

Financial Oversight & Management Board for Puerto Rico

Puerto Rico Electric Power Authority

Report Date **11/15/2024**



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FY25 Monthly B2A Summary

(\$ millions)

Summary	September-24				YTD			
	Sep-24 Budget	Sep-24 Actual	Sep-24 Variance (\$)	Sep-24 Variance (%)	YTD Certified Budget	YTD Actual	YTD Variance (\$)	YTD Variance (%)
A. Revenue								
CW Pension Loan Rollover	26.131	24.721	1.410	5.4%	\$ 78.3915	\$ 73.8120	\$ 4.579	5.8%
PREPA Restructuring & Title III	(2.288)	(2.288)	-	0.0%	\$ (4.5750)	\$ (4.5750)	\$ -	0.0%
FOMB Advisor Costs allocated to PREPA	(2.414)	(2.414)	-	0.0%	\$ (4.8280)	\$ (4.8280)	\$ -	0.0%
B. Expenses								
HoldCo:								
HoldCo Labor Operating Expenses	0.658	0.541	0.117	17.7%	\$ 1.973	\$ 1.871	\$ 0.102	5.2%
HoldCo Non-Labor / Other Operating Expenses	1.823	0.788	1.035	56.8%	\$ 5.470	\$ 2.626	\$ 2.843	52.0%
Shared Services Agreement	0.317	0.349	(0.032)	(9.9%)	\$ 0.951	\$ 1.154	\$ (0.203)	(21.3%)
HoldCo Maintenance Projects Expense	0.054	0.097	(0.043)	(80.1%)	\$ 0.161	\$ 0.295	\$ (0.134)	(82.8%)
Pension Expense	26.131	24.721	1.410	5.4%	\$ 78.392	\$ 73.812	\$ 4.579	5.8%
Total HoldCo Expenses	\$ 28.982	\$ 26.495	\$ 2.487	8.6%	\$ 86.947	\$ 79.758	\$ 7.188	8.3%
HydroCo:								
HydroCo Labor Operating Expenses	0.367	0.346	0.021	5.7%	\$ 1.100	\$ 1.054	\$ 0.045	4.1%
HydroCo Non-Labor / Other Operating Expenses	0.456	0.484	(0.028)	(6.2%)	\$ 1.368	\$ 1.332	\$ 0.036	2.6%
Shared Services Agreement	0.211	0.232	(0.021)	(9.9%)	\$ 0.634	\$ 0.769	\$ (0.135)	(21.3%)
HydroCo Maintenance Projects Expense	0.103	-	0.103	100.0%	\$ 0.309	\$ 0.681	\$ (0.372)	(120.7%)
Total HydroCo Expenses	\$ 1.137	\$ 1.062	\$ 0.074	6.5%	\$ 3.410	\$ 3.836	\$ (0.426)	(12.5%)
Total HoldCo & HydroCo Expenses	\$ 30.119	\$ 27.558	\$ 2.561	8.50%	\$ 90.356	\$ 83.594	\$ 6.762	7.48%

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

Note 2: Pursuant to the PREB Resolution & Order dated June 26, 2024, PREPA is reporting HoldCo and HydroCo expenses for YTD FY2025.

Note 3: PREPA is reporting YTD FY2025 amounts based on the FOMB Certified Budget dated June 28, 2024.

Note 4: Pension & Benefits amounts are equal to 25% of Salaries and Wages for YTD FY2025.

Note 5: PREPA Restructuring & Title III and FOMB Advisors Cost are equal to budget for September to accrue for monthly expenses.

FY25 Monthly Expenses

(\$ millions)

Expenses

September-24			
Sep-24 Budget	Sep-24 Actual	Sep-24 Variance (\$)	Sep-24 Variance (%)

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

C. HoldCo (PropertyCo) – Operating & Maintenance Expenses

Labor

48	Salaries & Wages	0.389	0.434	(0.045)	(11.6%)
49	Pension & Benefits	0.234	0.091	0.143	61.1%
50	Overtime Pay	0.031	0.017	0.015	47.5%
51	Overtime Benefits	0.004	-	0.004	100.0%
Total HoldCo Labor Operating Expense		\$ 0.658	\$ 0.541	\$ 0.117	17.7%

1.166	1.499	(0.334)	(28.6%)
0.702	0.319	0.383	54.6%
0.094	0.053	0.041	43.8%
0.011	0.000	0.011	99.8%
\$ 1.973	\$ 1.871	\$ 0.102	5.2%

Non-Labor / Other Operating Expenses

52	Materials & Supplies	0.005	0.003	0.003	51.5%
53	Transportation, Per Diem, and Mileage	0.021	0.003	0.018	86.2%
54	Retiree Medical Benefits	0.663	0.539	0.124	18.7%
55	Security	0.066	0.076	(0.010)	(14.4%)
56	Utilities & Rents	0.006	-	0.006	100.0%
57	Legal Services	0.321	0.084	0.236	73.7%
58	Professional & Technical Outsourced Services	0.180	0.026	0.155	85.7%
59	IT - Maintenance & Corporate Services	0.125	-	0.125	100.0%
60	Regulation and Environmental Inspection	0.133	0.012	0.120	90.6%
61	External Audit Services	0.183	-	0.183	100.0%
62	Equipment, Inspections, Repairs & Other	0.120	0.046	0.075	62.2%
Total HoldCo Non-Labor / Other Operation Expenses		\$ 1.823	\$ 0.788	\$ 1.035	56.8%

0.016	0.017	(0.001)	(6.9%)
0.064	0.016	0.048	75.3%
1.988	1.595	0.392	19.7%
0.199	0.234	(0.035)	(17.5%)
0.018	0.007	0.011	59.3%
0.962	0.425	0.537	55.8%
0.541	0.079	0.462	85.5%
0.374	-	0.374	100.0%
0.398	0.013	0.385	96.8%
0.550	-	0.550	100.0%
0.361	0.241	0.120	33.3%
\$ 5.470	\$ 2.626	\$ 2.843	52.0%

63	Shared Service Agreement	0.317	0.349	(0.032)	(9.9%)
64	Maintenance Projects Expenses	0.054	0.097	(0.043)	(80.1%)
Total HoldCo Operating & Maintenance Expenses		\$ 2.852	\$ 1.775	\$ 1.077	37.8%
65	Pension Expense	26.131	24.721	1.410	5.4%
Total HoldCo Operating & Maintenance Expenses (including Pensions)		\$ 28.982	\$ 26.495	\$ 2.487	8.6%

0.951	1.154	(0.203)	(21.3%)
0.161	0.295	(0.134)	(82.8%)
\$ 8.555	\$ 5.946	\$ 2.609	30.5%
78.392	73.812	4.579	5.8%
\$ 86.947	\$ 79.758	\$ 7.188	8.3%

D. HydroCo – Operating & Maintenance Expenses

66	Salaries & Wages	0.212	0.200	0.012	5.8%
67	Pension & Benefits	0.128	0.048	0.080	62.7%
68	Overtime Pay	0.024	0.098	(0.074)	(309.9%)
69	Overtime Benefits	0.003	-	0.003	100.0%
Total HydroCo Labor Operating Expenses		\$ 0.367	\$ 0.346	\$ 0.021	5.7%

0.636	0.704	(0.068)	(10.8%)
0.383	0.151	0.232	60.6%
0.072	0.199	(0.127)	(176.3%)
0.009	-	0.009	100.0%
\$ 1.100	\$ 1.054	\$ 0.045	4.1%

Non-Labor / Other Operating Expenses

70	Materials & Supplies	0.060	0.222	(0.161)	(267.5%)
71	Transportation, Per Diem, and Mileage	0.020	0.031	(0.011)	(54.4%)
72	Security	0.143	0.194	(0.052)	(36.2%)
73	Utilities & Rents	0.007	-	0.007	100.0%
74	Professional & Technical Outsourced Services	0.016	-	0.016	100.0%
75	Regulation and Environmental Inspection	0.061	0.006	0.054	89.4%
76	Equipment, Inspections, Repairs & Other	0.149	0.030	0.119	79.9%
Total HydroCo Non-Labor / Other Operating Expenses		\$ 0.456	\$ 0.484	\$ (0.028)	(6.2%)

0.181	0.613	(0.432)	(238.4%)
0.061	0.057	0.004	6.2%
0.428	0.595	(0.167)	(39.1%)
0.020	0.007	0.013	63.4%
0.047	-	0.047	100.0%
0.183	0.009	0.174	95.0%
0.448	0.050	0.398	88.8%
\$ 1.368	\$ 1.332	\$ 0.036	2.6%

77	Shared Services Agreement	0.211	0.232	(0.021)	(9.9%)
78	Maintenance Projects Expenses	0.103	-	0.103	100.0%
Total HydroCo Operating & Maintenance Expenses		\$ 1.137	\$ 1.062	\$ 0.074	6.5%

0.634	0.769	(0.135)	(21.3%)
0.309	0.681	(0.372)	(120.7%)
\$ 3.410	\$ 3.836	\$ (0.426)	(12.5%)

Total HoldCo and HydroCo Operating & Maintenance Expenses

\$ 30.119	\$ 27.558	\$ 2.561	8.50%
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\$ 90.356	\$ 83.594	\$ 6.762	7.48%
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Note 1: Preliminary / unaudited financial information - subject to material change.

Note 2: Pension & Benefits amounts are equal to 25% of Salaries and Wages for YTD FY2025.

Puerto Rico Electric Power Authority
Variance Detail
FISCAL YEAR 2025
11/15/2024

Variance #1
FOMB Category: HoldCo Legal Services HoldCo
Account: Legal Services HoldCo

Expenses	Budget September	Actual September	Variance(\$)	Variance (%)
Legal Services HoldCo	\$ 0.321	\$ 0.084	\$ 0.236	73.75%

Variance Explanation
 Variance due to timing of invoices.

Root Cause
 Variance due to timing of invoices.

Corrective Action
 Variance due to timing of invoices. PREPA will continue to monitor and resolve any issues.

Variance #2
FOMB Category: HydroCo Materials & Supplies HydroCo
Account: Materials & Supplies HydroCo

Expenses	Budget September	Actual September	Variance (\$)	Variance (%)
Materials & Supplies HydroCo	\$ 0.060	\$ 0.222	\$ (0.161)	-267.51%

Variance Explanation
 PREPA has identified \$198,420.09 in September expenses that are reported under PREPA's legacy cost centers that now belong to Genera. Genera is still in the process of reviewing and verifying expenses for YTD. Genera is also evaluating this issue to avoid further charges to PREPA's legacy cost centers. Genera has confirmed that they will submit an adjusting entry for in the October 2024 period.

Root Cause
 PREPA is waiting for Genera to review and verify expenses that were improperly included in this line item.

Corrective Action
 PREPA discontinued its legacy cost centers as of November 1, 2023. Genera has confirmed that they will submit an adjusting entry for in the October 2024 period. PREPA will continue to monitor accounts closely to resolve any issues.

Variance #3
FOMB Category: HoldCo External Audit Services HoldCo
Account: External Audit Services HoldCo

Expenses	Budget September	Actual September	Variance (\$)	Variance (%)
External Audit Services HoldCo	\$ 0.183	\$ -	\$ 0.183	100.00%

Variance Explanation
 Budget amounts are to perform, complete and issue the FY2024 financial audit statements. Due to the delay in issuing the FY2023 financial audit statements, the FY2024 financial audit process has not commenced. PREPA expenses will not be incurred until the FY2023 audit process commences. PREPA has not incurred expenses related to the FY2023 audit processes as these expenses are covered by Hacienda.

Root Cause
 FY2024 financial audit process has not commenced.

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

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

Expenses	Budget September	Actual September	Variance (\$)	Variance (%)
Professional & Technical Outsourced Services HoldCo	\$ 0.180	\$ 0.026	\$ 0.155	85.71%

Variance Explanation
 Variance due to timing of invoices.

Root Cause
 Variance due to timing of invoices.

Corrective Action
 Variance due to timing of invoices. PREPA will continue to monitor and resolve any issues.

Variance #5
FOMB Category: HoldCo Overtime Benefits HoldCo
Account: Overtime Benefits HoldCo

Expenses	Budget September	Actual September	Variance (\$)	Variance (%)
Overtime Benefits HoldCo	\$ 0.004	\$ -	\$ 0.004	100.00%

Variance Explanation
 Overtime Benefits are not being capture properly despite Overtime Pay being incurred due to a glitch in the time keeping system when PREPA switched systems. PREPA has resolved the issue in the timekeeping system.

Root Cause
 Glitch in the time keeping system when PREPA switched systems.

Corrective Action
 PREPA has resolved the issue in the timekeeping system and correct amounts will be reflected in the October B2A.

Variance #6
FOMB Category: HydroCo Overtime Benefits HydroCo
Account: Overtime Benefits HydroCo

Expenses	Budget September	Actual September	Variance (\$)	Variance (%)
Overtime Benefits HydroCo	\$ 0.003	\$ -	\$ 0.003	100.00%

Variance Explanation
 Overtime Benefits are not being capture properly despite Overtime Pay being incurred due to a glitch in the time keeping system when PREPA switched systems. PREPA has resolved the issue in the timekeeping system.

Root Cause
 Glitch in the time keeping system when PREPA switched systems.

Corrective Action
 PREPA has resolved the issue in the timekeeping system and correct amounts will be reflected in the October B2A.