

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

)	PROMESA
In re)	Title III
)	
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,)	No. 17 BK 4780-LTS
)	(Jointly Administered)
)	
As a representative of)	
)	
PUERTO RICO ELECTRIC POWER AUTHORITY (“PREPA”),)	
)	
Debtors.¹)	
)	
)	

**SIXTEENTH INTERIM FEE APPLICATION OF ERNST & YOUNG LLP,
AS FINANCIAL ADVISOR TO THE FINANCIAL OVERSIGHT
AND MANAGEMENT BOARD FOR PUERTO RICO, FOR TITLE III
SERVICES FOR PUERTO RICO ELECTRIC POWER AUTHORITY
RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM
MARCH 16, 2022 THROUGH JANUARY 31, 2023**

Name of Applicant: **Ernst & Young LLP**

Authorized to Provide Professional Services to: **The Financial Oversight and Management Board for Puerto Rico**

Date of Retention: **Effective as of May 3, 2017 for Title III Cases**

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Period for which compensation and reimbursement is sought: **March 16, 2022 through January 31, 2023 (the “Fee Period”)**

Amount of compensation sought as actual, reasonable, and necessary for PREPA Title III Services: **\$3,356,644.95**

Amount of interim expense reimbursement sought as actual, reasonable, and necessary in connection with PREPA Title III Services: **\$0.00**

Are your fee or expense totals different from the sum of previously-served monthly statements?

Yes No. If there is any discrepancy, please explain it in the text of the attached fee application or in a footnote to this cover sheet.

Blended rate in this application for all professionals for Title III Services for PREPA: **\$673.31 / hour**

This is an *interim* application.

The total time expended for fee application preparation for the Interim Fee Period is approximately **32.10** hours and the corresponding compensation requested is **\$8,506.50**.

PRIOR INTERIM FEE APPLICATIONS & ADJUSTMENTS:

Date Filed	Fees Requested	Expenses Requested	Fee Adjustments	Expense Adjustments	Fees Approved	Expenses Approved

Number of professionals with time included in this application: **80**

If applicable, number of professionals in this application not included in a staffing plan approved by the client: **0**

If applicable, difference between fees budgeted and compensation sought for this period: **Pursuant to the attached Budget Plan, EY’s actual fees for Title III Services (defined herein) during the interim period were approximately \$617,647.00 lower than budgeted fees.**

Are any timekeeper’s hourly rates higher than those charged and approved upon retention: **Yes**

1. By this interim application (this “Application”), Ernst & Young LLP (“EY”) respectfully requests allowance and payment of **\$3,356,644.95** as compensation and reimbursement of **\$0.00** of expenses, with respect to services rendered to The Financial Oversight and Management Board for Puerto Rico (the “Board”) that are not customarily required outside Title III cases (the “Title III Services”),² for the interim period from March 16, 2022 through January 31, 2023 (the “Fee Period”).

2. The supporting detail for this Application is attached hereto as Exhibits A through F. Exhibit A-1 contains a summary of compensation requested by professional for Title III Services for PREPA. Exhibit B contains details of the expenses for which EY hereby requests reimbursement. Exhibit C contains a summary of compensation requested by project category for Title III Services for PREPA. Exhibit D contains EY’s detailed time records for Title III Services for PREPA during the Fee Period. Exhibit E contains EY’s budget for Title III Services for PREPA for the Fee Period of for the period. Exhibit F contains EY’s staffing plan for Title III Services for PREPA for the Fee Period.³

Title III Services for PREPA Provided During the Fee Period

3. During the Fee Period, EY performed the categories of Title III Services for PREPA for the Board that are described in Exhibit C hereto.

² EY also rendered other services to the Board that are not customarily required outside Title III cases (the “Non-Title III Services”). In accordance with the Court’s *First Amended Order Setting Procedures For Interim Compensation and Reimbursement of Expenses of Professionals*, entered on November 8, 2017 [Docket No. 1715], this Application does not include the fees and expenses that EY incurred in performing Non-Title III Services.

³ EY understands that it is not required to provide a comparable hourly rate disclosure, pursuant to the letter from the Government of Puerto Rico regarding the applicability of the US Trustee Guidelines to financial advisors.

4. The total time spent by EY providing Title III Services for PREPA for the Board during the Fee Period was approximately **4,985.30** hours. The blended hourly rate for Title III Services for PREPA performed for the Board during the Fee Period is approximately **\$673.31**.

Statement in Compliance With Appendix B Guidelines C.5

5. The following answers are provided in response to the questions set forth in Appendix B Guidelines paragraph C.5:

Question: Did you agree to any variations from, or alternatives to, your standard or customary billing rates, fees or terms for services pertaining to this engagement that were provided during the application period? If so, please explain.

Response: No.

Question: If the fees sought in this fee application as compared to the fees budgeted for the time period covered by this fee application are higher by 10% or more, did you discuss the reasons for the variation with the client?

Response: Not applicable.

Question: Have any of the professionals included in this fee application varied their hourly rate based on the geographic location of the bankruptcy case?

Response: No.

Question: Does the fee application include time or fees related to reviewing or revising time records or preparing, reviewing, or revising invoices? (This is limited to work involved in

preparing and editing billing records that would not be compensable outside of bankruptcy and does not include reasonable fees for preparing a fee application.). If so, please quantify by hours and fees.

Response: No.

Question: Does this fee application include time or fees for reviewing time records to redact any privileged or other confidential information? If so, please quantify by hours and fees.

Response: No.

Question: If the fee application includes any rate increases since retention: (i) Did your client review and approve those rate increases in advance? (ii) Did your client agree when retaining the law firm to accept all future rate increases? If not, did you inform your client that they need not agree to modified rates or terms in order to have you continue the representation, consistent with ABA Formal Ethics Opinion 11-458?

Response: The engagement letters that were signed by the Board provide that EY's rates are subject to increase, typically once a year on July 1. Since EY is not a law firm, it is not subject to ABA Formal Ethics Opinion 11-458.

Johnson Factors

6. Below is a discussion of the twelve factors set forth in *Johnson v. Ga. Highway Express, Inc.*, 488 F.2d 714, 717-19 (5th Cir. 1974), made applicable to compensation determinations in bankruptcy in *Am. Benefit Life Ins. Co. v. Baddock (In re First Colonial Corp. of Am.)*, 544 F.2d 1291, 1298-99 (5th Cir. 1977):

(1) The time and labor required. The number of hours expended during the Fee Period demonstrates that EY devoted a substantial amount of time on a variety of issues that have arisen during the Fee Period. EY rendered the services within a reasonable amount of time commensurate with the complexity, importance and nature of the issues it addressed.

(2) The novelty and difficulty of the issues. Many of the issues that EY addressed were complex, and required the skill and experience of sophisticated accounting and restructuring professionals.

(3) The skill requisite to perform the services properly. To properly perform the Title III Services for PREPA it rendered during the Fee Period, EY was required to draw upon the skill and substantive knowledge of its professionals.

(4) The preclusion of other employment by the professional due to acceptance of the case. EY committed a significant amount of time and labor to the Board during the Fee Period, which otherwise would have been dedicated to other matters for which, in most instances, EY's invoices would have been paid in full on a timely basis.

(5) The customary fee. EY's fees are based on the customary rates it charges its other clients for similar types of services.

(6) Whether the fee is fixed or contingent. EY is charging the Board on an hourly-fee basis for the services it rendered during the Fee Period.

(7) Time limitations imposed by the client or the circumstances. The circumstances of these cases have occasionally imposed time constraints on EY, because of the need for rapid resolution of significant issues.

(8) The amount involved, and the results obtained. EY respectfully submits that its Title III Services for PREPA have resulted in substantial benefits to the Board, which ultimately redounds to the benefit of the Title III debtors.

(9) The experience, reputation and ability of the professionals. EY is a very well-regarded and established professional services firm, and its partners and professional employees are experienced in performing the Title III Services for PREPA.

(10) The “undesirability” of these cases. EY does not believe these cases are undesirable, based on its understanding that its requested compensation and expense reimbursement would be awarded.

(11) The nature and length of the professional relationship with the client. EY has provided professional services to the Board since early 2017.

(12) Awards in similar cases. The amount of compensation and expense reimbursement is reasonable in terms of the awards granted in cases of similar magnitude and complexity.

7. The request herein is without prejudice to EY's right to seek additional compensation for Title III Services for PREPA performed and expenses incurred during the Fee Period, which were not processed at the time of this Application.

WHEREFORE, EY LLP hereby respectfully requests allowance of **\$3,356,644.95** and payment as compensation and reimbursement of **\$0.00** of expenses, with respect to Title III Services for PREPA during the Fee Period. EY LLP also respectfully requests that it be granted such other and further relief as the Court may deem just and proper.

Dated: June 21, 2023

Respectfully submitted,

By: /s/ Adam Chepenik
Adam Chepenik
Ernst & Young LLP

VERIFICATION

I hereby certify that:

- a) I am a principal with the applicant firm, Ernst & Young LLP (“EY”).
- b) I am familiar with the work performed on behalf of The Financial Oversight and Management Board for Puerto Rico by EY during the Fee Period.
- c) I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief.
- d) I hereby certify that no public servant of the Department of Treasury is a party to or has any interest in the gains or benefits derived from the contract that is the basis of this invoice. The only consideration for providing services under the contract is the payment agreed upon with the authorized representatives of EY’s client. The amount of this invoice is reasonable. The services were rendered, and the corresponding payment has not been made. To the best of my knowledge, EY does not have any debts owed to the Government of Puerto Rico or its instrumentalities.

Dated: June 21, 2023

Respectfully submitted,

By: /s/ Adam Chepenik

Adam Chepenik
Ernst & Young LLP

EXHIBIT A

SUMMARY OF COMPENSATION REQUESTED BY PROFESSIONAL

Name	Location	Title	Time	Hourly Rate ¹	Total Individual Fees
Berk,Adam S.	Houston, TX	Partner/Principal	3.30	945.00	3,118.50
Berk,Adam S.	Houston, TX	Partner/Principal	0.40	750.00	300.00
Chepenik,Adam Brandon	Washington, DC	Partner/Principal	184.10	945.00	173,974.50
Chepenik,Adam Brandon	Washington, DC	Partner/Principal	26.80	905.00	24,254.00
Chepenik,Adam Brandon	Washington, DC	Partner/Principal	20.00	472.50	9,450.00
Levy,Sheva R	Cleveland, OH	Partner/Principal	125.00	945.00	118,125.00
Levy,Sheva R	Cleveland, OH	Partner/Principal	79.90	750.00	59,925.00
Malhotra,Gaurav	Chicago, IL	Partner/Principal	137.00	945.00	129,465.00
Malhotra,Gaurav	Chicago, IL	Partner/Principal	34.30	905.00	31,041.50
Malhotra,Gaurav	Chicago, IL	Partner/Principal	4.00	472.50	1,890.00
Master,Ali	Dallas - 1201 Elm St	Partner/Principal	0.60	945.00	567.00
Slattery,Michael	Washington, DC	Partner/Principal	27.90	945.00	26,365.50
Thomas,Richard I	New York, NY	Partner/Principal	2.00	945.00	1,890.00
Truelove,Rebecca	New York - One Manhattan West	Partner/Principal	0.60	945.00	567.00
Mackie,James	Washington, DC	Executive Director	1.50	880.00	1,320.00
Mullins,Daniel R	Washington, DC	Executive Director	149.40	880.00	131,472.00
Mullins,Daniel R	Washington, DC	Executive Director	8.90	843.00	7,502.70
Mullins,Daniel R	Washington, DC	Executive Director	4.00	440.00	1,760.00
Pilger,Josef	McLean, VA	Executive Director	1.20	880.00	1,056.00
Pilger,Josef	McLean, VA	Executive Director	1.20	719.00	862.80
Powell,Marc	Miami, FL	Executive Director	0.30	843.00	252.90
Santambrogio,Juan	Atlanta, GA	Executive Director	412.70	880.00	363,176.00

Name	Location	Title	Time	Hourly Rate ¹	Total Individual Fees
Santambrogio,Juan	Atlanta, GA	Executive Director	30.00	843.00	25,290.00
Tague,Robert	Chicago, IL	Executive Director	62.30	880.00	54,824.00
Tague,Robert	Chicago, IL	Executive Director	35.70	843.00	30,095.10
Breeding,Stephen	Dallas, TX	Senior Manager	0.80	780.00	624.00
Canter,Matthew Alan	Washington, DC	Senior Manager	0.50	749.00	374.50
Chemtob,Victor	New York, NY	Senior Manager	27.10	780.00	21,138.00
Draper,Steven David	Dallas, TX	Senior Manager	0.30	682.00	204.60
Good JR,Clark E	Dallas, TX	Senior Manager	155.90	780.00	121,602.00
Good JR,Clark E	Dallas, TX	Senior Manager	184.80	682.00	126,033.60
Heath,Emma	Chicago, IL	Senior Manager	2.30	780.00	1,794.00
Heath,Emma	Chicago, IL	Senior Manager	7.80	749.00	5,842.20
Kleine,Andrew	Washington, DC	Senior Manager	0.40	780.00	312.00
Malik,Jaideep	Atlanta, GA	Senior Manager	1.00	780.00	780.00
McLeod,Candice	Los Angeles, CA	Senior Manager	69.90	780.00	54,522.00
Mitchell,Scott	Indianapolis	Senior Manager	0.60	780.00	468.00
Outlaw,Jessica R.	Houston, TX	Senior Manager	2.50	749.00	1,872.50
Panagiotakis,Sofia	New York, NY	Senior Manager	423.00	780.00	329,940.00
Panagiotakis,Sofia	New York, NY	Senior Manager	2.70	749.00	2,022.30
Sarna,Shavi	Detroit, MI	Senior Manager	77.90	780.00	60,762.00
Sarna,Shavi	Detroit, MI	Senior Manager	3.50	749.00	2,621.50
Wheeler,Laura Allison	Atlanta, GA	Senior Manager	216.40	780.00	168,792.00
Wheeler,Laura Allison	Atlanta, GA	Senior Manager	7.40	749.00	5,542.60
Ban,Menuka	Washington, DC	Manager	20.20	645.00	13,029.00
Berger,Daniel L.	Washington, DC	Manager	11.40	645.00	7,353.00

Name	Location	Title	Time	Hourly Rate ¹	Total Individual Fees
Berger,Daniel L.	Washington, DC	Manager	0.70	619.00	433.30
Burr,Jeremy	San Diego, CA	Manager	25.00	619.00	15,475.00
Chan,Jonathan	New York, NY	Manager	14.50	645.00	9,352.50
Chan,Jonathan	New York, NY	Manager	3.40	619.00	2,104.60
Chawla,Sonia	New York, NY	Manager	4.30	645.00	2,773.50
Chawla,Sonia	New York, NY	Manager	1.00	619.00	619.00
Dubinsky,Shawn	Chicago, IL	Manager	499.00	645.00	321,855.00
Dubinsky,Shawn	Chicago, IL	Manager	27.00	619.00	16,713.00
Dubinsky,Shawn	Chicago, IL	Manager	3.50	322.50	1,128.75
Edwards,Daniel	Boston, MA	Manager	0.50	619.00	309.50
Herges,Jake	New York, NY	Manager	45.50	645.00	29,347.50
Hung,Megan	New York, NY	Manager	1.70	619.00	1,052.30
Hurtado,Sergio Danilo	Charlotte, NC	Manager	2.20	645.00	1,419.00
Hurtado,Sergio Danilo	Charlotte, NC	Manager	3.30	619.00	2,042.70
Kebhaj,Suhaib	Washington, DC	Manager	0.40	645.00	258.00
Phillips,Elizabeth	New York, NY	Manager	97.20	645.00	62,694.00
Pushka,Nicole L	Chicago, IL	Manager	110.20	645.00	71,079.00
Pushka,Nicole L	Chicago, IL	Manager	85.60	540.00	46,224.00
Schaumburg,Andrew H.	Cleveland, OH	Manager	7.00	540.00	3,780.00
Tan,Riyandi	New York, NY	Manager	0.80	645.00	516.00
Tan,Riyandi	New York, NY	Manager	6.50	619.00	4,023.50
Weaver,Joseph	Chicago, IL	Manager	1.10	619.00	680.90
Wilson,Harold	Philadelphia, PA	Manager	2.00	540.00	1,080.00
Aldana Herbas,Jose A.	Chicago, IL	Senior	26.40	485.00	12,804.00

Name	Location	Title	Time	Hourly Rate ¹	Total Individual Fees
An, Kevin	McLean, VA	Senior	5.10	485.00	2,473.50
Bradley, Trenton	Austin, TX	Senior	210.60	485.00	102,141.00
Bush, Connor Aloysius	Dallas, TX	Senior	10.10	485.00	4,898.50
Cuellar, Camilo Andres	Los Angeles, CA	Senior	3.20	485.00	1,552.00
De Leon Miranda, Jorge Clemente	Washington - 1101 New York Ave	Senior	2.30	485.00	1,115.50
Gelfond, Hilary	Boston, MA	Senior	89.90	485.00	43,601.50
Hawley, Nathaniel Stevens	Dallas, TX	Senior	11.30	463.00	5,231.90
Huntley, Ben	Hoboken, NJ	Senior	120.90	485.00	58,636.50
Knapp, Nicole Penelope	Washington, DC	Senior	1.40	485.00	679.00
Levine, Adam	New York, NY	Senior	0.50	463.00	231.50
Mammola, Frank	New York, NY	Senior	44.60	485.00	21,631.00
Mathews, Peter	New York, NY	Senior	0.50	463.00	231.50
Novotny, Melissa B	Houston, TX	Senior	16.40	422.00	6,920.80
Ramirez, Jessica I.	New York, NY	Senior	7.90	485.00	3,831.50
Ramirez, Jessica I.	New York, NY	Senior	2.60	463.00	1,203.80
Rubin, Joshua A.	Washington, DC	Senior	2.10	485.00	1,018.50
Stricklin, Todd	New Orleans, LA	Senior	27.50	485.00	13,337.50
Stricklin, Todd	New Orleans, LA	Senior	129.10	422.00	54,480.20
Thakkar, Juhee	New York, NY	Senior	81.50	485.00	39,527.50
Vazquez, Lynette	Miami, FL	Senior	34.10	485.00	16,538.50
Watson, Cole B.	Washington, DC	Senior	74.40	485.00	36,084.00
Watson, Cole B.	Washington, DC	Senior	8.00	242.50	1,940.00
Zhao, Leqi	Washington, DC	Senior	237.70	485.00	115,284.50
Zhao, Leqi	Washington, DC	Senior	28.60	463.00	13,241.80

Name	Location	Title	Time	Hourly Rate ¹	Total Individual Fees
Botti,Modupe O.	Washington, DC	Staff	3.10	265.00	821.50
Bush,Connor Aloysius	Dallas, TX	Staff	31.40	282.00	8,854.80
Furnanz,Mia Rene	New York, NY	Staff	5.70	265.00	1,510.50
Garcia,Daniel	New York, NY	Staff	35.10	265.00	9,301.50
Garcia,Daniel	New York, NY	Staff	18.60	255.00	4,743.00
Going,Olivia	New York, NY	Staff	14.40	265.00	3,816.00
Going,Olivia	New York, NY	Staff	7.20	255.00	1,836.00
Guzzo,Amber R	Washington, DC	Staff	14.10	265.00	3,736.50
Lang,Siting Silvia	Washington, DC	Staff	2.90	265.00	768.50
Morera,Santiago	New York, NY	Staff	112.40	265.00	29,786.00
Netherland,Michael Joseph	Dallas, TX	Staff	1.20	282.00	338.40
Neziroski,David	New York, NY	Staff	32.10	265.00	8,506.50
Peltz,Harrison	New York, NY	Staff	2.40	255.00	612.00
Sanchez Del Junco,Ana Beatriz	New York - One Manhattan West	Staff	1.00	265.00	265.00
Sumberg,Owen	McLean, VA	Staff	4.70	282.00	1,325.40
Vazquez,Lynette	Miami, FL	Staff	10.40	255.00	2,652.00
Total			4,985.30		\$3,356,644.95

Note: Travel fees are billed out at 50% bill rate. Rate changes in table above for professionals is related to mid-year rate adjustments agreed by client and contained in contract.

EXHIBIT B

EXPENSE DETAIL

Name	Title	Date of Service	Expense Category	Expense Description	Expense Amount
Total					\$0.00

The request herein is without prejudice to EY's right to seek additional compensation for Title III Services performed and expenses incurred during the Fee Period, which were not processed at the time of this Application.

EXHIBIT C

SUMMARY OF COMPENSATION REQUESTED BY PROJECT CATEGORY

Project Category	Project Category Description	Billed Hours	Fees Sought
PREPA - Creditor Mediation Support	This category includes time spent collaborating with advisors to support the mediation process, preparing material and advising on strategy. + Activity focused on analysis and preparation of term sheets, preparation of creditor mediation materials and analysis, negotiations/mediation with creditors, and work on PREPA restructuring surrounding LUMA transition, PREPA VTP, CW mobility.	3,065.10	\$ 2,126,393.90
PREPA - Fee Applications / Retention	This category includes time spent preparing monthly and interim fee application	32.10	8,506.50
PREPA - Long Term Projections	This category includes time spent collaborating in the assessment of long-term financial projections including analysis of restructuring scenarios, development of long-term financial projections, funds available for creditors and analysis of creditor recoveries for other matters. + Activity focused on analysis of various PREPA fixed and variable charge scenarios and impact to Fiscal Plan, affordability, and analysis of pension cost scenarios for FP.	523.10	327,389.60
PREPA - Non-working travel (billed at 50% of rates)	This category includes all matters related to non-working travel and is billed at 50% of agreed upon rates.	39.50	16,168.75
PREPA - Plan of Adjustment	This category includes time spent collaborating in the development of a Plan of Adjustment, including the treatment of each creditor class, financial analysis surrounding pension costs and rate affordability and other financial and economic analyses. + Activity focused on various analyses of PREPA charges related to treatment of bond and pension debt, affordability of charge levels, cash balance analysis, recurring validation of accounts, and preparing requests for cash data, drafting of Plan of Adjustment materials and exhibits	1,325.50	878,186.20
Total		4,985.30	\$ 3,356,644.95

EXHIBIT D

DETAILED TIME RECORDS

EXHIBIT E

BUDGET

Project Category	Est. Hours	Est. Fees	Total EY Billed Hours	Total EY Fees Sought
PREPA - Creditor Mediation Support	3,785	2,282,995	3,065	2,126,394
PREPA - Fee Applications / Retention	95	58,866	32	8,507
PREPA - Long Term Projections	810	458,792	523	327,390
PREPA - Non-working travel (billed at 50% of rates)	118	76,292	40	16,169
PREPA - Plan of Adjustment	1,745	1,097,346	1,326	878,186
Total	6,553	\$ 3,974,292	4,985	\$ 3,356,645

EXHIBIT F
STAFFING PLAN

Category of Timekeeper	Number of Timekeepers Expected to Work on the Matter During the Budget Period	Average Hourly Rate
Partner/Principal	8	\$ 899.42
Executive Director	6	873.32
Senior Manager	14	764.05
Manager	17	631.77
Senior	21	474.75
Staff	14	265.84