

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

**NEPR**

**Received:**

**May 15, 2024**

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IN RE: REVIEW OF LUMA'S INITIAL  
BUDGETS

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

**SUBJECT: Submittal of Quarterly Report for the  
Third Quarter of Fiscal Year 2024**

**MOTION TO SUBMIT QUARTERLY REPORT FOR THE THIRD QUARTER OF  
FISCAL YEAR 2024**

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

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

1. On May 31, 2021, this honorable Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau") issued and published a Resolution and Order approving LUMA's Initial Budgets ("May 31<sup>st</sup> Order").

2. In the May 31<sup>st</sup> Order, the Energy Bureau listed certain "requirements for LUMA to fulfill during the Interim Period and going forward" including, among others, annual explanations of the differences between accounts, expenses and approved budgets and reporting on federal funding activity. *See* May 31<sup>st</sup> Resolution and Order p. 36, paragraphs 1 through 4; *see also* Resolution and Order of July 16, 2021, p. 6 (modifying the federal funding reporting requirements stated in the May 31<sup>st</sup> Resolution and Order) ("July 16<sup>th</sup> Order").

3. On February 27, 2023, this Energy Bureau issued a Resolution and Order whereby it approved the Fiscal Year 2023 Consolidated Budget certified by the Financial Oversight and

Management Board for Puerto Rico<sup>1</sup>, required that the quarterly reports explain and justify variances, and included quarterly reporting requirements on actual expenditures and spending amounts for the quarter and year-to-date activities, information to assess outstanding balances, as well as information on actual load and sales (the “February 27<sup>th</sup> Order”). *See* February 27<sup>th</sup> Order, p. 28. Furthermore, this Energy Bureau required that LUMA submit quarterly information regarding the number of lineworkers and the number of lineworkers qualified to work on energized lines. *See* February 27<sup>th</sup> Order, p.14; *see also* June 25<sup>th</sup> Order, p. 33.

4. On June 25<sup>th</sup>, 2023, this Energy Bureau issued a Resolution and Order approving LUMA’s Annual Budgets for Fiscal Year 2024 (the “June 25<sup>th</sup> Order”). The June 25<sup>th</sup> Order expanded the reporting requirements applicable to LUMA’s quarterly reports by requiring LUMA to include the following:

- i. Information on the status of funding, expenditures and progress of vegetation management work, *see* June 25<sup>th</sup> Order, p. 33;
- ii. A comprehensive explanation of variances in Vegetation Management expenditures, *see* June 25<sup>th</sup> Order, pp. 9, 33;
- iii. A comprehensive explanation of the miles and acres of vegetation cleared for each T&D voltage level for the year cumulatively, as well as for the applicable quarter, *Id.*;
- iv. Information on LUMA’s progress in transforming the Outage Management System (“OMS”) to full functionality, *see id.*, p. 34; and

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<sup>1</sup> The Fiscal Year 2023 Consolidated Budgets were certified by the Oversight Board pursuant to Section 202(e) of the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”).

- v. Inform of LUMA's progress in achieving the ability of customers to contact a Customer Representative relative to non-emergency issues during an emergency. *Id.*

5. On September 22, 2023, this Energy Bureau issued a Resolution and Order whereby it addressed, in relevant part, LUMA's *Motion for Partial Reconsideration of Resolution and Order of June 25, 2023 on Fiscal Year 2024 System Budgets* and granted LUMA's request for approval of the T&D Budget as submitted by LUMA on May 16, 2023. Regarding quarterly reporting requirements, this Energy Bureau directed that for FY2024, LUMA should submit information on the status of collection from pole (third-party) attachments, including amounts collected and how collected funds are accounted for in the budget. *See* September 22<sup>nd</sup> Order, p. 7.<sup>2</sup>

6. In compliance with the quarterly reporting requirements set forth in the May 31<sup>st</sup> Order, as modified by the July 16<sup>th</sup> Order, the February 27<sup>th</sup> Order, the June 25<sup>th</sup> Order, and the September 22<sup>nd</sup> Order, LUMA hereby submits to the Energy Bureau, attached as *Exhibit 1*, its comprehensive Quarterly Report of Fiscal Year 2024, for the Third Quarter ending March 31, 2024 ("Q3 Report"). The Q3 Report also addresses the quarterly reporting requirement set in Case No. NEPR-MI-2020-0019, *In Re: Review of the Puerto Rico Electric Power Authority's System Remediation Plan* and will, therefore, be submitted in that proceeding as well.

7. The Q3 Report provides information on LUMA's T&D expenditures, including expenditures for each of LUMA's Departments, as well as spending information per each of the Improvement Portfolios, with a breakdown of expenditures for the Operating Budget and each of

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<sup>2</sup> On December 8, 2023, this Energy Bureau issued a Resolution and Order ruling on requests by the Puerto Rico Electric Power Authority and Genera PR, LLC regarding each of their approved budgets for FY2024 ("December 8<sup>th</sup> Order"). In the December 8<sup>th</sup> Order, this Energy Bureau did not adopt reporting requirements applicable to LUMA.

the Capital Budgets (federally and non-federally funded). The Q3 Report includes expenditures information for Q3 as well as year-to-date variances from the approved budget. The Q3 Report includes detailed information on spending portfolios and explanations on updates of key projects.

8. The Q3 Report also includes the quarterly information on shared services, *see* Q3 Report, p. 39, information on load and sales forecasts, *see* Q3 Report, at p. 22, and information on revenues collected from third-party attachments, *see* Q3 Report, at p. 38.

9. In compliance with the June 25<sup>th</sup> Order, the Q3 Report identifies variances in Vegetation Management expenditures. *See* Q3 Report, at p. 23.

10. LUMA hereby informs that today it filed in case *In re: Revisión del Programa Comprehensivo de Manejo de Vegetación de la Autoridad de Energía Eléctrica*, Case No. NEPR-MI-2019-0005, a report on miles and acres of vegetation cleared for each T&D voltage level for the year, cumulatively, as well as for the applicable quarter.

11. In compliance with the February 27<sup>th</sup> Order and the June 25<sup>th</sup> Order, the Q3 Report also includes information on the number of lineworkers, the number of lineworkers qualified to work on energized lines and an explanation on recruitment efforts. *See* Q3 Report, p. 26.

12. Furthermore, as required by the June 25<sup>th</sup> Order, the Q3 Report includes data on LUMA's progress in transforming and updating the OMS, *see* Q3 Report, at p. 37-38 (description of the IT OT Asset Management Program), and information on customers' ability to contact a Customer Representative on non-emergency issues during an emergency, *see* Q3 Report, at p. 24.

13. LUMA hereby informs that the Q3 Federal Funding Report, filed today with this Energy Bureau in Case *In re: Review of the Puerto Rico Electric Power Authority's 10-Year Infrastructure Plan*, Case No. NEPR-MI-2021-0002, includes information on the status of federally funded capital projects.

14. Finally, as LUMA informed in Exhibit 1 of the *Motion Submitting Comments on Additional Reporting Requirements in Compliance with Item 10 of Attachment A of the Resolution and Order of June 25, 2023*, LUMA is submitting as *Exhibit 2* of this Motion, the Budget to Actuals Report in excel workbook format, that LUMA shares quarterly with the Financial Oversight and Management Board for Puerto Rico (“FOMB”).

15. The Q3 Report also meets LUMA’s quarterly reporting obligations under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement executed among the Puerto Rico Electric Power Authority, LUMA and the Puerto Rico Public Private Partnerships Authority (“P3 Authority”) dated as of June 22, 2020 (“T&D OMA”) and will be submitted to the P3 Authority. *See* T&D OMA, Annex I, Section VI(B), paragraph (5).

**WHEREFORE**, LUMA respectfully requests that this honorable Energy Bureau **take notice** of the aforementioned on the filing of the Q3 Report; **accept** the attached *Exhibit 1* in compliance with the quarterly reporting requirements of the May 31<sup>st</sup> Order, as modified by the July 16<sup>th</sup> Order, the February 27<sup>th</sup> Order, the June 25<sup>th</sup> Order, and the September 22<sup>nd</sup> Order issued in the instant proceeding; **accept** the attached *Exhibit 2*; and **deem** LUMA in compliance with the reporting requirements set forth in the aforementioned orders.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 15<sup>th</sup> day of May 2024.

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: Mirelis Valle-Cancel, [mvalle@gmlex.net](mailto:mvalle@gmlex.net); Alexis G. Rivera Medina, [grivera@gmlex.net](mailto:grivera@gmlex.net); and Genera PR LLC, through its counsel of record: Jorge Fernández-Reboredo, [jfr@sbgblaw.com](mailto:jfr@sbgblaw.com), and Alejandro López Rodríguez, [alopez@sbgblaw.com](mailto:alopez@sbgblaw.com).



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*Exhibit 1*  
Q3 Report  
*Supporting schedules to be submitted via email*

*Exhibit 2*  
Budget to Actuals worksheet  
to be submitted *via* email





# Informe trimestral de LUMA

para el tercer trimestre (Q3) del año fiscal 2024

que termina el 31 de marzo de 2024

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[ProgresoDeLUMAPR.COM](https://ProgresoDeLUMAPR.COM)

# Lideramos con orgullo la transformación energética para lograr un futuro más limpio, confiable y resiliente para Puerto Rico.

Desde que asumió la operación del Sistema de Transmisión y Distribución de Puerto Rico el 1 de junio de 2021, la fuerza laboral de LUMA sigue comprometida con reparar, reconstruir y modernizar el sistema eléctrico. Nuestro equipo de LUMA continúa logrando avances significativos y mejorando la confiabilidad del servicio, la reducción e impacto de interrupciones de servicio, la resiliencia de la red, el servicio al cliente y la energía renovable en toda la isla para construir el futuro energético que esperan y merecen 1.5 millones de clientes.

Como parte de estos esfuerzos, LUMA está implementando una serie de programas de mejora críticas relacionadas con la calidad de los servicios de energía para los clientes. A través de estas numerosas iniciativas, durante del tercer trimestre (Q3) de enero a marzo del año fiscal 2024 (FY2024), LUMA reemplazó más de 1,000 postes de distribución, y reparó o sustituyó más de 24,000 luminarias para mejorar la confiabilidad del sistema, aumentar la resiliencia y mejorar la seguridad de la red.

LUMA sigue apoyando un futuro energético más limpio promoviendo la adopción de la energía solar residencial y las iniciativas de energía limpia. Estos avances esenciales en energía limpia disminuyen la dependencia de combustibles importados. En este trimestre, LUMA conectó más de 7,858 sistemas solares en techos, lo que representa 56 megavatios adicionales de energía limpia y renovable que se añaden a la red. Este progreso continuo de la energía limpia contribuye a los objetivos de energía renovable de Puerto Rico, y subraya el firme compromiso de LUMA con la protección del medio ambiente.

LUMA ha mejorado el servicio al cliente con opciones de atención al cliente las 24 horas del día dedicadas a proveer asistencia rápida y cordial en todo Puerto Rico. Este trimestre, por ejemplo, nuestros equipos de atención al cliente atendieron a 607,171 clientes en persona, con un tiempo promedio de espera menor a 10 minutos. Nuestros equipos también atendieron 504,691 llamadas de clientes con un tiempo promedio de espera de menos de un minuto, lo que pone de manifiesto nuestra sincera dedicación a mejorar la experiencia del cliente.

En general, este informe esboza el alcance de las acciones de LUMA y los logros alcanzados durante el período de tres meses comprendido entre el 1 de enero y el 31 de marzo de 2024. Las secciones subsiguientes demuestran nuestros esfuerzos continuos para modernizar la infraestructura energética de Puerto Rico y nuestro compromiso de operar de manera eficiente y con responsabilidad fiscal. LUMA opera activos de transmisión y distribución que pertenecen al gobierno en virtud de un acuerdo de operación a largo plazo administrado como parte de una alianza público-privada bajo la supervisión de la Autoridad para las Alianzas Público-Privadas de Puerto Rico (P3A, por su sigla en inglés), y está sujeta a la supervisión reguladora del Negociado de Energía de Puerto Rico. Este informe se presenta como requisito del Acuerdo de Operación y Mantenimiento del Sistema de Transmisión y Distribución de Puerto Rico (T&D OMA, por su sigla en inglés).

## Prioridad a la seguridad

No hay nada más importante para LUMA que la seguridad de nuestros compañeros de trabajo, clientes y comunidades. En el tercer trimestre, brindamos capacitación dedicada a la salud y la seguridad a 1,972 empleados de LUMA para prevenir riesgos y mantener un ambiente de trabajo seguro.

## Reconstrucción y resiliencia del sistema

En el Q3, seguimos avanzando en proyectos de resiliencia que son fundamentales para mejorar y transformar el sistema eléctrico. Esto incluye el recibo de obligaciones de fondos de FEMA para seis proyectos de distribución y subestaciones que representan un valor estimado de \$179 millones.

## Mejora de la satisfacción del cliente

Seguimos creando nuevos canales para escuchar, apoyar y responder a nuestros clientes. En el tercer trimestre, LUMA añadió funciones de confirmación de pagos mediante mensajes de texto para los clientes que procesan pagos a través del mecanismo de respuesta de voz interactiva.

## Excelencia operativa

Nuestra mano de obra cualificada sigue desarrollándose mediante un enfoque en la capacitación especializada. Durante el Q3, 247 empleados de LUMA participaron en los programas de Aprendizaje sobre subestaciones eléctricas, el sistema eléctrico soterrado y de celadores de línea.

## Transformación energética sostenible

Seguimos impulsando las energías renovables a un ritmo histórico. En el Q3, LUMA firmó tres contratos para la interconexión segura de sistemas que generarán 150 megavatios de capacidad de almacenamiento de energía que mejorarán el uso de energías renovables e impulsarán la fiabilidad y resiliencia del sistema.



## Nuestra misión para Puerto Rico

**Reconstruir y transformar el sistema eléctrico para proveer un servicio sustentable, centrado en el cliente, confiable, resiliente, seguro y a precios razonables para el pueblo puertorriqueño.**

### **PRIORIZAR LA SEGURIDAD**



Reformar las operaciones del servicio para apoyar una sólida cultura de seguridad que esté enfocada en la seguridad de los empleados y la seguridad del pueblo de Puerto Rico



### **MEJORAR LA SATISFACCIÓN DEL CLIENTE**

Transformar las operaciones del servicio para brindar una experiencia positiva al cliente, al igual que energía confiable a precios razonables.



### **RECONSTRUIR Y RESILENCIA DEL SISTEMA**

Utilizar efectivamente los fondos federales para restaurar la red eléctrica y mejorar la resistencia de la infraestructura frágiles



### **EXCELENCIA OPERACIONAL**

Facilitar e inspirar a los empleados a alcanzar la excelencia operacional mediante nuevos adiestramientos, procesos y sistemas.



### **TRANSFORMACIÓN ENERGÉTICA SOSTENIBLE**

Modernizar la red eléctrica para lograr un sistema energético sustentable



## Progresos para Puerto Rico durante el AF2024

(Datos de los nueve meses transcurridos entre el 1 de julio de 2023 y el 31 de marzo de 2024)

Construimos un futuro energético mejor para todos los clientes de LUMA.

### MEJORAMOS LA CONFIABILIDAD.

Instalamos más de

**4,800**

**DISPOSITIVOS DE AUTOMATIZACIÓN DE LA DISTRIBUCIÓN**, incluidos 2,700 nuevos

dispositivos protectores de alimentadores eléctricos que reducen la cantidad y duración de las interrupciones del servicio para los clientes.



### EXPANDIMOS LA ENERGÍA

#### RENOVABLE.

Activamos más de

**34,200** SISTEMAS DE

PANELES SOLARES EN TECHOS

que representan más de **240 MW**.



### MEJORAMOS LA SEGURIDAD.

Completamos más de

**55,600** HORAS DE  
CAPACITACIÓN DIRECTA.



### AUMENTAMOS LA RESILIENCIA.

Reemplazamos más de

**3,500**

postes de servicio público  
ROTOS Y DAÑADOS.



### MEJORAMOS EL SERVICIO AL CLIENTE.

Atendimos más de

**1,780,809** LLAMADAS

con un tiempo promedio de espera  
inferior a **un minuto**.



### PROYECTOS CON FONDOS FEDERALES

Presentamos

**164 ALCANCES DE TRABAJO DETALLADOS**, que representan  
unos **\$5,800 millones** en nuevas  
inversiones.







## Prioridad a la seguridad y la capacitación

No hay nada más importante para nosotros que la seguridad de nuestros trabajadores, contratistas y comunidades. Como parte de este compromiso, este trimestre:

- Realizamos **315** inspecciones del Departamento de Transportación y **164** **inspecciones de conformidad de vehículos** del Instituto Nacional Estadounidense de Estándares
- Brindamos capacitación adicional a 309 empleados en **primeros auxilios, reanimación cardiopulmonar** y uso de **desfibriladores externos automáticos**
- Proporcionamos **15,119 horas de capacitación a través de LUMA College y el Programa de Aprendizaje de LUMA**, lo que representa un total de 247 cursos de preaprendizaje completados



## Fortalecimiento de nuestras comunidades

La colaboración, educación e inversión siguen siendo la base de nuestro apoyo a las comunidades para potenciar un futuro mejor. Como parte de este compromiso, este trimestre los empleados de LUMA:

- Llevamos a cabo **talleres comunitarios de seguridad** en la **Península de Cantera**, la **Escuela Luisa Valderrama** y el **Centro Sor Isolina Ferré**, para compartir las normas generales de seguridad y protección en el hogar
- Entregamos **productos de primera necesidad, alimentos, productos de limpieza y juguetes, entre otros**, a organizaciones comunitarias como la Hacienda Los Santos, *Love of All Dogs Rescue*, el Centro de Protección y Adopción de Animales, el Hogar Abrazo de Amor, el Hogar Santa Teresa Jornet, el Hogar Cuna San Cristóbal, el Hogar San Agustín del Coquí, la Casa de Niños Manuel Fernández Juncos y el Portal de Amor
- Apoyamos y llevamos a cabo recaudaciones de fondos para organizaciones sin fines de lucro que prestan servicios a los necesitados, entre ellas **Brownie Blondie** (organización dedicada a combatir el abandono y la crueldad contra los animales), la **Cruz Roja Americana** y la **Sociedad Puertorriqueña contra la Epilepsia**
- Llevamos a cabo la tercera edición del programa STEM, **Impulsando tu futuro**, en la que 35 estudiantes féminas de noveno a duodécimo grado construyeron sus karts eléctricos





## Mejora del alcance y la respuesta a nuestros clientes

Los clientes son el corazón de las operaciones de LUMA y de nuestra misión de construir una empresa de servicio público más centrada en el cliente. Como parte de este compromiso, este trimestre:

- Atendimos personalmente a más de **607,171 clientes** en 25 centros de atención al cliente, con un tiempo promedio de espera **inferior a diez** minutos
- Atendimos más de **504,691 llamadas de clientes** con un tiempo medio de espera **inferior a un minuto**
- Inscribimos a más de **17,608 clientes** en **acuerdos de pago**
- Respondimos a más de **56,598 mensajes directos en redes sociales** y **76,212 mensajes de correo electrónico**





## Impulso de proyectos financiados con fondos federales

LUMA está avanzando en proyectos financiados con fondos federales a un ritmo histórico para contribuir a modernizar el sistema eléctrico. Como parte de este compromiso, este trimestre:

- Presentó documentos conceptuales al Departamento de Energía para **obras por un valor de \$300 millones destinados a restaurar y sustituir** el circuito de transmisión subterránea de 115 kV de San Juan a Bayamón, así como a instalar sensores avanzados para tener mayor conocimiento de la situación de la red
- Presentamos **48 alcances de trabajo detallados** a FEMA por valor de más de \$545 millones
- Obtuvimos fondos obligados de FEMA para **seis proyectos de distribución y de subestaciones** por un valor de más de \$179 millones



## Reparación, restauración y reconstrucción de la red eléctrica

LUMA ha logrado avances significativos y duraderos para mejorar el sistema eléctrico mientras trabajamos para construir un mejor futuro energético para Puerto Rico. Como parte de este compromiso, este trimestre:

- Instalamos más de **450 dispositivos de automatización de la distribución**
- Sustituimos más de **1,000 postes de electricidad rotos y dañados**
- **Sustituimos o reparamos más de 24,000 luminarias** en Barranquitas, Cabo Rojo, Ceiba, Las Piedras, Loíza, Morovis, Naranjito, Toa Baja, Vega Alta, Vega Baja, Vieques y Yauco



## Impulso de la transformación energética sostenible

LUMA ha acelerado la transformación de la energía limpia en Puerto Rico. Como parte de este compromiso, este trimestre:

- Activamos la medición neta para más de **7,858 sistemas de paneles solares en techos** que representan **56 MW**
- Ejecutamos **tres acuerdos grandes de interconexión** en Caguas, Peñuelas y Ponce, **que representan un total de 150 MW de recursos de almacenamiento de energía a escala comercial**
- **Enviamos más de 8,000 kits de eficiencia energética** a clientes **residenciales** para ayudarles a ahorrar energía y dinero, y concedimos **descuentos a 77 hogares para la compra de electrodomésticos más eficientes**



# LUMA Quarterly Report

for the Third Quarter (Q3) of Fiscal Year 2024

Ending March 31, 2024

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# Proudly leading the electric transformation for a cleaner, more reliable, more resilient energy future for Puerto Rico

Since assuming the operation of Puerto Rico's Transmission and Distribution System (T&D System) on June 1, 2021, LUMA's dedicated workforce remains determined to repair, rebuild, and modernize the electric system. Across the island, our LUMA team continues to achieve significant progress, including improvements to service reliability, reducing the impact of outages, grid resiliency, customer service, and renewable energy, building the better energy future 1.5 million customers expect and deserve.

As part of these efforts, LUMA is implementing a series of critical improvement programs, that improve the quality of energy services for customers. Through these many initiatives, across the third quarter (Q3) of Fiscal Year 2024 (FY2024), LUMA replaced, for example 1,000 distribution poles and repaired or replaced more than 24,000 streetlights to enhance reliability, increase grid resiliency and improve safety.

LUMA continues to support a cleaner energy future by empowering residential solar adoption and clean energy initiatives. These essential clean energy advancements decrease reliance on imported fuels. In this quarter alone, LUMA connected over 7,858 rooftop solar systems, representing 56 megawatts (MW) of additional clean, renewable energy added to the grid. This continuing clean energy progress contributes to Puerto Rico's renewable energy goals and underscores LUMA's steadfast dedication to environmental stewardship.

LUMA has improved customer service with round-the-clock customer service options, dedicated to providing quick and attentive support across Puerto Rico. This quarter, for example, our customer service teams supported to 607,171 customers in person, with an average wait time of less than 10 minutes. Our team also answered 504,691 customer calls with an average wait time of less than one minute, highlighting our sincere dedication to improving the customer experience.

Overall, this report outlines LUMA's scope of actions and accomplishments achieved across the three-month period from January 1 to March 31, 2024. The subsequent sections demonstrate our persistent efforts to modernize Puerto Rico's energy infrastructure and our commitment to operating efficiently and with fiscal responsibility. LUMA operates government-owned transmission and distribution assets under a long-term operating agreement administered as part of a public-private partnership overseen by the Puerto Rico Public-Private Partnerships Authority (P3A) and is subject to regulatory oversight by the Puerto Rico Energy Bureau (PREB). This report is submitted as a requirement of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (T&D OMA).

## Prioritizing Safety

There is nothing more important to LUMA than the safety of our co-workers, customers, and communities. In Q3, we provided training dedicated to health and safety to 1,972 LUMA employees to prevent risks and maintain a safe working environment.

## System Rebuild and Resiliency

In Q3, we continued advancing resiliency projects that are critical to improving and transforming the electric system. This includes receiving FEMA obligations of funds for six distribution and substations projects representing an estimated \$179 million.

## Improving Customer Satisfaction

We continue to create new ways to listen to, support and respond to our customers. In Q3, LUMA added text message payment confirmation capabilities for customers processing payments through Interactive Voice Response.

## Operational Excellence

Our skilled workforce continues to grow with an expanded focus on specialized training. During Q3, 247 LUMA employees participated in the Substation Apprenticeship, Underground Apprenticeship and Line Worker Programs.

## Sustainable Energy Transformation

We continue to advance renewable energy at historic rate. In Q3, LUMA executed three interconnection contracts to safely connect 150 megawatts of energy storage capacity that will improve the use of renewable energy and boost system reliability and resilience.





## Our Mission for Puerto Rico

To recover and transform the utility to deliver customer-centric, reliable, resilient, safe, and sustainable electricity at reasonable prices



### **PRIORITIZE SAFETY**

Reform utility activities to support a strong safety culture focused on employee safety and the safety of the people of Puerto Rico



### **IMPROVE CUSTOMER SATISFACTION**

Transform utility operations to deliver a positive customer experience and reliable electricity at reasonable prices



### **SYSTEM REBUILD & RESILIENCY**

Effectively deploy federal funding to restore the grid and improve the resilience of vulnerable infrastructure



### **OPERATIONAL EXCELLENCE**

Enable employees to pursue operational excellence through new systems, processes, and training



### **SUSTAINABLE ENERGY TRANSFORMATION**

Modernize the grid and the utility to enable the sustainable energy transformation



## Progress for Puerto Rico during Fiscal Year 2024

(Year-to-date data for the nine months, between July 1, 2023, and March 31, 2024)

### Building a Better Energy Future for All LUMA Customers

#### ENHANCING RELIABILITY

Installed over

**4,800** DISTRIBUTION

**AUTOMATION DEVICES**, including 2,700 new feeder protection devices that reduce customer interruptions and their duration



#### EXPANDING RENEWABLES

Activated over

**34,200** ROOFTOP  
**SOLAR PANEL SYSTEMS**,  
representing over **240 MW**



#### IMPROVING SAFETY

Completed more than

**55,600** DIRECT  
TRAINING HOURS



#### INCREASING RESILIENCY

Replaced more than

**3,500**  
BROKEN AND DAMAGED  
utility poles



#### BETTER CUSTOMER SERVICE

Answered over

**1,780,809** CALLS

with an average wait time of  
less than **one minute**



#### FEDERAL FUNDED PROJECTS

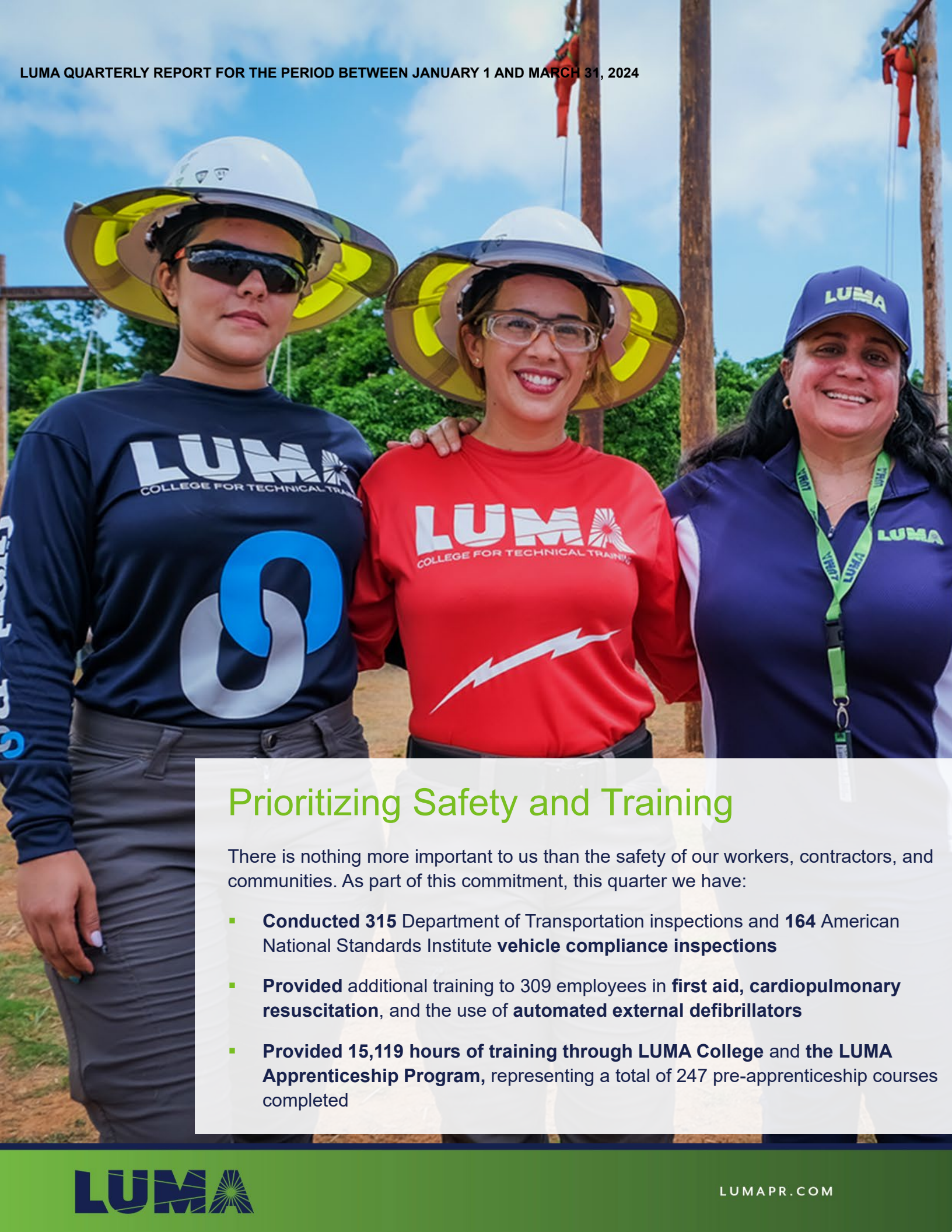
Submitted

**164** DETAILED SCOPES  
OF WORK, representing an

estimated **\$5.8 billion** in new  
investments







## Prioritizing Safety and Training

There is nothing more important to us than the safety of our workers, contractors, and communities. As part of this commitment, this quarter we have:

- **Conducted 315** Department of Transportation inspections and **164** American National Standards Institute **vehicle compliance inspections**
- **Provided** additional training to 309 employees in **first aid, cardiopulmonary resuscitation**, and the use of **automated external defibrillators**
- **Provided 15,119 hours of training through LUMA College and the LUMA Apprenticeship Program**, representing a total of 247 pre-apprenticeship courses completed



## Empowering Our Communities

Collaboration, education, and investment continue to be the foundation of our support for communities to empower a better future. As part of this commitment, this quarter LUMA employees:

- Held **community safety workshops**, including in **Peninsula de Cantera, Luisa Valderrama School and Sister Isolina Ferré Center**, to share the general rules on safety and protection at home
- Delivered **essential products, food, cleaning materials, and toys, among others**, to community organizations including Hacienda Los Santos, Love of All Dogs Rescue, Centro de Protección y Adopción de Animales, Hogar Abrazo de Amor, Hogar Santa Teresa Jornet, Hogar Cuna San Cristobal, Hogar San Agustín del Coquí, Casa de Niños Manuel Fernández Juncos and Portal de Amor
- Supported and carried out fundraising for non-profit organizations providing services to those in need, including **Brownie Blondie** (an organization dedicated to combat animal abandonment and cruelty), as well as the **American Red Cross** and the **Puerto Rican Epilepsy Society**
- Held the third edition of the STEM program, **Power Your Future**, in which 35 female students from ninth to twelfth grade built their electric go-karts





## Improving Outreach and Response to Our Customers

Customers are at the core of LUMA's operations and it's our mission to build a more customer-centric utility. As part of this commitment, this quarter we:

- Served over **607,171 customers** in person across 25 customer service centers with an average wait time of **under ten minutes**
- Answered over **504,691 customer calls** with an average wait time of **less than one minute**
- Enrolled customers in over **17,608 payment agreements**
- Responded to over **56,598 social media direct messages** and **76,212 e-mail messages**



A large black and yellow helicopter is flying over a dense green forest. In the foreground, a worker wearing a bright green safety vest and a hard hat is visible, standing near some equipment. The sky is blue with scattered white clouds. The helicopter's rotors are in motion, and some small debris or leaves are visible in the air around it.

## Advancing Federally Funded Projects

LUMA is advancing federally funded projects at a historic rate, helping to modernize the electric system. As part of this commitment, this quarter, we have:

- Submitted concept papers to the Department of Energy for **\$300 million of work to restore and replace** the 115 kV underground transmission loop of San Juan to Bayamón as well as deploy advanced sensors to increase situational awareness on the grid
- Submitted **48 detailed scope of work** to FEMA worth over \$545 million
- Received FEMA obligation of funds for **six distribution and substation projects** worth more than \$179 million



## Repairing, Restoring and Rebuilding the Electric Grid

LUMA has made significant and lasting progress to improve the electric system as we work toward building a better energy future for Puerto Rico. As part of our commitment, this quarter we have:

- Installed more than **500 distribution automation devices**
- Replaced more than **1,000 broken and damaged utility poles**
- **Replaced or repaired more than 24,000 streetlights** in Barranquitas, Cabo Rojo, Ceiba, Las Piedras, Loiza, Morovis, Naranjito, Toa Baja, Vega Alta, Vega Baja, Vieques, and Yauco



## Empowering the Sustainable Energy Transformation

LUMA has served as a catalyst for the clean energy transformation in Puerto Rico. During this quarter, we have:

- Activated net metering for over **7,858 rooftop solar panel systems** representing **56 MW**
- Executed **three Large Interconnection Agreements** in Caguas, Peñuelas, and Ponce, representing a total of **150 MW of utility-scale energy storage resources**
- Shipped more than **8,000 residential energy efficiency kits** to customers to help them save energy and money, and awarded **rebates for 77 homes to purchase more efficient appliances**

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# Q3 FY2024 Financial Performance

As of March 31, 2024, **LUMA was under budget for the rate-funded component**, having spent 67% of its annual operational and non-federally funded capital budgets.

## Summary of Q3 of FY2024 Spending<sup>1</sup>

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Transmission &amp; Distribution<sup>2</sup></b>							
Operating Expenditures	\$ 560.3	\$ 147.8	\$ 120.1	\$ 418.0	\$ 349.3	\$ 68.7	
Non-Federally Funded Capital Expenditures	\$ 91.1	\$ 21.2	\$ 47.1	\$ 70.5	\$ 96.4	\$ (25.9)	
Energy Efficiency Programs <sup>3</sup>	\$ 11.5	\$ 3.9	\$ 1.6	\$ 7.7	\$ 1.7	\$ 6.0	
<b>Subtotal</b>	<b>\$ 662.9</b>	<b>\$ 172.9</b>	<b>\$ 168.8</b>	<b>\$ 496.2</b>	<b>\$ 447.4</b>	<b>\$ 48.8</b>	<b>10%</b>
<b>Federally Funded Capital Expenditures</b>	<b>\$ 802.6</b>	<b>\$ 231.2</b>	<b>\$ 171.8</b>	<b>\$ 559.8</b>	<b>\$ 501.6</b>	<b>\$ 58.2</b>	<b>10.4%</b>

<sup>1</sup> FY2024 Budget figures above include a 2% reserve for excess expenditures and interim costs and expenses.

<sup>2</sup> Figures may not add up due to rounding.

<sup>3</sup> Expenses in Q3 were primarily for the launch of Residential Rebates and Residential Energy Efficiency Kits. Other expenses include the development of additional customer-facing programs such as Business Rebates, Education and Outreach programs and Business Kits. For further information on Energy Efficiency programs, please refer to Case No. NEPR-MI-2022-0001.

## Energy Consumption and Base Revenue

The following table outlines the total consumption and base revenues forecasted amounts compared to quarter and year-to-date actuals:

	FY2024 Forecast	Q3 Forecast	Q3 Actuals	YTD Forecast	YTD Actuals	YTD Variance
Total Consumption (GWh)	15,466	3,466	3,867	11,564	12,969	1,404
Base Revenue (millions) <sup>1</sup>	\$ 1,112	\$ 257	\$ 269	\$ 832	\$ 878	\$ 45

<sup>1</sup> Base revenue does not include revenue billed for fuel adjustment, purchased power, contribution in lieu of taxes, and subsidies.

<sup>1</sup> On March 28th, 2024, LUMA submitted a Budget Amendment for FY2024, reallocating \$36 million from LUMA's Operating Budget to the Non-Federally Funded Capital Budget. These funds will be distributed among various improvement portfolios including Distribution, Substation, Control Center & Buildings, Enabling, and Support Services. The Puerto Rico Energy Bureau approved this amendment on May 6, 2024. The Budget Amendment also included a \$6 million reallocation within the Operating Budget for Vegetation Management. The reallocation of these funds will be reflected in the Q4 Report.



## Transmission & Distribution Operating Expenditures

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Labor</b>							
Salaries, Wages and Benefits	254.2	68.5	64.6	188.3	168.7	19.6	
<b>Total Labor</b>	<b>\$ 254.2</b>	<b>\$ 68.5</b>	<b>\$ 64.6</b>	<b>\$ 188.3</b>	<b>\$ 168.7</b>	<b>\$ 19.6</b>	<b>10%</b>
<b>Non-Labor</b>							
Materials & Supplies	40.7	10.8	8.7	31.0	23.4	7.6	
Transportation, Per Diem, and Mileage	15.3	4.5	1.0	11.1	(2.2)	13.3	
Property & Casualty Insurance	19.5	4.9	4.9	14.6	14.8	(0.2)	
Security	6.2	1.6	1.6	4.7	4.8	(0.1)	
IT Service Agreements	28.1	7.1	6.9	21.2	19.5	1.7	
Utilities & Rents <sup>2</sup>	6.9	1.8	(5.5)	5.2	2.1	3.1	
Legal Services	10.0	2.5	1.8	7.5	6.2	1.3	
Communications Expenses	1.5	0.4	-	1.1	0.2	0.9	
Professional & Technical Outsourced Services	102.3	26.8	21.4	76.6	63.7	12.9	
Vegetation Management	50.0	12.5	13.3	37.5	42.1	(4.6)	
Other Miscellaneous Expenses	14.6	3.5	1.4	11.0	6.0	5.0	
<b>Total Non-Labor / Other Operating Expense</b>	<b>\$ 295.1</b>	<b>\$ 76.4</b>	<b>\$ 55.5</b>	<b>\$ 221.5</b>	<b>\$ 180.6</b>	<b>\$ 40.9</b>	<b>18%</b>
<b>Subtotal</b>	<b>\$ 549.3</b>	<b>\$ 144.9</b>	<b>\$ 120.1</b>	<b>\$ 409.8</b>	<b>\$ 349.3</b>	<b>\$ 60.5</b>	<b>15%</b>
2% Reserve for Excess Expenditures	11.0	2.9	-	8.2	-	8.2	
<b>Total Operating Expenditures</b>	<b>\$ 560.3</b>	<b>\$ 147.8</b>	<b>\$ 120.1</b>	<b>\$ 418.0</b>	<b>\$ 349.3</b>	<b>\$ 68.7</b>	<b>16%</b>

<sup>1</sup> Figures may not add up due to rounding.<sup>2</sup> Negative figure accounts for reclasses made for capital expenses that were categorized as operational expenses in previous quarters.

## Operating Expenditures by Department

### Customer Experience Operational Expenditures

LUMA's Customer Experience Department is core to LUMA's mission to deliver customer-centric, reliable, resilient, safe, and sustainable electricity. By implementing appropriate communication protocols and standard billing and collection practices, LUMA has served customers courteously and effectively and created proactive solutions.

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Labor</b>							
Salaries, Wages and Benefits	51.1	12.8	10.2	38.3	30.9	7.4	
<b>Total Labor</b>	<b>\$ 51.1</b>	<b>\$ 12.8</b>	<b>\$ 10.2</b>	<b>\$ 38.3</b>	<b>\$ 30.9</b>	<b>\$ 7.4</b>	<b>19%</b>
<b>Non-Labor</b>							
Materials & Supplies	0.3	-	-	0.2	0.1	0.1	
Transportation, Per Diem, and Mileage	0.7	0.2	0.2	0.6	0.4	0.2	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	0.2	-	-	0.1	-	0.1	
Utilities & Rents	0.1	0.1	-	0.1	0.1	-	
Legal Services	0.1	-	-	0.1	-	0.1	
Communications Expenses	0.2	0.1	-	0.2	-	0.2	
Professional & Technical Outsourced Services	35.1	8.8	9.7	26.3	25.8	0.5	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	-	-	-	-	0.1	(0.1)	
<b>Total Non-Labor / Other Operating Expense</b>	<b>\$ 36.7</b>	<b>\$ 9.2</b>	<b>\$ 9.9</b>	<b>\$ 27.6</b>	<b>\$ 26.5</b>	<b>\$ 1.1</b>	<b>4%</b>
<b>Total Operating Expense</b>	<b>\$ 87.8</b>	<b>\$ 22.0</b>	<b>\$ 20.1</b>	<b>\$ 65.9</b>	<b>\$ 57.4</b>	<b>\$ 8.5</b>	<b>13%</b>

<sup>1</sup> Figures may not add up due to rounding.

Key activities accomplished during Q3 FY2024:

- Added payment confirmations via text messages for customers processing payments through interactive voice response without a representative
- Increased customer convenience by installing new point-of-sale systems at regional customer service centers that allows customers to use additional payment methods, such as ATH Móvil, Apple Pay, and Google Pay
- Implemented a software optimization to the customer care and billing system that resulted in a reduction of estimated bills from 11% to 6%, ensuring customers receive more accurate bills
- Promoted the electric vehicle time-of-use program at various community events; customers enrolled in this program have the opportunity to save on energy costs when charging their electric vehicles
- Completed the ConexiónLUMA Portal Phase 1.0 to speed up the study, approval, and activation for net energy metering clients
- As reported on June 6, 2023, LUMA enabled customer service representatives to respond to non-emergency calls during emergencies
- Launched a rebates program for customers to purchase more efficient appliances and provided more than 8,000 energy efficiency kits for residential customers to save energy and reduce their electricity bills

The primary driver for the \$8.5 million favorable year-to-date variance for Customer Experience operating expenditures was labor savings due to higher call center productivity and slowed hiring.



## Operations Operating Expenditures

The Operations Department oversees and manages the day-to-day work on the transmission and distribution (T&D) infrastructure, which is critical to providing a safe and reliable electric service to all of our 1.5 million customers. LUMA's focus on operations continues to be the safety of our workforce and our customers while taking actions to address maintenance and repairs and improving overall reliability and resiliency.

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Labor</b>							
Salaries, Wages and Benefits	136.0	38.2	36.4	100.4	83.6	16.8	
<b>Total Labor</b>	<b>\$ 136.0</b>	<b>\$ 38.2</b>	<b>\$ 36.4</b>	<b>\$ 100.4</b>	<b>\$ 83.6</b>	<b>\$ 16.8</b>	<b>17%</b>
<b>Non-Labor</b>							
Materials & Supplies	37.3	10.1	7.8	28.5	20.5	8.0	
Transportation, Per Diem, and Mileage	10.8	3.4	1.0	7.7	(5.7)	13.4	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	2.6	0.6	-	2.0	0.2	1.8	
Utilities & Rents <sup>2</sup>	2.0	0.5	(2.1)	1.5	(0.2)	1.7	
Legal Services	-	-	-	-	-	-	
Communications Expenses	0.2	-	-	0.1	0.1	-	
Professional & Technical Outsourced Services	19.2	5.9	3.6	14.4	7.7	6.7	
Vegetation Management	50.0	12.5	13.3	37.5	42.1	(4.6)	
Other Miscellaneous Expenses	6.1	1.5	0.6	4.6	1.1	3.5	
<b>Total Non-Labor / Other Operating Expense</b>	<b>\$ 128.2</b>	<b>\$ 34.5</b>	<b>\$ 24.2</b>	<b>\$ 96.3</b>	<b>\$ 65.8</b>	<b>\$ 30.5</b>	<b>32%</b>
<b>Total Operating Expense</b>	<b>\$ 264.2</b>	<b>\$ 72.7</b>	<b>\$ 60.6</b>	<b>\$ 196.7</b>	<b>\$ 149.4</b>	<b>\$ 47.3</b>	<b>24%</b>

<sup>1</sup> Figures may not add up due to rounding.

<sup>2</sup> Negative figure accounts for reclasses made for capital expenses that were categorized as operational expenses in previous quarters.

### Key activities accomplished during Q3 FY2024:

- Completed 90,636 service orders; replaced or repaired over 24,000 streetlights and changed 3,353 damaged meters
- Cleared vegetation across 403 miles of rights of way, 292 miles of distribution lines and 111 miles of transmission lines
- Upgraded, insulated, and replaced hardware in one-hundred sixty-six 38 kV line structures, forty-five 150 kV line structures and sixty-four 230 kV line structures
- Completed 78 inspections of the metering system at 38 kV to verify meter programming, accuracy, current and wiring. Recycled and returned to inventory 5,112 meters, and validated voltage of 650 meters
- Complete acquisition of over \$18 million in materials and initiated formal procurement process for more than \$341 million in additional materials and services to support Capital and Operation projects
- Tested and commissioned 14 pad-mounted transformers and restored 5 overhead transformers allowing 18 of them to be dispatched and installed on the electrical grid
- Existing employees received 15,119 hours of training through LUMA College and the LUMA Apprenticeship Program, with 39 employees in the Substation Apprenticeship Program, 25 employees in the Underground Apprenticeship Program, and 183 employees in the Line Worker program who all passed pre-apprenticeship courses

The primary drivers for the \$47.3 million favorable year-to-date variance for operating expenditures were lower than budgeted salaries, wages, benefits, materials and supplies, transportation, per diem, and mileage expenses. This is related to resources being dedicated to emergency response and outage restoration efforts. Vegetation management expenses have trended higher than budgeted year-to-date due to additional resources deployed and utilization of specialized equipment; a budget amendment was submitted to increase the allocated budget and ensure it remains within budget.

## LUMA Electrical Utility Field Workers

LUMA provides a quarterly status of electrical utility field workers, including those qualified to work on energized lines.

Electrical Utility Field Worker Type	Electrical Utility Field Worker as of March 31, 2024 <sup>3</sup>
Utility electrician	112
Apprentice underground technician	25
Underground Technician	9
Apprentice substation technician <sup>2</sup>	43
Substation technician <sup>1</sup>	61
Senior substation technician <sup>1</sup>	24
Meter technicians	26
Low-voltage technician	113
Foreman <sup>1</sup>	112
Foreman - low voltage	38
Apprentice lineworker, 1st period	15
Apprentice lineworker, 2nd period	33
Apprentice lineworker, 3rd period	29
Apprentice lineworker, 4th period <sup>2</sup>	45
Apprentice lineworker, 5th period <sup>2</sup>	36
Apprentice lineworker, 6th period <sup>2</sup>	24
Journeyman lineworker <sup>1</sup>	329
<b>Total</b>	<b>1074</b>

<sup>1</sup> Electrical utility field workers qualified to work on energized lines.

<sup>2</sup> Electrical utility field workers qualified to work on energized lines under the supervision of a journeyman lineworker or journeyman substation technician.

<sup>3</sup> The figures include the number of full-time employees and do not include groundmen, operators, and laborers that support electrical utility field workers.

Understanding that employee counts fluctuate at any given time, LUMA continues to hire, train, and develop electrical utility field workers to meet the requirements of the T&D System. As of March 31, 2024, LUMA had 1,074 full-time electrical utility field workers employed, compared to a budgeted amount of 1,217. We closely monitor the LUMA workforce to ensure turnover is within reasonable parameters and continue efforts to attract and retain the best talent.

LUMA is rolling out various strategies aimed at recruiting top-tier talent for its workforce with a specific focus on recruiting skilled lineworkers and technicians. Initiatives include recruiting for our Apprenticeship Program, targeting experienced utility workers throughout the Island and actively engaging in job fairs and efforts in local, mainland and other markets to attract top talent.

## Utility Transformation Operating Expenditures

LUMA's Utility Transformation Department provides the technical, engineering, and programmatic framework required to deliver safe, reliable, resilient, and clean energy service to our 1.5 million customers. The department supports key initiatives defined in the System Remediation Plan and focuses on the long-range vision articulated in the Integrated Resource Plan. This department also plans and implements capital investment programs, including all federally funded work on the electric grid.

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Labor</b>							
Salaries, Wages and Benefits	13.8	3.5	4.9	10.3	14.6	(4.3)	
<b>Total Labor</b>	<b>\$ 13.8</b>	<b>\$ 3.5</b>	<b>\$ 4.9</b>	<b>\$ 10.3</b>	<b>\$ 14.6</b>	<b>\$ (4.3)</b>	<b>(42%)</b>
<b>Non-Labor</b>							
Materials & Supplies	0.5	0.1	0.4	0.4	1.0	(0.6)	
Transportation, Per Diem, and Mileage	2.4	0.6	(0.6)	1.8	1.6	0.2	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	0.4	0.2	-	0.3	-	0.3	
Utilities & Rents <sup>2</sup>	0.3	-	(4.5)	0.2	(1.9)	2.1	
Legal Services	-	-	1.4	-	1.4	(1.4)	
Communications Expenses	-	-	-	-	-	-	
Professional & Technical Outsourced Services	1.6	0.4	(0.3)	1.2	1.0	0.2	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	0.5	0.1	0.3	0.5	0.5	-	
<b>Total Non-Labor / Other Operating Expense</b>	<b>\$ 5.7</b>	<b>\$ 1.4</b>	<b>\$ (3.3)</b>	<b>\$ 4.4</b>	<b>\$ 3.6</b>	<b>\$ 0.8</b>	<b>18%</b>
<b>Total Operating Expense</b>	<b>\$ 19.5</b>	<b>\$ 4.9</b>	<b>\$ 1.6</b>	<b>\$ 14.7</b>	<b>\$ 18.2</b>	<b>\$ (3.5)</b>	<b>(24%)</b>

<sup>1</sup> Figures may not add up due to rounding.

<sup>2</sup> Negative figure accounts for reclasses for capital expenses that were charged to operational expenses in past quarters.

### Key activities accomplished during Q3 FY2024:

- Submitted 48 detailed scope of work (SOW) to the Federal Emergency Management Agency (FEMA) worth over \$545 million and received FEMA obligation for six distribution and substation projects worth more than \$179 million
- Developed a tool to manage assessment criteria and established a procedure for field staff to recognize, report, escalate, and monitor emergency incidents impacting distribution feeder infrastructure, ensuring prompt review and resolution
- Placed 48 interns from six different universities across Puerto Rico within the Engineering and Capital Programs teams to provide valuable industry experience and contribute to building LUMA's workforce in the future
- LUMA's Center of Excellence hosted four sessions for emerging engineers and industry experts with topics such as: Network Microgrids for Enhancing Resilience, Reliability, Security, and the Economics of the Microgrid; Wide-area Time Synchronized Power Grid Monitoring; Reliability and Resilience Improvement of Power Delivery Systems; and Substation Maintenance 101: Standard Practices for Substation Asset Maintenance
- Submitted concept papers to the Department of Energy for \$300 million of work to restore and replace the 115kV underground transmission loop of the San Juan – Bayamon metro area, alongside the implementation of synchrophasor technology
- Processed 22 third-party attachment applications for 814 poles to ensure compliance with applicable codes and standards

The primary drivers for the \$3.5 million unfavorable year-to-date variance for Utility Transformation are higher allocation to operations versus capital expenditures, as well as legal expenses associated with supporting LUMA's Capital Program that were not budgeted.

## Support Services Operating Expenditures

LUMA's Support Service functions enable electric service delivery by supporting the entire enterprise. These functions include safety, emergency management, Information Technology and Operations Technology (IT OT), environmental, legal, procurement, regulatory, finance, and other areas that are imperative to LUMA's success in meeting its mission and achieving its key goals.

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Labor</b>							
Salaries, Wages and Benefits	53.3	14.0	13.1	39.3	39.6	(0.3)	
<b>Total Labor</b>	<b>\$ 53.3</b>	<b>\$ 14.0</b>	<b>\$ 13.1</b>	<b>\$ 39.3</b>	<b>\$ 39.6</b>	<b>\$ (0.3)</b>	<b>(1%)</b>
<b>Non-Labor</b>							
Materials & Supplies	2.6	0.6	0.5	1.9	1.8	0.1	
Transportation, Per Diem, and Mileage	1.4	0.3	0.4	1.0	1.5	(0.5)	
Property & Casualty Insurance	19.5	4.9	4.9	14.6	14.8	(0.2)	
Security	6.2	1.6	1.6	4.7	4.8	(0.1)	
IT Service Agreements	24.9	6.3	6.9	18.8	19.3	(0.5)	
Utilities & Rents	4.5	1.2	1.1	3.4	4.1	(0.7)	
Legal Services	9.9	2.5	0.4	7.4	4.8	2.6	
Communications Expenses	1.1	0.3	-	0.8	0.1	0.7	
Professional & Technical Outsourced Services	46.4	11.7	8.4	34.7	29.2	5.5	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	8.0	1.9	0.5	5.9	4.3	1.6	
<b>Total Non-Labor / Other Operating Expense</b>	<b>\$ 124.5</b>	<b>\$ 31.3</b>	<b>\$ 24.7</b>	<b>\$ 93.2</b>	<b>\$ 84.7</b>	<b>\$ 8.5</b>	<b>9%</b>
<b>Total Operating Expense</b>	<b>\$ 177.8</b>	<b>\$ 45.3</b>	<b>\$ 37.8</b>	<b>\$ 132.5</b>	<b>\$ 124.3</b>	<b>\$ 8.2</b>	<b>6%</b>

<sup>1</sup> Figures may not add up due to rounding.

Key activities accomplished during Q3 FY2024:

- Launched the short message service function for an estimated time of restoration; when a customer reports an outage through any of LUMA's self-service platforms or through a representative, a short message service is sent to the phone number provided by the customer; an estimated time of restoration is then provided depending on updates registered in outage management system until the outage is closed
- Executed three Master Service Agreements to supply 170,000 galvanized steel poles as a key step to enhancing the electrical grid
- Implemented a new governance model and stage gate process to streamline and increase the visibility of procurement events
- Submitted 17 initial SOWs for Puerto Rico Energy Bureau approval, representing an estimated \$1.6 billion in reconstruction activities for substations and distribution lines
- Executed three interconnection agreements for projects in Caguas, Peñuelas, and Ponce, representing a total of 150 MW of new utility-scale energy storage resources
- Offered 10,771 training hours to 1,972 employees dedicated to health and safety

The primary drivers for the \$8.2 million favorable year-to-date variance for Support Services operating expenditures are lower than budgeted professional and technical services and legal services expenses related to regulatory support activities, as well as lower than budgeted facilities maintenance services expenditures.

# FY2024 Improvement Programs

On June 1, 2021, LUMA assumed operations of Puerto Rico's electric T&D system, inheriting a precarious, mismanaged, and neglected electric system. Since the grid could not be operated immediately under minimum industry standards and Prudent Utility Practice, LUMA assessed the grid's state and designed Improvement Programs<sup>2</sup> to address the gaps identified before commencing operations. Most programs are designed to bring the utility's operations and assets up to a minimum industry standard as part of the System Remediation Plan. Each Improvement Program spending includes operating expenditures and capital costs within the FY2024 budget and is included in the 2023 Fiscal Plan approved by the Financial Oversight and Management Board for Puerto Rico (FOMB) in June 2023. For each improvement program listed below, LUMA includes key activities for the quarter and a variance explanation for year-to-date spending. Unless otherwise noted, no variance in achieving program milestones is expected.

## Improvement Portfolio Summary

(\$ millions)

Portfolio	FY2024 Budget <sup>1, 2</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
Customer Experience	150.9	38.1	45.9	110.8	140.0	(29.2)	(26%)
Distribution	242.8	64.1	81.0	175.3	240.4	(65.2)	(37%)
Transmission	131.3	44.9	24.3	88.1	63.5	24.6	28%
Substation	131.9	34.7	49.3	96.4	104.8	(8.5)	(9%)
Control Center & Buildings	43.2	10.5	3.5	32.5	13.6	18.9	58%
Enabling	266.0	80.1	37.2	181.4	105.7	75.7	42%
Support Services	21.7	3.0	3.4	17.7	9.7	8.0	45%
<b>Total</b>	<b>\$ 987.8</b>	<b>\$ 275.5</b>	<b>\$ 244.6</b>	<b>\$ 702.0</b>	<b>\$ 677.8</b>	<b>\$ 24.3</b>	<b>3%</b>

<sup>1</sup> Figures may not add up due to rounding.

<sup>2</sup> Figures will be updated in Q4 Report to reflect the approved Budget Amendment.

<sup>2</sup> These programs were developed in late 2020, subsequently reviewed and approved by P3 Authority, and then reviewed and approved by the Energy Bureau as part of the Initial Budgets in docket NEPR-MI-2021-0004 and the System Remediation Plan in docket NEPR-MI-2020-0019. Within these programs, specific project initial scopes of work for federally funded projects have been submitted for review and approval by the Energy Bureau in docket NEPR-MI-2021-0002. Detailed information on the budget, the System Remediation Plan and the implementation of federally funded capital investments is publicly available on Puerto Rico Energy Bureau's website for the corresponding dockets.

## Capital Expenditures by Funding

### Transmission & Distribution Capital Expenditures — Federally Funded

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Improvement Portfolio</b>							
Customer Experience	121.9	30.8	39.7	89.1	121.9	(32.8)	
Distribution	215.9	56.7	68.5	155.7	211.6	(55.9)	
Transmission	130.4	44.7	19.6	87.5	58.5	29.0	
Substations	114.6	29.8	29.2	83.1	74.5	8.6	
Control Center & Buildings	38.7	9.3	2.7	29.3	10.8	18.5	
Enabling	157.2	55.1	11.8	97.5	23.9	73.6	
Support Services	8.2	0.2	0.2	6.5	0.3	6.2	
<b>Subtotal</b>	<b>\$ 786.9</b>	<b>\$ 226.7</b>	<b>\$ 171.8</b>	<b>\$ 548.8</b>	<b>\$ 501.6</b>	<b>\$ 47.2</b>	<b>9%</b>
<b>Other</b>							
2% Reserve for Excess Expenditures	15.7	4.5	-	11.0	-	11.0	
<b>Total Capital Expenditures</b>	<b>\$ 802.6</b>	<b>\$ 231.2</b>	<b>\$ 171.8</b>	<b>\$ 559.8</b>	<b>\$ 501.6</b>	<b>\$ 58.2</b>	<b>10%</b>

<sup>1</sup> Figures may not add up due to rounding.

### Transmission & Distribution Capital Expenditures — Non-Federally Funded

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Improvement Portfolio</b>							
Customer Experience	12.0	3.1	2.3	8.8	6.8	2.1	
Distribution	26.9	7.4	12.5	19.5	28.8	(9.3)	
Transmission	0.6	0.2	4.7	0.5	4.9	(4.4)	
Substations	16.1	4.3	19.9	12.1	29.4	(17.3)	
Control Center & Buildings	3.7	1.1	0.5	2.6	2.1	0.6	
Enabling	23.5	3.7	5.7	19.8	20.6	(0.8)	
Support Services	6.5	1.1	1.6	5.7	3.8	1.9	
<b>Subtotal</b>	<b>\$ 89.3</b>	<b>\$ 20.8</b>	<b>\$ 47.1</b>	<b>\$ 69.1</b>	<b>\$ 96.4</b>	<b>\$ (27.3)</b>	<b>(39%)</b>
<b>Other</b>							
2% Reserve for Excess Expenditures	1.8	0.4	-	1.4	-	1.4	
<b>Total Capital Expenditures</b>	<b>\$ 91.1</b>	<b>\$ 21.2</b>	<b>\$ 47.1</b>	<b>\$ 70.5</b>	<b>\$ 96.4</b>	<b>\$ (25.9)</b>	<b>(37%)</b>

<sup>1</sup> Figures may not add up due to rounding.

The financial information provided in this report has not been subject to audit, and it is not intended to be used for any purposes other than this Report. The limitations and lack of integration of Puerto Rico Electric Power Authority's (PREPA) financial and related systems and identified pre-existing control gaps may also affect the overall accuracy of reported results.

## Customer Experience Improvement Portfolio Summary

The **Customer Experience Improvement Portfolio** focuses on enhancing the customer experience, including Distribution Streetlighting, Billing Accuracy and Back Office, Advanced Metering Infrastructure Implementation, and Distribution Meter Replacement & Maintenance programs.

(\$ millions)

Program	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Distribution Streetlighting</b>	\$ 119.9	\$ 30.3	\$ 38.5	\$ 87.7	\$ 119.6	\$ (31.9)	
Federally Funded	119.9	30.3	38.5	87.7	119.6		
Non-Federally Funded	-	-	0.0	-	0.0		
OpEx	-	-	-	-	-		
SRP	45.6	11.0	14.6	31.9	45.4		
<b>Billing Accuracy &amp; Back Office</b>	\$ 13.9	\$ 3.4	\$ 3.4	\$ 10.6	\$ 10.9	\$ (0.3)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.7	0.1	0.1	0.7	0.6		
OpEx	13.2	3.3	3.3	9.9	10.3		
SRP	12.2	3.0	3.0	9.2	9.5		
<b>Distribution Meter Replacement &amp; Maintenance</b>	\$ 8.5	\$ 2.1	\$ 2.0	\$ 6.4	\$ 5.9	\$ 0.5	
Federally Funded	-	-	-	-	0.0		
Non-Federally Funded	8.3	2.1	2.0	6.3	5.7		
OpEx	0.2	0.0	0.1	0.1	0.2		
SRP	-	-	-	-	-		
<b>AMI Implementation Program</b>	\$ 3.4	\$ 0.9	\$ 1.2	\$ 2.2	\$ 2.3	\$ (0.1)	
Federally Funded	1.9	0.5	1.2	1.4	2.3		
Non-Federally Funded	1.5	0.4	-	0.8	-		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
<b>Programs &lt;5% of Portfolio Total</b>	\$ 5.1	\$ 1.4	\$ 0.8	\$ 3.9	\$ 1.3	\$ 2.6	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	1.4	0.5	0.3	1.1	0.4		
OpEx	3.7	0.9	0.5	2.7	0.9		
SRP	-	-	-	-	-		
<b>Total</b>	<b>\$ 150.9</b>	<b>\$ 38.1</b>	<b>\$ 45.9</b>	<b>\$ 110.8</b>	<b>\$ 140.0</b>	<b>\$ (29.2)</b>	<b>-26%</b>

<sup>1</sup> Figures may not add up due to rounding.

The **Distribution Streetlighting** program upgrades and replaces distribution streetlights. Key Q3 FY2024 activities included submitting 29 detailed scopes of work to FEMA. LUMA received funding obligations for two streetlighting projects in Morovis and Orocovis. The program also completed more than 67,000 assessments and replaced or repaired over 24,000 streetlights in Barranquitas, Cabo Rojo, Ceiba, Las Piedras, Loíza, Morovis, Naranjito, Toa Baja, Vega Alta, Vega Baja, Vieques, and Yauco. The total spending year to date was higher than budgeted due to the additional efforts to complete 166,000 streetlights assessments in FY2024 and the replacement of an additional 25,000 streetlights not forecasted in the FY2024 budget.

The **Billing Accuracy and Back Office** program includes updates to printing, delivery of bills, and back-office systems to improve invoicing accuracy and their timely issuance to customers. Key Q3 FY2024 activities included activating 9,000 customers on the net metering tariff and implementing an estimation algorithm configuration change that reduced estimated bills from 11% to 6%. All point-of-sale units in LUMA's walk-in offices were replaced, allowing customers to pay with ATH Movil, Apple Pay, or Samsung Pay in all 25 regional offices. The total spending year to date was higher than anticipated due to efforts to maintain timelines for the CC&B system optimization Phase 2 work plan. The SRP remediation for this program has been extended to FY2027 due to additional analysis and configuration activities that need to be completed to achieve the functionality and automation expected from a high-performing utility billing system.

The **Distribution Meter Replacement and Maintenance** program deals with correcting, replacing, and maintaining distribution meters. Key Q3 FY2024 activities included installing 5,489 net metering devices, changing 3,353 damaged meters, and establishing 3,303 new meter connections. Work also included integrating a remote system for voltage reading, which achieved 64,500 daily readings. The total spending year to date was lower than anticipated due to an adjustment in Q3 for inventory burden allocation. As a result, credit for the overallocation in previous months has been received.



The **Advanced Metering Infrastructure Implementation** program establishes a two-way communication system to collect detailed metering information throughout the utility's service territory. It represents a foundational technology to enable enhanced resiliency and reliability. This program will install approximately 1.5 million smart meters, building a digital communications network, and integrating a head end and meter data management system. Key activities during Q3 FY2024 comprised finalizing vendor assessments, expanding the workforce for meter installation, and advancing the procurement process for AMI Deployment contracts. The total spend year to date was higher than budgeted due to an accelerated ramp-up for this program.

## Distribution Improvement Portfolio Summary

The **Distribution Improvement Portfolio** focuses on improving the distribution system, including Distribution Pole & Conductor Repair, Distribution Line Rebuild, and Distribution Automation programs.

(\$ millions)

Program	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Distribution Automation</b>	\$ 84.4	\$ 26.8	\$ 24.8	\$ 59.1	\$ 75.7	\$ (16.6)	
Federally Funded	80.7	25.9	23.6	56.3	71.1		
Non-Federally Funded	3.7	0.9	1.2	2.8	4.5		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
<b>Distribution Line Rebuild</b>	\$ 82.2	\$ 20.0	\$ 18.3	\$ 61.8	\$ 54.9	\$ 6.9	
Federally Funded	65.0	15.1	13.0	49.6	43.4		
Non-Federally Funded	17.2	5.0	5.2	12.3	11.5		
OpEx	-	-	-	-	(0.0)		
SRP	58.3	15.9	13.0	45.4	38.9		
<b>Distribution Pole &amp; Conductor Repair</b>	\$ 73.7	\$ 16.7	\$ 34.7	\$ 52.5	\$ 102.6	\$ (50.1)	
Federally Funded	67.7	15.2	28.6	47.9	89.8		
Non-Federally Funded	6.0	1.5	6.0	4.5	12.8		
OpEx	-	-	-	-	-		
SRP	73.7	18.4	34.7	55.1	102.6		
<b>Programs &lt;5% of Portfolio Total</b>	\$ 2.5	\$ 0.6	\$ 3.2	\$ 1.8	\$ 7.3	\$ (5.5)	
Federally Funded	2.5	0.6	3.2	1.8	7.3		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	2.5	0.6	3.2	1.8	7.3		
<b>Total</b>	<b>\$ 242.8</b>	<b>\$ 64.1</b>	<b>\$ 81.0</b>	<b>\$ 175.3</b>	<b>\$ 240.4</b>	<b>\$ (65.2)</b>	<b>-37%</b>

<sup>1</sup> Figures may not add up due to rounding.

The **Distribution Automation** program focuses on deploying distribution automation equipment. This includes installing intelligent switch fuses, fault indicators, and reclosers on select feeders to reduce the number of customers involved per outage occurrence. The program also consists of engineering activities to enable the deployment of the said equipment. Key Q3 FY2024 activities included completing reliability analysis for 205 distribution feeders, installing over 500 distribution devices, and conducting load studies for 47 feeders. Additionally, 11 detailed SOWs were submitted to FEMA. The total spending year to date was higher than the budget due to additional scope and repairs required at various sites.

The **Distribution Line Rebuild** program replaces overhead and underground distribution lines to improve reliability and resiliency, restores out-of-service circuits, completes unfinished circuit construction presently abandoned, performs circuit voltage conversions to improve distribution capacity, builds new distribution line extensions to connect new customers, and installs underground cable or tree wiring to improve service reliability and resiliency to critical customers. Key Q3 FY2024 activities included submitting an initial SOW to FEMA to support distribution underground work. Continued work with FEMA and COR3 to gain funds obligation for the first distribution line rebuild project. The total spending year to date was lower than budgeted due to delays in starting detailed designs, as work was reprioritized to accelerate construction dates on the worst-performing reliability feeders.

The **Distribution Pole and Conductor Repair** program focuses on minimizing the safety hazard caused by damaged primary distribution poles and conductors and improving the distribution infrastructure's reliability and resilience. Major repairs and replacements are based on the results of engineering assessments. Key Q3 FY2024 activities included submitting three detailed SOWs totaling 1,118 poles for FEMA obligation of funds and completing nearly 1,000 pole



installations (110 under distribution automation). The total spending year to date was higher than budgeted due to more poles being replaced and conductor repairs being completed than what was forecasted in the FY2024 budget.

## Transmission Improvement Portfolio Summary

The **Transmission Improvement Portfolio** focuses on improving system recovery, resilience, and transformation through the Transmission Line Rebuild program, IT OT Telecom Systems and Network program, and the Transmission Priority Pole Replacements programs.

(\$ millions)

Program	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Transmission Line Rebuild</b>	<b>\$ 77.9</b>	<b>\$ 26.4</b>	<b>\$ 14.5</b>	<b>\$ 48.3</b>	<b>\$ 34.7</b>	<b>\$ 13.6</b>	
Federally Funded	77.3	26.2	9.8	47.8	29.8		
Non-Federally Funded	0.6	0.2	4.7	0.5	4.9		
OpEx	-	-	-	-	-		
SRP	34.8	6.5	6.5	18.1	15.5		
<b>IT OT Telecom Systems &amp; Network</b>	<b>\$ 30.3</b>	<b>\$ 11.6</b>	<b>\$ 2.6</b>	<b>\$ 21.1</b>	<b>\$ 5.1</b>	<b>\$ 16.0</b>	
Federally Funded	30.0	11.6	2.5	21.0	5.0		
Non-Federally Funded	-	-	-	-	-		
OpEx	0.3	0.1	0.0	0.1	0.2		
SRP	30.3	11.6	2.6	21.1	5.1		
<b>Transmission Priority Pole Replacements</b>	<b>\$ 21.8</b>	<b>\$ 6.6</b>	<b>\$ 6.8</b>	<b>\$ 17.8</b>	<b>\$ 22.5</b>	<b>\$ (4.7)</b>	
Federally Funded	21.8	6.6	6.8	17.8	22.5		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	21.8	6.7	6.8	17.9	22.5		
<b>Programs &lt;5% of Portfolio Total</b>	<b>\$ 1.3</b>	<b>\$ 0.3</b>	<b>\$ 0.4</b>	<b>\$ 1.0</b>	<b>\$ 1.2</b>	<b>\$ (0.3)</b>	
Federally Funded	1.3	0.3	0.4	1.0	1.2		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	1.3	0.3	0.4	1.0	1.2		
<b>Total</b>	<b>\$ 131.3</b>	<b>\$ 44.9</b>	<b>\$ 24.3</b>	<b>\$ 88.1</b>	<b>\$ 63.5</b>	<b>\$ 24.6</b>	<b>28%</b>

<sup>1</sup> Figures may not add up due to rounding.

The **Transmission Line Rebuild** program focuses on rebuilding, hardening, and upgrading the 230 kV, 115 kV, and 38 kV transmission infrastructure. Key Q3 FY2024 activities included the creation of 22 initial SOWs for FEMA submission and replacing seven transmission line structures on line 36,100. The total spending year to date was lower than budgeted due to the area planning studies activity being moved to the Compliance and Studies program. In addition, network upgrades pending FEMA funding obligation, and which are dependent on Tranche 1 project development have been delayed. These amounts are partially offset by additional work completed in line 36,100 initially budgeted for in the Transmission Priority Replacement program.

The **IT OT Telecom Systems & Network** program includes investments to improve the systems that carry transmission and distribution and substation IT OT data. Key Q3 FY2024 activities included supporting the reconfiguration of the synchronous optical network to provide a secondary communication path for 88 circuits; submitting three detailed SOWs for microwave, transport network, and telecom infrastructure projects; conducting 23 site walk-downs and completing six circuit identification site visits for transport network physical site assessment. Activities also included releasing two standards and specifications for the transport network and four design standards for underground fiber optic infrastructure, conducting two site walk-downs to support a microwave path survey, and advancing five microwave link designs. The total spending year to date was lower than budgeted as projects require funding obligation from FEMA before proceeding with construction.

The **Transmission Priority Pole Replacement** program includes activities to replace damaged overhead transmission poles, towers, and associated hardware and conductors. Key Q3 FY2024 activities included submitting two detailed SOWs to FEMA for the obligation of funds for 19 structure replacements and 46 critical repairs. LUMA also replaced seven structures on lines 2,200 and 6,700. The total spending year to date was higher than budgeted due to higher than anticipated structure replacements and repairs, prompted by the discovery of critical structures requiring attention before the transmission redesign.

## Substations Improvement Portfolio Summary

The **Substation Improvement Portfolio** aims to improve system resiliency and safety while rebuilding, hardening, and modernizing substations through the Substation Rebuilds, Substation Security, and Substation Reliability programs.

(\$ millions)

Program	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Substation Rebuilds</b>	\$ 81.9	\$ 21.4	\$ 26.5	\$ 56.9	\$ 54.9	\$ 2.0	
Federally Funded	80.0	20.9	12.2	55.5	40.0		
Non-Federally Funded	1.9	0.5	14.3	1.4	14.9		
OpEx	-	-	-	-	-		
SRP	57.9	14.7	18.7	40.9	38.8		
<b>Substation Reliability</b>	\$ 34.5	\$ 8.8	\$ 19.6	\$ 25.4	\$ 42.3	\$ (16.9)	
Federally Funded	21.0	5.4	14.0	15.2	27.9		
Non-Federally Funded	13.5	3.4	5.6	10.1	14.3		
OpEx	-	-	0.0	-	0.0		
SRP	-	-	-	-	-		
<b>Substation Security</b>	\$ 15.3	\$ 4.4	\$ 3.3	\$ 13.9	\$ 7.5	\$ 6.5	
Federally Funded	13.7	3.5	3.0	12.3	6.5		
Non-Federally Funded	0.5	0.4	(0.0)	0.5	0.0		
OpEx	1.1	0.6	0.2	1.1	0.9		
SRP	13.5	3.7	2.9	12.2	6.6		
<b>Programs &lt;5% of Portfolio Total</b>	\$ 0.3	\$ 0.1	\$ (0.0)	\$ 0.2	\$ 0.2	\$ (0.0)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.3	0.1	(0.0)	0.2	0.2		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
<b>Total</b>	<b>\$ 131.9</b>	<b>\$ 34.7</b>	<b>\$ 49.3</b>	<b>\$ 96.4</b>	<b>\$ 104.8</b>	<b>\$ (8.5)</b>	<b>-9%</b>

<sup>1</sup> Figures may not add up due to rounding.

The **Substation Rebuild** program focuses on improving T&D substations to strengthen the electric grid. Key Q3 FY2024 activities included submitting one detailed SOW for Acacias' substation relocation to FEMA. Also, continued executing repairs for the Factor-Arecibo substation and started execution of improvements or repairs on the Quebradillas and Morovis substations. The total spending year to date was lower than budgeted, mainly due to delays in receiving long lead materials.

The **Substation Reliability** program includes upgrading and reinforcing the existing and aging system infrastructure to improve system reliability. Key Q3 FY2024 activities included replacing six transmission and five distribution circuit breakers and two remote terminal units. Continued implementing the multiyear substation reliability program to replace surge arresters and distribution relays and install wildlife mitigation to improve reliability. Submitted an initial SOW to FEMA, worth \$330 million, for substation component replacement (gas circuit breaker, power transformer, and metal-clad switchgear). In addition, submitted detailed SOWs for protection and control upgrades, high-voltage equipment, supervisory control and data acquisition remote access and remote terminal unit replacement. The total spending year to date was higher than budgeted due to expenditure for high-voltage equipment replacements (which included replacing breakers and relays), performing incremental hot spot remediations, inspections, and substation testing, because of a higher failure rate due to end of life.

The **Substation Security** program focuses on various physical security concerns at T&D substations. The program will replace and add new security technology and hardware to deter, detect, and delay physical security incidents. Key Q3 FY2024 activities included continuing with construction work in the Manatí, Sabana Llana and Hato Rey substations. Cameras arrived in support of closed-circuit television installation, with continued work on IT infrastructure to address bandwidth and routing. The total spend year to date was lower than budgeted due to construction company workforce shortfalls and the lack of personnel with certifications in distribution and transmission switching power systems as defined and required by LUMA to provide continuous safe work access to contractors at substations.

## Control Center and Buildings Improvement Portfolio Summary

The **Control Center and Buildings Improvement Portfolio** focuses on building the necessary infrastructure to deliver economic and reliable energy and meeting applicable laws and regulations through the Critical Energy Management System Upgrades, Facilities Development & Implementation, and Control Center Construction & Refurbishment programs.

(\$ millions)

Program	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Facilities Development &amp; Implementation</b>	\$ 19.6	\$ 4.9	\$ 1.0	\$ 14.7	\$ 3.2	\$ 11.5	
Federally Funded	15.6	3.9	0.1	11.7	0.7		
Non-Federally Funded	3.2	0.8	0.5	2.4	2.0		
OpEx	0.8	0.2	0.3	0.6	0.6		
SRP	19.5	4.9	1.0	14.6	3.2		
<b>Critical Energy Management System Upgrades</b>	\$ 15.2	\$ 3.8	\$ 1.5	\$ 13.4	\$ 5.8	\$ 7.6	
Federally Funded	15.2	3.8	1.5	13.4	5.7		
Non-Federally Funded	-	-	(0.0)	-	0.0		
OpEx	-	-	0.0	-	0.1		
SRP	15.2	3.8	1.5	13.4	5.8		
<b>Control Center Construction &amp; Refurbishment</b>	\$ 7.9	\$ 1.6	\$ 1.0	\$ 4.2	\$ 4.5	\$ (0.3)	
Federally Funded	7.9	1.6	1.0	4.2	4.5		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	6.3	1.3	0.8	3.3	3.6		
<b>Programs &lt;5% of Portfolio Total</b>	\$ 0.5	\$ 0.3	\$ (0.0)	\$ 0.3	\$ 0.1	\$ 0.2	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.5	0.3	(0.0)	0.3	0.1		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
<b>Total</b>	<b>\$ 43.2</b>	<b>\$ 10.5</b>	<b>\$ 3.5</b>	<b>\$ 32.5</b>	<b>\$ 13.6</b>	<b>\$ 18.9</b>	<b>58%</b>

<sup>1</sup> Figures may not add up due to rounding.

The **Facilities Development & Implementation** program is focused on the construction required to remediate facilities and real property. Key Q3 FY2024 activities included achieving 50% completion for new cisterns installation in LUMA facilities across the island, reaching 28% completion on the Palo Seco South Building project design, selecting two new architecture and engineering firms to support federal projects, and installing 550 new workstations. The total spending for the quarter was less than expected due to delays with the execution of design services for the federally funded program.

The **Critical Energy Management System Upgrades** program will replace obsolete and unsupported energy management systems and add relevant technology to operate the electric system safely and reliably. Key Q3 FY2024 activities included completing the programmer's development system, refining the ongoing database and display, preparing facilities to host energy management system field communications, and preparing the data center floor space to accommodate the primary and secondary production systems. The total spending is less than projected due to project start delays and schedule realignment.

The **Control Center Construction & Refurbishment** program focuses on the construction or refurbishment of buildings to house the main and backup control centers and all ancillary support services. Key Q3 FY2024 activities included developing up to 70% of the construction documents for the Primary Control Center, working with FEMA and COR3 to reorganize the project, submitting and receiving approval from Puerto Rico Energy Bureau and FEMA on a new initial SOW for the Primary Control Center and the Secondary Data Center & Control Room. The total spending is less than projected due to the delay in FEMA funding obligation. This resulted in less LUMA labor and lower-than-budgeted architecture and engineering invoicing. The timeline has been delayed due to FEMA's detailed SOW review and LUMA's project reorganization. The project timeline will further be impacted by the requirement for a full and complex FEMA Environmental Assessment for the Primary Control Center. The duration of this intricate environmental assessment process has not been established; therefore, the target date for the start of construction is unknown at this time.

## Enabling Improvement Portfolio Summary

The **Enabling Improvement Portfolio** of investment projects focuses on safety and operational excellence through Vegetation Management, Compliance and Studies, and T&D Fleet programs.

(\$ millions)

Program	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>Vegetation Management</b>	<b>\$ 179.8</b>	<b>\$ 60.6</b>	<b>\$ 13.4</b>	<b>\$ 119.3</b>	<b>\$ 42.2</b>	<b>\$ 77.0</b>	
Federally Funded	125.0	46.9	0.1	78.1	0.1		
Non-Federally Funded	-	-	-	-	-		
OpEx	54.8	13.7	13.3	41.1	42.1		
SRP	179.8	45.0	13.4	103.6	42.2		
<b>T&amp;D Fleet</b>	<b>\$ 28.8</b>	<b>\$ 5.8</b>	<b>\$ 16.5</b>	<b>\$ 23.4</b>	<b>\$ 30.0</b>	<b>\$ (6.5)</b>	
Federally Funded	1.6	1.0	-	1.0	-		
Non-Federally Funded	8.0	-	10.4	8.0	11.6		
OpEx	19.2	4.8	6.2	14.4	18.3		
SRP	28.8	5.8	16.5	23.4	30.0		
<b>Compliance, Studies, Technology and Performance</b>	<b>\$ 20.3</b>	<b>\$ 5.1</b>	<b>\$ 11.2</b>	<b>\$ 15.2</b>	<b>\$ 23.9</b>	<b>\$ (8.7)</b>	
Federally Funded	18.0	4.5	10.6	13.5	21.7		
Non-Federally Funded	2.3	0.6	0.6	1.7	2.1		
OpEx	-	-	0.0	-	0.1		
SRP	19.6	4.9	10.8	14.7	23.1		
<b>Programs &lt;5% of Portfolio Total</b>	<b>\$ 37.1</b>	<b>\$ 8.6</b>	<b>\$ (4.0)</b>	<b>\$ 23.4</b>	<b>\$ 9.6</b>	<b>\$ 13.9</b>	
Federally Funded	12.6	2.7	1.1	4.9	2.0		
Non-Federally Funded	13.2	3.1	(5.3)	10.0	6.9		
OpEx	11.2	2.7	0.2	8.5	0.6		
SRP	19.0	4.5	1.2	14.6	5.3		
<b>Total</b>	<b>\$ 266.0</b>	<b>\$ 80.1</b>	<b>\$ 37.2</b>	<b>\$ 181.4</b>	<b>\$ 105.7</b>	<b>\$ 75.7</b>	<b>42%</b>

<sup>1</sup> Figures may not add up due to rounding.

The **Vegetation Management and Capital Clearing Implementation** program includes work to abate or mitigate the immediate hazards vegetation causes in critical locations and an ongoing program to clear and re-establish the cleared rights of way to standard widths. Key Q3 FY2024 activities included submitting four clearing crew contracts to the FOMB and P3A for approval and achieving FOMB approval on three of the four contracts: clearing 292 miles in distribution lines and 111 miles in transmission lines using funds from operating expenditures and finishing the fifth round of substation herbicide treatments. The total spend is lower than expected because the obligation of federal capital funds for vegetation clearing is taking longer than anticipated.

### LUMA Quarterly Vegetation Clearing by Voltage Level

Voltage	FY2024 Q3 Miles Cleared			FY2024 YTD Miles Cleared			FY2024 Q3 Acres <sup>1</sup> Cleared			FY2024 YTD Acres <sup>1</sup> Cleared		
	Federally Funded	OpEx	Total Miles	Federally Funded	OpEx	Total Miles	Federally Funded	OpEx	Total Acres	Federally Funded	OpEx	Total Acres
Distribution	-	292	292	23	792	815	-	425	425	33	1,152	1,185
38 kV	-	14	14	1	103	104	-	20	20	2	210	212
115 kV	-	59	59	0	122	122	-	86	86	2	337	339
230 kV	-	38	38	8	108	116	-	55	55	101	509	610
<b>Total</b>	<b>-</b>	<b>403</b>	<b>403</b>	<b>32</b>	<b>1,125</b>	<b>1,157</b>	<b>-</b>	<b>586</b>	<b>586</b>	<b>138</b>	<b>2,208</b>	<b>2,346</b>

<sup>1</sup>To calculate acres from miles, the miles are converted to feet by multiplying by 5,280. Then the width of the rights of way is assumed for each voltage level (distribution = 12', 38 kV = 25', and 115 & 230 kV = 100').

The **T&D Fleet** program includes activities and investments to bring the current vehicle, aircraft, and equipment fleet up to industry standards. It is focused on initializing and improving processes for data collection, repair, and maintenance of these assets. Key Q3 FY2024 activities included completing 315 Department of Transportation inspections and 164 American National Standards Institute vehicle compliance inspections and provided training and certifications on Department of Transportation annual inspections to 15 employees, including mechanics and coordinators. The total spent is higher than anticipated due to an immediate need for major compliance repairs of specialized units needed to keep them operational. Additionally, LUMA started the implementation of the telematics project and has initiated the process of purchasing rental vehicles with the purchase option buyout, taking advantage of beneficial terms.

The **Compliance & Studies** program supports the completion of T&D planning and protection studies and the production of hosting capacity information for public and internal use. This program also procured power quality monitoring equipment and meters for each district. Key Q3 FY2024 activities included completing supplemental studies for over 450 circuits covering over 36,000 small rooftops solar photovoltaic system installations. Also completed a transmission system protection and coordination study for 115 kV and 230 kV facilities and seven area plans encompassing 120 circuits and 32 substations. The total spending was higher than budgeted, mainly due to the increase in transmission and distribution studies identified as part of the area planning budgeted for in the Transmission Line Rebuild program.

## Support Services Improvement Portfolio Summary

The **Support Services Improvement Portfolio** supports the overall successful operation of the utility through various programs, including the IT OT Asset Management, the Update to Third Party Use, Audit, Contract and Billing Procedures, the IT OT Enablement, the Critical Financial Systems, the Critical Financial Controls, and the Land Record Management.

(\$ millions)

Program	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
<b>IT OT Asset Management</b>	\$ 8.6	\$ 0.3	\$ 0.3	\$ 6.9	\$ 0.5	\$ 6.4	
Federally Funded	8.2	0.2	0.2	6.5	0.3		
Non-Federally Funded	0.2	0.0	0.0	0.2	0.0		
OpEx	0.3	0.1	0.0	0.2	0.1		
SRP	8.5	0.3	0.3	6.7	0.5		
<b>Critical Financial Systems</b>	\$ 2.9	\$ 0.5	\$ 1.4	\$ 2.8	\$ 2.7	\$ 0.1	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	2.5	0.5	1.3	2.4	2.5		
OpEx	0.4	0.0	0.1	0.4	0.1		
SRP	1.9	0.2	0.9	1.9	1.8		
<b>Update to Third Party Use, Audit, Contract and Billing Procedures</b>	\$ 2.3	\$ 0.6	\$ 0.1	\$ 1.7	\$ 2.4	\$ (0.6)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	-	-	0.0	-	0.0		
OpEx	2.3	0.6	0.1	1.7	2.3		
SRP	0.7	0.2	0.0	0.6	0.8		
<b>IT OT Enablement Program</b>	\$ 1.6	\$ 0.4	\$ 0.2	\$ 1.2	\$ 0.7	\$ 0.5	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	1.6	0.4	0.2	1.2	0.7		
OpEx	-	-	0.0	-	0.0		
SRP	-	-	-	-	-		
<b>Land Record Management</b>	\$ 1.4	\$ 0.3	\$ 0.0	\$ 1.1	\$ 0.0	\$ 1.1	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	0.2	0.0	-	0.2	-		
OpEx	1.2	0.3	0.0	1.0	0.0		
SRP	0.3	0.1	0.0	0.3	0.0		
<b>Critical Financial Controls</b>	\$ 1.1	\$ 0.3	\$ 0.1	\$ 0.8	\$ 0.4	\$ 0.4	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	-	-	-	-	-		
OpEx	1.1	0.3	0.1	0.8	0.4		
SRP	1.1	0.3	0.1	0.8	0.4		
<b>Programs &lt;5% of Portfolio Total</b>	\$ 3.7	\$ 0.7	\$ 1.2	\$ 3.1	\$ 3.1	\$ (0.0)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	2.0	0.2	0.0	1.8	0.6		
OpEx	1.7	0.4	1.2	1.3	2.5		
SRP	1.2	0.1	0.2	1.1	0.4		
<b>Total</b>	<b>\$ 21.7</b>	<b>\$ 3.0</b>	<b>\$ 3.4</b>	<b>\$ 17.7</b>	<b>\$ 9.7</b>	<b>\$ 8.0</b>	<b>45%</b>

<sup>1</sup> Figures may not add up due to rounding.

The **IT OT Asset Management** program introduced industry-standard IT OT asset management procedures and continues to assess the application and infrastructure portfolio while providing necessary system upgrades to ensure secure business operation and continuity and improved customer responsiveness. IT OT resilience in this program also extends to establishing a new backup data center to ensure the reliability and resilience of technology systems. Key Q3 FY2024 activities included editing the functionality of features for field users and rolling out the outage management system mobile tool to Caguas, Ponce, and Bayamón areas to ensure that real-time outage visibility is upgraded at the dispatch level and that field staff get better updates regarding outage events. Activities also included delivering energy management and the programmer's development systems and validating its database, displays, and analog and digital points. The total spending year to date is lower than expected due to the deployment of the outage management system



mobile app being done at a slower pace than anticipated due to its significant change impact and associated risk for processes, and technology. At this time, milestones under this program will experience a delay due to FEMA funding obligation.

The **Critical Financial Systems** program covers technology projects for Finance and Facilities, including financial management systems and technology, risk management systems, and supply chain management technology. Key Q3 FY2024 activities included the Procure to Pay project (P2P), completing the user acceptance testing, starting manual processes and documentation, working on the system configuration, and training on the time-recording enhancement platform. The total spending year to date was lower than expected due to the P2P project starting later than projected, creating a timing difference. We estimate a three-month delay in the P2P project due to additional requests made by the business partner.

The **Update to Third Party Use, Audit, Contract, and Billing Procedures** program focuses on updating procedures for third-party use of land, infrastructure, audits, contracts, and billing. Key Q3 FY2024 activities included processing 22 third-party attachment applications totaling 814 poles. LUMA implemented the third-party attachment application fee in November 2023. The application fees received in the third quarter totaled \$16,530. The revenue collected from the application fee is netted against the program budget and will be used to compensate operations and maintenance expenses for processing the application packages. The total spending year to date was higher than budgeted due to the lack of billing offsets for third-party attachment applications and pole attachment fees.

The **IT OT Enablement** program will implement capabilities to deliver and maintain IT OT services and systems enabling LUMA operations by implementing industry best practices and standardized processes and tools. Key Q3 FY2024 activities included completing the configuration of the change management module in ServiceNow, operationalizing the Box Corporate Alignment Model, implementing service management training requirements, implementing patch management processes, aligning to cybersecurity standards, implementing project management training requirements, and commencing the definition of enterprise architecture roadmap and strategy. The total spending was lower than expected due to a correction in capital allocation for this Program and a delay in laptop purchases based on limited vendor availability.

The **Land Record Management** program will develop a new record management system that allows for land information to be found easily and managed effectively to meet utility industry standards. Key Q3 FY2024 activities included completing the contract agreement for the services, coordinating the implementation and area preparation for document scanning, and conducting an IT OT assessment for data migration. The total spending was lower than expected due to being in the initial implementation of the contract agreement for the services. FY2024 milestones have been delayed to FY2026.

The **Critical Financial Controls** program focuses on two key areas - internal controls, and internal audit. These two areas will build skills and capabilities in financial reporting and audit and will enable LUMA to update and enforce industry-standard policies and procedures that comply with the latest laws and regulations. Key Q3 FY2024 activities included developing eight policies to further the finance documentation guidelines and procedures in policy management, continuing the evaluation of the gap assessment progress, and closing the Workiva GRC tool agreement. The total spending was lower than expected due to a slowed internal procurement approval process to continue with initiatives.

# FY2024 Shared Services

LUMA is responsible for delivering Shared Services to perform certain administrative and managerial services as required for the operation and management of PREPA and the Legacy Generation Assets operated by Genera PR. These responsibilities were contemplated as outlined in Annex VI of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“T&D OMA”) and were originally governed by the Shared Services Agreement (SSA) between PREPA, P3A, and LUMA, effective June 1, 2021. These responsibilities were to expire on December 31, 2023, but neither PREPA nor Genera PR, as the operator of the Legacy Generation Assets, were in a position to assume such responsibilities at the expiration date. Therefore, LUMA entered into an Amended and Restated Shared Services Agreement (Amended SSA) with each party.

Under the terms of both Amended SSAs, LUMA will provide shared services until September 30, 2024. The purpose of the Amended SSAs is to provide PREPA and Genera PR with additional time to undertake the necessary activities in order to assume responsibility over shared services currently provided by LUMA. During this period under the Amended SSA, also known as the Shared Services Period, LUMA provides PREPA and Genera PR with services that generally fall into two (2) areas:

- Information Technology – This support provides access and services to PREPA and Genera PR on IT OT infrastructure managed by LUMA.
- Finance and Accounting – This includes general accounts payable, accounting, and treasury activities provided by LUMA for PREPA and Genera PR and the placement of insurance policies covering PREPA’s assets and activities (T&D and generation).

The costs for the Shared Services activities are considered part of Generation Pass-Through Expenditures incurred by Genera PR in accordance with the T&D OMA.

## Shared Services Summary

(\$ millions)

	FY2024 Budget <sup>1</sup>	Q3 Budget <sup>1</sup>	Q3 Actuals <sup>1</sup>	YTD Budget <sup>1</sup>	YTD Actuals <sup>1</sup>	YTD Variance (\$)	YTD Variance (%)
Labor	1.7	-	1.1	1.7	3.3	(1.6)	
Property & Casualty Insurance	55.4	13.9	12.9	41.4	38.8	2.6	
IT Service Agreements	6.7	1.7	1.3	5.1	3.8	1.3	
Legal Services	-	-	0.3	-	0.6	(0.6)	
Professional & Technical Outsourced Services	1.8	0.3	0.4	1.4	1.7	(0.3)	
Other	0.2	-	0.1	0.1	0.4	(0.3)	
<b>Subtotal</b>	<b>\$ 65.8</b>	<b>\$ 15.9</b>	<b>\$ 16.1</b>	<b>\$ 49.7</b>	<b>\$ 48.6</b>	<b>\$ 1.1</b>	<b>2%</b>
2% Reserve for Excess Expenditures	1.3	0.4		1.0		1.0	
<b>Shared Services Total</b>	<b>\$ 67.1</b>	<b>\$ 16.3</b>	<b>\$ 16.1</b>	<b>\$ 50.7</b>	<b>\$ 48.6</b>	<b>\$ 2.1</b>	<b>4%</b>

<sup>1</sup> Figures may not add up due to rounding.



The primary driver for the net \$2.1 million year-to-date favorable variance is related to the actual cost for the property insurance premiums and application software (IT OT) being lower than originally budgeted. This was partially offset by an unfavorable variance in labor, legal services, and professional and technical services driven by unbudgeted costs related to the Amended SSAs and the corresponding extension of such services beyond December 31, 2023, and expenses incurred in the Genera PR and PREPA transition and exit planning.

*The financial information provided within this report has not been subject to audit and is not intended to be used for any purpose other than this Report. The limitations and lack of integration of PREPA's financial and related systems and identified pre-existing control gaps may also affect the overall accuracy of reported results.*





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