

## Permanent Rate

### Revised Reconciliation

- (1) On June 30, 2023, the Puerto Rico Energy Bureau (PREB) issued an Order (June 30<sup>th</sup> R&O) in which it ordered LUMA to consider in the Fuel Charge Adjustment (FCA) calculation the \$61,379,713 pertaining to FEMA's reimbursement for fuel costs during the Hurricane Fiona emergency.<sup>1</sup>

Mediante Resolución y Orden de 24 de mayo de 2023, el Negociado de Energía tomó conocimiento de la Moción de 4 de abril y ordenó a LUMA incluir la partida de \$61,379,713 en la próxima reconciliación trimestral de la Cláusula FCA.

- (2) Through the June 30<sup>th</sup> R&O PREB did not approve a prior period adjustment for the FCA factor nor the Purchased Power Charge Adjustment (PPCA) factor.<sup>2</sup>
- (3) On July 31, 2023, PREB issued an Order (July 31<sup>st</sup> R&O) in response to LUMA's July 20, 2023, FCA and PPCA factors filing<sup>3</sup>. Through the July 31<sup>st</sup> R&O, PREB approved a \$26,687,586.97 prior period adjustment amount for fuel, and a (\$13,428,685.11) prior period adjustment for the Purchased Power Clause.<sup>4</sup>

A esos fines, el Negociado de Energía **APRUEBA** un ajuste por la cantidad de \$26,687,586.97 como reconciliación de costos por concepto de compra de combustible para el periodo de 1 de mayo de 2023 al 30 de junio de 2023.<sup>16</sup>

- (4) On September 21, 2023, LUMA filed<sup>5</sup> its propose quarterly factors for the period of October 2023 to December 2023. Through the September 21<sup>st</sup> Filing, LUMA included the FAC-PPAC Reconciliation file in which LUMA applied a FCA prior period adjustment of \$26,887,586.97 and a PPCA prior period adjustment of (\$13,428,685.11), and applied it over July, August and September 2023.<sup>6</sup> On that same reconciliation, the FEMA reimbursement was not considered.
- (5) After discussion with the Energy Bureau and reviewing the reconciliation file in more detail, LUMA updated the reconciliation as follows:

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<sup>1</sup> See page 12 of Resolution and Order of June 30, 2023, Docket No. NEPR-MI-2020-0001.

<sup>2</sup> *Id.*

<sup>3</sup> See LUMA Updated Quarterly Factors Motion of July 20, 2023, Docket NEPR-MI-2020-0001.

<sup>4</sup> See page 3-4 of Resolution and Order of July 31, 2023, Docket No. NEPR-MI-2020-0001.

<sup>5</sup> See LUMA's Quarterly Factors Motion of September 21, 2023, Docket No. NEPR-MI-2020-0001.

<sup>6</sup> *Id.*

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- a. Updated the \$26,887,586.97 amount filed with the appropriate amount of \$26,687,586.97, which constitutes a \$200,000 decrease. That amount was applied over August and September.
- b. Applied the (\$13,428,685.11) purchased power prior period adjustment over August and September.
- c. Included FEMA reimbursement of (\$61,379,313) as part of the prior period adjustment to be applied over August and September 2023.
- d. Total prior period adjustment to be applied in August and September is (\$34,692,126.03), which is the sum of \$26,687,586.97 and (\$61,379,313.00).
- e. Amounts for August and September to be distributed using weighted average, using sales kWh forecast as the base number.
- f. Revised prior period adjustment distribution as illustrated:

<b>Revised Filing, applied over August and September</b>			
1. \$26.7 million Prior Period Adj. to be applied in Aug and Sep. per PREB 7-31 R&O.			26,687,586.97
2. \$(61.4) million FEMA reimbursement Fiona, per page 12 of June 30 R&O.			(61,379,713.00)
4. Total effect			(34,692,126.03)
	<u>August</u>	<u>September</u>	<u>Total Quarter</u>
Estimated Retail Sales (kWh)	1,393,730,489	1,369,812,443	2,763,542,932
FAC Adjustment revised	(17,496,190.57)	(17,195,935.46)	(34,692,126.03)

- g. As a result of the review, the July and August 2023 FCA and PPCA results will look like this:

Reconciliation	July 2023	August 2023	Total
FCA	\$78,761,651.51	\$33,005,220.72	\$111,766,872.23
PPCA	\$(18,999,193.70)	\$(5,811,964.68)	\$(24,811,158.38)
Net	\$59,762,457.81	\$27,193,256.05	\$86,955,713.85