

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

NEPR
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IN RE:

REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S
SYSTEM REMEDIATION PLAN

CASE NO. NEPR-MI-2020-0019

**SUBJECT: Motion to Submit Quarterly Report for
the First Quarter of Fiscal Year 2025**

**MOTION TO SUBMIT QUARTERLY REPORT FOR THE FIRST QUARTER OF
FISCAL YEAR 2025**

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 June 23, 2021, this honorable Puerto Rico Energy Bureau (“Energy Bureau”) issued a Resolution and Order approving LUMA’s System Remediation Plan (“June 23rd Order”). In Section IV, paragraphs 1 through 3 of the June 23rd Order, this honorable Energy Bureau directed that, starting on September 15, 2021, LUMA shall file reports every two months on the implementation of the approved System Remediation Plan (“SRP”) that shall include:

- i. Actual spending amounts, broken down by spending initiative/portfolio, and reflecting in detail any variances from the [SRP];
- ii. A detail[ed] timeline per portfolio with sufficient detail to allow the Energy Bureau to assess project status for [SRP] capital expenditures and operational initiatives; and
- iii. Any capital expenditure or operational initiatives that are behind schedule, compared to the initial [SRP] timeframe and a detail[ed] explanation as to the cause of the delay and the corrective actions implemented to prevent further delays, as applicable.

June 23rd Order, pp. 37-38.

2. On August 25, 2021, this Energy Bureau issued a Resolution and Order (“August 25th Order”) modifying the bimonthly reporting requirement to a quarterly basis and establishing a filing due date for these reports of thirty (30) days following the close of the reported quarter. *See* August 25th Resolution, p. 3. Thereafter, on November 4, 2021, this Energy Bureau issued a Resolution and Order (the “November 4th Order”) establishing a filing date for these reports of forty-five (45) days after each quarter closes. *See* November 4th Order, p. 2.

3. In compliance with the June 23rd Order, as modified by the August 25th Order and the November 4th Order, LUMA hereby submits to the Energy Bureau, attached as *Exhibit 1*, its Comprehensive Quarterly Report of Fiscal Year 2025, for the First Quarter ending September 30, 2024 (“Q1 Report”). The Q1 Report contains the information required in Section IV, paragraphs 1 through 3 of the June 23rd Order. This Q1 Report also addresses the quarterly reporting requirements set in case No. NEPR-MI-2021-0004, *In Re: LUMA’s Initial Budgets* (“Initial Budgets Proceeding”) and will be also submitted in that proceeding.

4. LUMA hereby also informs that it submitted the Quarterly Federal Funding Report for the period ending September 30, 2024 (“Q1 Federal Funding Report”), in Case *In re Review of the Puerto Rico Electric Power Authority’s 10-Year Infrastructure Plan*, Case No. NEPR-MI-2021-0002.

5. The Q1 Report filed herein 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 the honorable Energy Bureau **take notice** of the aforementioned on the filing of the Q1 Report; **accept** the attached *Exhibit 1* in compliance with the quarterly reporting requirements in the June 23rd Order, as modified by the August 25th Order and the November 4th Order, in the instant proceeding; and **deem** LUMA in compliance with the reporting requirements set forth in the June 23rd Order, as modified by the August 25th and November 4th Orders.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14th day of November 2024.

We hereby certify that this motion was filed using the electronic filing system of this Energy Bureau. We 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; Alexis G. Rivera Medina, arivera@gmlex.net; and to Genera PR LLC, through: Jorge Fernández-Reboredo, jfr@sbglaw.com, Alejandro López Rodríguez, alopez@sbglaw.com, legal@genera-pr.com; and regulatory@genera-pr.com.



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Exhibit 1
Q1 Report
Supporting schedules to be submitted via email

Informe trimestral de LUMA

para el primer trimestre (Q1) del año fiscal 2025

que termina el 30 de septiembre de 2024



NUESTRA MISIÓN PARA PUERTO RICO ES:

Reconstruir y modernizar la empresa de servicios públicos para ofrecer a los clientes electricidad confiable, resiliente, segura y sostenible a unas tarifas razonables.

PERSONAS

Dar prioridad a las personas para ofrecer una mejor experiencia centrada en el cliente

SEGURIDAD

Impulsar un desempeño sólido en materia de seguridad para el bienestar de nuestros clientes y empleados

CONFIABILIDAD

Mantener las luces encendidas, y construir un sistema resiliente en el que los clientes puedan confiar

CUMPLIMIENTO

Ser éticos y respetar las reglas viviendo nuestros valores: orgullo, cuidado y responsabilidad

FINANZAS

Ceñirnos al presupuesto, y optimizar el uso y la captación de fondos

LUMA impulsa el progreso trabajando por la resiliencia, el servicio y la sostenibilidad en Puerto Rico.

Desde que asumimos las operaciones del Sistema de Transmisión y Distribución de Puerto Rico el 1 de junio de 2021, todo nuestro equipo se ha mantenido firme en nuestra misión: construir un futuro energético más brillante, limpio, confiable y resiliente para nuestros clientes. Todos los días, en toda la isla, el dedicado equipo de hombres y mujeres de LUMA lidera el progreso constante hacia ese objetivo fortaleciendo la resiliencia de la red, mejorando el servicio al cliente y la fiabilidad de la red, y emprendiendo iniciativas de energía renovable.

Seguimos haciendo avances significativos en nuestros proyectos de modernización de la red, realizando reparaciones y actualizaciones esenciales para mejorar la resiliencia de la infraestructura. Por ejemplo, durante el primer trimestre del año fiscal 2025 (AF2025), sustituimos o reparamos más de 4,600 luminarias, actualizamos 66 estructuras de transmisión y reemplazamos más de 2,700 postes rotos o dañados. También, llevamos a cabo 226 inspecciones de sistemas de medición industriales y comerciales, y restauramos y modernizamos varios elementos de la infraestructura del sistema con la intención de mejorar la fiabilidad del servicio y solucionar el problema del equipo que no estaba funcionando.

LUMA también ha hecho avances en seguridad, compromiso con la comunidad y servicio al cliente este trimestre. Para dar prioridad a la seguridad, impartimos capacitación intensiva a más de 100 empleados, e implantamos medidas de comunicación que llegaron a miles de clientes. Como parte de nuestro compromiso con la experiencia del cliente, proporcionamos un servicio de atención al cliente puntual y eficiente a través de más de 650,000 interacciones en persona, y respondimos con prontitud a las consultas de los clientes.

Para apoyar los objetivos de energía limpia, LUMA incrementó su apoyo a los sistemas de energía solar en los techos, promovió programas de energía para vehículos eléctricos (VE) y suministró kits de eficiencia energética a 2,509 clientes comerciales para ayudarles a ahorrar energía en sus negocios. Nuestro enfoque continuo en la energía limpia incluye apoyar la expansión de las energías renovables y la realización de estudios para respaldar la interconexión segura y fiable de más de 667 circuitos, que abarcan más de 91,841 instalaciones de sistemas fotovoltaicos en los techos.

Como parte del compromiso de toda la empresa con Puerto Rico, LUMA continuó enfocándose en la transparencia operacional y priorizando la responsabilidad fiscal al mantenerse dentro del presupuesto. Como lo hemos hecho desde que asumimos la operación del sistema de T&D, este informe ofrece un panorama claro de las operaciones, las acciones y los logros que alcanzó la empresa durante el período de tres meses comprendido entre el 1 de julio y el 30 de septiembre de 2024. Las secciones subsiguientes demuestran nuestros esfuerzos persistentes para modernizar la infraestructura energética de Puerto Rico y nuestro compromiso de operar con eficacia y responsabilidad fiscal. Este informe trimestral se presenta como requisito del Acuerdo de Operación y Mantenimiento del Sistema de Transmisión y Distribución de Puerto Rico (T&D OMA).



Respuesta de LUMA ante la tormenta tropical Ernesto

El 14 de agosto, la tormenta tropical Ernesto azotó a Puerto Rico con vientos máximos sostenidos de 60 mph y entre 6 y 8 pulgadas de lluvia –algunas áreas aisladas recibieron hasta 10 pulgadas de precipitación, sobre todo en la ya saturada región sureste de Puerto Rico–. Esto provocó una gran cantidad de inundaciones, crecidas rápidas de los ríos y deslizamientos de tierra, especialmente en las regiones del interior. Como consecuencia, hubo cortes del servicio de electricidad, árboles caídos y daños en la infraestructura alrededor del Archipiélago. La tormenta produjo un tremendo impacto en la red eléctrica, ya que dañó 1,642 postes, 1,413 conductores y otra infraestructura esencial.

La respuesta de LUMA y los esfuerzos de restauración después de la tormenta tropical Ernesto fueron una empresa histórica, ya que se **restableció el servicio eléctrico para el 90% de todos los clientes afectados en menos de tres días**. El resumen a continuación muestra datos clave que describen el importante trabajo que realizó LUMA para restablecer el servicio eléctrico a los clientes que sufrieron los estragos de la tormenta.

Esfuerzos de restauración



Se restableció más del **90%** del servicio eléctrico de los clientes en 3 días.



Se activaron **más de 1,700** trabajadores.



Se realizaron **más de 300** evaluadores de daños.



Se registraron **más de 58** horas de vuelo y **más de 3,300** millas recorridas.

Evaluación de daños

5,220+

Se realizaron **5,220+** evaluaciones de daños en distribución, subestaciones y transmisión.



Se dañó el **42%** de los alimentadores de distribución.



Se dañó el **17%** de las líneas de transmisión.



Se averiaron **90** subestaciones.

Información pública



Se tuvieron **735** interacciones con representantes municipales.



Se distribuyeron **10** comunicados de prensa.



Se brindaron **57** actualizaciones en las redes sociales.



Se trabajó con **220** instalaciones críticas para priorizar la restauración.

Progresos para Puerto Rico durante el AF2025

(Datos de los doce meses que transcurrieron entre el 1 de julio de 2024 y el 30 de junio de 2025)

Estamos construyendo un futuro energético mejor para todos los clientes de LUMA.

MEJORAMOS LA CONFIABILIDAD.

Instalamos más de

67 DISPOSITIVOS DE AUTOMATIZACIÓN DE LA DISTRIBUCIÓN.



EXPANDIMOS LA ENERGÍA RENOVABLE.

Activamos más de

8,954 SISTEMAS DE PANELES SOLARES EN TECHOS, que representan más de **60 MW** de energía limpia.



MEJORAMOS LA SEGURIDAD.

Se completaron más de

15,624 capacitación en **SALUD Y SEGURIDAD** en el trabajo y en el LUMA College.



AUMENTAMOS LA RESILIENCIA.

Reemplazamos más de

2,700 postes de servicio público **ROTOS O DAÑADOS.**



MEJORAMOS EL SERVICIO AL CLIENTE.

Atendimos más de

663,370 LLAMADAS con un tiempo de espera inferior a **dos minutos.**



PROYECTOS DE MEJORA DE LA INFRAESTRUCTURA

Se reemplazaron más de

4,600 LUMINARIAS





Fortalecimiento de nuestras comunidades

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

- Ofrecieron una charla sobre seguridad eléctrica a los niños y jóvenes del campamento de verano de la Sociedad Puertorriqueña de Epilepsia en la Escuela Faustino Santiago de Bayamón
- Recogieron y entregaron donaciones de material escolar al Hogar San Agustín del Coquí en Aguas Buenas, al Hogar Cuna San Cristóbal en Caguas y al Hogar Nueva Mujer en Cayey
- Participaron en la segunda feria de servicios “Give 100% Love” en Cataño, donde donaron 200 paquetes con productos de higiene personal y otros artículos de primera necesidad
- Colaboraron con el Grupo Tortuguero 7 Quillas en una limpieza costera, en la que recogimos basura, como microplásticos y colillas de cigarrillos, que amenazan la vida de las tortugas que anidan en las playas

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 centrado en el cliente. Como parte de este compromiso, este trimestre:

- Atendimos en persona a más de 650,000 clientes en nuestros centros de atención al cliente, con un tiempo promedio de espera inferior a diez minutos
- Atendimos más de 663,370 llamadas de clientes con un tiempo promedio de espera inferior a dos minutos
- Respondimos a más de 937,000 mensajes directos en redes sociales y 105,170 correos electrónicos para atender las necesidades de nuestros clientes

A photograph showing three utility workers in safety gear (hard hats, high-visibility vests) working on a high-voltage electrical transmission tower. They are positioned on a bucket or platform, reaching towards the complex network of insulators and power lines. The background is a clear blue sky.

Prioridad a la seguridad y la capacitación

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

- Ofrecimos 283 sesiones de orientación sobre seguridad eléctrica a 8,498 clientes
- Impartimos 9,880 horas de capacitación a través del LUMA College y del Programa de Aprendices de LUMA
- Lanzamos una campaña de capacitación adaptada a las funciones y tareas específicas de cada empleado para el personal de los talleres de la flota, los almacenes y el personal de campo a fin de garantizar el cumplimiento de las normas de OSHA y de las políticas de salud y seguridad de LUMA

Impulso de la transformación energética sostenible

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

- Activamos la medición neta para más de 8,954 sistemas de paneles solares en techos, lo que representa 60 MW
- Desarrollamos y negociamos cuatro nuevos acuerdos de oferta estándar en el marco del Programa para añadir almacenamiento de energía acelerado, mediante los cuales nos asociamos con los generadores existentes para utilizar de forma rentable y oportuna sistemas de almacenamiento de energía en baterías, mejoramos la fiabilidad y resiliencia del sistema, y redujimos los riesgos de interrupción del servicio
- Encargamos más de 2,509 kits de eficiencia energética para ayudar a nuestros clientes comerciales a ahorrar energía

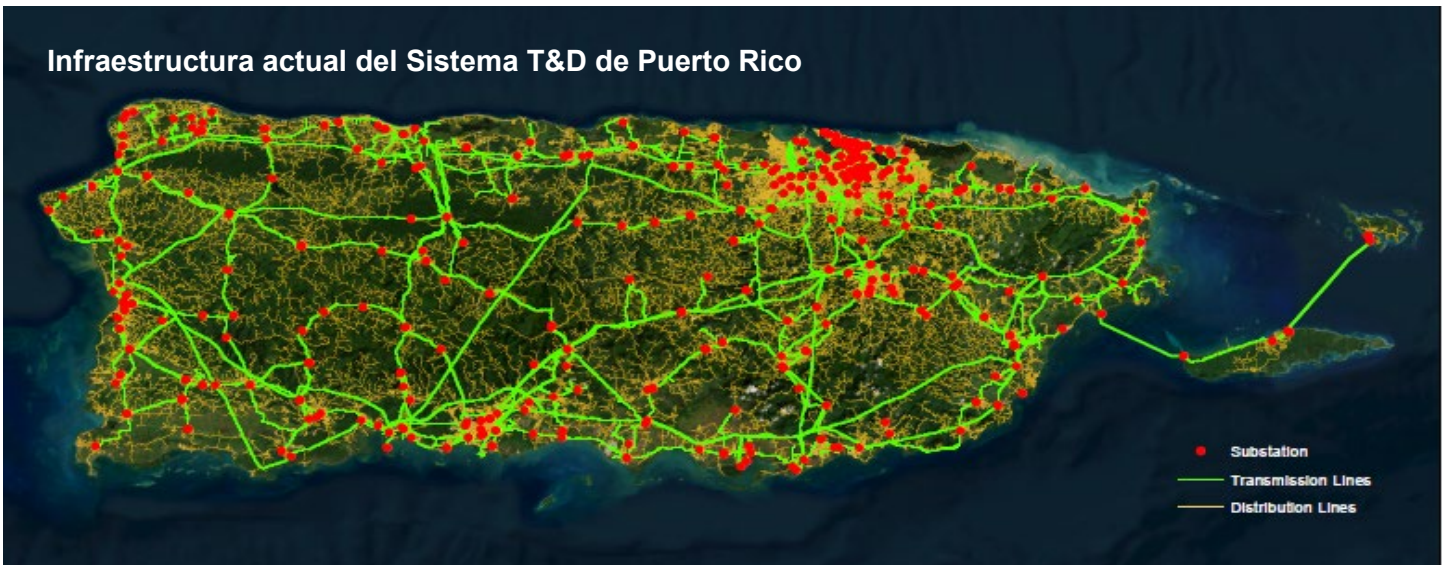


Reparación, restauración y reconstrucción de la red eléctrica

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

- Sustituimos más de 4,600 luminarias en los municipios de Arroyo, Bayamón, Coamo, Culebra, Florida, Guaynabo, Naguabo, San Germán, Toa Baja y Yabucoa
- Instalamos y energizamos un interruptor de 115 kV en la subestación Aguirre y un transformador de 280 MVA en el Centro de Transmisión de Bayamón; continuamos reemplazando transformadores emergentes en Hato Rey y Santa Isabel
- Iniciamos el proyecto de reconstrucción de la subestación de Río Grande y realizamos reparaciones en las subestaciones como el Centro Transmisión de Canóvanas, la subestación encapsulada a gas de Covadonga, Crea, La Muda, Morovis, Naranjito, Quebradillas y Río Bayamón.
- Restauramos segmentos de líneas de transmisión de 38 kV que estaban fuera de servicio desde el huracán María

Infraestructura actual del Sistema T&D de Puerto Rico



LUMA Quarterly Report

for the First Quarter of Fiscal Year 2025

ending September 30, 2024



OUR MISSION FOR PUERTO RICO

To rebuild and modernize the utility to deliver customer, reliable, resilient, safe, and sustainable electricity, at reasonable prices.



PEOPLE

Put people first to deliver an enhanced customer-centric experience



SAFETY

Drive strong safety performance for the wellbeing of our customers and employees



RELIABILITY

Keep the lights on building a resilient system that customers can trust



COMPLIANCE

Be ethical and follow the rules living our values: Pride, care, and accountability



FINANCIAL

Stick to the budget and optimize use and collection of funds



Powering Progress: LUMA Works towards Resilience, Service, and Sustainability in Puerto Rico

Since assuming operations for Puerto Rico's Transmission and Distribution System on June 1, 2021, our entire team has remained steadfast in our mission: building a brighter, cleaner, more reliable, and more resilient energy future for our customers. Every day across the island, LUMA's team of dedicated men and women is making lasting progress toward that goal by strengthening grid resilience, enhancing customer service, improving grid reliability, and advancing renewable energy initiatives.

We continue to make significant progress across our grid modernization projects, performing critical repairs and upgrades to enhance infrastructure resilience. For example, during the first quarter of Fiscal Year 2025 (FY2025), we replaced or repaired more than 4,600 streetlights, updated 66 transmission structures, and replaced more than 2,700 broken or damaged utility poles. We also conducted 226 inspections of industrial and commercial metering systems and completed target restoration, and modernization efforts focused on improving service reliability by addressing out-of-service equipment.

LUMA has also made strides in safety, community engagement, and customer service this quarter. In prioritizing safety, we delivered comprehensive workforce training to over 100 employees and implemented communications that reached thousands of customers on important topics like storm and electrical safety. As part of our commitment to customer experience, we provided timely and efficient customer service through more than 650,000 in-person interactions and responded quickly to customer inquiries.

To support LUMA's clean energy goals, LUMA expanded rooftop solar adoption, promoted electric vehicle (EV) energy programs, and supplied energy efficiency kits to 2,509 commercial customers to help them save energy for their businesses. Our continued focus on clean energy includes supporting renewable energy growth and completing studies to support the safe and reliable interconnection of more than 667 circuits, covering more than 91,841 rooftop solar installations.

As part of a company-wide commitment to Puerto Rico, LUMA continued its focus on operational transparency and prioritizing fiscal responsibility by staying within budget. As we have since taken over the operation of the T&D system, this report provides a transparent overview of the company's operations, actions, and accomplishments achieved across the three-month period from July 1 to September 30, 2024. The subsequent sections demonstrate our persistent efforts to modernize Puerto Rico's energy infrastructure and our commitment to operating efficiently with fiscal responsibility. This quarterly report is submitted as a requirement of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (T&D OMA).



LUMA's Response to Tropical Storm Ernesto

On August 14, Tropical Storm Ernesto impacted Puerto Rico, bringing maximum sustained winds of 60 mph and rainfall totals of 6-8 inches, with isolated areas receiving up to 10 inches, particularly in Puerto Rico's already saturated southeastern region. This caused extensive flooding, rapid river rises, and mudslides, especially in the interior regions. As a result, power outages, downed trees, and damaged infrastructure were widespread. The storm had a tremendous impact on the electric grid, damaging 1,642 poles, 1,413 conductors, and other critical infrastructure.

LUMA's response and restoration efforts following Tropical Storm Ernesto were a historic undertaking that resulted in LUMA **restoring electric service for 90% of all impacted customers in less than three days**. The summary below provides key data outlining the significant work LUMA performed to restore power to customers impacted by the storm.

Restoration Efforts



More than 90% of customers' electric service restored in 3 days



1,700+ workers deployed



300+ damage assessor



58+ total flight hours, **3,300+** miles flown

Damage Assessments

5,220+ assessments completed for distribution, substations and transmission



42% of distribution feeders damaged



17% of transmission line damaged

90 substations sustained damage

Public Information



735 interactions with municipal representatives



10 press releases distributed



57 updates on social media



Worked with **220** critical facilities to prioritize restoration

Progress for Puerto Rico during Fiscal Year 2025

(Year-to-date data for the twelve months between July 1, 2024, and June 30, 2025)

Building a Better Energy Future for All LUMA Customers

ENHANCING RELIABILITY

Installed

67 DISTRIBUTION
AUTOMATION DEVICES



EXPANDING RENEWABLES

Activated

8,954 ROOFTOP
SOLAR SYSTEMS,
representing over 60 MW of clean
energy



IMPROVING SAFETY

Completed

15,624

HEALTH AND SAFETY
on the job and LUMA College
training hours



INCREASING RESILIENCY

Replaced approximately

2,700

BROKEN AND DAMAGED
utility poles



BETTER CUSTOMER SERVICE

Answered

663,370 CALLS

with a wait time of less than
two minute



INFRASTRUCTURE IMPROVEMENT PROJECTS

Replaced more than

4,600 STREETLIGHTS





Empowering Our Communities

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

- Offered an electrical safety talk to children and youth from the Puerto Rican Epilepsy Society summer camp at the Faustino Santiago School in Bayamón
- Collected and delivered school supply donations to Hogar San Agustín del Coquí in Aguas Buenas, Hogar Cuna San Cristóbal in Caguas, and Hogar Nueva Mujer in Cayey
- Participated in the second service fair, “Give 100% Love” in Cataño, where we donated 200 packages with personal hygiene products and other essential items
- Collaborated with Grupo Tortuguero 7 Quillas on a coastal cleanup, where we collected waste, such as microplastics and cigarette filters, threatening the turtles that nest on beaches

Improving Outreach and Response to Our Customers

Customers are at the core of everything we do, and our mission is to build a more customer-centric utility. As part of this commitment, this quarter we:

- Served more than 650,000 customers in person across our customer service centers with an average wait time of less than ten minutes
- Answered over 663,370 customer calls with an average wait time of less than two minutes
- Responded to more than 937,000 social media direct messages and 105,170 e-mails addressing our customer’s needs



Prioritizing Safety and Training

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

- Offered 283 electrical safety orientation sessions to 8,498 customers
- Provided 9,880 training hours through LUMA College and the LUMA Apprenticeship Program
- Launched a training campaign for fleet workshop, warehouse, and field personnel to ensure compliance with OSHA and LUMA's Health and Safety policies – tailoring training to each employee's role and specific tasks

Empowering the Sustainable Energy Transformation

LUMA has been a driving force behind the clean energy transformation in Puerto Rico. During this quarter, we have:

- Activated net metering for over 8,954 rooftop solar panel systems, representing 60 MW
- Developed and negotiated four new Standard Offer Agreements under the Accelerated Storage Addition Program, partnering with existing generators to deploy a cost-effective and timely Battery Energy Storage Systems, enhancing reliability, resiliency, and reducing outage risks.
- Ordered more than 2,509 energy efficiency kits for our business customers to help them save energy



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:

- Replaced more than 4,600 streetlights in the municipalities of Arroyo, Bayamón, Coamo, Culebra, Florida, Guaynabo, Naguabo, San Germán, Toa Baja, and Yabucoa
- Installed and energized a 115 kV breaker in the Aguirre substation and a 280 MVA transformer in Bayamón TC; continued emergent transformer replacements in Hato Rey and Santa Isabel
- Started Rio Grande substation rebuild project and conducted repairs at the Canovanas TC, Covadonga GIS, Crea, La Muda, Morovis, Naranjito, Quebradillas, and Rio Bayamón substations
- Restored segments of 38 kV transmission lines that have been out of service since Hurricane María

Puerto Rico current infrastructure of the T&D System

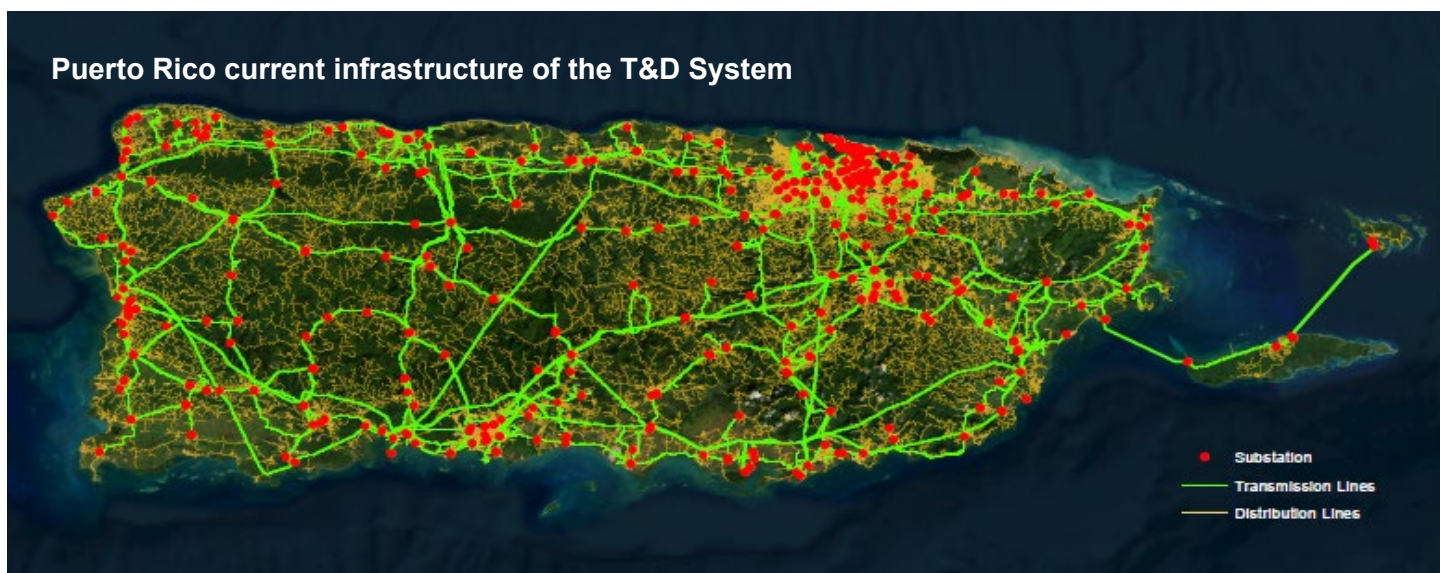


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Q1 FY2025 Financial Performance

As of September 30, 2024, LUMA has spent 28% of its annual operational and non-federally funded capital budgets.

Summary of Q1 of FY2025 Spending (\$ millions)¹

(\$ millions)

	FY2025 Budget ^{2,3}	Q1 Budget ^{2,3}	Q1 Actuals ^{2,3}	Q1 Variance (\$) ^{2,3}	Q1 Variance (%)
Transmission & Distribution					
Operating Expenditures	\$ 566.4	\$ 133.3	\$ 162.6	\$ (29.3)	
Non-Federally Funded Capital Expenditures	\$ 125.6	\$ 32.6	\$ 28.1	\$ 4.5	
Subtotal³	\$ 692.0	\$ 165.9	\$ 190.7	\$ (24.8)	(15%)
Energy Efficiency Programs⁴	\$ 5.8	\$ -	\$ -	\$ -	
Federally Funded Expenditures⁵	\$ 1,207.2	\$ 215.6	\$ 144.8	\$ 70.8	33%

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:

	FY2025 Forecast	Q1 Forecast	Q1 Actuals	YTD Forecast	YTD Actuals	YTD Variance
Total Consumption (GWh)	16,179	4,368	4,604	4,368	4,604	236
Base Revenue (millions) ⁶	\$ 1,151	\$ 305	\$ 302	\$ 305	\$ 302	\$ (3)

¹ Table reflects PREB's June 26 adjusted FY2025 Budget excluding the misallocation between Non-Federally Funded Capital and Operating Expenditures. This is inclusive of a \$13.5 million reduction from Billing Accuracy and Back Office to increase Vegetation Management (including Fire Mitigation Activities). LUMA filed a reconsideration on July 16; at the time of this filing, PREB has yet to issue a determination.

² FY2025 Budget figures above include a 2% reserve for excess expenditures and interim costs and expenses.

³ Figures in all tables have been rounded.

⁴ On October 23, 2024, the Puerto Rico Energy Bureau approved LUMA's request to roll over Energy Efficiency programs' unspent FY2024 funds to increase the FY2025 programmatic budget. LUMA will start reporting on these funds in Q2 FY2025. For further information on Energy Efficiency Programs, please refer to Case No. NEPR-MI-2022-0001.

⁵ Federally Funded Expenditures include Capital and General & Administrative charges.

⁶ Base revenue does not include revenue billed for fuel adjustment, purchased power, contribution in lieu of taxes, or subsidies.

Transmission & Distribution Operating Expenditures (\$ millions)

(\$ millions)

	FY2025	Budget ³	Q1 Budget ³	Q1 Actuals ³	Q1 Variance (\$) ³	Q1 Variance (%)
Labor						
Salaries, Wages and Benefits		268.8	58.9	88.5	(29.6)	
Total Labor	\$	268.8	\$ 58.9	\$ 88.5	\$ (29.6)	(50%)
Non-Labor						
Materials & Supplies		30.9	6.7	5.6	1.1	
Transportation, Per Diem, and Mileage		15.8	4.4	5.7	(1.3)	
Property & Casualty Insurance		22.7	5.7	4.3	1.4	
Security		8.0	2.0	1.2	0.8	
IT Service Agreements		29.5	7.7	6.3	1.4	
Utilities & Rents		9.6	2.5	2.9	(0.4)	
Legal Services		9.6	2.4	2.1	0.3	
Communications Expenses		1.4	0.4	-	0.4	
Professional & Technical Outsourced Services		86.6	22.1	31.8	(9.7)	
Vegetation Management		61.6	15.4	12.8	2.6	
Other Miscellaneous Expenses		10.8	2.5	1.4	1.1	
Total Non-Labor / Other Operating Expense	\$	286.5	\$ 71.8	\$ 74.1	\$ (2.3)	(3%)
Subtotal	\$	555.3	\$ 130.7	\$ 162.6	\$ (31.9)	(24%)
2% Reserve for Excess Expenditures		11.11	2.6	-	2.6	
Total Operating Expenditures	\$	566.4	\$ 133.3	\$ 162.6	\$ (29.3)	(22%)

Operating Expenditures by Department

Customer Experience Operational Expenditures (\$ millions)

The 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 customer-focused solutions.

(\$ millions)

	FY2025	Budget ³	Q1 Budget ³	Q1 Actuals ³	Q1 Variance (\$) ³	Q1 Variance (%)
Labor						
Salaries, Wages and Benefits		47.2	11.5	11.7	(0.2)	
Total Labor	\$	47.2	\$ 11.5	\$ 11.7	\$ (0.2)	(2%)
Non-Labor						
Materials & Supplies		0.3	0.1	-	0.1	
Transportation, Per Diem, and Mileage		1.1	0.3	0.2	0.1	
Property & Casualty Insurance		-	-	-	-	
Security		-	-	-	-	
IT Service Agreements		0.3	0.1	-	0.1	
Utilities & Rents		0.3	0.1	0.1	-	
Legal Services		0.1	-	-	-	
Communications Expenses		0.1	-	-	-	
Professional & Technical Outsourced Services		21.3	5.4	11.6	(6.2)	
Vegetation Management		-	-	-	-	
Other Miscellaneous Expenses		0.1	-	(0.1)	0.1	
Total Non-Labor / Other Operating Expense	\$	23.6	\$ 6.0	\$ 11.8	\$ (5.8)	(95%)
Total Operating Expense	\$	70.8	\$ 17.5	\$ 23.5	\$ (6.0)	(34%)

Key activities accomplished during Q1 FY2025:

- Redesigned and launched LUMA website to enable more efficient and timely customer interactions, integrating it with the MiLUMA application and adding features to prevent customers from mistakenly making duplicate payments
- Contacted more than 3,500 key customers, including municipalities, hospitals, PRASA, and others, to facilitate emergency response and re-energization in the aftermath of Tropical Storm Ernesto
- Reconfigured the space in the Yauco regional office to increase the capacity for the customer service area, enabling us to serve more customers effectively
- Completed the billing processes for energy irregularities and met with government agencies to inform them of upcoming billing for over 800 cases
- Completed more than 422,000 outbound calls that produced 9,373 customers enrolling in payment agreements, improving LUMA's overall collection efforts
- Enrolled 1,433 participants in the Customer Battery Energy Sharing program to generate a total of 7.5 megawatts to increase system reliability
- Sent more than 2.7M newsletters directly to customers, keeping them up to date on LUMA's progress and initiatives.

The primary driver for the \$6.0 million unfavorable year-to-date variance for Customer Experience operating expenditures was higher-than-expected professional and technical services expenses related to customer billing, process development activities and increased payment processing costs due to a higher percentage of customers transitioning to electronic payments.

Operations Operating Expenditures (\$ millions)

The Operations Department oversees and manages the day-to-day work on the Transmission and Distribution (T&D) infrastructure, and it is critical to providing safe and reliable electric service to all our 1.5 million customers. Overall, the highest priority of LUMA's operations continues to be the safety of our customers and our workforce while taking action to address maintenance and repairs to improve overall reliability and resiliency.

(\$ millions)

	FY2025	Budget ³	Q1 Budget ³	Q1 Actuals ³	Q1 Variance (\$) ³	Q1 Variance (%)
Labor						
Salaries, Wages and Benefits		129.9	25.4	45.4	(20.0)	
Total Labor	\$	129.9	\$ 25.4	\$ 45.4	\$ (20.0)	(79%)
Non-Labor						
Materials & Supplies		16.5	3.1	3.4	(0.3)	
Transportation, Per Diem, and Mileage		6.8	2.2	4.2	(2.0)	
Property & Casualty Insurance		-	-	-	-	
Security		-	-	-	-	
IT Service Agreements		0.7	0.4	-	0.4	
Utilities & Rents		1.3	0.4	0.6	(0.2)	
Legal Services		-	-	-	-	
Communications Expenses		0.2	0.1	-	0.1	
Professional & Technical Outsourced Services		17.5	4.5	6.4	(1.9)	
Vegetation Management		61.6	15.4	12.8	2.6	
Other Miscellaneous Expenses		1.4	0.2	0.2	-	
Total Non-Labor / Other Operating Expense	\$	106.0	\$ 26.2	\$ 27.6	\$ (1.4)	(5%)
Total Operating Expense	\$	235.9	\$ 51.6	\$ 73.0	\$ (21.4)	(41%)

Key activities accomplished during Q1 FY2025:

- Restored electrical service following Tropical Storm Ernesto, which affected 728,506 customers and caused significant infrastructure damage, impacting 42% of distribution feeders, 17% of transmission lines, and 90 substations
- Replaced sixty-four 38 kV and two 115 kV structures to ensure reliable electrical service and maintain system integrity; the upgrade will enhance capacity and support future energy demands
- Completed vegetation management across 390 right-of-way miles, including 190 miles of distribution lines, and 200 miles of transmission lines; completed the sixth round of substation treatments
- Upgraded and insulated hardware in two hundred forty-three 38 kV line structures, thirty-three 115 kV line structures, and six 230 kV line structures
- Completed 226 industrial and commercial inspections of the metering system to verify meter programming, accuracy, and wiring; additionally, recycled and reinstated 4,793 meters into inventory
- Energized and put into service the Bayamón Transmission Center 230/115 kV transformer, which is critical in reducing the system's risk of catastrophic failure
- Energized transmission line 200 from Salinas to the Santa Isabel sectionalizer, which had been out of service since Hurricane María

The \$21.4 million unfavorable year-to-date variance in Operations' operating expenditures stemmed primarily from higher-than-budgeted salaries, wages, and benefits. This increase resulted from a larger-than-expected allocation of labor resources to operations and maintenance activities to support Santa Isabel transformer replacement and Tropical Storm Ernesto. Additionally, costs for professional and technical outsourced services were higher than expected, mainly due to transportation and rental expenses linked to the Santa Isabel transformer and efforts to address impacts from Tropical Storm Ernesto.

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 September 30, 2024 ⁹
Utility electrician	110
Apprentice underground technician	30
Underground Technician	9
Apprentice substation technician ⁸	50
Substation technician ⁷	39
Senior substation technician ⁷	24
Meter technicians	25
Low-voltage technician	24
Foreman ⁷	129
Foreman - low voltage	84
Apprentice lineworker, 1st period	11
Apprentice lineworker, 2nd period	16
Apprentice lineworker, 3rd period	30
Apprentice lineworker, 4th period ⁸	35
Apprentice lineworker, 5th period ⁸	43
Apprentice lineworker, 6th period ⁸	33
Apprentice lineworker, 7th period ⁸	28
Journeyman lineworker ⁷	309
Total	1029

LUMA budgeted 1,651 full-time electrical utility field workers for FY2025. As of September 30, 2024, LUMA's roster included 1,029 electric field workers. LUMA consistently monitors workforce metrics to ensure turnover remains within acceptable limits and persistently enhances strategies to attract and retain top talent. To that end, LUMA continues to hire, train, and develop electrical utility field workers to meet the requirements of the T&D System.

To ensure we provide adequate resources to meet commitments, we keep these positions open; we have expanded our talent pool to include Chile and Colombia, from where we have sourced line workers. In Q1 FY2025 we reinforced our process to identify qualified candidates for the apprenticeship program to develop the next cohort of experienced workers.

⁷ Electrical utility field workers qualified to work on energized lines.

⁸ Electrical utility field workers qualified to work on energized lines under the supervision of a journeyman line worker or journeyman substation technician.

⁹ The figures include the number of full-time employees but do not include groundmen, operators, and laborers who support electrical utility field workers.

Utility Transformation Operating Expenditures (\$ millions)

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.

(\$ millions)

	FY2025	Budget ³	Q1 Budget ³	Q1 Actuals ³	Q1 Variance (\$) ³	Q1 Variance (%)
Labor						
Salaries, Wages and Benefits		21.5	5.3	15.3	(10.0)	
Total Labor	\$	21.5	\$ 5.3	\$ 15.3	\$ (10.0)	(189%)
Non-Labor						
Materials & Supplies		1.5	0.4	1.0	(0.6)	
Transportation, Per Diem, and Mileage		1.8	0.4	1.7	(1.3)	
Property & Casualty Insurance		-	-	-	-	
Security		-	-	-	-	
IT Service Agreements		0.1	-	-	-	
Utilities & Rents		1.4	0.3	0.6	(0.3)	
Legal Services		-	-	-	-	
Communications Expenses		-	-	-	-	
Professional & Technical Outsourced Services		2.0	0.5	1.8	(1.3)	
Vegetation Management		-	-	-	-	
Other Miscellaneous Expenses		1.7	0.5	-	0.5	
Total Non-Labor / Other Operating Expense	\$	8.5	\$ 2.1	\$ 5.1	\$ (3.0)	(143%)
Total Operating Expense	\$	30.0	\$ 7.4	\$ 20.4	\$ (13.0)	(176%)

Key activities accomplished during Q1 FY2025:

- Refined the FY2025 maintenance priorities for substations, transmission lines, and distribution feeders to determine the order in which the various maintenance plans are instituted
- Performed a line prioritization exercise for the targeted restoration of out-of-service equipment to help improve the system's reliability for our customers
- Evaluated 30 applications from private companies requesting to attach third-party telecommunications infrastructure to more than 2,100 poles
- Hosted the Clean Energy Workforce Week to highlight work done by young professionals in the energy industry and provide learning opportunities, foster networking, and showcase career pathways within the renewable energy, energy efficiency, and sustainable technology industries
- Onboarded more than 105 interns to develop local talent by providing focused training opportunities and hands-on experience with critical infrastructure
- Procured pole line hardware and distribution pole-mounted transformers to support emergency preparedness

The \$13.0 million unfavorable year-to-date variance in Utility Transformation's operating expenditures was higher than expected salaries, wages, and benefits due to allocating labor resources to restoration activities in response to Tropical Storm Ernesto. The unfavorable variance was also due to higher-than-expected professional and technical outsourced services expenses related to third-party attachments.

Support Services Operating Expenditures (\$ millions)

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 imperative to LUMA's success in meeting its mission and achieving its key goals.

(\$ millions)

	FY2025	Budget ³	Q1 Budget ³	Q1 Actuals ³	Q1 Variance (\$) ³	Q1 Variance (%)
Labor						
Salaries, Wages and Benefits		70.2	16.7	16.1	0.6	
Total Labor	\$	70.2	\$ 16.7	\$ 16.1	\$ 0.6	4%
Non-Labor						
Materials & Supplies		12.6	3.1	1.2	1.9	
Transportation, Per Diem, and Mileage		6.1	1.5	(0.4)	1.9	
Property & Casualty Insurance		22.7	5.7	4.3	1.4	
Security		8.0	2.0	1.2	0.8	
IT Service Agreements		28.4	7.2	6.3	0.9	
Utilities & Rents		6.6	1.7	1.6	0.1	
Legal Services		9.5	2.4	2.1	0.3	
Communications Expenses		1.1	0.3	-	0.3	
Professional & Technical Outsourced Services		45.8	11.7	12.0	(0.3)	
Vegetation Management		-	-	-	-	
Other Miscellaneous Expenses		7.6	1.8	1.3	0.5	
Total Non-Labor / Other Operating Expense	\$	148.4	\$ 37.4	\$ 29.6	\$ 7.8	21%
Total Operating Expense	\$	218.6	\$ 54.1	\$ 45.7	\$ 8.4	16%

Key activities accomplished during Q1 FY2025:

- Made 78 filings with the PREB on topics including vegetation management, compliance with the emergency response plan, initial budgets, electric vehicles, federal funding, permanent rate, among others
- Developed and negotiated four new Standard Offer Agreements¹⁰ for the Accelerated Storage Addition Program with four existing generators to deploy a new battery energy storage system facility at approximately half the cost of the tranche projects, providing an accelerated timeline to bring a battery energy storage system online
- Develop a high-availability technology secondary data center to replace the underperforming previous facility, meeting essential isolation needs and delivering a resilient, reliable infrastructure for uninterrupted operations
- Initiated a key project to analyze, categorize, and establish comprehensive data protection protocols for LUMA's enterprise data, ensuring adherence to industry standards
- Completed the transition of all contractor positions to full-time LUMA employees at the 24/7 Electronic Vigilance Operations Center, optimizing workforce stability and increasing long-term operational efficiency and performance
- Completed installation of closed-circuit television at the Guayama Customer Service Center, the Fajardo Technical Office, and LUMA's mechanics shop at Cataño

The primary drivers for the \$8.4 million favorable year-to-date variance for Support Services operating expenditures were lower-than-expected transportation and materials expenses due to vehicle usage costs being allocated to other Operating departments after implementing the new time recording enhancements system, as well as lower-than-expected property and casualty insurance expenses.

¹⁰ A standard offer agreement is defined as a value proposition available to all existing Independent Power Producer's (IPP) enabling a non-discriminatory pricing and service offer.

FY2025 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 that was in a state of extreme despair. 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 Programs¹¹ 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 (SRP). Each Improvement Program spending includes operating expenditures and capital costs within the FY2025 budget. 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)

(\$ millions)

Portfolio	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Customer Experience	381.4	67.6	43.5	24.1	36%
Distribution	309.4	62.2	40.4	21.9	35%
Transmission	119.7	20.0	29.4	(9.4)	(47%)
Substation	139.1	29.6	26.4	3.1	11%
Control Center & Buildings	33.9	8.7	2.8	5.9	67%
Enabling	390.0	72.8	45.0	27.8	38%
Support Services	30.9	7.3	3.7	3.6	49%
Total	\$ 1,404.4	\$ 268.2	\$ 191.2	77.0	29%

¹¹ 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 the Puerto Rico Energy Bureau's website for the corresponding dockets.

Capital Expenditure by Funding

Transmission & Distribution Capital Expenditures – Federally Funded

(\$ millions)

	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Improvement Portfolio					
Customer Experience	351.6	59.6	39.9	19.7	
Distribution	273.9	56.2	32.9	23.3	
Transmission	113.8	18.5	29.1	(10.6)	
Substations	119.0	24.5	22.6	1.9	
Control Center & Buildings	28.9	7.4	2.2	5.2	
Enabling	278.6	39.8	17.9	21.8	
Support Services	17.7	5.2	0.0	5.2	
Subtotal	\$ 1,183.5	\$ 211.4	\$ 144.8	\$ 66.6	32%
Other					
2% Reserve for Excess Expenditures	23.7	4.2	-	4.2	
Total Capital Expenditures	\$ 1,207.2	\$ 215.6	\$ 144.8	\$ 70.8	33%

Transmission & Distribution Capital Expenditures – Non-Federally Funded

(\$ millions)

	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Improvement Portfolio					
Customer Experience	25.2	6.3	4.3	2.1	
Distribution	35.4	6.0	7.4	(1.4)	
Transmission	5.9	1.5	0.2	1.2	
Substations	19.8	4.9	3.6	1.3	
Control Center & Buildings	3.5	0.9	0.5	0.4	
Enabling	24.6	11.3	9.9	1.5	
Support Services	8.8	1.0	2.1	(1.1)	
Subtotal	\$ 123.2	\$ 31.9	\$ 28.1	\$ 3.9	12%
Other					
2% Reserve for Excess Expenditures	2.5	0.6	-	0.6	
Total Capital Expenditures	\$ 125.6	\$ 32.6	\$ 28.1	\$ 4.5	14%

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 PREPA's financial and related systems and identified pre-existing control gaps may also affect the overall accuracy of reported results.

Customer Experience Improvement Portfolio Summary (\$ millions)

The **Customer Experience Improvement Portfolio** focuses on enhancing customer experience, including Distribution Streetlighting, and Advanced Metering Infrastructure Implementation programs.

(\$ millions)

Program	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Distribution Streetlighting	\$ 203.6	\$ 34.8	\$ 34.1	\$ 0.7	
Federally Funded	203.6	34.8	34.1		
Non-Federally Funded	-	-	-		
OpEx	-	-	-		
SRP	81.4	13.9	13.7		
AMI Implementation Program	\$ 148.0	\$ 24.8	\$ 5.8	\$ 19.0	
Federally Funded	148.0	24.8	5.8		
Non-Federally Funded	-	-	-		
OpEx	-	-	-		
SRP	-	-	-		
Programs <5% of Portfolio Total	\$ 29.9	\$ 8.0	\$ 3.6	\$ 4.4	
Federally Funded	-	-	-		
Non-Federally Funded	25.2	6.3	4.3		
OpEx	4.7	1.7	(0.6)		
SRP	3.6	1.5	(1.0)		
Total	\$ 381.4	\$ 67.6	\$ 43.5	\$ 24.1	36%

The **Distribution Streetlighting** program upgrades and replaces distribution streetlights. Key Q1 FY2025 activities included repairing more than 4,600 streetlights and the replacement of more than 2,000 poles in the municipalities of Arroyo, Bayamón, Coamo, Culebra, Florida, Guaynabo, Gurabo, Naguabo, San German, Toa Baja, and Yabucoa. The total spending for the first quarter was lower than expected due to fewer streetlights being replaced due to the timing of federal funding obligations and contract approvals.

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 to build a digital communications network and integrate a head end and meter data management system. Key Q1 FY2025 activities included pre-deployment walk-downs, completing more than 96,000-meter field assessments, and verifying and correcting meter-to-transformer connection relationships. The total spending for the first quarter was lower than expected because of procurement and contracting negotiation impacts.

Distribution Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Distribution Line Rebuild	\$ 122.1	\$ 26.4	\$ 9.5	\$ 16.9	
Federally Funded	109.6	24.6	8.4		
Non-Federally Funded	12.5	1.9	1.1		
OpEx	-	-	(0.0)		
SRP	100.4	23.0	7.8		
Distribution Automation	\$ 103.9	\$ 17.9	\$ 12.0	\$ 5.9	
Federally Funded	90.0	15.7	11.8		
Non-Federally Funded	13.9	2.2	0.2		
OpEx	-	-	-		
SRP	-	-	-		
Distribution Pole & Conductor Repair	\$ 71.7	\$ 15.4	\$ 17.2	\$ (1.9)	
Federally Funded	62.7	13.5	11.1		
Non-Federally Funded	9.0	1.9	6.1		
OpEx	-	-	-		
SRP	32.0	6.9	7.7		
Programs <5% of Portfolio Total	\$ 11.6	\$ 2.5	\$ 1.6	\$ 0.9	
Federally Funded	11.6	2.5	1.6		
Non-Federally Funded	-	-	-		
OpEx	-	-	-		
SRP	5.6	1.2	0.8		
Total	\$ 309.4	\$ 62.2	\$ 40.3	\$ 21.9	35%

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 Q1 FY2025 activities included completing two initial scopes of work (SOWs) for distribution underground work representing nine feeders and two detailed SOWs representing seven feeders. The total spending for the first quarter was lower than expected due to the timing of federal funding obligations.

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 said equipment. Key Q1 FY2025 activities included installing 12 circuit fault indicators and conducting 55 fuse optimizations. We also completed protection settings for 50 feeders and performed reliability analysis for 186 feeders. In addition, LUMA completed work order packages for 2,570 devices. The total spending for the first quarter was lower than expected due to the timing of federal funding obligations.

The **Distribution Pole and Conductor Repair** program focuses on minimizing the safety hazard caused by damaged 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 Q1 FY2025 activities included installing more than 700 poles and obtaining funding for one project covering 506 poles. We submitted two initial SOWs and two detailed SOWs covering 770 poles. The total spending for the first quarter was higher than expected due to additional damaged poles being replaced as they posed a safety risk to customers, crews, and property and jeopardized the safety and reliability of the electric infrastructure.

Transmission Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Transmission Line Rebuild	\$ 67.6	\$ 8.0	\$ 13.1	\$ (5.1)	
Federally Funded	66.7	7.8	12.8		
Non-Federally Funded	0.9	0.2	0.2		
OpEx	-	-	-		
SRP	66.7	7.9	12.9		
Transmission Priority Pole Replacements	\$ 26.3	\$ 7.5	\$ 11.1	\$ (3.6)	
Federally Funded	21.3	6.2	11.1		
Non-Federally Funded	5.0	1.3	-		
OpEx	-	-	-		
SRP	21.3	6.0	9.0		
IT OT Telecom Systems & Network	\$ 22.9	\$ 3.8	\$ 5.2	\$ (1.4)	
Federally Funded	22.9	3.8	5.2		
Non-Federally Funded	-	-	-		
OpEx	-	-	-		
SRP	22.9	3.8	5.2		
Programs <5% of Portfolio Total	\$ 2.9	\$ 0.7	\$ 0.0	\$ 0.7	
Federally Funded	2.9	0.7	0.0		
Non-Federally Funded	-	-	-		
OpEx	-	-	-		
SRP	-	-	-		
Total	\$ 119.7	\$ 20.0	\$ 29.4	\$ (9.4)	(47%)

The **Transmission Line Rebuild** program focuses on rebuilding, hardening, and upgrading the 230 kV, 115 kV, and 38 kV transmission infrastructure. Key Q1 FY2025 activities included replacing 54 transmission structures on one of the worst-performing transmission lines and submitting five detailed SOWs. LUMA assessed proposed projects to identify the scopes with the highest impact and divide transmission line rebuilds into multiple projects bounded by adjacent substations to drive efficiency and maximize our ability to execute the projects. The total spending for the first quarter was higher-than-expected due to additional engineering design being completed in the quarter.

The **Transmission Priority Pole Replacement** program includes replacing damaged overhead transmission poles, towers, and associated hardware and conductors. Key Q1 FY2025 activities included replacing two structures, installing seven pole bases, making two critical repairs on line 100 involving the replacement of missing grounding and the removal of an abandoned wood structure, and designing 132 structures. We submitted six detailed SOWs that covered 37 structure replacements. The total spending for the first quarter is higher than expected due to additional support required for the cost recovery process.

The **IT OT Telecom Systems & Network** program includes investments to improve the systems that carry T&D and substation IT OT data. Key Q1 FY2025 activities included conducting 29 site walk-downs for preparation of the transport network site upgrades, completing 66 circuit identification site visits for transport network physical fiber assessments, and completing telecom design reviews for 12 substations, as well as independent power producer (IPP), and battery energy storage system (BESS) projects; in addition, we submitted two initial SOWs for six tower projects. The total spending for the first quarter was higher than expected due to the completion of more site walk-downs and the engagement of consultant resources to support the development of the fiber optic vs. field area network business strategy and the mobile voice strategy.

Substations Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Substation Rebuilds	\$ 89.0	\$ 16.7	\$ 20.8	\$ (4.2)	
Federally Funded	89.0	16.7	18.5		
Non-Federally Funded	-	-	2.4		
OpEx	-	-	-		
SRP	46.7	8.7	10.9		
Substation Reliability	\$ 45.2	\$ 11.6	\$ 5.2	\$ 6.4	
Federally Funded	25.8	6.8	3.8		
Non-Federally Funded	19.3	4.8	1.4		
OpEx	-	-	0.0		
SRP	-	-	-		
Programs <5% of Portfolio Total	\$ 5.0	\$ 1.3	\$ 0.4	\$ 0.9	
Federally Funded	4.1	1.1	0.3		
Non-Federally Funded	0.4	0.1	(0.1)		
OpEx	0.4	0.1	0.2		
SRP	4.1	1.1	0.4		
Total	\$ 139.1	\$ 29.6	\$ 26.4	\$ 3.1	11%

The **Substation Rebuilds** program focuses on improving T&D substations to strengthen the electric grid. Key Q1 FY2025 activities included installing and energizing a 115 kV breaker in the Aguirre substation and a 280 MVA transformer in Bayamón TC. We also continued the replacement of the transformer in Hato Rey and Santa Isabel substations, started rebuilding the Río Grande substations, and conducted repair projects (e.g., replacement of fence, roof repairs, painting, replacing light fixtures) at the Canóvanas TC, Covadonga GIS, Crea, La Muda, Morovis, Naranjito, Quebradillas, and Río Bayamón substations. The total spending for the first quarter was higher than expected due to a transformer that failed in Hato Rey Substation, which required immediate replacement.

The **Substation Reliability** program includes upgrading and reinforcing the existing and aging system infrastructure to improve system reliability. Key Q1 FY2025 activities included completing 18 field visits and replacing one emergency distribution breaker and four transmission breakers. The total spending for the first quarter is lower than expected due to resources being redirected to Tropical Storm Ernesto emergency work rather than normal operations.

Control Center and Buildings Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Facilities Development & Implementation	\$ 15.0	\$ 3.7	\$ 0.6	\$ 3.2	
Federally Funded	11.0	2.8	0.0		
Non-Federally Funded	3.0	0.8	0.5		
OpEx	1.0	0.2	0.1		
SRP	13.9	3.5	0.5		
Critical Energy Management System Upgrades	\$ 12.6	\$ 3.9	\$ 1.5	\$ 2.4	
Federally Funded	12.2	3.8	1.5		
Non-Federally Funded	-	-	-		
OpEx	0.5	0.1	0.0		
SRP	8.9	2.8	1.0		
Control Center Construction & Refurbishment	\$ 5.7	\$ 0.9	\$ 0.7	\$ 0.2	
Federally Funded	5.7	0.9	0.7		
Non-Federally Funded	-	-	-		
OpEx	-	-	-		
SRP	4.6	0.7	0.6		
Programs <5% of Portfolio Total	\$ 0.6	\$ 0.1	\$ 0.0	\$ 0.1	
Federally Funded	0.0	0.0	-		
Non-Federally Funded	0.5	0.1	0.0		
OpEx	-	-	-		
SRP	-	-	-		
Total	\$ 33.9	\$ 8.7	\$ 2.8	\$ 5.9	67%

The **Facilities Development & Implementation** program is focused on the construction required to remediate facilities and real property. Key Q1 FY2025 activities included conducting inspections and assessing the facilities' status to compare with existing reports to validate the remediation plan and determine their condition index. Activities also included assessing all facilities after Tropical Storm Ernesto, conducting emergency procedures after the failure of the electrical transformer system of the NEOS building, and starting to develop a complete assessment for the appurtenances inventory of all accounted real property. Total spending is lower than expected due to projects remaining in the planning phase.

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 activities for Q1 FY2025 included continuing the conversion of supervisory control and data acquisition databases and displays, planning for field equipment connectivity testing, preparing for energy management system commissioning, finalizing the contract amendment for the purchase of telecom equipment to support Control Data Corporation communications (equipment to arrive during Q2 FY2025) and completing a contract for implementation services. Total spending is lower than expected due to the project's start date shift and the ability to adjust resource plans to utilize lower-cost resources.

The **Control Center Construction & Refurbishment** program focuses on constructing or refurbishing buildings to house the primary and backup control centers and all ancillary support services. Key Q1 FY2025 activities included completing a tiered environmental assessment meeting and a site visit to Monacillos by federal agency representatives, developing a construction procurement strategy with the Owner Construction Representative, and completing soil borings on the Monacillos campus. Total spending is under budget due to lower-than-expected architecture and engineering costs, which was due to a lack of information required to complete the project design.

Enabling Improvement Portfolio Summary (\$ millions)

The **Enabling Improvement Portfolio** of investment projects focuses on safety and operational excellence through Vegetation Management, Microgrid, Phasor Measurement Units (PMU), Battery Energy Storage Installations and Integration, T&D Fleet, Compliance and Studies, and Asset Data Integrity programs.

(\$ millions)

Program	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
Vegetation Management and Capital Clearing Implementation²	\$ 221.7	\$ 40.2	\$ 16.6	\$ 23.6	
Federally Funded	158.2	24.3	3.8		
Non-Federally Funded	1.9	0.5	-		
OpEx	61.6	15.4	12.8		
SRP	158.2	28.0	12.6		
Microgrid, Phasor Measurement Units (PMU), and Battery Energy Storage Installations and Integrations	\$ 70.0	\$ 4.3	\$ 2.0	\$ 2.3	
Federally Funded	70.0	4.3	2.0		
Non-Federally Funded	-	-	-		
OpEx	-	-	-		
SRP	-	-	-		
T&D Fleet	\$ 34.6	\$ 14.0	\$ 11.5	\$ 2.5	
Federally Funded	-	-	-		
Non-Federally Funded	10.6	8.0	7.2		
OpEx	24.0	6.0	4.3		
SRP	8.0	3.2	2.6		
Compliance & Studies	\$ 29.3	\$ 7.2	\$ 11.4	\$ (4.2)	
Federally Funded	28.3	7.1	10.4		
Non-Federally Funded	1.0	0.1	0.8		
OpEx	-	-	0.1		
SRP	20.1	4.9	7.3		
Asset Data Integrity	\$ 26.2	\$ 5.1	\$ 1.4	\$ 3.8	
Federally Funded	21.8	4.0	-		
Non-Federally Funded	4.4	1.1	1.4		
OpEx	-	-	-		
SRP	24.9	4.9	1.3		
Programs <5% of Portfolio Total	\$ 8.2	\$ 2.1	\$ 2.2	\$ (0.1)	
Federally Funded	0.3	0.1	1.7		
Non-Federally Funded	6.6	1.7	0.5		
OpEx	1.3	0.3	0.0		
SRP	7.4	1.9	2.0		
Total	\$ 390.0	\$ 72.8	\$ 45.0	\$ 27.9	38%

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 Q1 FY2025 activities included completing the assessment, trimming, and cutting of over 188 miles of vegetation from distribution lines and over 200 miles from transmission lines and completing the sixth round of herbicide treatment in substations. As part of the Vegetation Safety & Reliability Initiative, LUMA assessed and cleared over 20 miles of vegetation from distribution lines. We also submitted five detailed SOWs for Bayamón, Arecibo, Caguas, Mayagüez and Ponce. The total spending for the first quarter is lower than expected due to the timing of federal funding obligations.

LUMA Quarterly Vegetation Clearing by Voltage Level

Voltage	FY2025 Q1 Miles Cleared			FY2025 Q1 Acres ¹² Cleared		
	Federally Funded	OpEx	Total Miles	Federally Funded	OpEx	Total Acres
Distribution	24	188	212	34	274	308
38 kV	-	30	30	-	90	90
115 kV	-	113	113	-	1,372	1,372
230 kV	-	58	58	-	702	702
Total	24	389	413	34	2,438	2,472

The **Microgrid, Phasor Measurement Units (PMU), and Battery Energy Storage Installations and Integration** program supports projects to increase reliability and resiliency, restore system functionality, and mitigate safety hazards. Key activities in Q1 FY2025 included submitting one detailed SOW, publishing requests for proposals for contractors, and starting site visits. The total spending for the first quarter was lower than expected due to the timing of federal funding obligations for the Vieques and Culebra feeder and BESS projects.

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 Q1 FY2025 activities included targeted training on safety and compliance for over 100 employees. This training comprised safe loading procedures for 16 employees, driver-vehicle inspection report training for 54 employees, and a specialized certification program for 40 mechanics on underground storage tanks. The total spending in this period is lower than expected as contracts for the helicopter repairs have not been awarded.

The **Compliance & Studies** program supports T&D planning, protection studies, and the production of hosting capacity (the amount of distributed energy resources that can be accommodated on the distribution system) information for public and internal use. Key Q1 FY2025 activities included completing supplemental studies for over 667 circuits, covering more than 91,800 small rooftop solar photovoltaic installations. These updated circuit models are included in the hosting capacity dashboards on LUMA's website. Additionally, there were ongoing field walk-downs and assessments of noncompliant circuits identified during these studies, with 261 walk-downs completed to support renewable integration. LUMA also completed seven distribution area plans covering 34 substations and 114 distribution circuits. The total spending for the first quarter was higher than expected due to the completion of additional model verification work. These activities included field walk-downs to verify model connectivity, data accuracy, and electrical parameters before vegetation crews began work and made corrections in the vegetation management process.

The **Asset Data Integrity** program supports the integrity of key asset data for accurate modeling, operations, and planning of the T&D system. The key Q1 FY2025 activity was completing the asset verification pilot program. The total spending for the first quarter was lower than expected due to the timing of federal funding obligations.

¹² 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').

Support Services Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$) ³	Variance (%)
IT OT Asset Management	\$ 21.3	\$ 5.2	\$ 0.1	\$ 5.2	
Federally Funded	17.4	5.2	0.0		
Non-Federally Funded	3.8	-	0.0		
OpEx	-	-	0.0		
SRP	16.5	4.1	0.1		
IT OT Enablement Program	\$ 1.9	\$ 0.5	\$ 1.3	\$ (0.8)	
Federally Funded	-	-	-		
Non-Federally Funded	1.9	0.5	1.3		
OpEx	-	-	-		
SRP	-	-	-		
Critical Financial Systems	\$ 1.8	\$ 0.4	\$ 0.8	\$ (0.3)	
Federally Funded	-	-	-		
Non-Federally Funded	1.6	0.4	0.8		
OpEx	0.2	0.0	-		
SRP	1.5	0.4	0.6		
Critical Financial Controls	\$ 1.6	\$ 0.4	\$ 0.2	\$ 0.2	
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
OpEx	1.6	0.4	0.2		
SRP	1.6	0.4	0.2		
Update to Third Party Use, Audit, Contract and Billing Procedures	\$ -	\$ -	\$ 1.2	\$ (1.2)	
Federally Funded	-	-	-		
Non-Federally Funded	-	-	0.0		
OpEx	-	-	1.2		
SRP	-	-	-		
Programs <5% of Portfolio Total	\$ 4.4	\$ 0.8	\$ 0.3	\$ 0.5	
Federally Funded	0.3	-	-		
Non-Federally Funded	1.5	0.1	0.1		
OpEx	2.6	0.6	0.2		
SRP	0.5	0.1	0.0		
Total	\$ 30.9	\$ 7.3	\$ 3.7	\$ 3.6	49%

The **IT OT Asset Management** program introduced industry-standard IT OT asset management procedures. It 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 Q1 FY2025 activities included commissioning the workforce management contract, filling out the request for proposal and contract requisition forms for infrastructure replacement, and commissioning the IT disaster recovery site. The total spending year to date is lower than expected due to the timing of federal funding obligations.

The **IT OT Enablement** program will implement capabilities to deliver and maintain IT OT services and systems, enabling LUMA employees and systems to operate under industry best practices while standardizing processes and tools. Key Q1 FY2025 activities included purchasing end-user devices, including 700 laptops, 250 desktops, 500 monitors, 500 docking stations, 500 keyboards, and 500 mouse units. The total spending was higher than expected because the procurement of laptops and other electronic devices was completed in the first quarter to address long lead times. This early procurement ensures that LUMA has sufficient electronics to meet business needs throughout the year.

The **Critical Financial Systems** program covers technology projects for Finance, including financial management systems and technology, risk management systems, and supply chain management technology. Key Q1 FY2025 activities included completing the second round of user acceptance testing to verify system stability and functionality, obtaining procurement approval of acceptance testing results, and confirming readiness for the next steps. LUMA made significant strides in developing a public-facing portal to highlight sourcing events for current and prospective vendors, with assistance from the IT Apps department. Additionally, LUMA focused on refining management strategies, creating training manuals, and initiating supplier portal development. The total spending for the first quarter was higher than expected due to additional support needed for the time tracking project as the project's go-live date was delayed from last fiscal year, thus increasing program activities this year.

The **Critical Financial Controls** program focuses on two key areas – internal controls and internal audit, building skills and capabilities in financial reporting and audit. This will enable LUMA to update and enforce industry-standard policies and procedures that comply with the latest laws and regulations. Key Q1 FY2025 activities included completing and approving the Account Reconciliation Policy, Payroll Guidelines, Revenue and Expenses Accrual Policy, Data Security Plan, Cybersecurity Incident Response Plan, Acceptable Use Policy, and Security Awareness Plan. The total spending year to date is lower than expected due to a delay in implementing the Internal Control Framework project (Clearview).

The **Update to Third-Party Use, Audit, Contract, and Billing Procedures** program focuses on updating third-party land use, infrastructure, audits, contracts, and billing procedures. Key Q1 FY2025 activities included processing 30 third-party applications for requesting attachment to 2,100 poles and collecting application fees totaling \$11,255. All revenues collected from fees are netted against the program budget and will be used to compensate operations and maintenance expenses for processing the application packages. Total spending for the first quarter was higher than expected due to uncollected offsets from third-party attachment applications and pole attachment fees.

FY2025 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 T&D OMA and were originally governed by the Shared Services Agreement (SSA) between PREPA, P3A, and LUMA, effective June 1, 2021. These services were set 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 these responsibilities at the expiration date. Therefore, LUMA entered into an Amended and Restated Shared Services Agreement (Amended SSA) with each party beginning January 1, 2024.

Under the terms of both Amended SSAs, LUMA was to provide shared services until September 30, 2024. The purpose of the Amended SSAs was to provide PREPA and Genera PR with additional time to undertake the necessary activities to assume responsibility for the administrative and management services currently provided by LUMA. Correspondingly, the budget for Shared Services in FY2025 was established for this planned and contractual termination date.

During this period under the Amended SSAs, also known as the Shared Services Period, LUMA provides PREPA and Genera PR with services that generally fall into two areas:

- Information Technology – This support provides access and services to PREPA and Genera PR on the IT OT infrastructure managed by LUMA; and
- Finance and Accounting – This includes general accounting and reporting, accounts payable, plant accounting, and treasury activities provided by LUMA for PREPA and Genera PR. The placement of insurance policies covering PREPA's assets and activities (both T&D and Generation) that were previously provided under the Amended SSAs are provided under the Insurance Collaboration Agreement in FY2025

Although the Amended SSAs were to expire on September 30, 2024, both Genera PR and PREPA required additional time to fully implement their plans for independent administrative and management activities without the LUMA-provided Shared Services. Consequently, the Amended SSAs were amended and extended to January 31, 2025, for Genera PR and February 28, 2025, for PREPA.

The costs for the Shared Services activities are considered part of Genera PR's Generation Pass-Through Expenditures in accordance with the T&D OMA.

Shared Services Summary (\$ millions)

(\$ millions)

	FY2025 Budget ³	Q1 Budget ³	Q1 Actuals ³	Variance (\$)	Variance (%)
Labor	0.8	0.8	1.0	(0.2)	
Property & Casualty Insurance	58.3	14.6	11.7	2.9	
IT Service Agreements	1.7	1.7	1.1	0.6	
Legal Services	-	-	0.1	(0.1)	
Professional & Technical Outsourced Services	0.1	0.1	0.7	(0.6)	
Other	-	-	0.2	(0.2)	
Subtotal	\$ 60.9	\$ 17.2	\$ 14.8	\$ 2.4	4%
2% Reserve for Excess Expenditures	1.2	0.3	-	0.3	
Shared Services Total	\$ 62.1	\$ 17.5	\$ 14.8	\$ 2.7	4%

The primary driver for the \$2.7 million favorable Q1 FY2025 is due to Shared Services expenses being lower-than-expected. Insurance and IT Service Agreement costs were the primary sources of this variance. This favorable budget variance was slightly offset by additional unplanned labor, legal, and services costs related to the transition and exit of Shared Services activities supporting both PREPA and Genera PR.

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.