

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

NEPR
Received:
Feb 17, 2026
5:25 PM

IN RE: REVIEW OF LUMA'S INITIAL
BUDGETS

CASE NO.: NEPR-MI-2021-0004

MOTION TO SUBMIT THE DECEMBER 2025 B2A REPORT

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority ("PREPA") through its undersigned legal representation and respectfully informs and requests as follows:

1. On June 25, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("June 25 Order") modifying the proposed budget and approving the Consolidated Annual Budgets for Fiscal Year 2024 ("FY24 Approved Budget").

2. The June 25 Order established several financial reporting requirements for PREPA, including the submission of a monthly Budget to Actual ("B2A Report") for HydroCo and HoldCo, based on a template provided by the Financial Oversight and Management Board ("FOMB"). This report must include:

- a. Explanation of material variances (greater than 10% and \$30 million),
- b. Income statement within the reporting package, and
- c. Monthly budget reporting.

3. On June 26, 2024, the Energy Bureau issued another Resolution and Order ("June 26 Order") regarding the review of the FY 2025 Budget. In that order, the Energy Bureau determined that the modified FY 2025 Budgets complied with Act

57-2014 and the 2017 Rate Order. The Energy Bureau also confirmed that all existing reporting requirements remained in full force and effect.

4. Therefore, in compliance with the June 25 Order, PREPA hereby submits its December 2025 B2A Report as **Exhibit A**.

WHEREFORE, PREPA respectfully requests the Energy Bureau take **NOTICE** of the information provided and find PREPA in compliance with the reporting requirements of the June 25 Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on February 17, 2026.

CERTIFICATE OF SERVICE: We hereby certify that this document was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>. We also certify that a true and exact copy of this document was notified to the following parties through attorneys of record: jfr@sbgblaw.com; sromero@sbgblaw.com; margarita.mercado@us.delapiper.com; yahaira.delarosa@us.dlapiper.com; Katiuska.bolanos-luga@us.dlapiper.com; and hrivera@jrsp.pr.gov.

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Exhibit A

Financial Oversight & Management Board for Puerto Rico

Puerto Rico Electric Power Authority

Report Date **2/17/2026**



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General Text Color Guides

Text Colors:

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

FY26 Monthly B2A Summary

(\$ millions)

Summary	December-25				YTD			
	Dec-25 Budget	Dec-25 Actual	Dec-25 Variance (\$)	Dec-25 Variance (%)	YTD Certified Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
A. Revenue								
Commonwealth Loan for PREPA ERS	-	-	-	n.a.	(25.000)	(25.000)	-	0.0%
PREPA Restructuring & Title III	(1.593)	(1.593)	-	0.0%	(9.143)	(9.143)	-	0.0%
FOMB Advisor Costs allocated to PREPA	(2.467)	(2.467)	-	0.0%	(14.164)	(14.164)	-	0.0%
B. Expenses								
HoldCo:								
HoldCo Labor Operating Expenses	0.672	0.607	0.065	9.7%	3.859	3.913	(0.054)	(1.4%)
HoldCo Non-Labor / Other Operating Expenses	1.863	1.392	0.471	25.3%	10.697	6.345	4.352	40.7%
Shared Services Agreement	0.324	0.166	0.158	48.7%	1.860	0.609	1.251	67.3%
HoldCo Maintenance Projects Expense	0.055	0.020	0.035	63.9%	0.315	0.177	0.139	44.0%
Total HoldCo Expenses (excluding Pensions)	\$ 2.915	\$ 2.186	\$ 0.729	25.0%	\$ 16.732	\$ 11.044	\$ 5.688	34.0%
Pension Expense funded by PREPA	-	21.600	(21.600)	n.a.	25.000	81.871	(56.871)	(227.5%)
Total HoldCo Expenses (including Pensions)	\$ 2.915	\$ 23.786	\$ (20.871)	(716.0%)	\$ 41.732	\$ 92.914	\$ (51.183)	(122.6%)
HydroCo:								
HydroCo Labor Operating Expenses	0.375	0.211	0.163	43.6%	2.150	1.443	0.708	32.9%
HydroCo Non-Labor / Other Operating Expenses	0.466	0.149	0.317	68.0%	2.674	0.906	1.769	66.1%
Shared Services Agreement	0.216	0.111	0.105	48.8%	1.240	0.406	0.834	67.3%
HydroCo Maintenance Projects Expense	0.105	-	0.105	100.0%	0.603	0.070	0.533	88.4%
Total HydroCo Expenses	\$ 1.162	\$ 0.471	\$ 0.690	59.4%	\$ 6.669	\$ 2.825	\$ 3.844	57.6%
Total HoldCo & HydroCo Expenses (including Pensions)	\$ 4.076	\$ 24.257	\$ (20.180)	-495.04%	\$ 48.400	\$ 95.739	\$ (47.339)	-97.81%
Total HoldCo & HydroCo Expenses (excluding Pensions)	\$ 4.076	\$ 2.657	\$ 1.420	34.83%	\$ 23.400	\$ 13.868	\$ 9.532	40.73%

Note 1: Preliminary / unaudited financial information - subject to material change.

Note 2: Pursuant to the FOMB 2025 Certified Fiscal Plan dated February 6, 2025, PREPA is reporting HoldCo and HydroCo expenses for YTD FY2026.

Note 3: PREPA is reporting YTD FY2026 amounts based on the FOMB Certified Budget dated June 30, 2025, and as amended on October 24, 2025.

Note 4: YTD Pension expense reflective of loan proceeds received by PREPA from the Commonwealth and transferred to PREPA ERS for July 2025. Excludes August 2025, September 2025 and portion of the October 2025 PREPA Retirement System funding provided for by the Commonwealth Loan as it was directly transferred from the Puerto Rico Treasury Department to ERS. Starting in November 2025, all PREPA transfer amounts to PREPA ERS for funding of the pensions are paid with customer collections from pension rider revenues.

Note 5: PREPA Restructuring & Title III excludes amount allocated to LUMA.

Note 6: Pension & Benefits amounts are equal to 25% of Salaries and Wages for YTD FY2026.

Note 7: PREPA Restructuring & Title III and FOMB Advisors Cost are equal to budget for December to accrue for monthly expenses.

FY26 Monthly Expenses

(\$ millions)

Expenses	December-25				YTD			
	Dec-25 Budget	Dec-25 Actual	Dec-25 Variance (\$)	Dec-25 Variance (%)	YTD Certified Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
C. HoldCo (& PropertyCo) – Operating & Maintenance Expenses								
Labor								
48 Salaries & Wages	0.397	0.488	(0.091)	(22.8%)	2.279	3.135	(0.856)	(37.5%)
49 Pension & Benefits	0.239	0.109	0.130	54.4%	1.373	0.700	0.673	49.0%
50 Overtime Pay	0.032	0.009	0.023	71.0%	0.184	0.070	0.115	62.2%
51 Overtime Benefits	0.004	0.001	0.003	72.7%	0.022	0.008	0.014	63.9%
Total HoldCo Labor Operating Expense	\$ 0.672	\$ 0.607	\$ 0.065	9.7%	\$ 3.859	\$ 3.913	\$ (0.054)	(1.4%)
Non-Labor / Other Operating Expenses								
52 Materials & Supplies	0.005	0.010	(0.004)	(82.5%)	0.031	0.044	(0.012)	(39.3%)
53 Transportation, Per Diem, and Mileage	0.022	0.000	0.022	99.8%	0.125	0.024	0.100	80.5%
54 Retiree Medical Benefits	0.677	0.473	0.204	30.1%	3.887	2.863	1.024	26.3%
55 Security	0.068	0.064	0.004	5.5%	0.390	0.368	0.022	5.6%
56 Utilities & Rents	0.006	0.003	0.003	53.0%	0.035	0.015	0.020	56.5%
57 Legal Services	0.328	0.541	(0.214)	(65.2%)	1.881	0.911	0.970	51.6%
58 Professional & Technical Outsourced Services	0.184	0.041	0.143	77.8%	1.058	0.330	0.728	68.8%
59 IT – Maintenance & Corporate Services	0.127	0.074	0.053	41.8%	0.730	0.828	(0.098)	(13.4%)
60 Regulation and Environmental Inspection	0.136	0.003	0.133	98.2%	0.778	0.122	0.656	84.4%
61 External Audit Services	0.187	0.102	0.085	45.4%	1.076	0.442	0.634	58.9%
62 Equipment, Inspections, Repairs & Other	0.123	0.081	0.042	34.3%	0.706	0.398	0.308	43.6%
Total HoldCo Non-Labor / Other Operation Expenses	\$ 1.863	\$ 1.392	\$ 0.471	25.3%	\$ 10.697	\$ 6.345	\$ 4.352	40.7%
63 Shared Service Agreement	0.324	0.166	0.158	48.7%	1.860	0.609	1.251	67.3%
64 Maintenance Projects Expenses	0.055	0.020	0.035	63.9%	0.315	0.177	0.139	44.0%
Total HoldCo Operating & Maintenance Expenses (excluding Pensions)	\$ 2.915	\$ 2.186	\$ 0.729	25.0%	\$ 16.732	\$ 11.044	\$ 5.688	34.0%
65 Pension Expense	-	21.600	(22)	n.a.	25.000	81.871	(56.871)	(227.5%)
Total HoldCo Operating & Maintenance Expenses (including Pensions)	\$ 2.915	\$ 23.786	\$ (20.871)	(716.0%)	\$ 41.732	\$ 92.914	\$ (51.183)	(122.6%)
D. HydroCo – Operating & Maintenance Expenses								
66 Salaries & Wages	0.217	0.149	0.068	31.3%	1.243	0.966	0.277	22.3%
67 Pension & Benefits	0.130	0.034	0.096	73.9%	0.749	0.228	0.521	69.6%
68 Overtime Pay	0.025	0.026	(0.001)	(4.2%)	0.141	0.223	(0.082)	(58.2%)
69 Overtime Benefits	0.003	0.003	0.000	1.7%	0.017	0.026	(0.009)	(49.9%)
Total HydroCo Labor Operating Expenses	\$ 0.375	\$ 0.211	\$ 0.163	43.6%	\$ 2.150	\$ 1.443	\$ 0.708	32.9%
Non-Labor / Other Operating Expenses								
70 Materials & Supplies	0.062	0.007	0.055	89.2%	0.354	0.081	0.273	77.0%
71 Transportation, Per Diem, and Mileage	0.021	(0.000)	0.021	101.1%	0.119	0.031	0.088	74.1%
72 Security	0.146	0.122	0.023	16.1%	0.837	0.674	0.163	19.5%
73 Utilities & Rents	0.007	0.003	0.004	53.0%	0.039	0.017	0.022	56.4%
74 Professional & Technical Outsourced Services	0.016	0.002	0.014	88.2%	0.091	0.002	0.090	97.9%
75 Regulation and Environmental Inspection	0.062	0.013	0.049	78.6%	0.357	0.036	0.321	89.9%
76 Equipment, Inspections, Repairs & Other	0.153	0.002	0.151	98.7%	0.876	0.065	0.811	92.6%
Total HydroCo Non-Labor / Other Operating Expenses	\$ 0.466	\$ 0.149	\$ 0.317	68.0%	\$ 2.674	\$ 0.906	\$ 1.769	66.1%
77 Shared Services Agreement	0.216	0.111	0.105	48.8%	1.240	0.406	0.834	67.3%
78 Maintenance Projects Expenses	0.105	-	0.105	100.0%	0.603	0.070	0.533	88.4%
Total HydroCo Operating & Maintenance Expenses	\$ 1.162	\$ 0.471	\$ 0.690	59.4%	\$ 6.669	\$ 2.825	\$ 3.844	57.6%
Total HoldCo & HydroCo Operating & Maintenance Expenses (including Pensions)	\$ 4.076	\$ 24.257	\$ (20.180)	-495.04%	\$ 48.400	\$ 95.739	\$ (47.339)	-97.81%
Total HoldCo & HydroCo Operating & Maintenance Expenses (excluding Pensions)	\$ 4.076	\$ 2.657	\$ 1.420	34.83%	\$ 23.400	\$ 13.868	\$ 9.532	40.73%

Note 1: Preliminary / unaudited financial information - subject to material change.

Note 2: Pension & Benefits amounts are equal to 25% of Salaries and Wages for YTD FY2026.

Note 3: July 2025 pension expense reflective of loan proceeds received by PREPA from the Commonwealth and transferred to PREPA ERS. Pension expense for August 2025, September 2025 and portion of the October 2025 PREPA Retirement System funding excludes Commonwealth Loan portions as it was directly transferred from the Puerto Rico Treasury Department to ERS. Starting in November 2025, all PREPA transfer amounts to PREPA ERS for funding of the pensions are paid with customer collections from pension rider revenues.

Note 4: HydroCo Security expenses for July to November have been revised to reflect updated actuals incurred as provided by PREPA's security department on February 10, 2025.

Puerto Rico Electric Power Authority
Variance Detail
FISCAL YEAR 2026
2/17/2026

Variance #1
FOMB Category: HoldCo Shared Service Agreement HoldCo
Account: Shared Service Agreement HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Shared Service Agreement HoldCo	\$ 1.860	\$ 0.609	\$ 1.251	67.26%

Variance Explanation
 On January 1, 2026 the Shared Services Agreement for non-insurance related services was extended through June 30, 2026. As a result, LUMA continues to incur and allocate to PREPA its labor (firm/fixed) and non-labor (as incurred) costs associated with providing Shared Services. Since the non-labor services are billed on an as incurred basis, these costs are subject to post-period revisions. In December, a "true-up" was recorded of negative \$86,193.81 resulting in lower than anticipate December expense incurred.

Root Cause
 True-Up in the amount of -\$86,193.81 was recorded in December.

Corrective Action
 PREPA will continue to monitor and resolve any issues.

Variance #2
FOMB Category: HoldCo Retiree Medical Benefits HoldCo
Account: Retiree Medical Benefits HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Retiree Medical Benefits HoldCo	\$ 3.887	\$ 2.863	\$ 1.024	26.35%

Variance Explanation
 Since December 2024, PREPA has seen a reduction of over 1,500 retirees in the Medicare Advantage retiree group. This is due to market offerings and retirees opting for private health plans.

Root Cause
 Reduction to participants in the Medicare Advantage retiree group.

Corrective Action
 No action identified. PREPA will continue to monitor and adjust future budget proposals as needed.

Variance #3
FOMB Category: HoldCo Legal Services HoldCo
Account: Legal Services HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Legal Services HoldCo	\$ 1.881	\$ 0.911	\$ 0.970	51.56%

Variance Explanation
 Delay in invoice processing and payment. YTD actuals include a total of \$159,871.21 related to Litigation Claims Settlements (\$12,550.00 in August, \$59,500.00 in September and \$87,821.21 in November).

Root Cause
 Delay in invoice processing and payment.

Corrective Action
 PREPA will continue to monitor and resolve any issues.

Variance #4
FOMB Category: HydroCo Shared Service Agreement HydroCo
Account: Shared Service Agreement HydroCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Shared Service Agreement HydroCo	\$ 1.240	\$ 0.406	\$ 0.834	67.27%

Variance Explanation
 On January 1, 2026 the Shared Services Agreement for non-insurance related services was extended through June 30, 2026. As a result, LUMA continues to incur and allocate to PREPA its labor (firm/fixed) and non-labor (as incurred) costs associated with providing Shared Services. Since the non-labor services are billed on an as incurred basis, these costs are subject to post-period revisions. In December, a "true-up" was recorded of negative \$57,462.54 resulting in lower than anticipate December expense incurred.

Root Cause
 True-Up in the amount of -\$57,462.54 was recorded in December.

Corrective Action
 PREPA will continue to monitor and resolve any issues.

Variance #5
FOMB Category: HydroCo Equipment, Inspections, Repairs & Other HydroCo
Account: Equipment, Inspections, Repairs & Other HydroCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Equipment, Inspections, Repairs & Other HydroCo	\$ 0.876	\$ 0.065	\$ 0.811	92.59%

Variance Explanation
 PREB and the FOMB approved/certified (as relevant) an FY2026 budget for this line item that was ~\$1.4 million greater than PREPA's proposed amount of ~\$415K.

Root Cause
 PREB and the FOMB approved/certified (as relevant) an FY2026 budget amount in excess of PREPA's proposed amount.

Corrective Action
 PREPA has requested a reallocation of funds from this line item to the HydroCo Security line in the amount of ~\$393K. The FOMB approved this request on January 23, 2026. The re-allocation will be reflected in PREPA's January 2026 budget-to-actual report.

Variance #6
FOMB Category: HoldCo Professional & Technical Outsourced Services HoldCo
Account: Professional & Technical Outsourced Services HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Professional & Technical Outsourced Services HoldCo	\$ 1.058	\$ 0.330	\$ 0.728	68.80%

Variance Explanation
 Resulting budgetary reductions imposed by the approved budget results in internal delays in PREPA's contract approval and execution process. PREPA has to re-evaluate its priority contracts and/or engage in negotiations with certain professionals before submitting for approval and execution.

Root Cause
 Delay in PREPA's contract approval and execution process due to budgetary constraints.

Corrective Action
 PREPA is working to execute contracts and expects to receive invoices in the coming months.

Variance #7
FOMB Category: HoldCo Regulation and Environmental Inspection HoldCo
Account: Regulation and Environmental Inspection HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Regulation and Environmental Inspection HoldCo	\$ 0.778	\$ 0.122	\$ 0.656	84.35%

Variance Explanation
 Funding constraints imposed by PREB and FOMB budgets have caused delays in PREPA's contract approval and execution process. PREPA continues to evaluate and prioritize contracts and is in negotiations with certain professionals. Additionally, due to the PREPA's Oracle system transition, there have been internal delays in invoice processing.

Root Cause
 Delay in PREPA's contract approval and execution process due to budgetary constraints, as well as internal invoice processing.

Corrective Action
 PREPA is working to execute contracts and expects to engage professionals and incur expenses in the coming months. PREPA executed a contract in December 2025 totaling \$100,000 and expects to receive invoices in the subsequent months.

Variance #8
FOMB Category: HoldCo External Audit Services HoldCo
Account: External Audit Services HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
External Audit Services HoldCo	\$ 1.076	\$ 0.442	\$ 0.634	58.92%

Variance Explanation
 Due to the delay in the issuance of the FY2023 audit and the resulting delay in commencing the FY2024 financial audit process, PREPA's approved FY2026 budget for External Audit is to perform, complete and issue the FY2024 financial audit statements as well as covering remaining FY2023 tasks for certain External Audit contracts. Variance is due to timing of invoices related to FY2023 audit tasks and delay of FY2024 audit commencement.

Root Cause
 Variance is due to timing of invoices related to FY2023 audit tasks and delay of FY2024 audit commencement.

Corrective Action
 PREPA will continue to monitor and resolve any issues.

Variance #9
FOMB Category: HydroCo Maintenance Projects Expenses HydroCo
Account: Maintenance Projects Expenses HydroCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Maintenance Projects Expenses HydroCo	\$ 0.603	\$ 0.070	\$ 0.533	88.37%

Variance Explanation
 Funding constraints imposed by PREB and FOMB budgets have caused delays in PREPA's contract approval and execution process. PREPA continues to evaluate and prioritize contracts and is in negotiations with certain professionals.

Root Cause
 Delay in PREPA's contract approval and execution process due to budgetary constraints.

Corrective Action
 PREPA is working to execute contracts and expects to engage professionals and incur expenses in the coming months. Notably, in February 2026 over \$450,000 in funding was certified internally and PREPA operations anticipates executing contracts in the near future.

Variance #10
FOMB Category: HydroCo Regulation and Environmental Inspection HydroCo
Account: Regulation and Environmental Inspection HydroCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Regulation and Environmental Inspection HydroCo	\$ 0.357	\$ 0.036	\$ 0.321	89.90%

Variance Explanation
 Funding constraints imposed by PREB and FOMB budgets have caused delays in PREPA's contract approval and execution process. PREPA continues to evaluate and prioritize contracts and is in negotiations with certain professionals. Of the FY2026 certified budget of \$731K, approximately \$234K is related to services that are as needed basis/upon request or in the event of an emergency/to cover unforeseen circumstances in order to comply with state and federal environmental regulations. Additionally, due to the PREPA's Oracle system transition, there have been internal delays in invoice processing.

Root Cause
 Delay in PREPA's contract approval and execution process due to budgetary constraints, as well as internal invoice processing.

Corrective Action
 PREPA is working to execute contracts, process invoices and incur expenses in the coming months.

Variance #11
FOMB Category: HoldCo Equipment, Inspections, Repairs & Other HoldCo
Account: Equipment, Inspections, Repairs & Other HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Equipment, Inspections, Repairs & Other HoldCo	\$ 0.706	\$ 0.398	\$ 0.308	43.60%

Variance Explanation
 Funding constraints imposed by PREB and FOMB budgets have caused delays in PREPA's contract approval and execution process. PREPA continues to evaluate and prioritize contracts and is in negotiations with certain professionals. Additionally, this line items includes budget for the compensation of PREPA's Governing Board members who are not public employees. As of the date of this report, all current members of PREPA's Governing Board are public employees and therefore do not meet the criteria for compensation.

Root Cause
 Delay in PREPA's contract approval and execution process due to budgetary constraints.

Corrective Action
 PREPA is working to execute contracts and expects to engage professionals and incur expenses in the coming months. Of note, PREPA executed various contracts in November 2025 totaling over \$250,000 and expects to receive invoices in the subsequent months.

Variance #12
FOMB Category: HydroCo Materials & Supplies HydroCo
Account: Materials & Supplies HydroCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Materials & Supplies HydroCo	\$ 0.354	\$ 0.081	\$ 0.273	77.03%

Variance Explanation
 Approximately 70% of PREPA's proposed budget for HydroCo Materials & Supplies is for services related to turbine maintenance, with the remaining 30% related to services that are incurred on an as needed basis/upon request. In such, funding constraints imposed by PREB and FOMB budgets have caused delays in PREPA's contract approval and execution process for contacts related to turbine maintenance. PREPA continues to evaluate and prioritize contracts and is in negotiations with certain professionals.

Root Cause
 Delay in PREPA's contract approval and execution process due to budgetary constraints.

Corrective Action
 PREPA is working to execute contracts and expects to engage professionals and incur expenses in the coming months.

Variance #13
FOMB Category: HydroCo Security HydroCo
Account: Security HydroCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Security HydroCo	\$ 0.837	\$ 0.674	\$ 0.163	19.53%

Variance Explanation
 Due to budgetary constraints, PREPA reduced the amount of services during the month of July until approved budget amounts were communicated with additional funds allocated.

Root Cause
 Reduction in the amount of services provided in July.

Corrective Action
 Not applicable, no action identified or needed.

Variance #14
FOMB Category: HoldCo Maintenance Projects Expenses HoldCo
Account: Maintenance Projects Expenses HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Maintenance Projects Expenses HoldCo	\$ 0.315	\$ 0.177	\$ 0.139	44.03%

Variance Explanation
 Variance due to timing of invoices.

Root Cause
 Variance due to timing of invoices.

Corrective Action
 Not applicable, no action identified or needed.

Variance #15
FOMB Category: HoldCo IT - Maintenance & Corporate Services HoldCo
Account: IT - Maintenance & Corporate Services HoldCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
IT - Maintenance & Corporate Services HoldCo	\$ 0.730	\$ 0.828	\$ (0.098)	-13.41%

Variance Explanation
 PREPA has identified \$760,093.64 in expenses year-to-date that are related to shared services separation that are to be funded through with the \$4.0M interagency transfer from AAFAF that PREPA anticipates receiving (\$511,542.39 in September, \$174,527.50 in November and \$74,023.75 in December). As of the date of this report, PREPA has not received the \$4.0M from AAFAF.

Root Cause
 Delay in receiving the \$4.0M from AAFAF.

Corrective Action
 On January 23, 2026, the FOMB certified an amended budget that includes the \$4.0M PREPA anticipates received from AAFAF. Once PREPA receives the \$4.0M from AAFAF and an PREPA will move \$760,093.64 in expenses from the IT -Maintenance & Corporate Services line to be recorded against the \$4.0M to correspond with the budget.

Variance #16
FOMB Category: HydroCo Professional & Technical Outsourced Services HydroCo
Account: Professional & Technical Outsourced Services HydroCo

Expenses	Budget YTD	Actual YTD	Variance (\$)	Variance (%)
Professional & Technical Outsourced Services HydroCo	\$ 0.091	\$ 0.002	\$ 0.090	97.94%

Variance Explanation
 Budget constraints and prioritization have caused delays in PREPA's contract approval and execution process. PREPA has had to re-evaluate its priority contracts and/or engage in negotiations with certain professionals before submitting for approval and execution. While PREPA has made progress and executed various contracts totaling over \$100K, many of these services are performed on an as needed basis/upon request.

Root Cause
 Delay in PREPA's contract approval and execution process due to budgetary constraints

Corrective Action
 PREPA will continue to monitor and resolve any issues. PREPA is continuing to work to execute additional contracts and expects to receive invoices in the coming months.