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

IN RE: IMPLEMENTATION OF 2026'S APPROVED PERMANENT RATE	**CASE NO.:** NEPR-MI-2026-0005 **SUBJECT**: **Motion in Compliance with Final Rate Order Directive Regarding Updated TPA Program Framework**

MOTION IN COMPLIANCE WITH FINAL RATE ORDER DIRECTIVE REGARDING UPDATED TPA PROGRAM FRAMEWORK

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

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

1. On April 15, 2026, the honorable Puerto Rico Energy Bureau ("Energy Bureau") issued and notified the *Final Order on Electricity Rates* (the "Final Rate Order"),[1] in Case No. NEPR-AP-2023-0003, *In Re: Puerto Rico Electric Power Authority Rate Review*.[2] In what is here relevant, the Final Rate Order included specific determinations concerning LUMA's administration of Third Party Attachments ("TPA") to PREPA-owned poles and towers.

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[1] *Available* at https://energia.pr.gov/wp-content/uploads/sites/7/2026/04/20260415-AP20230003-Final-Resolution-and-Order.pdf.

[2] On June 4, 2026, the Energy Bureau issued a Resolution and Order in Case No. NEPR-MI-2026-0005, whereby it stated the following:

> Implementing the Final Rate Order will require multiple subsequent actions and administrative measures. Considering the foregoing, the Energy Bureau DEEMS it appropriate and necessary to open the instant docket for such purposes, including, but not limited to, the periodic reconciliation filings required after July 1, 2026.

See June 4th Order, p. 1.

The present motion is being filed in the captioned proceeding pursuant to the above.

2. Specifically, the Energy Bureau directed LUMA, in developing an updated TPA program framework, to use as guidance the recommendations developed by the GTUMS[3] working group in Case No. JRSP-MI-2019-0001, *In Re: Estudio para Determinar la Carga Segura del Uso Mancomunado de Postes*. *See* Final Rate Order, Chapter Three, p. 315.

3. The Energy Bureau further directed LUMA to "coordinate with the Energy and Telecommunications Bureaus to establish (a) standardized pole loading analysis protocols, (b) a joint inspection schedule, (c) a complete inventory and auditing process for all third-party attachments, and (d) enforcement mechanisms for unauthorized or noncompliant attachments, including financial penalties and removal procedures." *Id.*

4. Finally, the Energy Bureau ordered LUMA to file, within 120 days of the Final Rate Order, an updated TPA program framework, using the GTUMS recommendations as guidance, and explaining how LUMA will "integrate the DOE PR-ERF P8 Utility Pole Loading Abatement project into the TPA program." *Id.*

5. Consistent with the here-relevant portion of the Energy Bureau's Final Rate Order, LUMA hereby submits an updated version of its "Update to Third Party Use, Audit, Contract and Billing Procedures" (PBRE2) Program Brief. *See **Exhibit 1.*** The revised version of PBRE2 reflects information regarding the status of LUMA's updated TPA program framework, with information relating to each of the elements set out by the Energy Bureau in its Final Rate Order.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the above; and **grant** any related relief that the Energy Bureau deems just and proper.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, on the 13th day of August, 2026.

[3] GTUMS is short for "Grupo de Trabajo Uso Mancomunado Seguro".

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CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that this motion was filed using the Energy Bureau's electronic filing system. Moreover, we further certify that electronic copies of this motion will be notified to the Independent Consumer Protection Office, hrivera@jrsp.pr.gov; Genera PR, LLC, legal@genera-pr.com; regulatory@genera-pr.com; and lrn@roman-negron.com.

In Guaynabo, Puerto Rico, on the 13th day of August, 2026.

/s/ Jan M. Albino López
Jan M. Albino López

Exhibit 1

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Update to Third Party Use, Audit, Contract, and Billing Procedures

1.0 Program Description

This program focuses on updating procedures for third-party use of land, use of infrastructure, audits, contracts, and billing. The program includes:

- Developing consistent processes and agreement templates to ensure compliance with legislation
- Streamlining and improving customer service for third parties who wish to use the pole infrastructure
- Establishing annual billing to third parties to ensure they are paying the associated fee to attach to individual structures (either overhead or underground)
- Completing updates and corrections to the Customer Care & Billing (CC&B) system to ensure data accurately reflects the current asset management third-party pole attachment numbers and identifies responsible billing parties; and
- Implementing necessary changes to the billing process for third-party attachment billing, which may include contract updates and renegotiation

2.0 Program Rationale

2.1 Initial State and Identified Gaps

Note: Gaps that have been addressed are marked as closed.

Act No. 213-1996, as amended, requires government entities, such as PREPA, to allow third-party use of pole infrastructure for the provision of telecommunications and cable television services under defined circumstances therein. Act 17, Arts. 1.5(9)(b); 1.15(a); and 1.17 and the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement, Annex I, Section 2. A. 2, requires maintaining a complete inventory of pole attachments and a plan to add revenue optimization for pole attachments. Since assuming operation of the T&D System, LUMA has maintained a complete inventory of processed and approved joint-use pole attachments; however, LUMA did not receive an inventory of existing third-party attachments upon commencement of operations.

Procedures and processes for requests to use the pole infrastructure were below the minimum acceptable levels. LUMA's review and assessment of the information and documentation provided indicated a lack of documentation for third-party pole attachments.

The program works with operating groups to assess existing infrastructure and record data on current pole attachments. This data is used to create a full inventory. The assessment includes reviewing compliance with loading standards to support system resiliency. The work is coordinated with the distribution assessment program and geographic information system mapping. Through this assessment, the program helps establish agreements for existing pole attachments and develop updated procedures and agreement templates to maintain system reliability and ensure safe operations.

The identified gaps are as follows:

- Agreement templates were unavailable (Closed)
- Response times were inconsistent and often unreasonable (Closed)

Update to Third Party Use, Audit, Contract, and Billing Procedures

- The application process for joint use of poles was constantly affected by incomplete applications and applications with significant errors, which resulted in multiple applications being sent back for corrections (Closed)
- Procedures for installation by third parties were not consistently monitored and could result in unsafe installations or unplanned interruptions in service (Closed)
- The lack of a permitting process for pole attachments resulted in a high share of poles with third-party pole attachments, resulting in the physical loading of many distribution poles beyond prescribed limits. This increases the risk of the structural failure of poles, reducing reliability and increasing public safety risk (Closed)
- Improper third-party pole attachments can block proper maintenance practices and increase safety risks to maintenance workers (Closed)
- Excess third-party equipment was not removed, and unused or obsolete equipment was often left attached to poles
- There was no clarity on third parties' obligation to provide payment for using the electric utility infrastructure. The systems and processes for tracking and updating joint-use attachments were unclear or non-existent (Closed)
- Although PREPA stated that they billed for some joint-use attachments, no data was provided (Closed)

2.1.1 Additional Gaps Identified Post-Commencement

LUMA initially developed a third-party pole attachment agreement, which has been shared with all telecommunications companies and Puerto Rico's Telecommunications Bureau (Negociado de Telecomunicaciones, NET) since 2022. After updating the draft, LUMA shared a revised version with providers in April 2026. As of July 2026, the company remains engaged in coordinating and holding negotiation meetings to discuss the text; despite these ongoing efforts, LUMA has not yet been able to obtain fully executed agreements with any of the telecommunications companies in Puerto Rico.

One of the principal challenges during the program's initial stages was the absence of an established annual TPA rate calculated pursuant to the Federal Communications Commission (FCC) formula, as required by Act 213 and NET Regulation 9090. This absence delayed both the execution of new agreements and the invoicing of outstanding attachment fees. LUMA has since established the annual TPA rate in accordance with the applicable methodology and has shared the supporting calculations and documentation with providers and the NET. As a result, LUMA expects future negotiations to shift away from rate disputes and focus primarily on operational and implementation matters.

Based on discussions to date, LUMA anticipates that the principal areas of negotiation will include make-ready requirements, the allocation of related costs, facility consolidation, and the relocation or removal of third-party attachments. Additional expected considerations include transferring attachments to replaced poles, inventory and reporting obligations for existing attachments, and permit application requirements. Negotiations will also cover associated engineering costs–including pole loading analyses and other technical evaluations performed by LUMA–as well as specific timelines for corrective actions and compliance with identified deficiencies.

As part of the application process, LUMA performs field condition assessments and engineering evaluations to ensure that requested poles meet industry safety standards and minimize potential hazards. An engineering evaluation analyses whether poles meet minimum clearance criteria and possess sufficient physical integrity for loading; those that pass are validated for new or additional attachments. This analysis aligns with the order issued by *Junta Reglamentadora de Servicio Público*

(Public Service Regulatory Board) under JRSP-MI-2019-0001, *In Re: Estudio para Determinar la Carga Segura del Uso Mancomunado de Postes*. To ensure a standardized process, LUMA has explained and shared its Pole Loading Analysis and a comprehensive infrastructure library with providers. However, the combination of rigorous safe load analyses and poor existing field conditions has resulted in a high rejection rate for third-party pole attachment applications. To date, internal LUMA resources continue to conduct these inspections and violation assessments.

Concurrently, a comprehensive system-wide inventory of third-party attachments remains unavailable. Although inventory record requests were sent to all telecommunications companies with the NET's knowledge, only a small number have responded. LUMA will continue to collect data through other capital works and the Department of Energy's Utility Pole Abatement Program. A full inventory can only be achieved by consolidating internal data with provider information or by acquiring a historic inventory from PREPA. To resolve this, LUMA has actively engaged with the NET, the Office of Management and Budget, the PR Broadband Program, and telecommunications companies to secure additional government funding for an island-wide digitalized inventory; however, funding for this initiative has not yet been secured. Notably, under Resolution and Order NET-2025-RS-002 (Red Segura de Telecomunicaciones), the NET requested all providers to submit their infrastructure inventories with recorded locations. LUMA plans to request this data from the NET as soon as it is provided to integrate it into the system.

Finally, pursuant to Puerto Rico Act 83-1941, LUMA notifies telecommunications companies regarding planned work so they can remove and reattach their equipment. For Fiscal Year 2026, LUMA issued 15,713 notifications, but providers have offered ineffective responses. These companies assert that LUMA, as the operator of PREPA's T&D System, is responsible for removing and permanently reattaching their equipment on replaced poles, as well as covering all associated costs. While LUMA continues to coordinate with providers and the Government of Puerto Rico to find alternative funding mechanisms to resolve these removal and reattachment issues, no funding has been secured to date.

2.2 Description of Remediated State

In accordance with the requirements of Act 17-2019 and the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement, in the remediated state, all poles that require evaluation as part of the joint use application process will undergo inspection to properly document third-party pole attachments. Any issues arising from third-party pole attachments that affect pole integrity will be identified, and a plan to remove or resolve them will be developed.

Upon completion of the remediated state, LUMA will have completed agreement templates for third-party usage of poles in accordance with legislation. These agreement templates will clearly document standards required for third parties to attach to the electrical infrastructure. Using agreement templates will support consistency and efficiency, ensuring timely delivery that meets the outside party's needs. The templates will be used to enforce standards and requirements for the safe installation of third-party infrastructure on company land and structures and to clarify LUMA's obligations with respect to third-party use of land and infrastructure.

Third-party attachment billing is not part of the System Remediation Plan. Updates to the joint-use billing system will be provided once the program reaches its "Completed" state.

2.3 Description of Program Completed State

This program will be completed once the remediated state has been reached and the additional third-party pole attachment billing updates have been completed. All third-party pole attachments will be invoiced to third parties annually. LUMA will have completed updates and corrected the customer care and billing system (CC&B) to ensure that data accurately reflects the current asset management third-party pole attachment numbers and the associated responsible billing parties. In addition, necessary changes to the billing process (as it relates to CC&B administration of third-party pole attachment billing) will be updated, which may include contract updates and renegotiations.

In the completed state, distribution poles would only be loaded exceptionally over the prescribed structural limits. This would also include minimal interference with maintenance practices and a low safety risk to maintenance workers and the public. Improperly installed third-party pole attachments and structural failure due to overloading would cause service interruptions.

2.4 Program Activities

- Review applicable laws and regulations and establish communication with the regulating agency, determine legal and/or contractual requirements governing TPA agreements (Achieved)
- Develop agreement templates that are compliant with legal requirements and allow consistency of application with outside parties (Achieved)
- Establish, communicate, and enforce agreements with third parties to use electric infrastructure. This potentially includes payment for such use as permitted by law and regulation
- Analyze the current state of contracts related to pole attachments (Achieved)
- Define methodologies within the contract that establish the responsibilities of the outside parties so that communication takes place, and work can be monitored by Operations and completed safely (Achieved)
- Develop procedures for processing and managing requests received from third parties with defined timeframes to improve customer response times (Achieved)
- Develop and implement procedures and practices in conjunction with pole replacement and rehabilitation programs
- Establish a process for the documentation of third-party attachments as part of the ongoing field assessments for Capital Projects. LUMA will work with telecommunications companies to gather, compile, and validate joint-use attachments in the system
- Establish a process to identify unsafe attachments as part of day-to-day activities, including capital work. These unsafe conditions will be addressed with the telecommunications equipment owners
- Update all joint-use attachments into Oracle CC&B
- Create an annual billing cycle for third-party partners (Achieved)
- Complete updates and correct CC&B system billing data to ensure data accurately reflects the current asset management joint-use attachment numbers (Achieved)
- Make necessary changes to the billing process related to CC&B administration of joint-use billing to ensure effective and timely future updates (Achieved)

In its commencement, LUMA adopted the PREPA manual system to process and manage all the applications received by telecommunications companies. LUMA continuously improved this process, which is now handled efficiently in compliance with regulations, codes, and standards and under a pole repository utility standard system called Alden One.

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LUMA implemented a robust system for ongoing identification, tracking, and billing of all new and existing third parties. The Alden One System is widely used by other utilities in the US and is considered an industry standard. The production environment was implemented during the first half of fiscal year 2025, and so far, all telecommunications companies are using Alden One to request joint use of poles.

2.4.1 Additional Activities Identified Post-Commencement

Additional activities identified post-commencement include billing to collect past due rent for third parties.

LUMA has established a process for billing annual fees. High-level process is as follows:

- The billing team receives from the Legal and TPA team the file with the information related to the charges that will be generated.
- The billing team verifies the charges and generates them in CC&B.
- The billing team receives the notification letters to the client from the Legal team and adds the invoice generated in CC&B.
- The billing team forwards the letters to the Legal team for review and final approval.
- The Legal team notifies about the approval or the need for changes. If changes arise, the billing team makes them and returns them for approval.
- The billing team executes the required changes if necessary, and the letters are printed.
- The letters are enveloped and prepared for sending by certified mail.
- The letters are filed on the LEX platform in each client's individual accounts and uploaded to the Legal TPA File and Billing TPA File.
- The Billing team communicates to the Legal, TPA, and Billing leaders, notifying them that the process is complete.

In addition to the process established for issuing annual fees, LUMA also developed an approach for determining and billing past due amounts owed by third parties. The method for calculating past due amounts was based on historical information provided by PrepaNetworks, which managed the third-party attachment process for PREPA. The process is as follows:

- The base number of attachments was obtained from FY2017 billing, provided by PrepaNetworks. This information is pending validation against the equipment inventory requested from all telecommunications companies.
- The number of new attachments from FY2017 to the present was obtained from PREPA's record.
- The number of attachments from companies that no longer have a presence in Puerto Rico was distributed among the companies that currently control the assets.
- The price per attachment was obtained from FY2017 billing, provided by PrepaNetworks. A new pole attachment rate was determined in compliance with Article 9 of Act 213 of 1996, as amended by Act 80 of 2017. LUMA has been invoicing since commencement using the new annual pole attachment rate.

Beyond the billing of annual and past-due charges, LUMA also defined actions to address instances where third-party attachments do not comply with existing contractual requirements. Also, to handle situations regarding non-compliant third-party attachments, while we have a signed contract, the proposed actions are:

- Continue to inspect post-construction cases to identify unauthorized poles and document which ones are being used illegally.

- Notify each company of the inspection results, request the attachment legalization, and apply the corresponding penalty if applicable under their existing agreement. If they do not comply with the indicated process, LUMA will take other types of legal action.

2.4.2 FY2027-FY2028 Activities

The focus for the upcoming fiscal year will be:

- New agreement signed by LUMA and telecommunications companies
- Continue to implement new requirements, codes, and standards related to pole attachment and new attachment agreements, and enforce existing agreements
- Enhance procedures and practices in conjunction with pole replacement and rehabilitation programs
- Update joint-use attachments and associated systems and data in Alden One and Oracle CC&B
- Implement a robust system for ongoing identification, tracking, and billing of all new and existing third-party attachments
- Coordination with the Energy and Telecommunication Bureaus to establish a more robust TPA Program following the recommendations of the *Grupo de Trabajo Uso Mancomunado Seguro* ("GTUMS", per its Spanish acronym), as adopted by way of a Resolution and Order issued by the Public Service Regulatory Board, on October 11, 2019, in Case No. JRSP-MI-2019-0001.

2.4.3 Integration of the DOE PR-ERF Project Eight (P8) Utility Pole Abatement Program

In February 2026, the Department of Energy (DOE) approved an allocation of DOE PR-ERF $24.9 million for the Utility Pole Abatement Program. The amount allocated was reduced to $11.9 million in June 2026. The allocation is approved until December 31, 2026.

The Utility Pole Abatement Program was created to improve the execution of the third-party attachment program for PREPA-owned utility poles across Puerto Rico's electric grid. This program addresses the evaluation of proposed new third-party attachments, the transfer of existing attachments to new utility poles, and the removal of unauthorized, abandoned, or non-compliant third-party attachments. The program defines the following tasks:

Subtask 8.1 – Conglomerate and Clarify Guidelines – Completed on March 30, 2026

LUMA will gather and clarify all processes, guidelines, engineering standards, and any other relevant documents into a single comprehensive guide and process to be shared with telecommunications companies. All procedures and standards regarding Third Party Attachments are publicly available on the LUMA website. The guidelines include:

- Third Party Attachment Process
- Make Ready Process for Utility Pole Attachments
- Step by Step – Alden One Registration
- LUMA Third-Party Attachments (TPA) Engineering Standards
- Utility Pole Attachment General Compliance Guidelines

The guidelines completed under Task 8.1 provide a standardized pole loading analysis protocol, require submittal of inventory, establish guidelines for audits and enforcement mechanisms for unauthorized and non-compliant attachments, including penalties and removal procedures.

Update to Third Party Use, Audit, Contract, and Billing Procedures

Subtask 8.2 – Coordinate Identification of Attachments - In Progress

LUMA has coordinated with third-party attachers to identify abandoned or unused third-party attachments on utility poles, and performed pre-surveys, surveys, and assessments to identify abandoned or unused telecommunications attachments on utility poles. LUMA will also continue developing the asset identification program for utility poles via physical stencils/field tags that will integrate with the record system.

The performance of the survey assessments has resulted in the recording of attachment information and an enforcement mechanism for abandoned and non-compliant attachments with applicable standards.

Subtask 8.3 – Instruct and Monitor Third-Party Attachments- Non-Compliance - In Progress

LUMA has been notifying and instructing third-party attachers to remove or correct third-party attachments identified as abandoned, unused, or non-compliant in a timely manner.

As part of the performance of Task 8.3, LUMA has developed a notification of corrective action and removal of abandoned infrastructure for telecommunications companies. In conversations with the companies, a pilot program was developed, and coordination for the performance of removal and corrective work has been ongoing.

Subtask 8.4 – Remove non-compliant attachments - In Progress

Under this task, if a third-party attacher fails to respond or take the required action, LUMA will execute the following process:

- Develop a Task Order (TO) for engineering services to develop a Work Order Package to safely remove and properly dispose of all non-compliant and abandoned third-party attachments
- Bill all associated costs to the telecommunications provider responsible for the removal and disposal of non-compliant attachments
- Safely remove and properly dispose of any abandoned attachments for which the asset owner cannot be identified.

Under the performance of this task, LUMA has been able to improve the resiliency of pole infrastructure by removing unknown abandoned cables.

The allocation from this grant does not address pole infrastructure needs in terms of operational review of third-party attachments requests, notification in relation to planned work, billing, or any other operational tasks performed by the TPA division.

2.4.4 Implementation of the recommendations of the joint use working group (GTUMS, by its Spanish acronym) under case number JRSP-MI-2019-0001

In summary and in compliance with the Energy Bureau's Final Order issued on April 15, 2026, in Case No. NEPR-AP-2023-0003, In Re: Puerto Rico Electric Power Authority Rate Review, and taking into consideration the recommendations presented in the Report and Recommendations submitted and adopted in Case No. JRSP-MI-2019-0001, LUMA respectfully informs that it will coordinate meetings with the Puerto Rico Energy Bureau and the NET to discuss the following:

Update to Third Party Use, Audit, Contract, and Billing Procedures

(a) Standardized Pole Loading Analysis (PLA) Protocols. LUMA has developed a standardized, software-based Pole Loading Analysis (PLA) methodology and evaluation tool to provide a consistent framework for assessing the structural capacity of utility poles for existing and proposed third-party attachments. To facilitate consistent implementation, LUMA has conducted workshops and shared equipment libraries with telecommunications companies to explain the methodology and enable attachers to perform the required analyses as part of the permit application process and, if necessary, to evaluate the compliance of existing attachments. LUMA intends to share the PLA methodology, evaluation criteria, and applicable metrics with the Energy and Telecommunications Bureaus. LUMA remains receptive to technical feedback and recommendations that may facilitate the approval of additional attachments while maintaining the safety, reliability, and structural integrity of the electric T&D System.

(b) Joint Inspection Schedule. LUMA has taken significant steps toward implementing a joint inspection schedule by providing advance notice to telecommunications companies of planned work on utility poles in order to encourage coordination and facilitate the timely transfer, removal, and reattachment of third-party attachments. As part of the DOE Utility Pole Abatement Program, LUMA has also coordinated with telecommunications companies to identify abandoned, unused, and non-compliant attachments through pre-surveys and field assessments. Building upon those efforts, LUMA developed a pilot program under which joint field inspections were conducted with telecommunications companies, and a coordinated process was established for performing corrective work and removing abandoned infrastructure.

The pilot program has demonstrated that joint inspections are the most effective and efficient means of identifying attachment-related issues, reaching agreement on the necessary corrective actions, and coordinating remediation activities before work is performed. LUMA intends to build upon this collaborative approach and incorporate joint inspections as a standard component of the TPA Program.

To date, however, participation by telecommunications companies has been inconsistent and has depended largely on each company's willingness to collaborate. While LUMA has developed corrective action notices and advises telecommunications companies of the potential consequences of failing to cooperate or timely address non-compliant attachments, LUMA currently lacks an effective regulatory mechanism to compel the participation and collaboration from companies. Accordingly, LUMA would welcome the opportunity to coordinate with the Energy Bureau and the NET to identify measures within their respective authorities that may encourage broader participation and support the establishment of a more structured and effective joint inspection program.

(c) Complete Inventory and Auditing Process for All Third-Party Attachments. As discussed above, LUMA has requested telecommunications companies and PREPA for the third-party attachments inventory. Also, the NET has requested telecommunications companies to submit the inventory of their existing attachments as part of a Resolution and Order issued in Case No. NET-2025-RS-0002, In Re: Red Segura de Telecomunicaciones, although telecommunications have legally challenged said order. As such information becomes available, LUMA would welcome the opportunity to coordinate with the NET so that the inventory data may be shared with LUMA and integrated into its pole repository systems, thereby supporting the development of a centralized inventory and strengthening future auditing, permitting, billing, and asset management efforts.

LUMA also remains committed to supporting and advancing initiatives to secure the funding necessary to complete and maintain a comprehensive island-wide inventory of third-party attachments. LUMA looks forward to discussing with the Energy Bureau and the NET potential avenues to obtain such funding and opportunities to collaborate in presenting a coordinated, unified approach when seeking financial support for this initiative.

d) Enforcement Mechanisms for Unauthorized or Non-Compliant Attachments. As discussed above, one of the primary objectives of the new TPA Agreement is to establish clear contractual procedures and enforcement mechanisms for unauthorized and non-compliant third-party attachments. The new agreement is intended to provide telecommunications companies with adequate notice and a reasonable opportunity to correct identified deficiencies while, at the same time, providing LUMA, in its capacity as PREPA's agent, with meaningful contractual remedies in the event of non-compliance. These remedies include, among others, the authority to remove unauthorized attachments, recover costs associated with corrective actions, and assess breach-of-contract fees where a telecommunications company fails to comply with its contractual obligations.

As the new TPA Agreement continues to be discussed with telecommunications companies, these provisions will be part of the negotiation process. To date, however, LUMA has not received significant objections to the proposed breach-of-contract fees. LUMA believes that clearly defined contractual rights and remedies are essential to ensuring compliance and promoting the safe and orderly management of third-party attachments.

LUMA has also developed guidelines that clearly state applicable remedies and regulations for unauthorized and non-compliant attachments and welcomes the opportunity to discuss with the Energy Bureau and the NET additional legal, regulatory, or administrative mechanisms that may further support LUMA's ability, as PREPA's agent, to enforce the obligations of telecommunications companies and address these issues in a timely and effective manner.

2.5 Program Benefits

Primary Goals	Objectives	Direct or Indirect Impact
☒ **Prioritize Safety**	☒ Promote a safe workplace	Direct
	☒ Implement effective public safety practices	Direct
☒ **Improve Customer Satisfaction**	☒ Deliver a positive customer experience	Indirect
	☐ Increase service reliability	
	☒ Deliver electricity at reasonable prices	Direct
☒ **Operational Excellence**	☒ Enable systematic management of the business	Direct
	☒ Pursue project delivery excellence	Direct
	☒ Enable employees to execute operations systematically	Indirect
	☐ Effectively Deploy Federal Funding	Indirect

Update to Third Party Use, Audit, Contract, and Billing Procedures

Primary Goals	Objectives	Direct or Indirect Impact
☒ **System Rebuild and Resiliency**	☒ Restore damaged grid infrastructure	Direct
	☒ Improve the resilience of vulnerable infrastructure	Direct
☐ **Sustainable Energy Transformation**	☐ Modernizing the grid	
	☐ Enable the digital transformation	
	☐ Enable the sustainable energy transformation	
☒ **Other**	☒ Other: provide additional revenue	Direct

PRIMARY GOAL: PRIORITIZE SAFETY

Objective: Implement effective public safety practices

- Decluttered poles make it much safer for employees as they climb them
- Standard form agreements that consider the work to be completed and the necessary communications with Operations will improve safety for both employees and the public

PRIMARY GOAL: IMPROVE CUSTOMER SATISFACTION

Objective: Deliver electricity at reasonable prices

- Improved efficiency in responding to requests from outside parties will lead to an improved customer experience and a better company image within the Puerto Rico business community
- Increased accuracy in third-party customer billing can increase customer satisfaction, as third-party customers will receive accurate billing
- Increased revenue from third-party customer billing will put downward pressure on the overall revenue requirement, thereby reducing electricity customers' rates. This involves a review of appropriate and justifiable rates with the advent of 5G technology

PRIMARY GOAL: OPERATIONAL EXCELLENCE

Objective: Enable employees to execute operations systematically

- Increased visibility to third-party pole attachments on structures will improve the ability to complete planning activities
- The procedures to complete agreements with outside parties to comply with requirements to use existing poles will increase employee effectiveness and productivity by allowing employees to make decisions within established guidelines with clear standards
- Manual tracking systems will reduce the process administration for joint-use data
- Improved ability to query financial data related to third-party attachment revenue will streamline employee processes

Update to Third Party Use, Audit, Contract, and Billing Procedures

PRIMARY GOAL: SYSTEM REBUILD & RESILIENCY

Objective: Restore Damaged Grid Infrastructure

This program helps to repair damage to pole integrity caused by the current system for managing third-party pole attachments.

Objective: Improve the Resilience of Vulnerable Infrastructure

New processes with enforceable contracts and standards will control the proliferation of third-party pole attachments and ensure they are safe and do not harm pole integrity.

PRIMARY GOAL: OTHER

Objective: Provide Additional Revenue

Based on the available data, the total unpaid third-party attachment annual fee for LUMA is approximately $8.8 million for FY2022 to FY2025. The total unpaid third-party attachment annual fee debt to PREPA from 2017 to 2021 is approximately $17.6 million.

With the information available, LUMA could bill telecommunications companies an estimated $3.5 million in annual third-party attachment fees. In addition to the third-party pole attachment annual fee, LUMA implemented the third-party attachment application fee in November 2023. The application fee is intended to cover the expenses of processing the telecommunications companies' third-party attachment applications.

3.0 Program Funding

3.1 Program Funding

DOE is funding the Pole Abatement project under the Update to Third Party Use, Audit, Contract, and Billing Procedures program with an approved allocation of $11.9 million as of June 2026, valid through December 31, 2026. Any additional administrative costs will be covered by LUMA's Legal Subdepartment under Support Services.

3.2 Program Resource Requirements

- Technical writing resources were required to aid in developing and writing the detailed procedures for pole attachments.
- Legal resources were required to develop the template agreements
- Customer experience resources are required to perform billing updates and assist in reporting progress and development of process and procedure updates
- Third-party billing information is required, including billing address, contact information, and contract terms
- Post-audit up-to-date asset data extracted from the asset management system, including structure type, location, and attached third-party company name, is required
- Field inspectors are needed to inspect the locations that are being requested for attachment
- Engineering analysts are needed to perform pole loading and sag analysis properly
- A portal was implemented to process and document the applications properly

- Integration with various databases (G-electric, Asset Suite, etc.) is needed to keep pole data up to date

3.3 Estimating Methods and Assumptions

Methods and assumptions used to develop the third-party attachment billing update program estimate include the following:

- Estimated revenue is being calculated using the FCC formula.
- Estimated 75% of overhead structures have third-party pole attachments; the scenarios and quantity of attachments per pole may vary depending on the areas of telecommunications service provided.
- Third-party pole attachment inventory data has not been updated or billed accurately for some time, which will result in increased revenue post-audit.
- PREPA did not bill fees for unauthorized pole attachments.
- LUMA assumes telecommunications agreements will consider a FCC rate.
- Internal resources will be netted out from the credits received from TPA applications.

3.4 Timeline and Milestones