

# Financial Oversight & Management Board for Puerto Rico

## Puerto Rico Electric Power Authority

Report Date **5/15/2024**



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Puerto Rico Electric Power Authority  
 B2A Summary  
 FISCAL YEAR 2024  
 As Of: 5/15/2024

## FY24 Monthly B2A Summary

(\$ millions)

Summary	March-24				YTD				
	Mar-24 Budget	Mar-24 Actual	Mar-24 Variance (\$)	Mar-24 Variance (%)	YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)	
<b>A. Expenses</b>									
<u>HoldCo:</u>									
HoldCo Labor Operating Expenses	\$ 0.800	\$ 0.837	\$ (0.038)	(4.7%)	\$ 7.199	\$ 6.516	\$ 0.683	9.5%	
HoldCo Non-Labor / Other Operating Expenses	37.956	36.965	0.991	2.6%	92.354	89.049	3.306	3.6%	
Shared Services Agreement	0.166	0.584	(0.418)	(251.8%)	1.495	2.384	(0.890)	(59.5%)	
Temporary PREPA ERS Contribution	23.413	23.413	-	0.0%	71.249	71.249	-	0.0%	
Maintenance Projects Expenses	0.054	-	0.054	100.0%	0.484	0.027	0.456	94.3%	
<b>Total HoldCo Operating Expenses</b>	<b>\$ 62.389</b>	<b>\$ 61.799</b>	<b>\$ 0.590</b>	<b>0.9%</b>	<b>\$ 172.780</b>	<b>\$ 169.225</b>	<b>\$ 3.555</b>	<b>2.1%</b>	
<u>HydroCo:</u>									
HydroCo Labor Operating Expenses	\$ 0.367	\$ 0.412	\$ (0.045)	(12.3%)	\$ 3.299	\$ 3.138	\$ 0.161	4.9%	
HydroCo Non-Labor / Other Operating Expenses	0.466	0.359	0.108	23.1%	4.196	5.889	(1.692)	(40.3%)	
Shared Services Agreement	0.098	0.389	(0.291)	(295.7%)	0.886	1.522	(0.637)	(71.9%)	
Maintenance Projects Expenses	0.206	-	0.206	100.0%	1.853	0.102	1.752	94.5%	
<b>Total HydroCo Operating Expenses</b>	<b>\$ 1.137</b>	<b>\$ 1.160</b>	<b>\$ (0.023)</b>	<b>(2.0%)</b>	<b>\$ 10.234</b>	<b>\$ 10.650</b>	<b>\$ (0.417)</b>	<b>(4.1%)</b>	
<b>Total HoldCo &amp; HydroCo Expenses</b>	<b>\$ 63.526</b>	<b>\$ 62.959</b>	<b>\$ 0.567</b>	<b>0.9%</b>	<b>\$ 183.014</b>	<b>\$ 179.875</b>	<b>\$ 3.138</b>	<b>1.7%</b>	
<u>Other Expenses:</u>									
PREPA Voluntary Transition Program	\$ -	\$ -	\$ -	-	\$ 14.774	\$ 14.774	\$ 0.000	0.0%	
Emergency PREPA Employee Retirement System Contribution	-	-	-	-	142.713	142.713	-	0.0%	
<b>Total Other Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 157.487</b>	<b>\$ 157.487</b>	<b>\$ 0.000</b>	<b>0.0%</b>	

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

Note 2: Pursuant to the 2023 Certified Fiscal Plan and PREB Resolution & Order dated June 25, 2023, PREPA is reporting HoldCo and HydroCo expenses for YTD FY2024.

Note 3: PREPA is reporting YTD FY2024 amounts based on the Revised FOMB Certified Budget dated March 15, 2024.

Note 4: Pensions & Benefits amounts are equal to 25% of Salaries and Wages for YTD FY2024.

Note 5: Due to the Genera transaction, many of the line items in PREPA's YTD B2A include Genera expenses as Genera has been entering these expenses into PREPA's legacy cost centers. These are reflected in the HydroCo line items. Although PREPA discontinued the use of its legacy cost centers as of November 1, 2023, Genera expenses continue to affect legacy cost centers. PREPA expects that this issue will continue in the upcoming B2A reports and will continue to monitor accounts closely to resolve any issues.

**Puerto Rico Electric Power Authority**  
**Monthly Expenses**  
**FISCAL YEAR 2024**  
**As Of: 5/15/2024**

**FY24 Monthly Expenses**

(\$ millions)

Expenses	
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March-24			
Mar-24 Budget	Mar-24 Actual	Mar-24 Variance (\$)	Mar-24 Variance (%)

YTD			
YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)

**A. HoldCo - Operations Expenses**

**Labor**

1	Salaries & Wages	0.542	0.687	(0.145)	(26.7%)	4.877	4.910	(0.034)	(0.7%)
2	Pension & Benefits	0.224	0.142	0.083	36.9%	2.019	1.131	0.888	44.0%
3	Overtime Pay	0.030	0.009	0.021	69.5%	0.271	0.427	(0.156)	(57.5%)
4	Overtime Benefits	0.004	0.000	0.004	99.8%	0.032	0.048	(0.016)	(48.3%)
<b>Total HoldCo Labor Operating Expenses</b>		<b>\$ 0.800</b>	<b>\$ 0.837</b>	<b>(0.038)</b>	<b>-4.7%</b>	<b>\$ 7.199</b>	<b>\$ 6.516</b>	<b>\$ 0.683</b>	<b>9.5%</b>

**Non-Labor / Other Operating Expenses**

5	Materials & Supplies	0.002	0.003	(0.001)	(24.0%)	0.022	0.049	(0.027)	(125.9%)
6	Transportation, Per Diem, and Mileage	0.002	0.005	(0.003)	(151.6%)	0.020	0.191	(0.172)	(881.3%)
7	Retiree Medical Benefits	0.663	0.543	0.119	18.0%	5.963	5.725	0.237	4.0%
8	Security	0.066	0.073	(0.006)	(9.2%)	0.598	0.712	(0.114)	(19.0%)
9	Utilities & Rents	0.006	0.004	0.002	33.1%	0.050	0.154	(0.104)	(210.8%)
10	Legal Services	0.307	0.335	(0.028)	(9.1%)	2.766	1.916	0.850	30.7%
11	Litigation Claims Settlement	0.635	-	0.635	100.0%	0.635	-	0.635	100.0%
12	Communications Expenses	0.001	-	0.001	100.0%	0.005	-	0.005	100.0%
13	Professional & Technical Outsourced Services	0.179	0.011	0.168	93.9%	1.609	0.531	1.078	67.0%
14	Regulation and Environmental Inspection	0.133	0.054	0.078	58.9%	1.193	0.344	0.850	71.2%
15	External Audit Services	-	-	-	n.a.	1.108	0.454	0.654	59.0%
16	Equipment, Inspections, Repairs and Others	0.056	0.028	0.027	48.9%	0.500	1.085	(0.586)	(117.3%)
17	Temporary Generation Acquisition Cost-Share	30.660	30.660	-	0.0%	30.660	30.660	-	0.0%
18	PREPA Restructuring & Title III	2.513	2.513	-	0.0%	22.613	22.613	-	0.0%
19	FOMB Advisor Costs allocated to PREPA	2.735	2.735	-	0.0%	24.616	24.616	-	0.0%
<b>Total HoldCo Non-Labor / Other Operating Expenses</b>		<b>\$ 37.956</b>	<b>\$ 36.965</b>	<b>0.991</b>	<b>2.6%</b>	<b>\$ 92.354</b>	<b>\$ 89.049</b>	<b>\$ 3.306</b>	<b>3.6%</b>

**Shared Services Agreement HoldCo**

20	Shared Services Agreement HoldCo	0.166	0.584	(0.418)	(251.8%)	1.495	2.384	(0.890)	(59.5%)
21	Temporary PREPA ERS Contribution	23.413	23.413	-	0.0%	71.249	71.249	-	0.0%
22	Maintenance Projects Expenses HoldCo	0.054	-	0.054	100.0%	0.484	0.027	0.456	94.3%
<b>Total HoldCo Operating Expenses</b>		<b>\$ 62.389</b>	<b>\$ 61.799</b>	<b>\$ 0.590</b>	<b>0.9%</b>	<b>\$ 172.780</b>	<b>\$ 169.225</b>	<b>\$ 3.555</b>	<b>2.1%</b>

**B. HydroCo - Operations & Maintenance Expenses**

**Labor**

23	Salaries & Wages	0.212	0.293	(0.081)	(38.3%)	1.907	2.147	(0.239)	(12.6%)
24	Pension & Benefits	0.128	0.063	0.065	50.7%	1.149	0.515	0.634	55.2%
25	Overtime Pay	0.024	0.056	(0.032)	(131.4%)	0.216	0.450	(0.234)	(108.6%)
26	Overtime Benefits	0.003	-	0.003	100.0%	0.026	0.026	0.000	1.2%
<b>Total HydroCo Labor Operating Expenses</b>		<b>\$ 0.367</b>	<b>\$ 0.412</b>	<b>(0.045)</b>	<b>(12.3%)</b>	<b>\$ 3.299</b>	<b>\$ 3.138</b>	<b>\$ 0.161</b>	<b>4.9%</b>

**Non-Labor / Other Operating Expenses**

27	Materials & Supplies	0.060	0.013	0.047	78.1%	0.543	2.003	(1.460)	(268.8%)
28	Transportation, Per Diem, and Mileage	0.022	0.012	0.010	44.3%	0.202	0.250	(0.048)	(23.9%)
29	Security	0.143	0.189	(0.046)	(32.1%)	1.284	1.619	(0.335)	(26.1%)
30	Utilities & Rents	0.007	-	0.007	100.0%	0.060	0.001	0.059	98.1%
31	Professional & Technical Outsourced Services	0.016	-	0.016	100.0%	0.140	0.236	(0.096)	(68.5%)
32	Regulation and Environmental Inspection	0.061	0.054	0.006	10.6%	0.548	0.339	0.209	38.2%
33	Equipment, Inspections, Repairs and Others	0.158	0.090	0.068	42.9%	1.419	1.440	(0.021)	(1.5%)
<b>Total HoldCo Non-Labor / Other Operating Expenses</b>		<b>\$ 0.466</b>	<b>\$ 0.359</b>	<b>\$ 0</b>	<b>23.1%</b>	<b>\$ 4.196</b>	<b>\$ 5.889</b>	<b>(1.692)</b>	<b>(40.3%)</b>

**Shared Services Agreement HydroCo**

34	Shared Services Agreement HydroCo	0.098	0.389	(0.291)	(295.7%)	0.886	1.522	(0.637)	(71.9%)
35	Maintenance Projects Expenses HydroCo	0.206	-	0	100.0%	1.853	0.102	1.752	94.5%
<b>Total HydroCo Operating &amp; Maintenance Expenses</b>		<b>\$ 1.137</b>	<b>\$ 1.160</b>	<b>(0.023)</b>	<b>(2.0%)</b>	<b>\$ 10.234</b>	<b>\$ 10.650</b>	<b>\$ (0.416)</b>	<b>(4.1%)</b>

**Total HoldCo & HydroCo Operating & Maintenance Expenses**

<b>\$ 63.526</b>	<b>\$ 62.959</b>	<b>\$ 0.567</b>	<b>0.9%</b>	<b>\$ 183.014</b>	<b>\$ 179.875</b>	<b>\$ 3.138</b>	<b>1.7%</b>
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Note 1: Preliminary / unaudited financial information - subject to material change.

Note 2: Pensions & Benefits amounts are equal to 25% of Salaries and Wages for YTD FY2024.

Note 3: Due to the Genera transaction, many of the line items in PREPA's YTD B2A include Genera expenses as Genera has been entering these expenses into PREPA's legacy cost centers. These are mainly reflected in the HydroCo line items. Although PREPA discontinued the use of its legacy cost centers as of November 1, 2023, Genera expenses continue to affect legacy cost centers. PREPA expects that this issue will continue in the upcoming B2A reports and will continue to monitor accounts closely to resolve any issues.

Note 4: HoldCo Restructuring & Title III and FOMB Advisors Cost are equal to budget for March to accrue for monthly expenses. PREPA is currently reconciling invoices related to Title III costs.

PREPA is discussing FOMB Advisors Costs with the Oversight Board.

Note 5: HoldCo and HydroCo NME amounts have been revised to reflect charges related to FY24 invoices. HoldCo NME was revised for November. HydroCo NME was revised for November, January and February.

**Puerto Rico Electric Power Authority**  
**Monthly VTP & ERS Expenses**  
**FISCAL YEAR 2024**  
**As Of: 5/15/2024**

**FY24 VTP & ERS Expenses**

(\$ millions)

Expenses	
40	Voluntary Transition Program (VTP)
41	Employee Retirement System Contribution (ERS)
<b>Total VTP &amp; ERS Expenses</b>	

March-24			
Mar-24 Budget	Mar-24 Actual	Mar-24 Variance (\$)	Mar-24 Variance (%)
-	-	-	n.a.
-	-	-	n.a.
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>n.a.</b>

YTD			
YTD Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
14.774	14.774	0.000	0.0%
142.713	142.713	-	0.0%
<b>\$ 157.487</b>	<b>\$ 157.487</b>	<b>\$ 0.000</b>	<b>0.0%</b>

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

Note 2: On September 11, 2023, PREPA submitted a request of reapportionment of VTP and ERS funds from Second Revised Fiscal Year 2023 Budget certified by the Oversight Board on June 23, 2023 to increase budget funding available for FY2024. On October 3, 2023, the Oversight Board approved \$29.4 million of VTP and \$142.7M of ERS funds to be available in FY2024.

**Puerto Rico Electric Power Authority**  
**Variance Detail**  
**FISCAL YEAR 2024**  
**5/15/2024**

**Variance # 1**  
**FOMB Category: HoldCo Shared Services Agreement HoldCo**  
**Account: Shared Services Agreement HoldCo**

Expenses	Budget March	Actual March	Variance(\$)	Variance (%)
Shared Services Agreement HoldCo	\$ 0.166	\$ 0.584	\$ (0.418)	-251.75%

**Variance Explanation**  
 Shared Services were budgeted under the original Shared Services Agreement. As of January 2024, Shared Services transitioned to the extension agreement which is in place until September 2024. PREPA is coordinating with the LUMA accounting team to determine if the February shared services amounts need to be revised.

**Root Cause**  
 Shared Services Extension Agreement effective as of January 1, 2024.

**Corrective Action**  
 PREPA expects that Shared Services will continue to show a variance in the upcoming B2A reports and will continue to monitor accounts closely to resolve any issues.

**Variance # 2**  
**FOMB Category: HydroCo Shared Services Agreement HydroCo**  
**Account: Shared Services Agreement HydroCo**

Expenses	Budget March	Actual March	Variance(\$)	Variance (%)
Shared Services Agreement HydroCo	\$ 0.098	\$ 0.389	\$ (0.291)	-295.73%

**Variance Explanation**  
 Shared Services were budgeted under the original Shared Services Agreement. As of January 2024, Shared Services transitioned to the extension agreement which is in place until September 2024. PREPA is coordinating with the LUMA accounting team to determine if the February shared services amounts need to be revised.

**Root Cause**  
 Shared Services Extension Agreement effective as of January 1, 2024.

**Corrective Action**  
 PREPA expects that Shared Services will continue to show a variance in the upcoming B2A reports and will continue to monitor accounts closely to resolve any issues.