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LUMA Quarterly Report

for the First Quarter of Fiscal Year 2027 (Q1 FY2027)

ending September 30, 2026

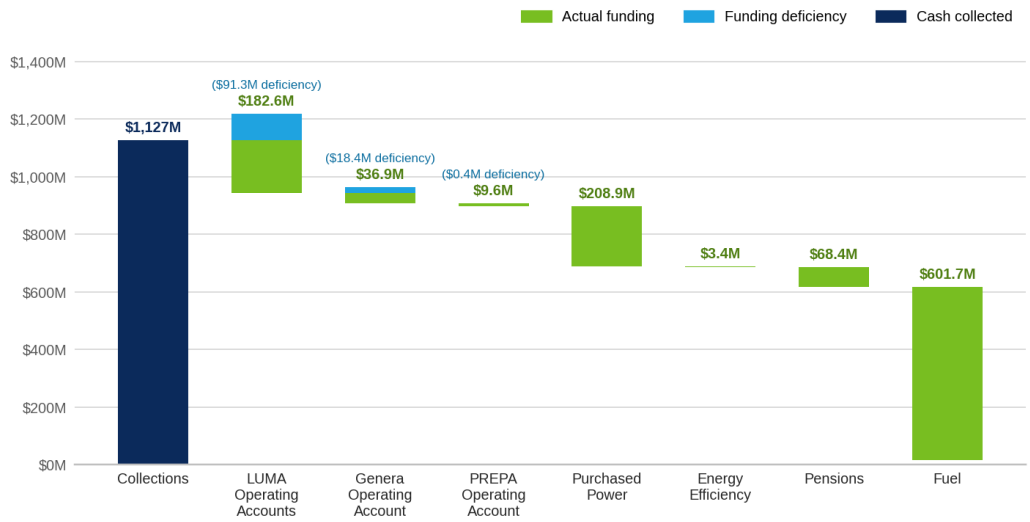
Introductory Statement

During the first quarter of Fiscal Year 2027, LUMA continued advancing essential work to operate, maintain, and improve Puerto Rico's electric transmission and distribution system. Despite persistent financial constraints affecting the broader Electric System, LUMA remained focused on maintaining safe and reliable operations, addressing critical infrastructure needs, and advancing initiatives to improve service reliability and support continued grid modernization. These efforts reflect LUMA's continued commitment to serving customers while responsibly managing available resources under increasingly challenging funding conditions.

Funding availability and timing continued to present a significant challenge during the quarter. Although the Puerto Rico Electric Power Authority (PREPA) approved a funding replenishment aligned with the budget approved by the Puerto Rico Energy Bureau, approval of the replenishment does not, by itself, ensure that sufficient cash is available in the accounts when those funds are required. Fuel-related cash demands have affected the timing and availability of funds for the operating accounts. As a result, replenishment amounts were received later than required during the quarter, preventing the accounts from being funded in accordance with their required funding cycles and creating continued liquidity constraints across the system.

By the close of the quarter, the cumulative funding deficit reflected in LUMA's accounts was approximately $91.3 million[1]. The chart below illustrates the funding position across the Electric System's principal accounts and obligations, including LUMA, Genera PR, PREPA, purchased power, energy efficiency, pensions, and fuel.

Figure 1 – System-Wide Funding Position



Notwithstanding these challenges, LUMA continued prioritizing the work required to operate and maintain the system and to advance critical improvements. Sustained progress depends not

[1] The $91.3 million quarter-end funding deficit calculation includes LUMA's budget, excess expenditures, and LUMA's fee.

only on an approved budget and replenishment framework, but also on the timely availability of sufficient cash to fund the accounts when due. Timely and adequate replenishment remains essential to preserving operational continuity, supporting planned work, and enabling the continued improvement of electric service for the people of Puerto Rico.

Progress for Puerto Rico during Fiscal Year 2027

To continue building a better energy future for all its customers, LUMA:

- replaced over 450 broken and damaged utility poles
- replaced or repaired over 1,200 streetlights
- exchanged over 112,200 advanced metering infrastructure to enhance meter data to reflect actual energy usage
- completed more than 24,150 training hours for more than 1,400 employees in health and safety on the job, including LUMA College

Disclaimer

This document presents LUMA's Quarterly Report on the operation of the Puerto Rico transmission and distribution (T&D) system for Q1 FY2027, from July 1, 2026, to September 30, 2026, in compliance with Energy Bureau requirements. The information presented in this quarterly report is preliminary and subject to revision upon completion of the year-end financial closing process and ongoing reconciliation of federally funded expenditures. As part of this reconciliation, LUMA reviews operating and capital expenditures (both federal and non-federal) to ensure they are classified in compliance with applicable accounting standards and requirements and that they are appropriately reflected in year-end financial statements. Depending on the outcome of this review, costs may require reclassification between O&M, non-federally funded capital expenditures, and federally funded capital expenditures. Accordingly, the results reflected in this report should be treated as illustrative and should not be interpreted as final.

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Q1 FY2027 Preliminary Financial Performance

As of September 30, 2026, the end of the first quarter (Q1) of Fiscal Year 2027 (FY2027), LUMA had utilized 19.6% of the annual operational and non-federally funded capital budget approved by the Puerto Rico Energy Bureau (Energy Bureau) on April 15, 2026.

Summary of Q1 of FY2027 Spending – Preliminary Results

($ million)

	FY2027 Budget[2,4]	Q1 Budget[2,4]	Q1 Actuals[4]	Variance ($)	Variance (%)
Transmission & Distribution					
Operating Expenditures	$ 793.6	$ 177.2	$ 160.6	$ 16.6	**9%**
Non-Federally Funded Capital Expenditures	$ 159.3	$ 22.4	$ 25.8	$ (3.4)	
Subtotal[3]	**$ 952.9**	**$ 199.5**	**$ 186.4**	**$ 13.2**	**7%**
Federally Funded Expenditures[5]	**$ 971.9**	**$ 205.3**	**$ 126.2**	**$ 79.1**	**39%**

Consistent with the requirements in the Energy Bureau's Final Rate Order dated April 15, 2026, LUMA reports actual expenditures incurred during the reporting period and the resulting variance, including explanations for variances exceeding 15%.

Energy Consumption and Base Revenue – Preliminary Results

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

	FY2027 Forecast	Q1 Forecast	Q1 Actuals	YTD Forecast	YTD Actuals	YTD Variance
Total Consumption (GWh)	15,526	4,215	4,774	4,215	4,774	558
Base Revenue (millions) [6]	$ 1,784	$ 473	$ 461	$ 473	$ 461	(11)
Fuel	$ 1,832	$ 495	$ 510	$ 495	$ 510	16
Purchase Power	$ 749	$ 195	$ 237	$ 195	$ 237	42

[2] Figures presented in this report reflect the Energy Bureau's determinations set forth in the April 15, 2026, Final Rate Order, as amended, and supplemented by the Resolution dated August 19, 2026, and the Resolution dated October 15, 2026.

[3] Budget figures above include the reserve for excess expenditures proportionally divided between operation and maintenance (O&M) and non-federally funded capital (NFC) expenditures.

[4] Figures in all tables are rounded.

[5] Federally funded expenditures include capital, general, and administrative charges, including Category Z.

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

Transmission and Distribution Operating Expenditures – Preliminary Results

($ million)

	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[3]	Variance (%)
Labor					
Salaries, Wages and Benefits	341.2	81.4	80.6	0.8	
Total Labor	**$ 341.2**	**$ 81.4**	**$ 80.6**	**$ 0.8**	**1%**
Non-Labor					
Materials & Supplies	35.4	8.8	9.8	(1.0)	
Transportation, Per Diem, and Mileage	17.3	3.7	(1.5)	5.2	
Property & Casualty Insurance	19.0	4.7	5.0	(0.3)	
Security	7.7	1.9	1.9	-	
IT Service Agreements	47.7	11.7	8.7	3.0	
Utilities & Rents	19.5	3.4	1.4	2.0	
Legal Services	13.0	3.0	1.1	1.9	
Communications Expenses	2.0	0.5	-	0.5	
Professional & Technical Outsourced Services	143.9	38.6	27.4	11.2	
Vegetation Management	131.3	15.6	25.6	(10.0)	
Other Miscellaneous Expenses	9.0	2.4	0.6	1.8	
Total Non-Labor / Other Operating Expense	**$ 445.8**	**$ 94.3**	**$ 80.0**	**$ 14.3**	**15%**
Subtotal	**$ 787.0**	**$ 175.7**	**$ 160.6**	**$ 15.1**	**9%**
2% Reserve for Excess Expenditures	6.6	1.5		1.5	
Total Operating Expenditures	**$ 793.6**	**$ 177.2**	**$ 160.6**	**$ 16.6**	**9%**

Operating Expenditures by Department

Customer Experience Operating Expenditures – Preliminary Results

LUMA's Customer Experience Department is at the core of LUMA's mission to deliver customer-centric, reliable, resilient, safe, and sustainable electric service. By implementing appropriate communication protocols and adhering to standard billing and collection practices, LUMA has served customers courteously and effectively, creating proactive, customer-focused solutions.

($ million)

	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Labor					
Salaries, Wages and Benefits	46.5	11.2	11.6	(0.4)	
Total Labor	**$ 46.5**	**$ 11.2**	**$ 11.6**	**$ (0.4)**	**(4%)**
Non-Labor					
Materials & Supplies	0.3	0.1	0.1	-	
Transportation, Per Diem, and Mileage	0.4	0.1	0.1	-	
Property & Casualty Insurance	-	-	-	-	
Security	-	-	-	-	
IT Service Agreements	-	-	-	-	
Utilities & Rents	0.1	-	-	-	
Legal Services	-	-	-	-	
Communications Expenses	-	-	-	-	
Professional & Technical Outsourced Services	46.4	12.9	11.8	1.1	
Vegetation Management	-	-	-	-	
Other Miscellaneous Expenses	-	-	0.1	(0.1)	
Total Non-Labor / Other Operating Expense	**$ 47.2**	**$ 13.1**	**$ 12.1**	**$ 1.0**	**8%**
Total Operating Expense	**$ 93.7**	**$ 24.3**	**$ 23.7**	**$ 0.6**	**2%**

Key activities during Q1 FY2027:

- Managed more than 277 thousand outbound calls, secured over 18,000 payment agreements, and recovered over $88.3 million in past-due balances to improve LUMA's overall collection efforts
- Strengthened revenue protection by executing over 7,200 non-payment service disconnections, issuing more than 19,500 thirty-day prior notices and sending over 25,600 overdue payment reminders to drive compliance
- Served 536,232 customers in regional Customer Experience offices with an average 9-minute wait time and answered 438,304 calls with an average 11-minute handle time
- LUMA identified and investigated almost 923 meter-tampering cases, uncovering 294 cases of energy theft, resulting in collections over $599,399.

Operations Operating Expenditures – Preliminary Results

LUMA's Operations Department oversees and manages the day-to-day operations of the T&D infrastructure, critical to providing safe and reliable electric service to all 1.5 million customers. Overall, LUMA's highest priority is the safety of our customers and our workforce, while addressing maintenance and repairs to improve overall reliability and resiliency.

($ million)

	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Labor					
Salaries, Wages and Benefits	168.2	39.3	43.7	(4.4)	
Total Labor	**$ 168.2**	**$ 39.3**	**$ 43.7**	**$ (4.4)**	**(11%)**
Non-Labor					
Materials & Supplies	15.2	3.8	4.9	(1.1)	
Transportation, Per Diem, and Mileage	6.3	1.7	1.5	0.2	
Property & Casualty Insurance	-	-	0.1	(0.1)	
Security	-	-	-	-	
IT Service Agreements	1.2	-	-	-	
Utilities & Rents	1.8	0.4	0.2	0.2	
Legal Services	1.6	-	-	-	
Communications Expenses	-	-	-	-	
Professional & Technical Outsourced Services	38.7	10.0	2.7	7.3	
Vegetation Management	131.3	15.6	22.6	(7.0)	
Other Miscellaneous Expense	0.1	-	0.1	(0.1)	
Total Non-Labor / Other Operating Expense	**$ 196.2**	**$ 31.5**	**$ 32.1**	**$ (0.6)**	**(2%)**
Total Operating Expense	**$ 364.4**	**$ 70.8**	**$ 75.8**	**$ (5.0)**	**(7%)**

Key activities during Q1 FY2027:

- Replaced thirty-seven 38 kV and four 115 kV structures to enhance service reliability and maintain system integrity
- Managed vegetation along 330 miles of distribution lines and 198 miles of 38 kV, 115 kV, and 230 kV transmission lines
- Upgraded insulated hardware across two hundred forty-five 38 kV, twenty-four 115 kV, and thirty-three 230 kV line structures
- Replaced switches on thirty-one 38 kV transmission lines and two 230 kV transmission lines
- Completed 135 metering system inspections for 38 kV accounts to verify meter programming, accuracy, and wiring, while recycling and reinstating 6,168 meters into inventory
- Performed 322 preventive and 116 corrective maintenance tasks on battery banks, breakers, transformers, arrestors, switches, and all apparatus

LUMA Electrical Utility Field Workers

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

Electrical Utility Field Worker Type	Electrical Utility Field Worker as of September 30, 2026[9]
Foreman [7]	24
Foreman Substations [7]	26
Foreman Lines [7]	37
Journeyman Lineworker [7]	62
Journeyman Lineworker [7]	294
Protection and Control Substation Technician [7]	14
Senior Apparatus Substation Technician [7]	11
Senior Protection and Control Substation Technician[7]	8
Substation Apparatus Technician [7]	30
Substation Technician [7]	6
Apprentice Substation Technician, 1st Period [8]	3
Apprentice Apparatus Substation Technician, 2nd Period [8]	15
Apprentice Apparatus Substation Technician, 3rd Period [8]	1
Apprentice Apparatus Substation Technician, 4th Period [8]	3
Apprentice Apparatus Substation Technician, 5th Period [8]	8
Apprentice Apparatus Substation Technician, 6th Period [8]	1
Apprentice Apparatus Substation Technician, 7th Period [8]	11
Apprentice Lineworker, 4th Period [8]	24
Apprentice Lineworker, 5th Period [8]	25
Apprentice Lineworker, 6th Period [8]	19
Apprentice Lineworker, 7th Period [8]	103
Apprentice Protection & Control Substation Technician, 3rd Period [8]	11
Apprentice Protection & Control Substation Technician, 5th Period [8]	2
Apprentice Protection & Control Substation Technician, 7 th Period [8]	3
Support workers of electrical utility	476
Total	**1217**

[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, under the supervision of a journeyperson lineworker or journeyperson substation technician.
[9] The figures reflect the full-time employees and exclude ground people, operators, and laborers who support electrical utility field workers.

The FY2027 budget includes 1,282 full-time electrical utility field worker positions, of which 1,217 are currently filled, reflecting continued progress toward maintaining a qualified workforce to support safe and reliable operations. During this first quarter, LUMA continued strengthening its lineworker workforce through ongoing recruitment efforts supported by open requisitions, active candidate screening, and interviews. In addition, Talent Acquisition enhanced the apprenticeship recruitment process by refining job requirements, implementing qualification questionnaires, exploring physical capability assessments with LUMA College, and introducing a targeted selection interviewing model, including training for 25 leaders, supervisors, and union representatives involved in candidate evaluations. These initiatives support recruitment and retention of skilled lineworkers while strengthening the apprenticeship pipeline as a sustainable source of future journeyperson talent in a highly competitive labor market.

Utility Transformation Operating Expenditures – Preliminary Results

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 outlined in the System Remediation Plan and focuses on the long-term vision outlined in the Integrated Resource Plan.

($ million)

	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Labor					
Salaries, Wages and Benefits	30.5	7.9	6.3	1.6	
Total Labor	**$ 30.5**	**$ 7.9**	**$ 6.3**	**$ 1.6**	**20%**
Non-Labor					
Materials & Supplies	1.9	0.5	0.3	0.2	
Transportation, Per Diem, and Mileage	2.9	0.8	0.7	0.1	
Property & Casualty Insurance	-	-	-	-	
Security	-	-	-	-	
IT Service Agreements	0.2	-	-	-	
Utilities & Rents	6.7	0.1	0.1	-	
Legal Services	1.1	0.3	-	0.3	
Communications Expenses	-	-	-	-	
Professional & Technical Outsourced Services	9.0	3.1	6.7	(3.6)	
Vegetation Management	-	-	3.0	(3.0)	
Other Miscellaneous Expenses	1.9	0.5	0.1	0.4	
Total Non-Labor / Other Operating Expense	**$ 23.7**	**$ 5.3**	**$ 10.9**	**$ (5.6)**	**(106%)**
Total Operating Expense	**$ 54.2**	**$ 13.2**	**$ 17.2**	**$ (4.0)**	**(30%)**

Key activities during Q1 FY2027:

- Performed system planning assessments to support customer load growth, asset replacement initiatives, regulatory compliance, and generation interconnections, including 17 load evaluation studies, 13 breaker replacement evaluations, four minimum transmission requirements compliance assessments, one Generation Integration System Impact Study, and three transmission-level distributed generation interconnection assessments
- Completed 30 substation load transfer studies in support of substation maintenance works that include hot spot correction, transformer/breaker maintenance, breaker or switch replacements
- Executed 42 inspections and addressed reliability risks across 42 worst-performing feeders. Identified 88 hotspots, with 86 corrected by Operations, leading to 198 infrastructure repair points

The $4.0 million year-to-date variance in Utility Transformation operating expenditures is primarily driven by two non-recurring items recorded within Professional & Technical Outsourced Services, including a $6.1 million legal settlement with a contractor for engineering services determined to be ineligible for federal reimbursement, the costs of which were reclassified from federal programs to operating expenses; and $3.0 million of vegetation management costs for federal work performed, which were temporarily

recorded in Utility Transformation. The vegetation management costs were reclassified to the federal program during the October month-end close after Federal Emergency Management Agency (FEMA) obligation. Neither item represents ongoing Utility Transformation operating expenses. The variance was partially offset by lower labor costs resulting from vacancies and reduced tax-related payroll expenses.

Support Services Operating Expenditures – Preliminary Results

LUMA's Support Services functions enable the entire enterprise to deliver the electric service. These functions include safety, physical security, emergency management, information technology and operations technology (IT/OT), environmental, legal, procurement, regulatory, finance, and other areas essential to LUMA's success in meeting its mission and achieving its key goals.

($ million)

	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Labor					
Salaries, Wages and Benefits	96.0	23.0	19.0	4.0	
Total Labor	**$ 96.0**	**$ 23.0**	**$ 19.0**	**$ 4.0**	**17%**
Non-Labor					
Materials & Supplies	18.0	4.4	4.5	(0.1)	
Transportation, Per Diem, and Mileage	7.7	1.1	(3.8)	4.9	
Property & Casualty Insurance	19.0	4.7	4.9	(0.2)	
Security	7.7	1.9	1.9	-	
IT Service Agreements	46.3	11.7	8.7	3.0	
Utilities & Rents	10.9	2.9	1.1	1.8	
Legal Services	10.3	2.7	1.1	1.6	
Communications Expenses	2.0	0.5	-	0.5	
Professional & Technical Outsourced Services	49.8	12.6	6.2	6.4	
Vegetation Management	-	-	-	-	
Other Miscellaneous Expenses	7.0	1.9	0.3	1.6	
Total Non-Labor / Other Operating Expense	**$ 178.7**	**$ 44.4**	**$ 24.9**	**$ 19.5**	**44%**
Total Operating Expense	**$ 274.7**	**$ 67.4**	**$ 43.9**	**$ 23.5**	**35%**

Key activities during Q1 FY2027:

- Completed eight Department of Transportation inspections and four American National Standards Institute vehicle compliance inspections while also providing targeted cardiovascular training to 36 mechanics, underground storage tank training to two mechanics, hazardous materials training to 13 mechanics, and Driver's Vehicle Inspection Report training to 60 employees
- Incident Management Team activation and LUMA Emergency Operations Center pre-event operations were leveraged as a functional exercise to evaluate LUMA's ability to establish and manage an incident through WebEOC
- Completed installation of closed-circuit television (CCTV) at the Aviation Hangar in support of PBUT 19

The $23.5 million year-to-date variance in Support Services operating expenditures is primarily driven by staffing vacancies, capital allocation of fleet-related costs originally

budgeted in O&M, lower utilization of external consulting and professional services, and the timing of planned IT and support service activities. Transportation expenses reflect the allocation of fleet costs to capital projects based on actual utilization rather than O&M. Labor costs were impacted by open positions due to delayed hiring and lower-than-budgeted staffing requirements. Professional and technical services expenses reflect procurement adjustments, reduced consulting requirements, and timing-related delays in planned initiatives. IT Service Agreement expenses reflect deferred software licensing and storage-related expenditures due to contract execution with Puerto Rico Innovation and Technology Services. Overall, the variance reflects a combination of capital cost allocations, staffing vacancies, and timing differences in planned expenditures.

FY2027 Improvement Programs

LUMA's Improvement Programs address the operational 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. The following section outlines each program's key activities completed during the quarter and explains year-to-date spending variances. Unless otherwise noted, LUMA expects to achieve all program milestones as planned.

Improvement Portfolio Summary – Preliminary Results

($ million)

Portfolio	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Customer Experience	294.4	81.0	53.5	27.4	
Distribution	127.9	32.7	22.4	10.3	
Transmission	198.5	22.6	11.1	11.4	
Substation	196.7	34.2	17.6	16.6	
Control Center & Buildings	14.8	0.9	1.7	(0.9)	
Enabling	231.5	47.3	23.8	23.6	
Support Services	21.0	1.0	2.8	(1.8)	
Subtotal	**$ 1,084.8**	**$ 219.6**	**$ 132.9**	**$ 86.7**	**39%**
Other					
Category Z	45.1	7.8	19.0	(11.2)	
% Reserve for Excess Expenditures for NFC	1.3	0.2	-		
Total Capital Expenditures	**$ 1,131.2**	**$ 227.6**	**$ 151.9**	**$ 75.5**	**33%**

Capital Expenditure by Funding

Transmission & Distribution Capital Expenditures – Federally Funded – Preliminary Results

($ million)

Improvement Portfolio	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Customer Experience	275.5	77.6	49.4	28.1	
Distribution	80.8	23.5	8.2	15.3	
Transmission	179.3	18.7	6.5	12.1	
Substations	186.4	33.2	17.3	15.9	
Control Center & Buildings	6.0	0.8	0.4	0.4	
Enabling	198.9	43.7	22.7	21.0	
Support Services	-	-	2.6	(2.6)	
Subtotal	**$ 926.8**	**$ 197.5**	**$ 107.2**	**$ 90.3**	**46%**
Other					
Category Z	45.1	7.8	19.0	(11.2)	
Total Capital Expenditures	**$ 971.9**	**$ 205.3**	**$ 126.2**	**$ 79.1**	**39%**

Transmission & Distribution Capital Expenditures – Non-Federally Funded – Preliminary Results

($ million)

Improvement Portfolio	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Customer Experience	19.0	3.4	4.1	(0.7)	
Distribution	47.0	9.2	14.3	(5.0)	
Transmission	19.3	3.9	4.6	(0.7)	
Substations	10.4	1.0	0.2	0.8	
Control Center & Buildings	8.8	0.0	1.3	(1.3)	
Enabling	32.6	3.6	1.1	2.6	
Support Services	21.0	1.0	0.2	0.8	
Subtotal	**$ 158.0**	**$ 22.2**	**$ 25.8**	**$ (3.6)**	**(16%)**
Other					
% Reserve for Excess Expenditures	1.3	0.2	-	0.2	
Total Capital Expenditures	**$ 159.3**	**$ 22.4**	**$ 25.8**	**$ (3.4)**	**(15%)**

Customer Experience Improvement Portfolio Summary – Preliminary Results

The **Customer Experience Improvement Portfolio** focuses on enhancing customer experience through the Distribution Streetlighting Advanced Metering Infrastructure Implementation and Retail Wheeling programs.

($ million)

Program	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Distribution Streetlighting	**$ 67.9**	**$ 12.5**	**$ 7.6**	**$ 4.9**	**39%**
Federally Funded	67.9	12.5	7.5		
Non-Federally Funded	-	-	0.1		
AMI Implementation Program	**$ 207.6**	**$ 65.1**	**$ 42.1**	**$ 22.9**	**35%**
Federally Funded	207.6	65.1	42.0		
Non-Federally Funded	-	-	0.1		
Meter Replacement & Maintenance	**$ -**	**$ -**	**$ 0.8**	**$ (0.8)**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	0.8		
New Business Connections	**$ 13.8**	**$ 3.0**	**$ 2.9**	**$ 0.1**	**5%**
Federally Funded	-	-	-		
Non-Federally Funded	13.8	3.0	2.9		
Loss Recovery Program	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Billing Accuracy & Back Office	**$ 1.7**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	1.7	-	-		
Voice of the Customer	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Retail Wheeling Program	**$ 3.1**	**$ 0.3**	**$ 0.1**	**$ 0.3**	**84%**
Federally Funded	-	-	-		
Non-Federally Funded	3.1	0.3	0.1		
Standardized Metering & Meter Shop Setup	**$ 0.2**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	0.2	-	-		
Modernize Customer Service Technology	**$ 0.3**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	0.3	-	-		
Total	**$ 294.4**	**$ 81.0**	**$ 53.5**	**$ 27.4**	**34%**

The **Distribution Streetlighting** program focuses on upgrading and replacing hazardous or outdated distribution streetlights, prioritizing the most critical to the network. It includes installing new LED lights, updating Geographic Information System data for streetlight assets, and auditing billing records for approximately 500,000 streetlights.

Key Q1 FY2027 activities included repairing 1,275 luminaire components and 313 streetlight poles across the municipalities of Aguadilla, Barranquitas, Caguas, Carolina, Cataño, Coamo, Hatillo, Las Marias, Naranjito, and Trujillo Alto. The year-to-date variance was due to pole material shortages in Vega Alta and Rincón, with deliveries expected in October and November 2026.

The **Advanced Metering Infrastructure Implementation** program establishes two-way communication capabilities that enable remote meter reading, real-time alerts and analytics, and advanced reporting and control functions. The program will deploy approximately 1.5 million smart meters, create a digital communications network, and integrate a head-end and a meter data management system.

Key Q1 FY2027 activities included exchanging 222,202 meters and installing 635 network devices. The program also initiated behind-the-meter repairs on customer-owned equipment with funding from the U.S. Department of Energy (DOE) and completed 499 assessments/repairs on customer-owned equipment. By addressing customer-owned equipment deficiencies that would otherwise require customer-funded repairs, the program eliminated potential barriers to service readiness at no cost to participating customers while supporting safe, reliable, and resilient electric service. The year-to-date variance was primarily driven by work deferred to later quarters that was originally budgeted for Q1, along with installation volumes below expectations: 635 network devices installed versus 1,205 planned and 222,202 meters installed versus 226,782 planned, mostly due to customer availability to perform the meter exchange.

The **Retail Wheeling Program** is designed to create a system where retail electricity suppliers (RES) can sell energy directly from eligible private generators to eligible end-user customers. As the T&D system operator, LUMA will deliver this energy to participating customers over the existing transmission and distribution network.

Key Q1 FY2027 activities focused on advancing the Interim Solution, including developing the processes and capabilities needed to support enrolling eligible customers, as required by the regulatory directive. Major accomplishments included defining customer eligibility, settlement processes, metering and billing requirements, cybersecurity controls, and future system integration needs. The year-to-date variance was driven by the program's focus on planning, design, and regulatory filing activities rather than implementation. Actual expenditures were limited to internal labor, while major implementation activities and associated spending were deferred pending Energy Bureau approval of the Retail Wheeling Interim Solution proposal.

Distribution Improvement Portfolio Summary – Preliminary Results

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

($ million)

Program	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Distribution Pole & Conductor Repair	**$ 75.4**	**$ 15.2**	**$ 12.3**	**$ 2.9**	**19%**
Federally Funded	35.4	6.5	0.1		
Non-Federally Funded	40.0	8.7	12.2		
Distribution Line Rebuild	**$ 34.8**	**$ 4.5**	**$ 3.1**	**$ 1.4**	**31%**
Federally Funded	27.8	4.0	1.3		
Non-Federally Funded	7.0	0.5	1.8		
Grid Automation	**$ 17.6**	**$ 13.0**	**$ 7.0**	**$ 6.0**	**46%**
Federally Funded	17.6	13.0	6.7		
Non-Federally Funded	-	-	0.3		
Distribution Line Assessment	**$ -**	**$ -**	**$ (0.0)**	**$ 0.0**	**0%**
Federally Funded	-	-	(0.0)		
Non-Federally Funded	-	-	0.0		
Total	**$ 127.9**	**$ 32.7**	**$ 22.4**	**$ 10.3**	**31%**

The **Distribution Pole and Conductor Repair** program focuses on mitigating safety hazards associated with distribution poles, equipment, and conductors that require repair or replacement. A comprehensive assessment of the distribution system and engineering analyses informs major repairs and replacements, prioritizing actions based on pole criticality and emergent repair needs. This process addresses high-priority poles and associated safety hazards, including replacing damaged equipment, conductors, and hardware.

Key Q1 FY2027 activities included installing 700 poles. The program advanced detailed scope-of-work reviews and FEMA coordination across multiple project groups, with several feeders moving toward Issued for Construction and Issued for Bid (IFB) readiness. Procurement mobilization began for galvanized steel pole contracts, enabling timely material delivery for construction activities. The year-to-date variance was due to two primary factors. First, federally funded expenditures were lower than planned because an overstated vendor accrual and delays in planned work caused by material constraints. Second, non-federally funded expenditures exceeded budget due to increased pole replacement activities, including urgent repairs resulting from third-party damage. Additional transformer replacement work associated with failed equipment and voltage fluctuation also contributed to higher-than-budgeted expenditures.

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 Q1 FY2027 activities included initiating construction on priority distribution feeders in Aibonito and advancing design and construction efforts for feeders in Utuado, Vieques, Culebra, and the San Juan Underground Group 1 project. The program also advanced engineering for the Worst Performing Feeders for Resiliency and Reliability Project, with significant progress in assessing 19 feeders, including completing 41 of 44 work order packages and identifying 651 critical points. Construction has been completed at 64 identified locations to date. The year-to-date variance was primarily attributable to material shortages that required additional engineering and design efforts to identify equivalent materials for planned work. Spending on critical underground repairs partially offset the overall variance. Only emergency underground work is proceeding, with activities limited to addressing immediate system reliability and safety concerns.

The **Grid Automation** program primarily focuses on deploying equipment to enhance and modernize distribution and transmission automation. It includes installing automated switchgear on both distribution and transmission feeders and deploying communicating fault sensors on distribution feeders to improve overall system reliability.

Key Q1 FY2027 activities included continued execution of distribution automation deployments across multiple FEMA project groups, with several groups completing both three-phase and single-phase recloser installations. Construction efforts progressed during the quarter, resulting in the installation of 16 three-phase reclosers, 68 single-phase reclosers, 14 communication radio kits, and 79 poles. The year-to-date variance was due to prioritizing resources toward higher-priority projects and critical milestones, leading to fewer DOE-funded recloser deployments than originally forecast.

Transmission Improvement Portfolio Summary – Preliminary Results

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

($ million)

Program	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Transmission Line Rebuild	**$ 126.9**	**$ 7.9**	**$ 0.2**	**$ 7.7**	**97%**
Federally Funded	124.9	7.9	0.5		
Non-Federally Funded	2.0	-	(0.3)		
OT Telecom Systems & Network	**$ 48.5**	**$ 9.8**	**$ 5.1**	**$ 4.7**	**48%**
Federally Funded	48.5	9.8	3.9		
Non-Federally Funded	-	-	1.2		
Transmission Priority Pole Replacements	**$ 21.7**	**$ 4.2**	**$ 4.8**	**$ (0.5)**	**-13%**
Federally Funded	4.5	0.3	1.1		
Non-Federally Funded	17.3	3.9	3.7		
Assessment of Transmission Lines	**$ 1.3**	**$ 0.6**	**$ 1.0**	**$ (0.4)**	**-61%**
Federally Funded	1.3	0.6	1.0		
Non-Federally Funded	-	-	0.0		
Total	**$ 198.5**	**$ 22.6**	**$ 11.1**	**$ 11.4**	**51%**

The **Transmission Line Rebuild** program focuses on rebuilding, hardening, and upgrading transmission infrastructure at 230 kV, 115 kV, and 38 kV.

Key Q1 FY2027 activities included advancing DOE-funded transmission line hardening on energized lines, with transmission line (TL) 13600 completing 13 of 20 poles and TL 2100 completing 21 of 26 poles during execution. Execution for TL 3300 was completed and is pending sulfur hexafluoride testing prior to energization. The year-to-date variance was primarily due to an invoice accrual true-up, pauses in engineering and design activities, and the early completion of several projects below their assigned budgets.

The **OT Telecom Systems & Network** program supports investments to modernize telecommunications infrastructure to enhance data transport, emergency communications, and centralized control across transmission, distribution, and substations.

Key Q1 FY2027 activities included starting construction on FEMA Hurricane María-obligated projects, Infrastructure Group B, and Cerro Puntas. Microwave backbone activities progressed, with 36 of 61 site visits completed. Construction was completed at El Yunque (Río Grande) and Monacillos (San Juan), representing 2 of 13 Land Mobile Radio sites. Modernization activities continued at the Ponce and Atalaya sites, while the remaining Land Mobile Radio locations advanced through implementation planning. The year-to-date variance was due to material availability constraints and procurement delays affecting the Transport Network, Group B, and Microwave projects. The variance was partially offset by non-reimbursable pre-award costs reclassified as non-federally funded expenditures.

The **Transmission Priority Pole Replacement** program includes replacing damaged overhead transmission poles, towers, and associated hardware and conductors.

Key Q1 FY2027 activities included replacing 53 structures during the period. In addition, construction progressed on Lines 2200, 6700, 13300, 9800, 2300, 3700, 100, 13400, and 5600, with construction completion ranging from 45–95%. The year-to-date variance was due to the accelerated completion of DOE transmission line projects TL 36100, TL 38200, and TL 36200, completing all DOE-funded projects for this program. The variance was partially offset by a true-up of prior-year labor charges.

Substations Improvement Portfolio Summary – Preliminary Results

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

($ million)

Program	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Substation Rebuilds	**$ 111.4**	**$ 17.0**	**$ 8.6**	**$ 8.4**	**49%**
Federally Funded	111.4	17.0	8.5		
Non-Federally Funded	-	-	0.1		
Substation Reliability	**$ 82.4**	**$ 17.2**	**$ 9.0**	**$ 8.2**	**48%**
Federally Funded	72.3	16.2	8.6		
Non-Federally Funded	10.1	1.0	0.4		
Substation Physical Security	**$ 3.0**	**$ 0.0**	**$ (0.0)**	**$ 0.1**	**257%**
Federally Funded	2.7	0.0	0.3		
Non-Federally Funded	0.3	-	(0.3)		
Total	**$ 196.7**	**$ 34.2**	**$ 17.6**	**$ 16.6**	**49%**

The **Substation Rebuilds** program focuses on upgrading transmission and distribution substations to improve electric grid reliability.

Key Q1 FY2027 activities included advancing rebuild and engineering, procurement, and construction activities across the system. Execution progressed across multiple projects, with early-stage execution (0–10% construction completion) at Aguirre Phase II, Costa Sur Phases II and III, Tapia GIS, and Sabana Llana; mid-stage execution (11–74%) at Vieques, Centro Médico, Rio Grande Estate, and Costa Sur SP; and late-stage execution (75% or greater) at Bayamón TC. Additional construction activities also advanced at Culebra, Cataño, Aguirre Breakers, Manatí, and Maunabo substations. In addition, one breaker installation at Costa Sur was completed. The year-to-date variance was due to delays in activities supporting substation rebuild and transformer re-energization, primarily resulting from pending Financial Oversight and Management Board for Puerto Rico (FOMB) contract approvals and payment delays affecting architecture and engineering work.

The **Substation Reliability** program focuses on upgrading and reinforcing aging infrastructure to enhance system reliability.

Key Q1 FY2027 activities included replacing six breakers and three switches. Supervisory control and data acquisition (SCADA) and remote terminal unit (RTU) upgrades advanced; high-voltage equipment replacement activities continued across Groups 1–3; and transformer-related projects remained on track, with Factor fully obligated and no anticipated changes, while Guánica progressed through early execution. DOE-funded projects continued to show late-stage progress, with one completing construction and progressing through closeout activities and another completing its core scope, with targeted repair work still underway ahead of closeout. Finally, a third DOE-funded project completed critical work. The year-to-date variance was primarily due to delays in DOE-funded work resulting from contractor delays and material availability, as well as the deferral of other substation activities after crews were reassigned to prioritized DOE projects.

The **Substation Physical Security** program focuses on various physical security shortfalls at transmission and distribution substations. The program will replace and add new security technology and hardware to deter, detect, and delay physical security incidents (e.g., intrusion, theft, damage, employee, and public safety issues).

Key Q1 FY2027 activities included performing CCTV installation at the Berwind Substation (Carolina & San Juan) and Mayagüez Substation. The year-to-date variance was due to a duplicate accounting entry that reversed recorded accruals.

Control Center and Buildings Improvement Portfolio Summary – Preliminary Results

The **Control Center and Buildings Improvement Portfolio** focuses on building the infrastructure needed to deliver reliable, cost-effective energy while meeting applicable regulations through the Facilities Development & Implementation, Critical Energy Management System Upgrades, Control Center Construction & Refurbishment, and Regional Operations Physical Security programs.

($ million)

Program	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Facilities Development & Implementation	**$ 8.5**	**$ -**	**$ 1.2**	**$ (1.2)**	**0%**
Federally Funded	-	-	(0.0)		
Non-Federally Funded	8.5	-	1.2		
Critical Energy Management System Upgrades	**$ 5.5**	**$ 0.8**	**$ 0.4**	**$ 0.4**	**47%**
Federally Funded	5.5	0.8	0.4		
Non-Federally Funded	-	-	0.0		
Control Center Construction & Refurbishment	**$ 0.5**	**$ 0.1**	**$ 0.1**	**$ 0.0**	**22%**
Federally Funded	0.5	0.1	0.1		
Non-Federally Funded	-	-	0.0		
Regional Operations Physical Security	**$ 0.3**	**$ 0.0**	**$ 0.1**	**$ (0.0)**	**-37%**
Federally Funded	-	-	0.0		
Non-Federally Funded	0.3	0.0	0.1		
Total	**$ 14.8**	**$ 1.0**	**$ 1.8**	**$ (0.8)**	**-85%**

The **Critical Energy Management System Upgrades** program aims to replace obsolete and unsupported energy management systems and introduce new technologies to ensure safe, reliable operation of the electric grid.

Key Q1 FY2027 activities included completing the availability period of the new Energy Management System (EMS), which has been operational since April 2026. A request for proposal process for Phase 2 of the EMS project was initiated. The year-to-date variance was primarily attributable to an under-accrual of a software invoice as of the end of September.

The **Control Center Construction & Refurbishment** program focuses on constructing and upgrading facilities to house the primary and backup control centers, as well as all ancillary support services.

Key Q1 FY2027 activities included submitting a revised Detailed Scope of Work to FEMA and resuming development of the National Environmental Policy Act (NEPA) Section 106 Memorandum of Agreement between FEMA, the State Historic Preservation Office, the Central Office for Recovery, Reconstruction and Resiliency, PREPA, and LUMA. The year-to-date variance was due to less work than anticipated because of delays associated with the ongoing National Historic Preservation Act (NHPA) Section 106 process.

The **Regional Operations Physical Security** program focuses on replacing and adding new physical security technology and hardware to deter, detect, and delay physical security incidents (e.g., intrusion, theft, damage) at Regional Operations facilities.

Key Q1 FY2027 activities include installing CCTV at the Aviation Hangar and continuing CCTV and access control at Técnicas, Warehouses, and CX throughout the fiscal year. The year-to-date variance was due to advances in executing CCTV and access control at Warehouses and CX Regional Offices, compared to the quarterly budget.

Enabling Improvement Portfolio Summary – Preliminary Results

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

($ million)

Program	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Vegetation Management and Capital Clearing Implementation	**$ 112.8**	**$ 23.5**	**$ 19.7**	**$ 3.8**	**16%**
Federally Funded	112.8	23.5	19.7		
Non-Federally Funded	-	-	0.0		
Materials Management	**$ 64.5**	**$ 16.8**	**$ 2.0**	**$ 14.8**	**88%**
Federally Funded	64.5	16.8	2.0		
Non-Federally Funded	-	-	0.0		
Microgrid, Phasor Measurement Units (PMU), and Battery Energy Storage Installations and Integration	**$ 21.6**	**$ 3.4**	**$ 0.2**	**$ 3.2**	**94%**
Federally Funded	21.6	3.4	0.2		
Non-Federally Funded	-	-	0.0		
Compliance & Studies	**$ 10.6**	**$ 0.8**	**$ 0.7**	**$ 0.1**	**18%**
Federally Funded	-	-	0.8		
Non-Federally Funded	10.6	0.8	(0.1)		
T&D Fleet	**$ 10.7**	**$ 1.3**	**$ 0.6**	**$ 0.6**	**49%**
Federally Funded	-	-	-		
Non-Federally Funded	10.7	1.3	0.6		
Asset Data Integrity	**$ 3.7**	**$ 0.6**	**$ 0.2**	**$ 0.4**	**67%**
Federally Funded	-	-	-		
Non-Federally Funded	3.7	0.6	0.2		
Tools Repair & Management	**$ 7.4**	**$ 1.0**	**$ 0.4**	**$ 0.6**	**62%**
Federally Funded	-	-	-		
Non-Federally Funded	7.4	1.0	0.4		
Lands & Permits Processes and Management	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Emergency Response Preparedness	**$ 0.1**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	0.1	-	-		
Project Management Software and Tools	**$ -**	**$ -**	**$ (0.0)**	**$ 0.0**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	(0.0)		
HSE and Technical Training	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Workflow Processes & Tracking	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Total	**$ 231.5**	**$ 47.3**	**$ 23.8**	**$ 23.6**	**50%**

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 Q1 FY2027 activities included completing the assessment, trimming, and removal of vegetation along 330 miles of distribution lines and 198 miles of transmission under the vegetation maintenance program. As part of the federally funded vegetation safety

and reliability initiative, LUMA assessed and cleared 548 miles of vegetation along distribution and transmission lines. We continued federally funded vegetation work in Bayamón Group A (high density and low density), Arecibo Group A (low density), Caguas Group A (high density), Mayagüez Group A (low density), and across single-line distribution obligations. LUMA also advanced clearing and execution planning for 38 kV Lines 1900 and 10000 and submitted additional 38 kV lines to FEMA for obligation. During the quarter, we also continued negotiating new vegetation contracts with our vendors. The year-to-date variance was driven by a vendor credit and project work charged to O&M rather than federal funding because portions of the work were determined to be outside the FEMA-obligated scope.

LUMA Quarterly Vegetation Management by Voltage Level

	FY2027 Q1 Miles			FY2027 Q1 Acres[10]		
Voltage	Federally Funded Clearing[11]	OpEx Maintenance	Total Miles	Federally Funded Clearing[11]	OpEx Maintenance	Total Acres
Distribution	529	330	858	641	400	1040
38 kV	18	99	117	53	301	355
115 kV	2	56	57	20	674	694
230 kV	0	43	43	0	526	526
Total	**548**	**528**	**1076**	**714**	**1901**	**2615**

The **Materials Management** program focuses on asset recovery, oil containment, inventory management, asset suite reconfiguration, demand training, and implementing KPIs for materials. It also includes capital planning for material handling and warehousing improvements, logistics functions and equipment, and material evaluation and disposition.

Key Q1 FY2027 activities included improving financial visibility and forecast accuracy by enhancing tracking of long-lead equipment and critical financial data, and strengthening support for FY2027 forecasting and accrual management. The year-to-date variance was primarily driven by delivery delays and vendor-related issues affecting material availability. While several transformers were received during the period, overall spending remained below plan

The **Microgrid, Phasor Measurement Units, and Battery Energy Storage Installations and Integration** program supports projects that enhance system reliability and resilience, restore functionality, and mitigate safety hazards.

Key Q1 FY2027 activities included engaging with FEMA on potential scope modifications for the Vieques and Culebra microgrid projects to evaluate alternatives,

[10] To calculate acres from miles, the methodology converts the miles to feet by multiplying by 5,280. The calculation assumes a specific right-of-way width for each voltage level: distribution = 10 ft, 38 kV = 25 ft, and 115 and 230 kV = 100 ft). Multiplying the linear feet by the ROW width determines the square feet completed, which the team then divides by 43,560 to arrive at the final acreage.

[11] For federally funded miles and acres, the figure includes both completed work and miles assessed as clear spans.

including installing a submarine cable. The team also coordinated with PREPA to confirm support for the proposed scope changes. In addition, the team continued discussions with FEMA regarding the Section 406 narrative for the Battery Energy Storage System (BESS). During the quarter, efforts focused on advancing the Aguadilla BESS project by developing a revised SOW. The year-to-date variance was due to recent obligations for feeder projects, with construction activities deferred until the end of FY2027.

The **Compliance & Studies** program supports transmission and distribution planning, protection studies, and the development of hosting capacity data—the amount of distributed energy resources that can be accommodated on the distribution system—for public and internal use.

Key Q1 FY2027 activities included completing more than 162 cluster studies associated with expedited DER interconnections, covering 5,821 DER projects with an aggregate capacity of 56,360 kW alternating current. In addition, LUMA completed 56 Individual Studies for regular (non-expedited) DER interconnection requests of over 25 kW, representing an aggregate capacity of 7,763 kW AC. The year-to-date variance was due to reallocating resources to prioritize other initiatives. Federal charges associated with program projects are also under review for potential reclassification to O&M.

The **T&D Fleet** program focuses on upgrading the existing fleet of vehicles, aircraft, and equipment to meet industry standards. It focuses on initiating and improving processes for data collection, asset repair, and maintenance.

Key Q1 FY2027 activities included completing Department of Transportation inspections and American National Standards Institute (ANSI) vehicle compliance inspections, as well as conducting maintenance, inspections, and repairs on three helicopters within the fleet. The year-to-date variance was due to lower-than-anticipated activity, with work primarily focused on vehicle compliance inspections and helicopter maintenance, inspection, and repair activities.

The **Asset Data Integrity program** ensures accurate key asset data, supporting effective modeling, operations, and planning for the transmission and distribution system.

Key Q1 FY2027 activities included defining processes for managing assessments within the Computerized Maintenance Management System (CMMS), standardizing inspection processes for substation sites, reconciling relay records with field audit results, uploading missing equipment records, and initiating recloser reconciliation activities. Additional efforts included beginning asset tagging under the DOE TPA project, with approximately 2,000 poles tagged. The year-to-date variance was due to deferring professional services activities because of procurement delays, which postponed the CMMS vendor contract extension and Scope of Work.

The **Tools Repair & Management Program** enhances workforce safety and operational efficiency by providing necessary PPE and tools while implementing a centralized management system to improve inventory control, maintenance, supply, coordination, and oversight of equipment and tool usage.

Key Q1 FY2027 activities included procuring a cable puller trailer for underground cable operations, which has been awarded and is currently being manufactured. Additionally, LUMA secured orders for tools and equipment to support transmission and substation projects, positioning teams for upcoming execution once deliveries are completed. The year-to-date variance was due to the timing of tools and equipment purchases and repair services, which were received or completed later than planned.

Support Services Improvement Portfolio Summary – Preliminary Results

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

($ million)

Program	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Critical Financial Systems	**$ 6.4**	**$ -**	**$ (0.0)**	**$ 0.0**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	6.4	-	(0.0)		
IT OT Collaboration & Analytics	**$ 5.4**	**$ 0.1**	**$ -**	**$ 0.1**	**100%**
Federally Funded	-	-	-		
Non-Federally Funded	5.4	0.1	-		
IT OT Asset Management	**$ 4.8**	**$ 0.5**	**$ 0.1**	**$ 0.5**	**90%**
Federally Funded	-	-	-		
Non-Federally Funded	4.8	0.5	0.1		
IT OT Enablement Program	**$ 4.0**	**$ 0.4**	**$ 0.1**	**$ 0.2**	**65%**
Federally Funded	-	-	-		
Non-Federally Funded	4.0	0.4	0.1		
Update to Third Party Use, Audit, Contract and Billing Procedures	**$ -**	**$ -**	**$ 2.6**	**$ (2.6)**	**0%**
Federally Funded	-	-	2.6		
Non-Federally Funded	-	-	0.0		
Critical Financial Controls	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
IT OT Cybersecurity Program	**$ 0.4**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	0.4	-	-		
Land Record Management	**$ -**	**$ -**	**$ (0.0)**	**$ 0.0**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	(0.0)		
Electric Vehicle Implementation Support	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Public Safety Program	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Waste Management	**$ -**	**$ -**	**$ -**	**$ -**	**0%**
Federally Funded	-	-	-		
Non-Federally Funded	-	-	-		
Total	**$ 21.0**	**$ 1.0**	**$ 2.8**	**$ (1.8)**	**(180%)**

The **IT OT Collaboration & Analytics** program improves collaboration and data-driven decision-making by consolidating IT/OT solutions, strengthening data governance, and modernizing core systems. It also boosts efficiency through automation, centralizes performance metrics, and sets a target architecture roadmap for long-term operational excellence.

Key Q1 FY2027 activities included the production deployment of Phase 1 of the migration from Microsoft Project Online to Oracle Primavera P6 EPPM Cloud: 776 of 799 capital project schedules (97%) were migrated. The migration of enterprise

databases from the legacy cluster to the new Oracle Database 19c cluster continued, including validating the application development platform on the new cluster, completing a historical database import, and documenting and testing for the enterprise integration platform upgrade. LUMA evaluated performance improvement options for the advanced metering infrastructure AMI data processed in the enterprise data lake as input to the Data Lake Expansion (Phase 2) scope, and began initial work on the enterprise data governance framework, including a data-retention tiering framework. The year-to-date budget is generally in line with the budget, with no significant variance.

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 operations, continuity, and improved customer responsiveness. The program also encompasses developing a new backup data center to enhance the reliability and resilience of technology systems.

Key Q1 FY2027 activities included continuing evaluations for the Workforce Management Project. The year-to-date variance was due to deferring the Compliance Management software implementation after delays in commissioning the new EMS.

The **IT OT Enablement** program focuses on implementing capabilities to deliver and maintain IT/OT services and systems, enabling LUMA employees to operate in accordance with industry best practices, ensure systems compliance, and standardize processes and tools.

Key Q1 FY2027 activities included successfully acquiring high-performance end-user devices across LUMA, supporting business end-user device enablement and replacement needs, and reducing the risk of failures and data breaches due to inadequate equipment. The year-to-date variance was due to the timing of end-user device purchases, as fewer purchase orders were executed than initially planned.

FY2027 Shared Services

Shared Services Summary – Preliminary Results

($ million)

	FY2027 Budget[4]	Q1 Budget[4]	Q1 Actuals[4]	Variance ($)[4]	Variance (%)
Shared Services Total	**$ 5.8**	**$ 1.4**	**$ 0.7**	**$ 0.7**	**13%**

The financial information provided in this report has not been audited and should not be used for any purpose other than the report itself. The limitations and lack of integration of PREPA's financial and related systems, as well as the identified pre-existing control gaps, may also affect the overall accuracy of the reported results.