

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

NEPR

Received:

Oct 2, 2026

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IN RE: PUERTO RICO ELECTRIC
POWER AUTHORITY
PERMANENT RATE

CASE NO.: NEPR-MI-2020-0001

**URGENT MOTION REGARDING NFE COMMUNICATION AND
POTENTIAL LNG SUPPLY IMPLICATIONS**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority ("PREPA"), through its undersigned legal representation, and respectfully STATES and REQUESTS as follows:

1. On September 30, 2026, the Puerto Rico Energy Bureau ("Energy Bureau") issued its Resolution and Order concerning the quarterly adjustment clause factors for the period of October through December 2026 (the "September 30 Order").
2. Among other determinations, the Energy Bureau ordered PREPA to retain within the electric system any amount that, following the corresponding evaluation, may be deducted, set off, or withheld from payments to NFEnergía LLC ("NFE"). The Energy Bureau further provided that this directive would begin with approximately \$17,649,888.46 addressed in the September 30 Order and would extend prospectively to future amounts subject to similar mechanisms.
3. PREPA acknowledges the September 30 Order and, as a regulated entity subject to the jurisdiction and orders of the Energy Bureau, intends to comply with the directives contained therein.

4. This Motion is **not a motion for reconsideration of the September 30 Order**, nor does PREPA presently request that the Energy Bureau vacate, modify, stay, or otherwise reconsider its determinations. Rather, PREPA files this Motion to bring to the Energy Bureau's immediate attention a material development occurring after issuance of the September 30 Order that may bear directly upon Puerto Rico's LNG supply, fuel costs, and electric-system reliability.

5. On October 2, 2026, NFE transmitted a letter concerning the September 30 Order to the Puerto Rico Public-Private Partnerships Authority ("P3A"), the Energy Bureau, and the Third-Party Procurement Office ("3PPO"). A copy of NFE's October 2, 2026 letter is submitted herewith as **Exhibit A**.

6. In its letter, NFE disputes the interpretation and application of the September 30 Order to amounts payable under the applicable gas supply agreements. Among other things, NFE contends that the applicable contractual provisions require payment of invoiced amounts when due - notwithstanding a dispute - and asserts that withholding such payments would be inconsistent with those agreements.

7. PREPA does not submit this Motion for purposes of asking the Energy Bureau to adjudicate, on the present record, the merits of NFE's contractual assertions. Those assertions are reported herein due to the operational consequence NFE has expressly associated with its interpretation of the September 30 Order.

8. Specifically, NFE states that it is "unable to commit any LNG to Puerto Rico moving forward" and further represents that, for NFE to "recommence LNG supply to Puerto Rico," two conditions must occur: first, that the Energy Bureau rescind or amend the September 30 Order insofar as NFE understands it to authorize withholding of

payments; and second, that PREPA explicitly confirm that it will pay outstanding balances as required under the applicable gas supply agreements.

9. PREPA considers these statements sufficiently consequential to require their immediate disclosure to the Energy Bureau. Whatever the ultimate merits of NFE's contractual position, NFE has now expressly connected its willingness to commit or recommence LNG supply to the implementation of the September 30 Order.

10. This development presents a potentially significant practical consequence. A central concern addressed in the September 30 Order is the economic impact resulting from deficiencies in natural-gas supply and the corresponding need to substitute more expensive liquid fuels. The Energy Bureau recognized that natural-gas delivery deficiencies required substitution with ULSD and HFO, resulting in substantial additional fuel costs.

11. Indeed, the Energy Bureau determined that costs associated with natural-gas supply deficiencies should not be prematurely transferred to consumers and deferred \$17,649,888.46 while the corresponding contractual claims and responsibilities are evaluated.

12. NFE's October 2 communication therefore raises the possibility of an unintended and potentially counterproductive consequence: implementation of the September 30 Order, as NFE presently interprets it, could result in a further limitation or interruption of LNG supply, thereby perpetuating or increasing the electric system's dependence on more expensive diesel and other replacement fuels. This is the very economic consequence associated with inadequate natural-gas supply that the September 30 Order seeks to address and mitigate.

13. PREPA does not suggest through this statement that NFE's interpretation of the September 30 Order or of the applicable agreements is correct. Nor does PREPA suggest that NFE possesses a contractual right to suspend, condition, or otherwise alter its existing supply obligations. Those questions require evaluation under the applicable agreements and through the appropriate contractual and regulatory processes.

14. Nevertheless, the potential consequences identified by NFE cannot be disregarded, particularly given the immediate circumstances surrounding the *Amur River*, which is presently carrying LNG intended for delivery at NFE's San Juan terminal.

15. On October 1, 2026, the United States District Court for the District of Puerto Rico issued an Order allowing the vessel to enter the Port of San Juan, berth at NFE's terminal, and discharge its cargo.

16. Notwithstanding, the vessel did not enter today and, according to the information presently available to PREPA, its entry is now scheduled for Sunday, October 4, 2026, at approximately 6:00 a.m.

17. At this time, PREPA does not know whether the vessel's non-entry today bears any relationship whatsoever to NFE's position concerning the September 30 Order or the payment issues identified in NFE's October 2 letter. PREPA likewise does not presently know whether NFE's statement that it is unable to commit LNG "moving forward" applies to the LNG cargo presently aboard the *AMUR River*, whether the vessel will enter as presently scheduled on October 4, or whether its cargo will be discharged and made available pursuant to the applicable contractual arrangements.

18. Following NFE's October 2 communication, the 3PPO, as the entity responsible for administration of the applicable fuel supply agreement, responded to NFE

in writing on October 2, 2026. A copy of the 3PPO's response is submitted herewith as **Exhibit B**. In its response, the 3PPO advised NFE that the conditions identified in NFE's October 2 letter do not appear in the applicable Gas Sales Agreement and took the position that NFE's obligation to deliver Gas remains in full force and effect. The 3PPO further advised NFE that the contractual remedies associated with nonpayment do not, under the circumstances identified in NFE's letter, authorize NFE to immediately suspend or condition its Gas-delivery obligations.

19. The 3PPO further advised NFE that, pursuant to Sections 4.4.1 and 4.4.3 of the Gas Sales Agreement, any unexcused failure to make available Gas requested as part of a Scheduled Monthly Quantity may constitute a Deliver-or-Pay ("DoP") Quantity and give rise to the corresponding DoP Payment, including the positive difference between the price of Replacement Fuel and the Gas Price and certain associated costs. According to the 3PPO, DoP Quantities have accrued since September 16, 2026, and any further unexcused failure to deliver Gas - including a refusal to commit LNG based upon the position expressed in NFE's October 2 letter - would add to those quantities and potential contractual liabilities.

20. NFE has been requested to confirm in writing, within twenty-four (24) hours, that it will continue to deliver Gas in accordance with Section 4.4.1 of the Gas Sales Agreement and the applicable Scheduled Monthly Quantities. As of the filing of this Motion, PREPA has not been informed that NFE has provided the requested confirmation.

21. The 3PPO's response establishes that the entity responsible for administration of the applicable fuel supply agreement has acted upon NFE's October 2 communication and has expressly demanded continued contractual performance. That

contractual position, however, does not resolve the immediate operational uncertainty created by NFE's statement that it is unable to commit LNG to Puerto Rico moving forward. Indeed, the 3PPO has expressly required NFE to confirm within twenty-four (24) hours that it will continue delivering Gas in accordance with its contractual obligations. Accordingly, at the time of this filing, the immediate question is not merely whether NFE remains contractually obligated to continue performance, but whether NFE will in fact do so and, specifically, whether its October 2 position will affect the scheduled entry, discharge, or availability of the LNG presently aboard the *Amur River*.

22. PREPA recognizes its obligation to comply with the lawful orders of the Energy Bureau and stands ready and willing to comply with the September 30 Order according to its terms.

23. At the same time, however, PREPA believes that its obligations as the owner of the electric system and as a regulated entity require it to promptly place before the Energy Bureau material information concerning the implementation of that Order.

24. PREPA therefore respectfully submits NFE's October 2 letter and the foregoing information so that the Energy Bureau may take notice of these developments and determine, in the exercise of its regulatory authority, whether any directive, or other order is appropriate under the circumstances.

WHEREFORE, PREPA respectfully requests that the Energy Bureau **TAKE NOTICE** of NFE's October 2, 2026 communication and the concerns for LNG supply, including the circumstances presently surrounding the *AMUR River*; and **ISSUE** such directive, or other order as the Energy Bureau may deem appropriate under the circumstances. Absent any further directive from the Energy Bureau, PREPA will comply

with the September 30 Order in accordance with its terms and PREPA's obligations as a regulated entity.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 2nd day of October 2026.

CERTIFICATE OF FILING AND SERVICE: It is hereby certified that this document was filed with the Office of the Clerk of the Energy Bureau through its electronic filing system, available at <https://radicacion.energia.pr.gov/login>. It is further certified that a file-stamped copy of the foregoing document was served upon the parties in the above-captioned proceeding at the following email addresses: LUMA Energy, LLC and LUMA Energy ServCo, LLC, through Margarita Mercado, margarita.mercado@us.dlapiper.com; Yahaira de la Rosa, Yahaira.delarosa@us.dlapiper.com; Katiuska Bolanos Lugo, katiuska.bolanos-lugo@us.dlapiper.com; RegulatoryPREBOrders@lumapr.com; Genera PR LLC through: Luis Román; lrm@roman-negron.com; legal@genera-pr.com; regulatory@genera-pr.com.

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