

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

**NEPR**

**Received:**

**Nov 23, 2022**

**12:42 PM**

IN RE: REVIEW OF LUMA'S INITIAL  
BUDGETS

**CASE NO. NEPR-MI-2021-0004**

**SUBJECT: Responses to Requirements of  
Information of November 12, 2022**

**RESPONSES TO REQUIREMENTS OF INFORMATION OF NOVEMBER 12, 2022  
AND REQUEST FOR CONFIDENTIAL TREATMENT**

**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:

**I. Submission of Responses to Requirements of Information**

1. On April 2, 2022, LUMA submitted to this Energy Bureau its Annual Budgets for Fiscal Years 2023 through 2025 ("Annual Budgets"). LUMA also submitted supporting workpapers on April 8, 2022.

2. On May 19, 2022, this Energy Bureau issued a Resolution and Order with the subject "Fiscal Year 2023 Annual Budget Review: Requirement of Information and Establishing a Procedural Calendar" ("May 19<sup>th</sup> Order"). This Energy Bureau issued one hundred and sixteen (116) requests for information, stated in Attachments A through F of the May 19<sup>th</sup> Order.

3. In compliance with the May 19<sup>th</sup> Order, through separate filings dated May 26, June 3, and June 7, 2022, LUMA and the Puerto Rico Electric Power Authority (“PREPA”) submitted their responses to the Energy Bureau’s Requirements for Information.<sup>1</sup>

4. On July 13, 2022, LUMA filed a *Motion Submitting Fiscal Year 2023 Annual Budget as Approved by the Financial Oversight and Management Board for Puerto Rico* (the “Informative Motion”) whereby it submitted to this Energy Bureau the Fiscal Year 2023 Budget as certified by the Financial Oversight Management Board for Puerto Rico (“FOMB”). LUMA included the FY2023 Budget as certified by the FOMB (“Certified Budget”), an updated LUMA Annual Budgets report for FY2023 to FY2025, and its accompanying updated schedules with its Informative Motion.

5. On July 16, 2022, the Energy Bureau entered a Resolution and Order (the “July 16<sup>th</sup> Order”) whereby it took notice of the Certified Budget. The Energy Bureau further determined to open a review of the Certified Budget. As part of such process, the Energy Bureau ordered LUMA to submit further responses to 9 requests included in the July 16<sup>th</sup> Order before July 29, 2022, at noon.

6. In compliance with the July 16<sup>th</sup> Order, on July 29, 2022, LUMA submitted the information requested. On the same date, this Energy Bureau entered a Resolution and Order whereby it established a second procedural calendar in this proceeding. As per the second procedural calendar, a virtual technical conference was scheduled for August 17, 2022.

7. On August 12, 2022, this Energy Bureau entered a Resolution and Order through which, in its pertinent part, it issued the third revision to the procedural calendar as per which the virtual technical conference was postponed for September 9, 2022, and other procedural events

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<sup>1</sup> LUMA responded to all of the Energy Bureau’s requirements, except for Requirements nos. A7, A8, A9, F1, F2, F3(A)-(C), F4, F5(A)-(E), F6(A)-(E), F7, F8, F9(A), F10(A)-(D) which were responded by PREPA.

were set (“August 12<sup>th</sup> Order”). In the August 12<sup>th</sup> Order, this Energy Bureau also issued seven (7) additional requests for information due on August 29, 2022.

8. On August 29, 2022, LUMA submitted its Responses in Compliance with the August 12<sup>th</sup> Order.

9. On September 7, 2022, LUMA was notified of a Resolution and Order whereby this Energy Bureau set September 14, 2022, as a second day for the Technical Conference to consider the Certified Budget (“September 7<sup>th</sup> Order”).

10. The first day of the Technical Conference on the Certified Budget was held on September 13, 2022, from 10:00 a.m. until past 5:00 p.m. (“September 13<sup>th</sup> Technical Conference”). Twenty-nine (29) members of LUMA’s workforce in charge of different aspects of LUMA’s operations and organization, appeared and were sworn in to answer questions from this Energy Bureau. Representatives of PREPA also appeared but were excused given that the Energy Bureau and its consultants first addressed questions to LUMA.

11. Regarding the second day of the Technical Conference, this Energy Bureau informed that at the close of the September 13<sup>th</sup> Technical Conference it would make a determination on the need to convene LUMA and PREPA for a second day and, if needed, the second day of the Technical Conference would be held on September 27, 2022.

12. Throughout the Technical Conference, this Energy Bureau and its consultants issued several requests for information to LUMA (“RFIs”). In total, the Energy Bureau issued eighteen (18) RFIs, some of which include several requests.

13. Close to 5:00 pm during the September 13<sup>th</sup> Technical Conference, this Energy Bureau determined that it was necessary to extend the Technical Conference for a second day and set the same for September 27, 2022.

14. On September 20, 2022, this Energy Bureau issued a Resolution and Order whereby it issued an amended procedural calendar in this proceeding (“September 20<sup>th</sup> Order”). This Energy Bureau set a date for LUMA to file additional information requested by the Energy Bureau, by November 1, 2022. Further, the Energy Bureau scheduled the continuation of the Technical Conference for October 18, 2022.

15. In compliance with the bench orders issued on September 13<sup>th</sup> and the September 20<sup>th</sup> Order, on October 7, 2022, LUMA submitted the first set of responses to the RFIs. LUMA submitted a second set of responses on October 12, 2022.

16. The second meeting of the Technical Conference to consider the Certified Budget was held as scheduled on October 18, 2022 (“October 18<sup>th</sup> Technical Conference”). LUMA’s representatives appeared and answered questions posed by Commissioners of this Honorable Energy Bureau and consultants of this Energy Bureau. Throughout the Technical Conference, the Energy Bureau issued bench orders for LUMA to provide additional information on vegetation management and in connection with LUMA’s Response to ROI-LUMA-MI-2021-0004-20220519-PREB-D14, on active lawsuits (litigation) in FY2022.

17. On November 1, 2022, in compliance with the bench orders issued during the October 18<sup>th</sup> Technical Conference, LUMA submitted its responses to the questions posed by the Energy Bureau as well as additional information.

18. On November 12, 2022, this Energy Bureau issued a Resolution and Order with the subject “Requirement of Information (“ROI”) – Fiscal Year 2023 Annual Budget Examination; Annual Report and Report on Efficiencies for Fiscal Year 2022” (“November 12<sup>th</sup> Order”). The November 12<sup>th</sup> Order includes five Requirements of Information (“ROIs”). *See* pages 4 through

5 of the November 12<sup>th</sup> Order. This Energy Bureau explained that the additional information included in the ROIs is required to analyze the Certified Budget for FY2023.

19. On November 21, 2022, LUMA submitted supplemental information on the subject matter discussed during the October 18<sup>th</sup> Technical Conference on the availability of “matching” funds for FEMA-funded programs.

20. In compliance with the November 12<sup>th</sup> Order, LUMA hereby submits, as **Exhibit 1** of this Motion, its Responses to the ROIs issued in said Order. Additionally, LUMA submits, as **Exhibit 2** to this Motion, the Puerto Rico Electric Power Authority’s (“PREPA”) responses to ROIs 1 and 2.

21. The attachment to RFI-LUMA-MI-2021-0004-20221123-PREB-A001 included in Exhibit 1 as a pdf and in the excel file named “RFI-LUMA-MI-2021-0004-20221112-PREB-A001\_Attachment 1\_B2A comparison”, includes GenCo and HoldCo financial information LUMA received from PREPA. LUMA has not independently verified the data provided by PREPA. For a detailed explanation, see RFI-LUMA-MI-2021-0004-20221123-PREB-A001.

## **II. Request for Confidential Treatment**

22. It is respectfully submitted that Attachment 1 to RFI-LUMA-MI-2021-0004-20221112-PREB-A003, is a copy of the Shared Services Agreement executed on June 1, 2021, by LUMA, PREPA, and the Puerto Rico Public-Private Partnerships Authority (“P3 A”). The Shared Services Agreement that is being filed today, includes handwritten and electronic signatures of the officers of LUMA, PREPA, and P3 A who executed the agreement.

23. LUMA hereby requests that the signatures included in RFI-LUMA-MI-2021-0004-20221112-PREB-A003 Attachment 1, be kept confidential in accordance with Section 6.15 of Act 57-2014 (providing that: “[i]f any person who is required to submit information to the Energy

Commission believes that the information to be submitted has any confidentiality privilege, such person may request the Commission to treat such information as such . . . ”, 22 LPRA §1054(n)), and pursuant to the Bureau’s Policy on Confidential Information. *See* CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 16, 2016, CEPR-MI-2016-0009. It is respectfully submitted that protecting the signatures is in the public interest to avoid improper use of the signatures, particularly of the electronic signatures, and to protect the privacy interests of the individual signatories. *See* Const. ELA, Art. II, Sections 8 and 10.

24. Because the full substantive contents of the Shared Services Agreement are being filed publicly, it is respectfully submitted that the redaction of the signatures on pages 20-22 of the pdf file of the Shared Services Agreement, does not affect the public’s ability to review the Shared Services Agreement nor interferes with processes before this Energy Bureau in this proceeding.

25. In compliance with the Bureau’s Policy on “Management of Confidential Information,” CEPR-MI-2016-0009, the table below identifies the portions of the Shared Services Agreement that have been redacted and are covered by this request for confidential designation:

Document	Document Type	Pages in which Confidential Information is Found	Date of Filing	Summary of Legal Basis for Confidentiality Protection
Shared Services Agreement, RFI-LUMA-MI-2021-0004-20221112-PREB-A003 Attachment 1	PDF	Signatures redacted on pages 20-22 of the pdf document	November 23, 2022	Handwritten and electronic signatures that Could be used and reproduced for improper actions, Const. ELA, Art. II, Sections 8 and 10

**WHEREFORE**, LUMA respectfully requests that the honorable Bureau **take notice** of the aforementioned for all purposes; **deem** that LUMA complied with the November 12<sup>th</sup> Order;

and **grant** confidential designation to the relevant portions of RFI-LUMA-MI-2021-0004-20221112-PREB-A003 Attachment 1.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 23<sup>rd</sup> day of November 2022.

I hereby certify that this motion was filed using the electronic filing system of this Energy Bureau. I also certify that copy of this motion will be notified to the Puerto Rico Electric Power Authority, through its attorneys of record: [jmarrero@diazvaz.law](mailto:jmarrero@diazvaz.law) and [kbolanos@diazvaz.law](mailto:kbolanos@diazvaz.law).



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*/s/ Margarita Mercado Echegaray*

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*Exhibit 1*  
*Responses to ROIs of November 12<sup>th</sup> Order*





# Fiscal Year 2023 Annual Budget Examination; Annual Report and Report on Efficiencies for Fiscal Year 2022

NEPR-MI-2021-0004

Responses to November 12, 2022  
Requests

# List of Responses and Attachments

Response ID	Document Type	Response Subject
RFI-LUMA-MI-2021-0004-20221112-PREB-A001	Response	Budget Comparison
	Attachment 1	
RFI-LUMA-MI-2021-0004-20221112-PREB-A002	Response	FOMB Reports
	Attachment 1	
	Attachment 2	
RFI-LUMA-MI-2021-0004-20221112-PREB-A003	Response	Shared Services Agreement
	Attachment 1	
RFI-LUMA-MI-2021-0004-20221112-PREB-A004	Response	Revised Q4 Report
RFI-LUMA-MI-2021-0004-20221112-PREB-A005	Response	Efficiencies and Savings

Note: \*Denotes attachments that have been provided in Microsoft Excel format.

# Fiscal Year 2023 Annual Budget Examination; Annual Report and Report on Efficiencies for Fiscal Year 2022

NEPR-MI-2021-0004

**Response: RFI-LUMA-MI-2021-0004-20221112-PREB-A001**

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## **SUBJECT**

Budget Comparison

## **REQUEST**

Provide in one consolidated document, tables comparing FY 2022 budgeted amounts, FY2022 actual expenditures, and FY 2023 proposed amounts, for all expense categories (this includes Bad Debts, Shares Services) incurred or proposed to be incurred by each entity to which the budgets apply, i.e., GenCo, HoldCo, GridCo.

## **RESPONSE**

Please refer to RFI-LUMA-MI-2021-0004-20221123-PREB-A001 Attachment 1 for the requested information.

LUMA did not review the GenCo and HoldCo financials provided by PREPA as part of this response. Although the GenCo and HoldCo figures have been included in the consolidated attachment referenced above, LUMA has not validated or reviewed the figures generated by PREPA and cannot speak to the accuracy of this information.

# Fiscal Year 2023 Annual Budget Examination; Annual Report and Report on Efficiencies for Fiscal Year 2022

## NEPR-MI-2021-0004

### Response: RFI-LUMA-MI-2021-0004-20221112-PREB-A002

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#### SUBJECT

FOMB Reports

#### REQUEST

Provide each of the documents submitted to the FOMB as specified in the 2022 PREPA Fiscal Plan as Certified by FOMB on June 28, 2022 and shown in the table below. This should be considered a continuing request for future fiscal years.

#### RESPONSE

FOMB and LUMA have worked to align LUMA's reporting obligations to FOMB with those required by the Energy Bureau. This was completed in order to better streamline reporting and reduce LUMA's overall reporting burden. Please see the table below for LUMA's reporting to the FOMB.

Report	Detail	Cadence	Responsible Entity	LUMA Reporting to FOMB
<b>Implementation of Grid Modernization</b>	Grid modernization plan must summarize the major investment categories and projects that PREPA/LUMA is considering to deliver reliable, resilient power and status of project delivery against milestones	Monthly	PREPA/LUMA	LUMA reports grid modernization through the same quarterly and annual reports that have been filed with the Energy Bureau under dockets NEPR-MI-2021-0004, and NEPR-MI-2020-0019. LUMA sends the FOMB a copy of the report submission.

## RESPONSES TO NOVEMBER 12, 2022 REQUESTS

Report	Detail	Cadence	Responsible Entity	LUMA Reporting to FOMB
<b>Permanent and Emergency Work-Related Federal Funding Report</b>	<p>Updates on FEMA and CDBG-DR funding programs for permanent and emergency work for generation and T&amp;D assets. Provide the following by PW:</p> <ul style="list-style-type: none"> <li>• Intended use and description of project portfolio</li> <li>• Obligated amount</li> <li>• Received amount</li> <li>• Federal cost-share requirements</li> <li>• Federal cost-share funded (by source)</li> <li>• Project timeline and/or milestones</li> </ul>	Monthly	PREPA/LUMA	LUMA reports quarterly to FOMB and provides a link to the quarterly Federal Funding filings that are filed with the Energy Bureau under case number NEPR-MI-2021-0002. An example is provided as RFI-LUMA-MI-2021-0004-20221112-PREB-A002_Attachment 1.
<b>Budget to Actuals</b> (Reporting requirement is separate from any requirement under Section 203 in PROMESA)	<p>Tracking of certified Budget to Actual for GridCo, GenCo, and HoldCo based on template to be provided by the Oversight Board:</p> <ul style="list-style-type: none"> <li>• Include explanation for material variances (greater than 10% and \$30 million)</li> <li>• Include income statement in the reporting package</li> <li>• Provide monthly budget reporting</li> </ul>	Monthly	PREPA/LUMA	<p>Budget to actuals reported to the FOMB on a quarterly basis, and include monthly data. These are provided to the FOMB in line with the timing of the Quarterly Reports and Annual Reports submitted to the Energy Bureau.</p> <p>Please refer to RFI-LUMA-MI-2021-0004-20221112-PREB-A002_Attachment 2 for the FY2022 budget to actuals workbooks that are reported to the FOMB on a quarterly basis.</p>
	<p>Tracking of certified Budget to Actual for GridCo, GenCo, and HoldCo based on template to be provided by the Oversight Board:</p> <ul style="list-style-type: none"> <li>• Include explanation for material variances</li> <li>• (greater than 10% and \$30 million)</li> <li>• Include income statement in the reporting package</li> <li>• Provide quarterly budget reporting</li> </ul>	Quarterly	PREPA/LUMA	<p>LUMA only completes the “Monthly Revenues” worksheet, rows 67-72 on the “Monthly Expenses” worksheet, and the “Variances Detail” worksheet(s), in line with GridCo requirements, as applicable.</p>
<b>Accounts Receivable (AR)/Accounts Payable (AP) cash flow reporting</b>	Continued reporting on cash flow, payables and receivables by customer or vendor class.	Monthly	LUMA	LUMA contributes to cashflow reporting, however PREPA, the covered entity continues to provide the reports.

# Fiscal Year 2023 Annual Budget Examination; Annual Report and Report on Efficiencies for Fiscal Year 2022

NEPR-MI-2021-0004

**Response: RFI-LUMA-MI-2021-0004-20221112-PREB-A003**

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## **SUBJECT**

Shared Services Agreement

## **REQUEST**

Provide the original Shared Services Agreement and the current Shared Services Agreement, with an explanation of any changes between the original and current.

## **RESPONSE**

Please refer to RFI-LUMA-MI-2021-0004-20221112-PREB-A003 Attachment 1 for a copy of the Shared Services Agreement. There is only one version of the Shared Services Agreement.

# Fiscal Year 2023 Annual Budget Examination; Annual Report and Report on Efficiencies for Fiscal Year 2022

NEPR-MI-2021-0004

**Response: RFI-LUMA-MI-2021-0004-20221112-PREB-A004**

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## **SUBJECT**

Revised Q4 Report

## **REQUEST**

Provide a revised Q4 Report, with the same level of detail as provided in the Q1, Q2 and Q3 Reports, including but not limited to, the progress and level of achievement in each of the Improvement Portfolios as well as the Key Activities, Reasons for Variances and Timeline Explanation as provided in the first three Quarterly Reports.

## **RESPONSE**

At the end of the year, LUMA collects full-year annual data from the technical teams in order to prepare an Annual Report. As discussed previously, fourth quarter results are typically not meaningful as they include closing adjustments reflective of annual closing activities, and not just those activities in the fourth quarter. This means that fourth quarter results, when viewed in isolation and as seen in the Fourth Quarter filing included in RFI-LUMA-MI-2021-0004-20221112-PREB-A002 Attachment 3, do not reflect only the activities within the final quarter of the year.

In order to provide a comprehensive review of the activities in FY2022, LUMA prepared an Annual Report, which describes all of the activities in FY2022, including Q4. The data is shown on a year-to-date format. LUMA filed an annual report on October 29, 2022 which includes the items required above. The format of the Annual Report was slightly different than the quarterly reports. Nevertheless, the report provides the same level of detail.

Within each improvement program paragraph in the Annual Report, LUMA provides key activities, and reasons for variance. Within LUMA's forthcoming System Remediation Plan ("SRP") Annual Report, which was delayed due to LUMA's focus on responding to Hurricane Fiona, LUMA will be providing progress and level of achievement in comparison with the milestones set out in the SRP that was approved by this Energy Bureau on June 22, 2021.

## RESPONSES TO NOVEMBER 12, 2022 REQUESTS

Further, on April 14, 2022 LUMA filed an update to the SRP within docket NEPR-MI-2020-0019 which includes updated timelines. Those Improvement Programs that were not updated continue to have the original timelines approved by the Energy Bureau on June 23, 2021.



# Fiscal Year 2023 Annual Budget Examination; Annual Report and Report on Efficiencies for Fiscal Year 2022

NEPR-MI-2021-0004

**Response: RFI-LUMA-MI-2021-0004-20221112-PREB-A005**

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## **SUBJECT**

Efficiencies and Savings

## **REQUEST**

In the Report on Efficiencies filed with the October 29 Motion, LUMA describes process efficiencies and savings resulting from collections of past due bills, reduction of line losses and non-technical losses, reduction of customers with no meters, revenues arising from distribution pole third-party attachments, and reduction in field visits to read meters, among others. Some of these process efficiency efforts are aspirational and not yet embraced given that aside from about \$203m in collections of past due bills and \$14m in contracting efficiencies, no other quantification is provided.

- a. Describe the reason no quantification has been provided for most of these described efficiencies and savings efforts.

## **RESPONSE**

LUMA was able to quantify over \$217 million of savings in FY2022. This included lower premiums for insurance, savings on software licenses and renegotiated contracts, and increased collections from past due bills. LUMA has been able to achieve these savings in addition to advancing its mission to recover and transform the T&D System in Puerto Rico. As part of LUMA's recovery and transformation LUMA has been making improvements to all aspects of the utility – including infrastructure, processes, systems, and policies. As shown within the SRP, there is a significant amount of work required to bring the utility up to Prudent Utility Practice and Contract Standards. LUMA is focused on implementing operational changes and investing in capital improvements that will upgrade the reliable and safe delivery of electricity to Puerto Ricans.

As described within the Efficiencies Report and within the Technical Conference on September 13, 2022, not all improvements can be quantified for various reasons. These include a lack of an established baseline, lack of a counterfactual, lack of a direct isolated driver, indirect improvements or multifactor improvements that are hard to quantify or result in cost avoidance (including those improvements that lower the overall risk of the business but may not result in annual cost reductions).

## RESPONSES TO NOVEMBER 12, 2022 REQUESTS

LUMA is a new operating entity with no historical performance. PREPA did not record its cost data in a way that easily lends itself to comparison, further LUMA has started to perform many activities that were not previously performed by PREPA and continues to evolve these activities. As such, there is insufficient data to establish a relevant baseline. Further, LUMA is advancing improvements on multiple interrelated improvement programs (69 Improvement Programs in FY2022) which results in many indirect and interrelated improvements and efficiencies that are not easily translated into a dollar amount. These include improvements to processed and systems, or service, output or delivery improvements. These as a whole improve the efficient delivery of service but are not able to be isolated into distinct financial statement line items.

LUMA did not review the GenCo and HoldCo financials provided by PREPA as part of this response. Although the GenCo and HoldCo figures have been included in this attachment, LUMA has not validated or reviewed the figures generated by PREPA and cannot speak to the accuracy of this information.

## Summary

(\$ displayed in millions)

1	2	3	4	5	
	Worksheet Reference	FY2022 Approved Budget <sup>4</sup>	FY2022 Actuals	FY2023 Proposed Budget <sup>5</sup>	
Transmission & Distribution					
1	Total Operating Expenditures <sup>1</sup>	GridCo	573.7	549.7	547.1
2	Non-Federally Funded Capital Expenditures <sup>1</sup>	GridCo	77.3	97.8	79.8
3	Total Transmission & Distribution		651.0	647.5	626.9
4	Federally Funded Capital Expenditures <sup>1</sup>	GridCo	650.4	59.0	580.7
Generation					
5	Operating and Capital Expenditures	GenCo + HoldCo	235.6	237.8	245.9
6	Shared Services <sup>2</sup>	GenCo + HoldCo	58.5	60.4	59.7
7	Total Generation Expenditures		294.2	298.1	305.6
Other <sup>3</sup>					
8	LUMA Fees	N/A	117.3	117.3	121.8
9	Bad Debts	GenCo + HoldCo	63.4	85.0	74.5
10	PREPA Restructuring and Title III Costs	GenCo + HoldCo	34.0	34.8	25.1
11	PREPA HoldCo	GenCo + HoldCo	35.9	30.5	29.0
12	FOMB Advisor Costs	GenCo + HoldCo	24.4	23.3	24.4
13	P3A Transaction Costs	GenCo + HoldCo	9.5	6.3	0.0
14	Total Other		284.5	297.3	274.7

### Notes:

1 Includes 2% reserve for Excess Expenditures.

2 Generation Budget and PREPA HoldCo include budgets for services previously to be provided through the Shared Services Agreement.

3 Certain amounts have been reclassified within the Approved FY2022 column to conform to the FY2023 presentation, specifically LUMA fees is included within Other.

4 Figures include the FY2022 August 3, 2022 Approved Budget.

5 Figures include the FY2023 July 13, 2022 Proposed Budget.

# GridCo

(\$ displayed in millions)

	1	2	3	4
		FY2022 Approved Budget <sup>2</sup>	FY2022 Actuals	FY2023 Proposed Budget <sup>3</sup>
<b>Labor</b>				
1 Salaries, Wages and Benefits		278.2	260.7	246.5
2 <b>Total Labor</b>		<b>278.2</b>	<b>260.7</b>	<b>246.5</b>
<b>Non-Labor</b>				
3 Materials & Supplies		26.9	30.7	36.7
4 Transportation, Per Diem, and Mileage		27.9	24.7	28.3
5 Property & Casualty Insurance		15.5	14.9	21.7
6 Security		15.1	11.8	9.7
7 IT Service Agreements		18.4	11.9	25.1
8 Utilities & Rents		15.0	15.2	10.0
9 Legal Services		7.4	7.1	7.1
10 Communications Expenses		1.7	2.3	1.4
11 Professional & Technical Outsourced Services		86.0	96.4	81.7
12 Vegetation Management		49.4	50.9	50.0
13 Regulation and Environmental Inspection		0.3	0.3	0.5
14 Other Miscellaneous Expenses		20.6	22.7	17.7
15 Other Expenses		0.0	0.0	0.0
16 <b>Total Non-Labor / Other Operating Expense</b>		<b>284.2</b>	<b>289.0</b>	<b>289.9</b>
17 <b>Subtotal Labor and Non-Labor/Other Operating Expenses</b>		<b>562.5</b>	<b>549.7</b>	<b>536.4</b>
18 2% Reserve for Excess Expenditures		11.2		10.7
19 <b>Total Operating Expenditures</b>		<b>573.7</b>	<b>549.7</b>	<b>547.1</b>
<b>Capital Expenditures</b>				
20 Federally Funded Capital Expenditures <sup>1</sup>		650.4	59.0	580.7
21 Non-Federally Funded Capital Expenditures <sup>1</sup>		77.3	97.8	79.8
22 <b>Total Capital Expenditures</b>		<b>727.7</b>	<b>156.8</b>	<b>660.5</b>

## Notes:

1 FY2022 Actuals include 2% excess expenditures amounts.

2 Figures include the FY2022 August 3, 2022 Approved Budget.

3 Figures include the FY2023 July 13, 2022 Proposed Budget.

**Budget Comparison - FY22 FOMB Certified, FY22 Actuals, FY23 PREPA Proposed, FY23 FOMB Certified**  
**\$ in 000s**

(\$-thousands)	7.1 FY22 FOMB Certified Budget <sup>1</sup>	FY22 Actuals- FY22 Certified \$-Variance	FY22 Actuals <sup>2</sup>	FY23 PREPA Proposed- FY22 Actual \$-Variance	6.22 FY23 PREPA Proposed Budget	FY23 Certified FY23 PREPA Proposed \$-Variance	6.30 FY23 FOMB Certified Budget <sup>2</sup>
<b>GenCo:</b>							
<b>GenCo Labor Operating</b>							
Salaries & Wages	\$ 33,180	\$ 3,940	\$ 37,120	\$ 5,560	\$ 42,680	\$ 2,831	\$ 45,511
Pension & Benefits	31,856	(7,480)	24,376	1,828	26,204	2,700	28,904
Overtime Pay	10,490	2,527	13,017	43	13,061	(1,328)	11,733
Overtime Benefits	1,185	38	1,224	344	1,567	(172)	1,395
<b>Total, Labor Operating Expenses</b>	<b>\$ 76,711</b>	<b>\$ (975)</b>	<b>\$ 75,736</b>	<b>\$ 7,776</b>	<b>\$ 83,512</b>	<b>\$ 4,031</b>	<b>\$ 87,543</b>
<b>GenCo Non-Labor / Other Operating</b>							
Materials & Supplies	\$ 18,000	\$ 7,887	\$ 25,887	\$ (2,763)	\$ 23,123	\$ (3,329)	\$ 19,795
Transportation, Per Diem & Mileage	1,500	2,017	3,517	(1,990)	1,527	-	1,527
Security	10,444	(1,834)	8,610	2,917	11,527	(2,484)	9,043
Utilities & Rents	5,568	(3,034)	2,534	3,040	5,573	(1,951)	3,623
Professional & Technical Outsourced Services	5,000	(1,796)	3,204	3,129	6,333	(3,941)	2,392
Other Miscellaneous Expenses	12,000	(1,310)	10,690	13,852	24,542	(16,977)	7,565
Legal Services	-	-	-	-	-	7,405	7,405
Regulation and Environmental Inspection	-	-	-	-	-	7,945	7,945
<b>Total, Non-Labor Operating Expenses</b>	<b>\$ 52,513</b>	<b>\$ 1,930</b>	<b>\$ 54,442</b>	<b>\$ 18,184</b>	<b>\$ 72,626</b>	<b>\$ (13,332)</b>	<b>\$ 59,294</b>
Maintenance Projects Expense (NME)	106,389	1,195	107,584	(8,545)	99,039	-	99,039
<b>Total, Genco Operating &amp; Maintenance</b>	<b>\$ 235,612</b>	<b>\$ 2,150</b>	<b>\$ 237,762</b>	<b>\$ 17,415</b>	<b>\$ 255,177</b>	<b>\$ (9,301)</b>	<b>\$ 245,876</b>
<b>HoldCo:</b>							
<b>HoldCo Labor Operating</b>							
Salaries & Wages	\$ 8,737	\$ (607)	\$ 8,130	\$ 3,884	\$ 12,014	\$ (4,501)	\$ 7,513
Pension & Benefits	8,389	(1,150)	7,239	(30)	7,208	(2,700)	4,508
Overtime Pay	506	(139)	367	312	679	(239)	439
Overtime Benefits	58	(37)	21	60	81	(29)	53
<b>Total, Labor Operating Expenses</b>	<b>\$ 17,690</b>	<b>\$ (1,933)</b>	<b>\$ 15,757</b>	<b>\$ 4,225</b>	<b>\$ 19,982</b>	<b>\$ (7,469)</b>	<b>\$ 12,513</b>
<b>HoldCo Non-Labor / Other Operating</b>							
Materials & Supplies	\$ 166	\$ 317	\$ 482	\$ (117)	\$ 366	\$ (77)	\$ 288
Transportation, Per Diem & Mileage	242	(144)	98	187	285	(43)	242
Retiree Medical Benefits	11,800	(6,257)	5,543	3,457	9,000	-	9,000
IT Service Agreements	-	-	-	850	850	-	850
Utilities & Rents	1	8,402	8,403	(8,347)	55	(19)	36
Communications Expenses	2	(2)	-	81	81	-	81
Professional & Technical Outsourced Services	4,144	(1,970)	2,173	668	2,841	1,303	4,144
Other Miscellaneous Expenses	1,825	(3,752)	(1,927)	3,851	1,925	(99)	1,825
External Audit Services	-	-	-	2,509	2,509	(2,509)	-
Legal Services	-	-	-	8,605	8,605	(8,605)	-
Regulation and Environmental Inspection	-	-	-	7,945	7,945	(7,945)	-
<b>Total, Non-Labor / Other Operating</b>	<b>\$ 18,178</b>	<b>\$ (3,406)</b>	<b>\$ 14,772</b>	<b>\$ 19,689</b>	<b>\$ 34,461</b>	<b>\$ (17,995)</b>	<b>\$ 16,466</b>
<b>Total, HoldCo O&amp;M excluding T3/FOMB/P3A</b>	<b>\$ 35,868</b>	<b>\$ (5,339)</b>	<b>\$ 30,529</b>	<b>\$ 23,914</b>	<b>\$ 54,443</b>	<b>\$ (25,464)</b>	<b>\$ 28,979</b>
Title III Costs	38,722	(3,913)	34,809	(6,809)	28,000	(2,900)	25,100
FOMB Advisor Costs	24,400	(1,100)	23,300	1,100	24,400	-	24,400
P3A Transaction Costs	4,750	1,583	6,333	3,167	9,500	(9,500)	-
<b>Total, PREPA T3/FOMB/P3A Costs</b>	<b>\$ 67,872</b>	<b>\$ (3,429)</b>	<b>\$ 64,443</b>	<b>\$ (2,543)</b>	<b>\$ 61,900</b>	<b>\$ (12,400)</b>	<b>\$ 49,500</b>
<b>Total, HoldCo O&amp;M with PREPA T3/FOMB</b>	<b>\$ 103,740</b>	<b>\$ (8,767)</b>	<b>\$ 94,972</b>	<b>\$ 21,371</b>	<b>\$ 116,343</b>	<b>\$ (37,864)</b>	<b>\$ 78,479</b>
<b>Non-PREPA Controlled Expenses:</b>							
Bad Debts	\$ 63,405	\$ 21,635	\$ 85,040	N/A	N/A	N/A	\$ 74,466
Shared Services	\$ 55,800	\$ 4,560	\$ 60,360	N/A	N/A	N/A	\$ 59,748

<sup>1</sup> FOMB PREPA Compliance Certification Letter, Date: July 1, 2021.

<sup>2</sup> PREPA Q4 B2A.

<sup>3</sup> FOMB PREPA Compliance Certification Letter, Date: June 30, 2022.

# PREB Filing Notification

November 16, 2022

## Submission of Relevant PREB Filings to FOMB

LUMA is notifying FOMB of filings submitted to the PREB that are relevant to the Transmission and Distribution System Operation and Maintenance Agreement (“T&D OMA”) in compliance with Section 4.2 (a) of the FOMB Protocol Agreement executed on June 1, 2021.

### NEPR-MI-2021-0002

- 1) [Review of the Puerto Rico Electric Power Authority's 10 Year Infrastructure Plan](#)  
(November 14, 2022)
  - ☐ Subject: Submission of First Quarter Federal Funding Report for Fiscal Year 2023



# Financial Oversight & Management Board for Puerto Rico

Puerto Rico Electric Power Authority

Report Date

2/15/2022



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### Financial:

- 1 FY22 Monthly B2A Summary
- 2 FY22 Monthly Revenues
- 3 FY22 Monthly Expenses
- 4 Variance Detail
- 5 Federal Funds Tracker

## General Text Color Guides

### Text Colors:

- |       |                        |
|-------|------------------------|
| Black | (Intra Sheet) Formulas |
| Green | Link to another Tab    |
| Blue  | Hardcoded figures      |
| Red   | Key Assumption         |

### Cell Colors:

- |          |                           |
|----------|---------------------------|
| \$ 6.5   | Historical/Actual Figures |
| 06/19    | Actual                    |
| 1-Dec-20 | Forecast                  |

**Note - Numbers are preliminary and subject to change**

## FY22 Monthly B2A Summary

(\$ millions)

Summary
---------

December-21			
Dec-21 Budget	Dec-21 Actual	Dec-21 Variance (\$)	Dec-21 Variance (%)

YTD			
YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)

### A. Revenue

Total Gross Revenue	-	-	-	n.a.	-	-	-	n.a.
Other Income	-	-	-	n.a.	-	-	-	n.a.
Total Unconsolidated Revenue	\$ -	\$ -	\$ -	n.a.	\$ -	\$ -	\$ -	n.a.
Bad Debt Expense	-	-	-	n.a.	-	-	-	n.a.
CILT & Subsidies	-	-	-	n.a.	-	-	-	n.a.
<b>Total Consolidated Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n.a.</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n.a.</b>

### B. Expenses

Fuel & Purchased Power	\$ -	\$ -	\$ -	n.a.	\$ -	\$ -	\$ -	n.a.
<b>Genco:</b>								
GenCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
GenCo Non-Labor/Other Operating Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Shared Services Agreement Impact	\$ -	\$ -	-	n.a.	\$ -	\$ -	-	n.a.
Total GenCo Maintenance Projects Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Federal Funding Cost Share	\$ -	\$ -	-	n.a.	\$ -	\$ -	-	n.a.
<b>Total Genco Operating &amp; Maintenance Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>HoldCo:</b>								
HoldCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
HoldCo Non-Labor / Other Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Total HoldCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>GridCo:</b>								
Total GridCo Operating & Maintenance Expenses	\$ 62	\$ 64	\$ (3)	(4.8%)	\$ 340	\$ 383	\$ (43)	(12.6%)
<b>Total Expenses</b>	<b>\$ 62</b>	<b>\$ 64</b>	<b>\$ (3)</b>	<b>-4.75%</b>	<b>\$ 340</b>	<b>\$ 383</b>	<b>\$ (43)</b>	<b>-12.62%</b>
<b>C. Net Balance</b>	<b>\$ (62)</b>	<b>\$ (64)</b>	<b>\$ 3</b>	<b>-4.75%</b>	<b>\$ (340)</b>	<b>\$ (383)</b>	<b>\$ 43</b>	<b>-12.62%</b>

*Note - Numbers are preliminary and subject to change*



## FY22 Monthly Revenues

(\$ millions)

## Revenues

### Basic Revenue

1	Residential	-	-	-	n.a.
2	Commercial	-	-	-	n.a.
3	Industrial	-	-	-	n.a.
4	Public Lighting	-	-	-	n.a.
5	Agricultural	-	-	-	n.a.
6	Others	-	-	-	n.a.
	<b>Total Basic Revenue</b>	-	-	-	<b>n.a.</b>
	<b><u>Fuel &amp; Purchased Power</u></b>				
7	Residential	-	-	-	n.a.
8	Commercial	-	-	-	n.a.
9	Industrial	-	-	-	n.a.
10	Public Lighting	-	-	-	n.a.
11	Agricultural	-	-	-	n.a.
12	Others	-	-	-	n.a.
	<b>Total Purchased Power</b>	-	-	-	<b>n.a.</b>
	<b><u>CILT</u></b>				
13	Residential	-	-	-	n.a.
14	Commercial	-	-	-	n.a.
15	Industrial	-	-	-	n.a.
16	Public Lighting	-	-	-	n.a.
17	Agricultural	-	-	-	n.a.
18	Others	-	-	-	n.a.
	<b>Total CILT</b>	-	-	-	<b>n.a.</b>
	<b><u>Subsidies</u></b>				
19	Residential	-	-	-	n.a.
20	Commercial	-	-	-	n.a.
21	Industrial	-	-	-	n.a.
22	Public Lighting	-	-	-	n.a.
23	Agricultural	-	-	-	n.a.
24	Others	-	-	-	n.a.
	<b>Total Subsidies</b>	-	-	-	<b>n.a.</b>
	<b><u>Total Revenue</u></b>				
	<b>Total Gross Revenue</b>	-	-	-	<b>n.a.</b>
25	Other Income	-	-	-	n.a.
	<b>Total Unconsolidated Revenue</b>	\$ -	\$ -	\$ -	<b>n.a.</b>
26	Bad Debt Expense	-	-	-	n.a.
27	CILT & Subsidies	-	-	-	n.a.
	<b>Total Consolidated Revenue</b>	\$ -	\$ -	\$ -	<b>n.a.</b>
	<i>Check</i>				

**Note - Numbers are preliminary and subject to change**

## FY22 Monthly Expenses

(\$ millions)

(\$ millions)	July-21				August-21				September-21				October-21				November-21			
Expenses	Jul-21 Budget	Jul-21 Actual	Jul-21 Variance (\$)	Jul-21 Variance (%)	Aug-21 Budget	Aug-21 Actual	Aug-21 Variance (\$)	Aug-21 Variance (%)	Sep-21 Budget	Sep-21 Actual	Sep-21 Variance (\$)	Sep-21 Variance (%)	Oct-21 Budget	Oct-21 Actual	Oct-21 Variance (\$)	Oct-21 Variance (%)	Nov-21 Budget	Nov-21 Actual	Nov-21 Variance (\$)	Nov-21 Variance (%)
<b>A. Fuel and Purchased Power</b>																				
28 Fuel	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
29 Purchased Power - Conventional Power	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
30 Purchased Power - Renewable Power	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total Fuel and Purchased Power	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>B. GenCo - Operations &amp; Maintenance Expenses</b>																				
<b>Labor</b>																				
31 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
32 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
33 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
34 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
35 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
36 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
37 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
38 GenCo Temporary Operating Positions	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
39 GenCo Emergency Operating Positions	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
40 GenCo Security Personnel	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total Genco Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Non-Labor/Other Operating Expense</b>																				
41 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
42 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
43 Security	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
44 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
45 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
46 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total Non-Labor/Other Operating Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
47 Shared Services Agreement Impact	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total Genco Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Maintenance</b>																				
48 Generation	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total GenCo Maintenance Projects Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Federal Funding Cost Share	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total Genco Operating & Maintenance Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>C. HoldCo - Operations Expenses</b>																				
<b>Labor</b>																				
50 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
51 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
52 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
53 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
54 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
55 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
56 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total HoldCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Non-Labor / Other Operating Expenses</b>																				
57 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
58 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
59 Retiree Medical Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
60 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
61 Communications Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
62 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
63 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
64 PREPA Restructuring & Title III	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
65 FOMB Advisor Costs allocated to PREPA	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
66 P3 Authority Transaction Costs	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
Total HoldCo Non-Labor / Other Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Total HoldCo Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>D. GridCo - Operating &amp; Maintenance Expenses</b>																				
67 GridCo Labor Operating Expenses	15	21	(6)	(39.7%)	16	29	(14)	(86.0%)	16	22	(6)	(34.9%)	17	29	(12)	(71.3%)	17	26	(8)	(47.9%)
68 GridCo Non-Labor / Other Operating Expenses	29	22	7	23.6%	29	22	7	24.9%	29	39	(10)	(33.5%)	29	25	5	15.6%	29	33	(4)	(13.0%)
69 Operator Service Fees	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)
70 2% Reserve for Excess Expenditures	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
71 Maintenance Projects Expenses	3	2	1	43.2%	4	5	(2)	(46.9%)	5	9	(4)	(94.8%)	6	2	4	71.2%	7	7	(0)	(4.0%)
72 Shared Services Agreement Impact	(4)	(4)	(1)	20.6%	(5)	(4)	(1)	20.9%	(5)	(7)	2	(54.2%)	(5)	(6)	1	(29.1%)	(5)	(5)	0	(2.2%)
Total GridCo Operating & Maintenance Expenses	\$ 53	\$ 52	\$ 1	2.2%	\$ 54	\$ 63	\$ (9)	(16.6%)	\$ 55	\$ 73	\$ (18)	(31.8%)	\$ 57	\$ 59	\$ (2)	(3.4%)	\$ 59	\$ 71	\$ (12)	(21.2%)
Total Operating & Maintenance Expenses	\$ 53	\$ 52	\$ 1	2.24%	\$ 54	\$ 63	\$ (9)	-16.84%	\$ 55	\$ 73	\$ (18)	-31.83%	\$ 57	\$ 59	\$ (2)	-3.41%	\$ 59	\$ 71	\$ (12)	-21.21%

## FY22 Monthly Expenses

(\$ millions)

Expenses	December-21				YTD			
	Dec-21 Budget	Dec-21 Actual	Dec-21 Variance (\$)	Dec-21 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
<b>A. Fuel and Purchased Power</b>								
28 Fuel	-	-	-	n.a.	-	-	-	n.a.
29 Purchased Power - Conventional Power	-	-	-	n.a.	-	-	-	n.a.
30 Purchased Power - Renewable Power	-	-	-	n.a.	-	-	-	n.a.
<b>Total Fuel and Purchased Power</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>B. GenCo - Operations &amp; Maintenance Expenses</b>								
<b>Labor</b>								
31 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.
32 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.	-	-	-	n.a.
33 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.
34 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.
35 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.
36 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.
37 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.
38 GenCo Temporary Operating Positions	-	-	-	n.a.	-	-	-	n.a.
39 GenCo Emergency Operating Positions	-	-	-	n.a.	-	-	-	n.a.
40 GenCo Security Personnel	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Labor Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Labor/Other Operating Expense</b>								
41 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.
42 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.
43 Security	-	-	-	n.a.	-	-	-	n.a.
44 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.
45 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.
46 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.
<b>Total Non-Labor/Other Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
47 Shared Services Agreement Impact	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Maintenance</b>								
48 Generation	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Maintenance Projects Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
49 Federal Funding Cost Share	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Operating &amp; Maintenance Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>C. HoldCo - Operations Expenses</b>								
<b>Labor</b>								
50 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.
51 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.	-	-	-	n.a.
52 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.
53 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.
54 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.
55 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.
56 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.
<b>Total HoldCo Labor Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Labor / Other Operating Expenses</b>								
57 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.
58 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.
59 Retiree Medical Benefits	-	-	-	n.a.	-	-	-	n.a.
60 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.
61 Communications Expenses	-	-	-	n.a.	-	-	-	n.a.
62 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.
63 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.
64 PREPA Restructuring & Title III	-	-	-	n.a.	-	-	-	n.a.
65 FOMB Advisor Costs allocated to PREPA	-	-	-	n.a.	-	-	-	n.a.
66 P3 Authority Transaction Costs	-	-	-	n.a.	-	-	-	n.a.
<b>Total HoldCo Non-Labor / Other Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total HoldCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>D. GridCo - Operating &amp; Maintenance Expenses</b>								
67 GridCo Labor Operating Expenses	19	19	(0)	(1.4%)	101	147	(46)	(45.6%)
68 GridCo Non-Labor / Other Operating Expenses	29	26	3	10.3%	176	168	8	4.7%
69 Operator Service Fees	10	10	(0)	(1.6%)	58	58	(1)	(1.6%)
70 2% Reserve for Excess Expenditures	-	-	-	n.a.	-	-	-	n.a.
71 Maintenance Projects Expenses	8	13	(5)	(64.1%)	33	38	(6)	(17.8%)
72 Shared Services Agreement Impact	(5)	(4)	(0)	9.4%	(27)	(29)	2	(5.8%)
<b>Total GridCo Operating &amp; Maintenance Expenses</b>	<b>\$ 62</b>	<b>\$ 64</b>	<b>\$ (3)</b>	<b>(4.8%)</b>	<b>\$ 340</b>	<b>\$ 383</b>	<b>\$ (43)</b>	<b>(12.6%)</b>
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 62</b>	<b>\$ 64</b>	<b>\$ (3)</b>	<b>-4.75%</b>	<b>\$ 340</b>	<b>\$ 383</b>	<b>\$ (43)</b>	<b>-12.62%</b>

**Puerto Rico Electric Power Authority**  
**Variance Detail**  
**FISCAL YEAR 2022**  
**As Of: 12/31/21**

Preliminary Subject to Material Change

As required by the June 2022 Certified Fiscal Plan, please include explanation for material variances (greater than 10% and/or \$30 million).

Other relevant detail, notes, or explanations can also be included in additional tabs of this file.

Details for each variance to be included in additional tabs of this file.

<b>Variance #1</b>									
<b>FOMB Category: GridCo Operating &amp; Maintenance Expenses</b>									
<b>Account: GridCo Labor Operating Expenses</b>									

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical (%)	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
GridCo Labor Operating Expenses	\$ 101		\$ 147		\$ (46)		-45.57%	

Variance Explanation
The following variance explanation, root cause description, and corrective action description applies to both Q1 and Q2 of FY2022.
The primary reason for the budget variance for Labor Operating Expenditures relates to costs associated with the number of mainland workers required to stabilize the grid and to accomplish the task of training and upgrading the existing labor force in terms of both overall job skills as well as a specific emphasis on safety processes and procedures. A priority was placed on building a safe and effective energy workforce through increased training and mentorship by seconded skilled temporary employees and the associated LUMA lineworker paid overtime.

Root Cause
The root cause was the critical need for LUMA to have qualified field personnel as part of each crew, as well as mentoring to provide continuity of service and to bridge an initial need due to the serious lack of industry standard safety and work practices taught and followed at PREPA. LUMA's proactive actions to augment the workforce with trained and qualified workers was necessary to prevent safety incidents and avoid additional outage impacts on customers.

Corrective Action
LUMA's focus on providing safety and technical training to LUMA employees in order to increase their competencies, including graduating students as electric utility lineworkers from the LUMA College for Technical Training, will allow the reliance on mainland workers to augment the workforce to be reduced over the remainder of FY22. LUMA is carefully managing both its labor and non-labor costs over the remainder of the fiscal year and forecasts its overall spending to be in line with aggregate budgets for the fiscal year.

**Note - Numbers are preliminary and subject to change**

PUERTO RICO ELECTRIC POWER AUTHORITY  
FEMA Funds Tracker as of: February-22

Date	Bank Deposited to	Account Number	Account Description	Notes	Amount
9/5/2021	Banco Popular	030-083524	FEMA 3384 EM PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-090458	FEMA 4336 DR PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-083540	FEMA 4339 DR PR Maria	FEMA Maria	-
9/5/2021	Banco Popular	030-225914	FEMA 4473 DR PR Earthquake	FEMA Earthquake	-
Total FEMA Funds Deposited for month ending:					\$ -

# Financial Oversight & Management Board for Puerto Rico

Puerto Rico Electric Power Authority

Report Date

5/17/2022



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### Financial:

- 1 FY22 Monthly B2A Summary
- 2 FY22 Monthly Revenues
- 3 FY22 Monthly Expenses
- 4 Variance Detail
- 5 Federal Funds Tracker

### General Text Color Guides

#### Text Colors:

- Black (Intra Sheet) Formulas
- Green Link to another Tab
- Blue Hardcoded figures
- Red Key Assumption

#### Cell Colors:

- |          |                           |
|----------|---------------------------|
| \$ 6.5   | Historical/Actual Figures |
| 06/19    | Actual                    |
| 1-Dec-20 | Forecast                  |

Note - Numbers are preliminary and subject to change

## FY22 Monthly B2A Summary

(\$ millions)

Summary	March-22				YTD			
	Mar-22 Budget	Mar-22 Actual	Mar-22 Variance (\$)	Mar-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
<b>A. Revenue</b>								
Total Gross Revenue	-	362	(362)	n.a.	-	3,073	(3,073)	n.a.
Other Income	-	2	(2)	n.a.	-	41	(41)	n.a.
Total Unconsolidated Revenue	\$ -	\$ 364	\$ (364)	n.a.	\$ -	\$ 3,113	\$ (3,113)	n.a.
Bad Debt Expense	-	(0)	0	n.a.	-	(33)	33	n.a.
CILT & Subsidies	-	(12)	12	n.a.	-	(110)	110	n.a.
<b>Total Consolidated Revenue</b>	<b>\$ -</b>	<b>\$ 353</b>	<b>\$ (353)</b>	<b>n.a.</b>	<b>\$ -</b>	<b>\$ 2,971</b>	<b>\$ (2,971)</b>	<b>n.a.</b>
<b>B. Expenses</b>								
Fuel & Purchased Power	\$ -	\$ -	\$ -	n.a.	\$ -	\$ -	\$ -	n.a.
<b>Genco:</b>								
GenCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
GenCo Non-Labor/Other Operating Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Shared Services Agreement Impact	\$ -	\$ -	\$ -	n.a.	\$ -	\$ -	\$ -	n.a.
Total GenCo Maintenance Projects Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Federal Funding Cost Share	\$ -	\$ -	\$ -	n.a.	\$ -	\$ -	\$ -	n.a.
<b>Total Genco Operating &amp; Maintenance Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>HoldCo:</b>								
HoldCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
HoldCo Non-Labor / Other Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Total HoldCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>GridCo:</b>								
Total GridCo Operating & Maintenance Expenses	\$ 68	\$ 42	\$ 26	38.0%	\$ 546	\$ 582	\$ (36)	(6.6%)
<b>Total Expenses</b>	<b>\$ 68</b>	<b>\$ 42</b>	<b>\$ 26</b>	<b>38.01%</b>	<b>\$ 546</b>	<b>\$ 582</b>	<b>\$ (36)</b>	<b>-6.64%</b>
<b>C. Net Balance</b>	<b>\$ (68)</b>	<b>\$ 310</b>	<b>\$ (379)</b>	<b>553.66%</b>	<b>\$ (546)</b>	<b>\$ 2,389</b>	<b>\$ (2,935)</b>	<b>537.87%</b>

Note - Numbers are preliminary and subject to change

## FY22 Monthly Revenues

(\$ millions)

### Revenues

#### Basic Revenue

1	Residential
2	Commercial
3	Industrial
4	Public Lighting
5	Agricultural
6	Others
Total Basic Revenue	

#### Fuel & Purchased Power

7	Residential
8	Commercial
9	Industrial
10	Public Lighting
11	Agricultural
12	Others
Total Purchased Power	

#### CILT

13	Residential
14	Commercial
15	Industrial
16	Public Lighting
17	Agricultural
18	Others
Total CILT	

#### Subsidies

19	Residential
20	Commercial
21	Industrial
22	Public Lighting
23	Agricultural
24	Others
Total Subsidies	

#### Total Revenue

Total Gross Revenue	
25	Other Income
Total Unconsolidated Revenue	
26	Bad Debt Expense
27	CILT & Subsidies
Total Consolidated Revenue	
Check	

January-22			
Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)

-	31	(31)	n.a.
-	35	(35)	n.a.
-	9	(9)	n.a.
-	5	(5)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	80	(80)	n.a.

February-22			
Feb-22 Budget	Feb-22 Actual	Feb-22 Variance (\$)	Feb-22 Variance (%)

-	27	(27)	n.a.
-	49	(49)	n.a.
-	8	(8)	n.a.
-	4	(4)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	89	(89)	n.a.

March-22			
Mar-22 Budget	Mar-22 Actual	Mar-22 Variance (\$)	Mar-22 Variance (%)

-	29	(29)	n.a.
-	52	(52)	n.a.
-	9	(9)	n.a.
-	4	(4)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	94	(94)	n.a.

YTD			
YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)

-	310	(310)	n.a.
-	447	(447)	n.a.
-	79	(79)	n.a.
-	40	(40)	n.a.
-	2	(2)	n.a.
-	1	(1)	n.a.
-	878	(878)	n.a.

-	92	(92)	n.a.
-	101	(101)	n.a.
-	29	(29)	n.a.
-	4	(4)	n.a.
-	0	(0)	n.a.
-	1	(1)	n.a.
-	226	(226)	n.a.

-	77	(77)	n.a.
-	100	(100)	n.a.
-	26	(26)	n.a.
-	4	(4)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	206	(206)	n.a.

-	96	(96)	n.a.
-	114	(114)	n.a.
-	30	(30)	n.a.
-	5	(5)	n.a.
-	0	(0)	n.a.
-	1	(1)	n.a.
-	245	(245)	n.a.

-	829	(829)	n.a.
-	906	(906)	n.a.
-	230	(230)	n.a.
-	34	(34)	n.a.
-	3	(3)	n.a.
-	4	(4)	n.a.
-	2,005	(2,005)	n.a.

-	2	(2)	n.a.
-	2	(2)	n.a.
-	1	(1)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	5	(5)	n.a.

-	2	(2)	n.a.
-	2	(2)	n.a.
-	1	(1)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	4	(4)	n.a.

-	2	(2)	n.a.
-	2	(2)	n.a.
-	1	(1)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	5	(5)	n.a.

-	17	(17)	n.a.
-	19	(19)	n.a.
-	5	(5)	n.a.
-	1	(1)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	42	(42)	n.a.

-	6	(6)	n.a.
-	7	(7)	n.a.
-	2	(2)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	15	(15)	n.a.

-	6	(6)	n.a.
-	8	(8)	n.a.
-	2	(2)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	16	(16)	n.a.

-	7	(7)	n.a.
-	9	(9)	n.a.
-	2	(2)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	18	(18)	n.a.

-	61	(61)	n.a.
-	67	(67)	n.a.
-	17	(17)	n.a.
-	3	(3)	n.a.
-	0	(0)	n.a.
-	0	(0)	n.a.
-	148	(148)	n.a.

-	327	(327)	n.a.
-	2	(2)	n.a.
\$	\$ 329	\$ (329)	n.a.
-	(0)	0	n.a.
-	(12)	12	n.a.
\$	\$ 317	\$ (317)	n.a.

-	316	(316)	n.a.
-	2	(2)	n.a.
\$	\$ 318	\$ (318)	n.a.
-	(0)	0	n.a.
-	(11)	11	n.a.
\$	\$ 307	\$ (307)	n.a.

-	362	(362)	n.a.
-	2	(2)	n.a.
\$	\$ 364	\$ (364)	n.a.
-	(0)	0	n.a.
-	(12)	12	n.a.
\$	\$ 353	\$ (353)	n.a.

-	3,073	(3,073)	n.a.
-	41	(41)	n.a.
\$	\$ 3,113	\$ (3,113)	n.a.
-	(33)	33	n.a.
-	(110)	110	n.a.
\$	\$ 2,971	\$ (2,971)	n.a.

Note - Numbers are preliminary and subject to change



## FY22 Monthly Expenses

(\$ millions)

Expenses
----------

### A. Fuel and Purchased Power

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
28 Fuel	-	-	-	n.a.
29 Purchased Power - Conventional Power	-	-	-	n.a.
30 Purchased Power - Renewable Power	-	-	-	n.a.
Total Fuel and Purchased Power	\$ -	\$ -	\$ -	

### B. GenCo - Operations & Maintenance Expenses

#### Labor

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
31 Salaries & Wages	-	-	-	n.a.
32 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.
33 Christmas Bonus	-	-	-	n.a.
34 Pension Benefits - Employer Contribution	-	-	-	n.a.
35 Healthcare Expense	-	-	-	n.a.
36 Overtime Pay	-	-	-	n.a.
37 Overtime Benefits	-	-	-	n.a.
38 GenCo Temporary Operating Positions	-	-	-	n.a.
39 GenCo Emergency Operating Positions	-	-	-	n.a.
40 GenCo Security Personnel	-	-	-	n.a.
Total GenCo Labor Operating Expenses	\$ -	\$ -	\$ -	

#### Non-Labor/Other Operating Expense

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
41 Materials & Supplies	-	-	-	n.a.
42 Transportation, Per Diem, and Mileage	-	-	-	n.a.
43 Security	-	-	-	n.a.
44 Utilities & Rents	-	-	-	n.a.
45 Professional & Technical Outsourced Services	-	-	-	n.a.
46 Other Miscellaneous Expenses	-	-	-	n.a.
Total Non-Labor/Other Operating Expense	\$ -	\$ -	\$ -	

47 Shared Services Agreement Impact	-	-	-	n.a.
Total GenCo Operating Expenses	\$ -	\$ -	\$ -	

#### Maintenance

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
48 Generation	-	-	-	n.a.
Total GenCo Maintenance Projects Expense	\$ -	\$ -	\$ -	
49 Federal Funding Cost Share	-	-	-	n.a.
Total GenCo Operating & Maintenance Expenses	\$ -	\$ -	\$ -	

### C. HoldCo - Operations Expenses

#### Labor

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
50 Salaries & Wages	-	-	-	n.a.
51 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.
52 Christmas Bonus	-	-	-	n.a.
53 Pension Benefits - Employer Contribution	-	-	-	n.a.
54 Healthcare Expense	-	-	-	n.a.
55 Overtime Pay	-	-	-	n.a.
56 Overtime Benefits	-	-	-	n.a.
Total HoldCo Labor Operating Expenses	\$ -	\$ -	\$ -	

#### Non-Labor / Other Operating Expenses

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
57 Materials & Supplies	-	-	-	n.a.
58 Transportation, Per Diem, and Mileage	-	-	-	n.a.
59 Retiree Medical Benefits	-	-	-	n.a.
60 Utilities & Rents	-	-	-	n.a.
61 Communications Expenses	-	-	-	n.a.
62 Professional & Technical Outsourced Services	-	-	-	n.a.
63 Other Miscellaneous Expenses	-	-	-	n.a.
64 PREPA Restructuring & Title III	-	-	-	n.a.
65 FOMB Advisor Costs allocated to PREPA	-	-	-	n.a.
66 P3 Authority Transaction Costs	-	-	-	n.a.
Total HoldCo Non-Labor / Other Operating Expenses	\$ -	\$ -	\$ -	

#### Total HoldCo Operating Expenses

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
67 GridCo Labor Operating Expenses	19	24	(5)	(27.0%)
68 GridCo Non-Labor / Other Operating Expenses	29	35	(6)	(19.8%)
69 Operator Service Fees	10	10	(0)	(1.6%)
70 2% Reserve for Excess Expenditures	1	-	1	100.0%
71 Maintenance Projects Expenses	12	2	10	80.9%
72 Shared Services Agreement Impact	(5)	(6)	1	(23.2%)
Total GridCo Operating & Maintenance Expenses	\$ 66	\$ 65	\$ 1	0.9%

#### Total Operating & Maintenance Expenses

	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)
	\$ 66	\$ 65	\$ 1	0.93%

January-22
Jan-22 Budget Jan-22 Actual Jan-22 Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

February-22
Feb-22 Budget Feb-22 Actual Feb-22 Variance (\$)

March-22
Mar-22 Budget Mar-22 Actual Mar-22 Variance (\$)

YTD
YTD Budget YTD Actual YTD Variance (\$)

**Puerto Rico Electric Power Authority**  
**Variance Detail**  
**FISCAL YEAR 2022**  
**As Of: 5/15/22**

Preliminary Subject to Material Change

As required by the June 2022 Certified Fiscal Plan, please include explanation for material variances (greater than 10% and/or \$30 million).

Other relevant detail, notes, or explanations can also be included in additional tabs of this file.

Details for each variance to be included in additional tabs of this file.

<b>Variance #1</b>							
<b>FOMB Category: GridCo Operating &amp; Maintenance Expenses</b>							
<b>Account: GridCo Labor Operating Expenses</b>							

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical %	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
GridCo Labor Operating Expenses	\$ 158		\$ 210		\$ (53)		-33.40%	

<b>Variance Explanation</b>
The following variance explanation, root cause description, and corrective action description applies to Q1, Q2 and Q3 of FY2022.
The primary reason for the budget variance for Labor Operating Expenditures relates to costs associated with the number of mainland workers required to stabilize the grid and to accomplish the task of training and upgrading the existing labor force in terms of both overall job skills as well as a specific emphasis on safety processes and procedures. A priority was placed on building a safe and effective energy workforce through increased training and mentorship by seconded skilled temporary employees and the associated LUMA lineworker paid overtime.

<b>Root Cause</b>
The root cause was the critical need for LUMA to have qualified field personnel as part of each crew, as well as mentoring to provide continuity of service and to bridge an initial need due to the serious lack of industry standard safety and work practices taught and followed at PREPA. LUMA's proactive actions to augment the workforce with trained and qualified workers was necessary to prevent safety incidents and avoid additional outage impacts on customers.

<b>Corrective Action</b>
LUMA's focus on providing safety and technical training to LUMA employees in order to increase their competencies, including graduating students as electric utility lineworkers from the LUMA College for Technical Training, has allowed to reduced the reliance on mainland workers to augment the workforce in Q3 of FY2022. This trend is expected to continue in Q4 of FY2022. LUMA is carefully managing both its labor and non-labor costs over the remainder of the fiscal year and forecasts its overall spending to be in line with aggregate budgets for the fiscal year.

**Note - Numbers are preliminary and subject to change**

PUERTO RICO ELECTRIC POWER AUTHORITY  
FEMA Funds Tracker as of: May-22

Date	Bank Deposited to	Account Number	Account Description	Notes	Amount
9/5/2021	Banco Popular	030-083524	FEMA 3384 EM PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-090458	FEMA 4336 DR PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-083540	FEMA 4339 DR PR Maria	FEMA Maria	-
9/5/2021	Banco Popular	030-225914	FEMA 4473 DR PR Earthquake	FEMA Earthquake	-
Total FEMA Funds Deposited for month ending:					\$ -

# Financial Oversight & Management Board for Puerto Rico

## Puerto Rico Electric Power Authority

Report Date 8/15/2022



### I. Table of Contents ("CTRL + [" to go to each file)

#### Financial:

- 1 [FY22 Monthly B2A Summary](#)
- 2 [FY22 Monthly Revenues](#)
- 3 [FY22 Monthly Expenses](#)
- 4 [Variance Detail](#)
- 5 [Federal Funds Tracker](#)

### General Text Color Guides

#### Text Colors:

- |       |                               |
|-------|-------------------------------|
| Black | <i>(Intra Sheet) Formulas</i> |
| Green | <i>Link to another Tab</i>    |
| Blue  | <i>Hardcoded figures</i>      |
| Red   | <i>Key Assumption</i>         |

#### Cell Colors:

- |          |                                  |
|----------|----------------------------------|
| \$ 6.5   | <i>Historical/Actual Figures</i> |
| 06/19    | <i>Actual</i>                    |
| 1-Dec-20 | <i>Forecast</i>                  |

**Note - Numbers are preliminary and subject to change**

## FY22 Monthly B2A Summary

(\$ millions)

Summary	June-22				YTD			
	Jun-22 Budget	Jun-22 Actual	Jun-22 Variance (\$)	Jun-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
<b>A. Revenue</b>								
Total Gross Revenue	-	428	(428)	n.a.	-	4,266	(4,266)	n.a.
Other Income	-	3	(3)	n.a.	-	47	(47)	n.a.
Total Unconsolidated Revenue	\$ -	\$ 431	\$ (431)	n.a.	\$ -	\$ 4,314	\$ (4,314)	n.a.
Bad Debt Expense	-	(52)	52	n.a.	-	(85)	85	n.a.
CILT & Subsidies	-	(17)	17	n.a.	-	(154)	154	n.a.
<b>Total Consolidated Revenue</b>	<b>\$ -</b>	<b>\$ 361</b>	<b>\$ (361)</b>	<b>n.a.</b>	<b>\$ -</b>	<b>\$ 4,074</b>	<b>\$ (4,074)</b>	<b>n.a.</b>
<b>B. Expenses</b>								
Fuel & Purchased Power	\$ -	\$ -	\$ -	n.a.	\$ -	\$ -	\$ -	n.a.
<b>Genco:</b>								
GenCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
GenCo Non-Labor/Other Operating Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Shared Services Agreement Impact	\$ -	\$ -	-	n.a.	\$ -	\$ -	-	n.a.
Total GenCo Maintenance Projects Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Federal Funding Cost Share	\$ -	\$ -	-	n.a.	\$ -	\$ -	-	n.a.
<b>Total Genco Operating &amp; Maintenance Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>HoldCo:</b>								
HoldCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
HoldCo Non-Labor / Other Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Total HoldCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>GridCo:</b>								
Total GridCo Operating & Maintenance Expenses	\$ 74	\$ 67	\$ 7	10.1%	\$ 767	\$ 764	\$ 2	0.3%
<b>Total Expenses</b>	<b>\$ 74</b>	<b>\$ 67</b>	<b>\$ 7</b>	<b>10.05%</b>	<b>\$ 767</b>	<b>\$ 764</b>	<b>\$ 2</b>	<b>0.32%</b>
<b>C. Net Balance</b>	<b>\$ (74)</b>	<b>\$ 295</b>	<b>\$ (369)</b>	<b>496.77%</b>	<b>\$ (767)</b>	<b>\$ 3,310</b>	<b>\$ (4,077)</b>	<b>531.82%</b>

**Note - Numbers are preliminary and subject to change**

## FY22 Monthly Revenues

(\$ millions)

Revenues
----------

### Basic Revenue

1 Residential
2 Commercial
3 Industrial
4 Public Lighting
5 Agricultural
6 Others
<b>Total Basic Revenue</b>

### Fuel & Purchased Power

7 Residential
8 Commercial
9 Industrial
10 Public Lighting
11 Agricultural
12 Others
<b>Total Purchased Power</b>

### CILT

13 Residential
14 Commercial
15 Industrial
16 Public Lighting
17 Agricultural
18 Others
<b>Total CILT</b>

### Subsidies

19 Residential
20 Commercial
21 Industrial
22 Public Lighting
23 Agricultural
24 Others
<b>Total Subsidies</b>

### Total Revenue

<b>Total Gross Revenue</b>
25 Other Income
<b>Total Unconsolidated Revenue</b>
26 Bad Debt Expense
27 CILT & Subsidies
<b>Total Consolidated Revenue</b>
Check

	April-22				May-22				June-22				YTD			
	Apr-22 Budget	Apr-22 Actual	Apr-22 Variance (\$)	Apr-22 Variance (%)	May-22 Budget	May-22 Actual	May-22 Variance (\$)	May-22 Variance (%)	Jun-22 Budget	Jun-22 Actual	Jun-22 Variance (\$)	Jun-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
1 Residential	-	29	(29)	n.a.	-	32	(32)	n.a.	-	39	(39)	n.a.	-	411	(411)	n.a.
2 Commercial	-	67	(67)	n.a.	-	64	(64)	n.a.	-	40	(40)	n.a.	-	618	(618)	n.a.
3 Industrial	-	7	(7)	n.a.	-	10	(10)	n.a.	-	8	(8)	n.a.	-	104	(104)	n.a.
4 Public Lighting	-	4	(4)	n.a.	-	10	(10)	n.a.	-	4	(4)	n.a.	-	58	(58)	n.a.
5 Agricultural	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	2	(2)	n.a.
6 Others	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	2	(2)	n.a.
<b>Total Basic Revenue</b>	-	108	(108)	n.a.	-	116	(116)	n.a.	-	92	(92)	n.a.	-	1,195	(1,195)	n.a.
7 Residential	-	95	(95)	n.a.	-	104	(104)	n.a.	-	136	(136)	n.a.	-	1,163	(1,163)	n.a.
8 Commercial	-	99	(99)	n.a.	-	131	(131)	n.a.	-	143	(143)	n.a.	-	1,279	(1,279)	n.a.
9 Industrial	-	26	(26)	n.a.	-	36	(36)	n.a.	-	30	(30)	n.a.	-	321	(321)	n.a.
10 Public Lighting	-	4	(4)	n.a.	-	9	(9)	n.a.	-	5	(5)	n.a.	-	52	(52)	n.a.
11 Agricultural	-	1	(1)	n.a.	-	1	(1)	n.a.	-	1	(1)	n.a.	-	5	(5)	n.a.
12 Others	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	5	(5)	n.a.
<b>Total Purchased Power</b>	-	224	(224)	n.a.	-	281	(281)	n.a.	-	314	(314)	n.a.	-	2,825	(2,825)	n.a.
13 Residential	-	2	(2)	n.a.	-	2	(2)	n.a.	-	2	(2)	n.a.	-	23	(23)	n.a.
14 Commercial	-	2	(2)	n.a.	-	3	(3)	n.a.	-	2	(2)	n.a.	-	26	(26)	n.a.
15 Industrial	-	0	(0)	n.a.	-	1	(1)	n.a.	-	0	(0)	n.a.	-	6	(6)	n.a.
16 Public Lighting	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	1	(1)	n.a.
17 Agricultural	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
18 Others	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
<b>Total CILT</b>	-	4	(4)	n.a.	-	5	(5)	n.a.	-	5	(5)	n.a.	-	57	(57)	n.a.
19 Residential	-	4	(4)	n.a.	-	6	(6)	n.a.	-	7	(7)	n.a.	-	78	(78)	n.a.
20 Commercial	-	5	(5)	n.a.	-	7	(7)	n.a.	-	7	(7)	n.a.	-	86	(86)	n.a.
21 Industrial	-	1	(1)	n.a.	-	2	(2)	n.a.	-	2	(2)	n.a.	-	21	(21)	n.a.
22 Public Lighting	-	0	(0)	n.a.	-	1	(1)	n.a.	-	0	(0)	n.a.	-	4	(4)	n.a.
23 Agricultural	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
24 Others	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
<b>Total Subsidies</b>	-	10	(10)	n.a.	-	16	(16)	n.a.	-	16	(16)	n.a.	-	190	(190)	n.a.
<b>Total Revenue</b>	-	347	(347)	n.a.	-	418	(418)	n.a.	-	428	(428)	n.a.	-	4,266	(4,266)	n.a.
25 Other Income	-	2	(2)	n.a.	-	3	(3)	n.a.	-	3	(3)	n.a.	-	47	(47)	n.a.
<b>Total Unconsolidated Revenue</b>	\$ -	\$ 350	\$ (350)	n.a.	\$ -	\$ 420	\$ (420)	n.a.	\$ -	\$ 431	\$ (431)	n.a.	\$ -	\$ 4,314	\$ (4,314)	n.a.
26 Bad Debt Expense	-	(0)	0	n.a.	-	(0)	0	n.a.	-	(52)	52	n.a.	-	(85)	85	n.a.
27 CILT & Subsidies	-	(14)	14	n.a.	-	(14)	14	n.a.	-	(17)	17	n.a.	-	(154)	154	n.a.
<b>Total Consolidated Revenue</b>	\$ -	\$ 336	\$ (336)	n.a.	\$ -	\$ 406	\$ (406)	n.a.	\$ -	\$ 361	\$ (361)	n.a.	\$ -	\$ 4,074	\$ (4,074)	n.a.

Note - Numbers are preliminary and subject to change

Puerto Rico Electric Power Authority  
Monthly Expenses  
FISCAL YEAR 2022  
As Of: 8/15/2022

## FY22 Monthly Expenses

(\$ millions)

Expenses
----------

### A. Fuel and Purchased Power

	April-22				May-22				June-22				YTD			
	Apr-22 Budget	Apr-22 Actual	Apr-22 Variance (\$)	Apr-22 Variance (%)	May-22 Budget	May-22 Actual	May-22 Variance (\$)	May-22 Variance (%)	Jun-22 Budget	Jun-22 Actual	Jun-22 Variance (\$)	Jun-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
28 Fuel	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
29 Purchased Power - Conventional Power	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
30 Purchased Power - Renewable Power	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total Fuel and Purchased Power</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

### B. GenCo - Operations & Maintenance Expenses

<b>Labor</b>																
31 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
32 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
33 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
34 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
35 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
36 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
37 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
38 GenCo Temporary Operating Positions	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
39 GenCo Emergency Operating Positions	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
40 GenCo Security Personnel	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Labor Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Labor/Other Operating Expense</b>																
41 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
42 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
43 Security	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
44 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
45 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
46 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total Non-Labor/Other Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
47 Shared Services Agreement Impact	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Maintenance</b>																
48 Generation	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Maintenance Projects Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
49 Federal Funding Cost Share	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Operating &amp; Maintenance Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

### C. HoldCo - Operations Expenses

<b>Labor</b>																
50 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
51 Marginal Benefits (excl. Healthcare, Pension and Ch. B	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
52 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
53 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
54 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
55 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
56 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total HoldCo Labor Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Labor / Other Operating Expenses</b>																
57 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
58 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
59 Retiree Medical Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
60 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
61 Communications Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
62 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
63 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
64 PREPA Restructuring & Title III	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
65 FOMB Advisor Costs allocated to PREPA	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
66 P3 Authority Transaction Costs	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total HoldCo Non-Labor / Other Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total HoldCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

### D. GridCo - Operating & Maintenance Expenses

67 GridCo Labor Operating Expenses	20	30	(10)	(52.3%)	20	28	(8)	(38.8%)	20	(24)	44	217.8%	217	244	(27)	(12.3%)
68 GridCo Non-Labor / Other Operating Expenses	29	25	4	14.0%	29	17	12	40.7%	30	49	(19)	(63.5%)	354	354	0	0.0%
69 Operator Service Fees	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	115	117	(2)	(1.6%)
70 2% Reserve for Excess Expenditures	1	1	0	0.0%	1	1	0	0.0%	1	10	(9)	(1005.00%)	10	10	0	0.0%
71 Maintenance Projects Expenses	18	2	17	91.8%	18	3	15	84.0%	18	30	(12)	(63.5%)	124	99	25	20.1%
72 Shared Services Agreement Impact	(5)	(4)	(0)	3.0%	(5)	(4)	(0)	9.6%	(5)	(8)	4	(80.1%)	(55)	(61)	6	(11.0%)
<b>Total GridCo Operating &amp; Maintenance Expenses</b>	<b>\$ 73</b>	<b>\$ 62</b>	<b>\$ 11</b>	<b>15.4%</b>	<b>\$ 73</b>	<b>\$ 54</b>	<b>\$ 20</b>	<b>27.1%</b>	<b>\$ 74</b>	<b>\$ 67</b>	<b>\$ 7</b>	<b>10.05%</b>	<b>\$ 767</b>	<b>\$ 764</b>	<b>\$ 3</b>	<b>0.32%</b>
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 73</b>	<b>\$ 62</b>	<b>\$ 11</b>	<b>15.4%</b>	<b>\$ 73</b>	<b>\$ 54</b>	<b>\$ 20</b>	<b>27.14%</b>	<b>\$ 74</b>	<b>\$ 67</b>	<b>\$ 7</b>	<b>10.05%</b>	<b>\$ 767</b>	<b>\$ 764</b>	<b>\$ 3</b>	<b>0.32%</b>

Note - Numbers are preliminary and subject to change

Puerto Rico Electric Power Authority  
Variance Detail  
FISCAL YEAR 2022  
As Of: 12/31/21

Preliminary Subject to Material Change

As required by the June 2022 Certified Fiscal Plan, please include explanation for material variances (greater than 10% and/or \$30 million).  
Other relevant detail, notes, or explanations can also be included in additional tabs of this file.  
Details for each variance to be included in additional tabs of this file.

Variance #1
FOMB Category:
Account:

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical (%)	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
					\$ -		#DIV/0!	

Variance Explanation

Root Cause

Corrective Action

Note - Numbers are preliminary and subject to change



PUERTO RICO ELECTRIC POWER AUTHORITY  
FEMA Funds Tracker as of: August-22

Date	Bank Deposited to	Account Number	Account Description	Notes	Amount
9/5/2021	Banco Popular	030-083524	FEMA 3384 EM PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-090458	FEMA 4336 DR PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-083540	FEMA 4339 DR PR Maria	FEMA Maria	-
9/5/2021	Banco Popular	030-225914	FEMA 4473 DR PR Earthquake	FEMA Earthquake	-
Total FEMA Funds Deposited for month ending:					\$ -

**Financial Oversight & Management Board for Puerto Rico**  
**Puerto Rico Electric Power Authority**

Report Date **11/2/2022**



**I. Table of Contents ("CTRL + [" to go to each file)**

**Financial:**

- 1 [FY22 Monthly B2A Summary](#)
- 2 [FY22 Monthly Revenues](#)
- 3 [FY22 Monthly Expenses](#)
- 4 [Variance Detail](#)
- 5 [Federal Funds Tracker](#)

**General Text Color Guides**

**Text Colors:**

- |       |                               |
|-------|-------------------------------|
| Black | <i>(Intra Sheet) Formulas</i> |
| Green | <i>Link to another Tab</i>    |
| Blue  | <i>Hardcoded figures</i>      |
| Red   | <i>Key Assumption</i>         |

**Cell Colors:**

- |  |                                  |
|--|----------------------------------|
|  | <i>Historical/Actual Figures</i> |
|  | <i>Actual</i>                    |
|  | <i>Forecast</i>                  |

**Note - Financial information has not been subject to audit and is subject to the System Remediation Plan.**

## FY22 Monthly B2A Summary

(\$ millions)

Summary	June-22				YTD			
	Jun-22 Budget	Jun-22 Actual	Jun-22 Variance (\$)	Jun-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
<b>A. Revenue</b>								
Total Gross Revenue	-	428	(428)	n.a.	-	4,266	(4,266)	n.a.
Other Income	-	3	(3)	n.a.	-	47	(47)	n.a.
Total Unconsolidated Revenue	\$ -	\$ 431	\$ (431)	n.a.	\$ -	\$ 4,314	\$ (4,314)	n.a.
Bad Debt Expense	-	(52)	52	n.a.	-	(85)	85	n.a.
CILT & Subsidies	-	(17)	17	n.a.	-	(154)	154	n.a.
<b>Total Consolidated Revenue</b>	<b>\$ -</b>	<b>\$ 361</b>	<b>\$ (361)</b>	<b>n.a.</b>	<b>\$ -</b>	<b>\$ 4,074</b>	<b>\$ (4,074)</b>	<b>n.a.</b>
<b>B. Expenses</b>								
Fuel & Purchased Power	\$ -	\$ -	\$ -	n.a.	\$ -	\$ -	\$ -	n.a.
<u>GenCo:</u>								
GenCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
GenCo Non-Labor/Other Operating Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Shared Services Agreement Impact	\$ -	\$ -	-	n.a.	\$ -	\$ -	-	n.a.
Total GenCo Maintenance Projects Expense	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Federal Funding Cost Share	\$ -	\$ -	-	n.a.	\$ -	\$ -	-	n.a.
<b>Total GenCo Operating &amp; Maintenance Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<u>HoldCo:</u>								
HoldCo Labor Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
HoldCo Non-Labor / Other Operating Expenses	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
<b>Total HoldCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<u>GridCo:</u>								
Total GridCo Operating & Maintenance Expenses	\$ 74	\$ 65	\$ 9	12.0%	\$ 766	\$ 765	\$ 1	0.2%
<b>Total Expenses</b>	<b>\$ 74</b>	<b>\$ 65</b>	<b>\$ 9</b>	<b>12.04%</b>	<b>\$ 766</b>	<b>\$ 765</b>	<b>\$ 1</b>	<b>0.17%</b>
<b>C. Net Balance</b>	<b>\$ (74)</b>	<b>\$ 297</b>	<b>\$ (370)</b>	<b>501.73%</b>	<b>\$ (766)</b>	<b>\$ 3,309</b>	<b>\$ (4,075)</b>	<b>531.99%</b>

Note - Financial information has not been subject to audit and is subject to the System Remediation Plan.

## FY22 Monthly Revenues

(\$ millions)

### Revenues

#### Basic Revenue

1	Residential
2	Commercial
3	Industrial
4	Public Lighting
5	Agricultural
6	Others
Total Basic Revenue	

#### Fuel & Purchased Power

7	Residential
8	Commercial
9	Industrial
10	Public Lighting
11	Agricultural
12	Others
Total Purchased Power	

#### CILT

13	Residential
14	Commercial
15	Industrial
16	Public Lighting
17	Agricultural
18	Others
Total CILT	

#### Subsidies

19	Residential
20	Commercial
21	Industrial
22	Public Lighting
23	Agricultural
24	Others
Total Subsidies	

#### Total Revenue

Total Gross Revenue	
25	Other Income
Total Unconsolidated Revenue	
Bad Debt Expense	
27	CILT & Subsidies
Total Consolidated Revenue	
Check	

April-22				May-22				June-22				YTD			
Apr-22 Budget	Apr-22 Actual	Apr-22 Variance (\$)	Apr-22 Variance (%)	May-22 Budget	May-22 Actual	May-22 Variance (\$)	May-22 Variance (%)	Jun-22 Budget	Jun-22 Actual	Jun-22 Variance (\$)	Jun-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
-	29	(29)	n.a.	-	32	(32)	n.a.	-	39	(39)	n.a.	-	411	(411)	n.a.
-	67	(67)	n.a.	-	64	(64)	n.a.	-	40	(40)	n.a.	-	618	(618)	n.a.
-	7	(7)	n.a.	-	10	(10)	n.a.	-	8	(8)	n.a.	-	104	(104)	n.a.
-	4	(4)	n.a.	-	10	(10)	n.a.	-	4	(4)	n.a.	-	58	(58)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	2	(2)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	2	(2)	n.a.
-	108	(108)	n.a.	-	116	(116)	n.a.	-	92	(92)	n.a.	-	1,195	(1,195)	n.a.
-	95	(95)	n.a.	-	104	(104)	n.a.	-	136	(136)	n.a.	-	1,163	(1,163)	n.a.
-	99	(99)	n.a.	-	131	(131)	n.a.	-	143	(143)	n.a.	-	1,279	(1,279)	n.a.
-	26	(26)	n.a.	-	36	(36)	n.a.	-	30	(30)	n.a.	-	321	(321)	n.a.
-	4	(4)	n.a.	-	9	(9)	n.a.	-	5	(5)	n.a.	-	52	(52)	n.a.
-	1	(1)	n.a.	-	1	(1)	n.a.	-	1	(1)	n.a.	-	5	(5)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	5	(5)	n.a.
-	224	(224)	n.a.	-	281	(281)	n.a.	-	314	(314)	n.a.	-	2,825	(2,825)	n.a.
-	2	(2)	n.a.	-	2	(2)	n.a.	-	2	(2)	n.a.	-	23	(23)	n.a.
-	2	(2)	n.a.	-	3	(3)	n.a.	-	2	(2)	n.a.	-	26	(26)	n.a.
-	0	(0)	n.a.	-	1	(1)	n.a.	-	0	(0)	n.a.	-	6	(6)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	1	(1)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
-	4	(4)	n.a.	-	5	(5)	n.a.	-	5	(5)	n.a.	-	57	(57)	n.a.
-	4	(4)	n.a.	-	6	(6)	n.a.	-	7	(7)	n.a.	-	78	(78)	n.a.
-	5	(5)	n.a.	-	7	(7)	n.a.	-	7	(7)	n.a.	-	86	(86)	n.a.
-	1	(1)	n.a.	-	2	(2)	n.a.	-	2	(2)	n.a.	-	21	(21)	n.a.
-	0	(0)	n.a.	-	1	(1)	n.a.	-	0	(0)	n.a.	-	4	(4)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.	-	0	(0)	n.a.
-	10	(10)	n.a.	-	16	(16)	n.a.	-	16	(16)	n.a.	-	190	(190)	n.a.
-	347	(347)	n.a.	-	418	(418)	n.a.	-	428	(428)	n.a.	-	4,266	(4,266)	n.a.
-	2	(2)	n.a.	-	3	(3)	n.a.	-	3	(3)	n.a.	-	47	(47)	n.a.
\$ -	\$ 350	\$ (350)	n.a.	\$ -	\$ 420	\$ (420)	n.a.	\$ -	\$ 431	\$ (431)	n.a.	\$ -	\$ 4,314	\$ (4,314)	n.a.
-	(0)	0	n.a.	-	(0)	0	n.a.	-	(52)	52	n.a.	-	(85)	85	n.a.
-	(14)	14	n.a.	-	(14)	14	n.a.	-	(17)	17	n.a.	-	(154)	154	n.a.
\$ -	\$ 336	\$ (336)	n.a.	\$ -	\$ 406	\$ (406)	n.a.	\$ -	\$ 361	\$ (361)	n.a.	\$ -	\$ 4,074	\$ (4,074)	n.a.

Note - Financial Information has not been subject to audit and is subject to the System Remediation Plan.

## FY22 Monthly Expenses

(\$ millions)

Expenses
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### A. Fuel and Purchased Power

	Apr-22 Budget	Apr-22 Actual	Apr-22 Variance (\$)	Apr-22 Variance (%)	May-22 Budget	May-22 Actual	May-22 Variance (\$)	May-22 Variance (%)	June-22 Budget	June-22 Actual	June-22 Variance (\$)	June-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
28 Fuel	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
29 Purchased Power - Conventional Power	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
30 Purchased Power - Renewable Power	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total Fuel and Purchased Power</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

### B. GenCo - Operations & Maintenance Expenses

<b>Labor</b>																
31 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
32 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
33 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
34 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
35 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
36 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
37 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
38 GenCo Temporary Operating Positions	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
39 GenCo Emergency Operating Positions	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
40 GenCo Security Personnel	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Labor Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Labor/Other Operating Expense</b>																
41 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
42 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
43 Security	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
44 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
45 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
46 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total Non-Labor/Other Operating Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
47 Shared Services Agreement Impact	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Maintenance</b>																
48 Generation	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Maintenance Projects Expense</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
49 Federal Funding Cost Share	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total GenCo Operating &amp; Maintenance Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

### C. HoldCo - Operations Expenses

<b>Labor</b>																
50 Salaries & Wages	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
51 Marginal Benefits (excl. Healthcare, Pension and Ch. B	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
52 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
53 Pension Benefits - Employer Contribution	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
54 Healthcare Expense	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
55 Overtime Pay	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
56 Overtime Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total HoldCo Labor Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Non-Labor / Other Operating Expenses</b>																
57 Materials & Supplies	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
58 Transportation, Per Diem, and Mileage	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
59 Retiree Medical Benefits	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
60 Utilities & Rents	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
61 Communications Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
62 Professional & Technical Outsourced Services	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
63 Other Miscellaneous Expenses	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
64 PREPA Restructuring & Title III	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
65 FOMB Advisor Costs allocated to PREPA	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
66 P3 Authority Transaction Costs	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
<b>Total HoldCo Non-Labor / Other Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total HoldCo Operating Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

### D. GridCo - Operating & Maintenance Expenses

67 GridCo Labor Operating Expenses	20	30	(10)	(52.3%)	20	28	(8)	(38.8%)	20	(16)	36	180.2%	217	254	(37)	(16.9%)
68 GridCo Non-Labor / Other Operating Expenses	29	25	4	13.8%	29	17	12	40.7%	29	40	(11)	(36.2%)	354	346	8	2.3%
69 Operator Service Fees	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	10	10	(1)	(5.2%)	115	117	(2)	(1.9%)
70 2% Reserve for Excess Expenditures	1	1	0	0.0%	1	1	0	0.0%	1	10	(9)	(1000.0%)	10	10	0	0.0%
71 Maintenance Projects Expenses	18	2	17	91.8%	18	3	15	84.0%	18	29	(10)	(55.8%)	124	98	26	21.2%
72 Shared Services Agreement Impact	(5)	(4)	(0)	3.0%	(5)	(4)	(0)	9.6%	(5)	(8)	3	(71.8%)	(55)	(60)	6	(10.3%)
<b>Total GridCo Operating &amp; Maintenance Expenses</b>	<b>\$ 73</b>	<b>\$ 62</b>	<b>\$ 11</b>	<b>15.34%</b>	<b>\$ 73</b>	<b>\$ 54</b>	<b>\$ 20</b>	<b>27.14%</b>	<b>\$ 74</b>	<b>\$ 65</b>	<b>\$ 9</b>	<b>12.04%</b>	<b>766</b>	<b>765</b>	<b>1</b>	<b>0.17%</b>
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 73</b>	<b>\$ 62</b>	<b>\$ 11</b>	<b>15.34%</b>	<b>\$ 73</b>	<b>\$ 54</b>	<b>\$ 20</b>	<b>27.14%</b>	<b>\$ 74</b>	<b>\$ 65</b>	<b>\$ 9</b>	<b>12.04%</b>	<b>766</b>	<b>765</b>	<b>1</b>	<b>0.17%</b>

Note - Financial information has not been subject to audit and is subject to the System Remediation Plan.

**Puerto Rico Electric Power Authority**  
**Variance Detail**  
**FISCAL YEAR 2022**  
**As Of: 12/31/21**

As required by the June 2022 Certified Fiscal Plan, please include explanation for material variances (greater than 10% and/or \$30 million). Other relevant detail, notes, or explanations can also be included in additional tabs of this file.

Details for each variance to be included in additional tabs of this file.

Variance #1
FOMB Category:
Account:

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical (%)	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
					\$ -		#DIV/0!	

Variance Explanation

Root Cause

Corrective Action

**Note - Financial information has not been subject to audit and is subject to the System Remediation Plan.**

PUERTO RICO ELECTRIC POWER AUTHORITY

FEMA Funds Tracker as of: 

November-22

Date	Bank Deposited to	Account Number	Account Description	Notes	Amount
9/5/2021	Banco Popular	030-083524	FEMA 3384 EM PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-090458	FEMA 4336 DR PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-083540	FEMA 4339 DR PR Maria	FEMA Maria	-
9/5/2021	Banco Popular	030-225914	FEMA 4473 DR PR Earthquake	FEMA Earthquake	-
Total FEMA Funds Deposited for month ending:					<div>\$</div> -

**SHARED SERVICES AGREEMENT**

**dated as of**

**June 1, 2021**

**by and among**

**THE PUERTO RICO ELECTRIC POWER AUTHORITY**  
as Owner,

**THE PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY**  
as Administrator,

**LUMA ENERGY, LLC**  
as ManagementCo

**and**

**LUMA ENERGY SERVCO, LLC**



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## **SHARED SERVICES AGREEMENT**

This SHARED SERVICES AGREEMENT (“Agreement”) is entered into as of June 1, 2021, by and among: (i) the Puerto Rico Electric Power Authority (“Owner”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by Act No. 83 of the Legislative Assembly of Puerto Rico, enacted on May 2, 1941; (ii) the Puerto Rico Public-Private Partnerships Authority (“Administrator”), a public corporation of the Commonwealth of Puerto Rico, created by Act No. 29 of the Legislative Assembly of Puerto Rico, enacted on June 8, 2009; (iii) LUMA Energy, LLC (“ManagementCo”), a limited liability company organized under the laws of Puerto Rico; and (iv) LUMA Energy ServCo, LLC (together with ManagementCo, “T&D Operator” and, together with Owner, Administrator and ManagementCo, the “Parties” and each a “Party”). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in Article I.

### **R E C I T A L S:**

WHEREAS, Owner owns the transmission and distribution system (the “T&D System”) and the Legacy Generation Assets (as defined below);

WHEREAS, Owner currently performs certain administrative, managerial and operational services in connection with the operation and management of the T&D System and the Legacy Generation Assets;

WHEREAS, Owner intends to undergo a reorganization pursuant to which the T&D System may be transferred to a newly-created, wholly-owned subsidiary of Owner and the Legacy Generation Assets (as defined below) will be transferred to a newly-created, wholly-owned subsidiary of Owner;

WHEREAS, Owner, Administrator and T&D Operator have entered into that certain Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated as of June 22, 2020 (as amended, modified or supplemented from time to time in accordance with its terms, the “T&D O&M Agreement”), pursuant to the terms of which T&D Operator will take over the operation and maintenance of the T&D System, including certain administrative, managerial and operational services;

WHEREAS, certain administrative, managerial and operational services performed by T&D Operator will be required for the operation and management of the Legacy Generation Assets (such services, but only to the extent listed in Exhibit A attached hereto, the “Shared Services”);

WHEREAS the Legacy Generation Assets will require the Shared Services and, as a result, GenCo (as defined below) wishes to engage T&D Operator, as agent of GridCo (as defined below), to perform such Shared Services for the Legacy Generation Assets for a limited period of time;

WHEREAS, GenCo and Administrator intend to enter into an agreement to transfer the operation and maintenance of the Legacy Generation Assets to one or more third-party operators (each such third-party operator, a “Generation Operator”) and, in connection therewith, GenCo wishes to have T&D Operator, as agent of GridCo, continue to perform the Shared Services for the Legacy Generation Assets following such transfer for a limited period of time;

WHEREAS, T&D Operator will, on the terms and conditions set forth herein, perform the Shared Services for the Legacy Generation Assets on behalf of and as an agent of GridCo for the benefit of GenCo or Generation Operator, as the case may be;

NOW, THEREFORE, in consideration of the promises and the covenants, conditions, and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## **ARTICLE I**

### **Definitions**

1.1 Definitions. As used in this Agreement, the following terms shall have the respective meanings set forth below:

“Access Persons” has the meaning set forth in Section 2.7(a).

“Administrator” has the meaning set forth in the introductory paragraph.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, including through one or more intermediaries, Controls (as such term is defined in the T&D O&M Agreement), is Controlled by or is under common Control with such Person; provided, that each Equity Participant (as such term is defined in the T&D O&M Agreement) and its Affiliates will be deemed “Affiliates” of T&D Operator.

“Agreement” has the meaning set forth in the introductory paragraph.

“Allocated Costs” means non-labor costs associated with the provision of Shared Services, which shall (i) be allocated based on the incremental cost of providing such Shared Services to GenCo, (ii) be determined based on budgets, historic trends and best estimates, and (iii) be agreed to by GenCo and the T&D Operator from time to time. Initial estimates of Allocated Costs are set forth in Exhibit A hereto.

“Applicable Law” means any foreign, national, federal, state, Commonwealth, municipal or local law, constitution, treaty, convention, statute, ordinance, code, rule, regulation, common law, case law or other similar requirement enacted, adopted, promulgated or applied by any Governmental Body (as such term is defined in the T&D O&M Agreement), including any Environmental Law (as such term is defined in the T&D O&M Agreement), PROMESA (as such term is defined in the T&D O&M Agreement) and any order issued by the Title III Court (as such term is defined in the T&D O&M Agreement), in each case applicable to the Parties.

“Assigned Costs” means fully-loaded labor costs associated with the provision of Shared Services, which shall (i) be assigned on either a full (100%) or partial basis based on employee assignments required to perform the Shared Services and (ii) agreed to by GenCo and the T&D Operator from time to time. Initial estimates of Assigned Costs are set forth in Exhibit A hereto.

“Business Day” means any day that is not a Saturday, a Sunday or a day observed as a holiday by either the Commonwealth or the United States federal government.

“Claiming Party” has the meaning set forth in Section 2.6(a).

“Commonwealth” means the Commonwealth of Puerto Rico.

“Contract Standards” means the terms, conditions, methods, techniques, practices and standards imposed or required by: (i) Applicable Law; (ii) Prudent Utility Practice; (iii) applicable equipment manufacturer’s specifications and reasonable recommendations; (iv) applicable insurance requirements under any insurance procured pursuant to this Agreement; (v) the Procurement Manuals (as such terms are defined in the T&D O&M Agreement), as applicable, and (vi) any other standard, term, condition or requirement specifically contracted in this Agreement to be observed by T&D Operator.

“Extension Term” has the meaning set forth in Section 2.3(b).

“Force Majeure Event” has the meaning set forth in the T&D O&M Agreement, provided that all references therein to “Operator” shall be deemed to be references to “T&D Operator.”

“GenCo” means (i) Owner in its capacity as owner of the Legacy Generation Assets or (ii) an entity, which may be directly or indirectly owned by Owner or an Affiliate of Owner, that may acquire or obtain ownership of the Legacy Generation Assets after any potential reorganization of Owner and to which Owner may assign certain of its rights and obligations under this Agreement pursuant to Section 6.6.

“Generation Operator” has the meaning set forth in the Recitals.

“GridCo” means (i) Owner in its capacity as owner of the T&D System or (ii) an entity, which may be directly or indirectly owned by Owner or an Affiliate of Owner, that may acquire or obtain ownership of the T&D System after any potential reorganization of Owner and to which Owner may assign certain of its rights and obligations under this Agreement pursuant to Section 6.6.

“Hydropower Assets” means the sixteen (16) hydroelectric generating units and their respective turbines, switchyards, dams and reservoirs at nine (9) facilities located throughout the island of Puerto Rico in which Owner or GenCo has an ownership or leasehold interest.

“Initial Term” has the meaning set forth in Section 2.3(a).

“Legacy Generation Assets” means any power plants and any facilities, equipment and other assets related to the generation of Power and Electricity existing as of the date hereof and in which GenCo has an ownership or leasehold interest. For the avoidance of doubt, “Legacy Generation Assets” includes the Hydropower Assets.

“Losses” has the meaning set forth in Section 5.1.

“ManagementCo” has the meaning set forth in the introductory paragraph.

“Owner” has the meaning set forth in the introductory paragraph.

“Party” has the meaning set forth in the introductory paragraph.

“Person” means any individual (including the heirs, beneficiaries, executors, legal representatives or administrators thereof), firm, corporation, company, association, partnership, limited partnership, limited liability company, joint stock company, joint venture, trust, business trust, unincorporated organization or other entity or a Governmental Body (as such term is defined in the T&D O&M Agreement).

“Personnel” mean employees, contractors, agents or representatives, as applicable.

“Power and Electricity” means the electrical energy, capacity and ancillary services available from the System Power Supply (as such term is defined in the T&D O&M Agreement).

“PREB” means the Puerto Rico Energy Bureau, also known as the *Negociado de Energia de Puerto Rico*, an independent body created by Act No. 57 of the Legislative Assembly of Puerto Rico, enacted on May 27, 2014.

“Prudent Utility Practice” means, at any particular time, the practices, methods, techniques, conduct and acts that, at the time they are employed, are generally recognized and accepted by companies operating in the United States electric generation business as such practices, methods, techniques, conduct and acts appropriate to the services of the type covered by this Agreement. The interpretation of acts (including the practices, methods, techniques, conduct and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) shall take into account the facts and the characteristics of the Legacy Generation Assets known at the time the decision was made. Prudent Utility Practice is not intended to be limited to the optimum or minimum practice, method, technique, conduct or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods, techniques, conduct or acts that a prudent operator would take to accomplish the intended objectives at a just and reasonable cost consistent with reliability, safety, expediency and good customer relations.

“Reduction Notice Period” has the meaning set forth in Section 3.2.

“Security Regulation” has the meaning set forth in Section 2.7(a).

“Service Providers” has the meaning set forth in Section 2.1(b).

“Shared Services” has the meaning set forth in the Recitals.

“Shared Services Reimbursement” has the meaning set forth in Section 2.4.

“Subcontractors” has the meaning set forth in Section 4.3.

“Substandard Services” has the meaning set forth in Section 2.1(c).

“T&D O&M Agreement” has the meaning set forth in the Recitals.

“T&D Operator” has the meaning set forth in the introductory paragraph.

“T&D System” has the meaning set forth in the Recitals.

“Term” has the meaning set forth in Section 2.3(b).

“Termination Notice Period” has the meaning set forth in Section 3.3.

## **ARTICLE II**

### **Shared Services**

#### **2.1 Provision of Shared Services.**

(a) During the Term, and subject to the terms and conditions hereof, T&D Operator, as agent of GridCo, agrees to provide, and agrees to cause its Affiliates to provide, for GenCo’s

benefit, the Shared Services set forth on and in accordance with Exhibit A attached hereto, which such Shared Services are necessary for the operation and management of the Legacy Generation Assets. For the avoidance of doubt, T&D Operator shall not be required to provide any service hereunder that is not listed in Exhibit A attached hereto.

(b) Subject to Article III, T&D Operator, its Affiliates and Subcontractors (collectively, the “Service Providers”) shall, during the Term, provide to GenCo the Shared Services in a manner, amount and quality substantially consistent with the manner, amount or quality of services provided by Owner as of the date hereof or otherwise in accordance with applicable Contract Standards, unless otherwise specified in this Agreement, except that in no event shall the Service Providers provide executive management or general management services or be required to exercise business judgment on behalf of GenCo, GridCo or any other Person; provided, however, that the Service Providers may modify from time to time the manner of performing the Shared Services to the extent the Service Providers are making changes to allow for continued or conforming adherence to the then-existing policies, practices and methodologies that the Service Providers then used to provide similar services and functions, so long as such changes do not materially adversely affect the agreed-upon level of service to GenCo.

(c) If GenCo, in its judgment, reasonably exercised, believes that there are any errors or omissions in the Shared Services, the Shared Services are not being provided in a manner, amount and quality consistent with the manner, amount or quality of services currently provided by Owner, or the Service Providers have not provided the Shared Services to the standard required pursuant to the terms of this Agreement (“Substandard Services”), then GenCo shall notify T&D Operator (with copy to Administrator) of such Substandard Services, and T&D Operator shall promptly and correctly perform or re-perform such Substandard Service. If T&D Operator disputes GenCo’s belief that such Shared Services constitute Substandard Services, the Parties shall negotiate in good faith to resolve such dispute pursuant to the terms of Section 15.3 of the T&D O&M Agreement; provided that, for the purposes of this Agreement, the references to thirty (30) days in Sections 15.3(a) and Section 15.3(b) of the T&D O&M Agreement shall be understood to be ten (10) Business Days. If such dispute is not resolved, the matter shall be subject to resolution as a Technical Dispute (as such term is defined in the T&D O&M Agreement) in accordance with Article 15 of the T&D O&M Agreement. For the avoidance of doubt, T&D Operator is not required to provide any services beyond what is commercially reasonable if an extraordinary event were to occur; provided, however, that if T&D Operator provides any service which would qualify as a Shared Service during and upon the occurrence of an extraordinary event for the benefit of the T&D System, it shall be presumed that the provision of such service for the benefit of GenCo as a Shared Service is commercially reasonable.

(d) Notwithstanding anything to the contrary in this Agreement, no Service Provider shall be required to perform Shared Services hereunder or take any actions relating thereto that conflict with or violate any Applicable Law, contract, license, sublicense, authorization, certification or permit.

## 2.2 Cooperation.

(a) The Parties shall cooperate in good faith on all matters relating to the provision and receipt of the Shared Services. In addition, GenCo shall, in a timely manner, take all such actions as may be reasonably necessary or desirable in order to enable or assist the Service Providers in the provision of Shared Services, including, without limitation, responding to the

Service Providers' requests and inquiries, providing necessary information and specific written authorizations, instructions, directions or consents, and the Service Providers shall be relieved of their obligations hereunder to the extent that GenCo's failure to take any such action renders performance by any of the Service Providers of their respective obligations unlawful, impracticable or impossible.

(b) GenCo shall, and GenCo shall cause its Affiliates to, (i) make available, on a timely basis, to each Service Provider any information reasonably requested by such Service Provider to enable any Service Provider to provide any of the applicable Shared Services and (ii) provide each Service Provider with reasonable access during normal working hours to GenCo's premises to the extent necessary for purposes of providing the applicable Shared Services; provided that prior notice shall be given as soon as reasonably practicable when T&D Operator determines that access is required and such access will be subject to compliance with GenCo's reasonable security and facility access requirements; provided further that the applicable Service Provider shall perform such Shared Service promptly upon receipt of any reasonably requested information or authorization, instruction, directions, consents or access, as applicable. Failure by GenCo to respond to, or provide, clear and specific requested information or authorizations, instructions, directions, consents or access as reasonably requested by T&D Operator within fifteen (15) Business Days of any such request shall relieve the Service Provider of its obligation to provide such Shared Service to the extent that GenCo's failure to take any such action renders performance by any of the Service Providers of their respective obligations unlawful, impracticable or impossible.

(c) T&D Operator shall be entitled to rely on the written directions of GenCo and any additional documentation delivered to supplement or clarify any written directions of GenCo.

(d) The Parties shall, and the Parties shall cause their respective Affiliates to, (i) ensure that their respective Personnel treat each of the other Parties' Personnel, including the Personnel of each Service Provider, in a professional manner and (ii) take all necessary steps to prevent their respective Personnel from harassing or threatening any of the other Parties' Personnel, including the Personnel of each Service Provider, or otherwise creating an unsafe or hostile work environment for any of the other Parties' Personnel. The Parties and Service Providers shall be relieved of their obligations hereunder to the extent that the Personnel of any of the Parties or Service Providers are unable to perform their obligations due to harassment or unsafe conditions.

## 2.3 Term.

(a) This Agreement shall be in effect from the date hereof through the earliest of: (i) the date that is sixty (60) days after receipt by T&D Operator of written notice of termination by GenCo and Administrator to the other Parties; (ii) the retirement of the Legacy Generation Assets other than the Hydropower Assets; (iii) the date on which the Parties mutually agree to terminate this Agreement; (iv) the date of termination of the T&D O&M Agreement; (v) the date that is six (6) months after the transfer of the operation and maintenance of all of the Legacy Generation Assets, excluding the Hydropower Assets, to one or more Generation Operators; provided that if the operation and maintenance of all of the Legacy Generation Assets, excluding the Hydropower Assets, is transferred to multiple Generation Operators, this Agreement shall be in effect as it relates to each individual Generation Operator from the date hereof through the date that is six (6) months after the transfer of the operation and maintenance of such portion of the Legacy Generation Assets to such Generation Operator; and (vi) the third



(3<sup>rd</sup>) anniversary of the date hereof (such period of time, the “Initial Term”), unless extended or earlier terminated in accordance with the terms hereof.

(b) The Parties may mutually agree to extend the Initial Term, on terms and conditions to be agreed in good faith by the Parties (the “Extension Term”, together with the Initial Term, the “Term”).

(c) Upon termination of this Agreement, T&D Operator shall reasonably cooperate in good faith with GenCo and Administrator to transfer the Shared Services to a successor operator, Generation Operator or GenCo, as applicable, provided that costs of such transfer will be subject to the Shared Services Reimbursement.

#### 2.4 Reimbursement for Services; Taxes.

(a) As consideration for performance of the Shared Services, GenCo agrees to reimburse T&D Operator for an amount equal to the total of the Allocated Costs and Assigned Costs of the Service Providers to provide the Shared Services, without markup for profit (the “Shared Services Reimbursement”). GenCo agrees that payment of the Shared Services Reimbursement shall be made by T&D Operator drawing funds from time to time from the Purchased Power Account (as such term is defined in the T&D O&M Agreement) under and as defined in Section 7.5(e)(i)(A) of the T&D O&M Agreement or additional accounts as agreed between the Parties.

(b) To the extent required or permitted by Applicable Law, there shall be added to any Shared Services Reimbursement due under this Agreement, and GenCo agrees to pay to T&D Operator, amounts equal to any Taxes (as such term is defined in the T&D O&M Agreement), however designated or levied, based upon such Shared Services Reimbursement or upon this Agreement, the Shared Services provided under this Agreement or their use, including state, Commonwealth, municipal and local privilege or excise taxes based on gross revenue and any Taxes or amounts in lieu thereof paid or payable by any Service Provider providing Shared Services hereunder. In the event such Taxes are not added to a Shared Services Reimbursement, GenCo shall be responsible to remit to the appropriate Tax jurisdiction any additional amounts due including Tax, interest and penalty. The Parties shall cooperate with each other to minimize any of these Taxes to the extent reasonable. If additional amounts are determined to be due on the Shared Services provided hereunder as a result of an audit by a Tax jurisdiction, GenCo agrees to reimburse T&D Operator in respect of the Service Provider that provided the Shared Services for the additional amounts due including Tax, interest and penalty. GenCo shall have the right to contest the assessment with the Tax jurisdiction at its own expense. Notwithstanding anything else in this Agreement to the contrary, the obligations of this Section 2.4(b) shall remain in effect until the expiration of the relevant statutes of limitation.

#### 2.5 Monthly Invoices.

(a) Not later than ten (10) Business Days following the end of each month during which T&D Operator has performed the Shared Services, T&D Operator shall provide GenCo and Administrator with an invoice describing in reasonable detail the prior calendar month’s Shared Services and the corresponding Shared Services Reimbursement for such prior calendar month.

(b) T&D Operator shall provide promptly to GenCo and Administrator such additional supporting documentation evidencing the provision of the Shared Services, if any, and the calculation of the Shared Services Reimbursement related thereto, as GenCo or Administrator may reasonably request and as may be required by Applicable Law, which, for the avoidance of doubt, may include, but are not limited to, documentation evidencing the number of hours worked by any Service Provider Personnel providing the Shared Services.

(c) Notwithstanding anything to the contrary herein, upon GenCo's receipt of prior written notice, the Service Providers may, in their sole discretion, cease to provide the Shared Services once the Shared Services Reimbursement exceeds the total amount allocated for such payments under the Generation Budget (as such term is defined in the T&D O&M Agreement) then in effect; provided, however, that T&D Operator shall provide GenCo with thirty (30)-days written notice upon a determination that seventy-five percent (75%) of the amount allocated under the Generation Budget then in effect to cover any portion of the total Shared Services Reimbursement has been utilized.

## 2.6 Force Majeure.

(a) The Party claiming a Force Majeure Event (the "Claiming Party") shall notify the other Party in writing (with copy to Administrator), on or promptly after the date it first becomes aware of such Force Majeure Event, followed within five (5) Business Days by a written description of (i) the Force Majeure Event and the cause thereof (to the extent known), (ii) the date the Force Majeure Event began and its estimated duration, (iii) the manner in which and the estimated time during which the performance of the Claiming Party's obligations hereunder will be affected, and (iv) mitigating actions that the Claiming Party plans to take in order to reduce the impact of the Force Majeure Event; provided that the Claiming Party's failure to promptly notify the other Party shall not preclude the Claiming Party from obtaining relief with respect to the Force Majeure Event if the other Party has not been prejudiced by the Claiming Party's delay to provide prompt notice.

(b) Whenever a Force Majeure Event shall occur, the Claiming Party shall, as promptly as reasonably possible, use commercially reasonable efforts to mitigate or eliminate the cause therefor, reduce costs resulting therefrom, mitigate and limit damage to the other Party and resume full performance under this Agreement.

(c) The Claiming Party shall bear the burden of proof as to the existence and impact of the Force Majeure Event, and shall furnish promptly in writing (if and to the extent available to it) any additional documents or other information relating to the Force Majeure Event reasonably requested by the other Party. While the Force Majeure Event continues, the Claiming Party shall give notice to the other Party before the first day of each succeeding month updating the information previously submitted with respect to the nature, cause, impact and potential duration of the Force Majeure Event pursuant to this Section 2.6. The Parties hereby agree that, in the event that a Dispute (as such term is defined in the T&D O&M Agreement) arises between the Parties in connection with whether and to the extent an event, circumstance or condition constitutes a Force Majeure Event, or whether such Force Majeure Event continues, the matter shall be subject to resolution as a Technical Dispute (as such term is defined in the T&D O&M Agreement) in accordance with Article 15 of the T&D O&M Agreement.

(d) Upon the cessation of a Force Majeure Event, including a determination by an Independent Expert (as such term is defined in the T&D O&M Agreement) pursuant to Section

15.4 of the T&D O&M Agreement that a Force Majeure Event no longer exists, the Claiming Party shall (i) promptly (but in any event within five (5) Business Days) provide notice to the other Party (with copy to Administrator) and (ii) promptly thereafter resume compliance with this Agreement.

(e) If and to the extent a Force Majeure Event interferes with, delays or increases the cost of, a Party's performance of its obligations under this Agreement, and such Party has given timely notice and description as required by this Section 2.6, such Party shall be excused from performing its obligations affected by the occurrence of the Force Majeure Event during the duration of such Force Majeure Event.

(f) The occurrence of Force Majeure Event shall not excuse or delay the performance of (i) a Party's obligation to pay amounts previously accrued and owing under this Agreement, including any earned but unpaid Shared Services Reimbursement, and (ii) any obligation hereunder not affected by the occurrence of the Force Majeure Event.

(g) If and to the extent a Force Majeure Event continues for a period in excess of one hundred twenty (120) consecutive days and materially interferes with, delays or increases the cost of the Shared Services in accordance herewith, and a Party has given timely notice and description as required by this Section 2.6, Administrator and T&D Operator shall negotiate in good faith to determine whether modifications to the Shared Services Reimbursement, Term or other provisions of this Agreement are appropriate under the circumstances.

## 2.7 System Security

(a) If GenCo (or any Person acting on its behalf) or any of its Personnel is given access to any computer systems or software of any Service Provider (collectively, "Systems") in connection with the Shared Services (collectively, the "Access Persons"), then each of the Access Persons shall comply with all of such Service Provider's system security policies, procedures and requirements that have been provided to GenCo or Administrator in writing in advance (collectively, "Security Regulations"), and shall not tamper with, compromise or circumvent any security or audit measures employed by such Service Provider or any of its Affiliates. Each of the Access Persons shall access and use only those Systems for which it has been granted the right to access and shall use such Systems solely for the purpose of receiving Shared Services pursuant to this Agreement.

(b) GenCo shall use reasonable efforts to ensure that only those of its Personnel who are specifically authorized to have access to the applicable Systems gain such access and use reasonable efforts to prevent unauthorized access, use, destruction, alteration or loss of information contained therein, including notifying its Personnel of the restrictions set forth in this Agreement and of the Security Regulations.

(c) If, at any time, GenCo determines that any of its Personnel has sought to circumvent, or has circumvented, the Security Regulations, that any of its Personnel has accessed the Systems without authorization, or that any of its Personnel has engaged in activities that may lead to the unauthorized access, use, destruction, alteration or loss of data, information or software of any Service Provider or any of its Affiliates, then GenCo shall promptly terminate such Person's access to the Systems and promptly notify T&D Operator. In addition, each Service Provider shall have the right to deny any Access Person or other Personnel of GenCo access to the Systems in the event that such Service Provider reasonably believes that such Access Person or other Personnel has engaged in any of the activities set

forth in this Section 2.7(c) or otherwise poses a security concern. GenCo shall use reasonable efforts to cooperate with the Service Providers in investigating any apparent unauthorized access to any Systems.

2.8 Role of Administrator. During the Term, and subject to the terms and conditions hereof, Administrator shall be responsible for overseeing GenCo's and T&D Operator's (i) performance of their respective obligations hereunder and (ii) compliance with all Applicable Laws and the terms of the T&D O&M Agreement, as applicable.

### **ARTICLE III**

#### **Increased, Reduced, Terminated or Modified Shared Services**

3.1 Increased Shared Services. GenCo may request an increase in the manner, amount or quality of any Shared Services provided by T&D Operator under this Agreement by written notice to T&D Operator (with copy to Administrator), and T&D Operator shall, in its sole discretion, determine whether it consents to such increase. In the event T&D Operator notifies GenCo (with copy to Administrator) in writing that T&D Operator consents to such increase then (i) GenCo and T&D Operator shall negotiate in good faith the terms and conditions upon which T&D Operator shall provide such increase, including, without limitation, its scope, duration and estimated reimbursement cost and a description of such increase for purposes of Exhibit A attached hereto, and (ii) upon mutual agreement of such terms and conditions, such consented-to increase, on the terms and conditions mutually agreed to, shall be deemed part of the "Shared Services" under this Agreement, and such description of the increase shall be deemed incorporated into Exhibit A attached hereto and shall in all other respects be subject to the terms and conditions of this Agreement.

3.2 Reduced Shared Services. GenCo may request a reduction in the manner, amount or quality of any Shared Services only upon T&D Operator's receipt of written notice (with copy to Administrator) not less than sixty (60) days prior to the effective date of such reduction ("Reduction Notice Period"). Such notice shall describe in reasonable detail such requested reduction. Following the Reduction Notice Period, such reduction shall be deemed removed from the "Shared Services" under this Agreement, the description of such reduction shall be deemed incorporated into Exhibit A attached hereto, T&D Operator shall reduce the manner, amount or quality of such Shared Services in accordance with such description, and the Shared Services Reimbursement shall be proportionally reduced; provided that GenCo must continue to accept from T&D Operator, and pay for, such Shared Services during the Reduction Notice Period and may not provide such Shared Services for its own benefit during the applicable Reduction Notice Period; and provided, further, that the costs and expenses of transitioning any reduced Shared Services to GenCo or any third party service provider, other than the costs and expenses resulting from the termination of any employee of T&D Operator or any Service Provider, shall be for the account of GenCo.

3.3 Terminated Shared Services. GenCo, with the approval of Administrator, may request a termination or suspension of any Shared Service for the convenience of GenCo upon T&D Operator's receipt of written notice not less than sixty (60) days prior to the effective date of such termination or suspension ("Termination Notice Period"); provided that for the Shared Services described in Exhibit A as "Material Management," GenCo, with the approval of Administrator, and T&D Operator may agree in writing to shorten the Termination Notice Period if GenCo and T&D Operator agree that all materials have been inventoried, allocated to GenCo or GridCo, as appropriate, separated and delivered to an appropriate destination. Such notice shall describe, in reasonable detail, such requested termination or suspension, as

applicable. Following the Termination Notice Period, such reduction shall be deemed removed from the “Shared Services” under this Agreement, the description of such termination or suspension, as applicable, shall be deemed incorporated into Exhibit A attached hereto, T&D Operator shall terminate or suspend the Shared Service, as applicable, in accordance with such description, and the Shared Services Reimbursement shall be proportionally reduced; provided that GenCo must continue to accept from T&D Operator, and pay for, such Shared Service during the Termination Notice Period and shall not provide such Shared Service for its own benefit during the applicable Termination Notice Period; and provided, further, that the costs and expenses of transitioning any terminated Shared Services to GenCo or any third party service provider, other than the costs and expenses resulting from the termination of any employee of T&D Operator or any Service Provider, shall be for the account of GenCo.

3.4 Modified Shared Services. A Party may request to modify the terms and conditions of T&D Operator’s performance of any Shared Services in order to reflect new procedures, processes or other methods of providing such Shared Services by written notice to the other Party. Following such notice, the Parties shall negotiate in good faith the terms and conditions upon which T&D Operator would be willing to implement such changes to such Shared Services, including, without limitation, such changes’ scope, duration and agreed upon assigned cost, and a description of such changes for purposes of Exhibit A attached hereto. Upon mutual agreement of such terms and conditions upon which T&D Operator would be willing to implement such changes to such Shared Services, then such changes to such Shared Services, on the terms and conditions mutually agreed to, shall be deemed part of the “Shared Services” under this Agreement and such description of the changes shall be deemed incorporated into Exhibit A attached hereto and shall, in all other respects, be subject to the terms and conditions of this Agreement.

## **ARTICLE IV**

### **Personnel**

4.1 Party’s Personnel. Each Party’s Personnel will remain employees, contractors, agents or representatives, as applicable, solely of such Party, and will be under the direction, control and supervision of such Party.

4.2 Independent Contractor; Service Provider Personnel.

(a) Nothing in this Agreement is intended to create, or shall be deemed or construed as creating, any partnership, franchise, joint venture or other legal entity, or give rise to any fiduciary duty, among the Parties. Except in the case of (i) T&D Operator acting as agent of GridCo in performing the Shared Services for the benefit of GenCo, (ii) T&D Operator acting as agent of GenCo where necessary to perform any Shared Service or where directed and authorized by GenCo, and (iii) as otherwise expressly provided in this Agreement, no Party shall have the authority or right, or hold itself out as having the authority or right, to assume, commit to, create or undertake any obligation of any kind whatsoever, express or implied, on behalf of or in the name of any other Party or its Affiliates, or to control the activities and operations of any other Party or its Affiliates. No provision in this Agreement shall result in T&D Operator or any other Service Provider, or any of their respective Personnel, being considered an employee or contractor of GenCo. T&D Operator and each Service Provider shall act as an independent contractor and shall be responsible for and maintain direction and control over the performance of the Shared Services hereunder, subject to the standards set forth in this Agreement.

(b) With respect to the Shared Services, each Service Provider shall be responsible for selecting the Personnel who will perform any Shared Service and administering such Personnel (e.g., setting such Personnel' hours of work and establishing compensation structure and workload balancing). Each Service Provider shall cause its Personnel to devote such time and effort to the business of GenCo as shall be necessary to perform the Shared Services; provided that the Personnel of each Service Provider shall not be precluded from engaging in other business activities for or on behalf of any Service Provider, or their respective Affiliates, as applicable.

(c) Nothing in this Agreement shall be interpreted to create a relationship of co-employer between GenCo and T&D Operator or Administrator and T&D Operator as to the employees of T&D Operator or any of its respective Subcontractors, nor to make T&D Operator an alter ego or a successor employer of GenCo.

4.3 Subcontractors. Notwithstanding anything to the contrary, T&D Operator may subcontract to a reasonably qualified third party any of the Shared Services (collectively, "Subcontractors"). T&D Operator shall remain responsible for its performance of this Agreement in accordance with its terms, including any obligations it performs through third parties, and T&D Operator shall be solely responsible for all payments due to Subcontractors.

## **ARTICLE V**

### **Limitation of Liability**

5.1 Limitation of Liability. No Party shall be responsible for any direct or indirect losses, damages, costs, expenses, liabilities, interest, deficiencies, awards, judgments, fines, assessments, penalties, forfeitures, obligations, deposits, taxes, costs, expenses, or other changes or any kind incurred ("Losses") by another Party in connection with the Shared Services or any other services provided, or to be provided, by such Party pursuant to the terms of this Agreement, except to the extent such Losses are a direct result of (i) the gross negligence or willful misconduct of a Party or any of such Party's Affiliates or any of their employees, representatives, agents, contractors, Subcontractors or suppliers or (ii) any failure to comply with the terms of this Agreement. IN NO EVENT SHALL THE TOTAL LIABILITY OF THE SERVICE PROVIDERS, THEIR RESPECTIVE AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS ARISING OUT OF OR RELATING TO THIS AGREEMENT EXCEED THE SHARED SERVICES REIMBURSEMENT PAID BY GENCO TO T&D OPERATOR HEREUNDER. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

5.2 DISCLAIMER OF WARRANTY. Except as expressly set forth in this Agreement: (i) GenCo acknowledges and agrees that T&D Operator makes no warranties of any kind with respect to the Shared Services to be provided hereunder and (ii) T&D Operator hereby expressly disclaims all warranties, express or implied, of any kind with respect to the Shared Services to be provided hereunder, including any warranty of non-infringement, merchantability, fitness for a particular purpose or conformity to any representation or description as to the Shared Services provided hereunder. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SHARED SERVICES TO BE PROVIDED UNDER THIS AGREEMENT WILL BE PROVIDED "AS IS, WHERE IS" WITH ALL FAULTS, AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A

PARTICULAR PURPOSE, CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, TITLE OR ANY OTHER WARRANTY WHATSOEVER.

5.3 WAIVER OF CONSEQUENTIAL DAMAGES. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL ANY SERVICE PROVIDER, GENCO OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS BE LIABLE TO ANY PERSON WHETHER IN CONTRACT, INDEMNITY, TORT (INCLUDING NEGLIGENCE, GROSS NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE FOR ANY LOSS OF PROFITS OR REVENUES (OTHER THAN COMPENSATION DUE BY GENCO TO T&D OPERATOR UNDER THIS AGREEMENT) OR ANY SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHICH ARISE FROM, RELATE TO OR ARE CONNECTED WITH THIS AGREEMENT OR THE PERFORMANCE OF OR FAILURE TO PERFORM THEIR RESPECTIVE OBLIGATIONS HEREUNDER, EXCEPT FOR CLAIMS OF FRAUD OR INTENTIONAL MISREPRESENTATION.

## **ARTICLE VI**

### **Miscellaneous**

6.1 Governing Law. This Agreement and all matters, claims, controversies, disputes, suits, actions or proceedings arising out of, or relating to, this Agreement and the negotiation, execution or performance of this Agreement or any of the transactions contemplated hereby, including all rights of the Parties (whether sounding in contract, tort, common or statutory law, equity or otherwise) in connection therewith, shall be interpreted, construed and governed by and in accordance with, and enforced pursuant to, the internal laws of the Commonwealth (excluding any conflict of laws, rule or principle which might refer such interpretation to the laws of another jurisdiction), except where the federal supremacy clause requires otherwise.

6.2 Notice. All notices or other communications to be delivered in connection with this Agreement shall be in writing and shall be deemed to have been properly delivered, given and received (a) on the date of delivery if delivered by hand during normal business hours of the recipient during a Business Day, otherwise on the next Business Day, (b) on the date of successful transmission if sent via email (with return receipt) during normal business hours of the recipient during a Business Day, otherwise on the next Business Day, or (c) on the date of receipt by the addressee if sent by a nationally recognized overnight courier or by registered or certified mail, return receipt requested, if received on a Business Day, otherwise on the next Business Day. Such notices or other communications must be sent to each respective Party at the address, email address set forth below (or at such other address, email address as shall be specified by a Party in a notice given in accordance with this Section 6.2).

If to Owner:

Puerto Rico Electric Power Authority  
PO BOX 364267  
San Juan, Puerto Rico 00936-4267  
Attention: Chief Executive Officer – Efran Paredes  
Maisonet  
Telephone: (787) 521-4671  
Email: efran.paredesm@prepa.com and  
director\_ejecutivo@prepa.com

with copies to:  
Administrator  
PO BOX 42001  
San Juan, Puerto Rico 00940-2001  
Attention: Executive Director – Fermín E. Fontanés  
Gómez  
Telephone: (787) 722-2525 Ext. 15330  
Email: Fermin.Fontanes@p3.pr.gov and  
Administrator@p3.pr.gov

*and*

PREB  
268 Avenida Muñoz Rivera  
Edificio World Plaza  
Piso 7, Suite 704  
Hato Rey, Puerto Rico 00918  
Attention: President - Edison Avilés Deliz  
Telephone: (787) 523-6262  
Email: eavilesdeliz@energia.pr.gov

If to Administrator:

Administrator  
PO BOX 42001  
San Juan, Puerto Rico 00940-2001  
Attention: Executive Director – Fermín E. Fontanés  
Gómez  
Telephone: (787) 722-2525 Ext. 15330  
Email: Fermin.Fontanes@p3.pr.gov and  
Administrator@p3.pr.gov

If to T&D Operator:

LUMA Energy, LLC  
644 Fernandez Juncos Ave., Suite 301  
San Juan, Puerto Rico 00907  
Attention: General Counsel  
Email: Legal@lumamc.com

with copies to:  
LUMA Energy, LLC  
644 Fernandez Juncos Ave., Suite 301  
San Juan, Puerto Rico 00907  
Attention: President/CEO

6.3 Entire Agreement. This Agreement, together with the Exhibits attached hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes any and all prior oral or written agreements, understandings, proposals, representations or warranties relating to this Agreement.



6.4 No Additional Rights. Except as expressly provided in this Agreement, the Parties agree that this Agreement shall not grant to any party any additional rights to another party's proprietary information, technology or know-how.

6.5 Amendment or Modification. This Agreement may not be amended or modified except by written instrument signed by all the Parties. Each such instrument shall be reduced to writing and shall be designated on its face an "Amendment" or an "Addendum" to this Agreement.

6.6 Assignment. No Party shall have the right to assign its rights or obligations under this Agreement without the express prior written consent of the other Parties hereto (which consent may be granted or withheld in the sole discretion of such other Parties) and any such assignment or attempted assignment without such consent shall be void; provided, however, that (i) Owner shall have the right to assign its rights and obligations as GenCo under this Agreement to any entity meeting the requirements of clause (ii) of the definition of "GenCo" hereunder, (ii) Owner shall have the right to assign its rights and obligations as GridCo under this Agreement to any entity meeting the requirements of clause (ii) of the definition of "GridCo" hereunder, and (iii) GenCo shall have the right to assign its rights and obligations under this Agreement to one or more Generation Operators without the prior written consent of the other Parties hereto and, upon such assignment, all references in this Agreement to GenCo (other than in the introductory paragraph and the recitals) shall be deemed to be a reference to "Generation Operator, as agent for GenCo"; provided that any such assignment shall be at the sole expense of GenCo.

6.7 Interest on Overdue Obligations. Except as otherwise provided herein, all amounts due hereunder, whether as fees, damages, credits, revenue, charges or reimbursements, that are not paid when due shall bear interest at the Overdue Rate (as such term is defined in the T&D O&M Agreement), on the amount outstanding from time to time, and all such interest accrued at any time shall, to the extent permitted by Applicable Law, be deemed added to the amount due, as accrued.

6.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement or document. A signed copy of this Agreement transmitted by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

6.9 Severability. If any term or provision of this Agreement is invalid, illegal or incapable of being enforced in any situation or in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other term or provision hereof or the offending term or provision in any other situation or any other jurisdiction, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon any such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible, in a mutually acceptable manner, in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

6.10 No Third-Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the Parties, the Service Providers and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon

any other Person, including, without limitation, any union or any employee or former employee of Owner or any Service Provider any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

6.11 Further Assurances. In connection with this Agreement and all transactions contemplated by this Agreement, each signatory party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

*[Signature page follows]*

IN WITNESS WHEREOF, the Parties have executed this Agreement on, and effective as of, the date first written above.

**PUERTO RICO ELECTRIC POWER AUTHORITY**

**REDACTED**

By: \_\_\_\_\_

*MAY 28, 2021*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS,  
AUTHORITY, solely in its capacity as ADMINISTRATOR**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LUMA ENERGY, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LUMA ENERGY SERVCO, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS,  
AUTHORITY, solely in its capacity as ADMINISTRATOR**

By:

**REDACTED**

Name:

Fermín E. Fontánes Gómez

Title:

Executive Director

**LUMA ENERGY, LLC**

**REDACTED**

By: \_\_\_\_\_

Name: \_\_\_\_\_Darren Miller\_\_\_\_\_

Title: \_\_\_\_\_Chief Financial Officer\_\_\_\_\_

**REDACTED**

By: \_\_\_\_\_

[Wayne Stensby \(May 28, 2021 17:56 EDT\)](#)

Name: \_\_\_\_\_Wayne Stensby\_\_\_\_\_

Title: \_\_\_\_\_President & CEO\_\_\_\_\_

**LUMA ENERGY SERVCO, LLC**

**REDACTED**

By: \_\_\_\_\_

Name: \_\_\_\_\_Darren Miller\_\_\_\_\_

Title: \_\_\_\_\_Chief Financial Officer\_\_\_\_\_

**REDACTED**

By: \_\_\_\_\_

[Wayne Stensby \(May 28, 2021 17:56 EDT\)](#)

Name: \_\_\_\_\_Wayne Stensby\_\_\_\_\_

Title: \_\_\_\_\_President & CEO\_\_\_\_\_

**Exhibit A**

**SERVICES TO BE PROVIDED BY T&D OPERATOR**

<b>LUMA Dept</b>	<b>LUMA Cost Center</b>	<b>Service</b>	<b>Brief Description of Process Delivery to GenCo</b>	<b>Shared Services Approach</b>	<b>FTEs providing Shared Service (Estimated)</b>	<b>Shared Service Labor Cost (US\$) (Estimated)</b>	<b>Shared Service Non Labor Cost (US\$) (Estimated)</b>	<b>Total Shared Service Cost (US\$) (Estimated)</b>
Finance	Real Estate & Facilities Mgmt Svcs	Outsourced Janitorial	Basic janitorial for non-plant or co-located facilities (plants have existing janitorial/incident maintenance in GenCo budgets)	Current Process/System			\$ 20,916	\$ 20,916
Finance	Real Estate & Facilities Mgmt Svcs	Tenant Services	Only related to co-located facilities (NEOS, NEOM office buildings). Plants have facilities / support staff on site and in existing GenCo budgets and workforces	Current Process/System			\$ 25,000	\$ 25,000
Finance	Finance & Accounting	General Accounting Services	General Accounting (AP, AR, GL, asset records mgmt., reporting). This excludes GenCo and PREPA Legacy payroll administration. AP includes managing invoice matching necessary for vendor payment.	Current Process/System	7.7	\$ 528,952	\$ 291,674	\$ 820,626
Finance	Risk Management & Insurance	Insurance Management	Collecting renewal data, marketing insurance, negotiating coverages and purchasing insurance	Current Process/System	1.0	\$ 74,401		\$ 74,401
Finance	Risk Management & Insurance	Insurance Servicing	Tracking Contractor insurance qualifications, help with bidding, contract reviews and Enterprise Risk Management support and providing insurance policy support.	Current Process/System	1.0	\$ 74,401		\$ 74,401

LUMA Dept	LUMA Cost Center	Service	Brief Description of Process Delivery to GenCo	Shared Services Approach	FTEs providing Shared Service (Estimated)	Shared Service Labor Cost (US\$) (Estimated)	Shared Service Non Labor Cost (US\$) (Estimated)	Total Shared Service Cost (US\$) (Estimated)
Finance	Risk Management & Insurance	Property Insurance Premiums	Premiums paid on property insurance for GenCo facilities and properties.	Current Process/System			\$38,487,156	<b>\$38,487,156</b>
Finance	Risk Management & Insurance	Other Insurance Premiums	Other premiums for GenCo activities.	Current Process/System			\$ 2,850,900	<b>\$ 2,850,900</b>
Finance	Risk Management & Insurance	Travel	Travel and miscellaneous for insurance support activities.	Current Process/System			\$ 10,000	<b>\$ 10,000</b>
Finance	Treasury	Treasury Operations and Cash Management	Cash management, bank reconciliation, cash reporting, collections/disbursements management. Cash management includes administering funding for GenCo and PREPA Legacy payroll accounts but excludes PREPA regional disbursement centers and administration and payment of per diems to PREPA employees. T&D Operator will be responsible for conducting the treasury-related fundings for payroll, payroll-related tax payments, funding the cash per diem requirements etc.	Current Process/System	3.0	\$ 212,818	\$ 57,391	<b>\$ 270,209</b>
IT_OT	IT_OT Business Operations	OT Business Operations	Includes: Project Services - Project Management <sup>1</sup> ; Contract Management <sup>2</sup> ; and Operational Real Time Data Exchange <sup>3</sup>	Current Process/System	0.7	\$ 63,812		<b>\$ 63,812</b>
IT_OT	IT_OT Business Operations	Corporate Services Maintenance	Third Party IT services, allocated to GenCo. Preventative or corrective maintenance only to	Current Process/System			\$ 7,601,343	<b>\$ 7,601,343</b>

LUMA Dept	LUMA Cost Center	Service	Brief Description of Process Delivery to GenCo	Shared Services Approach	FTEs providing Shared Service (Estimated)	Shared Service Labor Cost (US\$) (Estimated)	Shared Service Non Labor Cost (US\$) (Estimated)	Total Shared Service Cost (US\$) (Estimated)
			maintain availability of technology system. <sup>11</sup>					
IT_OT	Security & Compliance	Security Services	Patching, Policy, Anti-Virus, Physical Security: Service Provider will manage and maintain all security access, security policies, patching of servers, PCs and network equipment, deployment and management of anti-virus software to PCs and Servers. Preventative or corrective maintenance only to maintain availability of technology system	Current Process/System	0.5	\$ 43,806		\$ 43,806
IT_OT	Tech Enablement & Sustainment	Project Services - Application Configuration & Enhancements	Support the delivery of business projects through the software development lifecycle including but not limited to product evaluations, fit-gap analysis, business requirements gathering , solution design, software configuration, data conversion, testing strategy, user acceptance testing and transition to operations.	Current Process/System	0.7	\$ 53,534		\$ 53,534
IT_OT	Technology & Infrastructure	IT Infrastructure - Network, internet; Multiple services; and telecom	Includes: Identity management and active directory <sup>4</sup> ; collaboration <sup>5</sup> ; network/internet <sup>6</sup> ; voice <sup>7</sup> ; portal <sup>8</sup> ; business hosting <sup>9</sup> ; service desk <sup>10</sup> ; other application support <sup>11</sup> ; and telecom <sup>12</sup> . Preventative or	Current Process/System	2.7	\$ 239,576		\$ 239,576



LUMA Dept	LUMA Cost Center	Service	Brief Description of Process Delivery to GenCo	Shared Services Approach	FTEs providing Shared Service (Estimated)	Shared Service Labor Cost (US\$) (Estimated)	Shared Service Non Labor Cost (US\$) (Estimated)	Total Shared Service Cost (US\$) (Estimated)
			corrective maintenance only to maintain availability of technology system					
Operations	Distribution Operations (North)	Lines Division B General	Maintenance and emergency response for Power Lines between generator and substations	Current Process/System	1.4	\$ 163,747		\$ 163,747
Operations	Distribution Operations (South)	Lines Division A General	Maintenance of Lines between generator and substations	Current Process/System	1.4	\$ 165,211		\$ 165,211
Operations	Material Management	Material Management San Juan	Common material storage, picking, shipping, inventory counts - Est. Plant Allocation	Current Process/System	1.3	\$ 110,197		\$ 110,197
Operations	Material Management	Materials Management Mayaguez	Common material storage, picking, shipping, inventory counts - Est. Plant Allocation	Current Process/System	3.0	\$ 257,256		\$ 257,256
Operations	Material Management	Material Management Ponce	Common material storage, picking, shipping, inventory counts - Est. Plant Allocation	Current Process/System	1.6	\$ 136,691		\$ 136,691
Operations	Material Management	Materials Management General	Oversight of Materials Management for Generation Services, including delivery of materials (New service/LUMA materials management processes revised under LUMA control)	New Process/System	3.2	\$ 340,838	\$ 534,000	\$ 874,838
Operations	Material Management	Materials Management Inventory	Item number creation, inventory min-max planning and forecasting, catalogue	New Process/System	1.8	\$ 188,611		\$ 188,611

LUMA Dept	LUMA Cost Center	Service	Brief Description of Process Delivery to GenCo	Shared Services Approach	FTEs providing Shared Service (Estimated)	Shared Service Labor Cost (US\$) (Estimated)	Shared Service Non Labor Cost (US\$) (Estimated)	Total Shared Service Cost (US\$) (Estimated)
			maintenance, inventory maintenance					
Operations	Material Management	Materials Management Asset Recovery	Returns process implementation and oversight, auction/sale/scrap services and contract administration	New Process/System	2.8	\$ 247,089		\$ 247,089
Operations	Material Management	Material Management Main Warehouse Distribution	Inbound freight forwarding, common material storage, picking, shipping, inventory counts	New Process/System	2.2	\$ 189,088		\$ 189,088
Operations	Material Management	Material Management Logistics Freight	Inbound freight management, inter-location freight, reverse logistics of scrap/sale/auction material	New Process/System	2.5	\$ 263,775		\$ 263,775
Operations	Transmission & Substation Ops	Substation - General	Leadership and administrative support for technical analysis of Generation substation	Current Process/System	0.1	\$ 7,695		\$ 7,695
Operations	Transmission & Substation Ops	Substations - Division A	Substation operational support, emergency response, corrective maintenance, planned maintenance.	Current Process/System	3.3	\$ 323,796		\$ 323,796
Operations	Transmission & Substation Ops	Substations - Telcom Division A	Telecommunications and SCADA operational support, corrective maintenance, planned maintenance.	Current Process/System	1.4	\$ 126,525		\$ 126,525
Operations	Transmission & Substation Ops	Substations Commissioning & Acceptance - Division A	Management of C&A of Substation projects and improvements.	Current Process/System	0.7	\$ 70,811		\$ 70,811
Operations	Transmission & Substation Ops	Substations Telecom Division B	Telecommunications and SCADA operational support,	Current Process/System	1.4	\$ 139,572		\$ 139,572

LUMA Dept	LUMA Cost Center	Service	Brief Description of Process Delivery to GenCo	Shared Services Approach	FTEs providing Shared Service (Estimated)	Shared Service Labor Cost (US\$) (Estimated)	Shared Service Non Labor Cost (US\$) (Estimated)	Total Shared Service Cost (US\$) (Estimated)
			corrective maintenance, planned maintenance.					
Operations	Transmission & Substation Ops	Substations Commissioning & Acceptance - Division B	Management of C&A of Substation projects and improvements.	Current Process/System	1.4	\$ 141,623		\$ 141,623
Operations	Transmission & Substation Ops	Substations Division B	Substation operational support, emergency response, corrective maintenance, planned maintenance.	Current Process/System	6.6	\$ 663,432		\$ 663,432

#### **Exhibit A Notes:**

- 1 Service Provider will provide project management services for the execution of all IT-related projects and programs, ensuring that they are delivered on time, within budget, and meet all functional and technical requirements. There will be no major projects or application/infrastructure upgrades unless its required to maintain maintenance support from the existing vendor.
- 2 Service Provider will perform procurement/ purchasing activities and administering contracts with technology vendors, sourcing specific request for services and products, manages vendor contracts, performance and pricing.
- 3 Ensure data integrity between the 9 OSI Pi Historian databases. Commission and decommission points as plant points and data changes. Assist with troubleshooting and fault repair.
- 4 Service Provider will provide Identity Management and Active Directory services. Service Provider will provide account provisioning, de-provisioning, group membership, GPO enforcement, DNS/DHCP, Account Lifecycle Mgmt., Access Management, and Directory Services.
- 5 Office 365 Email Services - Service Provider will provide support of email services  
SharePoint - Continued use of non-comingled SharePoint Sites.  
Skype and Microsoft Teams - Service Provider will continue to provide current level of service and infrastructure support.

6 LUMA global network (WAN/LAN/WLAN/VPN) – Service Provider(s) will manage the current managed service contract(s), including owned, leased / rented hardware and software.

Internet - Public Internet Access, Security, Content Filtering, Extranet, Employee and Partner remote access - Service Providers will manage the current Internet access that is under the GI managed Internet program. Service Providers will provide managed firewall support for public and existing B2B extranet services (EDI).

7 Service Provider will manage the current voice services contract with managed service provider(s), including support, maintenance, monitoring and network/system analysis for all centrally managed sites.

Manage and maintain plant phone exchanges, phones and phone numbers on the PREPA Telephone exchange.

8 Service Provider will also provide access to PREPA portal as needed for critical application access and/or for access to employee benefits systems as needed

9 Service Provider will continue to provide hosting of the in-scope applications, including: Windows, Unix, & Linux Servers, Storage Hardware & OS support, Disaster Recovery (DR), Hybrid Cloud, Operational Support.

Service Provider will monitor and maintain dedicated servers, and data storage, including: disaster recovery and backup procedure in line with current practices; environmental infrastructure services including electrical and cooling; Server engineering services including critical Operating System patches and updates; operating system support and maintenance; and peripheral support consistent with current practices.

Service Provider will also continue server level monitoring to ensure performance and availability of key infrastructure, and provide notification to Recipient of all scheduled outages and planned changes involving critical systems that will affect the Recipient's business processing systems.

10 Service Provider will provide Transition Services: IT Service Desk for reporting IT related issues; Documentation of customer reported incidents or service requests; Customer issue triage; Incident resolution where feasible; Onboarding and off boarding of GenCo employees; Service request fulfillment; Routing of documented issues to the necessary service provider for resolution; Initiation of management escalation where needed; Monitoring of open incident tickets until resolution

11 Support and maintain ERP and Non-ERP solutions and interfaces utilized solely by the Business in scope. This includes those systems currently used for purchasing and contracting (e.g Asset Suite).

12 Maintain last mile radio connections and equipment to Generation sites. Provide mobile radio support and maintenance on the plants.

*Exhibit 2*  
*PREPA's Responses to ROIs 1 and 2 of November 12<sup>th</sup> Order*  
*(submitted via email)*