



# Monthly Report on the T&D System

For the Month of January 2024

February 14, 2024

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## 1.0 Mission, Goals and Areas of Responsibility

LUMA assumed operations of Puerto Rico's Transmission and Distribution System ("T&D System") on June 1, 2021, with the mission to recover and transform the energy grid and deliver customer-centric, reliable, resilient, safe, and sustainable electricity at reasonable prices for the 1.5 million customers LUMA is proud to serve. LUMA manages and operates the government-owned T&D Assets under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") executed on June 22, 2020, among the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A") and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA").

This report outlines LUMA's key activities for the month of January 2024.

## 2.0 Monthly Sales Summary

- January consumption (GWh) was 10.0% lower than the previous month (December) and 5.9% higher than the same month of the previous year (January 2023). Energy sales (\$) in January increased by 1.01% from December 2023 and decreased 3.7% from January 2023.
- The modest rise in sales from December 2023 was primarily due to a higher cost of the AES PR Power Purchase Operating Agreement ("PPOA") reflected in the Purchased Power Charge Adjustment ("PPCA") in accordance with PREB's Order in the Permanent Rate Docket in December. The decline from January 2023 was driven by higher fuel charges to recover fuel cost.

**Table 2-1. Energy billed by customer segment**

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total <sup>4</sup>
<b>2024 January</b>	482.3	601.9	108.5	25.8	2.9	1.9	<b>1,223.4</b>
<b>2023 December</b>	536.9	651.6	138.2	26.1	2.5	3.4	<b>1,358.7</b>
<b>2023 January</b>	444.6	554.1	125.9	26.2	1.9	2.7	<b>1,155.4</b>

**Table 2-2. Energy sales by customer segment**

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total <sup>4</sup>
<b>2024 January</b>	98.2	133.3	23.7	9.0	0.6	0.4	<b>265.2</b>
<b>2023 December</b>	98.1	128.7	26.8	8.0	0.5	0.6	<b>262.4</b>
<b>2023 January</b>	99.7	136.7	28.7	9.3	0.5	0.6	<b>275.4</b>

**Table 2-3. Energy sales by rate component**

Energy Sales (\$ Million)	Base	FCA <sup>1</sup>	PPCA <sup>2</sup>	CILT & Subsidies <sup>3</sup>	Total <sup>4</sup>
<b>2024 January</b>	84.9	100.9	51.5	27.9	<b>265.2</b>
<b>2023 December</b>	90.9	102.6	36.5	32.4	<b>262.4</b>
<b>2023 January</b>	82.9	134.2	33.4	24.8	<b>275.4</b>

<sup>1</sup> FCA: Fuel Charge Adjustment

<sup>2</sup> PPCA: Purchased Power Charge Adjustment

<sup>3</sup> CILT: Contribution In Lieu of Taxes

<sup>4</sup> The Total amount may not equal the sum of numbers for each category due to rounding.

## 3.0 System Operations Update

### Reported Events

- Several generation forced outages occurred during the month. Ten (10) resulted in automatic underfrequency loadsheds. One (1) additional loadshed occurred due to generation shortfall.
- Several significant transmission outages occurred during the month.
- No emergency events occurred during the month of January.

**Table 3-1: Significant Generation Outages**

Date	Generation Outages
01/01/2024	FEMA Palo Seco units: Forced Outage and Loadshed
01/02/2024	FEMA San Juan 7: Forced Outage and Loadshed AES 2: Derated Aguirre 2: Forced Outage
01/03/2024	San Juan 5: Derated San Juan 6: Derated
01/04/2024	San Juan 9: Derated AES 2: Derated and Forced Outage
01/05/2024	Costa Sur 6: Forced Outage and Loadshed FEMA Palo Seco Units: Forced Outage and Loadshed Aguirre 2: Derated Loadshed due to Generation Shortfall
01/08/2024	AES 1: Forced outage and Loadshed Cambalache 3: Forced Outage
01/11/2024	AES 2: Forced Outage and Loadshed Aguirre 2: Derated and Forced Outage
01/13/2024	San Juan 5: Derated San Juan 6: Derated
01/15/2024	AES 2: Derated Aguirre 2: Derated and Forced Outage
01/17/2024	San Juan 7: Derated
01/18/2024	AES 1: Forced Outage
01/19/2024	Aguirre 2: Derated San Juan 5: Derated San Juan 6: Derated
01/22/2024	AES 2: Derated
01/23/2024	Aguirre 2: Derated
01/25/2024	AES 2: Derated San Juan 5: Forced Outage and Loadshed FEMA Palo Seco Units: Forced Outage and Loadshed
01/26/2024	Aguirre 2: Derated
01/27/2024	AES 2: Derated Aguirre 2: Forced Outage

Date	Generation Outages
01/28/2024	AES 1: Derated
01/29/2024	AES 1: Derated San Juan 6: Forced outage and Loadshed
01/30/2024	San Juan Steam 5: Forced Outage San Juan FEMA GT: Controlled Forced Outage
01/31/2024	FEMA Palo Seco Units: Forced Outage and Loadshed

**Table 3-2: Significant Transmission Outages**

Date	Transmission Outages
01/07/2024	Line 36100 Tripped
01/09/2024	Line 36200 Tripped
01/10/2024	Line 37400 Tripped
01/14/2024	Line 38900 Tripped
01/23/2024	Line 50200 Tripped Line 36300 Tripped
01/25/2024	Line 37400 Tripped Line 38300 Tripped and caused the trip of San Juan 5

## 4.0 Puerto Rico Energy Bureau Filings & Hearings

LUMA participated in and supported discussions with the Puerto Rico Energy Bureau (“PREB”) across a broad range of topics during the month.

- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – On January 29, LUMA filed a motion in compliance with the December 21 Resolution and Order (“R&O”) in which the PREB requested explanation and additional information regarding LUMA’s performance during fiscal year 2023.
- [NEPR-AP-2020-0025](#) | **LUMA’s Performance Metrics** – On January 26, PREB issued a R&O in which it approved LUMA’s Performance Metrics with modifications to the Revised Annex IX to the T&D OMA on the baselines, base points weights, targets, and to certain metric components, definitions and review processes. LUMA is reviewing the R&O in light of LUMA’s due process rights and rights under the T&D OMA.
- [NEPR-MI-2021-0013](#) | **Electric Vehicle (“EV”)** – On January 2, LUMA filed a motion to submit the report on the EV Customer Outreach Memorandum in compliance with the January 13, 2023 R&O.
- [NEPR-2019-MI-0016](#) | **DG Interconnection** – On January 23, LUMA submitted a revised presentation for the Interconnection Progress Report for October through December 2023. On January 24, PREB held the Interconnection Progress Compliance Hearing. During the Compliance Hearing, LUMA updated the Supplementary Studies progress, including its plans to address pending studies.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On January 4, LUMA reported to the PREB receipt of four (4) FEMA Project Obligations, including two (2) for Distribution Streetlighting, one (1) for

Substation Security and one (1) for Substation Rebuilds Improvement Programs. On January 23, LUMA submitted a motion in compliance with the January 18 R&O regarding the Monacillo TC T&D project. On January 25, LUMA submitted a motion informing PREB on the energization of 12 T&D projects. On January 26, LUMA filed a motion to inform PREB of its compliance with the January 19 Order, in which the submission of the Second Demobilization Report was requested.

- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On January 16, LUMA filed an informative motion notifying PREB that the Monthly Reconciliation for December 2023 was larger than the \$20 Million threshold. LUMA’s motion included the calculation for the Fuel Charge Adjustment (“FCA”) & PPCA factors for PREB’s awareness in case they decided to activate the accelerated clause. On January 24, PREB issued a R&O in which PREB determined not to activate the accelerated clause.
- [NEPR-IN-2023-0003](#) | **Commercial Bill Estimates** – On January 2, PREB issued a R&O in which it requested LUMA to provide information regarding its Commercial Bill Estimate Process and Practices by February 2.
- [NEPR-MI-2023-0001](#) | **Wheeling Implementation** – On January 8, Phoebus Fund submitted a motion in response to LUMA’s Motion filed on December 28, related to the Updated Estimate of Wheeling Implementation Costs, proposed Retail Electricity Suppliers charges and responses to stakeholder comments. On January 22, PREB issued a final R&O approving the Wheeling Services Agreement (“WSA”) subject to determinations in the R&O and requested LUMA to file a final WSA within 15 days. PREB also required LUMA to submit responses to the Requests for Information (“RFI”) in the R&O prior to February 23.
- [NEPR-AP-2023-0004](#) | **Integrated Resource Plan (“IRP”) Review Proceeding** – On January 30, PREB held the Third Pre-Filing Technical Conference to discuss the presentation filed by LUMA on January 25 regarding the key elements of Regulation 9021 on the Transmission System and an update on the stakeholder engagement initiative.
- [NEPR-MI-2022-0003](#) | **Generation Stabilization Plan** – On January 16, LUMA submitted the Second Report on Demobilization of FEMA Generation in compliance with the November 14, R&O. On January 26, LUMA submitted an updated version of the Second Report in compliance with a January 19 R&O.

#### Other filings in January:

- [NEPR-MI-2021-0013](#) | **Electronic Vehicle (“EV”)** – January Time of Use Billing Integration Report (January 8)
- [NEPR-2019-0016](#) | **DG Interconnection** – Interconnection Progress Report (January 15)
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Quarterly Performance Metrics Report (January 29)

## 5.0 Legislative Matters and Material Legal Update

Monitoring legislative activity, responding to requests for comments and preparing LUMA employees for public hearings is an important and significant responsibility, requiring multiple interactions with members and staff of the Puerto Rico Senate and House of Representatives over the course of many months on some occasions. Responding to these inquiries requires considerable resources and time from LUMA.

**Table 5-1: Summary of Requests for Comments or Information in the Puerto Rico Senate, House of Representatives or Fortaleza’s Office of Legislative Affairs**

Committee	Act, Bill or Resolution	LUMA Response
<b>Senate Committee on Strategic Projects and Energy</b>	Senate Resolution 340 – <i>orders an exhaustive investigation on the power generation system.</i>	On January 26, LUMA was summoned to participate in a public hearing scheduled for February 7.
	Joint House Resolution 565 – <i>orders the PREB, PREPA and LUMA to immediately and in a coordinated manner initiate a process to identify the use of and charging for the use of poles by telecommunications companies in Puerto Rico.</i>	On January 2, LUMA received a request for comments. On January 3, LUMA submitted comments.
<b>House Committee on the Northwestern Region Development</b>	House Resolution 335 – <i>orders to conduct a broad and continuous analysis of all matters related to the socioeconomic development of the municipalities of Arecibo, Hatillo and Camuy.</i>	On January 17, LUMA received a notice to appear in an executive hearing. On January 29, LUMA participated in the hearing.
<b>Senate Committee on the Southeastern Region Development</b>	Joint Senate Resolution 64 – <i>directs the Department of Natural and Environmental Resources to develop a work plan to maximize the use of water from the Southern Aquifer.</i>	On January 2, LUMA received a request for comments. On January 3, LUMA submitted comments.
<b>House Committee on Economic Development, Planification, Telecommunications, Private-Public Partnerships and Energy</b>	House Resolution 1077 – <i>orders to conduct an exhaustive investigation into the procedure and the work methodology adopted by LUMA from the moment a subscriber files a complaint until it is attended and resolved; and for other related purposes.</i>	On January 9, LUMA was summoned to participate in a public hearing scheduled for January 17. On January 17, LUMA received a notification postponing the hearing. On January 24, LUMA was resummoned to participate in the public hearing.

Committee	Act, Bill or Resolution	LUMA Response
<b>House Committee on the Western Region Development</b>	House Resolution 206 – <i>orders to conduct an exhaustive investigation related to the economic and social situation of the municipalities of Mayagüez and San Germán.</i>	On January 11, LUMA received a notice to appear in an on-site public hearing. On January 19, LUMA participated in the hearing.
<b>House Committee on Agriculture</b>	Act 34-2022 – <i>established the “Act to Safeguard the Allocation of Water from Reservoirs for Agricultural Irrigation Systems”</i>	On January 29, LUMA received a request for comments regarding Act 34-2022, which LUMA referred to the attention of PREPA for their analysis.
<b>House Committee on the Northern Region Development</b>	House Resolution 335 – <i>orders to conduct an exhaustive investigation related to the economic and social situation of the municipalities of Arecibo, Hatillo and Camuy.</i>	On January 30, LUMA received a RFI.
<b>House Committee on Education, Arts and Culture</b>	House Resolution 1094 – <i>orders an investigation into the critical situation in which the General Archive of Puerto Rico operates after the collapse of the substation that provides it with electric power.</i>	On January 31, LUMA was summoned to participate in public hearing.

**Table 5-2: Material Litigation Update<sup>5</sup>**

Case No. & Parties	Description	Updates
<b>SJ2022CV08894</b> – UTIER, et. al. v. LUMA Energy ServCo, LLC, et. al.	Damage claim alleging defamation, libel, and cyberbullying in online publications referencing UTIER and Angel Figueroa Jaramillo.	On January 16, LUMA submitted its answers to the interrogatories served by plaintiffs. The other co-defendants also served their answers to the written requests.
<b><i>The following cases have had no significant changes since the last report:</i></b>		
<b>Civil Case No. 22-CV-01357</b> – CADFI Corp. v. PREPA, LUMA and Municipality of San Juan	Plaintiff alleges that pole placement in sidewalks violates ADA.	
<b>Civil Case No. SJ2022CV02868</b> – Ismael Herrero Domenech and the class composed of all residential electrical energy customers of LUMA Energy LLC v. LUMA Energy LLC, Wendco of Puerto Rico Inc. et al. v. LUMA Energy LLC	Consolidated class actions claiming damages stemming from April 6, 2022, event at Costa Sur that caused an island-wide blackout.	

<sup>5</sup> *Material Litigation Activity* refers to all litigation related to challenges to the OMA, matters that could impede the OMA work or litigation with significant financial risk. This does not include ordinary litigation proceedings that originate as part of the operation of the T&D System, including but not limited to pre-litigation dispute resolution, management of active litigation, discovery, PREB invoice challenges, and other litigation procedures.



<b>(cont.) The following cases have had no significant changes since the last report:</b>	
<b>Case No. 17- 04780 PROMESA Title III – Debtor: PREPA</b>	PREPA Bankruptcy
<b>Civil Cases No. SJ2023CV02513, No. SJ2023CV01793 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí</b>	Challenge to Manatí Municipality’s construction excise tax determinations for LUMA.

## 6.0 Ongoing External Audits

LUMA is subject to audits related to its activities under the T&D OMA. Responding to these audits requires considerable resources and time from LUMA.

**Table 6-1: Summary of Governmental Audits**

<b>Government Entity</b>	<b>Audit Description</b>	<b>Significant Updates</b>
<b>Puerto Rico Comptroller’s Office (“OCPR”), No. 15671 (LUMA)</b>	Audit to PREPA operator (LUMA Energy ServCo, LLC) from the period of June 1, 2020, to February 28, 2023, by virtue of Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	On January 8 and 11, LUMA submitted to the OCPR the documentation related to bank accounts. On January 15, LUMA submitted a list of applications related to IT/OT. On January 11, LUMA received another RFI related to documentation from Customer Experience, which was submitted on January 17.
<b>OCPR, No. 15720 (PREPA)</b>	Audit to PREPA from the period of June 1, 2020, to September 30, 2023, by virtue of Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	On January 19, the auditors requested payment details from Asset Suite and Oracle which were provided to the OCPR on January 25.
<b>KPMG</b>	Audit of PREPA Financial Statements (FY2022)	LUMA has delivered all the necessary information requested by the external auditors and PREPA consultants. The PREPA Financial Statements had an expected issuance date of February 27; however, this date has shifted towards the end of March. Currently, LUMA and PREPA are working on closing open items prior to the issuance date.
<b>PwC</b>	Audit of ServCo and ManageCo (FY2020 and FY2021)	The ServCo and ManageCo Financial Statements had an expected issuance date of December 31; however, this date has shifted towards the end of February 2024.

***The following audits have had no significant changes since the last report:***

**OCPR, No. 15560** – Audit of debt issued by the Commonwealth of Puerto Rico and its public corporations from January 1, 2000 – present day.

**OCPR, No. 15592**- Audit to PREPA during the period of June 1, 2018, to June 30, 2021.

**OCPR, No. 15637** – Audit of the Municipality of Guánica.

**P3A First Year (FY2022) Operations Audit** – Audit of LUMA's (GridCo) first year of financial transactions / operations with ServCo.

## 7.0 Material OMA Items

### PREPA's Non-Compliance with T&D OMA Obligations

- January was the fourteenth (14) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and thus failed to comply with its contractual obligations, in breach of the T&D OMA. LUMA has issued fourteen (14) non-compliance notices to PREPA and notified P3A.

### LUMA's Performance Metrics

- On January 26, PREB issued a final R&O in case NEPR-AP-2020-0025, in which it approved LUMA's Performance Metrics with modifications to the Revised Annex IX to the T&D OMA on the baselines, base points, weights, targets, and to certain metric components, definitions, and review processes. LUMA is reviewing the R&O in light of LUMA's due process rights and rights under the T&D OMA. LUMA is highly concerned that PREB's decisions include substantial modifications not only to the incentive structure agreed to by the parties to the T&D OMA, but also to the roles and responsibilities assigned to P3A as Administrator of the contract. LUMA is highly concerned that PREB's decision deprives LUMA of a reasonable opportunity to earn the Incentive Fee.

### PREPA Reorganization and Shared Services

- LUMA, PREPA, and Genera have yet to reach separate collaboration agreements between the parties to document clear roles and responsibilities for provision of insurance, facilities, and IT/OT services. LUMA is increasingly concerned by the lack of progress from PREPA and Genera and continues to work with PREPA and Genera to advance the agreements between the parties.
- On January 30, LUMA reported to Genera the utilization of 238.12 man hours for the Operations Labor Share Services against the not to exceed 500 man hours agreed. As requested by P3A LUMA will send a formal notification to Genera, once the 75% allocated man hours threshold has been reached.
- Following the execution of the Capital Contribution Agreements ("CCA") in June 2023, LUMA conducted a thorough review of the vehicle lists attached to the CCAs. As of the end of November, LUMA has not received confirmation from PREPA PropertyCo, PREPA HydroCo, and Genera (as GenCo Operator) of the completion of 49 asset transfers, as requested by LUMA on August 28, 2023 to be completed by a deadline of September 8, 2023. After several follow ups,

LUMA escalated its concerns to PREPA's Executive Director in November and December, however, the matter remains unresolved as of January 31.

### PREPA Title III Exit

- The Puerto Rico government and the FOMB continue to work toward confirmation of PREPA's proposed plan of adjustment. Discovery in respect of the plan is ongoing, and a hearing on confirmation of the plan is scheduled to begin on March 4. On January 26, the parties filed their final witness lists for the confirmation hearing. A pre-trial conference is scheduled for February 27.
- LUMA has continued to meet with the FOMB weekly to coordinate the implementation of the proposed PREPA Legacy Pension Charge and PREPA Legacy Debt Charge contemplated in the Plan of Adjustment. Subject to approval by the PREB, the new charges should be transparently communicated and separately listed on customers' bills. Furthermore, the parties agreed that LUMA will not be responsible for management of the exemption program nor the public communications related to these new charges. It is still unclear exactly how PREPA or the Government of Puerto Rico will manage the exemption program.
- On January 2, FOMB filed a motion in the Title III court to reject PREPA's two remaining collective bargaining agreements ("CBAs") with UTIER and UEPI. FOMB argued that PREPA could not assume the CBAs because PREPA is unable to cure the multi-billion dollar underfunding of its defined benefit plan, meet future funding obligations to maintain the system as it currently exists and as is required by the CBAs, or pay the unions' grievance claims asserted in excess of \$1 billion. FOMB also argued that assumption of the CBAs would be inconsistent with the FOMB's pension reform measures. The unions objected to the motion and contended that the motion could not be decided without an evidentiary hearing, which the FOMB opposed. On January 19, Judge Swain adjourned the motion without scheduling a hearing date and encouraged the parties to mediate their dispute.
- On January 12, the FOMB filed documents comprising the plan supplement for PREPA's proposed plan. The FOMB also filed a proposed order confirming PREPA's plan of adjustment.
- On January 22, the First Circuit affirmed Judge Swain's August 25 order denying the renewed efforts of GoldenTree and Syncora to seek the appointment of a receiver for PREPA and maintaining a stay of their motion for relief from the automatic stay in PREPA's title III case.
- On January 23, Judge Swain extended the term of the court-appointed mediation team through April 30, and noted the agreement of GoldenTree and two groups of PREPA bondholders to become parties to the mediation.
- Judge Swain partially granted a motion to extend certain discovery and litigation deadlines and, among other things, extended the deadline for parties to file objections to the plan to January 28. Numerous parties filed objections to confirmation of PREPA's proposed plan of adjustment and the proposed order confirming PREPA's plan. Assured and UTIER filed Notices of Constitutional Challenge regarding the constitutionality of PROMESA. Judge Swain entered an order setting March 13 as the deadline for the U.S. Attorney to defend the constitutionality of PROMESA.
- On January 29, the First Circuit heard an oral argument in the PREPA lien challenge litigation. The PREPA bondholder appellants seek, among other things, a reversal of Judge Swain's decision limiting their liens to amounts in the sinking fund and estimating their unsecured net revenue claim at \$2.388 billion instead of the \$8.5 billion asserted amount. The FOMB, AAFAF, the UCC and the Fuel Line Lenders collectively urge the appellate court to affirm Judge Swain's decision limiting the amount of the bondholders' secured claim and dismissing their counterclaims.

and reverse her decision granting the bondholders an unsecured recourse claim. The appeal remains pending.

### **PREPA Accounting and Financial Risks**

- On January 25, 2023, LUMA requested PREPA to provide balance sheet reconciliations. After repeated requests over eight (8) months, PREPA delivered the FY2021 balance sheet reconciliations in September 2023. Upon review of the provided documents, LUMA concluded the documents were incomplete and insufficient to understand the account transactions. This incomplete data further indicates the need for the Accounting Issues Remediation project to move forward. LUMA cannot provide certain O&M services related to financial reporting until the PREPA Accounting Issues are remediated. LUMA has communicated concerns to P3A and FOMB that lack of remediation may impact reporting contemplated under the Title III proposed plan of adjustment.

### **LUMA's Billing and Collection Efforts**

- LUMA has finalized testing for an estimation algorithm change that will more accurately estimate usage if an actual meter reading is not available for billing purposes. This change is set to deploy into production in February. Additional initiatives will deploy enhancements and corrections with a focus on improving and reducing estimated bills over the next several months.
- LUMA reached 5,871 new payment agreements with customers in January, for a total of over 61,000 since June 2021. In January, LUMA completed over 87,000 outbound collection calls for a total of over 1.76 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$23 million in January directly related to active customer collections including outbound calls, letters, emails, and inbound calls.
- LUMA has fully implemented a 30-60-90-day dunning process for Commercial, Industrial and Residential customers that includes disconnection for non-payment to improve Debt Collection and Day Sales Outstanding (DSO).

### **Third-Party Pole Attachments ("TPA")**

- In September 2023, the PREB issued an R&O instructing LUMA to report on the status of collections from TPA to electrical infrastructure.
- For over a year, LUMA has been engaged in discussions with telecommunications companies with TPAs, as well as key stakeholders, in order to come to an agreement on how to bring the TPAs into compliance with required standards and to collect payments on behalf of PREPA from the telecommunications companies that have TPAs. Among other issues, LUMA is concerned of the risks on reimbursement with federally funded projects when the telecommunications companies do not properly reattach their equipment to new poles.
- Continuing violation of standards by telecommunications companies and unauthorized TPAs to PREPA's electrical infrastructure poses safety risks to LUMA's employees and to the public, as well as deteriorates the resilience and reliability of electrical service.
- LUMA understands that PREPA has not collected TPA fees from telecommunications and cable companies since 2017, which has resulted in a significant backlog of uncollected revenue predating LUMA's service commencement. On January 12, LUMA sent a formal request to PREPA for copies of all TPA Agreements that have been in effect since 2017. As of January 31,

LUMA has not received the TPA Agreements. LUMA will review to determine outstanding billings and collections.

#### **LUMA Budget Approval, Amendment and Reallocation**

- LUMA continues to be concerned regarding the procedural and substantive orders and decisions by PREB on LUMA's budgets, reporting and related activities. There are unresolved issues outstanding that stem from PREB's decisions regarding budgets for FY2022, FY2023 and FY2024. These concerns will be reiterated as part of the FY2025 Rate Case submission.