

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

**NEPR**

**Received:**

**Nov 2, 2022**

**8:55 PM**

IN RE: REVIEW OF LUMA'S  
INITIAL BUDGETS

CASE NO. NEPR-MI-2021-0004

**SUBJECT: Motion Submitting Fiscal Year  
2022 Budget Amendment**

**MOTION SUBMITTING FISCAL YEAR 2022 BUDGET AMENDMENT**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU:**

**COME NOW LUMA Energy, LLC** (“ManagementCo”), and **LUMA Energy ServCo, LLC** (“ServCo”), (jointly referred to as “LUMA”), and respectfully state and request the following:

1. On February 24, 2021, LUMA filed before the Energy Bureau of the Public Service Regulatory Board its *Petition for Approval of Initial Budgets and Related Terms of Service* (the “Petition for Approval”) under Act 57-2014, as amended, and pursuant to the *Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement* of June 22, 2020 (the “T&D OMA”). The Petition for Approval was filed based on the information available and known to LUMA at the time of its filing and on the assumptions of the 2020 PREPA Fiscal Plan certified by the Financial Oversight and Management Board for Puerto Rico (“FOMB”).

2. On May 31, 2021, this honorable Bureau entered a Resolution approving the Proposed Budget for the Fiscal Year 2022.

3. On July 16, 2021, LUMA requested a modification of the Approved Budgets for FY2022 to reflect updated assumptions resulting from the annual fiscal plan development and certification process within the Puerto Rico Oversight, Management and Economic Stability Act (PROMESA) Title III proceeding during Spring 2021 (“July Budget Modification Request”). The July Budget

Modification Request reflected an updated load and revenue forecast with more recent consumption data, updated macro-economic data and assumptions including PREPA's timing of Title III exit.

4. Pursuant to Section 7.3(e) of the T&D OMA, on June 6, 2022, LUMA filed a *Motion Submitting Fiscal Year 2022 Budget Amendment* along with a Revised Budget Amendment for Fiscal Year 2022 whose purpose was to maintain a budget that accurately reflected changes in LUMA's executed and remaining planned expenditures for FY2022 (the "June 2022 Amendment Request"). As expressed at the time, the revised amendment included modifications to reflect the updated 2021 Fiscal Plan assumptions in line with the July 16, 2021, application and a reallocation of budget between the Capital – Non-Federally Funded Budget and Operations Budget. The budget amendment proposed a reallocation to reflect higher than anticipated operating expenditures and lower than expected non-federally funded capital expenditures for FY2022. *See, Exhibit I* of the *Motion Submitting Fiscal Year 2022 Budget Amendment*.

5. On August 3, 2022, the Energy Bureau entered a Resolution and Order approving the June 22 Amendment and also the July Budget Modification Request, finding that the latter was subsumed in the June 22 Amendment Request.

6. Section 7.3(e) of the T&D OMA provides that LUMA may amend the approved Operating and Capital Budgets for a given Contract Year, provided that such amendment is compliant with the applicable Rate Order. *See, Section 7.3(e) of the T&D OMA*.

7. Pursuant to section 7.3(e) of the T&D OMA, LUMA respectfully requests that the FY2022 Budget be amended to reallocate a surplus in LUMA's Operating Budget to its Non-Federally Funded Capital Budget line items. The modification is a result of LUMA's cost saving measures and year-end closing adjustments and financial reviews. Further, the activities in LUMA's June

2022 Amendment Request remain unchanged. *See, Exhibit I* for an analysis and detailed description of the changes proposed to the approved FY 2022 Budget.

**8. *Of note, the modifications proposed do not result in increased customer base rates, and do not result in an increase to LUMA's aggregate expenditures.***

**WHEREFORE**, LUMA respectfully requests this Honorable Bureau **review** and **approve** LUMA's Fiscal Year 2022 Budget Amendment included in Exhibit 1 to this Motion.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 2<sup>nd</sup> day of November 2022.

I hereby certify that I filed this motion using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this motion to the attorneys for PREPA, Joannely Marrero-Cruz, [jmarrero@diazvaz.law](mailto:jmarrero@diazvaz.law); and Katiuska Bolaños-Lugo, [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law).



**DLA Piper (Puerto Rico) LLC**  
*Attorneys for LUMA Energy LLC and  
LUMA ServCo LLC*  
500 Calle de la Tanca, Suite 401  
San Juan, PR 00901-1969  
Tel. 787-945-9107  
Fax 939-697-6147

*/s/ Margarita Mercado Echegaray*  
Margarita Mercado Echegaray  
RUA NÚM. 16,266  
[margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com)

*/s/ Ana Margarita Rodríguez Rivera*  
Ana Margarita Rodríguez Rivera  
RUA Núm. 16,195  
[ana.rodriguezrivera@us.dlapiper.com](mailto:ana.rodriguezrivera@us.dlapiper.com)

*Exhibit I*

*Annual Budgets  
FY 2022 Budget Amendment*



# Annual Budgets

FY 2022 Budget Amendment

November 2, 2022

# Annual Budgets

## Executive Summary

On August 3, 2022, PREB approved LUMA's June 6, 2022 Budget Amendment Request. Herein, LUMA submits a revised FY2022 Budget Amendment request (Revised Amendment). **The modifications described below do not result in increased customer rates, and do not result in an increase to LUMA's aggregate T&D Pass-Through and Capital Expenditures.**

Pursuant to Section 7.3(e) of the T&D OMA, Operator may, from time to time, propose to amend the approved Operating Budget and Capital Budgets for a given Fiscal Year, provided that the amendment is compliant with the applicable Rate Order. If Operator becomes aware that T&D Pass-Through Expenditures are expected to exceed the Budget, Operator shall promptly notify PREB and Administrator and concurrently prepare and submit to PREB a proposed amended Operating Budget or Capital Budget for such Fiscal Year. The amendment shall require and be subject to approval by PREB.

As part of LUMA's commitment to operate the electric grid safely and reliably, and in order to maintain a budget that accurately reflects LUMA's FY2022 actual expenditures, LUMA is requesting that the PREB approve the Revised Amendment. LUMA's Revised Amendment is proposed in reference to the currently approved FY2022 Budget, as approved on August 3, 2022.

### NO CUSTOMER RATE INCREASE PROPOSED

**The proposed FY2022 amendment does not result in any increase to customer rates and LUMA's aggregate operating and capital expenditure budgets remain within the Expenditures Limit.**

Consequently, the aggregate Operating Expenditures presented in Schedule 5.2 and Improvement Program costs as presented in Schedules 5.4 and 5.5, and Appendix D of LUMA's February 24, 2021 Initial Budgets application and approved in the Energy Bureau's May 31, 2021 Resolution & Order for Case No. NEPR-MI-2021-0004 remain within the Expenditures Limit.

### FY2022 REVISED BUDGET AMENDMENT – REALLOCATION FROM CAPITAL TO OPERATING BUDGET

The Revised Amendment request consists of primarily one adjustment to reallocate a surplus in LUMA's Operating Budget to its Non-Federally Funded Capital Budget. LUMA's other budgets remain unchanged, however LUMA has provided for an increase in Generation Shared Services to reflect higher than budgeted costs resulting predominantly from increased insurance cost.

Please refer to the table below for a summary of the Revised Amendment. This includes a redistribution of costs between the Operating Budget and the Capital Budget – Non-Federally Funded line items and Shared Services.

**Summary of LUMA's Operational and Capital Budget Modification Requested (\$ in millions, or as otherwise indicated)**

	Proposed: November '22 FY2022	Prev. Approved: August '22 FY2022	Variance	Variance (%)
T&D Operating Budget	551	572	(21)	(4%)

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	Proposed: November '22 FY2022	Prev. Approved: August '22 FY2022	Variance	Variance (%)
<b>T&amp;D Capital Budget – Total</b>	<b>748</b>	<b>728</b>	<b>21</b>	<b>3%</b>
Capital Budget – Federally Funded	650	650	0	-
Capital Budget – Non-Federally Funded	98	77	21	27%
<b>Generation Budget – Total</b>	<b>296</b>	<b>294</b>	<b>2</b>	<b>1%</b>
Operational and Capital Expenditures	236	236	0	-
Shared Services	60	59	2	3%
<b>Other</b>	<b>284</b>	<b>284</b>	<b>0</b>	<b>-</b>
LUMA Fees	117	117	0	-
Bad Debts	63	63	0	-
Bankruptcy and Advisor Costs	68	68	0	-
PREPA HoldCo	36	36	0	-

There was no increase to the T&D expenditures in aggregate. The revised FY2022 total non-federally funded transmission & distribution and generation base rate expenditures per kWh is \$0.0733/kWh which is underneath the \$0.0746/kWh base rate limit as approved in the PREPA 2017 Rate Case. Please refer to Exhibit C, Revised Schedule 5.6 for further information.

In order to assist the Bureau's review and approval, LUMA has prepared an analysis below of the following items:

1. Reallocation of Funds
2. Schedules

LUMA provides the following analysis and a request for **a modification of the approved Fiscal Year 2022 for the Bureau's review and approval.**

## 1.0 Reallocation of Funds

Throughout FY2022, LUMA has continued to deploy funds required to operate the utility safely and effectively in response to the challenging conditions and circumstances presented and has sought efficiencies where appropriate to contain costs as part of its commitment to budget management efforts. LUMA's June 6, 2022 Budget Amendment Request re-allocated funds from its Non-Federally Funded Capital Budget to its Operating Budget, due to forecasted higher-than-expected operating expenditures, as cited in LUMA's Quarterly Reports, such as the need to have trained and qualified essential utility workers, provide safety and operational training for the existing workforce, perform foundational activities

## Annual Budgets

to support advancing federally funded work and address the severe backlog of uncompleted work left at commencement of LUMA operations.

LUMA is requesting to reallocate \$21 million from its Operating Budget to its Non-Federally Funded Capital Budget. This is largely driven by efficiencies and cost saving measures implemented by LUMA that resulted in having lower operating expenditures versus the Amended FY2022 Budget as well as year-end closing activities.

As a result of the cost savings in operating expenditures, LUMA was able to increase overall spending on non-federally funded capital and advance work on several Improvement Programs as shown in the tables below.

As is typical with any enterprise, year-end closing activities periodically warrant reclassifications of various costs, and LUMA is no exception. Year-end closing adjustments impacted actual budget allocations in FY2022, and the Revised Amendment reflects these year-end adjustments. To that end, year-end closing adjustments may continue to impact annual budget allocations each year, at either the program, portfolio, or overall budget level.

**Table 1-1. Summary of Reallocation from Capital Budget (Non-Federally Funded) to Operating Budget (\$ in millions, or as otherwise indicated)**

Improvement Portfolio	Proposed: November '22 FY2022	Prev. Approved: August '22 FY2022	Variance (\$)	Variance (%)
Customer Service	13.6	10.5	3.1	30%
Distribution	23.9	18.2	5.6	31%
Transmission	3.6	2.5	1.1	45%
Substations	8.8	4.2	4.6	111%
Control Center & Buildings	3.5	2.5	1.0	42%
Enabling	33.5	30.6	2.9	10%
Support Services	8.9	7.3	1.6	22%
<b>Subtotal</b>	<b>95.9</b>	<b>75.8</b>	<b>20.1</b>	<b>27%</b>

**Table 1-2. Summary of Reallocation between Improvement Portfolios (\$ in millions, or as otherwise indicated)**

Improvement Portfolio	Proposed: November '22 FY2022	Prev. Approved: August '22 FY2022	Variance	Variance (%)
Customer Service	108.7	104.8	3.9	4%
Distribution	224.1	217.7	6.4	3%
Transmission	240.0	239.0	1.0	0%
Substations	99.2	95.0	4.3	5%
Control Center & Buildings	17.2	16.1	1.1	7%
Enabling	167.4	167.1	0.4	0%
Support Services	92.4	83.5	9.0	11%



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Improvement Portfolio	Proposed: November '22 FY2022	Prev. Approved: August '22 FY2022	Variance	Variance (%)
Subtotal	949.2	923.2	26.0	3%

Please note that both Tables 1-1 and 1-2 do not include 2% excess expenditure amounts.

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### 5.0 Schedules

#### 5.1 Initial Budgets Summary

(In \$000s)

		1	2	3	4	5	6
				November 2, 2022 Amendment	August 3, 2022 Approved <sup>4</sup>		
			Schedule Reference	2022	2022	Variance (\$)	Variance (%)
<b>Transmission &amp; Distribution</b>							
1	<b>Total Operating Budget<sup>1</sup></b>	5.2		\$ 550,863	\$ 571,597	(20,734)	(4%)
2	Federally Funded Capital Expenditures <sup>1</sup>	5.5		650,365	650,365	-	-
3	Non-Federally Funded Capital Expenditures <sup>1</sup>	5.5		97,807	77,296	20,511	27%
4	<b>Total Capital Budget</b>			<b>\$ 748,172</b>	<b>\$ 727,662</b>	<b>\$ 20,511</b>	<b>3%</b>
<b>Generation</b>							
5	Operating and Capital Expenditures <sup>2</sup>			235,613	235,613	-	-
6	Shared Services <sup>3</sup>			60,360	58,543	1,817	3%
7	<b>Total Generation Budget</b>			<b>\$ 295,973</b>	<b>\$ 294,156</b>	<b>\$ 1,817</b>	<b>1%</b>
<b>Other</b>							
8	LUMA Fees	5.3		117,307	117,307	-	-
9	Bad Debts	5.3		63,405	63,405	-	-
10	Bankruptcy and Advisor Costs	5.3		67,872	67,872	-	-
11	PREPA HoldCo	5.3		35,868	35,868	-	-
12	<b>Total Other</b>	5.3		<b>\$ 284,452</b>	<b>\$ 284,452</b>	<b>\$ -</b>	<b>-</b>

Notes:

1. Includes 2% reserve for Excess Expenditures, does not include Interim Costs and Expenses.
2. As certified within the 2021 Fiscal Plan.
3. Generation Budget and PREPA HoldCo include budgets for services at previously to be provided through the Shared Services Agreement.
4. Certain amounts have been reclassified within the Approved FY2022 column to conform to the FY2023 presentation, specifically LUMA fees is included within Other.

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## 5.2 Transmission & Distribution Operating Expenditures

(In \$000s)

	1	2	3	4	5	6
		FY2022 November 2, 2022 Amendment				
		Customer Service	Operations	Utility Transformation	Support Services	2022
Labor						
1	Salaries, Wages and Benefits	37,525	150,807	30,996	37,438	256,765
2	Total Labor	37,525	150,807	30,996	37,438	256,765
Non-Labor						
3	Materials & Supplies	222	27,654	390	1,853	30,120
4	Transportation, Per Diem, and Mileage	531	20,293	1,372	2,001	24,196
5	Property & Casualty Insurance	-	-	-	14,597	14,597
6	Security	-	112	0	11,435	11,547
7	IT Service Agreements	923	1	0	10,751	11,675
8	Utilities & Rents	1,332	6,795	1,267	5,473	14,867
9	Legal Services	0	5	9	6,927	6,942
10	Communications Expenses	0	93	15	2,186	2,294
11	Professional & Technical Outsourced Services	18,758	31,770	3,942	40,076	94,546
12	Vegetation Management	-	49,924	-	-	49,924
13	Regulation and Environmental Inspection	-	337	-	-	337
14	Other Miscellaneous Expenses	269	1,392	453	20,136	22,250
15	Other Expenses	-	-	-	-	-
16	Total Non-Labor / Other Operating Expense	22,035	138,376	7,447	115,437	283,296
17	Subtotal Labor and Non-Labor/Other Operating Expenses	59,560	289,183	38,443	152,875	540,062
18	2% Reserve for Excess Expenditures					10,801
19	Total Operating Expense	59,560	289,183	38,443	152,875	550,863

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## Transmission & Distribution Operating Expenditures

(In \$000s)

		1	7	8	9	10	11
		FY2022 August 3, 2022 Approved					
		Customer Service	Operations	Utility Transformation	Support Services	2022	
<b>Labor</b>							
1	Salaries, Wages and Benefits	36,880	163,020	32,133	45,929	277,962	
2	<b>Total Labor</b>	<b>36,880</b>	<b>163,020</b>	<b>32,133</b>	<b>45,929</b>	<b>277,962</b>	
<b>Non-Labor</b>							
3	Materials & Supplies	252	23,693	239	2,711	26,895	
4	Transportation, Per Diem, and Mileage	483	24,912	963	1,536	27,894	
5	Property & Casualty Insurance	-	-	-	15,491	15,491	
6	Security	-	22	0	15,031	15,053	
7	IT Service Agreements	923	1	0	17,495	18,419	
8	Utilities & Rents	1,629	7,062	1,351	4,964	15,006	
9	Legal Services	-	-	-	6,208	6,208	
10	Communications Expenses	74	73	0	1,597	1,743	
11	Professional & Technical Outsourced Services	22,024	29,000	4,895	29,475	85,393	
12	Vegetation Management	-	49,375	-	-	49,375	
13	Regulation and Environmental Inspection	-	337	-	-	337	
14	Other Miscellaneous Expenses	243	695	342	19,331	20,612	
15	Other Expenses	-	-	-	-	-	
16	<b>Total Non-Labor / Other Operating Expense</b>	<b>25,627</b>	<b>135,169</b>	<b>7,791</b>	<b>113,840</b>	<b>282,428</b>	
17	<b>Subtotal Labor and Non-Labor/Other Operating Expenses</b>	<b>62,507</b>	<b>298,189</b>	<b>39,924</b>	<b>159,769</b>	<b>560,389</b>	
18	2% Reserve for Excess Expenditures					11,208	
19	<b>Total Operating Expense</b>	<b>62,507</b>	<b>298,189</b>	<b>39,924</b>	<b>159,769</b>	<b>571,597</b>	

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## Transmission & Distribution Operating Expenditures

(In \$000s)

	1	Variance (\$)				16
		12	13	14	15	
		Customer Service	Operations	Utility Transformation	Support Services	Total
<b>Labor</b>						
1	Salaries, Wages and Benefits	645	(12,213)	(1,137)	(8,491)	(21,196)
2	<b>Total Labor</b>	<b>645</b>	<b>(12,213)</b>	<b>(1,137)</b>	<b>(8,491)</b>	<b>(21,196)</b>
<b>Non-Labor</b>						
3	Materials & Supplies	(29)	3,961	151	(858)	3,225
4	Transportation, Per Diem, and Mileage	48	(4,619)	409	465	(3,698)
5	Property & Casualty Insurance	-	-	-	(894)	(894)
6	Security	-	89	(0)	(3,596)	(3,506)
7	IT Service Agreements	-	-	-	(6,744)	(6,744)
8	Utilities & Rents	(297)	(267)	(84)	509	(138)
9	Legal Services	0	5	9	719	734
10	Communications Expenses	(73)	21	15	589	551
11	Professional & Technical Outsourced Services	(3,266)	2,770	(954)	10,602	9,152
12	Vegetation Management	-	549	-	-	549
13	Regulation and Environmental Inspection	-	-	-	-	-
14	Other Miscellaneous Expenses	26	697	110	805	1,638
15	Other Expenses	-	-	-	-	-
16	<b>Total Non-Labor / Other Operating Expense</b>	<b>(3,592)</b>	<b>3,207</b>	<b>(344)</b>	<b>1,597</b>	<b>869</b>
17	<b>Subtotal Labor and Non-Labor/Other Operating Expenses</b>	<b>(2,947)</b>	<b>(9,006)</b>	<b>(1,480)</b>	<b>(6,894)</b>	<b>(20,328)</b>
18	2% Reserve for Excess Expenditures					(407)
19	<b>Total Operating Expense</b>	<b>(2,947)</b>	<b>(9,006)</b>	<b>(1,480)</b>	<b>(6,894)</b>	<b>(20,734)</b>

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## Transmission & Distribution Operating Expenditures

(In \$000s)

	1	17	18	19	20	21
		Variance (%)				
		Customer Service	Operations	Utility Transformation	Support Services	Total
<b>Labor</b>						
1 Salaries, Wages and Benefits		2%	(7%)	(4%)	(18%)	(8%)
2 <b>Total Labor</b>		<b>2%</b>	<b>(7%)</b>	<b>(4%)</b>	<b>(18%)</b>	<b>(8%)</b>
<b>Non-Labor</b>						
3 Materials & Supplies		(12%)	17%	63%	(32%)	12%
4 Transportation, Per Diem, and Mileage		10%	(19%)	42%	30%	(13%)
5 Property & Casualty Insurance		-	-	-	(6%)	(6%)
6 Security		-	402%	(99%)	(24%)	(23%)
7 IT Service Agreements		-	-	-	(39%)	(37%)
8 Utilities & Rents		(18%)	(4%)	(6%)	10%	(1%)
9 Legal Services		-	-	-	12%	12%
10 Communications Expenses		(100%)	28%	382350%	37%	32%
11 Professional & Technical Outsourced Services		(15%)	10%	(19%)	36%	11%
12 Vegetation Management		-	1%	-	-	1%
13 Regulation and Environmental Inspection		-	-	-	-	-
14 Other Miscellaneous Expenses		11%	100%	32%	4%	8%
15 Other Expenses		-	-	-	-	-
16 <b>Total Non-Labor / Other Operating Expense</b>		<b>(14%)</b>	<b>2%</b>	<b>-4%</b>	<b>1%</b>	<b>0%</b>
17 <b>Subtotal Labor and Non-Labor/Other Operating Expenses</b>		<b>(5%)</b>	<b>(3%)</b>	<b>(4%)</b>	<b>(4%)</b>	<b>(4%)</b>
18 2% Reserve for Excess Expenditures						
19 <b>Total Operating Expense</b>		<b>(5%)</b>	<b>(3%)</b>	<b>(4%)</b>	<b>(4%)</b>	<b>(4%)</b>

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## 5.3 Other

(In \$000s)

1		2		3	4	5
		November 2, 2022 Amendment		August 3, 2022 Approved		
		Notes	2022	2022	Variance (\$)	Variance (%)
<b>Other</b>						
1	LUMA Fees	1	117,307	117,307	-	-
2	Bad Debts	2	63,405	63,405	-	-
3	Title III Costs	3	33,972	33,972	-	-
4	PREPA HoldCo		35,868	35,868	-	-
5	FOMB Advisor Costs	3	24,400	24,400	-	-
6	P3A Transaction Costs	3	9,500	9,500	-	-
8	<b>Total Other</b>		<b>284,452</b>	<b>284,452</b>	-	-

Notes:

1. Updated to reflect a full year of Interim Period Service Fee as calculated within the T&D OMA to reflect a full year in Title III.
2. Bad Debts Forecast is consistent with methodology used by PREPA in 2021 Fiscal Plan.
3. Bankruptcy and advisor costs are confirmed with applicable entity and consistent with amounts certified by the FOMB within the 2021 PREPA Fiscal Plan, as updated.

## Annual Budgets

### 5.4 Improvement Portfolio and Program Summary

(In \$000s)

1		2	3	4	5
Portfolio		November 2, 2022 Amendment			
		FY2022 Federal Funded CapEx	FY2022 Non- Federal Funded CapEx	FY2022 OpEx	Total
1	Customer Experience	82,653	13,649	12,423	108,725
2	Distribution	199,224	23,874	982	224,081
3	Transmission	235,983	3,629	432	240,044
4	Substations	89,097	8,805	1,343	99,246
5	Control Center & Buildings	9,299	3,530	4,384	17,214
6	Enabling	17,036	33,511	116,892	167,439
7	Support Services	4,320	8,891	79,224	92,435
8	<b>Total</b>	<b>637,613</b>	<b>95,889</b>	<b>215,681</b>	<b>949,183</b>

#### Notes:

- SRP figures were inadvertently included in LUMA's June 6, 2022 Amendment and have been removed from herein. SRP programs will continue to be reported under the SRP docket.



# Annual Budgets

## Improvement Portfolio and Program Summary

(In \$000s)

1		6	7	8	9
Portfolio		FY2022 August 3, 2021 Approved			Total
		FY2022 Federal Funded CapEx	FY2022 Non- Federal Funded CapEx	FY2022 OpEx	
1	Customer Experience	82,653	10,512	11,638	104,803
2	Distribution	199,224	18,240	245	217,710
3	Transmission	235,983	2,496	560	239,038
4	Substations	89,097	4,181	1,688	94,966
5	Control Center & Buildings	9,299	2,480	4,346	16,126
6	Enabling	17,036	30,565	119,481	167,082
7	Support Services	4,320	7,307	71,830	83,457
8	<b>Total</b>	<b>637,613</b>	<b>75,780</b>	<b>209,788</b>	<b>923,181</b>

### Notes:

1. SRP figures were inadvertently included in LUMA's June 6, 2022 Amendment and have been removed from herein. SRP programs will continue to be reported under the SRP docket.

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## Improvement Portfolio and Program Summary

(In \$000s)

1		10	11	12	13
Portfolio		Variance (\$)			
		Federal Funded CapEx	Non-Federal Funded CapEx	OpEx	Total
1	Customer Experience	-	3,137	785	3,922
2	Distribution	-	5,634	737	6,371
3	Transmission	-	1,133	(128)	1,006
4	Substations	-	4,625	(345)	4,280
5	Control Center & Buildings	-	1,050	38	1,088
6	Enabling	-	2,946	(2,589)	358
7	Support Services	-	1,584	7,394	8,978
8	<b>Total</b>	-	<b>20,109</b>	<b>5,893</b>	<b>26,002</b>

Notes:

1. SRP figures were inadvertently included in LUMA's June 6, 2022 Amendment and have been removed from herein. SRP programs will continue to be reported under the SRP docket.

# Annual Budgets

## Improvement Portfolio and Program Summary

(In \$000s)

1		14	15	16	17
Portfolio		Variance (%)			
		Federal Funded CapEx	Non-Federal Funded CapEx	OpEx	Total
1	Customer Experience	-	30%	7%	4%
2	Distribution	-	31%	300%	3%
3	Transmission	-	45%	(23%)	0%
4	Substations	-	111%	(20%)	5%
5	Control Center & Buildings	-	42%	1%	7%
6	Enabling	-	10%	(2%)	0%
7	Support Services	-	22%	10%	11%
8	<b>Total</b>	-	<b>27%</b>	<b>3%</b>	<b>3%</b>

### Notes:

- SRP figures were inadvertently included in LUMA's June 6, 2022 Amendment and have been removed from herein. SRP programs will continue to be reported under the SRP docket.

# Annual Budgets

## 5.5 Improvement Portfolios - Total Capital Expenditures

(In \$000s)

	1	2	3	4	5	6	7	8	9	10	11	12	13		
		November 2, 2022 Amendment	August 3, 2022 Approved	Total		=	November 2, 2022 Amendment	August 3, 2022 Approved	Fed Funded Contributions		+	November 2, 2022 Amendment	August 3, 2022 Approved	Net Non Federally Funded	
		2022	2022	Variance (\$)	Variance (%)		2022	2022	Variance (\$)	Variance (%)		2022	2022	Variance (\$)	Variance (%)
Improvement Portfolio															
1	Customer Service	96,302	93,165	3,137	3%		82,653	82,653	-	-		13,649	10,512	3,137	30%
2	Distribution	223,098	217,464	5,634	3%		199,224	199,224	-	-		23,874	18,240	5,634	31%
3	Transmission	239,612	238,479	1,133	0%		235,983	235,983	-	-		3,629	2,496	1,133	45%
4	Substations	97,903	93,278	4,625	5%		89,097	89,097	-	-		8,805	4,181	4,625	111%
5	Control Center & Buildings	12,829	11,780	1,050	9%		9,299	9,299	-	-		3,530	2,480	1,050	42%
6	Enabling	50,547	47,601	2,946	6%		17,036	17,036	-	-		33,511	30,565	2,946	10%
7	Support Services	13,211	11,627	1,584	14%		4,320	4,320	-	-		8,891	7,307	1,584	22%
8	Subtotal	733,502	713,394	20,109	3%		637,613	637,613	-	-		95,889	75,780	20,109	27%
	Other														
9	2% Reserve for Excess Expenditures	14,670	14,268	402	3%		12,752	12,752	-	-		1,918	1,516	402	27%
10	Total Capital Expenditures	748,172	727,662	20,511	3%		650,365	650,365	-	-		97,807	77,296	20,511	27%

## Annual Budgets

### 5.6 2017 Rate Order Base Rate Revenue Requirement Limit Comparison

(In \$000s)

1	2	3		4		5	6
		November 2, 2022		August 3, 2022			
		Amendment		Approved		Variance	Variance (%)
	Schedule Reference	2022	2022				
1 PREPA Forecast Sales (GWh)		16,765	16,765			-	-
2 Expenditures Limit based on Projected Sales		\$ 1,229,094	\$ 1,229,094			-	-
3 Transmission & Distribution Operating Expenditures	5.2	\$ 550,863	\$ 571,597			20,734	4%
4 Capital Budget - Non-Federally Funded	5.5	\$ 97,807	\$ 77,296			(20,511)	(27%)
5 Generation Budget <sup>2</sup>	5.1	\$ 295,973	\$ 294,156			(1,817)	(1%)
6 Other (LUMA Fees, Bad Debts, PREPA HoldCo, Bankruptcy and Advisor Costs)	5.3	\$ 284,452	\$ 284,452			-	-
7 <b>Total Non-Federally Funded Transmission &amp; Distribution and Generation Expenditures</b>		<b>\$ 1,229,094</b>	<b>\$ 1,227,501</b>			<b>\$ (1,593)</b>	<b>(0%)</b>
8 Surplus / (Deficit)		\$ -	\$ 1,593				
9 Total Non-Federally Funded Transmission & Distribution and Generation \$/kWh		\$ 0.0733	\$ 0.0732				

  

<b>2017 Rate Case</b>			
10 PREPA Projected Sales (kWh)			17,268,325,180
11 PREPA Base Rate Revenue Requirement less Subsidies		\$ 1,287,998	
12 PREPA Base Rate Rev Req (\$/kWh)		\$ 0.0746	

Notes:

1. Certain amounts have been reclassified within the Approved FY2022 column to conform to the FY2023 presentation.
2. Generation Budget includes budgets for services at GencCo currently provided under the Shared Services Agreement.