

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

IN RE: REVIEW OF LUMA'S MODEL BILL

CASE NO.: NEPR-MI-2021-0008

SUBJECT: Resolution and Order on LUMA's Request to Amend Model Bill to Incorporate Provisional Rate Riders

RESOLUTION AND ORDER

I. Introduction and Procedural Background

On November 16, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("November 16 Resolution") approving LUMA Energy, LLC and LUMA Energy ServCo, LLC. (jointly referred as "LUMA")'s Model Bill ("Model Bill").¹ Furthermore, the Energy Bureau ordered LUMA to submit any future proposed change to said Model Bill before the Energy Bureau for evaluation and approval before its implementation.

On July 31, 2025, the Energy Bureau issued its Resolution and Order establishing the Fiscal Year 2026 Provisional Rates and Fiscal Year 2026 Provisional Budget ("July 31 Provisional Rate Order").² This order addressed the application for provisional rates that LUMA submitted on July 3, 2025, on behalf of itself, Genera PR LLC ("Genera"), and the Puerto Rico Electric Power Authority ("PREPA"). The July 31 Provisional Rate Order approved two provisional riders that constitute the provisional rate rider and the pension payments rider and ordered LUMA to commence collection on September 1, 2025, extending the provisional rate rider for ten months or until the Energy Bureau approves the permanent rate. The pension payment rider shall be maintained until the Energy Bureau decides otherwise.

On August 12, 2025, LUMA submitted a document titled *Amendment of Model Bill to Implement Provisional Rate Riders Approved on July 31, 2025* ("August 12 Request").³ LUMA submitted proposed modifications to LUMA's Model Bill for the review and approval of the Energy Bureau.

LUMA seeks authorization to amend its Model Bill to include two new line items for the provisional rate rider and pension payment rider this Energy Bureau recently approved. These revisions will enable LUMA to commence collection of these riders by September 1, 2025, in accordance with the Energy Bureau's directives.

II. Discussion and Analysis

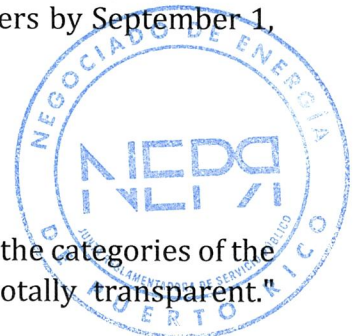
Article 6(i) of amended Act 83-1941⁴ requires that bills "itemize clearly the categories of the different charges and credits assessed to the customer" and "be totally transparent."

¹ *In re: Revisión de la Factura Modelo de LUMA*, Case No. NEPR-MI-2021-0008, *Determinación sobre Factura Modelo de LUMA* (Nov. 16, 2021).

² Resolution and Order, *In re: Puerto Rico Electric Power Authority Rate Review*, Case No. NEPR-AP-2023-0003, July 31, 2025.

³ *In re: Review of LUMA's Model Bill*, Case No. NEPR-MI-2021-0008, *Request for Approval of Revisions to LUMA Model Bill to Incorporate Provisional Riders Approved on July 31, 2025* (Aug. 12, 2025).

⁴ Act No. 83 of May 2, 1941, as amended, *Puerto Rico Electric Power Authority Act*.



Regulation No. 8863⁵ requires bills in "plain language" for consumer protection and understanding.⁶ These laws and regulations create a unified legal framework with one consistent theme: the public has a right to transparent and understandable utility billing.

In its Request and accompanying Exhibit 1, LUMA proposes to add the following two line-items to the Model Bill:

1. **2025 Provisional Rate** (Tarifa Provisional 2025)
2. **Provisional-Rate Pension Rider** (Tarifa Provisional Para Pensión)

The Energy Bureau analyzed these proposed terms and finds them to be lacking clarity of the purpose and duration of the riders.

The term **2025 Provisional Rate** is manifestly insufficient. It is generic and fails to inform the customer of the fundamental purpose of the charge: to recover funds for the projected operational, maintenance, and capital investment costs of the utility for the fiscal period spanning 2025-2026. A customer reading this line item learns nothing about what they pay for. This is insufficient to meet the "clear itemization" standard of Act 83-1941 and the "plain language" principle of Regulation 8863.

~~THE~~ The term **Provisional-Rate Pension Rider**, while more descriptive than the first, is also deficient. Its structure can improve for clarity and to ensure consistency with other charges on the bill, which enhances overall consumer comprehension.

To remedy these deficiencies and ensure full compliance with the law, the Energy Bureau mandates specific, descriptive nomenclature:

- **Rider PROVISIONAL** – Provisional Rate Adjustment (operations costs FY26) / **Cláusula PROVISIONAL** – Ajuste por tarifa provisional (costos operacionales AF26)
- **Rider -PENSION PAYMENTS** – Rate Adjustment (pension costs) / **Cláusula PAGO DE PENSIONES** – Ajuste por tarifa costos de pensión

~~THE~~ This nomenclature achieves transparency by clearly identifying what customers pay for and its duration. The parenthetical descriptions distinguish between current operational expenses and legacy pension obligations, while the date range specifies the exact period these charges cover.

III. Conclusions

~~THE~~ The Energy Bureau **CONDITIONALLY GRANTS** LUMA's "Request for Approval of Revisions to LUMA Model Bill," filed August 12, 2025, subject to these conditions:

1. LUMA shall modify its Model Bill to incorporate the two new provisional rate riders using the following, and only the following, nomenclature, in English and Spanish respectively:
 - **Rider PROVISIONAL** – Provisional Rate Adjustment (operations costs FY26) / **Cláusula PROVISIONAL** – Ajuste por tarifa provisional (costos operacionales AF26)
 - **Rider -PENSION PAYMENTS** –Rate Adjustment (pension costs) / **Cláusula PAGO DE PENSIONES** – Ajuste por tarifa costos de pensión

⁵ Regulation on the Procedure for Bill Review and Suspension of Electric Service Due to Failure to Pay, Regulation 8863, December 1, 2016

⁶ Puerto Rico Energy Bureau, Regulation No. 8863, *Regulation on the Procedure for Bill Review and Suspension of Electric Service Due to Failure to Pay* (Nov. 23, 2016).

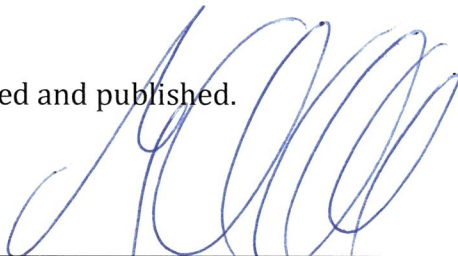


2. Within five (5) business days from this Resolution and Order's issuance date, LUMA shall submit a compliance filing that includes a revised version of its proposed Exhibit 1, demonstrating full and exact incorporation of the mandated nomenclature into the Model Bill format.
3. Upon the Energy Bureau's verification that the compliance filing fully conforms to these directives, LUMA may implement the amended Model Bill and begin collecting the provisional rates, effective for all billing cycles commencing on or after **September 1, 2025**.

The Energy Bureau **WARNS** LUMA that, in accordance Art. 6.36 of Act 57-2014:⁷

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions from ten thousand dollars (\$10,000) up to one hundred twenty-five thousand dollars (\$125,000) per day; and
- (ii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than fifteen thousand dollars (\$15,000) nor greater than two hundred fifty thousand dollars (\$250,000), at the discretion of the Energy Bureau.

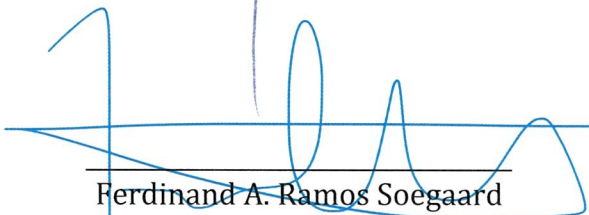
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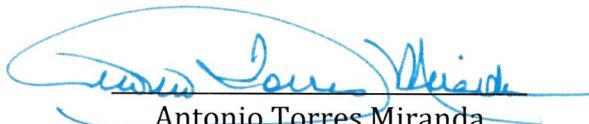
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner




Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 13, 2025. Associate Commissioner Sylvia B. Ugarte Araujo did not intervene. I also certify that on August 13, 2025 I have proceeded with the filing of the Resolution and Order and a copy of this Resolution and Order was notified by electronic mail to RegulatoryPREBorders@lumapr.com; laura.rozas@us.dlapiper.com; maragarita.mercado@us.dlapiper.com; katiuska.bolanos-lugo@us.dlapiper.com; hrivera@jrsp.pr.gov; avalle@gmlex.net, arivera@gmlex.net.

For the record, I sign this in San Juan, Puerto Rico, today August 13, 2025.





Sonia Seda Gaztambide
Clerk

⁷ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").