

Specifically, Cobra reported, “FEMA reviewed our original contract with PREPA and our rates of service. In a letter dated December 23, 2017, FEMA determined that PREPA awarded our contract in compliance with emergency procurement provisions of the Commonwealth of Puerto Rico and Executive Orders issued as a result of the disaster, and also determined the costs under the contract to be reasonable.”³

12. If PREPA also obtains similar approval from FEMA for WEH’s contract, then not only will PREPA be able to pay WEH the over \$100M currently owed to WEH thereby eliminating one of PREPA’s largest administrative claims, but PREPA also will be able to restore to its Emergency Fund the \$36.9 million that PREPA previously paid WEH.

13. WEH’s counsel has attempted to work with PREPA and its professionals, including Filsinger, to ensure the timely preparation of the documents required by FEMA. Submission of this documentation and payment by FEMA for WEH’s emergency repair work will greatly benefit the estate in two ways: (1) PREPA will receive reimbursement of the \$36.9 million it has already paid WEH, which will increase its liquidity; and (2) PREPA can pay the outstanding invoices to WEH, which will reduce dollar-for-dollar the amount of WEH’s significant administrative claim against PREPA, which will inure to the benefit of all unsecured creditors. However, PREPA and its professionals, including Filsinger, have refused to dedicate the necessary resources to prepare the documentation required for FEMA’s approval of WEH’s invoices, and have not been forthcoming with WEH as to the timeline for such submission.

14. On March 20, 2018, Filsinger filed its Fee Application, seeking \$2,326,893.30 in fees and \$201,691.48 in expenses for the period from December 17, 2017 through January 31, 2018 (the “Application Period”). There are 24 pages of time detail included in the Fee Application.

³ <https://www.cnn.com/2018/01/29/globe-newswire-cobraas-puerto-rico-contract-increased-to-approximately-445-million-update-on-puerto-rico-activities.html>