

PERMANENT RATE

NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20260925-PREB-C-4.23

SUBJECT

ULSD and HFO

REQUEST

Both LUMA and Genera responded to Second RFI items 2.7(a) through 2.7(d) by stating that the request was addressed to the other. LUMA shall respond to items 2.7(a) through 2.7(d) in full-separating the price and volume effects of ULSD and HFO by month and fuel, providing the requested reconciliation of the dollar impact by cause, and providing the physical fuel oil inventory reconciliations for June 30, July 31 and August 31, 2026-using Genera's data as necessary and identifying any data LUMA has requested from Genera and not received.

RESPONSE

As detailed in the attached Excel Workbook titled RFI-LUMA-MI-2020-0001-20260925-PREB-C-4.23 Fuel Decomposition.x/sx, LUMA performed a price-volume analysis using the June 26, 2026, forecast as the baseline and comparing it to actual fuel burned and actual unit prices for June through August 2026. The workbook includes an added column converting each monthly variance into cents per kilowatt-hour (¢/kWh) using the forecasted October–December 2026 sales of 3,947,236,225.76 kWh, allowing a direct connection between the reconciliation and the proposed Fuel Charge Adjustment (FCA) factor.

The analysis shows that the variances in Ultra-Low Sulfur Diesel (ULSD) and Heavy Fuel Oil (HFO) reflect increases in the weighted-average fuel costs reported to LUMA from Genera, rather than any direct knowledge of commodity market prices, along with substantial increases in quantities burned due to reduced natural gas availability and operational fuel switching.

For HFO, approximately \$32.55 million in variance occurred over the three months, of which \$10.73 million (about 33%) was driven by price increases and \$21.82 million (about 67%) by higher burn volumes. This equates to about 0.82¢/kWh .

ULSD shows even larger impacts: \$92.74 million in variance, with roughly \$7.96 million (9%) from price changes and \$84.79 million (91%) from increased consumption, corresponding to about 2.35¢/kWh .

Combined, ULSD and HFO account for approximately \$125.30 million in variance, with about 15% driven by market price effects and 85% attributable to increased burn, equivalent to roughly 3.17¢/kWh . Natural gas contributes a small negative offset of about -0.02¢/kWh , resulting in a total all-fuels impact of approximately 3.15¢/kWh .

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Regarding the proposed FCA increase of 0.06666 \$/kWh (6.666¢/kWh), the June–August ULSD/HFO price-volume reconciliation explains approximately 3.17¢/kWh of the proposed change, with natural gas adding –0.02¢/kWh for a combined 3.15¢/kWh. The remaining portion of the FCA increase reflects additional reconciliation elements beyond the fuel-price and fuel-volume analysis, including carryforwards, deferrals, and the mechanics of the Purchased Power Charge Adjustment (PPCA) and Fuel Oil Subsidy (FOS). These items are explained in Question A-37 submitted on September 24, 2026, along with the corresponding workbook titled *RFI-LUMA-MI-2020-0001-20260918-PREB-Attachment A-37*.¹

Overall, the analysis demonstrates that the primary driver of the FCA increase for October through December 2026 is the increased use of other liquid fuels during June through August 2026, rather than any fluctuations in commodity market prices, which LUMA does not know. The impacts observed in ULSD and HFO arise from the weighted-average fuel costs reported to LUMA and the higher quantities of these fuels burned, not from LUMA's knowledge of underlying market price movements.

Table 4.23-1. Fuel Decomposition

	\$/kWh * 100	Price Effect % (A/C)	Quantity Effect % (B/C)
Residual- Bunker 6			
Jun-26	0.04	404%	-304%
Jul-26	0.28	-21%	121%
Aug-26	0.50	31%	69%
Total	0.82	33%	67%
Destillate - #2			
Jun-26	0.10	54%	46%
Jul-26	0.91	3%	97%
Aug-26	1.34	5%	95%
Total	2.35	9%	91%
Natural Gas			
Jun-26	0.17	110%	-10%
Jul-26	0.04	591%	-491%
Aug-26	-0.24	51%	49%
Total	-0.02	-1366%	1466%
Total Equivalent Barrels			
Jun-26	0.32	130%	-30%
Jul-26	1.23	56%	44%
Aug-26	1.59	51%	49%
Total	3.15	62%	38%

Below in Tables 4.23-2 through 4.23-4 are the estimates for the fuel cost impact related to the forecast-to-actual variance of fuel prices and burned fuel volumes of ULSD and HFO, in addition to the changes in forecasted fuel mix caused by burning ULSD and HFO when Liquefied Natural Gas (LNG) fuel was intended to be burned. This analysis uses Genera-provided fuel consumption and expenditure data

¹ Exhibit 1 of LUMA's Motion dated September 24, 2026, Docket No. NEPR-MI-2020-0001.

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sourced from monthly Fuel Reports and Production and Consumption Reports, and assumes consumed/final fuel prices. Forecasts represent values submitted to the Puerto Rico Energy Bureau (PREB) during the quarterly reconciliation process for the respective months. For Tables 4.23-2 through 4.23-4, refer to Attachment RFI 4 PREB 4.23 (2.7 c) for detailed methodology, analysis, and intact formula.

Table 4.23-2. June Forecast vs Actual ULSD and HFO Fuel Cost Impact Analysis

Factor	Forecast	Actual	Difference	Estimated Fuel Cost Impact
Change in ULSD Price	\$132.50/Bbl	\$143.57/Bbl	\$11.07/Bbl	\$2,355,241.14
Change in HFO Price	\$97.24/Bbl	\$107.18/Bbl	\$9.94/Bbl	\$6,368,228.02
Change in Volume of ULSD Burned	200,387.47 Bbl	212,696.79 Bbl	12,309.32 Bbl	\$1,767,305.01
Change in Volume of HFO Burned	687,391.26 Bbl	640,695.72 Bbl	(46,695.54 Bbl)	(\$5,004,913.21)
Changes in Fuel Mix (HFO instead of LNG) at Costa Sur	20.10% HFO	7.68% HFO	(12.42%)	(\$3,166,753.43)
Changes in Fuel Mix (ULSD instead of LNG) at Combined Cycle San Juan 5, 6	5.04% ULSD	6.29% ULSD	1.25%	\$215,559.01
Changes in Fuel Mix (ULSD instead of LNG) at San Juan & Palo Seco TMs	0.0% ULSD	1.69% ULSD	1.69%	\$234,093.28
Changes in Fuel Mix (ULSD instead of LNG) at Palo Seco Mobile Packs	0.0% ULSD	0.0% ULSD	0.0%	\$0
Changes in Fuel Mix (ULSD/HFO instead of LNG) Total	-	-	-	(\$2,717,101.15)

Table 4.23-3. July Forecast vs Actual ULSD and HFO Fuel Cost Impact Analysis

Factor	Forecast	Actual	Difference	Estimated Fuel Cost Impact
Change in ULSD Price	\$151.35/Bbl	\$155.74/Bbl	\$4.40/Bbl	\$1,942,502.69
Change in HFO Price	\$110.42/Bbl	\$106.60/Bbl	(\$3.82/Bbl)	(\$2,853,478.10)
Change in Volume of ULSD Burned	217,820.21 Bbl	441,912.96 Bbl	224,092.75 Bbl	\$34,900,675.94
Change in Volume of HFO Burned	620,804.84 Bbl	747,438.84 Bbl	126,634.00 Bbl	\$13,499,749.57
Changes in Fuel Mix (HFO instead of LNG) at Costa Sur	20.17% HFO	31.06% HFO	10.89%	\$2,148,264.13
Changes in Fuel Mix (ULSD instead of LNG) at Combined Cycle San Juan 5, 6	5.15% ULSD	20.74% ULSD	15.60%	\$6,669,271.34

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Changes in Fuel Mix (ULSD instead of LNG) at San Juan & Palo Seco TMs	0.0% ULSD	10.12% ULSD	1.69%	\$1,439,135.73
Changes in Fuel Mix (ULSD instead of LNG) at Palo Seco Mobile Packs	0.0% ULSD	47.15% ULSD	47.15%	\$1,614,439.24
Changes in Fuel Mix (ULSD/HFO instead of LNG) Total	-	-	-	\$11,871,110.44

Table 4.23-4. August Forecast vs Actual ULSD and HFO Fuel Cost Impact Analysis

Factor	Forecast	Actual	Difference	Estimated Fuel Cost Impact
Change in ULSD Price	\$138.73/Bbl	\$165.81/Bbl	\$27.08/Bbl	\$10,837,844.84
Change in HFO Price	\$100.02 /Bbl	\$109.19/Bbl	\$9.17/Bbl	\$7,353,140.66
Change in Volume of ULSD Burned	99,655.42 Bbl	400,188.98 Bbl	300,533.56 Bbl	\$49,832,963.26
Change in Volume of HFO Burned	675,941.03 Bbl	801,549.48 Bbl	125,608.45 Bbl	\$13,715,150.48
Changes in Fuel Mix (HFO instead of LNG) at Costa Sur	20.09%	25.56%	5.46%	\$1,574,205.23
Changes in Fuel Mix (ULSD instead of LNG) at Combined Cycle San Juan 5, 6	5.16%	13.30%	8.14%	\$3,709,239.86
Changes in Fuel Mix (ULSD instead of LNG) at San Juan & Palo Seco TMs	0.00%	3.98%	3.98%	\$662,291.76
Changes in Fuel Mix (ULSD instead of LNG) at Palo Seco Mobile Packs	0.00%	50.56%	50.56%	\$1,444,188.51
Changes in Fuel Mix (ULSD/HFO instead of LNG) Total				\$7,389,925.37

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NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20260925-PREB-C-4.24

SUBJECT

Natural Gas Costs

REQUEST

Concerning the June-August 2026 reconciliation, confirm that the fuel costs included for natural gas at San Juan Units 5 and 6 and at the San Juan and Palo Seco temporary units correspond to the quantities invoiced by NFEnergía (as described in Part II) rather than to the quantities consumed, and quantify, by month, the cost of natural gas invoiced but not consumed that is included in the \$131,650,334.94 revenue insufficiency. State whether LUMA has any mechanism, other than direction from the Energy Bureau, to exclude from the reconciliation natural gas paid for but not consumed while claims or credits for those quantities are pending and describe how the \$55 million deferral ordered on December 19, 2025 is being tracked and how any additional disputed amounts for September 2026 would be treated.

RESPONSE

Concerning the June–August 2026 reconciliation, LUMA cannot confirm whether the fuel costs included for natural gas at San Juan Units 5 and 6 and at the San Juan and Palo Seco temporary units correspond to the quantities invoiced by NFEnergía rather than to the quantities consumed because LUMA does not have access to NFEnergía invoices. LUMA has repeatedly requested Genera to produce the invoices, nominations, and supporting documentation, and Genera has not agreed to provide them. As a result, LUMA is unable to quantify, by month, the cost of natural gas invoiced but not consumed that is included in the \$131,650,334.94 revenue insufficiency. The only mechanism available to LUMA to exclude gas paid for but not consumed is having access to the monthly nominations submitted to NFEnergía, amendments thereto, invoices and payments made by Genera, along with a clear distinction between fuel consumed, fuel delivered, fuel not delivered, excess nominations, mitigation credits, Delivered-not-Paid, and Take-or-Pay. In the absence of this information, LUMA cannot exclude disputed quantities unless directed by the Energy Bureau. To streamline this process, LUMA believes that a monthly certification from Genera, signed by an authorized officer and containing the relevant data and supporting documentation, is necessary to validate the relationship between what is invoiced and what is consumed.

Regarding the \$55 million deferral ordered² on December 19, 2025, the amount is recorded by Genera as part of its fuel cost accounting, and LUMA has not passed this cost to customers in accordance with the Energy Bureau's order. LUMA remains attentive to any further direction from the Energy Bureau on this

² Resolution and Order of December 19, 2025, Docket No. NEPR-MI-2020-0001.

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matter. Should Genera notify LUMA of any disputed amounts between Genera and its fuel suppliers, LUMA would notify the Energy Bureau of such notification and seek guidance regarding the treatment of such amounts in future reconciliation proceedings. Any additional disputed amounts for September 2026 would be treated in the same manner until the Energy Bureau renders its determination.

Per the *June 2026 REPORTE DE COMBUSTIBLE* report submitted by Genera, these were the purchases and consumption for the San Juan and Palo Seco TM Units (*tab "FUEL REP JUN26 REPORTE", cells R127 to U148*).

The consumed amounts of \$8,626,674.09 and \$1,387,746.62 were included by Genera as consumption on *tab "FUELREP JUL26 ConsumoGeneracion", cells J49 and J50*. Genera also disclosed in the June 2026 Fuel Report amounts identified as San Juan NG-Excess, and San Juan NG-Credit Mitigation and Carryover Credit, for \$11,989,677.20 and (\$1,798,451.58), refer to *tab "FUELREP JUN26 ConsumoGeneración", cells J52 and J53*. All the amounts highlighted are included in the June 2026 Fuel Charge Adjustment (FCA) reconciliation.

Figure 4.24-1. June San Juan & Palo Seco TM – Natural Gas

NATURAL GAS	SAN JUAN TM-NG		PALO SECO TM-NG	
	BBLS	\$	BBLS	\$
BEG BAL				
RECEIPTS	163,980.52	10,886,142.15	39,467.75	2,620,137.85
Ecoeléctrica Delivery Point				
Ecoeléctrica Terminal Credit				
San Juan CC-Carryover Credit - Forced Outage				
Excess APR-MAY 2025 reconciled in JUL.2025				
Excess - CR Mitigation APR-MAY 2025 reconciled in JUL.2025				
MISC. SERV.& INSP FEES		8,750.00		66,750.00
EXCISE TAXES				
TRANSFER IN				
SUBTOTAL	163,980.52	10,894,892.15	39,467.75	2,686,887.85
TRANSFERS-OUT Ecoeléctrica				
TRANSFERS-OUT Ecoeléctrica				
Excess APR-MAY 2025 reconciled in JUL.2025				
Excess - CR Mitigation and Carryover CR APR-MAY 2025 reconciled in JUL.2025				
CONSUMPTION	129,841.26	8,626,674.09	20,384.64	1,387,746.62
ADJUSTMENT				
ENDING BALANCE	34,139.26	2,268,218.06	19,083.11	1,299,141.23

Per the *July 2026 REPORTE DE COMBUSTIBLE* report submitted by Genera, these were the purchases and consumption for the San Juan and Palo Seco TM Units (*tab "FUEL REP JUL26 REPORTE", cells R127 to U148*).

The consumed amounts of \$6,806,099.30 and \$1,429,052.75 were included by Genera as consumption on *tab "FUELREP JUL26 ConsumoGeneracion", cells J49 and J50*. These amounts were passed to customers through the July 2026 FCA reconciliation. Genera also disclosed in the July 2026 Fuel Report amounts identified as San Juan NG-Excess, and San Juan NG-Credit Mitigation and Carryover Credit, for \$11,918,890.54 and (\$3,153,627.40), refer to *tab "FUELREP JUL26 ConsumoGeneración", cells J52 and J53*. All the amounts highlighted are included in the July 2026 Fuel Charge Adjustment (FCA) reconciliation.

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Figure 4.24-2. July San Juan & Palo Seco TM – Natural Gas

NATURAL GAS	SAN JUAN TM-NG		PALO SECO TM-NG	
	BBLS	\$	BBLS	\$
BEG BAL				
RECEIPTS	163,980.52	10,886,142.15	39,467.75	2,620,137.85
Ecoeléctrica Delivery Point				
Ecoeléctrica Terminal Credit				
San Juan CC-Carryover Credit - Forced Outage				
Excess APR-MAY 2025 reconciled in JUL.2025				
Excess - CR Mitigation APR-MAY 2025 reconciled in JUL.2025				
MISC. SERV.& INSP FEES		8,750.00		66,750.00
EXCISE TAXES				
TRANSFER IN				
SUBTOTAL	163,980.52	10,894,892.15	39,467.75	2,686,887.85
TRANSFERS-OUT Ecoeléctrica				
TRANSFERS-OUT Ecoeléctrica				
Excess APR-MAY 2025 reconciled in JUL.2025				
Excess - CR Mitigation and Carryover CR APR-MAY 2025 reconciled in JUL.2025				
CONSUMPTION	129,841.26	8,626,674.09	20,384.64	1,387,746.62
ADJUSTMENT				
ENDING BALANCE	34,139.26	2,268,218.06	19,083.11	1,299,141.23

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NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20260925-PREB-C-4.25

SUBJECT

Natural Gas Costs

REQUEST

State whether LUMA will revise the proposed October through December 2026 factors before October 1, 2026 if Genera revises its natural gas supply, unit availability or fuel price assumptions in response to this Fourth RFI, and the date by which LUMA requires the revised inputs to do so. In addition, provide a sensitivity calculation of the FCA factor, in native Excel, assuming that San Juan Units 5 and 6, the San Juan TM2500 units and the Palo Seco TM2500 and MobilePac units operate on ULSD, at the ULSD prices in Attachment 3 FCA, (i) for the month of October 2026 and (ii) for the entire quarter, identifying the resulting factor and bill impact for a residential customer consuming 800 kWh per month.

RESPONSE

LUMA can revise the factors whenever ordered by the Energy Bureau. The result of the revision can be provided within two to three days after Genera submits to LUMA any certified data. Nonetheless, it must be noted that preparing and revising reconciliations and forecasts in a rushed manner should be the exception and not the standard practice. As prudent practice, LUMA must receive the fuel inventories and pricing no later than seven business days before any deadline to submit such information. This deadline is established in Section 3.5(iii) of the Puerto Rico PREPA-Genco-Hydroco Operating Agreement (PGHOA) and is reasonable to conduct the required analysis.

For October 2026, the result of the calculation analyzing the sensitivity of operating San Juan Units 5 and 6, San Juan TM2500 units, Palo Seco TM2500 units, and the MobilePac units operating in Ultra-Low Sulfur Diesel (ULSD) at the prices in the attached Excel Workbook titled: RFI 4.25 - San Juan 5 & 6, San Juan & Palo Seco TMs, Palo Seco MobPacs diesel usage sensitivity Oct-Dec 2026.xlsx and the tab in the attached Excel Workbook titled *Quarterly Factors Oct-Dec 2026 RFI C-4.25*. The variance for the forecast quarter is \$201,019,491.94. This drives an increase in the cents per kWh of 11.82, compared with the current FCA. When applying only to October 2026, this results in a difference of an additional \$73,418,078.04 in fuel costs. This drives an increase in the cents per kWh of 8.55, compared with the current FCA.

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NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20260925-PREB-C-4.26

SUBJECT

Natural Gas Costs

REQUEST

State whether the revised reconciliation and factors filed on September 24, 2026 (Exhibit 2) reflect any change in the natural gas costs for June, July or August 2026 arising from NFEnergia credits, mitigation sales, carryover credits or DoP Payments, and identify each change. If none, state whether LUMA has asked Genera whether any such credit is pending.

RESPONSE

The revised reconciliation and factors filed³ on September 24, 2026, do not reflect any change in the natural gas costs for June, July, or August 2026 arising from NFEnergía credits, mitigation sales, carryover credits, or DoP payments. LUMA has not identified any adjustment to those costs between the information submitted by Genera prior to September 15, 2026, submission⁴ and the revised data shared by Genera on the afternoon of September 18, 2026. LUMA has not asked Genera whether any additional credit is pending, as LUMA understands that such information is reported directly to the Energy Bureau on a monthly basis and LUMA does not have access to it. LUMA also requested access to certain information submitted by Genera under seal to the Energy Bureau on September 24, 2026, to no avail.⁵

³ LUMA's Updated Oct_Dec_2026_Proposed_Factors of September 24, 2026, Docket No. NEPR-MI-2020-0001.

⁴ LUMA's Motion of September 15, 2026, Docket No. NEPR-MI-2020-0001.

⁵ Genera's Response for Information of September 24, 2026, Docket No. NEPR-MI-2020-0001.

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NEPR-MI-2020-0001

Response: RFI-LUMA-MI-2020-0001-20260925-PREB-C-4.27

SUBJECT

Appendix A

REQUEST

Concerning matters addressed to Genera in Part A that also require LUMA's answer:

- a. State which document, the Fuel Budget Report or Attachment 3 FCA, LUMA treats as the basis of the proposed FCA, and whether LUMA received the Fuel Budget Report before filing the September 15 Motion (see item 4.I(a)).
- b. State when and how LUMA learned of the Vessel Events, whether Genera has notified LUMA of any change to the assumptions delivered on September 9, 2026, and whether LUMA has asked Genera for revised assumptions (see item 4.13).
- c. State the amount LUMA expects to include in the September 2026 FCA reconciliation as a result of the Vessel Events, and whether LUMA proposes to bill any such amount to customers before any claim against NFEnergia for the same quantities is resolved (see item 4.14(c)).
- d. State whether Genera or PREPA has informed LUMA of the USACE and FERC proceedings described in Part A.6, and whether the dispatch forecast underlying Attachment 3 FCA considers any scenario in which the San Juan terminal cannot receive or store LNG; if it does not, provide the FCA factor that would result under such a scenario for October 2026.

RESPONSE

- a. LUMA treats "Attachment 3 FCA" tab in workbook *Oct_Dec_2026_Proposed_Factors* as the basis for the proposed Fuel Charge Adjustment (FCA), as it contains the cost information used to perform the FCA rate calculations. This document provides the fuel-cost inputs necessary to compute the FCA factors. LUMA relied on "Attachment 3 FCA" tab for the September 15, 2026, submission⁶.

⁶ LUMA's Motion of September 15, 2026, Docket No. NEPR-MI-2020-0001.

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- b. On September 16, 2026, LUMA became aware of the vessel events, which require an urgent fuel swap for one of the San Juan CT units, through communications received from Genera. As of this date, Genera has not notified LUMA of any changes to the planning assumptions previously delivered on September 9, 2026. LUMA has asked Genera whether revised assumptions are necessary in light of the Vessel Events and is awaiting updated information that would inform any corresponding changes to the FCA calculations.
- c. Below in Table 4.27-1 is LUMA's estimate for the economic impact of consuming Diesel fuel in place of LNG due to the Vessel Events taking place in September. For Table 4.27-1, refer to Attachment RFI 4 PREB 4.27 (c) for detailed methodology, analysis, and intact formula. The values presented in this analysis represent an estimate based on information currently available, including generation at the applicable generation units up until September 25, 2026, at 15:00 and operator notes regarding fuel swaps. Final values and economic impact estimates will not be available until the official September values for generation, fuel consumption, fuel price, and fuel expenditure are received from Genera in the monthly Fuel Report and Production and Consumption Report.

Table 4.27-1. Estimated Cost Impact of Diesel Consumption due to September Vessel Events

Factor	Combined Cycle San Juan 5, 6	Palo Seco Mobile Packs	San Juan & Palo Seco TMs	Total
Estimated Cost Impact (\$ per Day)	\$1,067,800.58	\$-	\$83,648.68	\$1,151,449.26

- d. LUMA has not been informed by Genera or the Puerto Rico Electric Power Authority (PREPA) of any United States Army Corps of Engineers (USACE) or Federal Energy Regulatory Commission (FERC) proceedings affecting Liquefied Natural Gas (LNG) operations at the San Juan terminal, other than the information related to the Vessel Events provided during the week of September 22. The dispatch forecast underlying "Attachment 3 FCA" tab in workbook *Oct_Dec_2026_Proposed_Factors* does not include a scenario in which the San Juan terminal cannot receive or store LNG. If the terminal were unable to receive or store LNG, LUMA would expect the FCA factor for October 2026 to increase due to the resulting need to rely more heavily on liquid fuels. LUMA will quantify such a scenario upon receiving further operational guidance from Genera.