

# Technical Memorandum

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## RE: Request for Clarification on the CATV Tariff Methodology

On April 15, 2026, the Puerto Rico Energy Bureau (Energy Bureau) issued its Final Resolution and Order on Electricity Rates (Final Rate Order) in Case No. NEPR-AP-2023-0003.

LUMA respectfully requests clarification regarding the Cable TV Power Supplies (CATV) tariff established in the Final Resolution and Order.

Under the current CC&B program structure, this tariff contains three categories: 656 kWh for 60-volt units, 494 kWh for 90-volt units, and a third category for repeaters with different energy consumption level(s). When converting the costs for the 656-kWh and 494-kWh units to a volumetric charge per energy consumption, the resulting values were similar to those of the repeater category, which has a different energy consumption. In our current CC&B structure, the volumetric charge per energy consumption is obtained by dividing the monthly charge by the corresponding consumption, as shown below:

- $\$55.43 / 656 \text{ kWh} = \$0.08449/\text{kWh}$
- $\$41.74 / 494 \text{ kWh} = \$0.08449/\text{kWh}$
- Volumetric charge different consumption =  $\$0.08449$

However, when LUMA applies this same mathematical calculation using the rates approved in the Final Rate Order for FY2027 for the same categories, the volumetric charge for each one differs, as follows:

- $\$93.00 / 656 \text{ kWh} = \$0.14177/\text{kWh}$
- $\$70.00 / 494 \text{ kWh} = \$0.14170/\text{kWh}$
- Volumetric charge different consumption =  $\$0.15128$

These discrepancies arise despite applying the same mathematical calculation process and therefore appear inconsistent with the CC&B system structure and application of the current CATV rate. Moreover, if the approved FY2027 charges are kept to \$93.00 and \$70.00 for 656 kWh and 494 kWh, respectively, at the end of the year, the intended revenue to bill will not be met. Considering the intention of the Energy Bureau is to bill \$2,488,567 volumetrically and given the fact that billing units add up to 16,450,000, this results in a \$0.15128 per kWh. Hence, to achieve this per kWh charge, the fixed charge would have to be corrected to reflect \$99.24013 for 656 kWh and \$74.73266 for 494 kWh.

The current CC&B program structure considers one (1) constant volumetric charge per energy consumption for all the segments. If the intention of the Energy Bureau is to have a different volumetric charge per energy consumption for each aforementioned segment, this will result in a change of the current program structure since its back-end program logic will now have to account for three (3) different volumetric charges. Also, setting the fixed values to \$93.00 and \$70.00 will result in underbilling the ratepayer considering the intention is to bill \$2,488,567. The same analysis applies to FY 2028; setting the fixed values to \$93.00 and \$70.00 will result in underbilling the ratepayer considering the intention is to bill \$2,342,196.



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Accordingly, LUMA respectfully requests clarification from the Energy Bureau regarding the intended methodology for the CATV tariff as reflected in the Final Rate Order. Furthermore, LUMA submits that such clarification or confirmation is required on an urgent basis because, if the Energy Bureau confirms that the new CATV rates are correct, LUMA must immediately initiate and complete the required structural modifications to the CC&B system on an expedited, non-deferrable timeline prior to the end of May to ensure that the FY 2027 CATV rates are properly configured, validated, and incorporated into the FY 2027 rate implementation test cycles.