

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

NEPR

Received:

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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 Third Quarter of Fiscal Year 2025**

**MOTION TO SUBMIT QUARTERLY REPORT FOR THE THIRD 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 thirty-day filing due date following the close of the reported quarter for these reports. *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 third quarter ending March 31, 2025 (“Q3 Report”). The Q3 Report contains the information required in Section IV, paragraphs 1 through 3 of the June 23rd Order. This Q3 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 also be submitted in that proceeding.

4. LUMA hereby also informs that it submitted the Quarterly Federal Funding Report for the period ending March 31, 2025 (“Q3 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 Q3 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”). It will also 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 Q3 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 15th day of May, 2025.

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@sbgbllaw.com; legal@genera-pr.com; and regulatory@genera-pr.com.



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Exhibit 1
Q3 Report
Supporting schedules to be submitted via email

Informe trimestral de LUMA

para el tercer trimestre (Q3) del año fiscal 2025
que termina el 31 de marzo de 2025



NUESTRA MISIÓN PARA PUERTO RICO ES:

Reconstruir y modernizar la red eléctrica para brindarles a los clientes un servicio eléctrico más confiable, resiliente, seguro y sostenible a precios razonables.



GENTE

Poner a la gente primero para brindarles una mejor experiencia centrada en el cliente



SEGURIDAD

Impulsar un desempeño eficiente en cuanto a la seguridad para el bienestar de nuestros clientes y empleados



CONFIABILIDAD

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



CUMPLIMIENTO

Ser éticos y cumplir con las reglas al seguir nuestros valores: orgullo, trato, responsabilidad, excelencia y valentía



FINANZAS

Estar dentro del presupuesto y optimizar el uso y la recaudación de fondos

Construyendo el futuro energético de Puerto Rico

Desde que asumimos las operaciones del sistema eléctrico hace casi cuatro años, en LUMA hemos trabajado arduamente para atender las fallas operacionales, financieras y de manejo que por años afectaron la red eléctrica bajo la operadora previa, la Autoridad de Energía Eléctrica.

A pesar de estos retos, los sobre 4,500 miembros de nuestro equipo hemos mantenido firme nuestro compromiso de construir un futuro energético más limpio, confiable y resiliente para los 1.5 millones de clientes a quienes tenemos el privilegio de servir. Cada día avanzamos con pasos firmes hacia esa meta y, durante el tercer trimestre del año fiscal 2025, impulsamos esta misión mediante mejoras clave en infraestructura, esfuerzos de modernización, comunicación continua con nuestras comunidades, mejor servicio al cliente y desarrollo sostenido de nuestra fuerza laboral.

En todo el sistema, completamos mejoras de alto impacto, desde la energización de equipos en subestaciones críticas hasta la instalación de miles de postes, aparatos automatizados y de protección, mejorando la confiabilidad del servicio en toda la isla. Para apoyar estos trabajos, despejamos vegetación peligrosa de sobre 400 millas de líneas eléctricas, reduciendo la cantidad de interrupciones de servicio y fortaleciendo la estabilidad del sistema.

Reforzamos la preparación para emergencias, mejoramos el cumplimiento regulatorio, disminuimos incidentes de seguridad y promovimos la transparencia en nuestros informes regulatorios. Además, nuestras iniciativas de transformación modernizaron los sistemas internos, optimizaron el proceso de conexión de nuevos clientes y aumentaron nuestra presencia en las comunidades mediante programas educativos.

La experiencia del cliente sigue siendo una prioridad. Este trimestre atendimos a cientos de miles de clientes a través de múltiples canales, formalizamos miles de acuerdos de pago y dimos pasos importantes hacia una mayor transparencia y comunicación. También ampliamos nuestro alcance comunitario con talleres de seguridad, apoyo a estudiantes de internado y participación en iniciativas ambientales. Estas acciones reflejan nuestro compromiso como proveedor de energía y como aliado en el bienestar social y ambiental de Puerto Rico.

Como parte de nuestro esfuerzo por fortalecer el talento local, celebramos la primera graduación de nuestro Programa de Trabajadores de Línea, que incluyó más de 12,000 horas de adiestramiento, y reafirmamos nuestra cultura de seguridad con talleres dirigidos a más de 2,000 empleados.

Para apoyar el futuro energético limpio de Puerto Rico, durante el trimestre facilitamos más de 14,000 nuevas conexiones de sistemas solares y expandimos programas de vehículos eléctricos y almacenamiento de energía en baterías para mejorar la confiabilidad del servicio y reducir la demanda en horas pico.

Todas estas acciones demuestran nuestro compromiso continuo con el manejo responsable de los recursos públicos y con ofrecer resultados reales y medibles para el pueblo de Puerto Rico. Este informe presenta un resumen de nuestras operaciones, acciones y logros entre el 1 de enero y el 31 de marzo de 2025. Las próximas secciones reflejan nuestro compromiso continuo con la modernización de la infraestructura eléctrica del país y nuestro manejo eficiente y fiscalmente responsable. Este informe se presenta como parte de los requisitos del Acuerdo de Operación y Mantenimiento del Sistema de Transmisión y Distribución (T&D OMA, por sus siglas en inglés).

Progreso para Puerto Rico durante el AF2025

(Datos del año hasta la fecha)

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

MEJORAMOS LA CONFIABILIDAD

Instalamos

1,950 APARATOS
AUTOMATIZADOS DE
DISTRIBUCIÓN Y DE
PROTECCIÓN



EXPANDIMOS LA ENERGÍA RENOVABLE

Activamos más de

34,783 sistemas solares
que ahora participan en medición
neta, lo que representa más de **251 MW**
de energía limpia



MEJORAMOS LA SEGURIDAD

Completamos más de

54,110 horas de
adiestramientos en **SALUD Y
SEGURIDAD** en el trabajo y en
LUMA College



AUMENTAMOS LA RESILIENCIA

Reemplazamos
aproximadamente

10,800
postes **ROTOS O
DETERIORADOS**



MEJORAMOS EL SERVICIO AL CLIENTE

Atendimos más de

1,659,642

LLAMADAS con un tiempo de
espera inferior a **dos minutos**



PROYECTOS DE MEJORA EN LA INFRAESTRUCTURA

Reemplazamos o reparamos
más de

21,000 LUMINARIAS





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:

- Reemplazado y energizado dos interruptores de subestación de 230 kV en Costa Sur; seis interruptores de subestación de 115 kV (uno en Barceloneta, dos en San Sebastián, uno en Aguirre y dos en Monacillo); seis interruptores de subestación de 38 kV (uno en San Sebastián, uno en Juncos, uno en Barceloneta, uno en Capuchino, uno en Río Blanco, y uno en Yauco).
- Reemplazado más de 9,000 luminarias en los municipios de Adjuntas, Aguada, Aguadilla, Aibonito, Añasco, Barranquitas, Caguas, Carolina, Ceiba, Cidra, Coamo, Comerío, Corozal, Dorado, Guaynabo, Gurabo, Hatillo, Jayuya, Lajas, Manatí, Maunabo, Mayagüez, Morovis, Naguabo, Orocovis, Salinas, San Germán, Trujillo Alto, Vega Alta, Villalba y Yabucoa.
- Instalado más de 650 dispositivos de protección y automatización de distribución.
- Reemplazado 32 estructuras de transmisión (veintiuna de 38 kV y once de 115 kV), abordando componentes en mal estado.
- Instalado sobre 5,200 postes en varios municipios y asegurado fondos para proyectos que involucran 1,590 postes adicionales.

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 LUMA:

- Celebró la graduación de los primeros dos empleados de LUMA en completar el Programa de Trabajadores de Línea, un logro clave en la transformación del sistema eléctrico de Puerto Rico.
- Brindó 23 sesiones de orientación sobre la seguridad eléctrica a 813 participantes.
- Ofreció 12,456 horas de adiestramiento a través de LUMA College y del Programa de Trabajadores de Línea.
- Preparó a más de 2,000 empleados durante un total de 6,738 horas de contacto que abarcaron zonas de puesta a tierra y equipotencial, espacios confinados, excavaciones y zanjas, primeros auxilios, análisis de peligros, estándares de trabajo del sistema de energía y entrada a subestaciones

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 14,000 propietarios de sistemas de placas solares, lo que representa 112 MW.
- Inscribimos a más de 9,549 participantes en la Iniciativa de Intercambio de Energía en Baterías para los Clientes, lo que representa una capacidad de almacenamiento de 60 MW disponible para aumentar la oferta de energía disponible durante los picos de demanda, mejorar el suministro de energía, y minimizar el impacto de la reducción intencional de la carga de energía.
- Logramos la inscripción de 65 participantes en el Programa de Tiempo de Uso (TOU) para vehículos eléctricos, y 57 clientes adicionales expresaron interés en el estudio de hábitos de carga, que tiene como objetivo mejorar la comprensión de los patrones de carga de los vehículos eléctricos y su impacto en la red eléctrica.

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:

- Reconocieron a los estudiantes que completaron su internado en LUMA junto con estudiantes, mentores, profesores, miembros de la comunidad y ejecutivos.
- Donaron artículos para el hogar a 100 residentes del sector El Treinta en Maricao, y ofrecieron un taller educativo sobre la seguridad eléctrica.
- Como parte de nuestro compromiso con la conservación de las tortugas marinas y la protección de las costas, los empleados se unieron a varias limpiezas de playa junto con organizaciones ambientales como: Grupo Tortuguero 7 Quillas, recolectaron 2,000 microplásticos y 650 filtros de cigarrillos; Coalición Pro Corredor Ecológico del Noreste, recogieron 60 bolsas de basura en La Pared, y participaron en una charla educativa; y Grupo Tortugueros del Sur, participaron en la limpieza de Playa Ballena en Guánica.

Mejora del alcance y la respuesta a nuestros clientes

Los clientes son el corazón de las operaciones de LUMA y de nuestra misión de reconstruir una red eléctrica centrada en el cliente. Como parte de este compromiso, este trimestre los empleados:

- Atendieron en persona a más de 636,260 clientes en nuestros centros de Experiencia del Cliente, con un tiempo promedio de espera de menos de ocho minutos.
- Contestaron más de 498,647 llamadas de clientes con un tiempo promedio de espera de menos de un minuto y medio.
- Respondieron a más de 53,225 mensajes directos en redes sociales, y registraron a 10,781 clientes en acuerdos de pago.

LUMA Quarterly Report

for the Third Quarter (Q3) of Fiscal Year 2025
ending March 31, 2025



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



Building Puerto Rico's Energy Future

Since taking over as the system operator nearly four years ago, LUMA has worked nonstop to address the litany of operational, financial, and management failures the Puerto Rico grid suffered under the previous operator, PREPA.

Despite these challenges, the 4,500-strong LUMA team has remained steadfast in our commitment to building a brighter, cleaner, more reliable and more resilient energy future for the 1.5 million customers we're privileged to serve. Every day, our team makes lasting progress toward that goal and, during the third quarter of FY2025, we advanced this mission through critical infrastructure upgrades and modernization efforts, continued community engagement, improved customer service and sustained workforce development.

Across the system, we completed high-impact upgrades — from energizing equipment in critical substations to installing thousands of poles, and automation, and protection devices — improving service reliability for customers across the island. To support these efforts, we cleared hazardous vegetation from across over 400 miles of powerlines to prevent outages and support grid stability.

We enhanced emergency preparedness and compliance efforts, reduced safety incidents, and ensured transparency in regulatory filings. Additionally, our transformation initiatives modernized internal systems, improved the customer connection processes, and engaged the community through educational outreach.

Customer experience remains a top priority. This quarter, we supported hundreds of thousands of our customers across multiple channels, enrolled thousands of customers in payment agreements, and made meaningful strides in transparency and communication. We also expanded our community outreach by hosting safety workshops, supporting student internships, and participating in environmental initiatives. These actions reflect our role as an energy provider and partner in Puerto Rico's social and environmental well-being.

As part of our continued efforts to strengthen our local workforce, we celebrated the first graduates of our Lineworker Apprenticeship Program, which provided more than 12,000 training hours, and reinforced our strong safety culture with targeted sessions for more than 2,000 employees.

To support Puerto Rico's clean energy future, during the quarter, LUMA enabled more than 14,000 rooftop solar connections and expanded electric vehicle and battery storage programs designed to boost reliability and reduce peak demand pressure.

Together, these efforts demonstrate LUMA's sustained commitment to managing public resources responsibly, while delivering real, measurable results for the people of Puerto Rico. This report provides an overview of the company's operations, actions, and accomplishments over the three months between January 1 and March 31, 2025. The subsequent sections demonstrate our continued dedication and our actions to modernize Puerto Rico's energy infrastructure and operate efficiently in a fiscally responsible manner. It is submitted as a requirement for the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (T&D OMA).

Progress for Puerto Rico during Fiscal Year 2025

(Year-to-date data)

Building a Better Energy Future for All LUMA Customers

ENHANCING RELIABILITY

Installed over

1,950 DISTRIBUTION
AUTOMATION AND
PROTECTION DEVICES



EXPANDING RENEWABLES

Activated more than

34,783 solar systems
participating in net energy
metering, which represents over
251 MW of clean energy



IMPROVING SAFETY

Completed

54,110

HEALTH AND SAFETY
on the job and LUMA College
training hours



INCREASING RESILIENCY

Replaced approximately

10,800 BROKEN
AND DAMAGED
utility poles



BETTER CUSTOMER SERVICE

Answered

1,659,642 CALLS
with a wait time of less than
two minutes



INFRASTRUCTURE IMPROVEMENT PROJECTS

Replaced or repaired over

21,000
STREETLIGHTS





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 and energized two 230 kV substation breakers at Costa Sur; six 115 kV substation breakers (one at Barceloneta, two at San Sebastián, one at Aguirre, and two at Monacillos); six 38 kV substation breakers (one at San Sebastián, one at Juncos, one at Barceloneta, one at Capuchino, one at Río Blanco, and one at Yauco)
- Replaced more than 9,000 streetlights in the municipalities of Adjuntas, Aguada, Aguadilla, Aibonito, Añasco, Barranquitas, Caguas, Carolina, Ceiba, Cidra, Coamo, Comerío, Corozal, Dorado, Guaynabo, Gurabo, Hatillo, Jayuya, Lajas, Manatí, Maunabo, Mayagüez, Morovis, Naguabo, Orocovis, Salinas, San Germán, Trujillo Alto, Vega Alta, Villalba, and Yabucoa
- Installed over 650 distribution automation and protection devices
- Replaced 32 transmission structures (twenty-one on 38kV and eleven on 115kV), addressing components in poor condition
- Installed over 5,200 poles across multiple municipalities and secured funding for projects involving 1,590 additional poles



Prioritizing Safety and Training

Nothing is more important to us than the safety of our customers, workers, contractors, and communities. As part of this commitment, this quarter, employees:

- Celebrated the graduation of the first two LUMA employees to complete the Lineworker Apprenticeship Program —a key achievement in transforming Puerto Rico’s electric system
- Offered 23 electrical safety orientation sessions to 813 participants
- Provided 12,456 training hours through LUMA College and the LUMA Apprenticeship Program
- Trained more than 2,000 employees for a total of 6,738 contact hours covering grounding and equipotential zone, confined spaces, excavations and trenches, first-aid, hazard analysis, Power System Work Standard, and substation entrance

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 more than 14,000 net energy metering rooftop solar panel systems, representing 112 MW
- Enrolled 9,549 participants in the customer battery energy sharing initiative, representing a storage capacity availability of 60 MW, to increase energy supply during peak demand, enhance service reliability, and reduce load shedding
- Enrolled 65 participants in the electric vehicle time-of-use rate program, with 57 additional customers expressing interest in the charging habits study, which aims to improve understanding of electric vehicle charging patterns and their impact on the electric grid

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:

- Celebrated the successful completion of another students internship cycle, along with mentors, professors, community members, and executives
- Donated household items to 100 residents of the El Treinta community in Maricao and offered an educational workshop on electrical safety
- Supported several beach cleanups together with environmental organizations: with the Grupo Tortuguero 7 Quillas, collecting 2,000 microplastics and 650 cigarette filters; with the Coalición Pro Corredor Ecológico del Noreste, collecting 60 bags of garbage in the cleanup of La Pared beach, and participated in an educational talk; and together with the Grupo Tortugueros del Sur, contributing to the cleanup of Playa Ballena in Guánica, as part of our commitment to sea turtle conservation and the protection of our coasts

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 employees:

- Served more than 636,260 customers in person across our customer service centers with an average wait time of eight minutes
- Answered over 498,647 customer calls with an average wait time of less than one and a half minutes
- Responded to more than 53,225 social media direct messages and enrolled more than 10,781 customers in payment agreements

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Q3 FY2025 Financial Performance

As of March 31, 2025, LUMA has spent 74% of its annual operational and non-federally funded capital budgets.

Summary of Q3 of FY2025 Spending (\$ millions)¹

(\$ millions)

	FY2025 Budget ^{2,3}	Q3 Budget ^{2,3}	Q3 Actuals ³	YTD Budget ^{2,3}	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Transmission & Distribution							
Operating Expenditures	\$ 567.4	\$ 149.3	\$ 127.1	\$ 421.4	\$ 433.2	\$ (11.8)	
Non-Federally Funded Capital Expenditures	\$ 125.3	\$ 29.1	\$ 29.5	\$ 89.7	\$ 82.7	\$ 6.9	
Subtotal³	\$ 692.7	\$ 178.4	\$ 156.6	\$ 511.0	\$ 515.9	\$ (4.9)	(1%)
Energy Efficiency Programs⁴	\$ 5.80	\$ -	\$ -	\$ 5.80	\$ 5.80		
Federally Funded Expenditures⁵	\$ 1,207.2	\$ 342.2	\$ 133.3	\$ 839.7	\$ 482.2	\$ 357.5	43%

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	Q3 Forecast	Q3 Actuals	YTD Forecast	YTD Actuals	YTD Variance
Total Consumption (GWh)	16,179	3,628	3,645	12,099	12,617	519
Base Revenue (millions) ⁶	\$ 1,151	\$ 266	\$ 250	\$ 862	\$ 853	\$ (9)

¹ Table reflects PREB's January 31, 2025, budget determination.

² FY2025 budget figures above include a 2% reserve for excess expenditures.

³ Figures in all tables have been rounded.

⁴ On October 23, 2024, PREB approved LUMA's request to rollover unspent Energy Efficiency (EE) program funds from FY2024 to increase the FY2025 programmatic budget. The total funding for EE in FY2025 is \$19.5 million, \$13.7 million from the EE rider, and \$5.8 million from the FY2024 rollover. LUMA has spent the O&M budget rolled over from FY2024; any further expenditures will be covered by the EE rider. For more information, 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, CILT, and subsidies.

Transmission & Distribution Operating Expenditures (\$ millions)

(\$ millions)

	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	268.8	74.2	56.3	197.9	221.5	(23.6)	
Total Labor	\$ 268.8	\$ 74.2	\$ 56.3	\$ 197.9	\$ 221.5	\$ (23.6)	(12%)
Non-Labor							
Materials & Supplies	30.0	8.5	5.8	21.6	17.6	4.0	
Transportation, Per Diem, and Mileage	15.8	3.6	2.8	12.2	15.0	(2.8)	
Property & Casualty Insurance	22.7	5.7	4.8	17.0	13.7	3.3	
Security	8.0	2.0	0.8	6.0	5.0	1.0	
IT Service Agreements	29.5	7.3	6.4	22.2	19.4	2.8	
Utilities & Rents	9.6	2.4	1.5	7.3	6.7	0.6	
Legal Services	9.6	2.4	1.9	7.2	5.5	1.7	
Communications Expenses	1.4	0.4	0.1	1.1	0.1	1.0	
Professional & Technical Outsourced Services	100.1	24.8	29.0	75.2	86.1	(10.9)	
Vegetation Management	50.0	12.5	11.6	37.5	37.2	0.3	
Other Miscellaneous Expenses	10.8	2.6	6.1	7.9	5.4	2.5	
Total Non-Labor / Other Operating Expense	\$ 287.5	\$ 72.2	\$ 70.8	\$ 215.2	\$ 211.7	\$ 3.5	2%
Subtotal	\$ 556.3	\$ 146.4	\$ 127.1	\$ 413.1	\$ 433.2	\$ (20.1)	(5%)
2% Reserve for Excess Expenditures	11.1	2.9	-	8.3	-	8.3	
Total Operating Expenditures	\$ 567.4	\$ 149.3	\$ 127.1	\$ 421.4	\$ 433.2	\$ (11.8)	(3%)

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.

	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	47.2	12.1	12.0	35.0	33.9	1.1	
Total Labor	\$ 47.2	\$ 12.1	\$ 12.0	\$ 35.0	\$ 33.9	\$ 1.1	3%
Non-Labor							
Materials & Supplies	0.3	0.1	-	0.2	-	0.2	
Transportation, Per Diem, and Mileage	1.1	0.3	0.1	0.8	0.4	0.4	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	0.3	0.1	-	0.2	-	0.2	
Utilities & Rents	0.3	0.1	-	0.2	0.1	0.1	
Legal Services	0.1	0.1	-	0.1	-	0.1	
Communications Expenses	0.1	-	-	0.1	-	0.1	
Professional & Technical Outsourced Services	34.8	8.5	11.0	26.3	31.4	(5.1)	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	0.1	-	0.1	0.2	-	0.2	
Total Non-Labor / Other Operating Expense	\$ 37.1	\$ 9.2	\$ 11.2	\$ 28.1	\$ 31.9	\$ (3.8)	(14%)
Total Operating Expense	\$ 84.3	\$ 21.3	\$ 23.2	\$ 63.1	\$ 65.8	\$ (2.7)	(4%)

Key activities accomplished during Q3 FY2025:

- Conducted quarterly inspections of hospital facilities to assess backup power generation capacity, generator maintenance, and fuel readiness to enhance emergency response and restoration efforts
- Completed more than 676,000 outbound calls, resulting in 10,781 customers enrolling in payment agreements, thereby improving LUMA's overall collection efforts
- Successfully launched a billing modification that improves transparency for customers when corrections are made to their accounts, a change that removes the need for an additional manual letter by including rebilled amounts and explanations directly within the corrected invoice
- Enrolled 9,549 participants in the customer battery energy sharing initiative, representing a storage capacity of 60 MW, to increase energy supply during peak demand, enhance service reliability, and minimize load shedding
- Issued more than 4,350 financial rebates to residential customers for buying high-efficiency equipment and provided approximately \$270,657.00 in rebates to 65 commercial customers, with additional funds pre-approved, reducing energy consumption and costs
- Executed over 2,440 non-payment disconnections and issued more than 13,000 30-day disconnection notices and 14,000 overdue payment reminders to support collection efforts and customer engagement

The primary driver of the \$2.7 million unfavorable year-to-date variance in Customer Experience operating expenditures was higher-than-budgeted spending on professional and technical services related to process development activities and Customer Care and Billing configuration. Additionally, increased payment processing costs, such as bank transaction fees, contributed to the variance, driven by a greater share 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, critical to providing safe and reliable electric service to all 1.5 million customers. Overall, the highest priority of LUMA's operations is the safety of our customers and our workforce while addressing maintenance and repairs to improve overall reliability and resiliency.

	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
(\$ millions)							
Labor							
Salaries, Wages and Benefits	129.9	38.9	33.3	94.4	120.3	(25.9)	
Total Labor	\$ 129.9	\$ 38.9	\$ 33.3	\$ 94.4	\$ 120.3	\$ (25.9)	(27%)
Non-Labor							
Materials & Supplies	16.5	5.1	4.1	11.4	11.1	0.3	
Transportation, Per Diem, and Mileage	6.8	1.3	2.5	5.5	11.2	(5.7)	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	0.7	0.1	-	0.6	-	0.6	
Utilities & Rents	1.3	0.3	0.1	1.1	1.1	-	
Legal Services	-	-	-	-	-	-	
Communications Expenses	0.2	0.1	-	0.2	0.1	0.1	
Professional & Technical Outsourced Services	17.5	4.4	7.7	12.8	17.1	(4.3)	
Vegetation Management	50.0	12.5	11.6	37.5	37.2	0.3	
Other Miscellaneous Expense	1.4	0.3	0.2	0.8	0.3	0.5	
Total Non-Labor / Other Operating Expense	\$ 94.4	\$ 24.1	\$ 26.2	\$ 69.9	\$ 78.1	\$ (8.2)	(12%)
Total Operating Expense	\$ 224.3	\$ 63.0	\$ 59.5	\$ 164.3	\$ 198.4	\$ (34.1)	(21%)

Key activities accomplished during Q3 FY2025:

- Completed 30 planned outages in coordination with multiple operational teams to perform preventive maintenance and system upgrades, including the repair of 63 hot spots identified through thermography, as well as work on conductors, bridges, insulators, and other components, all aimed at enhancing system capacity and supporting future energy demands
- Replaced seventeen 38 kV and eleven 115 kV structures to enhance service reliability and maintain system integrity
- Managed vegetation across 414 right-of-way miles, including trimming 176 miles of distribution and 238 miles of transmission lines, and completed maintenance trimming on nineteen circuits
- Upgraded insulated hardware on three hundred seventy 38 kV line structures, forty-one 115 kV structures, and six 230 kV structures
- Completed 50 inspections of the metering system for 38 kV accounts to verify meter programming, accuracy, and wiring; additionally, recycled and reinstated 1,516 meters into inventory
- Performed 875 preventive maintenance tasks—including thermography inspections, battery bank checks, breaker testing, and transformer inspections—and completed 255 corrective maintenance tasks such as replacing internal chambers, repairing bus supports, fixing oil leaks, and servicing switches, and breakers

The primary driver of the \$34.1 million unfavorable year-to-date variance in Operations' operating expenditures was the result of a greater-than-anticipated allocation of labor to operations, maintenance, and restoration activities, particularly those related to the Santa Isabel transformer replacement and other outage restoration activities. Additionally, professional and technical outsourced service costs exceeded expectations due to their involvement in these restoration efforts. Transportation, per diem, and mileage expenses were also higher than budgeted, as vehicle usage costs are now recorded by each department under the new time recording enhancements system, rather than being centralized under the Support Services Department, where they were originally budgeted.

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, 2025 ⁹
Utility electrician	110
Apprentice underground technician	28
Underground Technician	6
Apprentice substation technician ⁸	63
Substation technician ⁷	35
Senior substation technician ⁷	23
Meter technicians	27
Low-voltage technician	113
Foreman ⁷	97
Foreman - low voltage	34
Apprentice lineworker, 1st period	19
Apprentice lineworker, 2nd period	14
Apprentice lineworker, 3rd period	20
Apprentice lineworker, 4th period ⁸	29
Apprentice lineworker, 5th period ⁸	35
Apprentice lineworker, 6th period ⁸	44
Apprentice lineworker, 7th period ⁸	56
Journeyman lineworker ⁷	369
Total	1,122

LUMA budgeted 1,651 full-time electrical utility field workers for FY2025. As of March 31, 2025, the roster included 1,122 electric field workers. LUMA actively monitors workforce metrics to ensure turnover remains within acceptable limits and continually refines strategies to attract and retain top talent. To support this effort, LUMA continues to hire, train, and develop electrical utility field workers to meet the operational needs of the transmission and distribution (T&D) system.

LUMA continues strengthening its recruitment strategies to maintain a steady pipeline of qualified candidates who can immediately support system operations. Targeted initiatives are underway to retain experienced lineworkers and attract new talent, ensuring the stability and growth of operations. We actively participate in job fairs across the island and mainland to recruit lineworkers and other technical personnel, including candidates for our internship program. Additionally, we are developing new pathways for individuals with relevant experience but without formal certification, offering training programs that lead to the Yellow Ticket and enable transition into full-time roles at LUMA.

⁷ These electrical utility field workers are qualified to work on energized lines.

⁸ These electrical utility field workers are qualified to work on energized lines, either independently or under the supervision of a journeyman lineworker or journeyman substation technician.

⁹ The figures reflect the full-time employees and exclude groundpeople, 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.

	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Labor							
Salaries, Wages and Benefits ¹⁰	21.5	5.4	(3.9)	16.1	21.5	(5.4)	
Total Labor	\$ 21.5	\$ 5.4	\$ (3.9)	\$ 16.1	\$ 21.5	\$ (5.4)	(34%)
Non-Labor							
Materials & Supplies	1.5	0.3	0.2	1.1	1.7	(0.6)	
Transportation, Per Diem, and Mileage	1.8	0.4	0.3	1.3	3.2	(1.9)	
Property & Casualty Insurance	-	-	-	-	-	-	
Security	-	-	-	-	-	-	
IT Service Agreements	0.1	-	-	-	-	-	
Utilities & Rents ¹¹	1.4	0.3	(0.2)	1.0	0.7	0.3	
Legal Services	-	-	0.4	-	0.6	(0.6)	
Communications Expenses	-	-	-	-	-	-	
Professional & Technical Outsourced Services	2.0	0.5	2.9	1.5	5.3	(3.8)	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	1.7	0.7	0.1	1.5	0.1	1.4	
Total Non-Labor / Other Operating Expense	\$ 8.5	\$ 2.2	\$ 3.7	\$ 6.4	\$ 11.6	\$ (5.2)	(81%)
Total Operating Expense	\$ 30.0	\$ 7.6	\$ (0.2)	\$ 22.5	\$ 33.1	\$ (10.6)	(47%)

Key activities accomplished during Q3 FY2025:

- LUMA delivered the “Seminario sobre los nuevos estándares de construcción propuestos por LUMA” at the Colegio de Ingenieros y Agrimensores de Puerto Rico, with over 700 professionals in attendance, granting continuing education credits to all licensed engineers and highlighting the strong industry interest in the company's proposed standards
- Deployed the Asset Suite Out of Service Module to maintain historical data for out-of-service equipment, including key information such as date, failure details, and location, ensuring visibility and coordinating restoration efforts for transmission, distribution, and substation equipment currently out of service
- Successfully deployed the New Business Connections Program, establishing a new standard for quality of key processes (inspections, endorsements and certifications) through the creation of SOPs and improved competencies for new customer connections. The program includes training for LUMA internal employees and external clients, including the College of Electrical Experts of Puerto Rico and the Puerto Rico Builders Association
- Processed 10 third-party attachment (TPA) applications requesting to attach telecommunication cables to 530 LUMA poles and collected application fees totaling \$22,730

The \$10.6 million unfavorable year-to-date variance in Utility Transformation's operating expenditures was primarily driven by a higher-than-expected allocation of labor resources to restoration activities following Tropical Storm Ernesto and a greater-than-planned percentage of labor allocated to operations and maintenance activities. The variance was also impacted by increased professional and technical outsourced service expenses, particularly related to third-party attachments and legal advisory services.

¹⁰ Negative figure accounts due to for true up prior period accrued expense.

¹¹ Negative figures account for true-up costs for activities related to the Tropical Storm Ernesto and prior period accrued expenses.

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	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Labor							
Salaries, Wages and Benefits	70.2	17.8	14.9	52.4	45.8	6.6	
Total Labor	\$ 70.2	\$ 17.8	\$ 14.9	\$ 52.4	\$ 45.8	\$ 6.6	13%
Non-Labor							
Materials & Supplies	11.7	3.0	1.5	8.9	4.8	4.1	
Transportation, Per Diem, and Mileage ¹²	6.1	1.6	(0.1)	4.6	0.2	4.4	
Property & Casualty Insurance	22.7	5.7	4.8	17.0	13.7	3.3	
Security	8.0	2.0	0.8	6.0	5.0	1.0	
IT Service Agreements	28.4	7.1	6.4	21.4	19.4	2.0	
Utilities & Rents	6.6	1.7	1.6	5.0	4.8	0.2	
Legal Services	9.5	2.3	1.5	7.1	4.9	2.2	
Communications Expenses	1.1	0.3	0.1	0.8	-	0.8	
Professional & Technical Outsourced Services	45.8	11.4	7.4	34.6	32.3	2.3	
Vegetation Management	-	-	-	-	-	-	
Other Miscellaneous Expenses	7.6	1.6	5.7	5.4	5.0	0.4	
Total Non-Labor / Other Operating Expense	\$ 147.5	\$ 36.7	\$ 29.7	\$ 110.8	\$ 90.1	\$ 20.7	19%
Total Operating Expense	\$ 217.7	\$ 54.5	\$ 44.6	\$ 163.2	\$ 135.9	\$ 27.3	17%

Key activities accomplished during Q3 FY2025:

- Filed 69 documents with the PREB on topics including vegetation management, emergency response plan compliance, rate review, electric vehicles, initial budgets, and integrated resource plan
- Completed installation of closed-circuit television systems at Manati TC, Arecibo-Factor Substation, Técnica Vega Baja, and the Fleet Shop
- Increased inventory valuation to almost \$400 million in preparation for capital projects start-ups and to maintain continuous supply for operations, also implementation of 5S methodology in different warehouses to enhance safety as it creates a cleaner, and more organized environment to reduce the risk of accidents and injuries by removing hazards and making potential dangers more visible
- Conducted the annual emergency mock drill in compliance with OMA requirements to simulate a response to category 5 hurricane, and to manage complex emergency scenarios while reinforcing the importance of teamwork, communication, and proactive planning for operational safety and reliability
- Received pre-certification approvals for the "7 Steps to Electrical Safety" course to qualify as continuing ethics education for municipal and government employees
- Achieved a 68% reduction in incidents related to key safety behaviors—seat belt use, cellphone use, and stop sign violations—through the implementation of the telematics program

The \$27.3 million year-to-date favorable variance in Support Services operating expenditures was primarily driven by lower-than-expected property and casualty insurance fees and reduced transportation, materials, professional services, and labor expenses. These reductions were mainly due to implementing the new time recording enhancements system, which shifted vehicle usage costs to individual departments. Additional savings came from lower salaries, wages, and benefits resulting from labor costs under the extended shared services agreement. IT service agreements and legal services expenditures were also below budget. These savings were further supported by targeted initiatives to align spending with annual budget expectations.

¹² Negative figures accounts for true-up prior period accrued expenses.

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 in 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 Programs¹³ 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 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)

Portfolio	(\$ millions)						
	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Customer Experience	383.2	113.7	87.6	278.1	206.9	71.2	26%
Distribution	309.4	72.1	25.9	201.4	109.1	92.3	46%
Transmission	119.7	32.1	13.2	88.6	60.9	27.7	31%
Substation	139.1	38.3	30.5	98.0	86.0	12.0	12%
Control Center & Buildings	33.9	8.6	3.2	26.4	8.7	17.7	67%
Enabling	378.4	114.9	13.6	256.6	135.3	121.4	47%
Support Services	30.9	6.2	5.1	28.6	10.6	18.0	63%
Total	\$ 1,394.6	\$ 385.9	\$ 179.1	\$ 977.7	\$ 617.6	\$ 360.2	37%

¹³ LUMA developed these programs in late 2020. Subsequently, the P3 Authority and the Puerto Rico Energy Bureau reviewed and approved them as part of the Initial Budgets (docket NEPR-MI-2021-0004) and the System Remediation Plan (docket NEPR-MI-2020-0019). As part of these programs, the Energy Bureau also reviewed and approved initial scopes of work for specific federally funded projects under docket NEPR-MI-2021-0002. Detailed information on the budget, the System Remediation Plan, and implementing federally funded capital investments is available on the Energy Bureau's website.

Capital Expenditure by Funding

Transmission & Distribution Capital Expenditures – Federally Funded

(\$ millions)

	FY2025	Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Improvement Portfolio								
Customer Experience		351.6	106.1	80.7	253.7	191.9	61.8	
Distribution		273.9	66.1	18.1	183.4	85.6	97.8	
Transmission		113.8	30.7	9.0	84.2	55.1	29.1	
Substations		119.0	33.2	25.1	82.9	69.5	13.4	
Control Center & Buildings		28.9	7.4	2.4	22.7	6.5	16.2	
Enabling ¹⁴		278.6	90.4	(2.1)	178.9	73.5	105.3	
Support Services		17.7	1.6	0.0	17.4	0.1	17.3	
Subtotal	\$	1,183.5	\$ 335.5	\$ 133.3	\$ 823.3	\$ 482.2	\$ 341.0	41%
Other								
2% Reserve for Excess Expenditures		23.7	6.7	-	16.5	-	16.5	
Total Capital Expenditures	\$	1,207.2	\$ 342.2	\$ 133.3	\$ 839.7	\$ 482.2	\$ 357.5	43%

Transmission & Distribution Capital Expenditures – Non-Federally Funded

(\$ millions)

	FY2025	Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Improvement Portfolio								
Customer Experience		24.8	6.2	6.4	19.0	14.7	4.2	
Distribution		35.4	6.0	7.8	18.0	23.5	(5.6)	
Transmission		5.9	1.5	4.2	4.4	5.9	(1.5)	
Substations		19.8	4.9	5.4	14.8	16.4	(1.5)	
Control Center & Buildings		3.5	0.9	0.7	2.7	2.0	0.7	
Enabling		24.6	5.6	0.8	21.2	12.9	8.3	
Support Services		8.8	3.4	4.1	7.9	7.4	0.5	
Subtotal	\$	122.8	\$ 28.5	\$ 29.5	\$ 87.9	\$ 82.7	\$ 5.2	6%
Other								
2% Reserve for Excess Expenditures		2.5	0.6	-	1.8	-	1.8	
Total Capital Expenditures	\$	125.3	\$ 29.1	\$ 29.5	\$ 89.7	\$ 82.7	\$ 6.9	8%

¹⁴ Negative figures account for the reallocation and reclassification of expenditures to the corresponding line items or projects.

Customer Experience Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Distribution Streetlighting	\$ 203.6	\$ 63.7	\$ 41.7	\$ 158.2	\$ 102.6	\$ 55.6	
Federally Funded	203.6	63.7	41.7	158.2	102.6		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	81.4	25.5	16.7	63.3	41.0		
AMI Implementation Program	\$ 148.0	\$ 42.4	\$ 39.1	\$ 95.5	\$ 89.3	\$ 6.3	
Federally Funded	148.0	42.4	39.1	95.5	89.3		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
Programs <5% of Portfolio Total	\$ 31.6	\$ 7.6	\$ 6.8	\$ 24.4	\$ 15.0	\$ 9.4	
Federally Funded	-	-	-	-	(0.0)		
Non-Federally Funded	24.8	6.2	6.4	19.0	14.7		
OpEx	6.8	1.4	0.4	5.4	0.3		
SRP	3.6	0.5	0.0	3.1	0.4		
Total	\$ 383.2	\$ 113.7	\$ 87.6	\$ 278.1	\$ 206.9	\$ 71.2	26%

The **Distribution Streetlighting** program focuses on upgrading and replacing distribution streetlights. Key Q3 FY2025 activities included repairing more than 9,000 streetlights and replacing over 4,300 poles across multiple municipalities, including Adjuntas, Aguada, Aguadilla, Aibonito, Añasco, Barranquitas, Caguas, Carolina, Ceiba, Cidra, Coamo, Comerio, Corozal, Dorado, Guaynabo, Gurabo, Hatillo, Jayuya, Lajas, Manati, Maunabo, Mayaguez, Morovis, Naguabo, Orocovis, Salinas, San Germán, Trujillo Alto, Vega Alta, Villalba and Yabucoa. Year-to-date spending was lower than expected as we replaced fewer streetlights than anticipated due to the timing of contract approvals.

The **Advanced Metering Infrastructure Implementation** program establishes a two-way communication system to collect detailed metering data across the utility's service territory. This foundational technology supports enhanced system resiliency and reliability. The program will deploy approximately 1.5 million smart meters, creating a digital communications network and integrating a head-end and a meter data management system. Key Q3 FY2025 activities included pre-deployment walk-downs and completing over 124,000 meter field assessments. Meter and network deployment is now underway. System integration efforts are ongoing, including the initial integration of the head-end system into LUMA and the work order management system into the Customer Care and Billing platform. All vendors have been onboarded and are currently performing their respective tasks. Year-to-date spending was lower than expected due to delays in contract execution.

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	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Distribution Line Rebuild	\$ 122.1	\$ 22.2	\$ 9.3	\$ 65.0	\$ 27.2	\$ 37.8	
Federally Funded	109.6	20.3	8.1	59.4	23.9		
Non-Federally Funded	12.5	1.9	1.3	5.6	3.4		
OpEx	-	-	-	-	(0.0)		
SRP	100.4	19.3	7.7	57.1	22.4		
Distribution Automation	\$ 103.9	\$ 26.7	\$ 5.6	\$ 68.7	\$ 31.3	\$ 37.3	
Federally Funded	90.0	24.4	2.5	62.0	25.6		
Non-Federally Funded	13.9	2.2	3.1	6.7	5.7		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
Distribution Pole & Conductor Repair	\$ 71.7	\$ 20.2	\$ 10.8	\$ 60.0	\$ 46.6	\$ 13.4	
Federally Funded	62.7	18.3	7.4	54.4	32.2		
Non-Federally Funded	9.0	1.9	3.4	5.6	14.5		
OpEx	-	-	-	-	-		
SRP	32.0	9.3	4.8	27.2	20.8		
Programs <5% of Portfolio Total	\$ 11.6	\$ 3.0	\$ 0.1	\$ 7.6	\$ 3.9	\$ 3.7	
Federally Funded	11.6	3.0	0.1	7.6	3.9		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	5.6	1.5	0.1	3.7	1.9		
Total	\$ 309.4	\$ 72.1	\$ 25.9	\$ 201.4	\$ 109.1	\$ 92.3	46%

The **Distribution Line Rebuild** program replaces overhead and underground distribution lines to improve system reliability and resiliency. It restores out-of-service circuits, completes previously abandoned circuit construction, performs voltage conversions to improve distribution capacity, constructs new distribution line extensions to serve additional customers, and installs underground cable or tree wire to enhance service for critical customers. Key Q3 FY2025 activities included continuing to work with the detailed engineering for the seven underground feeders and the development of the detailed SOWs of 36 high-priority overhead feeders to apply redefined engineering criteria. LUMA also submitted six detailed SOWs to FEMA. Year-to-date spending was lower than expected due to delays in starting engineering for new feeder groups that were pushed to future fiscal years, optimizing the scope of existing in-flight projects, and delays in FEMA project review. Additionally, a delay in federal funding obligations pending alignment on hazard mitigation scope eligibility has impacted construction start estimates.

The **Distribution Automation** program focuses on deploying distribution automation equipment to improve system reliability. This includes installing intelligent switch fuses, fault indicators, and reclosers on select feeders to reduce the number of customers affected by each outage. The program also involves engineering work to support the deployment of this equipment. Key Q3 FY2025 activities included the installation of over 650 distribution automation and protection devices. We also completed protection settings for 44 feeders and performed a reliability analysis on 96 feeders. In addition, LUMA completed work order packages for 1,539 devices. In this quarter, this program has avoided more than 34 million minutes of customer interruptions. Year-to-date spending was lower than expected due to delays in the obligation of funds, which limited the number of reclosers installed and postponed the milestone for installing communicating fault circuit indicators. LUMA will revise the milestone's completion date once project funds are obligated.

The **Distribution Pole and Conductor Repair** program aims to reduce safety hazards from damaged distribution poles and conductors while enhancing the reliability and resilience of the distribution infrastructure. Major repairs and replacements are prioritized based on engineering assessments. Key Q3 FY2025 activities included installing over 950 poles and obtaining funding for projects involving an additional 1,590 poles. Year-to-date spending was lower than expected due to limited contractor availability and challenges in obtaining municipal permits.

Transmission Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Transmission Line Rebuild	\$ 67.6	\$ 17.8	\$ 8.1	\$ 52.2	\$ 31.0	\$ 21.3	
Federally Funded	66.7	17.6	8.2	51.6	30.6		
Non-Federally Funded ¹⁴	0.9	0.2	(0.1)	0.6	0.4		
OpEx	-	-	-	-	-		
SRP	66.7	17.6	8.0	51.5	30.6		
Transmission Priority Pole Replacements	\$ 26.3	\$ 5.3	\$ 5.8	\$ 17.5	\$ 19.4	\$ (1.9)	
Federally Funded	21.3	4.1	1.7	13.8	14.6		
Non-Federally Funded	5.0	1.3	4.1	3.8	4.7		
OpEx	-	-	-	-	-		
SRP	21.3	4.3	4.7	14.2	15.7		
IT OT Telecom Systems & Network¹⁴	\$ 22.9	\$ 8.3	\$ (0.7)	\$ 16.7	\$ 10.6	\$ 6.1	
Federally Funded ¹⁴	22.9	8.3	(0.9)	16.7	9.8		
Non-Federally Funded	-	-	0.2	-	0.8		
OpEx	-	-	-	-	-		
SRP ¹⁴	22.9	8.3	(0.7)	16.7	10.6		
Programs <5% of Portfolio Total	\$ 2.9	\$ 0.7	\$ 0.0	\$ 2.2	\$ 0.0	\$ 2.2	
Federally Funded	2.9	0.7	0.0	2.2	0.0		
Non-Federally Funded	-	-	-	-	-		
OpEx	-	-	-	-	-		
SRP	-	-	-	-	-		
Total	\$ 119.7	\$ 32.1	\$ 13.2	\$ 88.6	\$ 60.9	\$ 27.7	31%

The **Transmission Line Rebuild** program focuses on rebuilding, hardening, and upgrading the 230 kV, 115 kV, and 38 kV transmission infrastructure. Key Q3 FY2025 activities included receiving 13 reports from architecture and engineering firms on proposed project scope optimization and assessing options to adjust the scopes to drive overall portfolio efficiency and maximize execution capabilities. LUMA also initiated assessment and design work for the five critical Electric System Priority Stabilization Plan projects. We also submitted five detailed scopes of work to FEMA. Year-to-date spending was lower than expected due to delays in engineering related to the scope of optimization for existing in-flight projects.

The **Transmission Priority Pole Replacement** program includes replacing damaged overhead transmission poles, towers, and associated hardware and conductors. Key Q3 FY2025 activities included performing four critical repairs on lines 3000, 3700, and 100 in Caguas, Guayama, and Arroyo respectively. We also submitted two detailed scopes of work to FEMA for transmission lines 16500 and 9600. In addition, LUMA completed work order packages for 52 pole structures and 16 critical repairs and replaced 21 structures on the 38 kV system and 11 on the 115 kV system, addressing components in poor condition. Year-to-date spending was higher than expected due to completing more engineering/design work, transmission poles, insulators, hardware, and line switch replacements than was originally forecasted. The high-level assessment milestone has been completed.

The **IT OT Telecom Systems & Network** program supports investments to enhance the systems that carry transmission, distribution, and substation IT/OT data. Key Q3 FY2025 included submitting two detailed scopes of work to FEMA for the transport network and tower infrastructure, approving preliminary design drawings for eleven tower locations, and beginning equipment configuration for the IP Control Network, a key component of the Electric System Priority Stabilization Plan. We also defined requirements for telecom construction drawings used by architects and engineering firms. Year-to-date spending was lower than expected due to delayed equipment purchase.

Substations Improvement Portfolio Summary (\$ millions)

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

(\$ millions)

Program	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Substation Rebuilds	\$ 89.0	\$ 25.5	\$ 18.1	\$ 60.0	\$ 55.5	\$ 4.5	
Federally Funded	89.0	25.5	19.4	60.0	51.7		
Non-Federally Funded ¹⁴	-	-	(1.3)	-	3.8		
OpEx	-	-	-	-	-		
SRP	46.7	13.4	9.5	31.4	29.1		
Substation Reliability	\$ 45.2	\$ 11.2	\$ 10.9	\$ 34.0	\$ 28.6	\$ 5.4	
Federally Funded	25.8	6.3	4.2	19.5	15.9		
Non-Federally Funded	19.3	4.8	6.8	14.5	12.6		
OpEx ¹⁴	-	-	(0.0)	-	0.0		
SRP	-	-	-	-	-		
Programs <5% of Portfolio Total	\$ 5.0	\$ 1.6	\$ 1.5	\$ 4.1	\$ 2.0	\$ 2.1	
Federally Funded	4.1	1.4	1.5	3.5	1.9		
Non-Federally Funded	0.4	0.1	0.0	0.3	(0.1)		
OpEx	0.4	0.1	-	0.3	0.2		
SRP	4.1	1.4	1.3	3.4	1.7		
Total	\$ 139.1	\$ 38.3	\$ 30.5	\$ 98.0	\$ 86.0	\$ 12.0	12%

The **Substation Rebuilds** program focuses on upgrading transmission and distribution substations to strengthen the electric grid. Key Q3 FY2025 activities included replacing and energizing two 230 kV breakers at Costa Sur; one 115 kV breaker at Aguirre. Minor repair projects also continued across multiple substations, including fence replacements, roof repairs, painting, and physical security upgrades at Viaducto, Juncos, La Muda, Canóvanas, Isla Grande, Quebradillas, Morovis, Crea, Naranjito, Covadonga GIS, Factor, Cana, and Río Bayamón. Year-to-date spending was lower than expected mainly driven by delays in getting contractors onboarded which has shifted the planned execution to the fourth quarter of FY2025.

The **Substation Reliability** program emphasizes upgrading and reinforcing aging infrastructure to improve system reliability. Key Q3 FY2025 activities included completing six field visits; replacing 19 distribution and five transmission relays, four remote terminal units, and nine transmission breakers; and installing one tie breaker and a lightning arrester at a substation. We also deployed wildlife protection measures at four locations. Engineering efforts progressed with preparing four as-built drawings and one issue-for-construction package. Furthermore, we submitted a detailed scope of work to FEMA under the Substation Component Replacement project and conducted the substation testing initiative at three sites, which consists of substation equipment testing to confirm their state and determine if replacement is needed. Year-to-date spending was lower than expected due to breaker and transformer availability constraints, prioritization of stabilization projects, and system interdependencies.

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 ¹	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)					
Facilities Development & Implementation	\$	15.0	\$	3.7	\$	0.8	\$	11.2	\$	2.2	\$	9.1	
Federally Funded		11.0		2.8		0.0		8.3		0.0			
Non-Federally Funded		3.0		0.8		0.7		2.3		1.9			
OpEx		1.0		0.2		0.1		0.7		0.3			
SRP		13.9		3.5		0.7		10.4		2.0			
Critical Energy Management System Upgrades	\$	12.6	\$	3.2	\$	1.7	\$	11.0	\$	4.5	\$	6.5	
Federally Funded		12.2		3.0		1.7		10.7		4.5			
Non-Federally Funded		-		-		-		-		-			
OpEx ¹⁴		0.5		0.1		(0.0)		0.4		(0.0)			
SRP		8.9		2.2		1.2		7.8		3.2			
Control Center Construction & Refurbishment	\$	5.7	\$	1.6	\$	0.8	\$	3.7	\$	2.0	\$	0.8	
Federally Funded		5.7		1.6		0.8		3.7		2.0			
Non-Federally Funded		-		-		-		-		-			
OpEx		-		-		-		-		-			
SRP		4.6		1.3		0.6		3.0		1.6			
Programs <5% of Portfolio Total	\$	0.6	\$	0.1	\$	0.1	\$	0.4	\$	0.1	\$	0.3	
Federally Funded		0.0		0.0		-		0.0		-			
Non-Federally Funded		0.5		0.1		0.1		0.4		0.1			
OpEx		-		-		-		-		-			
SRP		-		-		-		-		-			
Total	\$	33.9	\$	8.6	\$	3.2	\$	26.4	\$	8.7	\$	17.7	67%

The **Facilities Development & Implementation** program focuses on construction and remediation efforts for facilities and real property. Key Q3 FY2025 activities included replacing various air conditioning systems, addressing multiple safety-related repairs, and carrying out hurricane season preparations. These included ongoing facility inspections, inventory checks, and verification of power generation systems, water cisterns, and roofs. Year-to-date spending was lower than expected, as federal projects remained in the planning phase.

The **Critical Energy Management System Upgrades** program will replace obsolete and unsupported energy management systems and introduce new technologies to ensure the safe and reliable operation of the electric grid. Key Q3 FY2025 activities included preparing for factory acceptance testing scheduled in June; ongoing conversion of supervisory control and data acquisition databases and displays; configuring and validating the generation control application and network applications suite. Additional efforts included point-to-point commissioning tests of field equipment and the staging and verification of legacy Control Data Corporation remote terminal unit communications. Work also progressed on protocol conversions for distributed network protocol version 3 (DNP3)-capable remote terminal units. Year-to-date spending was lower than expected due to a shift in the project start date and adjustments to resource plans that allowed the use of lower-cost resources.

The **Control Center Construction & Refurbishment** program focuses on constructing and upgrading facilities to house the primary and backup control centers, along with all ancillary support services. Key Q3 FY2025 activities included holding a public outreach meeting as part of the tiered environmental assessment process, preparing the proposed mitigation measures related to the State Historic Preservation Office Section 106 consultation, and presenting those measures to PREPA for concurrence. Phase II of the environmental site assessment was also completed for the Monacillo facilities. Year-to-date spending was lower than expected due to reduced activity while awaiting completion of the tiered environmental assessment process.

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, Battery Energy Storage Installations and Integration, T&D Fleet, Compliance and Studies, and Asset Data Integrity programs.

(\$ millions)

Program	FY2025	Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance (\$) ³	YTD Variance (%)
Vegetation Management and Capital Clearing Implementation	\$	208.2	\$ 59.1	\$ 16.0	\$ 135.5	\$ 57.3	\$ 78.2	
Federally Funded		158.2	46.6	4.3	98.0	20.1		
Non-Federally Funded		-	-	-	-	-		
OpEx		50.0	12.5	11.7	37.5	37.2		
SRP		158.2	44.9	12.1	103.0	42.8		
Microgrid, Phasor Measurement Units (PMU), and Battery Energy Storage Installations and Integrations	\$	70.0	\$ 30.5	\$ 1.2	\$ 43.7	\$ 5.2	\$ 38.6	
Federally Funded		70.0	30.5	1.2	43.7	5.2		
Non-Federally Funded		-	-	-	-	-		
OpEx		-	-	-	-	-		
SRP		-	-	-	-	-		
T&D Fleet	\$	34.6	\$ 8.2	\$ 3.2	\$ 28.6	\$ 18.7	\$ 9.9	
Federally Funded ¹⁴		-	-	(0.0)	-	0.0		
Non-Federally Funded		10.6	2.2	0.0	10.6	7.3		
OpEx		24.0	6.0	3.2	18.0	11.5		
SRP		8.0	1.9	0.7	6.6	4.3		
Compliance & Studies¹⁴	\$	31.2	\$ 7.8	\$ (12.9)	\$ 23.5	\$ 7.0	\$ 16.5	
Federally Funded ¹⁴		28.3	7.1	(13.8)	21.2	4.5		
Non-Federally Funded		2.9	0.7	0.8	2.3	2.6		
OpEx		-	-	(0.0)	-	0.0		
SRP ¹⁴		20.1	5.0	(8.4)	15.2	5.0		
Asset Data Integrity	\$	26.2	\$ 7.2	\$ 0.2	\$ 19.0	\$ 2.6	\$ 16.4	
Federally Funded ¹⁴		21.8	6.1	(0.0)	15.7	(0.0)		
Non-Federally Funded		4.4	1.1	0.2	3.3	2.6		
OpEx		-	-	-	-	0.0		
SRP		24.9	6.9	0.2	18.0	2.5		
Programs <5% of Portfolio Total	\$	8.2	\$ 2.1	\$ 5.9	\$ 6.2	\$ 44.4	\$ (38.1)	
Federally Funded		0.3	0.1	6.2	0.2	43.8		
Non-Federally Funded ¹⁴		6.6	1.7	(0.3)	5.0	0.5		
OpEx		1.3	0.3	0.0	1.0	0.1		
SRP		7.4	1.9	5.2	5.6	39.2		
Total	\$	378.4	\$ 114.9	\$ 13.6	\$ 256.6	\$ 135.3	\$ 121.4	47%

The **Vegetation Management and Capital Clearing Implementation** program focuses on mitigating immediate vegetation hazards in critical areas and maintaining cleared rights-of-way to standard widths. Key Q3 FY2025 activities included completing the assessment, trimming, and removing 176 miles of vegetation from distribution and 238 miles from transmission lines and continued the seventh round of herbicide treatments at substations using operating expenditures. As part of the vegetation safety and reliability initiative, the team assessed and cleared three miles of vegetation from distribution lines using federal funds. Year-to-date spending was lower than expected due to delays in the obligation of funds. As a result, we delayed the milestone to commence all distribution non-sensitive, 38 kV non-sensitive, and substation/telecom projects.

LUMA Quarterly Vegetation Clearing by Voltage Level

Voltage	FY2025 Q3 Miles Cleared			FY2025 YTD Miles Cleared			FY2025 Q3 Acres* Cleared			FY2025 YTD Acres* Cleared		
	Federally Funded**	OpEx	Total Miles	Federally Funded**	OpEx	Total Miles	Federally Funded**	OpEx	Total Acres	Federally Funded**	OpEx	Total Acres
Distribution	3	176	179	69	499	568	4	255	260	100	725	826
38 kV	0	17	17	0	62	62	0	52	52	0	189	189
115 kV	0	98	98	0	353	353	0	1193	1193	0	4284	4,284
230 kV	0	123	123	0	258	258	0	1485	1485	0	3122	3,122
Total	3	414	417	69	1172	1241	4	2986	2990	100	8319	8420

The **Microgrid, Phasor Measurement Units, and Battery Energy Storage Installations and Integration** program supports projects that enhance system reliability and resiliency, restore functionality, and mitigate safety hazards. Key Q3 FY2025 activities included updating functional specifications, completing single-line diagrams with 4 kV and 38 kV interconnections, defining the fiber optic route, initiating interconnection studies, as well as launching and completing the request for proposal for the Vieques and Culebra microgrid projects. Year-to-date spending was lower than expected due to delays in the obligation of funds for feeder and battery energy storage system initiatives in Vieques and Culebra.

The **T&D Fleet** program focuses on upgrading the existing vehicles, aircraft, and equipment fleet to meet industry standards. It is focused on initializing and improving processes for data collection, repair, and maintenance of these assets. Key Q3 FY2025 activities included completing 338 Department of Transportation inspections and 170 American National Standards Institute vehicle compliance inspections. We also delivered targeted training, including hazardous materials training for 23 employees, driver vehicle inspection training for 18 employees, combined safety and vehicle inspection training for 13 employees, and grease trap inspection training for four employees. Year-to-date spending was lower-than-anticipated due to lower costs to date for the ongoing 12-year inspection of the Super Puma Helicopter.

The **Compliance & Studies** program supports transmission and distribution planning, protection studies, and developing hosting capacity data—the amount of distributed energy resources that can be accommodated on the distribution system—for public and internal use. Key Q3 FY2025 activities included completing supplemental studies for over 163 circuits, covering more than 3,715 small rooftop solar photovoltaic installations. Additionally, the team conducted field walk-downs and assessments of noncompliant circuits to support renewable energy integration, completing 178 walk-downs during the quarter. It also finalized nine distribution area plans and completed studies for 141 distribution circuits. Year-to-date spending was lower than expected due to reallocating some compliance and field study costs to their respective improvement programs.

The **Asset Data Integrity** program ensures the accuracy of key asset data to support effective modeling, operations, and planning of the transmission and distribution system. Key Q3 FY2025 activities included realigning the transmission and distribution asset hierarchy within Asset Suite and initiating a benchmarking study on asset tagging methodology by assigning unique identification codes to physical assets to improve tracking and management. Year-to-date spending was lower than expected due to the delay of obligation for the Vegetation Management and Capital Clearing Implementation program which halted asset verification activities.

¹⁵ To calculate acres from miles, the distance in miles is first converted to feet by multiplying by 5,280. The right-of-way width is then assumed based on voltage level: 12 feet for distribution, 25 feet for 38 kV, and 100 feet for 115 kV and 230 kV lines.

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	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	Variance (\$) ³	Variance (%)
IT OT Asset Management	\$ 21.3	\$ 3.5	\$ 4.3	\$ 21.1	\$ 5.0	\$ 16.2	
Federally Funded	17.4	1.6	0.0	17.3	0.1		
Non-Federally Funded	3.8	1.9	4.2	3.8	4.8		
OpEx	-	-	0.0	-	0.0		
SRP	16.5	2.7	3.3	16.4	3.8		
IT OT Enablement Program¹⁴	\$ 1.9	\$ 0.5	\$ (0.0)	\$ 1.4	\$ 1.3	\$ 0.1	
Federally Funded	-	-	-	-	-		
Non-Federally Funded ¹⁴	1.9	0.5	(0.0)	1.4	1.3		
OpEx	-	-	-	-	0.0		
SRP	-	-	-	-	-		
Critical Financial Systems¹⁴	\$ 1.8	\$ 0.4	\$ (0.1)	\$ 1.3	\$ 1.3	\$ 0.1	
Federally Funded	-	-	-	-	-		
Non-Federally Funded ¹⁴	1.6	0.4	(0.1)	1.2	1.2		
OpEx	0.2	0.0	0.0	0.1	0.1		
SRP ¹⁴	1.5	0.4	(0.1)	1.1	1.1		
Critical Financial Controls	\$ 1.6	\$ 0.4	\$ 0.2	\$ 1.2	\$ 0.5	\$ 0.7	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	-	-	-	-	-		
OpEx	1.6	0.4	0.2	1.2	0.5		
SRP	1.6	0.4	0.2	1.2	0.5		
Update to Third Party Use, Audit, Contract and Billing Procedures	\$ -	\$ -	\$ 0.5	\$ -	\$ 1.8	\$ (1.8)	
Federally Funded	-	-	-	-	-		
Non-Federally Funded	-	-	0.0	-	0.0		
OpEx	-	-	0.5	-	1.8		
SRP	-	-	-	-	-		
Programs <5% of Portfolio Total	\$ 4.4	\$ 1.4	\$ 0.2	\$ 3.5	\$ 0.7	\$ 2.8	
Federally Funded	0.3	0.1	-	0.1	-		
Non-Federally Funded	1.5	0.7	0.0	1.4	0.1		
OpEx	2.6	0.7	0.2	2.0	0.6		
SRP	0.5	0.2	0.0	0.4	0.1		
Total	\$ 30.9	\$ 6.2	\$ 5.1	\$ 28.6	\$ 10.6	\$ 18.0	63%

The **IT OT Asset Management** program introduced industry-standard procedures for IT and OT assets. It continues to assess the application and infrastructure portfolio while providing necessary system upgrades to ensure secure business operation, continuity, and improved customer responsiveness. The program also includes the development of a new backup data center to strengthen the reliability and resilience of technology systems. Key Q3 FY2025 activities included the implementation plan for Phase 1 of the infrastructure replacement, configuring GIS for offline mapping, and expanding OMS Mobile functionality beyond outage events. Year-to-date spending was lower than expected due to the delays in the obligation of funds.

The **IT OT Enablement** program will implement capabilities to deliver and maintain IT/OT services and systems, enabling LUMA employees and systems to operate according to industry best practices while standardizing processes and tools. Key Q3 FY2025 activities included transitioning to a DevOps model (agile delivery process for project delivery and continuous improvement) and supporting the building code definition needed to fully deliver this methodology. Year-to-date spending was lower than expected due to bulk equipment purchases in previous quarters. This early procurement ensures that LUMA has sufficient electronic equipment to meet business needs throughout the year.

The **Critical Financial Systems** program covers technology projects, including financial management systems, risk management systems, and supply chain management technology. Key Q3 FY2025 activities included collaborating with the procure-to-pay project to evaluate, alongside IT, potential solutions for migrating service contracts from Asset Suite to Oracle. This entailed presenting key Oracle features to the relevant business areas and aligning business processes with Oracle's capabilities. Additionally, work continued enhancing the time recording system by adding reporting, month-end,

and costing functionalities to improve LUMA's financial health. Year-to-date spending was in line with the budget, as additional support for the time tracking project was offset by savings in other areas of the time recording enhancements system.

The **Critical Financial Controls** program focuses on two key areas –internal controls and internal audit–while building skills and capabilities in financial reporting and auditing. This will enable LUMA to update and enforce industry-standard policies and procedures that comply with the latest laws and regulations. Key Q3 FY2025 activities included successfully implementing Budget and Accounts Payable policies and procedures for Payroll, Capitalization, Labor Costing, and Project Creation. Kick-off and recurring meetings were held to support data gathering for the internal control framework. Year-to-date spending was lower than expected due to delays in finalizing the agreement between LUMA and the consultants for the Internal Control Framework initiative.

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 FY2025 activities included processing 10 third-party applications for attachment to 530 poles and collecting application fees totaling \$22,730.00. Year-to-date spending was higher than expected due to uncollected offsets related to third-party attachment applications and pole attachment fees.

Third-Party Attachment additional requirements

Third party Attachment Rental Fee						
Fiscal Year	Status	Attachments	Billed ¹⁶	Q3 Collected	Inception to date collected ¹⁷	
FY2024	Current	456,792	\$ 4,697,061.28	(41,568.40)		
FY2023	Past Due	452,657	\$ 4,653,826.61	\$ (40,000.00)	\$	(63,524.40)
FY2022	Past Due	429,438	\$ 4,424,013.45	\$ (10,367.00)	\$	(68,639.60)
Totals			\$ 13,774,901.34	\$ (91,935.40)	\$	(132,164.00)

¹⁶ LUMA has established an annual billing cycle for the rental fee.

¹⁷ Inception to date is not inclusive of current quarter collections

Actions LUMA took to address non-compliant attachers:

- Continued to evaluate pole attachment applications as they are processed during the fiscal year, per the telecommunications companies
- Sent rental fee invoices to each telecommunication company 30 days after the current fiscal year ends
- Implemented the revenue collection plan as detailed in Section 4.0 of the revised Update to Third Party Use, Audit, Contract, and Billing Procedures program brief submitted on October 24, 2024

Challenges in implementing the TPA management program:

- LUMA has been pursuing the development of a TPA agreement with telecommunication companies for the last two years, yet it has not reached an agreement with telecommunication companies
- LUMA has billed for the rental fees covering fiscal years 2022, 2023, and 2024 but has collected 1.6% of payments; these payment arrears impact ongoing operations and maintenance of infrastructure
- Companies are noncompliant with Puerto Rico's regulation 9090, which requires them to participate in construction projects and transfer third-party attachments to new infrastructures; this also impacts our ability to complete the scope of work as submitted to FEMA, thus LUMA cannot move towards the closeout portion of the project
- Telecommunication companies have not been able to provide an accurate and complete inventory of their infrastructure attachments
- After conducting compliance inspections, LUMA found that telecommunication companies had already connected their cables without proper authorization for more than 50% of the attachment applications that LUMA has not yet approved, which creates safety hazards and further weakens the aged infrastructure

Proposed solutions:

- Develop a temporary memorandum of understanding or short-term sheet with telecommunication companies addressing the key issues for both parties and their resolutions within a limited timeframe to temporarily resolve the main controversies and help stabilize the TPA management; this effort would eventually evolve into a permanent and exhaustive agreement
- Enforce regulation 9090 to ensure that LUMA federal projects can continue through the established federal process for close-out

FY2025 Shared Services

LUMA is responsible for delivering Shared Services to perform certain administrative and managerial services required to operate and manage PREPA and the Legacy Generation Assets operated by Genera PR since July 1, 2023. These responsibilities were contemplated as outlined in Annex VI of the T&D OMA and were initially 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. Still, neither PREPA nor Genera PR, as the operator of the Legacy Generation Assets, could assume these responsibilities on 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 for an additional nine months until September 30, 2024. The main purpose of the Amended SSA extension was to give PREPA and Genera PR 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 ending in Q1 FY2025. Nevertheless, these Amended SSAs were again extended on October 1, 2024, until January 31, 2025 (for Genera PR) and until February 28, 2025 (for PREPA) to support each party's effort to assume these responsibilities. Upon formal request from both Genera and PREPA, these Agreements were further extended in January 2025, until February 28, 2025, for Genera and until June 30, 2025, for PREPA. All Shared Services provided to Genera ended February 28, 2025.

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 and Operational Technology (IT OT) – 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 insurance policies covering PREPA's assets and activities (for transmission, distribution, and generation), which were previously provided under the Amended SSAs, are provided under the Insurance Collaboration Agreement from FY2025 onwards. All parties to the Insurance Collaboration Agreement (PREPA, Genera and LUMA) have signed it.

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

Shared Services Summary (\$ millions)

(\$ millions)

	FY2025 Budget ³	Q3 Budget ³	Q3 Actuals ³	YTD Budget ³	YTD Actuals ³	YTD Variance ³ (\$)	YTD Variance (%)
Labor	0.8	-	0.8	0.8	2.7	(1.9)	
Property & Casualty Insurance	58.3	14.6	11.7	43.7	35.2	8.5	
IT Service Agreements	1.7	-	0.7	1.7	2.7	(1.0)	
Legal Services	-	-	0.3	-	0.6	(0.6)	
Professional & Technical Outsourced Services	0.1	-	0.3	0.1	2.2	(2.1)	
Other	-	-	-	0.1	0.2	(0.1)	
Subtotal	\$ 60.9	\$ 14.6	\$ 13.8	\$ 46.4	\$ 43.6	\$ 2.8	5%
2% Reserve for Excess Expenditures	1.2	0.3	-	0.9	-	0.9	
Shared Services Total	\$ 62.1	\$ 14.9	\$ 13.8	\$ 47.3	\$ 43.6	\$ 3.7	6%

The primary driver of the \$3.7 million year-to-date favorable variance is the lower cost of property insurance premiums. Excluding this favorable insurance impact, all other areas experienced a negative (unfavorable) variance. This was because shared services were only budgeted for the first quarter of FY2025, in line with the Shared Services agreements and the PREB-approved budgets. Additionally, unbudgeted costs were incurred for the transition and exit of Shared Services related to PREPA and Genera PR. Genera PR's shared services terminated on February 28, 2025, while PREPA's shared services are currently planned to terminate on June 30, 2025.

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.