

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

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY PERMANENT RATE

CASE NO.: NEPR-MI-2020-0001

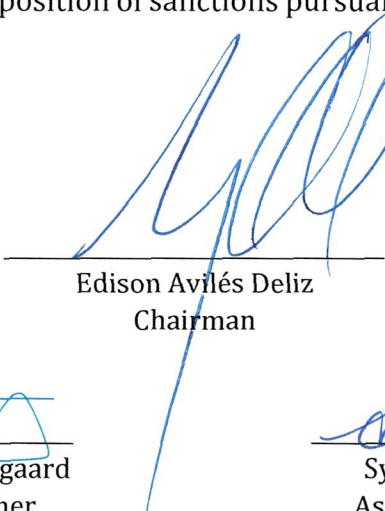
SUBJECT: Third Request for Information.

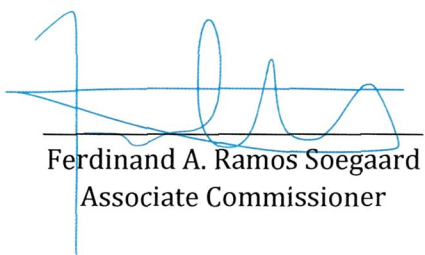
RESOLUTION AND ORDER

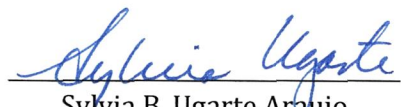
The Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") **ORDERS** LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA") and Genera PR, LLC ("Genera") to respond to a Third Request for Information pertaining to the quarterly factors proposed by LUMA for the October through December 2026 period, which is attached to this Resolution and Order as Attachment A. LUMA and Genera shall provide their respective answers to this requirement **on or before Friday, September 25, 2026 at 12:00 p.m.**

The Energy Bureau **WARNS** LUMA and Genera that failure to comply with this Resolution and Order may result in the imposition of sanctions pursuant to Article 6.36 of Act 57-2014.¹

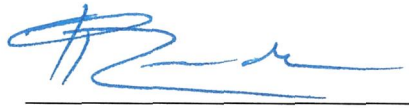
Be it notified and published.


Edison Avilés Deliz
Chairman


Ferdinand A. Ramos Soegaard
Associate Commissioner


Sylvia B. Ugarte Araujo
Associate Commissioner


Antonio Torres Miranda
Associate Commissioner


Omar M. Rodríguez González
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on September 23, 2026. I also certify that on September 23, 2026, I have proceeded with the filing of this Resolution and Order and was notified by email to RegulatoryPREBOrders@lumapr.com; yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com, katuska.bolanos-lugo@us.dlapiper.com; kmercado@jrsp.pr.gov; wvera@jrsp.pr.gov; legal@genera-pr.com; regulatory@genera-pr.com; lrn@roman-negron.com; elias.sostre@aes.com; jesus.bolinaga@aes.com; nzayas@gmlex.net; rcruzfranqui@gmlex.net; mvalle@gmlex.net; Alexis.rivera@prepa.pr.gov; carlos.reyes@ecoelectrica.com; ccf@tcm.law; leslie.hufstetler@infinigenrenewables.com; notices@infinigenrenewables.com; he@infinigenrenewables.com; regulatory@patternenergy.com; apc@mcvpr.com.

¹ Puerto Rico Energy Transformation and RELIEF Act, as amended ("Act 57-2014").



I sign this in San Juan, Puerto Rico, today September 23, 2026.



Sonia Seda Gaztambide
Clerk



ATTACHMENT A

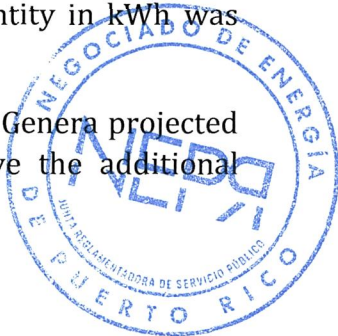
3.1. Sales forecast changes and related generation and purchased supply kWh. Refer to the Excel file "Jul_Sep_2026_Proposed_Factors" Excel file, Attachment 6, from the previous quarterly factor update, and to the Excel file "Oct_Dec_2026_Proposed_Factors" Attachment 6, from LUMA's submission for new quarterly factor for October-December 2026, and the following tables, which were compiled from that information:

Line No.	Description	Forecast per Previous Quarterly Filing (kWh) (A)	Forecast per Current Quarterly Filing (kWh) (B)	Difference: Increase (Decrease) (C) = (B) - (A)
October 2026				
1	Residential	577,536,639	577,536,639	-
2	Commercial	673,147,316	673,147,316	-
3	Industrial	118,975,720	118,975,720	-
4	Public Lighting	21,877,305	23,261,323	1,384,018
5	Other Authorities	3,326,168	3,287,112	(39,056)
6	Agriculture	1,843,899	1,827,478	(16,421)
7	Total October Forecast	1,396,707,047	1,398,035,588	1,328,541
November 2026				
8	Residential	520,773,114	520,773,114	-
9	Commercial	635,323,986	635,323,986	-
10	Industrial	119,024,934	119,024,934	-
11	Public Lighting	23,205,589	24,673,638	1,468,049
12	Other Authorities	3,398,018	3,358,118	(39,900)
13	Agriculture	1,907,677	1,890,688	(16,989)
14	Total November Forecast	1,303,633,317	1,305,044,478	1,411,160
December 2026				
15	Residential	467,080,174	467,080,174	-
16	Commercial	636,782,560	636,782,560	-
17	Industrial	111,795,671	111,795,671	-
18	Public Lighting	22,076,746	23,473,381	1,396,635
19	Other Authorities	3,169,336	3,132,121	(37,215)
20	Agriculture	1,909,256	1,892,253	(17,003)
21	Total December Forecast	1,242,813,742	1,244,156,160	1,342,418
22	Total Forecast October through December	3,943,154,106	3,947,236,226	4,082,119

Notes and Source:

Col. A: "Jul_Sep_2026_Proposed_Factors" Excel file, Attachment 6 from previous quarterly factor update
Col. B: "Oct_Dec_2026_Proposed_Factors" Excel file, Attachment 6

- a. Why has LUMA revised the kWh sales forecast for October, November and December 2026?
- b. What is the source for the revised kWh sales forecast for October, November and December 2026 for each rate class for which the sales forecast has changed?
- c. For the October, November and December 2026 sales forecast please reconcile the kWh LUMA is using in the quarterly factor calculations to the FY2027 kWh sales forecast used in the rate case. Identify, quantify and explain each differences.
- d. What quantities of generation and purchased power have LUMA and Genera projected for October, November and December 2026 to serve the additional 4,082,119 kWh of sales projected for those months? Show how that additional generation and purchased power quantity in kWh was derived including the impact of line losses.
- e. What fuel and purchased power costs have LUMA and Genera projected for October, November and December 2026 to serve the additional



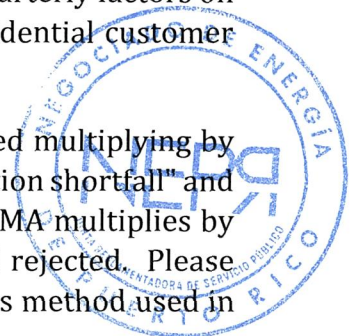
4,082,119 kWh of sales projected for those months? Show how that additional generation and purchased power quantity in dollars and costs per kWh was derived including the impact of generation related to line losses.

3.2. Sales forecast for October-December 2026.

- a. Are the kWh sales forecast amounts used by LUMA for October, November and December 2026 consistent with the sales forecast for FY2027 used in the Energy Bureau's base rate case rate order? If not, explain why not and identify, quantify and explain all deviations between (1) the sales forecast LUMA shows for October, November and December 2026 in the quarterly factor filing and (2) the sales forecast for those months in the FY2027 forecast from the base rate case.
- b. Please reconcile the kWh sales forecast that LUMA shows for October, November and December 2026 in the quarterly factor filing with the FY2027 kWh billing determinants the Rate Order adopted. Identify, quantify and explain all differences.
- c. Please reconcile the kWh sales forecast that LUMA shows for October, November and December 2026 in the quarterly factor filing with (1) the 15,526.2 GWh (June) and 15,542.6 GWh (September) FY2027 forecasts LUMA is using as the rider denominator. Identify, quantify and explain all differences.
- d. Explain fully and why LUMA is not using the billing determinants for FY2027 from the Energy Bureau's determination in the rate case for October, November and December 2026 to set the quarterly factors for October, November and December 2026 in the current quarterly factor rate setting.

3.3. Uncollectibles.

- a. In June 2026, LUMA told the Energy Bureau it did not include any provisions for the bad-debt recovery" and that it "relies on the Puerto Rico Energy Bureau (PREB) direction if determined it should be included." In September 2026, LUMA did the opposite: it built the gross-up into the proposed FCA, PPCA and FOS factors and, in the same motion, asked the Energy Bureau to approve it. Please confirm that without the gross-up for uncollectibles the quarterly factors would be: (1) FCA \$0.178047, (2) PPCA \$0.045090 and (3) FOS \$0.020822. If this cannot be confirmed explain why not and show LUMA's calculation of the quarterly factors excluding the uncollectibles gross-up.
- b. With uncollectibles included in the quarterly factors, please confirm that the quarterly factor revenue requirement requested by LUMA is approximately \$13.3 million more in the quarter than without the uncollectible factor, which equates to approximately 0.34¢/kWh combined, or around \$2.70 a month on an 800-kWh residential bill. If this cannot be confirmed explain why not and show LUMA's calculation of the impact of including the uncollectibles gross-up in the quarterly factors on a cents per kWh basis and the related impact on a residential customer using 800 kWh per month.
- c. The Energy Bureau's rate case Order specifically rejected multiplying by the bad-debt percentage because that "results in a collection shortfall" and instead divides by 0.9849 (equivalent to $\times 1.01533$); LUMA multiplies by 1.0151, the method the Rate Case Order addressed and rejected. Please explain why LUMA did not apply the same uncollectibles method used in



the Energy Bureau's rate case Order and is instead using the method the Order set aside.

- d. Why is LUMA applying the uncollectibles factor to the prior-period reconciliation involving June, July and August 2026?
- e. Why is LUMA applying the uncollectibles factor to the FOS, which is a credit to low-use residential customers rather than a cost being recovered?
- f. Does grossing up a credit like the FOS for uncollectibles result in enlarging the subsidy?
- g. Please confirm that the FCA/PPCA reconciliation compares cost to the amounts of revenue billed, rather than to the amounts of revenue collected. If this cannot be confirmed, explain fully.
- h. If a 1.51% adder for uncollectibles were to be included in setting the FCA and PPCA factors for October-December 2026, how will LUMA quantify and reconcile the impact of having uncollectibles included in the subsequent reconciliations of FCA and PPCA revenue and cost? Explain fully.
- i. If uncollectibles are included in the setting of the FCA and PPCA factors for October-December 2026, other things being equal, will the additional amount of revenue related to the uncollectible factor show up as an over-recovery and be refunded the next quarter?
- j. If uncollectibles are included in the setting of the FCA and PPCA factors for October-December 2026 and are excluded from the reconciliation, will the impact of including an uncollectibles factor in the FCA and PPCA rates become a permanent adder that is never trued up against actual uncollectible experience?

3.4. Uncollectibles.

- a. Identify the specific provisions order in NEPR-MI-2020-0001 that authorized applying the 1.51% bad-debt factor to the FCA, PPCA and FOS effective October 1, 2026. If none, explain why the proposed factors were calculated with the factor included rather than presented as an alternative, given LUMA's June 24 response A-20 it would rely on Bureau direction.
- b. The Final Rate Order divides the revenue requirement by 0.9849 (1 / 0.0151) and rejected multiplying by 1.51% because that "results in a collection shortfall." Explain why in Attachments 1 and 2, LUMA multiplies the result by 1.0151, rather than applying the method approved by the PREB. Please restate the factors using the Order's method.
- c. Because base rates and riders are collected on a single bill, explain how LUMA allocates partial payments among base charges, each rider and the FOS/NEM credits in CC&B, and how write-offs are attributed to riders. Provide FCA, PPCA and FOS billed-versus-collected and write-off data for FY2025, FY2026 and July-August 2026.
- d. Explain why the factor is applied to the prior-period reconciliation amounts (the \$131.65M FCA under-recovery and the \$2.48M PPCA over-recovery for June-August 2026), which arose before any authorization existed from the PREB for including an uncollectible factor in the setting of FCA and PPCA rates.



- e. Explain why the factor is applied to the FOS, which is a credit to eligible residential customers rather than a cost being recovered, and quantify the added subsidy.
- f. Explain whether the net-metering credit (paid at the full retail rate including FCA and PPCA) would be computed using the grossed-up uncollectible factors and quantify that effect. Include calculations in Excel with formulas intact.
- g. Describe how the reconciliations will treat the uncollectibles gross-up in subsequent quarterly factor filings. The FCA and PPCA reconciliations compare cost to revenue billed, not with revenue collected. Please clarify how LUMA envisions addressing the uncollectibles factor in quarterly factor reconciliations:
 - i. Will the 1.51% billed be netted against cost (and therefore refunded the following quarter), removed from billed revenue before reconciling (becoming a permanent adder), or trued up against actual rider uncollectibles?
 - ii. Provide the proposed Attachment 4 format under each approach.
- h. Reconcile the Motion's justification for applying an uncollectibles factor for setting FCA and PPCA rates, (i.e., the references to the \$55.2 million July 2026 forecast variance, purchase-versus-burn timing, and fuel deferrals) with the Rate Order's definition of bad debt as uncollectible accounts expense. Explain how each of those justification referenced items are uncollectibles expense.
- i. Identify the portion of the requested recovery attributable to customer non-payment of bills for electric service rather than to forecast error or cash timing.
- j. State the effective date LUMA proposes for implementing an uncollectibles factor to be included in quarterly FCA and PPCA rates. Is that October 1, 2026?
- k. Please confirm that LUMA is **not** seeking application of an uncollectibles factor for FCA or PPCA rates and the related reconciliations **retroactively** to July-September 2026 billings or to the March-May 2026 or the June-August 2026 reconciliation periods. If this cannot be confirmed, explain fully, and provide all justification relied upon by LUMA for retroactive application.

