

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

**NEPR**

**Received:**

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**IN RE:** PUERTO RICO ELECTRIC POWER  
AUTHORITY RATE REVIEW

**CASE NO.:** NEPR-AP-2023-0003

**SUBJECT:** Motion in Compliance with  
February 12, 2026 Hearing Examiner  
Order

**MOTION IN COMPLIANCE WITH FEBRUARY 12, 2026 HEARING EXAMINER ORDER**

**TO THE HONORABLE ENERGY BUREAU:**

**COMES NOW**, the Puerto Rico Electric Power Authority (“PREPA”), by and through its undersigned counsel, in compliance with the *Hearing Examiner’s Order Requiring PREPA to Submit Limited Explanation of Its Proposed Revenue Requirement*, issued on February 12, 2026 (“Hearing Examiner Order”), in which the Hearing Examiner ordered PREPA to submit “a clear list of each element of the revenue requirement sought by PREPA —accompanied by, for each item on the list, citations to the record that provide support for the element.” In support thereof, PREPA respectfully states as follows:<sup>1</sup>

PREPA hereby submits the below table setting forth the elements of, and supporting record references for, PREPA’s final total revenue requirement request. As PREPA previously submitted, PREPA does not seek a rate increase in this

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<sup>1</sup> PREPA respectfully states that its compliance with the Hearing Examiner Order shall not be construed, and does not constitute, a waiver, relinquishment, or abandonment of any of the arguments or requests for relief set forth in *PREPA’s Motion for Reconsideration and Motion in Compliance with the February 9, 2026 Resolution*, filed on February 21, 2026. PREPA expressly preserves all such arguments and rights, and any other arguments it has at its disposal whether asserted or not and reserves the right to pursue them fully at the appropriate stage of these proceedings.

proceeding to satisfy its proposed revenue requirement. Instead, it respectfully requests that the Energy Bureau of the Puerto Rico Service Regulatory Board (“Energy Bureau”) exercise its ratemaking authority to redistribute available funds within the existing rate structure to ensure the lawful and prudent recovery of necessary expenses. See PREPA’s Reply Brief on Revenue Requirement, dated February 17, 2026 (“Revenue Reply”).

**A. HoldCo Rate Funded Revenue Requirement**

<b>Element</b>	<b>Amount</b>	<b>Record References</b>
Labor Operating Expense	FY26: \$9,384,257 FY27: \$9,537,431 FY28: \$9,698,700	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: “HoldCo Operating Expenditures” line.</li> <li>• PREPA Ex. 32, pp. 6-8.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> <li>• PC Ex. 793</li> <li>• PC Ex. 796</li> <li>• PC Ex. 797</li> <li>• PC Ex. 823</li> <li>• PC Ex. 825</li> <li>• PC Ex. 828</li> <li>• PC Ex. 831</li> <li>• PC Ex. 834</li> <li>• PC Ex. 836</li> <li>• PC Ex. 838</li> <li>• PC Ex. 868</li> <li>• See also Revenue Reply at 22-28.</li> <li>• See Evidentiary Hearing Tr., Dec. 4 2025, pp. 33-35; 158-163.</li> </ul>
Non-Labor Operating	FY26: \$28,818,294 FY27: \$33,047,422 FY28: \$30,417,452	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: “HoldCo Operating Expenditures” line.</li> <li>• PREPA Ex. 89.01 to PREPA Ex. 89.69.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> <li>• PC Ex. 816</li> <li>• PC Ex. 807</li> </ul>

<b>Element</b>	<b>Amount</b>	<b>Record References</b>
		<ul style="list-style-type: none"> <li>• PC Ex. 812</li> <li>• PC Ex. 814</li> </ul>
Necessary Maintenance	FY26: \$2,065,000 FY27: \$770,000 FY28: \$270,000	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "HoldCo Operating Expenditures" line.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> </ul>
Shared Services Agreement	FY26: \$4,208,072 FY27: \$3,457,529 FY28: \$3,515,993	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "HoldCo Operating Expenditures" line.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> </ul>
Local Litigation Claims Reserve	FY26: \$10,500,000 FY27: \$0 FY28: \$0	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "HoldCo Operating Expenditures" line.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> </ul>
PREPA Restructuring & Title III Costs	FY26: \$18,700,000 FY27: \$11,150,000 FY28: \$7,050,000	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "Operator Fees and Other Expenses".</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26)</li> <li>• PREPA Ex. 353 (FY27 and FY28)</li> <li>• PREPA Ex. 90.01 and 90.02</li> <li>• PREPA Ex. 86.01-86.39</li> <li>• PREPA Ex. 87.01-87.03</li> <li>• BH Ex. 401</li> <li>• See also Revenue Reply at 44-47.</li> </ul>
Federal Funding Local Cost Share	FY26: \$6,727,935 FY27: \$0 FY28: \$0	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "Federal Funding Cost Share (Commonwealth Match Obligation)".</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> </ul>
<b>Total</b>	FY26: \$80,403,558 FY27: \$57,962,382 FY28: \$50,952,145	

**B. HydroCo Rate Funded Revenue Requirement<sup>2</sup>**

<b>Element</b>	<b>Amount</b>	<b>Record References</b>
Labor Operating Expense	FY26: \$7,216,799 FY27: \$7,334,594 FY28: \$7,458,616	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: “HydroCo Operating and Non-Federally Capital Expenditures” line.</li> <li>• PREPA Ex. 32, pp. 6-8.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> <li>• PC Ex. 791</li> <li>• PC Ex. 795</li> <li>• PC Ex. 797</li> <li>• PC Ex. 823</li> <li>• PC Ex. 825</li> <li>• PC Ex. 828</li> <li>• PC Ex. 831</li> <li>• PC Ex. 834</li> <li>• PC Ex. 836</li> <li>• PC Ex. 838</li> <li>• PC Ex. 868</li> <li>• See also Revenue Reply at 22-28.</li> <li>• See Evidentiary Hearing Tr., Dec. 4 2025, pp. 33-35; 158-163.</li> </ul>
Non-Labor Operating	FY26: \$6,590,619 FY27: \$6,574,224 FY28: \$6,689,872	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: “HydroCo Operating and Non-Federally Capital Expenditures” line.</li> <li>• PREPA Ex. 89.01 to PREPA Ex. 89.69.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> <li>• PC Ex. 816.</li> </ul>
Necessary	FY26: \$8,382,150	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: “HydroCo</li> </ul>

<sup>2</sup> As explained in the *Revenue Reply*, in the above-captioned case, PREPA's proposed and projected HydroCo revenue requirement for FY2026–FY2028 is premised on the reasonable and well-founded assumption that the Energy Bureau will maintain and give continued effect to its prior determinations in *In re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan*, Case No. NEPR-MI-2021-0002. In that proceeding, the Energy Bureau expressly approved PREPA's proposed scope of work for the repair and rehabilitation of its water assets and authorized the use of approximately \$1.3 billion in FAASt funding and related co-funding to carry out those projects. PREPA's current revenue requirement excludes the funding required to carry out those previously approved projects as PREPA assumes they will be covered with federal funds. Accordingly, any departure from the Energy Bureau's prior determinations would materially affect the projected expenditures, funding allocations, and overall revenue requirement presented herein.

<b>Element</b>	<b>Amount</b>	<b>Record References</b>
Maintenance	FY27: \$5,969,160 FY28: \$5,767,160	Operating and Non-Federally Capital Expenditures" line. <ul style="list-style-type: none"> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> </ul>
Shared Services Agreement	FY26: \$2,805,382 FY27: \$2,305,019 FY28: \$2,343,995	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "HydroCo Operating and Non-Federally Capital Expenditures" line.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28)</li> </ul>
Federal Funding Local Cost Share	FY26: \$2,382,330 FY27: \$812,609 FY28: \$0	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "HydroCo Operating and Non-Federally Capital Expenditures" line.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> </ul>
<b>Total</b>	FY26: \$27,377,279 FY27: \$22,995,606 FY28: \$22,259,642	

**C. Retirement System Rate Funded Revenue Requirement**

<b>Element</b>	<b>Amount</b>	<b>Record References</b>
Labor Operating	FY26: \$1,457,249 FY27: \$1,481,035 FY28: \$1,506,078	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "HoldCo Operating Expenditures" line.</li> <li>• PREPA Ex. 32, pp. 6-8.</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> <li>• PC Ex. 789</li> <li>• PC Ex. 797</li> <li>• PC Ex. 823</li> <li>• PC Ex. 825</li> <li>• PC Ex. 828</li> <li>• PC Ex. 831</li> <li>• PC Ex. 834</li> <li>• PC Ex. 836</li> <li>• PC Ex. 838</li> <li>• PC Ex. 868</li> <li>• See also Revenue Reply at 22-28.</li> </ul>

Element	Amount	Record References
		<ul style="list-style-type: none"> <li>• See Evidentiary Hearing Tr., Dec. 4 2025, pp. 33-35; 158-163.</li> <li>• See Evidentiary Hearing Tr., Dec. 11 2025.</li> </ul>
Non-Labor Operating	FY26: \$10,442,752 FY27: \$10,880,939 FY28: \$11,341,152	<ul style="list-style-type: none"> <li>• LUMA Jan. 9, filing: "HoldCo Operating Expenditures" line .</li> <li>• PREPA Ex. 351 (FY26, FY27 and FY28).</li> <li>• PREPA Ex. 352 (FY26).</li> <li>• PREPA Ex. 353 (FY27 and FY28).</li> <li>• PREPA Ex. 89.01 to PREPA Ex. 89.69.</li> <li>• PC Ex. 816</li> </ul>
<b>Total</b>	FY26: \$11,900,00 FY27: \$12,361,974 FY28: \$12,847,230	

**D. Pension Funding Rate Funded Revenue Requirement**

Element	Amount	Record References
<b>Total</b> Pension PayGo Funding	FY26: \$211,146,063 FY27: \$307,408,581 FY28: \$307,188,608	<ul style="list-style-type: none"> <li>• PREPA Ex. 81.01</li> <li>• PREPA Ex. No. 1105, page 3, "Proposed Cash Transfer Plus Loan Repayment" line (updating numbers from previous submissions, including updating LUMA Jan 9, filing).</li> <li>• See <i>also</i> Revenue Reply at 33-37.</li> </ul>

**WHEREFORE**, PREPA respectfully requests that the Energy Bureau approve PREPA's proposed total rate funded revenue requirement as follows:

- A. HoldCo - \$80,403,558 for FY2026, \$57,962,382 for FY2027, and \$50,952,145 for FY2028;
- B. HydroCo - \$27,377,279 for FY2026, \$22,995,606 for FY 2027, and for FY2028 \$22,259,642;

C. Retirement System - \$11,900,00 for FY2026, \$12,361,974 for FY 2027, and \$12,847,230 for FY2028; and

D. Pension Funding - \$211,146,063 for FY2026, \$307,408,581 for FY2027 and \$307,188,608 for FY2028.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico this 23<sup>rd</sup> day of February 2026.

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## CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE: We hereby certify that this document was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and notified via e-mail to the Hearing Examiner, Scott Hempling, [shempling@scotthemplinglaw.com](mailto:shempling@scotthemplinglaw.com); and to the attorneys of the parties of record, attorneys of the intervenors of record, and others:

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