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

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| **IN RE:** IMPLEMENTATION OF 2026's APPROVED PERMANENT RATE | **CASE NO.:** NEPR-MI-2026-0005<br><br>**SUBJECT:** Request for Information Regarding LUMA's Updated Revenue Decoupling Mechanism |

# RESOLUTION AND ORDER

## I. Relevant Background

On April 15, 2026, the Energy Bureau of the Puerto Rico Public Service Reguatory Board ("Energy Bureau") issued a Final Resolution and Order on Electricity Rates ("Final Rate Order") in the matter of *In Re: Puerto Rico Electric Power Authority Rate Review,* Case No. NEPR-AP-2023-0003.[1] Among the decisions issued in the Final Rate Order, the Energy Bureau ordered LUMA Energy, LLC ("ManagementCo") and LUMA Energy ServCo, LLC ("ServCo") (jointly, "LUMA") to file an updated decoupling mechanism in accordance with the Final Rate Order, containing the formulas, inputs, data sources, and workpapers necessary to implement the mechanism, by September 1, 2026.[2]

On September 1, 2026, LUMA filed a document titled *Motion in Compliance with Final Rate Order Regarding Updated Revenue Decoupling Mechanism* ("September 1 Motion"), in which LUMA describes, as Exhibit 1, two Revenue Decoupling implementation methodologies, including the formulas, inputs and data sources, among other documentation to implement the decoupling mechanism.

## II. Analysis and Request for Information

Exhibit 1, included with the September 1 Motion, describes two (2) implementation methodologies, Methodology 1 and Methodology 2, with an illustrative calculation for Fiscal Year 2026 under each (Attachments A and B), and templates intended for the Fiscal Year 2027 calculation (Attachments C and D).

Upon preliminary review of Exhibit 1 and the supportive Attachments, the Energy Bureau determines that clarification and additional information are necessary to continue its evaluation of the proposed Revenue Decoupling Mechanism and make a determination whether the LUMA's filing complies with the Final Rate Order.

Accordingly, the Energy Bureau **ORDERS** LUMA, within fifteen (15) days of the notification of this Resolution and Order, to submit the following information and any supportive documentation:

1. ***Bill presentation.*** The Final Rate Order directs that the decoupling adjustment be incorporated into the volumetric rate rather than presented as a separate line item on the customer bill.[3] However, Exhibit 1 proposes a separate line item.[4] LUMA shall state whether it will revise the mechanism to comply with the Final Rate Order or whether it requests a modification of that determination. If LUMA requests a modification, it

[1] Final Resolution and Order on Electricity Rate, *In re: Puerto Rico Electric Power Authority Rate Review*, Case No. NEPR-AP-2023-0003, April 15, 2026 ("Final Rate Order").

[2] *Id.*, Chapter Seven, p. 72.

[3] Final Rate Order, Chapter Seven, p. 71.

[4] Exhibit 1, Section 3.1, item 10, and Section 4.4.

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shall set forth each reason for the requested deviation, describe the billing-system changes required under each approach, and provide its estimate of the cost of each approach with the basis for those estimates.

2. ***Methodology 2 and the treatment of CILT and SUBA credits.*** Exhibit 1 states that Methodology 1 would result in the double counting of the base-rate portion of CILT/CILTA and SUBA credits and presents Methodology 2 to address it.[5] LUMA shall provide a numerical example, using a single common set of assumptions (forecast and actual kilowatt-hours, base rates, and credit amounts), showing the decoupling calculation and result under Methodology 1 and under Methodology 2 side by side, and identifying each specific amount LUMA contends would be recovered or refunded twice (under the illustrative assumptions) and the mechanism (the decoupling mechanism, CILTA, SUBA-HH, or SUBA-NHH) through which each such recovery or refund would occur. LUMA shall also state whether the base-rate revenue it reports for the participating rate classes and the Appendix H revenue targets are recorded gross or net of CILT and SUBA customer credits and shall identify the components of those credits (base rate only, or base rate together with provisional and pension rider amounts) that it proposes to net under Methodology 2.

The Energy Bureau **WARNS** LUMA that under Article 6.36 of Act 57-2014[6] noncompliance with this Resolution and Order, applicable regulations, or laws may carry the imposition of fines and administrative sanctions.

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

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[5] Exhibit 1, pp. 3 and 16-19.

[6] Act 57-2014, art. 6.36.

## CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on November 10, 2026. I also certify that on November 10, 2026 I have proceeded with the filing of the Resolution and Order, and a copy of was notified by electronic mail to RegulatoryPREBOrders@lumapr.com; margarita.mercado@us.dlapiper.com, katiuska.bolanos-lugo@us.dlapiper.com; contratistas@jrsp.pr.gov; kmercado@jrsp.pr.gov; wvera@jrsp.pr.gov legal@genera-pr.com; regulatory@genera-pr.com; lrn@roman-negron.com; alexis.rivera@prepa.pr.gov.

I sign this in San Juan, Puerto Rico, today November 10, 2026.

Sonia Seda Gaztambide
Clerk

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