

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

**IN RE:** REVIEW OF LUMA'S INITIAL  
BUDGETS

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

**NEPR**

**Received:**

**Oct 15, 2026**

**7:55 PM**

**PREPA'S MOTION TO SUBMIT THE AUGUST 2026 B2A REPORT**

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

**COMES NOW** the Puerto Rico Electric Power Authority ("PREPA") through its undersigned legal counsel and, very respectfully, **STATES AND PRAYS** 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.

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), which included:

- a. An 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 Fiscal Year 2025 Budget. In that order, the Energy Bureau determined that the modified Fiscal Year 2025 Budgets

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

4. On April 15, 2026, the Energy Bureau issued the *Final Resolution and Order on Electricity Rates* in Case No. NEPR-AP-2023-0003, *In re: Puerto Rico Electric Power Authority Rate Review* ("Final Resolution"). The Final Resolution did not eliminate or modify PREPA's existing Budget-to-Actual reporting obligations. Instead, the Energy Bureau expressly retained the existing budget-oversight framework "in all respects," including quarterly financial reporting and the fourth-quarter report, and determined that the budget-oversight requirements established in its applicable prior resolutions and orders "remain unchanged." Accordingly, PREPA remains responsible for filing its B2A Reports in accordance with the requirements, frequency, contents, and deadlines established in the applicable prior resolutions and orders.

5. In compliance with the June 26 Order, PREPA hereby submits its August 2026 B2A Report as **Exhibit A**.

**WHEREFORE**, PREPA respectfully requests that the Energy Bureau: (a) **TAKE NOTICE** of the information provided, and (b) **ACKNOWLEDGE** that PREPA submitted its August 2026 B2A Report.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, on October 15<sup>th</sup>, 2026.

**CERTIFICATE OF FILING AND SERVICE:** It is hereby certified that this document was filed with the Office of the Clerk of the Energy Bureau through its electronic filing system, available at <https://radicacion.energia.pr.gov/login>. It is further certified that a file-stamped copy of the foregoing document was served upon the parties in the above-

captioned proceeding at the following email addresses: LUMA Energy, LLC and LUMA Energy ServCo, LLC through: Margarita Mercado, [margarita.mercado@us.dlapiper.com](mailto:margarita.mercado@us.dlapiper.com); Yahaira de la Rosa, [yahaira.delarosa@us.dlapiper.com](mailto:yahaira.delarosa@us.dlapiper.com); Katuska Bolanos, [Katuska.bolanosluga@us.dlapiper.com](mailto:Katuska.bolanosluga@us.dlapiper.com); [RegulatoryPREBOrders@lumapr.com](mailto:RegulatoryPREBOrders@lumapr.com); Genera PR LLC through: Ernesto Ramos Maldonado, [emaldonado@sbgbllaw.com](mailto:emaldonado@sbgbllaw.com) and [eramos@ecija.com](mailto:eramos@ecija.com); [legal@genera-pr.com](mailto:legal@genera-pr.com); [regulatory@genera-pr.com](mailto:regulatory@genera-pr.com); and the Independent Consumer Protection Office through Hannia Rivera, [hrivera@jrsp.pr.gov](mailto:hrivera@jrsp.pr.gov).

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**Exhibit A – PREPA August 2026 B2A Report**

## FY27 Monthly B2A Summary

(\$ millions)

| Summary                                      | August-26          |                    |                         |                        | YTD                        |                    |                      |                     |
|----------------------------------------------|--------------------|--------------------|-------------------------|------------------------|----------------------------|--------------------|----------------------|---------------------|
|                                              | Aug-26<br>Budget   | Aug-26<br>Actual   | Aug-26<br>Variance (\$) | Aug-26<br>Variance (%) | YTD<br>Certified<br>Budget | YTD Actual         | YTD Variance<br>(\$) | YTD Variance<br>(%) |
| <b>A. Revenue</b>                            |                    |                    |                         |                        |                            |                    |                      |                     |
| PREPA Restructuring & Title III              | \$ (0.310)         | \$ (0.310)         | \$ -                    | 0.0%                   | \$ (0.619)                 | \$ (0.619)         | \$ -                 | 0.0%                |
| FOMB Advisor Costs allocated to PREPA        | (2.195)            | (2.195)            | -                       | 0.0%                   | (4.390)                    | (4.390)            | -                    | 0.0%                |
| Pension Expense funded by Pension Revenues   | (25.617)           | (23.299)           | 2.319                   | (9.1%)                 | (51.235)                   | (45.799)           | 5.436                | (10.6%)             |
| <b>Total Consolidated Revenue</b>            | <b>\$ (28.122)</b> | <b>\$ (25.804)</b> | <b>\$ 2.319</b>         | <b>(8.2%)</b>          | <b>\$ (56.244)</b>         | <b>\$ (50.808)</b> | <b>\$ 5.436</b>      | <b>(9.7%)</b>       |
| <b>B. Expenses</b>                           |                    |                    |                         |                        |                            |                    |                      |                     |
| <b><u>HoldCo:</u></b>                        |                    |                    |                         |                        |                            |                    |                      |                     |
| HoldCo Labor Operating Expenses              | \$ 0.790           | \$ 0.908           | \$ (0.118)              | (15.0%)                | \$ 1.317                   | \$ 1.524           | \$ (0.208)           | (15.8%)             |
| HoldCo Non-Labor / Other Operating Expenses  | 1.674              | 0.625              | 1.049                   | 62.6%                  | 3.348                      | 1.358              | 1.990                | 59.4%               |
| Shared Services Agreement                    | 0.288              | 0.279              | 0.009                   | 3.1%                   | 0.576                      | 0.565              | 0.011                | 1.9%                |
| HoldCo Maintenance Projects Expense          | 0.054              | -                  | 0.054                   | 100.0%                 | 0.108                      | -                  | 0.108                | 100.0%              |
| Contingency Reserve                          | 0.083              | -                  | 0.083                   | 100.0%                 | 0.167                      | -                  | 0.167                | 100.0%              |
| <b>Total HoldCo Expenses</b>                 | <b>\$ 2.889</b>    | <b>\$ 1.813</b>    | <b>\$ 1.076</b>         | <b>37.3%</b>           | <b>\$ 5.515</b>            | <b>\$ 3.447</b>    | <b>\$ 2.068</b>      | <b>37.5%</b>        |
| <b><u>HydroCo:</u></b>                       |                    |                    |                         |                        |                            |                    |                      |                     |
| HydroCo Labor Operating Expenses             | \$ 0.414           | \$ 0.306           | \$ 0.108                | 26.1%                  | \$ 0.690                   | \$ 0.500           | \$ 0.189             | 27.5%               |
| HydroCo Non-Labor / Other Operating Expenses | 0.342              | 0.139              | 0.203                   | 59.5%                  | 0.684                      | 0.262              | 0.422                | 61.7%               |
| Shared Services Agreement                    | 0.192              | 0.194              | (0.002)                 | (0.9%)                 | 0.384                      | 0.390              | (0.006)              | (1.6%)              |
| HydroCo Maintenance Projects Expense         | 0.086              | -                  | 0.086                   | 100.0%                 | 0.172                      | -                  | 0.172                | 100.0%              |
| <b>Total HydroCo Expenses</b>                | <b>\$ 1.034</b>    | <b>\$ 0.638</b>    | <b>\$ 0.395</b>         | <b>38.2%</b>           | <b>\$ 1.929</b>            | <b>\$ 1.153</b>    | <b>\$ 0.777</b>      | <b>40.3%</b>        |
| <b>Total HoldCo &amp; HydroCo Expenses</b>   | <b>\$ 3.923</b>    | <b>\$ 2.451</b>    | <b>\$ 1.472</b>         | <b>37.5%</b>           | <b>\$ 7.444</b>            | <b>\$ 4.600</b>    | <b>\$ 2.844</b>      | <b>38.21%</b>       |

*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 FY2027.*

*Note 3: PREPA is reporting YTD FY2027 amounts based on the FOMB Certified Budget dated June 26, 2026.*

*Note 4: PREPA Restructuring & Title III and FOMB Advisors Cost actuals are accrued equal to budget.*

## FY27 Monthly Expenses

(\$ millions)

| (\$ millions)                                                        |                                              | August-26     |               |                      |                     | YTD                  |            |                   |                  |
|----------------------------------------------------------------------|----------------------------------------------|---------------|---------------|----------------------|---------------------|----------------------|------------|-------------------|------------------|
| Expenses                                                             |                                              | Aug-26 Budget | Aug-26 Actual | Aug-26 Variance (\$) | Aug-26 Variance (%) | YTD Certified Budget | YTD Actual | YTD Variance (\$) | YTD Variance (%) |
| C. <u>HoldCo (PropertyCo) – Operating &amp; Maintenance Expenses</u> |                                              |               |               |                      |                     |                      |            |                   |                  |
| Labor                                                                |                                              |               |               |                      |                     |                      |            |                   |                  |
| 47                                                                   | Salaries & Wages                             | \$ 0.583      | \$ 0.723      | \$ (0.140)           | (24.0%)             | \$ 0.972             | \$ 1.212   | \$ (0.241)        | (24.8%)          |
| 48                                                                   | Pension & Benefits                           | 0.157         | 0.161         | (0.004)              | (2.3%)              | 0.262                | 0.269      | (0.007)           | (2.9%)           |
| 49                                                                   | Overtime Pay                                 | 0.044         | 0.023         | 0.021                | 47.2%               | 0.073                | 0.040      | 0.033             | 45.4%            |
| 50                                                                   | Overtime Benefits                            | 0.007         | 0.002         | 0.005                | 71.7%               | 0.011                | 0.003      | 0.008             | 70.4%            |
| Total HoldCo Labor Operating Expense                                 |                                              | \$ 0.790      | \$ 0.908      | \$ (0.118)           | (15.0%)             | \$ 1.317             | \$ 1.524   | \$ (0.208)        | (15.8%)          |
| Non-Labor / Other Operating Expenses                                 |                                              |               |               |                      |                     |                      |            |                   |                  |
| 51                                                                   | Materials & Supplies                         | \$ 0.005      | \$ 0.003      | \$ 0.002             | 36.5%               | \$ 0.011             | \$ 0.005   | \$ 0.006          | 54.0%            |
| 52                                                                   | Transportation, Per Diem, and Mileage        | 0.021         | 0.004         | 0.017                | 81.1%               | 0.043                | 0.004      | 0.038             | 89.7%            |
| 53                                                                   | Retiree Medical Benefits                     | 0.696         | (0.057)       | 0.752                | 108.1%              | 1.391                | 0.420      | 0.971             | 69.8%            |
| 54                                                                   | Security                                     | 0.066         | 0.084         | (0.018)              | (26.6%)             | 0.133                | 0.164      | (0.031)           | (23.4%)          |
| 55                                                                   | Utilities & Rents                            | 0.006         | -             | 0.006                | 100.0%              | 0.013                | -          | 0.013             | 100.0%           |
| 56                                                                   | Legal Services                               | 0.321         | 0.022         | 0.298                | 93.1%               | 0.641                | 0.022      | 0.619             | 96.5%            |
| 57                                                                   | Professional & Technical Outsourced Services | 0.180         | 0.063         | 0.117                | 64.8%               | 0.361                | 0.064      | 0.297             | 82.3%            |
| 58                                                                   | IT - Maintenance & Corporate Services        | 0.050         | 0.467         | (0.417)              | (843.0%)            | 0.099                | 0.479      | (0.380)           | (383.8%)         |
| 59                                                                   | Regulation and Environmental Inspection      | 0.133         | -             | 0.133                | 100.0%              | 0.265                | -          | 0.265             | 100.0%           |
| 60                                                                   | External Audit Services                      | 0.092         | 0.030         | 0.062                | 67.3%               | 0.183                | 0.030      | 0.153             | 83.6%            |
| 61                                                                   | Equipment, Inspections, Repairs & Other      | 0.104         | 0.008         | 0.096                | 92.4%               | 0.208                | 0.170      | 0.039             | 18.6%            |
| Total HoldCo Non-Labor / Other Operation Expenses                    |                                              | \$ 1.674      | \$ 0.625      | \$ 1.049             | 62.6%               | \$ 3.348             | \$ 1.358   | \$ 1.990          | 59.4%            |
| Shared Service Agreement                                             |                                              |               |               |                      |                     |                      |            |                   |                  |
| 62                                                                   | Shared Service Agreement                     | \$ 0.288      | \$ 0.279      | \$ 0.009             | 3.1%                | \$ 0.576             | \$ 0.565   | \$ 0.011          | 1.9%             |
| 63                                                                   | Maintenance Projects Expenses                | 0.054         | -             | 0.054                | 100.0%              | 0.108                | -          | 0.108             | 100.0%           |
| 64                                                                   | Contingency Reserve                          | 0.083         | -             | 0.083                | 100.0%              | 0.167                | -          | 0.167             | 100.0%           |
| Total HoldCo Operating & Maintenance Expenses                        |                                              | \$ 2.889      | \$ 1.813      | \$ 1.076             | 37.3%               | \$ 5.515             | \$ 3.447   | \$ 2.068          | 37.5%            |
| D. <u>HydroCo – Operating &amp; Maintenance Expenses</u>             |                                              |               |               |                      |                     |                      |            |                   |                  |
| 65                                                                   | Salaries & Wages                             | \$ 0.293      | \$ 0.221      | \$ 0.073             | 24.8%               | \$ 0.489             | \$ 0.362   | \$ 0.127          | 26.0%            |
| 66                                                                   | Pension & Benefits                           | 0.082         | 0.049         | 0.033                | 39.8%               | 0.137                | 0.081      | 0.056             | 40.6%            |
| 67                                                                   | Overtime Pay                                 | 0.033         | 0.033         | 0.000                | 0.7%                | 0.055                | 0.052      | 0.003             | 5.7%             |
| 68                                                                   | Overtime Benefits                            | 0.005         | 0.003         | 0.002                | 43.6%               | 0.008                | 0.005      | 0.004             | 43.4%            |
| Total HydroCo Labor Operating Expenses                               |                                              | \$ 0.414      | \$ 0.306      | \$ 0.108             | 26.1%               | \$ 0.690             | \$ 0.500   | \$ 0.189          | 27.5%            |
| Non-Labor / Other Operating Expenses                                 |                                              |               |               |                      |                     |                      |            |                   |                  |
| 69                                                                   | Materials & Supplies                         | \$ 0.060      | \$ 0.009      | \$ 0.052             | 85.5%               | \$ 0.121             | \$ 0.013   | \$ 0.108          | 89.5%            |
| 70                                                                   | Transportation, Per Diem, and Mileage        | 0.020         | 0.002         | 0.018                | 89.2%               | 0.041                | 0.003      | 0.037             | 91.8%            |
| 71                                                                   | Security                                     | 0.143         | 0.115         | 0.028                | 19.3%               | 0.285                | 0.229      | 0.056             | 19.7%            |
| 72                                                                   | Utilities & Rents                            | 0.007         | -             | 0.007                | 100.0%              | 0.014                | -          | 0.014             | 100.0%           |
| 73                                                                   | Professional & Technical Outsourced Services | 0.016         | -             | 0.016                | 100.0%              | 0.031                | -          | 0.031             | 100.0%           |
| 74                                                                   | Regulation and Environmental Inspection      | 0.061         | 0.005         | 0.056                | 91.6%               | 0.122                | 0.005      | 0.117             | 95.8%            |
| 75                                                                   | Equipment, Inspections, Repairs & Other      | 0.035         | 0.007         | 0.028                | 78.8%               | 0.070                | 0.012      | 0.058             | 83.1%            |
| Total HydroCo Non-Labor / Other Operating Expenses                   |                                              | \$ 0.342      | \$ 0.139      | \$ 0.203             | 59.5%               | \$ 0.684             | \$ 0.262   | \$ 0.422          | 61.7%            |
| Shared Services Agreement                                            |                                              |               |               |                      |                     |                      |            |                   |                  |
| 76                                                                   | Shared Services Agreement                    | \$ 0.192      | \$ 0.194      | \$ (0.002)           | (0.9%)              | \$ 0.384             | \$ 0.390   | \$ (0.006)        | (1.6%)           |
| 77                                                                   | Maintenance Projects Expenses                | 0.086         | -             | 0.086                | 100.0%              | 0.172                | -          | 0.172             | 100.0%           |
| Total HydroCo Operating & Maintenance Expenses                       |                                              | \$ 1.034      | \$ 0.638      | \$ 0.395             | 38.2%               | \$ 1.929             | \$ 1.153   | \$ 0.777          | 40.3%            |
| Total HoldCo & HydroCo Operating & Maintenance Expenses              |                                              | \$ 3.923      | \$ 2.451      | \$ 1.472             | 37.51%              | \$ 7.444             | \$ 4.600   | \$ 2.844          | 38.21%           |
| Memo: Pension Expense funded by Pension Revenues                     |                                              |               |               |                      |                     |                      |            |                   |                  |
| 78                                                                   | Pension Expense                              | \$ 25.617     | \$ 22.500     | \$ 3.117             | 12.2%               | \$ 51.235            | \$ 45.799  | \$ 5.436          | 10.6%            |

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

Puerto Rico Electric Power Authority  
Variance Detail  
FISCAL YEAR 2027  
10/15/2026

|                                                  |
|--------------------------------------------------|
| Variance #1                                      |
| FOMB Category: Retiree Medical Benefits (HoldCo) |
| Account: Retiree Medical Benefits (HoldCo)       |

| Expenses                          | Budget<br>YTD | Actual<br>YTD | Variance<br>(\$) | Variance<br>(%) |
|-----------------------------------|---------------|---------------|------------------|-----------------|
| Retiree Medical Benefits (HoldCo) | \$ 1.391      | \$ 0.420      | \$ 0.971         | 69.81%          |

|                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variance Explanation                                                                                                                                                                                                                                                                                                                                                           |
| PREPA identified August expenses of <u>negative</u> \$56,554.10, which is significantly lower than anticipated and below the historical monthly run rate. This is attributable to certain LUMA-prepared transactions and related journal entries that could not be posted due to budget control limitations. Any adjustments are expected to be reflected in September.        |
| Additionally, PREPA continues to experience a reduction in Medicare Advantage retiree enrollment as retirees elect private health plan alternatives. PREPA has also observed that loss of life within this population has decreased and anticipates enrollment levels will remain relatively stable in FY2027 through benefit management initiatives without budgetary impact. |

|                                                                                                           |
|-----------------------------------------------------------------------------------------------------------|
| Root Cause                                                                                                |
| Budget control limitations preventing certain transactions and related journal entries from being posted. |

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

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|----------------------------------------|
| Variance #2                            |
| FOMB Category: Legal Services (HoldCo) |
| Account: Legal Services (HoldCo)       |

| Expenses                | Budget<br>YTD | Actual<br>YTD | Variance<br>(\$) | Variance<br>(%) |
|-------------------------|---------------|---------------|------------------|-----------------|
| Legal Services (HoldCo) | \$ 0.641      | \$ 0.022      | \$ 0.619         | 96.53%          |

|                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variance Explanation                                                                                                                                                                                                                                                                                                                                                                              |
| Variance due to the timing of contract approval, execution, commencement of services, and/or invoice receipt and processing. Given that the reporting period covers only the first two months of the fiscal year, certain services had not yet commenced and related expenditures had not yet been incurred. YTD actuals include a total of \$22,223.00 related to Litigation Claims Settlements. |

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|-------------------------------------------------------------------------------|
| Root Cause                                                                    |
| Timing of contract execution, service commencement, and related expenditures. |

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

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|---------------------------------------------------------------|
| Variance #3                                                   |
| FOMB Category: IT - Maintenance & Corporate Services (HoldCo) |
| Account: IT - Maintenance & Corporate Services (HoldCo)       |

| Expenses                                       | Budget<br>YTD | Actual<br>YTD | Variance<br>(\$) | Variance<br>(%) |
|------------------------------------------------|---------------|---------------|------------------|-----------------|
| IT - Maintenance & Corporate Services (HoldCo) | \$ 0.099      | \$ 0.479      | \$ (0.380)       | -383.84%        |

|                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variance Explanation                                                                                                                                                                                                                                                                                                 |
| Annual payment of \$466,800.00 to Integration Technologies, Corp for Microsoft Azure cloud data management services, including cloud concierge and patch management services included in August. This expense is paid annually and, therefore, is not expected to recur in subsequent months during the fiscal year. |

|                           |
|---------------------------|
| Root Cause                |
| Timing of annual payment. |

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|------------------------------------------------------------------------------|
| Corrective Action                                                            |
| No action identified. PREPA will continue to monitor and resolve any issues. |

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| Variance #4                                                          |
| FOMB Category: Professional & Technical Outsourced Services (HoldCo) |
| Account: Professional & Technical Outsourced Services (HoldCo)       |

| Expenses                                              | Budget<br>YTD | Actual<br>YTD | Variance<br>(\$) | Variance<br>(%) |
|-------------------------------------------------------|---------------|---------------|------------------|-----------------|
| Professional & Technical Outsourced Services (HoldCo) | \$ 0.361      | \$ 0.064      | \$ 0.297         | 82.34%          |

|                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variance Explanation                                                                                                                                                                                                                                                                                         |
| Variance due to the timing of contract approval, execution, commencement of services, and/or invoice receipt and processing. Given that the reporting period covers only the first two months of the fiscal year, certain services had not yet commenced and related expenditures had not yet been incurred. |

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|-------------------------------------------------------------------------------|
| Root Cause                                                                    |
| Timing of contract execution, service commencement, and related expenditures. |

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

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|-----------------------------------------------------------------|
| Variance #5                                                     |
| FOMB Category: Regulation and Environmental Inspection (HoldCo) |
| Account: Regulation and Environmental Inspection (HoldCo)       |

| Expenses                                         | Budget<br>YTD | Actual<br>YTD | Variance<br>(\$) | Variance<br>(%) |
|--------------------------------------------------|---------------|---------------|------------------|-----------------|
| Regulation and Environmental Inspection (HoldCo) | \$ 0.265      | \$ -          | \$ 0.265         | 100.00%         |

|                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Variance Explanation                                                                                                                                                                                                                                                                                         |
| Variance due to the timing of contract approval, execution, commencement of services, and/or invoice receipt and processing. Given that the reporting period covers only the first two months of the fiscal year, certain services had not yet commenced and related expenditures had not yet been incurred. |

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|-------------------------------------------------------------------------------|
| Root Cause                                                                    |
| Timing of contract execution, service commencement, and related expenditures. |

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