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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 to Submit Quarterly Report for the First Quarter of Fiscal Year 2027

MOTION TO SUBMIT QUARTERLY REPORT FOR THE FIRST QUARTER OF FISCAL YEAR 2027

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 May 31, 2021, the Honorable Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") issued and published a Resolution and Order approving LUMA's Initial Budgets ("May 31st Order").

2. In the May 31st Order, the Energy Bureau listed certain reporting obligations that LUMA shall fulfill, including, among others, annual explanations of the differences between accounts, expenses and approved budgets and reporting on federal funding activity. *See* May 31st Order at 36, ¶¶ 1-4; *see also* Resolution and Order of July 16, 2021 at 6 (modifying the federal funding reporting requirements stated in the May 31st Order).

3. On February 27, 2023, the Energy Bureau issued a Resolution and Order whereby it approved the Fiscal Year ("FY") 2023 Consolidated Budget certified by the Financial Oversight and Management Board for Puerto Rico ("Oversight Board"),[1] and established quarterly reporting

[1] The FY2023 Consolidated Budget was certified by the Oversight Board pursuant to Section 202(e) of the Puerto Rico Oversight, Management and Economic Stability Act.

requirements on actual expenditures and spending amounts for the quarter and year-to-date activities, including explanations and justifications of variances, information to assess outstanding balances, and information on actual load and sales ("February 27th Order"). *See* February 27th Order at 28. Furthermore, the Energy Bureau required that LUMA submit quarterly information regarding the number of lineworkers and the number of lineworkers qualified to work on energized lines. *See* February 27th Order at 14.

4. On June 25, 2023, the Energy Bureau issued a Resolution and Order approving LUMA's Annual Budgets for FY2024 ("June 25th Order"). The June 25th Order expanded the reporting requirements applicable to LUMA's quarterly reports by requiring LUMA to include information on the status of funding, expenditures, and progress of vegetation management work; a comprehensive explanation of variances in Vegetation Management expenditures; and a comprehensive explanation of the miles and acres of vegetation cleared for each transmission and distribution ("T&D") voltage level, cumulatively for the year as well as for the applicable quarter. *See* June 25th Order at 9, 33.

5. On September 22, 2023, the Energy Bureau issued a Resolution and Order whereby it addressed, in relevant part, LUMA's *Motion for Partial Reconsideration of Resolution and Order of June 25, 2023 on Fiscal Year 2024 System Budgets* and granted LUMA's request for approval of the T&D Budget as submitted by LUMA on May 16, 2023 ("September 22nd Order").

6. On June 26, 2024, the Energy Bureau issued a Resolution and Order whereby it approved, albeit with several modifications, the FY2025 Proposed System Budgets filed by LUMA on May 25, 2024 ("June 26th Order"). Therein, the Energy Bureau ordered LUMA to provide "comprehensive monthly updates [regarding Vegetation Management], beginning August

1, 2024, using the Reporting Templates of Attachment G to this Resolution and Order." *See* June 26th Order at 7.[2]

7. On June 20, 2025, the Energy Bureau issued a Resolution and Order in *In re: Puerto Rico Electric Power Authority Rate Review*, Case No. NEPR-AP-2023-0003 (P.R. Energy Bureau June 20, 2025) ("June 20th Order"), establishing temporary default budgets for FY2026 ("FY2026 T&D Provisional Budget") to ensure continuity of operations pending the outcome of the ongoing rate review. On October 10, 2025, LUMA moved to amend the FY2026 T&D Provisional Budget, requesting that the Energy Bureau recognize the amended FY2025 budget as the appropriate baseline for FY2026 allocations and authorize reallocations within the existing operating and non-federal capital budgets.[3] On October 24, 2025, the Energy Bureau issued a Resolution and Order granting, in relevant part, LUMA's October 10th Motion ("October 24th Order"). The Energy Bureau approved the use of the amended FY2025 budget as the baseline for the FY2026 T&D Provisional Budget, finding that it better reflects current operational priorities, and confirmed that the amendment would not affect rates.

8. The June 20th Order, as amended by the October 24th Order, did not alter LUMA's quarterly reporting requirements.

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[2] In response to a motion filed by LUMA on August 1, 2024, whereby LUMA requested that the Energy Bureau adopt a quarterly reporting cadence for the referenced Vegetation Management reports, the Energy Bureau reconsidered its directive in the June 26th Order and ordered LUMA to:

> utilize the template contained in Attachment A included in this Resolution and Order for the quarterly Vegetation Management reporting. Reports are to be filed within 45 days after the end of each quarter, beginning with Q1 of FY2024. Reporting shall continue until further notice. The reports are to be filed in Case No. NEPR-MI-2019-0005. The Energy Bureau **RELIEVES** LUMA of its current format requirement to file quarterly, the Vegetation Clearing Report, in NEPR-MI-2019-0005.

See August 8, 2024 Resolution and Order at 3 ("August 8th Order").

[3] *See* LUMA's *Motion Submitting Amendment to Fiscal Year 2026 T&D Provisional Budget*, *In re: Puerto Rico Electric Power Authority Rate Review,* Case No. NEPR-AP-2023-0003 (P.R. Energy Bureau October 10, 2025) ("October 10th Motion").

9. On April 15, 2026, the Energy Bureau issued its *Final Resolution and Order on Electricity Rates* in the matter of *In re: Puerto Rico Electric Power Authority Rate Review*, Case No. NEPR-AP-2023-0003 (P.R. Energy Bureau April 15, 2026) ("Final Rate Order"), whereby it approved the revenue requirements for FY2026 through FY2028 and the department- and program-level budget determinations that established LUMA's FY2027 budget.[4]

10. Thereafter, the FY2027 budget was the subject of several orders and filings. On June 15, 2026, the Energy Bureau issued a Resolution and Order amending the FY2027 budget and establishing contingency reserve accounts for LUMA, Genera PR, LLC, and the Puerto Rico Electric Power Authority ("PREPA"). On June 26, 2026, the Oversight Board certified the FY2027 budget for PREPA. On July 9, 2026, LUMA filed its *Motion to Inform Variance in GridCo Fiscal Year 2027 Certified Budget and Budgets Approved in Final Rate Order and Request for Remedies*. On August 19, 2026, the Energy Bureau issued a Resolution and Order determining that no variance existed and setting forth, in its Appendix A, the FY2027 GridCo budget derived from the budget determinations in the Final Rate Order ("August 19th Order"). On September 4, 2026, LUMA moved for reconsideration of the August 19th Order. On October 15, 2026, the Energy Bureau issued a Resolution and Order whereby it granted in part and denied in part LUMA's request for reconsideration, clarified Appendix A to the August 19th Order, and amended said Appendix A ("October 15th Order"). *See* October 15th Order at 1-2, 10-11, 14. Accordingly, the operative FY2027 budget is that set forth in the August 19th Order, as amended by the October 15th Order, which is the budget against which LUMA reports for this quarter.

[4] The Final Rate Order maintained the quarterly financial reporting requirements applicable to LUMA and established certain additional quarterly reporting requirements. Some of those additional requirements *(i.e.*, accounting remediation) are addressed through separate reports; those addressed in this Motion are discussed in paragraphs 17 through 19 below.

11. In compliance with the quarterly reporting requirements set forth in the above-referenced orders, LUMA hereby submits to the Energy Bureau, as *Exhibit 1*, its comprehensive Quarterly Report for the first quarter of FY2027 ("Q1"), ending September 30, 2026 ("Q1 Report"). The Q1 Report also addresses the quarterly reporting requirement established in *In re: Review of the Puerto Rico Electric Power Authority's System Remediation Plan*, Case No. NEPR-MI-2020-0019, and will, therefore, also be submitted in that proceeding.

12. The Q1 Report provides information on LUMA's T&D System expenditures, including expenditures for each of LUMA's Departments, as well as spending information for each of the Improvement Portfolios, with a breakdown of expenditures for the Operating Budget and each of the Capital Budgets. The Q1 Report includes expenditure information for Q1, as well as year-to-date variances from the approved budget. The Q1 Report further includes updates on key projects.

13. The Q1 Report also includes the quarterly information on shared services. *See* Q1 Report at 32. Although the Q1 Report reflects a 13% variance in shared services, PREPA has not provided LUMA with the budget line-item information necessary to explain that variance, despite LUMA's requests and follow-up. Consequently, the Q1 Report does not include a detailed explanation of the shared services variance.

14. The Q1 Report also includes information on energy consumption and base revenues (load and sales forecasts). *Id.* at 6.

15. In compliance with the June 25th Order, the Q1 Report identifies and explains variances in vegetation management expenditures and information on vegetation clearing by voltage level. *Id.* at 8, 26-27. [5]

[5] LUMA respectfully informs this Honorable Energy Bureau that it will also file a report i*n In re: Revisión del*

16. In compliance with the February 27th Order and the June 25th Order, the Q1 Report also includes information on the number of lineworkers, the number of lineworkers qualified to work on energized lines, and an explanation of recruitment efforts. *Id.* at 10-11.

17. In compliance with the Final Rate Order, the Q1 Report also includes, for each non-federally funded capital ("NFC") budget approved therein, the dollar amount of NFC approved, the actual expenditures, the variance and explanations for any variances exceeding 15%. *See* Final Rate Order at 145, Chapter Three, § E.4; *see also* Q1 Report at 6, 15-31.

18. In response to the Final Rate Order, which directs LUMA to provide, with its first quarterly report, a per-feeder cost reconciliation demonstrating whether unit costs are declining as deployment volume increases and, if not, an explanation of the cost drivers preventing economies of scale, LUMA submits, as *Exhibit 2* to this Motion, its analysis of Distribution Automation unit costs and the cost drivers affecting economies of scale. *See* Final Rate Order at 42, Chapter Three, § B.4.c.ii.

19. In compliance with the Final Rate Order, LUMA submits, as *Exhibit 3* to this Motion, its quarterly report on external counsel expenditures for Q1, including the identity of each firm, the range of hourly rates charged, and the total fees incurred. *Id.* § J.3.

20. Finally, LUMA submits, as *Exhibit 4* to this Motion, the Budget to Actuals Report, in Excel workbook format, that LUMA shares quarterly with the Oversight Board.

21. The Q1 Report also satisfies LUMA's quarterly reporting obligations under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement, dated as of June 22, 2020, executed among PREPA, LUMA, and the Puerto Rico Public-Private

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Programa Comprehensivo de Manejo de Vegetación de la Autoridad de Energía Eléctrica, Case No. NEPR-MI-2019-0005, in compliance with the additional vegetation reporting requirements established by the Energy Bureau in the June 26th Order, as amended by the August 8th Order, and pursuant to the Resolution and Order entered in that proceeding on August 11, 2026.

Partnerships Authority ("P3 Authority") ("T&D OMA"), and will be submitted to the P3 Authority. *See* T&D OMA, Annex I, § VI(B), ¶ 5.

22. Exhibit 2 is being submitted under seal, and Exhibit 3 is being submitted in redacted form, with an unredacted version filed under seal, to protect confidential information. LUMA will submit the corresponding supporting memorandum of law in compliance with the orders of the Energy Bureau. *See In Re: Policy on Management of Confidential Information in Procedures Before the Commission*, Case No. CEPR-MI-2016-0009, Resolution (P.R. Energy Bureau Aug. 31, 2016), as amended by *Resolution* (P.R. Energy Bureau Sept. 20, 2016).

WHEREFORE, LUMA respectfully requests that this honorable Energy Bureau **take notice** of the foregoing; **accept** the Q1 Report, attached hereto as *Exhibit 1*, and Exhibits 2 through 4; **deem** LUMA in compliance with the quarterly reporting requirements set forth in the above-referenced orders, including the Final Rate Order; **grant** confidential treatment to Exhibit 2 and to the redacted portions of Exhibit 3: and **maintain** Exhibit 2 and the unredacted version of Exhibit 3 under seal.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, on this 16th day of November 2026.

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CERTIFICATE OF SERVICE

I hereby certify that on the 16th day of November 2026, I filed the foregoing Motion with the Clerk of the Energy Bureau through the Energy Bureau's electronic filing system. I further certify that on the same date I served a true and correct copy of the foregoing Motion upon all parties of record in this proceeding via electronic mail, in accordance with the applicable rules and regulations, including:

The Puerto Rico Electric Power Authority, through:
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In Guaynabo, Puerto Rico, on this 16th day of November 2026.

/s/ Katiuska Bolaños Lugo
Katiuska Bolaños Lugo

Exhibit 1

FY2027 Q1 Report
Supporting schedules to be submitted via email

Exhibit 2

Per-feeder cost reconciliation (filed under seal)

Exhibit 3

Quarterly report on external counsel expenditures (redacted; unredacted version filed under seal)

Exhibit 4
Budget to Actuals worksheet to be submitted via email