

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

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY RATE REVIEW

CASE NO.: NEPR-AP-2023-0003

SUBJECT: Resolution and Order on LUMA's
Motion in Compliance with August 11
Order.

RESOLUTION AND ORDER

I. Introduction and Procedural Background

On August 6, 2025, LUMA submitted a document titled *Motion Submitting Compliance Filing in Attention to Section VI(W) of the July 31st Provisional Rate Order* ("August 6 Motion").¹ Upon review, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") identified a discrepancy in LUMA's calculation of the non-pension provisional rate rider. On August 11, 2025, the Energy Bureau issued a Resolution and Order ("August 11 Order") to correct this error.² The August 11 Order rejected the rate of \$0.015511/kWh proposed by LUMA and affirmed that the correct rate, based on revenue figures from the Fiscal Year 2026 PREPA Budget as certified by the Financial Oversight and Management Board for Puerto Rico, is \$0.014931/kWh. The Energy Bureau thereby ordered LUMA to use the correct rate and file updated tariff sheets reflecting this change within two business days.

In response, LUMA filed the August 13 Motion³, which is the subject of this Resolution and Order. The filing included revised tariff sheets, designated as Exhibits 3, 4 and 5, which correctly state the numerical value of the non-pension provisional rate rider as \$0.014931/kWh, thereby appearing to satisfy the primary directive of the August 11 Order.

II. Discussion

The Energy Bureau's review of LUMA's August 13th Motion requires a two-part analysis. First, the Energy Bureau must determine if the motion complies with the explicit numerical directive of the August 11 Order. Second, it must assess whether the proposed tariff sheets conform to the broader legal and regulatory framework governing transparency, as articulated and enforced in the August 13 Model Bill Order.⁴

The Energy Bureau acknowledges that LUMA has satisfied the primary directive of the August 11 Order. The revised tariff sheet submitted as Exhibit 3 to the August 13 Motion correctly reflects the non-pension provisional-rate rider amount of \$0.014931/kWh. In this limited respect, LUMA's filing represents a step toward compliance.

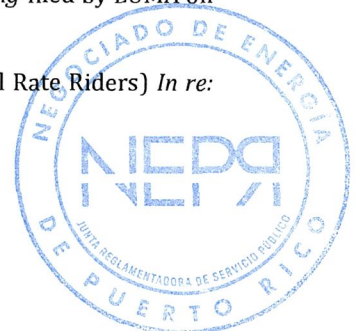
On the tariff sheets submitted as Exhibits 3 and 4 of the August 13 Motion propose the following titles:

¹ *In re: Puerto Rico Electric Power Authority Rate Review*, Case No. NEPR-AP-2023-0003, *Motion Submitting Compliance Filing in Attention to Section VI(W) of the July 31st Provisional Rate Order* filed by LUMA on August 6, 2025.

² Resolution and Order, *In re: Puerto Rico Electric Power Authority Rate Review*, Case No. NEPR-AP-2023-0003, August 11, 2025.

³ *Id.*, *Motion in Compliance with August 11th Order and Submitting Revised Compliance Filing* filed by LUMA on August 13, 2025.


⁴ Resolution and Order (LUMA's Request to Amend Model Bill to Incorporate Provisional Rate Riders) *In re: Review of LUMA's Model Bill*, Case No. NEPR-MI-2021-0008, August 13, 2025.



- **PROVISIONAL RATE RIDER** (Designation: PROV)
- **PENSION FUNDING RIDER** (Designation: PFR)


These proposed terms are inconsistent with the nomenclature mandated by the Energy Bureau in the Model Bill Order.


The Energy Bureau **ORDERS** the use of nomenclature consistent with the approved Model Bill Order. This action will ensure consistency across all regulatory and customer-facing documents. LUMA shall amend the tariff sheets to reflect the updated versions of its proposed tariff sheets as revised in **Attachments A and B** to this Resolution and Order, in both English and Spanish.

The Energy Bureau identified ambiguities in the current Net Metering Rider language that require clarification to ensure transparent and accurate billing practices. The existing language in Exhibit 5 blurs the timing and conditions under which LUMA bills customers versus when it provides credits, particularly in scenarios where customer exports meet or exceed their energy consumption. To remedy this deficiency, the Energy Bureau **ORDERS** the implementation of revised language that explicitly anchors billing and crediting mechanisms to energy inflow (energy delivered by PREPA to the customer) and energy outflow (energy exported by the customer to the grid). The revised language, as stated in **Attachment C** to this Resolution and Order, provides clear definitions that distinguish between billing for net consumption and crediting for net exports.


III. Conclusion

Based on the foregoing analysis, the Energy Bureau finds that LUMA's August 13 Motion constitutes partial but incomplete compliance. While LUMA has corrected the numerical rate as directed, it must align its proposed tariff sheets with the established standards of transparency. Therefore, the Energy Bureau conditions its approval of the motion upon the correction of this deficiency.

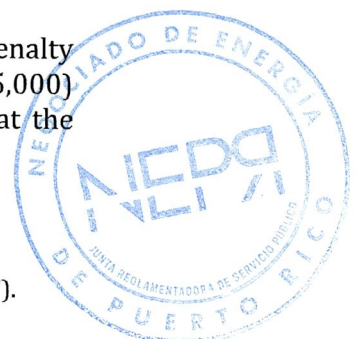
The Energy Bureau **CONDITIONALLY GRANTS** LUMA's *Motion in Compliance with August 11 Order and Submitting Revised Compliance Filing*, filed August 13, 2025, subject to the following conditions:

1. Within **three (3) business days** from the notification of this Resolution and Order, LUMA shall submit a compliance filing that includes updated versions of its proposed tariff sheets as revised in Attachments A, B, and C to this Resolution and Order.
 2. Upon the Energy Bureau's verification that the compliance filing conforms to the directives herein, the revised tariffs shall be deemed approved. LUMA may then implement the amended tariffs and begin collecting the provisional rates, effective for all billing cycles commencing on or after September 1, 2025.
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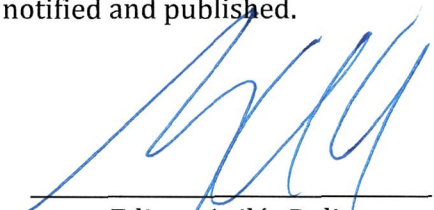
The Energy Bureau **WARNS** LUMA that, in accordance Art. 6.36 of Act 57-2014:⁵

- (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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⁵ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").



Be it notified and published.


Edison Avilés Deliz
Chairman


Lillian Mateo Santos
Associate Commissioner


Sylvia B. Ugarte Araujo
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 28, 2025. Associate Commissioner Ferdinand A. Ramos Soegaard did not intervene. I also certify that on August 28, 2025, a copy of this Resolution and Order was notified by electronic mail to mvalle@gmlex.net; arivera@gmlex.net; jmartinez@gmlex.net; jgonzalez@gmlex.net; nzayas@gmlex.net; katuska.bolanos-lugo@us.dlapiper.com; Yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; carolyn.clarkin@us.dlapiper.com; andrea.chambers@us.dlapiper.com; regulatory@genera-pr.com; legal@genera-pr.com; mvazquez@vvlawpr.com; gvilanova@vvlawpr.com; ratecase@genera-pr.com; hrivera@jrsp.pr.gov; gerardo_cosme@solartekpr.net; contratistas@jrsp.pr.gov; victorluisgonzalez@yahoo.com; Cfl@mcvpr.com; nancy@emmanuelli.law; jrinconlopez@guidehouse.com; Josh.Llamas@fticonsulting.com; Anu.Sen@fticonsulting.com; Ellen.Smith@fticonsulting.com; Intisarul.Islam@weil.com; kara.smith@weil.com; rafael.ortiz.mendoza@gmail.com; rolando@emmanuelli.law; monica@emmanuelli.law; cristian@emmanuelli.law; lgnq2021@gmail.com; jan.albinolopez@us.dlapiper.com; Rachel.Albanese@us.dlapiper.com; varoon.sachdev@whitecase.com; javrua@sesapr.org; Brett.ingerman@us.dlapiper.com; brett.solberg@us.dlapiper.com; agraitfe@agraitlawpr.com; jpouroman@outlook.com; epo@amgprlaw.com; loliver@amgprlaw.com; acasellas@amgprlaw.com; matt.barr@weil.com; Robert.berezin@weil.com; Gabriel.morgan@weil.com; corey.brady@weil.com; lramos@ramoscruzlegal.com; tlauria@whitecase.com; gkurtz@whitecase.com; ccolumbres@whitecase.com; isaac.glassman@whitecase.com; tmacwright@whitecase.com; jcunningham@whitecase.com; mshepherd@whitecase.com; jgreen@whitecase.com; hburgos@cabprlaw.com; dperez@cabprlaw.com; howard.hawkins@cwt.com; mark.ellenberg@cwt.com; casey.servais@cwt.com; bill.natbony@cwt.com; zack.schrieber@cwt.com; thomas.curtin@cwt.com; escalera@reichardescalera.com; riverac@reichardescalera.com; susheelkirpalani@quinnemanuel.com; erickay@quinnemanuel.com; dmonserrate@msglawpr.com; fgierbolini@msglawpr.com; rschell@msglawpr.com; eric.brunstad@dechert.com; Stephen.zide@dechert.com; David.herman@dechert.com; Isaac.Stevens@dechert.com; James.Moser@dechert.com; Kayla.Yoon@dechert.com; Julia@londoneconomics.com; Brian@londoneconomics.com; luke@londoneconomics.com; juan@londoneconomics.com; mmcgill@gibsondunn.com; LShelfer@gibsondunn.com; jnieves@cstlawpr.com; arrivera@nuenergypr.com; apc@mcvpr.com; and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, on August 28, 2025.




Sonia Seda Gaztambide
Clerk

ATTACHMENT A
Revised Exhibit 3



PUERTO RICO ELECTRIC POWER AUTHORITY

Revision: 1
Amendment: 2

Sheet 5.x
Schedule
PROVISIONAL

PROVISIONAL RATE RIDER

DESIGNATION:

PROVISIONAL

AVAILABLE:

Everywhere in Puerto Rico.

APPLICABLE:

The PROVISIONAL charge shall apply to all energy delivered to customers taking service on the base service tariffs, except for customers taking service under the LRS, RH3, and RFR schedules. Lighting service customers shall be charged the PROVISIONAL for unmetered energy in accordance with the estimates in the PLG schedule. The Provisional Rate Rider is a temporary rate that reflects the provisional collection of a revenue requirement currently under consideration by the Puerto Rico Energy Bureau in a general rate case.

CHARGES:

These rates will be charged for all kilowatt-hours.

Provisional Rate:
\$0.014931 per kWh

PREB Authorization: Docket NEPR-AP-2023-003; order issued July 31, 2025
Issued Date: August 6, 2025
Effective Date: September 1, 2025



ATTACHMENT B
Revised Exhibit 4



PUERTO RICO ELECTRIC POWER AUTHORITY

Revision: 1
Amendment: 2

Sheet 5.x
Schedule
PENSION PAYMENTSFR

PENSION PAYMENTSFRFUNDING RIDER

DESIGNATION:

PENSION PAYMENTSFR

AVAILABLE:

Everywhere in Puerto Rico.

APPLICABLE:

The PENSION PAYMENTSFR charge shall apply to all energy delivered to customers taking service on the base service tariffs. The Pension Fund Rider is a temporary rate that reflects the PREPA pension fund collection of a revenue requirement currently under consideration by the Puerto Rico Energy Bureau in a general rate case.

CHARGES:

These rates will be charged for all kilowatt-hours.

Provisional Rate:
\$0.019191 per kWh

PREB Authorization: Docket NEPR-AP-2023-003; order issued July 31, 2025
Issued Date: August 6, 2025
Effective Date: September 1, 2025



ATTACHMENT C
Revised Exhibit 5



PUERTO RICO ELECTRIC POWER AUTHORITY

Revision: 1
Amendment: 2

Sheet 5.7
Schedule NM

NET METERING RIDER

DESIGNATION:

NM

AVAILABLE:

Everywhere in Puerto Rico.

APPLICABLE:

To all tariffs with metered output.

The Net Metering credit is calculated from the customer's bills as per the provisions of Act 114-2007, as amended. Customers with a Net Metering Agreement with PREPA will receive a monthly credit from the energy produced by their system and exported into PREPA's electrical system, up to a customer's monthly consumption in kWh, subject to other limits as detailed in Act 114-2007, as amended, and the corresponding Regulations. The monthly credit for customers with a Net Metering Agreement will be effective at the beginning of the billing period after the installation or configuration of the appropriate meter. For each billing period, PREPA will meter the energy consumed by the customer (Inflow) and the energy exported by the customer's system to PREPA's system (Outflow).

Each Net-Metering customer shall pay for the net energy supplied by PREPA the full rate for its class including, but not limited to, the base rates, fuel charge, purchased power charge, CILT charge, SUBA-HH charge, SUBA-NHH charge, ~~and~~ EE charge, PROVISIONAL charge, and PENSION PAYMENTS charge, subject to the following:

1. Each billing period, in which the energy exported by the customer is lower than the energy supplied by PREPA, the customer will be charged for Net kWh = Inflow - Outflow at the full per-kWh rate applicable to the customer's class, which the credit for the energy exported shall be the sum of: customer's base rate energy charge, fuel charge, purchased power charge, SUBA-HH charge, SUBA-NHH charge, CILT, Energy Efficiency Charge, Provisional ~~Rate~~ charge, and Pension ~~Payments~~ Recovery charge.
2. If during a billing period, the energy exported by the customer is equal or higher than the energy supplied by PREPA, the applicable credit is first applied to offset all per-kWh energy charges on Inflow kWh using the same components listed above in 1, resulting in no per-kWh energy charge billed for that period. will be limited to the energy supplied by PREPA in that billing period. The excess exported energy will be accumulated to be used in the next billing period.
3. If any excess energy accumulated remains after the end of the current fiscal year, it will be credited as provided by the law, and to the corresponding Regulations, currently as explained below.
 - a. Seventy-five percent (75%) of the excess energy accumulated shall be purchased by PREPA at a rate of 10 cents per kilowatt-hour (¢/kWh) or the resulting quantity in ¢/kWh, once the fuel and purchased power charges are subtracted from the total ¢/kWh, whichever is the highest; and
 - b. The remaining twenty-five percent (25%) shall be granted to PREPA to be distributed in credit or reductions in the electricity bills of public schools.

