

FY2027 Tariff Book

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On January 10, 2017, the Puerto Rico Energy Bureau (Energy Bureau) issued a Final Resolution and Order in Docket No. CEPR-AP-2015-0001 (2017 Final Order), establishing the revenue requirement and rates for FY2017 onward. In addition to setting the revenue requirement, the 2017 Final Order required the Puerto Rico Electric Power Authority (PREPA) to submit a Tariff Book consistent with the approved rate structure for the Energy Bureau's review and approval.¹ Following several proceedings in which PREPA submitted its proposed Tariff Book, the Energy Bureau approved² the Tariff Book, in both Spanish and English, on May 28, 2019. The Tariff Book has been amended from time to time to incorporate to incorporate the Wheeling Customer Rider,³ and to revise existing riders and rates and introduce provisional riders (including the Provisional Rider, Pension Payments Rider and Net Metering Credit⁴).

On June 30, 2023, the Energy Bureau initiated a Rate Review proceeding, opening the Puerto Rico Electric Power Authority Rate Review⁵, Docket No. NEPR-AP-2023-0003 (Rate Review Docket). As part of this Rate Review proceeding, on July 31, 2025, the Energy Bureau issued a Resolution and Order (July 31 Order) approving LUMA's provisional revenue requirement, including a provisional rate to recover FY2026 incremental costs and a pension rider to recover PREPA's pension costs.⁶ Pursuant to the July 31 Order, LUMA was directed to submit a compliance filing with updated tariff sheets detailing the calculation of the proposed provisional rate riders.⁷ In compliance with that directive, on August 6, 2025, LUMA submitted⁸ updated Tariff Sheets for the Provisional Rate, Pension Funding, and Net Metering riders. After further proceedings, on August 11, 2025, the Energy Bureau issued a Resolution and Order⁹ conditionally approving the updated tariff sheets, subject to LUMA's submission of revised tariff sheets consistent with the directives therein. Upon verification of compliance, the revised tariffs were deemed approved, and LUMA was authorized to implement the amended tariffs and begin collecting the provisional and pension rates effective for all billing cycles commencing on or after September 1, 2025.

On April 15, 2026, the Energy Bureau issued its Final Resolution and Order on Electricity Rates in the Rate Review Docket (Final Rate Order), establishing the revenue requirement and rates for FY2026, FY2027 and FY2028.¹⁰

In compliance with the electricity rates established in the April 15 Final Rate Order, LUMA hereby submits, as an attachment to this Exhibit, the proposed FY2026 Tariff Book modifications in Spanish and English: a

¹ Pages 171-184, List of Commission Directives of Final Resolution and Order of January 10, 2017, Docket No. CEPR-AP-2015-0001.

² Resolution and Order of May 28, 2019, Docket No. CEPR-AP-2015-0001.

³ Resolution and Order of November 22, 2022, Docket No. NEPR-AP-2018-0004.

⁴ The Net Metering Rider was originally designated as the Net Metering Credit. The Net Metering Credit expanded the rates and riders for which the Net Metering customer shall pay from FCA, PPCA, SUBA-HH, SUBA-NHH, CILT, and EE charges to include the Provisional Charge and the Pension Payments Charge, as approved in the Resolution and Order of July 31, 2025, Docket No. NEPR-AP-2023-0003.

⁵ Puerto Rico Electric Power Authority Rate Review, Docket No. NEPR-AP-2023-0003.

⁶ Resolution and Order on Provisional Revenue Requirement of July 31, 2025, Docket No. NEPR-AP-2023-0003.

⁷ *Id.*, page 38.

⁸ LUMA's Motion of August 6, 2025, Docket No. NEPR-AP-2023-0003.

⁹ Resolution and Order of August 11, 2025, Docket No. NEPR-AP-2023-0003.

¹⁰ Final Resolution and Order on Electricity Rates of April 15, 2026, Docket No. NEPR-AP-2023-0003.

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clean version included as Attachment A and a redlined version included as Attachment B. These modifications will take effect in FY2027, beginning on July 1, 2026.

The April 15 Final Rate Order adjusts the revenue allocation for the Lifeline Residential Service (LRS) and the Residential Service for Public Housing Projects (RH3) tariffs by determining that the applicable low-income discount shall be recovered through base rates rather than through the Help to Humans Subsidies (SUBA-HH) rider.¹¹ In accordance with this determination, LUMA has revised the explanatory language for the SUBA-HH rider in the Tariff Book and removed language indicating that LRS and RH3 are subsidies classified by the Energy Bureau as Help to Humans. Additionally, pursuant to the April 15 Final Rate Order, the provisional rate rider and the pension rider are rendered without effect, as the reconciliation between the provisional rate rider and the approved rates has been incorporated into the FY2027 revenue requirement.¹² Pension-related costs are now integrated into the base rate, thereby eliminating the need for the pension rider.¹³

Furthermore, on May 28, 2026, LUMA requested clarification from the Energy Bureau regarding the Cable TV Power Supplies (CATV) tariff established in the April 15 Final Rate Order.¹⁴ LUMA respectfully sought clarification regarding discrepancies identified in the prevailing cost assigned to the volumetric consumption component of the CATV tariffs for Fiscal Years 2027 and 2028, which materially affect revenue allocation. In the motion, LUMA explained that the CATV volumetric consumption charges set forth in the Final Rate Order would result in differing perKWh charges across categories, requiring structural changes to LUMA's CC&B system that were not feasible within the implementation timeline. LUMA further demonstrated that applying the rates as stated would fail to meet the total approved revenue requirement allocated to the CATV class, resulting in under-recovery. Accordingly, the request sought urgent clarification as to whether the CATV rates for FY2027 and FY2028 should be implemented as stated in the April 15 Final Rate Order or corrected to align with the revenue allocation reflected therein. On June 4, 2026, the Energy Bureau issued a Resolution and Order clarifying that, for purposes of implementing the April 15 Final Rate Order, LUMA shall apply the CATV rates set forth in Attachment A to that Resolution and Order, consistent with LUMA's submission, thereby resolving the identified discrepancies and adopting rates aligned with the approved revenue allocation.¹⁵

Accordingly, the Tariff Book modifications reflected in Attachments A and B are submitted in compliance with the April 15 Final Rate Order and the subsequent clarifications issued by the Energy Bureau.

¹¹ Page 36, Chapter Seven: Billing Determinants, Revenue Allocation, Rate Design, and Revenue Decoupling of Final Resolution and Order on Electricity Rates dated April 15, 2026, Docket No. NEPR-AP-2023-0003.

¹² *Id.*, page 53, Chapter Seven: Billing Determinants, Revenue Allocation, Rate Design, and Revenue Decoupling.

¹³ *Id.*, page 45, Chapter Five: PREPA-Specific Costs.

¹⁴ LUMA's Motion of May 28, 2026, Docket No. NEPR-MI-2026-0005.

¹⁵ Resolution and Order of June 4, 2026, Docket No. NEPR-MI-2026-0005.