

**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: Materials for the September 28,
2026 Technical Conference

RESOLUTION AND ORDER

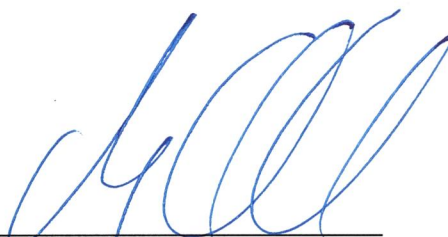
The Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") is reviewing the Fuel Cost Adjustment ("FCA") and Purchased Power Cost Adjustment ("PPCA") reconciliations for June, July, and August 2026, together with the proposed factors for October through December 2026. A virtual technical conference in this proceeding is scheduled for Monday, September 28, 2026, at 10:00 a.m.

Attachment A to this Resolution and Order contains a presentation of selected data, preliminary analyses, and comparisons related to the matters under review. The presentation is provided for the parties' consideration and may assist in the discussion at the technical conference. It does not establish the scope or agenda of that discussion, and the parties may address other matters relevant to the Energy Bureau's review.

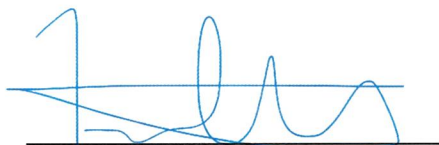
Attachment A is a discussion aid. Regardless of how any statement in the presentation is phrased, it does not constitute a finding of fact, conclusion, approval, or final or preliminary determination by the Energy Bureau. By placing the presentation in the record, the Energy Bureau does not adopt or endorse any statement, document, data set, assumption, calculation, analysis, or proposed result referenced in it, or represent that any such material has been independently verified. The Energy Bureau reserves its assessment of the evidence and all issues concerning the reconciliations and proposed factors until it has considered the record and the information developed through the conference and any subsequent proceedings.

Therefore, the Energy Bureau **ORDERS** that Attachment A be filed in the docket and served with this Resolution and Order. The parties may refer to it during the September 28, 2026, technical conference and should be prepared to address any questions concerning the data, analyses, or comparisons it contains. The limitations stated above govern the use and interpretation of Attachment A throughout this proceeding.

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 25, 2026. I also certify that on September 25, 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.

I sign this in San Juan, Puerto Rico, today September 25, 2026.



Sonia Seda Gaztambide
Clerk

NEGOCIADO DE ENERGÍA DE PUERTO RICO
Puerto Rico Energy Bureau

FUEL COST ADJUSTMENT · OCT-DEC 2026 RECOVERY PERIOD

FCA Rider September 2026 Proposed Increase Reconciliation

Current factor 11.4070¢ bridged to proposed 18.0736¢ per kWh · +6.6666¢ change · drivers and supporting analysis

Fuel Cost Adjustment (FCA) Increase Drivers · September 2026 Reconciliation

Confidential draft · Prepared for discussion purposes only · Subject to further analysis · Not for external distribution



Brief History — FCA at 18.0736¢/kWh

Adjustment clause factors · ¢/kWh · requested and approved filings, 2026 · FCA change measured from the 30-Jun approved factor

Filing date	27-Mar	15-Jun	24-Jun	30-Jun	15-Sep
Status	Approved	Requested	Requested	Approved	Proposed
Effective period	Apr-Jun	Jul-Sep	Jul-Sep	Jul-Sep	Oct-Dec
FCA	11.6349¢	12.5935¢	11.7224¢	11.4070¢	18.0736¢
PPCA	4.5575¢	5.1170¢	5.1748¢	5.1748¢	4.5771¢
FOS	1.7577¢	1.6063¢	1.6650¢	1.6650¢	2.1136¢

FCA **+6.6666¢** +58.4%

11.4070¢ approved → 18.0736¢ proposed

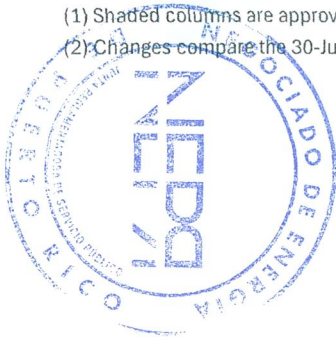
PPCA **-0.5977¢** -11.6%

5.1748¢ approved → 4.5771¢ proposed

FOS **+0.4486¢** +26.9%

1.6650¢ approved → 2.1136¢ proposed

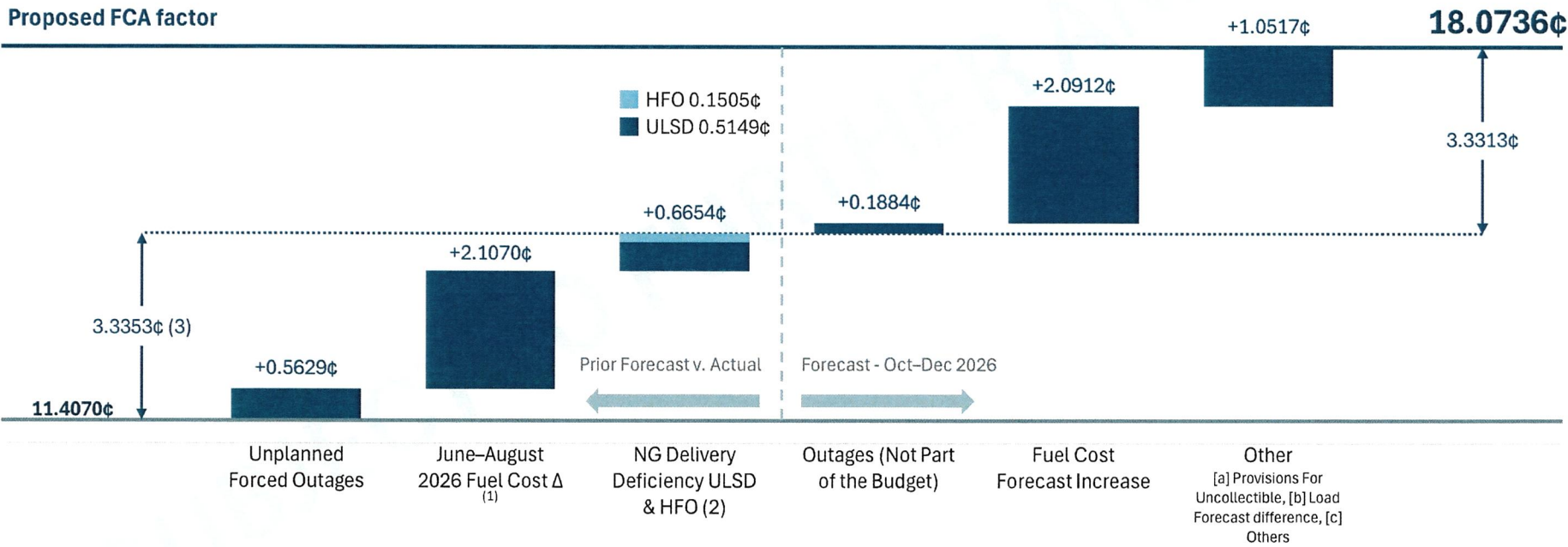
(1) Shaded columns are approved factors (27-Mar, 30-Jun); 15-Jun and 24-Jun were requested; 15-Sep is the proposed factor for the Oct-Dec 2026 recovery period.
(2) Changes compare the 30-Jun approved factor with the 15-Sep proposed factor.



September 2026 Fuel Cost Adjustment (FCA) Proposed Increase Drivers

NEGOCIADO DE ENERGÍA DE PUERTO RICO
Puerto Rico Energy Bureau

FCA · Cents per kWh · Current Rate bridged to Proposed Rate



(1) Fuel Cost Δ \$0.021070/kWh: net prior-period fuel expenditures \$105,384,626.88 (incl. Naturgy credit \$9,037,562.02) less unplanned outages \$22,217,397.25 (slide 6) = \$83,167,229.63.
(2) NG delivery deficiency — \$0.006654/kWh: ULSD, San Juan 5 & 6 \$0.005149/kWh + HFO, Costa Sur 5 & 6 \$0.001505/kWh above projected burn.
(3) All rates on 3,947,236,226 kWh, Oct–Dec 2026_Proposed_Factors. Prior Forecast v. Actual: \$131,650,334.94 ÷ 3,947,236,226 = \$0.033353/kWh.



01

June–August 2026 Forecast v. Actual Drivers

Baseload loss and peaker ULSD · Unplanned forced outages · Fuel cost Δ · NG delivery deficiency

Fuel Cost Adjustment (FCA) Increase Drivers · September 2026 Reconciliation

Confidential draft · Prepared for discussion purposes only · Subject to further analysis · Not for external distribution



Baseload Loss Doubled Peaker ULSD Cost

Baseload units offline force ULSD-fired peaking substitution · Jun–Aug 2026 · baseload offline rose from 396.7 to 4,973.8 unit-hours

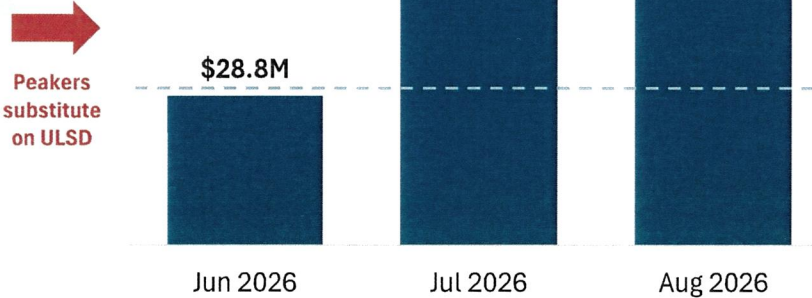
Baseload unit-hours offline

Jun vs Jul–Aug 2026 · 6.3× more hours per month

Baseload unit	Outage type	Jun	Jul–Aug
San Juan 9, San Juan 6 ST	Programmed ¹	331.3	2,976.0
San Juan 7	Forced	–	863.6
Costa Sur 6	Forced	–	547.0
Costa Sur 5	Forced / maint.	–	150.9
Palo Seco 4	Forced	–	137.9
San Juan 5 CC	Forced / maint.	–	118.5
Palo Seco 3	Forced	65.4	102.8
San Juan 6 CT	Forced / maint.	–	71.5
Aguirre 2	Forced	–	5.5
Baseload offline	3 → 28 events	396.7	4,973.8
Per month¹		396.7	2,486.9

Peaking-unit ULSD cost by month

\$M · Jun–Aug 2026 · Aug at 2.0× June



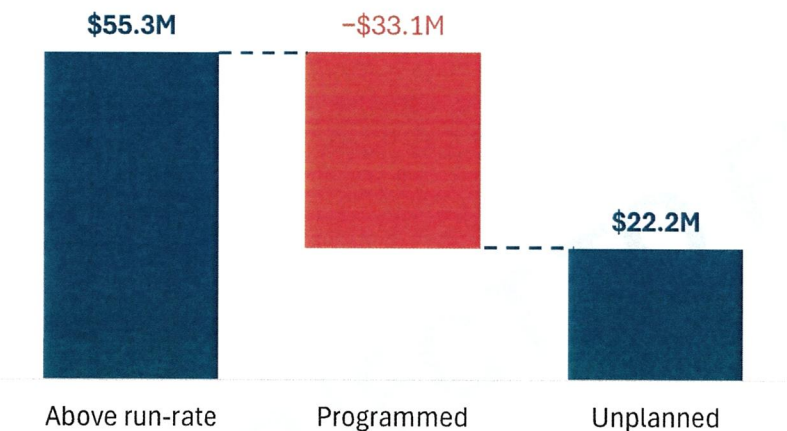
(1) San Juan 9 forced in June, programmed Jul–Aug; per month = Jul–Aug ÷ 2. Peaking units’ own June outages (37 events, 1,336.6 unit-hrs) not counted.
(2) Peaking ULSD: 201,762 bbl Jun; 364,468 Jul; 351,610 Aug. Jul–Aug above June run-rate: \$55.3M = 1.4013¢/kWh.
(3) Excluded: San Juan CC ULSD (NG deficiency, slide 8), Palo Seco steam, island units, derates, LUMA reserve. Mobile Pacs and TMs burn NG where available, ULSD as backup.
(4) Source: Anejo 5 forced outages Genera, FQ4 2026; Forced Outages Jul–Aug 2026 and Cost Summary tabs, 09-22-2026 Fuel Cost Jun-Jul-Aug 2026 workbook.



Unplanned Forced Outages — 0.5629¢/kWh

Unplanned share of Jul–Aug peaking ULSD cost above the June run-rate · carved out of the Fuel Cost Δ

Outage-driven ULSD, Jul–Aug, \$M



Component	Amount
Peaking ULSD above June run-rate [a]	\$55,313,289.84
Less: programmed outages (2,976.0 unit-hrs)	(\$33,095,892.59)
Unplanned forced outages [b] (1,997.8 unit-hrs)	\$22,217,397.25
÷ Retail kWh sales, Oct–Dec 2026 [c]	3,947,236,226
Share of net Fuel Cost Δ (\$105,384,626.88)	21.1%
Unplanned forced outages [b] ÷ [c]	0.5629¢/kWh

(1) [a] Jul–Aug 2026 peaking ULSD cost above the June run-rate (slide 5): baseload units forced offline require ULSD-fired peaking substitution.
(2) Allocated by baseload unit-hours offline: unplanned 1,997.8 of 4,973.8 (40.17%). San Juan 9 and San Juan 6 ST programmed outages (2,976.0 hrs) excluded.
(3) \$22,217,397.25 ÷ 3,947,236,226 estimated applicable retail kWh sales, Oct–Dec 2026 = \$0.005629/kWh; the Fuel Cost Δ falls from 2.6698¢ to 2.1070¢ (slide 7).
(4) Assumes equal ULSD burn per baseload unit-hour offline; June is a partial baseline because San Juan 9 and Palo Seco 3 were already out.



June–August 2026 Fuel Cost Δ — 2.1070¢/kWh

Prior period fuel over-expenditures, net of NG delivery deficiencies and unplanned forced outages · FAC and PPAC riders · Jun–Aug 2026

Fuel price, forecast vs actual · \$/BBL equivalent · Var % = actual vs forecast

Fuel	Jun-26			Jul-26			Aug-26		
	Fcst	Actual	Var %	Fcst	Actual	Var %	Fcst	Actual	Var %
ULSD	\$132.50	\$144.93	9.4%	\$151.50	\$205.25	35.5%	\$138.73	\$180.32	30.0%
NG	\$58.47	\$69.44	18.8%	\$57.19	\$64.30	12.4%	\$57.87	\$58.70	1.4%
HFO	\$97.24	\$103.84	6.8%	\$110.42	\$108.05	(2.1%)	\$100.02	\$112.18	12.2%

Amount to be charged by month

Prior period over-expenditures [a], after Naturgy adj. · \$M



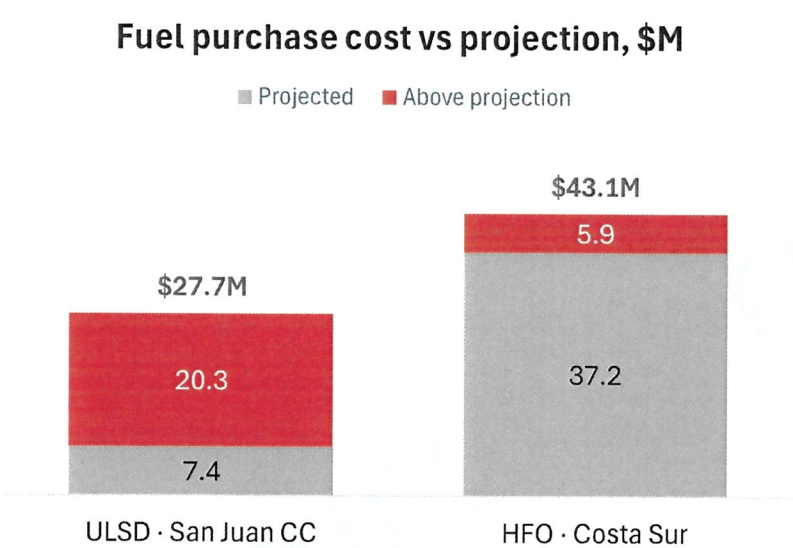
Component	Amount
Fuel cost to be recovered	\$627,151,977.11
Less: fuel adjustment billed	(\$486,464,080.15)
Naturgy seller shortfall adj.	(\$9,037,562.02)
Prior period over-expenditures [a]	\$131,650,334.94
Less: NG deficiencies, liquids [b]	(\$26,265,708.06)
Net [c] = [a] + [b] = 2.6698¢/kWh	\$105,384,626.88
Less: unplanned forced outages [d]	(\$22,217,397.25)
Fuel Cost Δ [c] + [d] = 2.1070¢/kWh	\$83,167,229.63

- (1) Prior period over-expenditures [a] \$131,650,334.94 = \$627,151,977.11 recoverable less \$486,464,080.15 billed less \$9,037,562.02 Naturgy adjustment.
- (2) NG deficiencies [b] \$26,265,708.06 (above projected ULSD/HFO) and unplanned outages [d] \$22,217,397.25 are separate drivers; Naturgy credit stays in [a].
- (3) Net [c] \$105,384,626.88 ÷ 3,947,236,226 estimated applicable retail kWh sales, Oct–Dec 2026 = \$0.026698/kWh; after [d], \$83,167,229.63 = \$0.021070/kWh.
- (4) Monthly amounts to be charged: June \$15,182,005.22; July \$55,227,121.16; August \$61,241,208.56.
- (5) Source: 'Forecasted v. Actual Jun–Aug' tab, lines 11–14 and references [a], [b], [c], [d] per slide 6.



NG Delivery Deficiency — 0.6654¢/kWh

Replacement liquids above Genera/LUMA's projected burn at San Juan CC and Costa Sur · Jun–Aug 2026



Component	Fuel Purchase Cost	¢/kWh
ULSD, actual · 157,191 bbl	\$27,748,462.59	0.7030
Less projected · 47,792 bbl	(\$7,424,584.48)	(0.1881)
HFO, actual · 398,299 bbl	\$43,132,688.06	1.0927
Less projected · 317,784 bbl	(\$37,190,858.11)	(0.9422)
Net avoidable cost above projection	\$26,265,708.06	0.6654

(1) Projected = Genera/LUMA budgeted ULSD (San Juan CC 5 & 6) and HFO (Costa Sur 5 & 6) already in approved factors; Attachment 3 FCA, Apr–Jun and Jul–Sep 2026 filings.
(2) Costa Sur bought no deficiency HFO in June against a \$9.81M projection; netting is across Jun–Aug. Net avoidable cost above projection ÷ 3,947,236,226 kWh = \$0.006654/kWh.
(3) ULSD 0.5149¢ + HFO 0.1505¢ = 0.6654¢. The Naturgy shortfall credit (\$9,037,562.02, 0.2290¢) is netted in the Fuel Cost Δ (slide 7, [a]). ¢/kWh figures rounded independently.
(4) Natural gas actually delivered and Ecoeléctrica delivery-point volumes are excluded from the avoidable cost.
(5) Source: 'NG Shortfall Additional Costs' tab, 09-22-2026 Fuel Cost Jun-Jul-Aug 2026.xlsx; Apr–Jun and Jul–Sep 2026 Proposed Factors.



02

October–December 2026 Prior Reconciliation Forecast Drivers

Unbudgeted outages · Fuel cost forecast increase · Fuel purchases

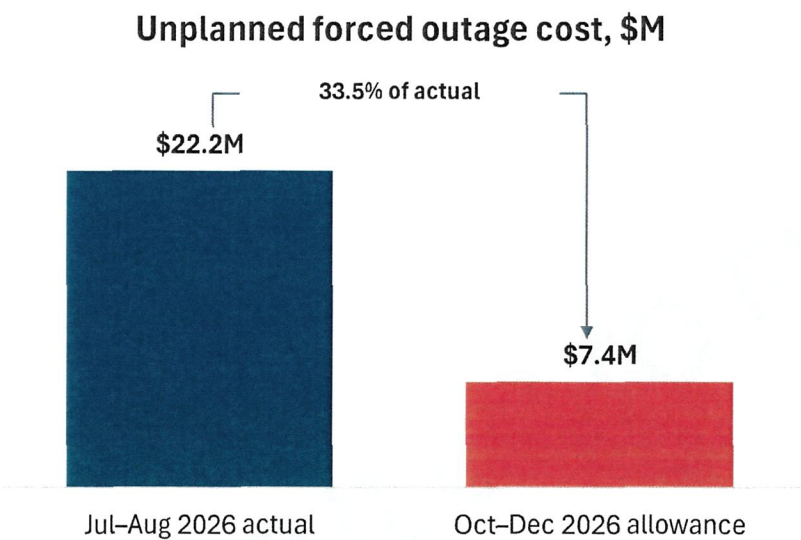
Fuel Cost Adjustment (FCA) Increase Drivers · September 2026 Reconciliation

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Unbudgeted Outages — 0.1884¢/kWh

Forecast allowance for Oct-Dec 2026 unplanned forced outages · set at one-third of the confirmed Jul-Aug cost (slide 6)



Why one-third of actual is a fair forecast

The budget carries **no allowance for unplanned outages**, yet baseload units lost 1,997.8 unit-hours to forced outages in July and August, and peaking units substituted on ULSD at a cost of \$22.2M. Forecasting zero for October–December would build in another under-recovery. Repeating the full summer cost would likely overstate it: summer outages coincide with peak demand, and outage frequency and duration vary from quarter to quarter, so a fraction of the observed cost is the more prudent estimate. **One-third of the confirmed cost, \$7.4M over three months, is \$2.5M a month: about 22% of the \$11.1M monthly rate actually incurred.** Any difference trues up in the next reconciliation, so ratepayers pay only the fuel cost actually incurred.



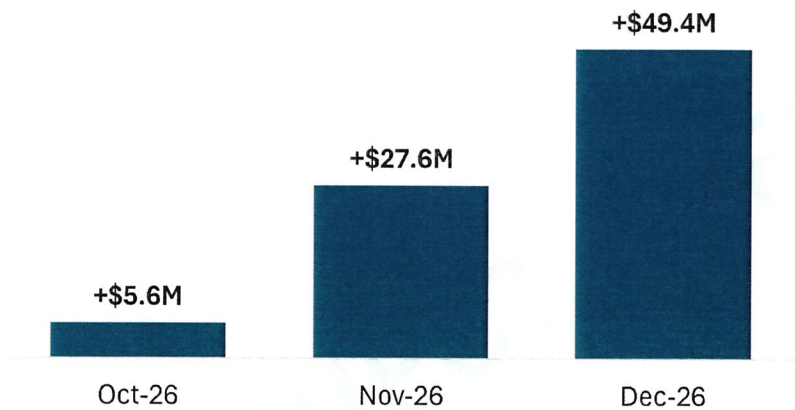
(1) Confirmed Jul-Aug 2026 unplanned forced outages \$22,217,397.25 = \$0.005629/kWh on 1,997.8 baseload unit-hours offline (slide 6); programmed outages excluded.
(2) Allowance \$7,436,593 ÷ 3,947,236,226 estimated applicable retail kWh sales, Oct-Dec 2026 = \$0.001884/kWh, 33.5% of the confirmed cost; an exact one-third is \$0.001876/kWh.
(3) Per month: Jul-Aug actual \$11.1M (\$22.2M ÷ 2 months); Oct-Dec allowance \$2.5M (\$7.4M ÷ 3 months).
(4) The allowance is to be trued up against actual outage-driven fuel cost in the next quarterly FCA reconciliation.

Fuel Cost Forecast Increase — 2.0912¢/kWh

Forecast (September 15, 2026 Motion) exceeds adjusted budget for the October–December 2026 (June 24, 2026 Motion) recovery period · driven by higher ULSD volume and prices as peaking units replace lost baseload

Forecast over budget by month

Forecasted fuel cost less budgeted fuel cost · \$M



Forecasted purchases of fuel · \$

Month	Adj. Budgeted	Sept 15 Forecast	Over budget
Oct-26	\$191,404,647	\$196,982,606	+\$5,577,959
Nov-26	\$161,706,113	\$189,272,914	+\$27,566,801
Dec-26	\$135,489,470	\$184,887,981	+\$49,398,511
Total	\$488,600,230	\$571,143,501	+\$82,543,271

Forecasted fuel price by month · \$/BBL equivalent (September 15, 2026 Motion)

Fuel	Oct-26 E	Nov-26 E	Dec-26 E	3-Mo Avg
ULSD	\$197.56	\$191.61	\$182.82	\$188.72
NG	\$56.86	\$57.92	\$61.07	\$58.51
HFO	\$118.14	\$114.42	\$109.54	\$114.48
Total	\$86.98	\$88.37	\$92.37	\$89.13

(1) Variance \$82,543,271 ÷ 3,947,236,226 estimated applicable retail kWh sales for the October–December 2026 recovery period = \$0.020912/kWh.
(2) Budget is the implied 06-24-2026 budget: the 06-15-2026 figures reduced 2% (Oct), 12% (Nov) and 7% (Dec). Same divisor as every driver in this deck.
(3) December accounts for \$49,398,511 of the \$82,543,271 variance — 60% of the total.
(4) Source: Forecast, 'Attachment 3 FCA' B114–B116, Oct_Dec_2026_Proposed_Factors.xlsx; Budget, 'June 2026' tab D81:D83, 09-24-2026 Fuel Cost Forecast Detail Jun-Aug 2026.xlsx.



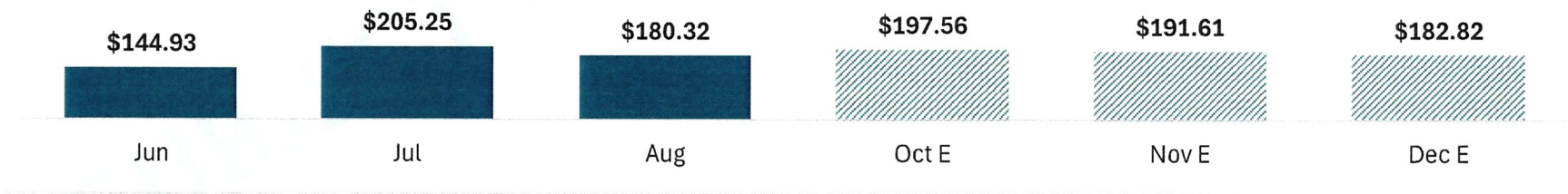
Oct-Dec 2026 Fuel Price Estimates

Forecasted average \$/BBL by month · Slide 11 backup · Oct-Dec 2026

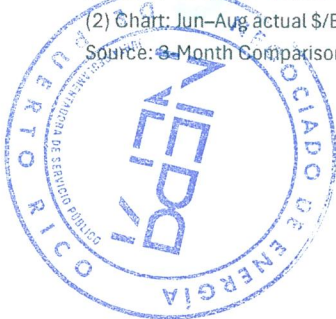
Fuel price, forecast by month · \$/BBL equivalent

Fuel	Oct-26			Nov-26			Dec-26		
	Sept 15 Fcst	June 24 Implied Fcst	Var %	Sept 15 Fcst	June 24 Implied Fcst	Var %	Sept 15 Fcst	June 24 Implied Fcst	Var %
ULSD	\$197.56	\$143.84	37.3%	\$191.61	\$140.33	36.5%	\$182.82	\$136.26	34.2%
NG	\$56.86	\$55.88	1.8%	\$57.92	\$57.71	0.4%	\$61.07	\$61.16	(0.1%)
HFO	\$118.14	\$105.88	11.6%	\$114.42	\$103.17	10.9%	\$109.54	\$100.46	9.0%

ULSD price, Jun-Aug actual and Oct-Dec forecast · \$/BBL · 2026 · E = Estimated



(1) Var % = Sept 15 ÷ June 24 implied - 1; June 24 implied = Jul-Sep 2026 filing \$/BBL (Load Proj. 07MAY2026) less 7%. Oct-Dec actuals not yet available.
(2) Chart: Jun-Aug actual \$/BBL per slide 7; September not shown. E = Estimated; Oct E-Dec E (hatched) are forecasts per Attachment 3 FCA, Load Projection 03SEPT2026.
Source: 3 Month Comparison – Forecasted Purchases Oct-Dec 2026, 09-24-2026 Fuel Cost Forecast Detail Jun-Aug 2026.xlsx.



Appendix

Backups

Oct-Dec forecast detail · Jun-Aug forecast detail

Fuel Cost Adjustment (FCA) Increase Drivers · September 2026 Reconciliation

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