one side of informational materials enclosed with bills, potentially reducing the amount of information for customers who obtain their information through non-digital means. Additionally, Salaries under the constrained budget will have a smaller increase year over year than in the optimal. Finally, the use of external consultants was dramatically reduced under the Constrained Budget.

Q.38. What customer benefits would not be gained if those activities are not funded?

A. If the Department's budget for community events, traditional media, and printing is reduced under the Constrained Budget, there is the potential for customers to be less informed of customer programs and upcoming projects. For example, programs promoted through community events, informational materials enclosed with bills, and other printed materials include important information regarding energy efficiency programs that not only help customers save money on their bills but also promote behavioral load shaping

messaging. This commonly used industry practice allows customers that do not engage through digital devices or the internet, due to geographical, infrastructure or physical limitations, to benefit from these programs. Furthermore, community events and materials help spread information on special rates, payment plans and financial assistance as was the case with the Low-Income Home Energy Assistance Program (“LIHEAP”) and other support programs promoted by LUMA. Reducing funding for community events will also affect the extent that LUMA is able to perform duties required by the T&D OMA, including educating customers on emergency preparedness, public safety around electricity and customer programs in schools, community gatherings and events.

Q.39. If the Constrained Budget is approved, will the Department meet its contractual and legal duties?

A. Yes.

Q.40. Please explain.

A. Under the Constrained Budget, Corporate Communications will continue to fulfill LUMA’s obligations under the T&D OMA, including having “direct responsibility for media and other public communications on all utility related matters”¹³ and “maintaining customer contact,” “maintaining and overseeing a customer online and mobile website, mobile applications, including iPhone and Android, and other electronic media,” “customer care and institutional communications,” and “developing and maintaining customer education programs for customer programs.”¹⁴

Q.41. What would be the impact if the Constrained Budget for the Department is reduced?

¹³ See T&D OMA, Section 13.1(g)(ii), at 114.

¹⁴ See T&D OMA, Annex I, Section IV(D) and (E), at I-6-I-7.

386 A. If the Energy Bureau approves a final budget that is less than the Constrained Budget, the
387 Department will have less resources to inform customers of customer programs and
388 LUMA projects. Specifically, a reduced budget for external consultants impairs LUMA's
389 flexibility to instantly scale up resources if a situation demands it. This could result in
390 increased risk of employee burnout and/or turnover from longer hours and more pressure
391 (especially during emergency situations) and/or insufficient information being provided
392 to customers or other stakeholders.

393 **Q.42. Does this complete your testimony?**

394 A. Yes.

ATTESTATION TO BE SUBMITTED SEPARATELY