NEPR

Received:

Sep 4, 2026

6:42 PM

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

IN RE: REVIEW OF LUMA'S INITIAL BUDGETS	**CASE NO.** NEPR-MI-2021-0004 **SUBJECT:** Motion for Reconsideration of the August 19th Order

MOTION FOR RECONSIDERATION OF THE AUGUST 19TH ORDER

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:

I. Introduction

1. LUMA respectfully submits this Motion for Reconsideration of the Resolution and Order issued by the Honorable Puerto Rico Energy Bureau ("Energy Bureau") on August 19, 2026 (the "August 19th Order"), styled *Resolution Specifying the Energy Bureau-Approved FY2027 GridCo Budget and Rejecting LUMA's Request for Reapportionment of Funds*, through which the Energy Bureau consolidated and outlined in Appendix A the Fiscal Year 2027 ("FY2027") GridCo budget components and rejected LUMA's request for reapportionment of funds.

2. While LUMA appreciates the Energy Bureau's provision of a consolidated table in Appendix A of the August 19th Order, LUMA has identified that certain amounts reflected therein do not correspond to the budget determinations set forth in the *Final Resolution and Order on Electricity Rates,* issued on April 15, 2026 in Case No. NEPR-AP-2023-0003, *In Re: Puerto Rico*

Electric Power Authority Rate Review (the "Final Rate Order").[1] The resulting variance of approximately $7.6 million affects two budget categories: (1) Transmission and Distribution ("T&D") operating expenditures and (2) T&D Non-Federally Funded Capital ("NFC") expenditures. LUMA's methodology for developing the FY2027 budget build-up is explained in detail in Exhibit 1 hereto. LUMA faithfully reconstructed the FY2027 GridCo budget from the individual determinations in the Final Rate Order, and found that the amounts reflected in Appendix A to the August 19th Order diverge from those determinations with respect to specific expense categories and line items.

3. Accordingly, and as expounded upon below, LUMA hereby respectfully requests that the Energy Bureau reconsider the August 19th Order and amend Appendix A to reflect the budget amounts that are consistent with the Final Rate Order determinations.

II. Relevant Background

4. On July 3, 2025, LUMA, on behalf of itself, Genera PR LLC ("Genera") and the Puerto Rico Electric Power Authority ("PREPA"), submitted an application for permanent and provisional rates in Case No. NEPR-AP-2023-0003, *In Re: Puerto Rico Electric Power Rate Review*.[2]

5. On April 15, 2026, the Energy Bureau issued the Final Rate Order in Case No. NEPR-AP-2023-0003, thereby approving and establishing, among other determinations, the permanent FY2027 revenue requirement for the electric system. *See* Final Rate Order, Chapter

---

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

[2] *See Motion Submitting Rate Review Petition. Available* at https://energia.pr.gov/wp-content/uploads/sites/7/2025/07/20250703-AP20230003-Motion-Submitting-Rate-Review-Petition-2-1.pdf.

One at 43. The Final Rate Order included tables that provide line-item detail for the budgets to be administered by PREPA (HoldCo and HydroCo) and Genera (GenCo). *See* Final Rate Order, Chapter Five at 47; and Chapter Four at 130-131. The Final Rate Order, however, failed to include a consolidated table identifying the budget allocated to GridCo, which is the entity administered by LUMA. Because the Energy Bureau's Final Rate Order did not include a single consolidated table identifying the total budget allocated to GridCo, LUMA was required to reconstruct the GridCo budget by aggregating individual budget determinations contained throughout the Final Rate Order.

6. In light thereof, on July 9, 2026, LUMA filed its *Motion to Inform Variance Between GridCo Fiscal Year 2027 Certified Budget and Budget Approved in Final Rate Order and Request for Remedies* ("July 9th Motion"). Therein, LUMA brought to the Energy Bureau's attention a discrepancy of $7.6 million between the FY2027 GridCo budget derived from the Final Rate Order and the FY2027 PREPA Certified Budget certified by the Financial Oversight and Management Board ("FOMB") on June 26, 2026.

7. LUMA explained that the discrepancy arises from the absence of a consolidated GridCo budget table in the Final Rate Order. To address the resulting funding gap, LUMA proposed that the Energy Bureau approve a reapportionment of $7.6 million from the Contingency Reserve Account[3] to the GridCo Labor Operating Expenses and Non-Labor/Other Operating Expenses budget categories, or alternatively identify a mechanism to reconcile the discrepancy and preserve the funding previously approved for GridCo activities.

[3] On June 15, 2026, the Energy Bureau issued a Resolution and Order in this proceeding (the "June 15th Order"), which, among other matters, partially amended the FY2027 Budget to establish contingency reserve accounts of $30 million for LUMA, $30 million for Genera, and $1 million for PREPA.

8. On August 19, 2026, the Energy Bureau issued the August 19th Order referenced above. In said order, the Energy Bureau determined that "no variance exists" between the approved FY2027 GridCo budget and the FY2027 Certified Budget. *See* August 19th Order, at 2. Thus, the Energy Bureau rejected LUMA's request to reapportion $7.6 million from the Contingency Reserve Account to ordinary operating expense categories, stating that LUMA's assertion as to the existence of a variance was "an incorrect premise." *Id*.

9. Attached to the August 19th Order, the Energy Bureau also included an Appendix A, in the form of a consolidated table specifying by expense component the approved FY2027 GridCo budget. The August 19th Order noted that this table was intended to eliminate any ambiguity in the aggregation of individual budget determinations.

10. As further explained below, upon receipt of the August 19th Order and its Appendix A, LUMA conducted a detailed comparison between its reconstruction of the Final Rate Order determinations (as reflected in Exhibit 1 and Attachment 1 hereto) and the amounts consolidated in Appendix A. That comparison revealed that an approximately $7.6 million variance from the Final Rate Order determinations remained, distributed across T&D operating expenditures and T&D NFC expenditures.

III. Applicable Standard

11. A motion to reconsider is "the mechanism provided by our legal system to allow orders, rulings, and judgments to be modified. The main purpose of a motion to reconsider is to give the [adjudicator] that entered the judgment or order an opportunity to amend or correct any errors it may have made." *Medina Nazario v. McNeil Healthcare LLC*, 194 DPR 723, 731 (2016) (translations ours). Ordinarily, our legal system favors the use of this remedy, since it gives the

adjudicative forum the opportunity to correct its errors. *See id*. (citing R. Hernández Colón, *Práctica Jurídica de Puerto Rico, Derecho Procesal Civil*, 395 (5th Ed. 2010)).

12. To said ends, Section 11.01 of the Energy Bureau's Regulation No. 8543 of December 18, 2024, titled *Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigation Proceedings*, provides that, "[a]ny party dissatisfied with the [Energy Bureau]'s final decision may file a motion for reconsideration before the [Energy Bureau], which shall state in detail the grounds supporting the petition and the remedy that, according to the petitioner, the [Energy Bureau] should have granted."

IV. Discussion

13. As advanced, LUMA developed the FY2027 budget build-up by reviewing the determinations established in the Final Rate Order and tracing those determinations to the underlying supporting workpapers filed in Case No. NEPR-AP-2023-0003. For each department, sub-department, program, and project, LUMA identified the applicable budget determination in the Final Rate Order and confirmed them against the applicable amounts as reflected in the corresponding workpapers. Once confirmed, LUMA then extrapolated the Final Rate Order's determinations for each applicable department, sub-department, program, and project and aggregated the resulting amounts to develop the corresponding department or program FY2027 budget. *See* Exhibit 1, Section 1.0, p. 2.

14. Exhibit 1 and Attachment 1, filed herewith, present the line-by-line comparison between LUMA's budget reconstruction, stemming from the Final Rate Order, and the amounts reflected in Appendix A to the August 19th Order, organized by department for operating expenditures and by portfolio for NFC expenditures, and outlining the precise dollar difference for each line item. The variances are not the product of computational error, but rather reflect actual

differences between the amounts in Appendix A and the determinations set forth in the Final Rate Order.

15. In sum, LUMA's reconstruction of the Final Rate Order determinations for FY2027 T&D operating expenditures yields a total of approximately $795,645,292 —compared to approximately $787,026,626 reflected in Appendix A of the Energy Bureau's August 19th Order—representing a net variance of approximately $8.6 million, concentrated in two of the four departments, Customer Experience and the Support Services departments. *See* Exhibit 1, pp. 3-4; and Attachment 1, "CX Delta from R&O" tab.

16. As for LUMA's FY2027 T&D NFC expenditures, Exhibit 1 and Attachment 1 reveal an offsetting net variance of approximately positive $987,500, where Appendix A to the August 19th Order reflects higher total amounts than LUMA's reconstructed FY2027 budget. The variance is distributed across two portfolios: the Customer Experience portfolio ($18,966,653 versus $18,704,153, a $262,500 difference) and the Enabling portfolio ($31,345,233 versus $32,595,233, a $1,250,000 difference). *See* Exhibit 1, pp. 5-6; and Attachment 1, "T&D Imp Prog. Delta" tab. All other NFC portfolios reflected a zero variance.

17. The variances detailed above demonstrate that Appendix A to the August 19th Order does not accurately reflect the budget determinations set forth in the Final Rate Order. The approximately $7.6 million net shortfall in the approved GridCo budget directly affects LUMA's ability to fund activities and expenditures previously approved by the Energy Bureau.

18. Thus, LUMA respectfully requests that the Energy Bureau reconsider the August 19th Order and amend Appendix A to reflect the FY2027 GridCo budget amounts consistent with the Final Rate Order determinations, as detailed in Exhibit 1 and Attachment 1 hereto.

19. Alternatively, if the Energy Bureau determines that any of the amounts reflected in Appendix A differ from LUMA's reconstruction for reasons not apparent from the Final Rate Order, LUMA respectfully requests that the Energy Bureau afford LUMA the opportunity to respond before adopting a final resolution of the FY2027 GridCo budget. Transparency and precision in the budget determination process are essential to ensure that LUMA can fulfill its obligations as operator of the electric transmission and distribution system in accordance with the approved revenue requirements and budget parameters.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **reconsider** its August 19th Order; **amend** Appendix A thereto to reflect the FY2027 GridCo budget amounts consistent with the Final Rate Order determinations as detailed in Exhibit 1 and Attachment 1 hereto; and **grant** any other relief that the Energy Bureau deems just and appropriate.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, on the 4th day of September, 2026.

[*Space left blank intentionally*]

DLA Piper (Puerto Rico) LLC
B-7 Tabonuco Street, Suite 1501
Guaynabo, PR 00968-3028
Tel. 787-945-9139
Fax 939-697-6169

/s/ Margarita Mercado Echegaray
Margarita Mercado Echegaray
RUA NÚM. 16,266
margarita.mercado@us.dlapiper.com

/s/ Katiuska Bolaños Lugo
Katiuska Bolaños Lugo
RUA NÚM. 18,888
Katiuska.Bolanos-Lugo@us.dlapiper.com

/s/ Jan M. Albino López
Jan M. Albino López
RUA NÚM. 22,891
Jan.Albinolopez@us.dlapiper.com

CERTIFICATE OF SERVICE

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 the Puerto Rico Electric Power Authority, through its attorneys of record: Richard Cruz-Franqui, rcruzfranqui@gmlex.net; Mirelis Valle-Cancel, mvalle@gmlex.net; Natalia Zayas Godoy, nzayas@gmlex.net; and Alexis G. Rivera Medina, alexis.rivera@prepa.pr.gov; and to Genera PR, LLC, through: Jorge Fernández-Reboredo, jfernandez@ecija.com, José J. Díaz Alonso, jdiaz@ecija.com; Ricardo Pallens Cruz, ricardo.pallens@genera-pr.com; Ernesto Ramos Maldonado, eramos@ecija.com; Ramón L. Ramos Aponte; ramon.ramos@jsyalaw.com; legal@genera-pr.com; and regulatory@genera-pr.com.

In Guaynabo, Puerto Rico, on the 4th day of September, 2026.

/s/ Jan M. Albino López

Exhibit 1

(*Supporting Excel document to filed via email*)

Exhibit 1 – LUMA’s Reconsideration Request of August 19 Order

September 4, 2026

Introductory Statement

On April 15, 2026, the Puerto Rico Energy Bureau (Energy Bureau) issued the Final Resolution and Order on Electricity Rates in Case No. NEPR-AP-2023-0003 (Final Rate Order). That order established department-level determinations for Transmission & Distribution (T&D) operating expenditures and non-federally funded (NFC) capital programs.

On July 9, 2026, LUMA filed *LUMA's Motion to Inform Variance in GridCo Fiscal Year 2027 Certified Budget and Budgets Approved in Final Rate Order and Request for Remedies*. In that motion, LUMA explained that the Final Rate Order did not provide a consolidated table for GridCo LUMA-administered totals and that, upon performing a bottom-up build-up based on each individual determination made by the Energy Bureau, LUMA identified a $7.6 million discrepancy between the FY2027 GridCo Budget certified by the Financial Oversight and Management Board for Puerto Rico and the determinations in the Final Rate Order. LUMA identified this variance by reviewing the applicable determinations and the supporting workpapers to reconstruct the corresponding FY2027 amounts and compare them against the aggregate values adopted by the Energy Bureau in the Final Rate Order and subsequently certified by the FOMB.

On August 19, 2026, the Energy Bureau issued a Resolution and Order (the "August 19th Order") rejecting LUMA's contention that a discrepancy existed between the GridCo Certified Budget and the Final Rate Order. The August 19th Order included a consolidated FY2027 GridCo budget as Appendix A. After comparing the individual determinations in the Final Rate Order with the amounts shown in Appendix, LUMA found that a $7.6 million discrepancy between the Final Rate Order and Appendix A remained.

This filing explains LUMA's approach to developing a bottom-up build-up of the GridCo Budget for FY2027 based on the individual determinations in the Final Rate Order and a comparison against the amounts reflected in Appendix A for (1) T&D operating expenditures and (2) T&D NFC expenditures.

1.0 FY2027 Budget Build-Up Methodology

LUMA developed the FY2027 build-up by reviewing the individual determinations in the Final Rate Order and tracing them to the underlying supporting workpapers. For each department, sub-department, program, and project, LUMA:

- Identified the applicable determination in the Final Rate Order
- Reviewed the corresponding workpapers submitted during the Rate Case process
- Confirmed the applicable amount in the supporting workpapers
- Applied the determination from the workpaper to the applicable department, sub-department, program, and project
- Aggregated the resulting amounts to develop the corresponding department or program FY2027 budget

Attachment 1 of this filing provides the detailed support for LUMA's O&M and NFC build-ups. The attachment includes separate tabs for Customer Experience and Support Services. It identifies for each sub-department the applicable Final Rate Order determination, the page of the Final Rate Order where the determination appears, and an excerpt of the corresponding supporting workpaper (Optimal or Constrained) showing the amount used in LUMA's build-up. LUMA applied the same approach to the NFC budget build-up, tracing the applicable program and project determination to the Final Rate Order.

Accordingly, the supporting attachment provides a traceable reconciliation from the Energy Bureau's determination to LUMA's FY2027 budget build-up.

1.1 Operating and Maintenance Expenses

LUMA's reconciliation of the Final Rate Order determinations against Appendix A was consistent for Operations and Utility Transformation departments. However, for the Customer Experience and Support Services departments, the Final Rate Order sub-departmental aggregations result in department-level amounts that differ from the amounts reflected in Appendix A of the August 19th Order.

CUSTOMER EXPERIENCE DEPARTMENT

The Customer Experience department FY2027 budget, based on the sub-department determinations in the Final Rate Order, results in $46.77 million of labor expenses and $50.81 million of non-labor expenses. Appendix A of the August 19 Order reflects $46.45 million of labor expenses and $47.30 million in non-labor expenses. Overall, this results in a total department-wide difference of $3.84 million. Table 1-1 shows the detailed variances.

For the Customer Experience department, several of the Energy Bureau's determinations anchored sub-department funding at the approved FY2025 level. To produce the FY2025 build-ups, LUMA utilized an extract from its 2025 financial database, which serves as the foundational data for quarterly and annual reports.

Reconsideration of August 19 Order

Table 1-1 Differences for Customer Experience Department Budget Line Item

($ in thousands)

	FY2027 Final Rate Order Determination April 15, 2026	FY2027 Approved budget August 19, 2026	Difference
Labor			
Salaries, Wages and Benefits	46,773	46,453	(319)
Total Labor	**46,773**	**46,453**	**(319)**
Non-Labor			-
Materials & Supplies	8	324	316
Transportation, Per Diem, and Mileage	436	436	(0.1)
Property & Casualty Insurance	-	-	-
Security	-	-	-
IT Service Agreements	-	-	-
Utilities & Rents	160	126	(34)
Legal Services	-	-	-
Communications Expenses	0.5	-	(0.5)
Professional & Technical Outsourced Services	50,209	46,400	(3,809)
Vegetation Management	-	-	-
Other Miscellaneous Expenses	-	10	10
Total Non-Labor / Other Operating Expense	**50,814**	**47,296**	**(3,518)**
Subtotal Labor and Non-Labor/Other Operating Expenses	**97,586**	**93,749**	**(3,837)**
2% Reserve for Excess Expenditures			
Total Operating Budget	**97,586**	**93,749**	**(3,837)**

Reconsideration of August 19 Order

SUPPORT SERVICES DEPARTMENT

LUMA applied the same methodology to the Support Services department. The Final Rate Order determinations result in $96.08 million of labor expenses and $183.34 million of non-labor operating expenses. Appendix A of the August 19th Order reflects $96.05 million of labor expenses and $178.59 million of non-labor operating expenses. Overall, this results in a total department-wide difference of $4.78 million. Table 1-2 shows the detailed variances.

Table 1-2 Differences for Support Services Department Budget Line Item

($ in thousands)

	FY2027 Final Rate Order Determination April 15, 2026	FY2027 Approved budget August 19, 2026	Difference
Labor			
Salaries, Wages and Benefits	96,079	96,048	(32)
Total Labor	**96,079**	**96,048**	**(32)**
Non-Labor			
Materials & Supplies	19,945	17,954	(1,991)
Transportation, Per Diem, and Mileage	8,088	7,637	(451)
Property & Casualty Insurance	18,998	18,998	-
Security	7,684	7,684	-
IT Service Agreements	46,397	46,397	-
Utilities & Rents	11,435	10,894	(541)
Legal Services	10,253	10,253	-
Communications Expenses	1,924	1,924	-
Professional & Technical Outsourced Services	51,591	49,824	(1,767)
Vegetation Management	-	-	-
Other Miscellaneous Expenses	7,027	7,028	0
Total Non-Labor / Other Operating Expense	**183,341**	**178,592**	**(4,749)**
Subtotal Labor and Non-Labor/Other Operating Expenses	**279,420**	**274,639**	**(4,781)**
2% Reserve for Excess Expenditures			-
Total Operating Budget	**279,420**	**274,639**	**(4,781)**

Reconsideration of August 19 Order

Non-Federally Funded Capital Expenditures

LUMA also conducted a detailed reconciliation of the T&D NFC capital expenditures. LUMA reconstructed the program- and project-level determinations established in the Final Rate Order and aggregated them to develop the total FY2027 NFC budget. Based on the determinations contained in the Final Rate Order, LUMA's reconstruction results in a total NFC amount of $156.71 million.

Comparing this total to the consolidated NFC amount in the August 19th Order, LUMA identified a discrepancy of $0.99 million. This difference is attributable to two specific programs: the Modernize Customer Services Technology program (PBCS01) within the Customer Experience portfolio and the Compliance & Studies program (PBUT01) within the Enabling portfolio.

CUSTOMER EXPERIENCE PORTFOLIO

LUMA identified a $0.26 million difference in the Customer Experience portfolio associated with the Modernize Customer Service Technology Program (PBCS1). The Final Rate Order approved funding for the Modernize Customer Service Technology Program for FY2026 through FY2028, stating that the proposed funding was the same under both the Optimal and Constrained Budgets. The Final Rate Order therefore included $0.13 million for the Contact Center Platform (IVR) project and $0.13 million for the Mi LUMA Website Redesign project. However, Appendix A of the August 19 Order omits funding for these two projects.

Accordingly, based on the Final Rate Order determinations, the Customer Experience portfolio totals $18.97 million, compared with $18.70 million reflected in Appendix A of the August 19th Order. Table 1-3 shows the resulting difference.

Table 1-3 Differences for Customer Experience Portfolio with the Program and Project-Level Funding

($ in thousands)

Portfolio	PBCode	FY2027 Final Rate Order Determination April 15, 2026	FY2027 Approved budget August 19, 2026	Difference
Customer Experience		**18,967**	**18,704**	(263)
Modernize Customer Service Technology	PBCS01	263	-	(263)
Contact Center Platform (IVR		131	-	(131)
15N006940000 Mi LUMA Website Redesign (Carimus) Cap Portion		131	-	(131)
Distribution		**47,029**	**47,029**	-
Transmission		**19,250**	**19,250**	-
Substations		**10,350**	**10,350**	-
Control Center & Buildings		**8,768**	**8,768**	-
Enabling		**31,345**	**32,595**	1,250
Support Services		**20,999**	**20,999**	-
Total		**$ 156,708**	**$ 157,695**	**988**

Reconciliation of August 19 Order

ENABLING PORTFOLIO

LUMA identified a $1.25 million difference in the Enabling portfolio associated with the Compliance & Studies Program (PBUT1). The Final Rate Order does not contain any determination approving funding for the Distribution Line System Level Plan and Size project. However, Appendix A of the August 19th Order reflects $1.25 million of funding for this project. Accordingly, based on the Final Rate Order determinations, the Enabling portfolio totals $31.35 million, while Appendix A of the August 19th Order reflects $32.60 million. Table 1-4 shows the resulting difference.

Table 1-4 Differences for Enabling Portfolio with the Program and Project-Level Funding

($ in thousands)

Portfolio	PBCode	FY2027 Final Rate Order Determination April 15, 2026	FY2027 Approved budget August 19, 2026	Difference
Customer Experience		**18,967**	**18,704**	(263)
Distribution		**47,029**	**47,029**	-
Transmission		**19,250**	**19,250**	-
Substations		**10,350**	**10,350**	-
Control Center & Buildings		**8,768**	**8,768**	-
Enabling		**31,345**	**32,595**	1,250
Compliance & Studies	PBUT01	9,386	10,636	1,250
DG Interconnect & Net Metering		4,261	4,261	-
Utility Scale Renewable Energy Integration Plan		1,000	1,000	-
PSSE Dynamic Data Collection		-		-
D Subs Sys Asset Plan & Size		1,250	1,250	-
Dist Line-Sys Lev Plan & Size		-	1,250	1,250
T Line-Sys Lev A. Plan & Size		1,438	1,438	-
T Subs Sys Asset Plan & Size		1,438	1,438	-
Support Services		**20,999**	**20,999**	-
Total		**$ 156,708**	**$ 157,695**	**988**