

Top 10 Municipalities CILT Excess Consumption Report

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On April 15, 2026, the Puerto Rico Energy Bureau (Energy Bureau) issued its Final Resolution and Order on Electricity Rates (April 15 Final Rate R&O) under the Puerto Rico Electric Power Authority Rate Review, Docket No. NEPR-AP-2023-0003.

October 1 Top 10 Municipalities CILT Excess Consumption Report

In compliance with the April 15 Final Rate & Order, specifically the requirement that LUMA, no later than October 1st, submits to the Energy Bureau the identified top ten municipalities which could exceed their Contributions in Lieu of Taxes (CILT) covered electricity use (Top 10 Municipalities CILT Excess Consumption Report).

As stated on July 1st, Motion, because only two months of actual consumption data will be available by the reporting deadline, LUMA has utilized the following methodology to perform the requested calculation:¹

LUMA applied a methodology considering historical monthly behavior from Fiscal Year (FY) FY2023, FY2024 and FY2026 to estimate each municipality's consumption for FY2027. For example, to estimate September 2026 CILT consumption for a given municipality, LUMA extrapolates using the observed average September consumption from FY 2023, FY2024 and FY2026.² This same methodological approach is applied for the remaining nine subsequent months.

$$\sum_{m_1}^{m_2} MMC_{actuals} + \sum_{y_{2023}}^{y_{2025}} \sum_{m_3}^{m_{12}} \overline{MMC}_{estimate}$$

- $MMC_{actuals}$ = Observed Monthly Municipality Consumption in FY2027
- $\overline{MMC}_{estimate}$ = Estimated Monthly Municipality Consumption – Remaining months FY2027
- m_i = month of evaluation per municipality
- y_i = year of evaluation for each municipality

Recognizing that certain months may not exhibit a representative consumption pattern due to factors such as rebilling adjustments, recent determinations issued by the Energy Bureau regarding the reclassification of accounts previously excluded from CILT, weather-related impacts on load, among other considerations, LUMA conducted an annual assessment to identify the monthly consumption value that most accurately reflects the municipality's typical usage. If a representative monthly consumption pattern cannot be established for the periods evaluated, the consumption corresponding to that month from the most recently completed fiscal year is applied.

¹ Page 2-3 of Exhibit 1 of LUMA's Motion dated July 1, 2026, Docket No. NEPR-MI-2026-0005.

² FY2027 was calculated using the average monthly consumption derived from observed data for the months of September through June from FY2023, 2024, and 2026. Observed consumption for July and August of FY2027 was available at the time of this report was prepared. This methodology reflects the most appropriate approach and clarifies that Fiscal Year 2026, which was not included in the methodology proposed in the July 1 filing, is now incorporated to ensure that all analyses align with current observed trends and reliable historical datasets. FY2025 Municipal Consumption data was excluded from the calculation due to historically higher temperatures in Puerto Rico that resulted in a substantial increase in load. Excluding this year allows the estimation to more accurately reflect normal consumption patterns.

EXHIBIT 1

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Taken together, this methodology provides a standardized and replicable framework for characterizing monthly consumption, strengthening the ability to interpret historical trends, evaluate changes in municipal energy behavior, and develop forecast.

LUMA hereby submits, as Attachment A to this Exhibit 1, a spreadsheet containing the requested information.

LUMA notes that the information provided in Attachment A follows the directives of the April 15 Final Rate R&O and the methodology express above.

As a result, the following municipalities, in alphabetical order, are projected to exceed³ the Top 10 CILT Maximum Consumption by the end of FY2027⁴ and would also be subject to billing and collection for any excess consumption amount:

- | | |
|-------------|----------------|
| 1. Adjuntas | 7. Guaynabo |
| 2. Camuy | 8. Gurabo |
| 3. Ceiba | 9. Juana Díaz |
| 4. Cidra | 10. Las Marías |
| 5. Comerío | |
| 6. Fajardo | |

These municipalities are highlighted in blue in the spreadsheet included as Attachment A. Also, Attachment A includes a comparison of the actual FY2026 instances in which each municipality exceeded CILT Maximum Consumption along with the forecasted FY2027 instances when each municipality is expected to exceed its CILT Maximum Consumption.

LUMA respectfully submits this information in compliance with the April 15, 2026, Final Resolution and Order. The methodology and projections provided herein, together with the data included in Attachment A, fulfill the requirements established by the Energy Bureau. All forecasted municipal consumption values remain subject to rebilling adjustments and updates as real-time consumption data becomes available. LUMA remains available to provide any additional information or clarification the Energy Bureau may deem necessary.

³ Note that this data is subject to re-billing adjustment, and real time data and consumption.

⁴ As shown in Attachment A, approximately 24 Municipalities could exceed their CILT Maximum Consumption by the end of FY2027. The excess consumption for FY2027 is forecasted to be approximately \$13,734,516.00.