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COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY BUREAU

IN RE: PUERTO RICO ELECTRIC POWER AUTHORITY RATE REVIEW

CASE NO.: NEPR-AP-2023-0003

SUBJECT: PREPA Bondholders' Response to LUMA's Motion for Partial Reconsideration of Hearing Examiner Order

PREPA BONDHOLDERS' RESPONSE TO LUMA'S MOTION FOR PARTIAL RECONSIDERATION OF HEARING EXAMINER ORDER DATED DECEMBER 22, 2025

TO THE PUERTO RICO ENERGY BUREAU:

Intervenors National Public Finance Guarantee Corporation, GoldenTree Asset Management LP, Syncora Guarantee, Inc., Assured Guaranty Inc., and the PREPA Ad Hoc Group[1] (collectively, the "Bondholders"), by and through the undersigned counsel, hereby submit this Response to *LUMA's Motion for Partial Reconsideration of Hearing Examiner's Order dated December 22, 2025*, as filed in this proceeding on December 26, 2025 (the "Motion").[2]

As part of the Motion, LUMA submits in Table 1 a list of previously admitted and largely unobjected-to Exhibits falling between Exhibit Numbers 462 and 925 that it seeks to strike on the purported ground that they were neither referenced in pre-filed testimony nor introduced during cross-examination. LUMA also in Table 2 provides a list of Exhibits falling between Exhibit Numbers 926 and 1067 that it seeks to strike as not introduced during cross-examination.

The Bondholders oppose LUMA's request to strike Exhibit Nos. 757-758, 760-761, 763-764, 767, 769, 771, 773, 778, 782-783, 786, 788, 790 and 978.

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[1] The members of the PREPA Ad Hoc Group are listed in the *Ninth Verified Statement of the PREPA Ad Hoc Group pursuant to Bankruptcy Rule 2019*, ECF No. 5797, filed in *In re Fin. Oversight & Mgmt. Bd. for Puerto Rico*, Case No. 17-BK-04780-LTS (D.P.R. Aug. 28, 2025).

[2] A Spanish summary of this filing is attached hereto as Appendix A, pursuant to the Orders of May 9th and June 4th.

With respect to Exhibit 978, that exhibit was specifically referenced, shown to, and discussed with LUMA's witness Estrada during cross-examination. The relevant cross-examination appears at pages 191-203 of the December 15, 2025 rough transcript. Exhibit 978 is a LUMA Quarterly Report and contains certain load projections and actual demand numbers. The exhibit was referred to and discussed in the context of Bondholder counsel demonstrating that LUMA's prior load projections were generally understated, bearing on the credibility of LUMA's current load projections presented here. As the exhibit is plainly relevant for impeachment and credibility purposes and was specifically used in the cross-examination of Ms. Estrada, there is no basis to strike it from the record.

The PREPA Bondholders also maintain that AGI Exhibits 757-758, 760-761, 763-764, 767, 769, 771, 773, 778, 782-783, 786, 788, and 790 (the "FERC Data Exhibits") should not be removed from the record. Initially, the PREPA Bondholders take issue with the assertion that such exhibits "were not referenced in or attached to pre-filed testimony or introduced during cross-examination." Each of these exhibits provided key context on the underlying data used in the sur-rebuttal testimony of LUMA witness John M. Shearman (Ex. 75). In his testimony, Mr. Shearman stated that he was "sponsoring Exhibits 75.1 – 75.18 which I reference throughout my testimony, and which are attached as Appendix A to my written testimony." (Ex. 75 at Lines 107-109.) Exhibit 75.18 contains Mr. Shearman's calculations of the "Ramp Factor" for a particular "Ramp Year Period" for capital spending of a select group of utilities.

How Mr. Shearman calculated his "Ramp Factor" in Exhibit 75.18 was the subject of significant and extensive cross-examination testimony. During cross-examination, Bondholder counsel questioned Mr. Shearman on Exhibit 75.18 (Nov. 17 Rough Transcript, 346:24-369:16) and how Mr. Shearman conducted his analysis in determining his "Ramp Factor." As Mr.

Shearman acknowledged, the Ramp Factor was calculated, at least in part, by using data from the FERC Data Exhibits. (Nov. 17 Rough Transcript, 348:2-3.)

The cross-examination of Mr. Shearman yielded crucial testimony concerning Mr. Shearman's calculations, including that Mr. Shearman "chose not to use [certain] data" when calculating his Ramp Factor because it "would not have passed [his] test" (*id*. at 358:11-20). To exclude from the record the underlying data used by Mr. Shearman would confuse the record and prejudice the PREPA Bondholders, who would then be unable to cite to the data or otherwise use it in their briefing to show that Mr. Shearman selectively picked certain data, and ignored other relevant data, in the course of his analysis.

Indeed, Bondholder counsel was prepared to present and question Mr. Shearman on each of the FERC Form Exhibits that was the source material for his calculations in Exhibit 75.18 of *nine* different utilities regarding electric transmission. The cross-examination included questions concerning Mr. Shearman's calculation process for all the facilities he listed in his report. (Nov. 17 Rough Transcript at 356:6-357:23). As Bondholder counsel noted on the record, to help streamline the evidentiary hearing and address timing considerations, counsel selected two different utilities, specifically discussed the relevant data, and then stated that he would not "go through this for an hour" and question Mr. Shearman on each of the other utilities and the similar source documents. The FERC Data Exhibits at issue here are the same source data used for the facilities beyond the two exemplars discussed during cross-examination. Significantly, all of the FERC Data Exhibits were specifically referred to by Bondholder counsel (with reference to page numbers as well), with a note for the Bureau Commissioners to direct their attention to them, and they were submitted as part of the record "to assist the commissioners" in their evaluation of Mr. Shearman's testimony and the validity of his calculations. (Nov. 17 Rough Transcript, 368:15-19.)

The Hearing Examiner noted that the PREPA Bondholders should "[p]ut it all in your brief as well." (Nov. 17 Rough Transcript, 369:9.) LUMA's request to now exclude the very documents that the Hearing Examiner acknowledged the PREPA Bondholders were to include and discuss in their briefing—and on which Bondholder counsel only did not question Mr. Shearman in the interests of time and avoiding duplication at the evidentiary Hearing—is unreasonable and prejudicial.

WHEREFORE, for the reasons stated above, the Bondholders respectfully request that the Hearing Examiner, to the extent he does not deny LUMA's Motion in full, at a minimum deny LUMA's Motion in part and <u>not</u> strike Exhibits 757-758, 760-761, 630-634, 767, 769, 771, 773, 778, 782-783, 786, 788, 790 and 978 from the evidentiary record.

RESPECTFULLY SUBMITTED,

THIS 6th DAY OF JANUARY 2026

CERTIFICATE OF SERVICE: We hereby certify that the foregoing petition was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System, and courtesy copies were sent via electronic means to mvalle@gmlex.net; arivera@gmlex.net; jmartinez@gmlex.net; jgonzalez@gmlex.net; 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; sromero@sbgblaw.com; gcastrodad@sbgblaw.com; jennalvarez@sbgblaw.com; jfr@sbgblaw.com; regulatory@genera-pr.com; legal@genera-pr.com; hrivera@jrsp.pr.gov; 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; kara.smith@weil.com; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; jan.albinolopez@us.dlapiper.com; Rachel.Albanese@us.dlapiper.com; varoon.sachdev@whitecase.com; jdiaz@sbgblaw.com; javrua@sesapr.org; Brett.ingerman@us.dlapiper.com; agraitfe@agraitlawpr.com; jpouroman@outlook.com; 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; lramos@ramoscruzlegal.com; tlauria@whitecase.com; gkurtz@whitecase.com; ccolumbres@whitecase.com; isaac.glassman@whitecase.com; tmacwright@whitecase.com; jcunningham@whitecase.com; mshepherd@whitecase.com; jgreen@whitecase.com; hburgos@cabprlaw.com; dperez@cabprlaw.com; howard.hawkins@cwt.com; mark.ellenberg@cwt.com;

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Appendix A

RESUMEN DE: OPOSICIÓN PARCIAL DE LOS BONISTAS DE PREPA A LA MOCIÓN DE LUMA PARA RECONSIDERAR PARCIALMENTE LA ORDEN DEL OFICIAL EXAMINADOR FECHADA EL 22 DE DICIEMBRE DE 2025

AL NEGOCIADO DE ENERGÍA DE PUERTO RICO:

National Public Finance Guarantee Corporation, GoldenTree Asset Management LP, Syncora Guarantee, Inc., Assured Guaranty Inc. y el Grupo Ad Hoc de PREPA (Bonistas) se oponen a la moción de LUMA en la medida en que busca eliminar los Anexos Nos. 757-758, 760-761, 763-764, 767, 769, 771, 773, 778, 782-783, 786, 788, 790 y 978. El Anexo 978 es un Informe trimestral de LUMA que contiene ciertas proyecciones de carga y cifras reales de demanda. Fue discutido para demostrar que las proyecciones previas de carga de LUMA eran generalmente subestimadas, lo que afecta a la credibilidad de las proyecciones actuales presentadas aquí. La prueba es relevante para fines de destitución y fue utilizada en el contrainterrogatorio de la Sra. Estrada por lo que no hay base para eliminarla del récord.

Los Bonistas también sostienen que los anexos AGI 757-758, 760-761, 763-764, 767, 769, 771, 773, 778, 782-783, 786, 788 y 790 (los "Datos de la FERC") no deben ser removidos. Cada uno proporcionó un contexto clave sobre los datos subyacentes utilizados en el testimonio de refutación del testigo de LUMA John M. Shearman (Anexo 75). Como reconoció el Sr. Shearman, el Factor de Rampa se calculó utilizando datos de las Exposiciones de Datos de la FERC. Excluir del récord los datos subyacentes utilizados confundiría el récord y perjudicaría a los Bonistas, quienes no podrían utilizarlos en su informe para demostrar que el Sr. Shearman escogió selectivamente ciertos datos e ignoró otros datos relevantes durante su análisis.

Excluir los documentos que el Oficial Examinador reconoció que debíamos discutir es irrazonable y perjudicial. Los Bonistas solicitan que no elimine las pruebas 757-758, 760-761, 630-634, 767, 769, 771, 773, 778, 782-783, 786, 788, 790 y 978 del récord probatorio.