

**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 for Motion to Request for Approval of Revisions to LUMA Model Bill to Implement Fixed-Cost PREPA Pension Rider.

RESOLUTION AND ORDER

I. 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's Model Bill ("Model Bill"). Furthermore, the Energy Bureau ordered LUMA to submit any future proposed change to said Model Bill 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 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.

The July 31 Order placed those pension costs in a new rider that would recover the costs on a per-kWh basis. The July 31 Order also stated that the pension cost should be recovered from customers through a fixed customer charge rather than through a per-kWh charge. Constraints in LUMA's billing system made it infeasible to implement a fixed-charge rider by September 1, 2025, the date on which the provisional rate would go into effect. The Energy Bureau therefore allowed the rider to recover the costs on a per -kWh basis but required LUMA to create a fixed-charge rider as soon as possible.

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"), through which LUMA sought authorization to amend its Model Bill to include two new line items for the provisional rate rider and pension payment rider recently approved by the Energy Bureau.

On August 13, 2025, the Energy Bureau issued a Resolution and Order ("August 13 Order"), through which, the Energy Bureau reviewed LUMA's proposed two line-items to the Model Bill and mandated LUMA to incorporate specific language nomenclature for the two provisional rate riders.³

On August 29, 2025, after several procedural events, LUMA filed a document titled *Motion to Submit Corrected Exhibit 1 to Motion in Compliance with Order Entered on August 13, 2025, and Amending Model Bill Proposal* ("August 29 Corrected Motion"). LUMA's motion revised the Exhibit 1 submitted to align the nomenclature of the two provisional rate riders with simplified language ordered by the Energy Bureau, in both English and Spanish versions of

¹ LUMA Energy LLC and LUMA Energy ServCo LLC (jointly referred as "LUMA").

² Resolution and Order, *In re: PREPA Rate Review*, Case No. NEPR-AP-2023-0003, July 31, 2025.

³ August 13 Order, p. 2.



the bill. LUMA also corrected a formatting error in the Exhibit 1 previously submitted which resulted in the inability to view some of the text in the Spanish version of the proposed model bill.

On September 3, 2025, the Energy Bureau issued a Resolution and Order ("September 3 Order"), through which, the Energy Bureau approved the specific nomenclature in the Model Bill which addressed the application for the provisional rates for Fiscal Year 2026 until the Energy Bureau approves the permanent rate in Case No. NEPR-AP-2023-0003.

On November 14, 2025, LUMA submitted in the Rate Review Docket, Case No. NEPR-AP-2023-0003 a document titled *Motion on Pension Rider* ("November 14 Motion"). Through the November 14 Motion, LUMA reported that the necessary billing-system modifications would be complete by January 1, 2026. It also included scenarios comparing the now-existing per-kWh charge to the proposed fixed charge.

On December 9, 2025, LUMA filed a document titled *Motion to Request for Approval of Revisions to LUMA Model Bill to Implement Fixed-Cost PREPA Pension Rider* ("December 9 Motion"), in which LUMA request approval to amend the current Model Bill to incorporate a per-customer-fixed-charge pension rider in lieu of a variable charge per-kWh basis.

On December 23, 2025, the Energy Bureau issued a Resolution and Order in *In re: PREPA Rate Review, Case no. NEPR-AP-2023-0003*, ("December 23 Order") in which the Energy Bureau **DETERMINED** to address the pension rate design question in its order on permanent rates. This postponement will give parties an opportunity to: (a) brief the pension-related questions in the Hearing Examiner's Orders of December 8, 2025, and December 22, 2025; and (b) address the information arising from the various panels held during the evidentiary

I. Discussion and Conclusion

The July 31 Order established a Fiscal Year 2026 Provisional Budget which included, provisionally, the amount of \$307,475,422, reflecting PREPA's proposed pension costs for the Puerto Rico Electric Power Authority Employee Retirement System.⁴ It also stated that the pension cost should be recovered from customers through a fixed customer charge rather than through a per-kWh charge. However, constraints in LUMA's billing system made it infeasible to implement a fixed-charge rider by September 1, 2025, the date on which the provisional rate would go into effect. The Energy Bureau therefore allowed the rider to recover the costs on a per-kWh basis but requested LUMA to create a fixed-charge rider as soon as possible.

LUMA is requesting the Energy Bureau to approve the fixed-cost pension rider so LUMA can finalize the bill design and begin implementation by January 1, 2026. In addition, in this docket, LUMA requests that the Energy Bureau approve and authorize LUMA to implement the proposed revisions to LUMA's Model Bill included as Exhibit 1 in the December 9 Motion.

The Energy Bureau **TAKES NOTICE** of LUMA's December 9 Motion. Nevertheless, as indicated in the December 23 Order, until a Final Order on permanent rates is issued in the Rate Review Docket, the Energy Bureau **DEFERS** any adjustment of the Model Bill applicable to pension costs.

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

⁴ Case No. NEPR-AP-2023-0003, Resolution and Order, July 31, 2025, p.26.

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



- (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.

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 December 29, 2025. Associate Commissioner Ferdinand Ramos Soegaard did not intervene. I also certify that on December 29, 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; margarita.mercado@us.dlapiper.com; katiuska.bolanos-lugo@us.dlapiper.com; hrivera@jrsp.pr.gov; mvalle@gmlex.net, alexis.rivera@prepa.pr.gov.

For the record, I sign this in San Juan, Puerto Rico, today December 29, 2025.





Sonia Seda Gaztambide
Clerk