Exhibit 1

NEPR

Received:

Sep 8, 2026

8:56 PM

FY2027 Budget Amendment Request

September 8, 2026

Introductory Statement

LUMA seeks the Energy Bureau's approval to amend LUMA's approved Fiscal Year 2027 (FY2027) Budget. **This amendment does not seek an increase to the total amount of Operating and Maintenance (O&M) and Capital Non-Federally Funded (NFC) expenditures approved in the Energy Bureau's Final Resolution and Order on Electricity Rates (Final Rate Order) issued April 15, 2026,** nor does the reapportionment sought herein affect the reliability and safety of the T&D System**.** Rather, the proposed amendment reallocates funding among approved budget line items to fund expenditures LUMA is legally required to incur or over which LUMA has no control.

As part of the Final Rate Order, the Energy Bureau denied LUMA's funding allocation under the PREPA Restructuring and Title III costs line item and LUMA's Meter Replacement and Maintenance Program. LUMA sought reconsideration[1] of these determinations, which the Energy Bureau subsequently denied.[2] LUMA is therefore seeking a budget amendment to fund these activities.

The proposed amendment seeks to direct $5.87 million towards LUMA's allocation of PREPA Restructuring and Title III costs, and $6.69 million towards the Meter Replacement and Maintenance Program, particularly meter replacements associated with Net Energy Metering (NEM). Pursuant to the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement, LUMA is required to support PREPA's Title III bankruptcy proceedings, particularly as it relates to any requests that require LUMA's intervention given its role as PREPA's agent and Operator of the T&D System. These requests are not limited to engagements related to official proceedings before the Title III Court; they also include continued engagement with the Financial Oversight and Management Board (FOMB) in the development of Fiscal Plans and other related workstreams required from LUMA by the FOMB in LUMA's role as T&D Operator. Because LUMA is contractually required to provide such support upon request, it has no control over the amount of work it may be required to perform and cannot decline to perform such work upon request.

Funding for the Meter Replacement and Maintenance Program is necessary to maintain compliance with statutory mandates requiring LUMA to complete NEM activations within a 30-day period, which includes the replacement of the customer's meter with a bidirectional meter. While the Advanced Metering Infrastructure (AMI) program continues to advance, it is impractical and uneconomical to mandate an AMI

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[1] LUMA's Motion for Reconsideration of Final Rate Order, *In Re: Puerto Rico Electric Power Rate Review*, Case No. NEPR-AP-2023-0003 (P.R. Energy Bureau filed May 5, 2026).

[2] *In re: Puerto Rico Electric Power Rate Review*, Case No. NEPR-AP-2023-0003, Resolution and Order, Case No. NEPR-AP-2023-0003 (P.R. Energy Bureau July 28, 2026).

meter to be installed in each of these instances. An AMI meter installed outside the completed mesh network lacks remote connectivity, requiring manual, in person reading by LUMA personnel – a recurring operational cost that undermines the automation efficiencies AMI is intended to provide. Allowing the installation of existing bidirectional meters will also enable LUMA to deplete its existing meter inventory, which represents a cost that has already been incurred rather than leaving it stranded, while avoiding the incremental operational costs that premature AMI installation would impose. Funding this program is the fiscally prudent path: it protects the value of capital already invested in existing meter inventory, avoids duplicative manual-read costs, preserves field resources for core grid operations and maintenance, and ensures continued compliance with NEM activation deadlines.

The proposed reallocations draw from other approved budget line items and do not affect the daily operations of the source departments. Details on each funding source and the requirements for the proposed amendment are explained in the sections below.

1.0 Budget Amendment Operating and Capital Expenses

LUMA is proposing a funding reallocation of $12.56 million from several budget line items within the O&M approved budget to fund activities that remain necessary to support meter replacements and LUMA's ongoing Title III obligations. These budget shifts reflect updates to LUMA's FY2027 forecasts and necessities, rather than the cost assumptions developed for the Rate Case in early 2025 and filed in July 2025. This forecast incorporates reduced facility requirements and removes certain vehicle usage costs from O&M because they directly support capital activity rather than O&M operations and thus are costs that can be capitalized. The proposed reallocations allow LUMA to align its FY2027 Budget with its near-term priorities and needs without conflicting with the longer-term priorities established by the Energy Bureau in the Final Rate Order.

Table 1-1. Summary of Amendment – Cost Line Items ($ in thousands)

	FY2027			
	Approved Budget[3]	Proposed Amendment[3]	Variance ($)	Variance (%)
Non Federally Funded Capital Expenses	157,695	164,387	6,692	4%
Operating and Maintenance Expenses[4]	787,027	780,335	(6,692)	(1%)
Total Expenditures	**944,722**	**944,722**	**(0)**	**0%**

1.1 Capital Budget – Non-Federally Funded

Table 1-2. Summary of Capital NFC Amendment – Cost Line Items ($ in thousands)

	FY2027 Non Federally Funded Capital			
Improvement Portfolio	Approved Budget[3]	Proposed Amendment[3]	Variance ($)	Variance (%)
Customer Experience[5]	18,704	25,396	6,692	36%
Distribution	47,029	47,029	-	-
Transmission	19,250	19,250	-	-
Substations	10,350	10,350	-	-
Control Center & Buildings	8,768	8,768	-	-
Enabling	32,595	32,595	-	-
Support Services	20,999	20,999	-	-
Total Capital Expenditures	**157,695**	**164,387**	**6,692**	**4%**

[3] Figures may not add due to rounding.
[4] Figures include costs related to PREPA Restructuring & Title III funds.
[5] The variance of $6.69 million is related to Meter Replacement & Maintenance program reallocation request.

CUSTOMER EXPERIENCE PORTFOLIO – METER REPLACEMENT AND MAINTENANCE PROGRAM (PBUT17)

The reallocation of $6.69 million to the Meter Replacement and Maintenance Program will fund NEM system installations as the transition to AMI continues. The Energy Bureau's Final Rate Order excluded PBUT17 from the budget based on the expectation that the federally funded AMI deployment would address the need for meter replacements and installations. However, AMI is not yet available system-wide because its communications network must be deployed in contiguous geographic areas before individual meters can reliably communicate with the AMI system.

AMI meters function only when connected to a fully operational communications mesh network. In areas where that mesh has not yet been deployed, AMI meters cannot transmit data automatically and instead require manual field readings, a process that also adds complexity to validating and incorporating meter data into billing. LUMA estimates that manual reading activities would result in approximately $2.79 million in incremental O&M costs at current installation levels and would require approximately 41,000 field labor hours annually that would otherwise be available for grid operations and system maintenance.

LUMA is currently meeting NEM meter installation requirements by reusing meters recovered from the AMI deployment that remain functional and suitable for redeployment. Based on current NEM installation levels, the available recycled meter inventory is expected to support approximately four months of installations. As the AMI deployment progresses, additional meters may become available for reuse; however, the quantity and timing of such inventory will depend on the number of meters removed from service remaining suitable for redeployment.

To ensure continuity beyond the available recycled meter inventory, LUMA is requesting funding to install NEM meters that have already been purchased and currently in inventory. The acquisition costs for these meters, along with the associated cash outlay, have already been incurred. However, because the meters remain in inventory, their costs have not yet been capitalized. The requested funding would allow these meters to be placed in service and cover the associated installation and capitalization costs when the meters are deployed. **Accordingly, the request is not for additional funding to acquire the meters themselves, but to deploy assets that LUMA has already purchased and which, if left unused, may result in a partial or total loss**.

This request enables the deployment of NEM meters from existing inventory, avoiding both a recurring incremental O&M cost and the diversion of field resources from grid operations.

1.2 Operating and Maintenance Expenses

Table 1-3. Summary of Operating and Maintenance Amendment – Cost Line Items ($ in thousands)

	FY2027 Operating and Maintenance Budget			
Department	**Approved Budget[3]**	**Proposed Amendment[3]**	**Variance ($)**	**Variance (%)**
Customer Experience	93,749	93,749	-	-
Operations	364,416	364,416	-	-
Utility Transformation	54,223	49,723	(4,500)	(8%)
Support Services	274,639	266,582	(8,058)	(3%)
Subtotal - Labor and Non-Labor	**787,027**	**774,469**	**(12,558)**	**(2%)**
Other Operating Expenses				
PREPA Restructuring & Title III	-	5,866	5,866	
Total Operating and Maintenance Expenditures	**787,027**	**780,335**	**(6,692)**	**(1%)**

1.2.1 Departmental Expenses

UTILITY TRANSFORMATION

The reallocation of $4.5 million from the Utility Transformation department to the PREPA Restructuring and Title III line item is supported by reduced utility and rent requirements within the department. The utilities and rents request included in the FY2027 budget was developed based on the associated constrained labor cost proposal from the Rate Case and the facilities, housing, and other related requirements necessary to support that workforce. However, the Final Rate Order approved a labor budget roughly 34% lower, consequently, reducing the department's related facilities and housing necessities. As a result, the Utility Transformation department does not expect to use the full utilities and rents budget and can support the $4.5 million shift without affecting its approved operational needs.

SUPPORT SERVICES

The reallocation of $8.06 million from the Support Services department is supported by reductions in requirements across the Facilities and Fleet sub-departments. Of this amount, $1.37 million from Facilities will be reallocated to the PREPA Restructuring and Title III line item, while $2.85 million from Facilities and $3.84 million from Fleet will be reallocated to the Meter Replacement and Maintenance Program for a total of $6.69 million.

The reallocation of $4.22 million ($1.37 million for PREPA Restructuring and Title III and $2.85 million for the Meter Replacement and Maintenance Program) from the Facilities sub-department is supported by reduced utility and rent requirements. The FY2027 budget was developed based on higher anticipated NFC activity and included assumptions for a dedicated capital-project facility, warehouses across four regions, laydown yards across six regions, leased parking spaces, and related utility expenses. Given the lower level of NFC funding approved as part of the Final Rate Order, the full expansion contemplated as part of the Rate Case proposal is no longer required. In addition, LUMA has closed its office space located at the Centro Internacional de Mercadeo (CIM) and relocated the employees previously assigned to that location to existing LUMA facilities. The consolidation eliminates the associated CIM lease expense and utility invoicing.

The remaining $3.84 million is supported by reduced requirements within Fleet sub-department. This amount is available from Fleet's transportation line item, reflecting vehicle usage costs that are capitalized to capital projects rather than recognized as O&M expenses. Collectively, these changes provide sufficient funding within the Support Services department to support the proposed $8.06 million in funding shifts without affecting the department's ability to meet its ongoing operational requirements.

1.2.2 Other Operating Expenses

PREPA RESTRUCTURING & TITLE III

The reallocation of $5.86 million to the PREPA Restructuring and Title III line item is to provide funding for LUMA's activities associated with PREPA's Title III restructuring proceedings. In the Final Rate Order, the Energy Bureau denied LUMA's requests for Title III funding in its entirety. Notwithstanding this denial, LUMA's obligations in connection with PREPA's Title III restructuring have not ceased. LUMA must continue to analyze developments and respond to emerging requirements associated with PREPA's Title III and PROMESA-related proceedings, including constant and ongoing communication with the FOMB and the development of PREPA Fiscal Plan proposals. In carrying out these obligations, LUMA has received and continues to receive information requests from the FOMB, PREPA, bondholders, and Title III mediation teams that require LUMA's review, analysis, coordination, and response. These activities and reports represent real, recurring operational expenditures necessary to ensure that operational and implementation requirements arising from the Title III process are properly addressed. Some of the main recurring reports are: Fiscal Plan updates, Plan of Adjustment updates, monthly Cash Flow and Liquidity estimates and constraints, Federal Funds Deployment Schedule, Vegetation Management Reporting as well as assistance with ASAP and BESS generation contracts. LUMA is required to perform these activities and provide such support pursuant to Section 3.4 of the T&D Supplemental Agreement.