

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

NEPR

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IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW

CASE NO.: NEPR-AP-2023-0003

SUBJECT: PREPA's Reply to the
Bondholders' Response to PREPA's
February 23 Submission

**PREPA'S REPLY TO THE BONDHOLDERS' RESPONSE TO PREPA'S FEBRUARY 23
SUBMISSION**

TO THE HONORABLE HEARING EXAMINER:

COMES NOW, the Puerto Rico Electric Power Authority ("PREPA"), by and through its undersigned counsel, in compliance with the *Hearing Examiner's Order Revising Deadlines for Pleadings about Alleged Out-of-Time Advocacy* (the "Hearing Examiner's Order"), issued on March 30, 2026, responds to the *Bondholders' Response to PREPA's February 23 Submission* (the "Bondholders' Response"), filed on April 2, 2025. In support thereof, PREPA respectfully states as follows:

On February 12, 2026, the Hearing Examiner ordered (the "February 12 Order") 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." PREPA did exactly that. On February 23, 2026, PREPA submitted a table listing its proposed revenue requirement

elements with corresponding dollar amounts and record citations (the "February 23 Submission"). PREPA offered no narrative argument, no characterization of evidence, no interpretation of the record, and no request that the Energy Bureau weigh or credit any particular exhibit over another. Nor did PREPA cite to anything not already in the hearing record. The February 23 Submission is clearly on its face exactly what the Hearing Examiner ordered.

The Hearing Examiner's Order permitted the Bondholders to "do no more than identify PREPA statements that the authors view as advocacy, and explain that view."¹ The Bondholders failed to comply with that order and instead filed what amounts to an unauthorized surreply to the merits of PREPA's revenue requirement.

Tellingly, the Bondholders' Response fails to identify a single sentence of advocacy in PREPA's February 23 Submission, because there are none. Instead, the Bondholders advance a boundless theory: that record citations are "inherently advocacy" because they were "selectively" chosen to support PREPA's position.² This theory is absurd on its face. PREPA's citations are all to evidence already admitted into the administrative record, and every citation to the record is necessarily "selective." A party cites the evidence it considers relevant for administrative efficiency and clarity. Under the Bondholders' logic, it would have been impossible for PREPA to comply with the February 12 Order

¹ Hearing Examiner's Order at 2.

² Bondholders' Response at 3.

because any citation PREPA provided would be deemed “advocacy” by virtue of its inclusion. The Hearing Examiner did not order PREPA to do an impossible act.

In addition, a review of the Bondholders’ specific objections confirms that none identifies advocacy. Rather, the Bondholders raise meritless critiques of PREPA’s record citations—precisely the kind of argument the Hearing Examiner’s Order did not authorize. Under the pretense of identifying alleged advocacy by PREPA, it is in fact the Bondholders who advance advocacy arguments in an unsuccessful attempt to undermine the weight of PREPA’s evidence. The Bondholders’ objections fall into three categories, each of which is a challenge to the sufficiency of the evidence, not a claim of advocacy:

First, the Bondholders complain that certain exhibits cited by PREPA purportedly contain dollar amounts different from those in PREPA’s table.³ That is not advocacy. A citation to an exhibit that is part of the administrative record does not become “advocacy” merely because the Bondholders disagree with the amount it supports. For example, the Bondholders argue that the HoldCo PREPA Restructuring and Title III Costs “advocate for a revenue requirement component different than in PREPA’s submission” and leaves “an unexplained net difference of \$53.57 million.”⁴ Yet Bondholders’ analysis is factually incorrect and easily clarified:

³ See, e.g., Bondholders’ Response at 5–6.

⁴ See, e.g., Bondholders’ Response at 5.

- PREPA Exhibits 351, 352 and 353 include information related to both PREPA's Restructuring and Title III Costs and FOMB Advisor Costs allocated to PREPA, which are clearly differentiated from each other; and
- Exhibits 86.01–86.39⁵, Exhibits 87.01–87.03⁶ and February 23 Submission discuss and/or are reflective only of PREPA Restructuring and Title III Costs.

All exhibits PREPA referenced in the February 23 Submission reconcile and reflect the same amounts for PREPA Restructuring and Title III Costs: \$18.7M (FY2026), \$11.15M (FY2027), and \$7.05M (FY2028).

Second, the Bondholders object that certain PREPA citations to the administrative record reference contracts that have expired or will expire.⁷ Again, that is not advocacy. Whether an expiring contract containing historical cost information supports a future cost projection is a merits question for the Energy Bureau. Further, PREPA's references were to exhibits that contained contract information that was admitted into evidence as part of ROI responses and therefore are a part of the administrative record.

Third, the Bondholders contend that citations to PREPA's revenue requirement reply brief, hearing transcripts, and certain exhibits constitute

⁵ PREPA's response to ROI PC-of-PREPA-FIN-96

⁶ PREPA's response to ROI LUMA-of-PREPA-RR-52.

⁷ See, e.g., Bondholders' Response at 5.

advocacy because those documents contain “narrative argument.”⁸ Yet, all of these documents are already in the record, and most were submitted in response to specific ROIs issued to PREPA by stakeholders or compliance with the Hearing Examiner’s orders.⁹ PREPA cited them as record references, in compliance with the Hearing Examiner’s instructions, and with the intention of pointing the Energy Bureau to precise locations within the existing record—for administrative and procedural efficiency.

The Bondholders also object to a single footnote in PREPA’s submission describing the factual basis for PREPA’s HydroCo revenue requirement.¹⁰ That footnote is a statement of an assumption underlying PREPA’s numbers—namely, that the Energy Bureau’s prior approval of certain HydroCo projects will remain in effect. It is a factual predicate necessary to understand the table, not an argument that the Energy Bureau should rule in PREPA’s favor.

In short, PREPA’s February 23 Submission contained no advocacy. It was a chart of revenue requirement elements paired with citations to the administrative record—precisely as the Hearing Examiner ordered. No commentary accompanied those citations. No arguments were made. No inferences were urged. The irony of the Bondholders’ Response is that it is itself a work of advocacy. Under the guise of identifying “advocacy,” the Bondholders attempt to make

⁸ See, e.g., Bondholders’ Response at 4–7.

⁹ See, e.g. PREPA Ex. 1105 (Late Filed Exhibit (LFE) submitted by PREPA in compliance with the Hearing Examiner’s orders); PREPA Ex. 89.01 to PREPA Ex. 89.68, (responses by PREPA to ROIs from the Energy Bureau consultants).

¹⁰ Bondholders’ Response at 5.

dubious arguments that exceed the narrow scope of the Hearing Examiner's Order and should be disregarded.

WHEREFORE, PREPA respectfully requests that the Hearing Examiner **DENY** the relief requested in the Bondholders' Response and **DISREGARD** the advocacy arguments advanced therein.

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RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 9th day of April 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; and to the attorneys of the parties of record, attorneys of the intervenors of record, and others: LUMA Energy, LLC and LUMA Energy ServCo, LLC; Margarita Mercado margarita.mercado@us.dlapiper.com; Jan Albino, Jan.AlbinoLopez@us.dlapiper.com; Andrea Chambers, andrea.chambers@us.dlapiper.com; Carlyn Clarkin, carlyn.clarkin@us.dlapiper.com; Katuska Bolanos, katuska.bolanos-lugo@us.dlapiper.com; Yahaira De La Rosa, Yahaira.delarosa@us.dlapiper.com; Genera PR, LLC, through: Jorge Fernández-Reboredo, jfr@sbgblaw.com; Gabriela Castrodad, gcastrodad@sbgblaw.com; José J. Díaz Alonso, jdiaz@sbgblaw.com; Stephen Romero Valle, sromero@sbgblaw.com; Giuliano Vilanova-Feliberti, gvilanova@vvlawpr.com; Maraliz Vázquez-Marrero, mvarez@vvlawpr.com; ratecase@genera-pr.com; regulatory@genera-pr.com; and legal@genera-pr.com; Oficina Independiente de Protección al Consumidor, hrivera@jrsp.pr.gov; contratistas@jrsp.pr.gov; pvazquez.ICPO@avlawpr.com; Instituto de Competitividad y Sustentabilidad Económica, jpouroman@outlook.com; agraitfe@agraitlawpr.com; 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; 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; 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; Syncora Guarantee, Inc., escalera@reichardescalera.com; arizmendis@reichardescalera.com; riverac@reichardescalera.com; susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com; 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; lgnaq2021@gmail.com; Official Committee of Unsecured Creditors of PREPA, jcasillas@cstlawpr.com;

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