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General Text Color Guides

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Note - GridCo numbers are being presented but have not been verified.
Amounts received 5/17/2022.

FY22 Monthly B2A Summary

(\$ millions)

Summary	March-22				YTD			
	Mar-22 Budget	Mar-22 Actual	Mar-22 Variance (\$)	Mar-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
A. Revenue								
Total Gross Revenue	281	362	81	29.0%	2,591	3,072	482	18.6%
Other Income	3	1	(2)	(78.8%)	23	58	35	151.5%
Total Unconsolidated Revenue	\$ 283	\$ 363	\$ 79	28.0%	\$ 2,614	\$ 3,131	\$ 517	19.8%
Bad Debt Expense ¹	(5)	-	5	(100.0%)	(48)	(48)	-	0.0%
CILT & Subsidies ²	(21)	(1)	21	(96.7%)	(198)	(190)	8	(4.1%)
Total Consolidated Revenue	\$ 257	\$ 362	\$ 105	40.9%	\$ 2,368	\$ 2,893	\$ 525	22.2%
B. Expenses								
Fuel & Purchased Power	\$ 156	\$ 228	\$ (72)	(46.0%)	\$ 1,495	\$ 2,064	\$ (569)	(38.1%)
GenCo:								
GenCo Labor Operating Expenses	\$ 6	\$ 7	\$ (0)	(4.3%)	\$ 58	\$ 51	\$ 7	12.0%
GenCo Non-Labor/Other Operating Expense	\$ 4	\$ 4	\$ 0	3.1%	\$ 39	\$ 40	\$ (0)	(0.7%)
Shared Services Agreement Impact	\$ 5	\$ (2)	\$ 7	142.6%	\$ 42	\$ 10	\$ 32	75.7%
Total GenCo Maintenance Projects Expense	\$ 9	\$ 23	\$ (14)	(163.3%)	\$ 80	\$ 59	\$ 21	26.4%
Federal Funding Cost Share	\$ -	\$ -	\$ -	n.a.	\$ 0	\$ -	\$ 0	100.0%
Total GenCo Operating & Maintenance Expenses	\$ 24	\$ 32	\$ (8)	(32.9%)	\$ 219	\$ 159	\$ 59	27.2%
HoldCo:								
HoldCo Labor Operating Expenses	\$ 1	\$ 2	\$ (0)	(24.7%)	\$ 13	\$ 10	\$ 3	23.7%
HoldCo Non-Labor / Other Operating Expenses	\$ 7	\$ 9	\$ (1)	(20.1%)	\$ 65	\$ 85	\$ (20)	(31.4%)
Total HoldCo Operating Expenses	\$ 9	\$ 10	\$ (2)	(20.9%)	\$ 78	\$ 95	\$ (17)	(22.0%)
GridCo:								
Total GridCo Operating & Maintenance Expenses ³	\$ 68	\$ 42	\$ 26	37.9%	\$ 544	\$ 582	\$ (38)	(6.9%)
Total Expenses	\$ 257	\$ 313	\$ (56)	-21.72%	\$ 2,336	\$ 2,900	\$ (564)	-24.17%
C. Net Balance	\$ (1)	\$ 49	\$ 49	-9485.86%	\$ 33	\$ (7)	\$ (39)	-120.23%

Note 1 - Bad Debt set equal to budget, null value / no data provided by LUMA, creates a large positive Net Balance variance.

Note 2 - CILT & Subsidies cost set equal to CILT & Subsidies revenue due to apparent underreporting, which creates a large positive Net Balance variance.

Note 3 - GridCo numbers presented as received on 5/17/2022.

FY22 Monthly Revenues

	January-22				February-22				March-22				YTD			
	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)	Feb-22 Budget	Feb-22 Actual	Feb-22 Variance (\$)	Feb-22 Variance (%)	Mar-22 Budget	Mar-22 Actual	Mar-22 Variance (\$)	Mar-22 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
Revenues																
Basic Revenue																
1 Residential	32	31	(0)	(1.5%)	29	27	(2)	(7.6%)	32	29	(2)	(7.0%)	306	310	4	1.3%
2 Commercial	47	35	(13)	(26.9%)	45	49	4	8.2%	49	52	3	5.2%	449	447	(2)	(0.5%)
3 Industrial	9	9	(0)	(4.4%)	10	8	(2)	(18.4%)	11	9	(2)	(18.7%)	93	79	(14)	(15.5%)
4 Public Lighting	5	5	(1)	(9.9%)	5	4	(1)	(12.5%)	5	4	(1)	(14.7%)	46	39	(6)	(14.1%)
5 Agricultural	0	0	0	7.2%	0	0	(0)	(10.4%)	0	0	(0)	(11.1%)	2	2	(0)	(2.1%)
6 Others	0	0	(0)	(27.6%)	0	0	(0)	(30.6%)	0	0	(0)	(25.2%)	2	1	(0)	(22.9%)
Total Basic Revenue	94	80	(14)	(15.1%)	90	89	(1)	(1.1%)	97	94	(2)	(2.5%)	898	878	(20)	(2.2%)
Fuel & Purchased Power																
7 Residential	63	92	29	45.5%	58	77	19	32.8%	63	96	32	50.9%	610	833	223	36.6%
8 Commercial	70	101	31	44.5%	65	100	34	52.7%	74	114	40	54.3%	670	891	222	33.1%
9 Industrial	18	29	11	63.2%	19	26	6	33.6%	21	30	8	39.6%	184	229	45	24.5%
10 Public Lighting	3	4	1	24.2%	3	4	1	51.9%	4	5	1	38.9%	27	38	11	42.7%
11 Agricultural	0	0	0	57.4%	0	0	0	29.6%	0	0	0	45.7%	2	6	3	145.4%
12 Others	0	1	0	107.1%	0	0	(0)	(49.9%)	0	1	0	51.7%	3	9	5	160.6%
Total Purchased Power	154	226	72	46.8%	146	207	61	42.0%	163	245	83	50.7%	1,495	2,005	510	34.1%
CLT																
13 Residential	2	2	(1)	(20.3%)	2	2	(1)	(25.7%)	2	2	(1)	(25.9%)	24	18	(6)	(26.2%)
14 Commercial	3	2	(1)	(20.2%)	3	2	(0)	(13.9%)	3	2	(1)	(18.7%)	26	18	(9)	(33.0%)
15 Industrial	1	1	(0)	(9.5%)	1	1	(0)	(26.5%)	1	1	(0)	(31.8%)	7	5	(2)	(33.6%)
16 Public Lighting	0	0	(0)	(68.2%)	0	0	(0)	(10.2%)	0	0	(0)	(29.6%)	1	1	0	3.2%
17 Agricultural	0	0	(0)	(13.0%)	0	0	(0)	(25.8%)	0	0	(0)	(27.3%)	0	0	0	242.0%
18 Others	0	0	0	8.3%	0	0	(0)	(63.6%)	0	0	(0)	(26.8%)	0	1	0	301.2%
Total CLT	6	5	(1)	(19.9%)	6	4	(1)	(20.3%)	6	5	(1)	(23.5%)	59	42	(17)	(28.5%)
Subsidies																
19 Residential	6	6	0	6.9%	5	6	1	13.9%	6	7	1	14.3%	57	60	4	6.6%
20 Commercial	6	7	0	6.3%	6	8	2	33.3%	7	9	2	25.7%	62	68	6	9.1%
21 Industrial	2	2	0	24.2%	2	2	0	12.2%	2	2	0	4.9%	17	17	(0)	(1.7%)
22 Public Lighting	0	0	0	15.0%	0	0	0	46.8%	0	0	0	11.8%	2	2	(0)	(4.9%)
23 Agricultural	0	0	0	19.8%	0	0	0	14.5%	0	0	0	12.7%	0	0	(0)	(55.1%)
24 Others	0	0	0	48.4%	0	0	(0)	(39.8%)	0	0	0	10.9%	0	0	(0)	(80.5%)
Total Subsidies	14	15	1	8.9%	13	16	3	22.8%	15	18	3	18.2%	139	148	9	6.2%
Total Revenue																
Total Gross Revenue	268	326	58	21.7%	254	316	62	24.4%	281	362	81	29.0%	2,591	3,072	482	18.6%
25 Other Income	3	0	(3)	(99.6%)	3	0	(2)	(81.5%)	3	1	(2)	(78.8%)	23	58	35	151.5%
Total Unconsolidated Revenue	\$ 271	\$ 326	\$ 56	20.5%	\$ 257	\$ 316	\$ 60	23.3%	\$ 283	\$ 363	\$ 79	28.0%	\$ 2,614	\$ 3,131	\$ 517	19.8%
26 Bad Debt Expense	(5)	-	5	(100.0%)	(5)	-	5	(100.0%)	(5)	-	5	(100.0%)	(48)	-	48	(100.0%)
27 CLT & Subsidies	(20)	(0)	20	(98.3%)	(19)	(10)	9	(45.5%)	(21)	(1)	21	(96.7%)	(198)	(21)	177	(89.2%)
Total Consolidated Revenue	\$ 245	\$ 326	\$ 81	32.9%	\$ 232	\$ 306	\$ 74	31.7%	\$ 257	\$ 362	\$ 105	40.9%	\$ 2,368	\$ 3,109	\$ 741	31.3%

Note 1 - GridCo numbers are being presented but have not been verified. Amounts received 5/17/2022.

FY22 Monthly Expenses

(\$ millions)

Expenses	January-22				February-22				March-22				March YTD			
	Jan-22 Budget	Jan-22 Actual	Jan-22 Variance (\$)	Jan-22 Variance (%)	Feb-22 Budget	Feb-22 Actual	Feb-22 Variance (\$)	Feb-22 Variance (%)	Mar-22 Budget	Mar-22 Actual	Mar-22 Variance (\$)	Mar-22 Variance (%)	March YTD Budget	March YTD Actual	March YTD Variance (\$)	March YTD Variance (%)
A. Fuel and Purchased Power																
28 Fuel	85	152	(67)	(79.8%)	87	157	(70)	(80.6%)	84	157	(72)	(86.0%)	878	1,452	(575)	(65.5%)
29 Purchased Power - Conventional Power	63	56	7	11.4%	57	56	1	1.6%	64	64	0	0.4%	552	556	(4)	(0.8%)
30 Purchased Power - Renewable Power	7	6	1	15.0%	8	6	2	20.8%	8	8	0	2.3%	66	56	10	15.0%
Total Fuel and Purchased Power	\$ 155	\$ 214	\$ (59)	(38.2%)	\$ 151	\$ 219	\$ (68)	(44.7%)	\$ 156	\$ 228	\$ (72)	(46.0%)	\$ 1,495	\$ 2,064	\$ (569)	(38.1%)
B. GenCo - Operations & Maintenance Expenses																
Labor																
31 Salaries & Wages	3	3	(0)	(18.0%)	3	3	(0)	(9.3%)	3	3	(1)	(34.2%)	23	28	(5)	(21.6%)
32 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	0	2	(1)	(464.5%)	0	2	(1)	(407.6%)	0	2	(2)	(529.5%)	3	12	(10)	(360.4%)
33 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
34 Pension Benefits - Employer Contribution	2	2	0	100.0%	2	2	0	100.0%	2	2	0	100.0%	16	-	16	100.0%
35 Healthcare Expense	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	4	-	4	100.0%
36 Overtime Pay	1	1	0	0.0%	1	1	0	(32.5%)	1	1	(0)	(52.0%)	7	9	(2)	(30.8%)
37 Overtime Benefits	0	0	0	0.0%	0	0	0	(63.3%)	0	0	(0)	(63.6%)	1	1	(0)	(18.4%)
38 GenCo Temporary Operating Positions	0	0	0	100.0%	0	0	0	100.0%	0	0	0	100.0%	1	-	1	100.0%
39 GenCo Emergency Operating Positions	0	0	0	100.0%	0	0	0	100.0%	0	0	0	100.0%	3	-	3	100.0%
40 GenCo Security Personnel	0	0	0	100.0%	0	0	0	100.0%	0	0	0	100.0%	1	-	1	100.0%
Total Genco Labor Operating Expenses	\$ 6	\$ 5	\$ 1	14.8%	\$ 6	\$ 5	\$ 1	14.1%	\$ 6	\$ 7	\$ (0)	(4.3%)	\$ 58	\$ 51	\$ 7	12.0%
Non-Labor/Other Operating Expense																
41 Materials & Supplies	2	2	(0)	(6.6%)	2	2	(1)	(42.0%)	2	3	(1)	(84.5%)	14	18	(4)	(32.9%)
42 Transportation, Per Diem, and Mileage	0	0	(0)	(78.7%)	0	0	(0)	(129.2%)	0	0	(0)	(124.9%)	1	2	(1)	(121.2%)
43 Security	1	1	0	9.2%	1	(1)	2	191.0%	1	(0)	1	101.2%	8	9	(1)	(15.8%)
44 Utilities & Rents	0	0	0	72.0%	0	0	0	49.8%	0	0	0	77.8%	4	1	3	69.1%
45 Professional & Technical Outsourced Services	0	0	0	77.7%	0	0	0	58.2%	0	0	0	33.9%	4	1	3	71.6%
46 Other Miscellaneous Expenses	1	0	1	69.8%	1	2	(1)	(105.6%)	1	1	0	17.5%	9	8	1	13.5%
Total Non-Labor/Other Operating Expense	\$ 4	\$ 3	\$ 1	28.4%	\$ 4	\$ 4	\$ 0	6.6%	\$ 4	\$ 4	\$ 0	3.1%	\$ 39	\$ 40	\$ (0)	(0.7%)
47 Shared Services Agreement Impact	5	(4)	8	180.0%	5	(4)	8	181.0%	5	(2)	7	142.6%	42	10	32	75.7%
Total Genco Operating Expenses	\$ 15	\$ 5	\$ 11	68.5%	\$ 15	\$ 6	\$ 10	62.3%	\$ 15	\$ 9	\$ 6	42.1%	\$ 139	\$ 100	\$ 38	27.6%
Maintenance																
48 Generation	9	16	(7)	(80.4%)	9	7	2	19.2%	9	23	(14)	(163.3%)	80	59	21	26.4%
Total GenCo Maintenance Projects Expense	\$ 9	\$ 16	\$ (7)	(80.4%)	\$ 9	\$ 7	\$ 2	19.2%	\$ 9	\$ 23	(14)	(163.3%)	\$ 80	\$ 59	\$ 21	26.4%
49 Federal Funding Cost Share	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	0	0	0	100.0%
Total Genco Operating & Maintenance Expenses	\$ 24	\$ 21	\$ 3	14.1%	\$ 24	\$ 13	\$ 11	46.6%	\$ 24	\$ 32	(8)	(32.9%)	\$ 219	\$ 159	\$ 59	27.2%
C. HoldCo - Operations Expenses																
Labor																
50 Salaries & Wages	1	1	(0)	(6.1%)	1	1	0	4.9%	1	1	(0)	(59.6%)	7	6	1	13.5%
51 Marginal Benefits (excl. Healthcare, Pension and Ch. Bonus)	0	0	(0)	(412.2%)	0	0	(0)	(382.3%)	0	1	(1)	(639.2%)	1	4	(3)	(446.1%)
52 Christmas Bonus	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.	-	-	-	n.a.
53 Pension Benefits - Employer Contribution	0	0	0	100.0%	0	0	0	100.0%	0	0	0	100.0%	4	-	4	100.0%
54 Healthcare Expense	0	0	0	100.0%	0	0	0	100.0%	0	0	0	100.0%	1	1	0	100.0%
55 Overtime Pay	0	0	0	56.6%	0	(0)	0	117.3%	0	0	(0)	(2.4%)	0	0	0	35.8%
56 Overtime Benefits	0	0	0	80.4%	0	0	0	71.8%	0	0	0	46.5%	0	0	0	64.5%
Total HoldCo Labor Operating Expenses	\$ 1	\$ 1	\$ 0	16.7%	\$ 1	\$ 1	\$ 0	25.5%	\$ 1	\$ 2	(0)	(24.7%)	\$ 13	\$ 10	\$ 3	23.7%
Non-Labor / Other Operating Expenses																
57 Materials & Supplies	0	0	0	82.9%	0	(0)	0	138.9%	0	0	(0)	(240.1%)	0	0	(0)	(264.7%)
58 Transportation, Per Diem, and Mileage	0	0	0	68.0%	0	0	0	76.0%	0	0	0	5.1%	0	0	0	29.2%
59 Retiree Medical Benefits	1	(1)	2	153.7%	1	(1)	1	151.1%	1	0	1	88.6%	9	7	2	26.2%
60 Utilities & Rents	0	1	(1)	(1882820.3%)	0	1	(1)	(1882469.7%)	0	1	(1)	(2176117.7%)	0	8	(8)	(1756770.0%)
61 Communications Expenses	0	-	0	100.0%	0	-	0	100.0%	0	-	0	100.0%	0	-	0	100.0%
62 Professional & Technical Outsourced Services	0	2	(2)	(498.0%)	0	0	(0)	(26.0%)	0	0	0	16.0%	3	3	0	12.9%
63 Other Miscellaneous Expenses	0	(2)	2	1302.8%	0	4	(4)	(2708.7%)	0	2	(2)	(1075.5%)	1	32	(31)	(2234.0%)
64 PREPA Restructuring & Title III	3	4	(1)	(21.5%)	3	7	(4)	(124.1%)	3	3	0	6.4%	29	16	13	45.8%
65 FOMB Advisor Costs allocated to PREPA	2	-	2	100.0%	2	0	2	93.6%	2	2	(0)	(13.1%)	18	15	3	15.9%
66 P3 Authority Transaction Costs	0	2	(2)	(500.0%)	0	0	0	0.0%	0	-	0	100.0%	4	4	(1)	(22.2%)
Total HoldCo Non-Labor / Other Operating Expenses	\$ 7	\$ 7	\$ 0	3.7%	\$ 7	\$ 13	(6)	(79.3%)	\$ 7	\$ 9	(1)	(20.1%)	\$ 65	\$ 85	(20)	(31.4%)
Total HoldCo Operating Expenses	\$ 9	\$ 8	\$ 1	5.9%	\$ 9	\$ 14	(5)	(61.4%)	\$ 9	\$ 10	(1)	(20.9%)	\$ 78	\$ 95	(17)	(22.0%)
D. GridCo - Operating & Maintenance Expenses																
67 GridCo Labor Operating Expenses	19	24	(5)	(27.1%)	19	22	(3)	(16.3%)	19	19	0	1.0%	158	210	(53)	(33.6%)
68 GridCo Non-Labor / Other Operating Expenses	29	35	(6)	(20.4%)	29	19	10	64.3%	31	11	20	64.3%	265	263	2	0.6%
69 Operator Service Fees	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	10	10	(0)	(1.6%)	86	88	(1)	(1.6%)
70 2% Reserve for Excess Expenditures	1	-	1	100.0%	1	1	0	100.0%	1	1	0	100.0%	8	-	8	100.0%
71 Maintenance Projects Expenses	12	2	10	80.9%	12	16	(4)	(35.1%)	12	8	4	33.8%	69	65	4	6.3%
72 Shared Services Agreement Impact	(5)	(6)	1	(23.2%)	(5)	(4)	(1)	10.2%	(5)	(6)	1	(21.4%)	(41)	(44)	3	(7.2%)
Total GridCo Operating & Maintenance Expenses	\$ 66	\$ 65	\$ 0	0.7%	\$ 66	\$ 63	\$ 3	4.8%	\$ 68	\$ 42	\$ 26	37.9%	\$ 544	\$ 582	\$ (38)	(6.9%)
Total Operating & Maintenance Expenses	\$ 253	\$ 308	\$ (55)	-21.60%	\$ 250	\$ 309	(58)	-23.36%	\$ 257	\$ 313	(56)	-21.72%	\$ 2,336	\$ 2,900	(564)	-24.17%

Note 1 - GridCo numbers are being presented but have not been verified. Amounts received 5/17/2022.

Puerto Rico Electric Power Authority
Variance Detail
FISCAL YEAR 2022
As Of: 05/16/22

As required by the June 2022 Certified Fiscal Plan, please include explanation for material variances (greater than 10% and/or \$30 million). Other relevant detail, notes, or explanations can also be included in additional tabs of this file. Details for each variance to be included in additional tabs of this file.

Variance #1
FOMB Category: [Fuel and Purchased Power]
Account: Fuel

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical (%)	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
Fuel	\$ 878		\$ 1,452		\$ (575)		-65.47%	

Variance Explanation
The negative variance in fuel expense of \$210 M for Q3 FY2022 is composed of negative variances in bunker C and diesel fuel of \$220 M and \$44 M, respectively, and a positive variance in LNG of \$54 M. The expense variances are driven by variances in generation dispatch, fuel availability or supply constraints, and fuel prices discussed below.

Root Cause
The substantial negative budget variance in Fuel Cost for Q3 FY22 was driven by higher than budget bunker and diesel unit generation, combined with higher than budget bunker, diesel, and LNG fuel prices. Bunker fuel expense was the single largest variance, nearly 2 times higher than the budget amount, and bunker fuel cost per barrel was nearly 60% higher than budget. Diesel fuel expense was also nearly 2 times higher than budget due to much higher dispatch and fuel prices than budgeted. Generation and fuel consumption at PREPA's residual fuel oil steam plants and diesel combustion turbines increased substantially during Q3 in part due to limited LNG availability. For Q3 FYTD, bunker fuel consumption was over 30% higher than budget and due to higher prices, bunker fuel expense was more than 80% higher than budget. Costa Sur LNG and San Juan LNG consumption remained well below budget due to lack of or limited availability of LNG cargoes at San Juan Harbor and EcoEléctrica import terminals. The total Q3 FYTD LNG consumption was almost 40% lower than budget while the cost of LNG was only about 20% below budget due to 20% higher LNG prices.

Corrective Action
PREPA is working to repair units and increase availability by proactively identifying high risk units and reprioritizing maintenance crews. PREPA is also pursuing legal action against LNG fuel suppliers where possible.

Variance #2
FOMB Category: [Shared Service Agreement Impact]
Account: Shared Service Agreement Impact

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical (%)	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
Shared Service Agreement Impact	\$ 42		\$ 10		\$ 32		75.73%	

Variance Explanation
The positive variance in shared service agreement impact expense of \$32 M is composed of wrongly recording of expenses related to insurance. Negative variance in insurance is explained and related to Variance #3

Root Cause
Insurance expense has been recorded in the wrong responsibility since start of fiscal year 21-22. It has been recorded in responsibility 620 (Seguros), which doesn't have an approved budget by FOMB, instead of in responsibility 677 (Total Shared Services). Based on Shared Service Agreement contract, insurance will be charged to this responsibility.

Corrective Action
PREPA is in communication with LUMA to do the corresponding adjustment, to be reflected in April 2022.

Variance #3
FOMB Category: [Other Miscellaneous Expenses]
Account: Insurance

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical (%)	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
Insurance	\$ 1		\$ 32		\$ (31)		-2234.05%	

Variance Explanation

The negative variance in other miscellaneous expenses of \$(31) M is composed of wrongly recording of expenses related to insurance. Positive variance in shared service agreement impact is related and explained in Variance #2.

Root Cause

Insurance expense has been recorded in the wrong responsibility since start of fiscal year 21-22. It has been recorded in responsibility 620 (Seguros), which doesn't have an approved budget by FOMB, instead of in responsibility 677 (Total Shared Services). Based on Shared Service Agreement contract, insurance will be charged to this responsibility.

Corrective Action

PREPA is in communication with LUMA to do the corresponding adjustment, to be reflected in April 2022.

Variance #4

FOMB Category: GridCo Operating & Maintenance Expenses

Account: GridCo Labor Operating Expenses

Expenses	Budget YTD	Vertical %	Actual YTD	Vertical %	Variance (\$)	Vertical (%)	Budget Horizontal Variance YTD (%)	Budget Vertical Variance YTD (%)
GridCo Labor Operating Expenses	\$ 158		\$ 210		\$ (53)		-33.56%	

Variance Explanation

The following variance explanation, root cause description, and corrective action description applies to Q1, Q2 and Q3 of FY2022.

The primary reason for the budget variance for Labor Operating Expenditures relates to costs associated with the number of mainland workers required to stabilize the grid and to accomplish the task of training and upgrading the existing labor force in terms of both overall job skills as well as a specific emphasis on safety processes and procedures. A priority was placed on building a safe and effective energy workforce through increased training and mentorship by seconded skilled temporary employees and the associated LUMA lineworker paid overtime.

Root Cause

The root cause was the critical need for LUMA to have qualified field personnel as part of each crew, as well as mentoring to provide continuity of service and to bridge an initial need due to the serious lack of industry standard safety and work practices taught and followed at PREPA. LUMA's proactive actions to augment the workforce with trained and qualified workers was necessary to prevent safety incidents and avoid additional outage impacts on customers.

Corrective Action

LUMA's focus on providing safety and technical training to LUMA employees in order to increase their competencies, including graduating students as electric utility lineworkers from the LUMA College for Technical Training, has allowed to reduce the reliance on mainland workers to augment the workforce in Q3 of FY2022. This trend is expected to continue in Q4 of FY2022. LUMA is carefully managing both its labor and non-labor costs over the remainder of the fiscal year and forecasts its overall spending to be in line with aggregate budgets for the fiscal year.

PUERTO RICO ELECTRIC POWER AUTHORITY

FEMA Funds Tracker as of: May-22

Date	Bank Deposited to	Account Number	Account Description	Notes	Amount
9/5/2021	Banco Popular	030-083524	FEMA 3384 EM PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-090458	FEMA 4336 DR PR Irma	FEMA Irma	-
9/5/2021	Banco Popular	030-083540	FEMA 4339 DR PR Maria	FEMA Maria	-
9/5/2021	Banco Popular	030-225914	FEMA 4473 DR PR Earthquake	FEMA Earthquake	-
Total FEMA Funds Deposited for month ending:					\$ -

EXHIBIT 1 - BUDGET - REVENUES

PUERTO RICO ELECTRIC POWER AUTHORITY															
\$ Thousand	FY22 Budget	Q1	Q1	Q1	Q2	Q2	Q2	Q3	Q3	Q3	Q4	Q4	Q4	FY22	
		Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22		
Basic Revenue															
1	Residential	408,335	36,573	37,900	35,754	36,657	33,484	33,654	31,592	29,040	31,515	31,838	34,729	35,598	408,334.99
2	Commercial	599,247	51,319	52,768	50,928	53,088	49,731	49,523	47,252	45,287	49,268	48,751	50,584	50,748	599,246.90
3	Industrial	125,033	10,642	10,560	10,511	10,656	10,447	10,529	9,462	9,928	10,521	10,378	10,723	10,677	125,032.68
4	Public Lighting	61,136	5,133	5,111	5,043	5,080	5,041	5,100	5,076	5,010	5,170	5,103	5,154	5,115	61,136.36
5	Agricultural	2,187	189	183	174	180	173	175	175	175	198	186	188	187	2,187.20
6	Others	2,242	193	202	190	196	191	183	174	173	177	179	193	192	2,241.93
	Total	\$ 1,198,180	104,048	106,725	102,601	105,857	99,066	99,167	93,731	89,613	96,849	96,436	101,571	102,516	1,198,180.04
Fuel & Purchased Power															
7	Residential	801,016	72,715	75,566	70,955	72,991	66,164	66,529	63,472	57,841	63,302	59,309	65,198	66,974	801,015.82
8	Commercial	880,316	76,929	80,301	76,027	81,158	73,409	72,964	69,587	65,259	74,036	67,546	71,378	71,722	880,316.06
9	Industrial	243,460	21,191	20,913	20,749	21,271	20,561	20,841	17,596	19,218	21,281	19,258	20,368	20,215	243,460.20
10	Public Lighting	35,525	3,205	3,067	2,685	2,884	2,677	3,007	2,923	2,601	3,511	2,866	3,164	2,934	35,525.17
11	Agricultural	2,984	260	252	239	247	237	245	246	246	279	243	245	244	2,983.81
12	Others	4,507	396	425	388	406	392	366	346	345	356	336	377	373	4,506.86
	Total	\$ 1,967,808	174,697	180,525	171,043	178,957	163,440	163,951	154,171	145,509	162,765	149,558	160,731	162,461	1,967,807.93
CLT															
13	Residential	32,058	2,889	3,002	2,819	2,896	2,625	2,640	2,464	2,245	2,457	2,484	2,731	2,806	32,057.84
14	Commercial	35,226	3,056	3,190	3,021	3,220	2,913	2,895	2,701	2,533	2,874	2,830	2,990	3,004	35,226.43
15	Industrial	9,745	842	831	824	844	816	827	683	746	826	807	853	847	9,745.36
16	Public Lighting	1,422	127	122	107	114	106	119	113	101	136	120	133	123	1,422.04
17	Agricultural	119	10	10	9	10	9	10	10	10	11	10	10	10	119.38
18	Others	180	16	17	15	16	16	15	13	13	14	14	16	16	180.38
	Total	\$ 78,751	6,941	7,172	6,796	7,100	6,485	6,505	5,984	5,648	6,317	6,265	6,733	6,806	78,751.44
Subsidies															
19	Residential	75,642	6,817	7,084	6,652	6,833	6,194	6,228	5,813	5,297	5,797	5,862	6,444	6,620	75,642.35
20	Commercial	83,119	7,212	7,528	7,127	7,598	6,873	6,831	6,373	5,977	6,780	6,676	7,055	7,089	83,118.84
21	Industrial	22,995	1,987	1,960	1,945	1,991	1,925	1,951	1,611	1,760	1,949	1,903	2,013	1,998	22,994.75
22	Public Lighting	3,355	300	288	252	270	251	282	268	238	322	283	313	290	3,355.39
23	Agricultural	282	24	24	22	23	22	23	23	23	26	24	24	24	281.69
24	Others	426	37	40	36	38	37	34	32	32	33	33	37	37	425.63
	Total	\$ 185,819	16,376.94	16,923.28	16,034.40	16,753.97	15,301.25	15,349.12	14,119.36	13,326.09	14,906.42	14,782.68	15,887.06	16,058.08	185,818.65
Total Gross Revenue															
	Total	\$ 3,430,558	302,062.57	311,344.75	296,473.74	308,668.40	284,292.50	284,972.55	268,005.28	254,095.90	280,837.42	267,041.72	284,922.20	287,841.05	3,430,558.06
25	Other Income	30,914	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	2,576.20	30,914.36
	Total Unconsolidated Revenue	\$ 3,461,472	304,638.77	313,920.94	299,049.94	311,244.60	286,868.69	287,548.75	270,581.48	256,672.09	283,413.61	269,617.91	287,498.39	290,417.25	3,461,472.43
26	Bad Debt Expense	(63,405)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(5,283.71)	(63,404.50)
27	CLT & Subsidies	(264,570)	(23,317.61)	(24,095.50)	(22,829.91)	(23,854.44)	(21,786.05)	(21,854.20)	(20,103.26)	(18,973.80)	(21,223.87)	(21,047.70)	(22,620.13)	(22,863.62)	(264,570.09)
	Total Consolidated Revenue	\$ 3,133,498	276,037.44	284,541.73	270,936.32	282,106.46	259,798.94	260,410.84	245,194.51	232,414.59	256,906.03	243,286.51	259,594.56	262,269.91	3,133,497.84

EXHIBIT 1 - BUDGET - EXPENSES

PUERTO RICO ELECTRIC POWER AUTHORITY

Table with columns: \$ Thousand, FY22 Budget, A. Fuel & Purchased Power, B. GenCo - Operations & Maintenance Expenses, C. HoldCo - Operations Expenses, D. GridCo - Operating & Maintenance Expenses. Rows include Fuel, Salaries & Wages, Pension Benefits, etc.

FY22 MONTHLY BUDGET - EXPENSES

Table with columns: Q1 Jul-21, Q1 Aug-21, Q1 Sep-21, Q2 Oct-21, Q2 Nov-21, Q2 Dec-21, Q3 Jan-22, Q3 Feb-22, Q3 Mar-22, Q4 Apr-22, Q4 May-22, Q4 Jun-22. Rows include Fuel, Salaries & Wages, Pension Benefits, etc.

Note: LUMA has included EcoElectrica Fuel in Purchased Power for Q1, so an adjustment to include the budget amount for that fuel has been made above.