



Monthly Report on the T&D System

For the Month of March 2024

April 13, 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 March 2024.

2.0 Monthly Sales Summary

- March consumption (GWh) was 18.4% higher than the previous month (February) and 19.3% higher than the same month of the previous year (March 2023). Energy sales (\$) in March increased by 20.1% from February and 5.0% from March 2023.
- The increase in consumption compared with March 2023 and February 2024 was driven by warmer weather requiring higher energy demand for cooling.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 March	602.9	667.6	131.9	25.9	1.9	3.0	1,433.2
2024 February	466.1	582.1	132.3	25.5	1.9	3.1	1,210.9
2023 March	452.7	576.3	142.9	24.3	2.1	2.9	1,201.2

Table 2-2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 March	133.2	159.7	30.7	9.6	0.5	0.7	334.4
2024 February	99.5	138.8	29.7	9.2	0.5	0.7	278.4
2023 March	113.8	156.7	37.5	9.3	0.6	0.7	318.6

Table 2-3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies ³	Total ⁴
2024 March	96.7	149.5	64.0	24.2	334.4
2024 February	87.7	120.8	35.9	34.0	278.4
2023 March	83.3	164.8	40.2	30.3	318.6

¹ FCA: Fuel Charge Adjustment

² PPCA: Purchased Power Charge Adjustment

³ CILT: Contribution In Lieu of Taxes

⁴ 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. Seven (7) resulted in automatic underfrequency loadsheds, one (1) loadshed was caused by generation shortfall.
- Several transmission outages occurred during the month.
- No declared emergency events occurred during the month of March.

Table 3-1: Significant Generation Outages

Date	Generation Outages
03/01/2024	Aguirre 1: Derated Costa Sur 5: Derated
03/02/2024	Aguirre1: Derated San Juan 6: Coordinated Outage AES 2: Derated Costa Sur 5: Derated
03/04/2024	Aguirre 11: Derated Costa Sur 5: Forced Outage and Loadshed
03/05/2024	Aguirre 1: Derated Aguirre 2: Derated San Juan 5: Forced Outage
03/06/2024	Aguirre 1: Derated AES 1: Derated AES 2: Derated Costa Sur 5: Forced Outage
03/07/2024	Aguirre 1: Forced Outage
03/08/2024	San Juan FEMA Units: Forced Outage and Loadshed San Juan 6: Derated San Juan 5: Derated
03/09/2024	AES 1: Derated San Juan 5: Derated San Juan 6: Derated
03/10/2024	AES 1: Derated AES 2: Derated Costa Sur 5: Derated
03/11/2024	Costa Sur 5: Derated AES 1: Derated
03/12/2024	Aguirre 2: Derated
03/13/2024	Costa Sur 5: Forced Outage and Loadshed
03/14/2024	AES 1: Derated AES 2: Derated
03/15/2024	Costa Sur 5: Forced Outage and Loadshed San Juan 9: Forced Outage
03/16/2024	Costa Sur 5: Forced Outage and Loadshed

Date	Generation Outages
03/17/2024	Costa Sur 5: Derated
03/18/2024	Costa Sur 5: Derated
03/19/2024	San Juan 7: Derated San Juan 9: Derated San Juan 6: Derated
03/20/2024	Costa Sur 5: Forced Outage Cambalache 2: Forced Outage
03/22/2024	Costa Sur 5: Derated
03/23/2024	San Juan 9: Derated San Juan 6: Maintenance Outage
03/24/2024	Costa Sur 5: Derated AES 1: Derated AES 2: Derated San Juan 7: Forced Outage
03/25/2024	AES 1: Derated Aguirre 2: Derated
03/26/2024	Costa Sur 5: Forced Outage
03/28/2024	AES 1: Derated
03/29/2024	Aguirre 2: Forced Outage and Loadshed
03/30/2024	San Juan 5, 6 and TMS: Ramped Down abruptly due to fuel supply, Loadshed
03/31/2024	San Juan 5: Forced Outage San Juan 6: Forced Outage and Loadshed San Juan 9: Derated Loadshed due to Generation Shortfalls

Table 3-2: Significant Transmission Outages

Date	Transmission Outages
03/02/2024	Line 41400 Tripped
03/04/2024	Line 36200 Tripped
03/07/2024	Line 36100 Tripped
03/09/2024	Line 41500 Tripped Line 39000 Tripped Line 51200 Tripped
03/11/2024	Line 37700 Tripped Line 38600 Tripped Line 38300 Tripped
03/12/2024	San Lorenzo Substation Tripped Line 36100 Tripped Substation Mirador Azul Tripped
03/13/2024	Viaducto Substation Tripped
03/18/2024	Line 50900 Tripped

Date	Transmission Outages
03/19/2024	Line 37400 Tripped Line 36400 Tripped Substation 9405 Bo. Pinas Tripped
03/21/2024	Line 36400 Tripped Line 50900 Tripped
03/24/2024	Line 36100 Tripped
03/25/2024	Line 36100 Tripped
03/27/2024	Line 37400 Tripped Substations Hato Rey 1420 and 1429 Tripped
03/28/2024	Line 36100 Tripped
03/29/2024	Line 37800 Tripped

4.0 Puerto Rico Energy Bureau Filings and 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-2024-0001](#) | **PREB Approved Investments** – On March 8, PREB approved LUMA’s request for additional time to complete the first status report on PREB-approved projects and provided new quarterly dates for subsequent filings.
- [NEPR-MI-2021-0004](#) | **Annual Budgets** – On March 28, LUMA submitted the Fiscal Year (“FY”) 2024 Budget Amendment Request to the P3A and the PREB to reallocate funds from Operating Expenditures to various Non-Federally Funded Improvement Programs; the reallocation has no increase on the aggregate budget, but rather reallocated spending based on necessity and program prioritization.
- [NEPR-AP-2020-0025](#) | **LUMA’s Performance Metrics** – On March 18, LUMA filed a motion in opposition to LECO’s Motion for Reconsideration, arguing due process violations due to LECO’s failure to comply with the requirements for legal review. LUMA asked PREB to sustain and approve the Revised Annex IX as submitted on October 28, 2022 and reject LECO’s request to adopt a broader penalty scheme. LUMA’s Motion for Reconsideration in this case, filed in February, argues that PREB’s Final Order violates due process and interferes with essential provisions of the T&D OMA by modifying the annual performance targets, incentive tiers impacting the Performance Metrics, Major Outage Events Metrics, and the reallocation of basepoints and weights. LUMA’s Motion for Reconsideration is pending response from PREB.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On March 6, LUMA submitted four (4) initial Scopes of Work (“SOWs”) for substations. On March 14, LUMA informed PREB that "FAAST Distribution Pole and Conductor Repair- Ponce Group 6 (Distribution)" was energized on December 13, 2023. On the same day, LUMA filed the March 2024 update to the PREPA-LUMA 90-Day Plan. On March 27, LUMA informed PREB about four (4) FEMA cost-obligated projects related to the following Improvement Programs: Distribution Streetlighting, Distribution Pole and Conductor Repair, and Substation Rebuilds.

- [NEPR-MI-2019-0006](#) | **Emergency Response Plan (“ERP”)** – On March 1, LUMA submitted a motion including the draft of an updated ERP in further compliance with PREB's Resolution and Order (“R&O”) of November 27, 2023. On March 11, LUMA filed an informative motion regarding the establishment of a joint Emergency Operation Center between LUMA, Genera and PREPA. On the same day, LUMA requested continuance of a Technical Conference.
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On March 22, PREB ordered LUMA cost information related to the interconnection of Tranche 1 renewable generation and battery storage projects to be used for recovery of these costs in the Power Purchase Cost Adjustment rider to the Base Rate. . On March 25, LUMA complied with the R&O and submitted the quarterly factors including cost information on interconnection works for Tranche 1 renewable generation and battery storage projects, as well as emergency generation units funded by FEMA in San Juan and Palo Seco. On March 26, PREB issued a Request for Information (“RFI”) regarding costs included in the quarterly factors. On March 26, LUMA submitted the response to the RFI. On March 27, PREB issued an R&O setting factors for the period from April 1 to June 30, 2024.
- [NEPR-MI-2021-0008](#) | **Customer Bill** – On March 28, LUMA submitted a Motion and associated Exhibit depicting the interim rate for Electric Vehicle (“EV”) Time of Use in the Customer Bill for PREB's approval.
- [NEPR-MI-2023-0001](#) | **Wheeling Implementation** – On March 21, LUMA submitted a Motion for Reconsideration requesting PREB to reconsider its February 23 R&O approving an Annual Energy Imbalance Charge (“AEIC”) based on Tranche 1 solar Power Purchase Operations Agreement (“PPOA”) during a period of five (5) years, as well as PREB's denial of LUMA's proposal on certain components of a Wheeling Rate to be paid by Retail Electricity Suppliers. LUMA also requested until April 5 to respond to stakeholders' comments and to provide additional evidence before the final AEIC is approved.
- [NEPR-AP-2023-0004](#) | **Integrated Resource Plan (“IRP”) Review Proceeding** – On March 11, LUMA filed a motion to submit the draft Revised 2024 IRP scenarios and characteristics, incorporating the feedback provided by PREB and its consultants for the 2024 IRP proposal. LUMA plans to file a total of 10 scenarios: six Core Scenarios with the IRP Report on June 28, and four Supplemental Scenarios after the filing date. On March 11, PREB issued an R&O requesting LUMA to respond to the Second set of IRP Prefiling Period RFIs by April 1. The second RFI seeks information related to PLEXOS modeling and updates to previous responses and information presented. On March 13, the PREB issued an R&O taking notice of the 2024 IRP Revised Scenarios and Characteristics and ordering LUMA to file the four Supplemental Scenarios by August 1.
- [NEPR-MI-2022-0003](#) | **Generation Stabilization Plan** – On March 1, LUMA submitted the Fifth Report on Demobilization of FEMA Generation and requested LUMA's release from filing Bi-Weekly Demobilization Reports. On the same date, LUMA started resubmitting system condition updates on a daily basis, as ordered by the PREB in its February 26, R&O.

Other filings in February:

- [NEPR-MI-2021-0013](#) | **EV** – March Billing Integration Report (March 7)

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 Governor's Office of Legislative Affairs

Committee	Act, Bill or Resolution	LUMA Response
House Committee on the Southern Region Development	<i>House Resolution 303</i> – orders to conduct investigation related to the economic and social situation of the municipalities of Guánica, Yauco, Guayanilla, Peñuelas, Ponce, Jayuya, Adjuntas, Utuado and Lares; and for other related purposes.	LUMA was notified on March 1 that it would be required to attend an on-site hearing in Corozal on March 8. LUMA took part in the public hearing.
House Committee on Economic Development, Planification, Telecommunications, Private-Public Partnerships and Energy	<i>Joint House Resolution 231</i> – orders PREPA and LUMA to grant to any subscriber a credit corresponding to the repair or replacement value of any appliance or equipment damaged as a result of blackouts, fluctuations or drops in the voltage of the electric system; and for other related purposes.	On March 6, LUMA submitted comments related to JHR231.
	<i>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.	On March 18, LUMA participated on an <i>on-site</i> executive hearing held at the LUMA (CIM) Contact center.
Senate Committee on Essential Services and Consumer Affairs	<i>Senate Resolution 806</i> – orders a continuous investigation on the various problems in the Senatorial District of Guayama; and for other related purposes.	LUMA was notified on March 8 that it would be required to attend an on-site hearing in Corozal on March 19. LUMA took part in the public hearing.
Senate Committee on Strategic Projects and Energy	<i>Senate Resolution 1</i> – orders to conduct a thorough investigation into the awarding process of the contract between the PREPA and LUMA Energy, LLC; to study the contract in order to seek a possible amendment or resolution for the best interest of the people of Puerto Rico.	LUMA was notified on March 8 that it would be required to attend an on-site hearing in Corozal on March 19. LUMA took part in the public hearing.

Table 5-2: Material Litigation Update⁵

Case No. & Parties	Description	Updates
Domingo Marrero v. Mun. de Guanica, Civil Case No. PO2021CV00963	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).	PREPA requested additional time to file its responsive pleading to the third-party complaint.
Civil Cases No. SJ2023CV02513, No. SJ2023CV01793 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí	Challenge to Manatí Municipality’s construction excise tax determinations for LUMA.	On March 22, LUMA filed a motion requesting to bifurcate the complaint to prioritize four causes of action and limit discovery to those causes of action.
<i>The following cases have had no significant changes since the last report:</i>		
Civil Case No. 22-CV-01357 – CADFI Corp. v. PREPA, LUMA and Municipality of San Juan	Plaintiff alleges that pole placement in sidewalks violates ADA.	
Civil Case No. SJ2022CV08894 – 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.	
Civil Case No. SJ2022CV02868 – 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 the April 6, 2022 event at Costa Sur that caused an island-wide blackout.	
Case No. 17- 04780 PROMESA Title III	PREPA Bankruptcy	

⁵ 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.

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

Government Entity	Audit Description	Significant Updates
Puerto Rico Comptroller's Office ("OCPR"), No. 15671 (LUMA)	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 March 5, LUMA received an RFI related to bank statements and disbursements from LUMA's Operating Accounts; the information was submitted on March 8. On March 13, LUMA received another RFI related to a monthly summary of the service account withdrawals communicated to P3A for December 2023. The information was submitted on March 15.
OCPR, No. 15592 (PREPA)	Audit to PREPA during the period of June 1, 2018, to June 30, 2021, 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 March 27, OCPR auditors interviewed a LUMA resource at the Transmission Operation Center ("TOC") in Monacillos.
OCPR, No. 15720 (PREPA)	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 March 19, OCPR auditors interviewed a LUMA resource from Procurement and Contracts. Supporting information related to the interview was provided to the OCPR on March 25.
KPMG	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 were issued on March 27.
PwC	Audit of ServCo (FY2020 and FY2021)	The ServCo Financial Statements for FY2020 and FY2021 were issued on March 19.
<i>The following audits have had no significant changes since the last report:</i>		
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. 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

- March was the sixteenth (16) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and failed to comply with its contractual obligations, in breach of the T&D OMA. March was also the third (3) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. LUMA has issued sixteen (16) non-compliance notices to PREPA and notified P3A.
- In January 2023, LUMA requested PREPA to provide balance sheet reconciliations. After multiple 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. LUMA has continued to request from PREPA complete information required for these reconciliations. Until these are provided and PREPA provides a segregated opening balance sheet for the T&D system, LUMA is unable to provide certain O&M Services related to financial reporting. LUMA has also communicated concerns to P3A and FOMB that certain historical PREPA financial systems and information turned over to LUMA at commencement may also impact reporting contemplated under the Title III proposed POA. LUMA continues to escalate these matters.

LUMA's Performance Metrics

- In January, PREB issued a final R&O in case NEPR-AP-2020-0025, in which it approves 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. In February, LUMA filed a Motion for Reconsideration requesting PREB to vacate its ruling. In the reconsideration motion LUMA argues due process violations and interference with essential provisions of the T&D OMA by modifying the annual performance targets, incentive tiers impacting the Performance Metrics, Major Outage Events Metrics, and the reallocation of basepoints and weights.
- 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

- On March 4, Genera reached the maximum allotted operations man-hours provided by LUMA as outlined in the Amended and Restated Shared Service Agreement ("SSA"). On the same date, LUMA provided notice that it would cease to provide "Planned Maintenance Support" requests for services to Genera in accordance with the SSA. These are services for which Genera has responsibility and which they can either undertake themselves or contract with third parties. LUMA is encouraged by the progress towards the ultimate termination of shared services, which is an important milestone in the PREPA reorganization. This service separation will allow for LUMA's operations teams to solely focus on the rebuilding of the T&D System and the making of a more resilient grid for the people of Puerto Rico.

- On March 26, LUMA and PREPA agreed to the terms and conditions of the Facilities Collaboration Agreement. However, LUMA, PREPA, and Genera have yet to finalize collaboration agreements between the parties to document clear roles and responsibilities related to the provision of insurance, IT/OT, and telecom services. LUMA is increasingly concerned by the lack of progress from PREPA and Genera in this area and continues to work with PREPA and Genera to advance the agreements between the parties.
- 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 had 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 March 30.

PREPA Title III Exit

- A two-week trial took place from March 4 - March 19 to consider confirmation of PREPA’s proposed plan of adjustment. At the end of the hearing, Judge Swain directed the parties to file amended proposed findings of fact and conclusions of law on April 1, with limited objections due by April 5.
- Numerous parties objected to confirmation of PREPA’s proposed plan of adjustment, including GoldenTree, Syncora, Assured, the PREPA bond trustee, the ad hoc group of non-settling PREPA bondholders, UTIER, SREAEE, and miscellaneous creditors and other parties in interest. The objecting parties presented their arguments and evidence at the confirmation trial, as did the FOMB, AAFAF, the Fuel Line Lender group, and several other parties supporting confirmation.
- GoldenTree and Syncora filed a renewed motion in February to designate the votes of certain “preferred” creditors who settled with the FOMB and voted to accept the proposed plan of adjustment. Judge Swain determined to resolve the designation motion based on the record developed during the confirmation hearing on the issues underlying the motion, and the motion remains pending.
- Although the First Circuit heard argument on the PREPA lien challenge appeal on January 29, the First Circuit has not yet issued a decision and the appeal remains pending.
- GoldenTree and Syncora also filed a motion in February seeking to renew their request for relief from the automatic stay to allow them to enforce their statutory right to obtain the appointment of a receiver. Objections to GoldenTree and Syncora’s renewed request are due on April 24.

LUMA’s Billing and Collection Efforts

- LUMA deployed an estimation algorithm change to CC&B in early March that resulted in a decrease of the percentage of estimated bills produced from 11.4% to 6.6% in its first month of production. Additional initiatives will deploy enhancements and corrections with a focus on improving and reducing estimated bills over the next several months.
- LUMA reached 6,081 new payment agreements with customers in March, for a total of over 73,000 since June 2021. In March, LUMA completed over 89,000 outbound collection calls for a total of over 1.94 million outbound calls since June 2021. LUMA’s Revenue Protection team collected over \$30 million in March directly related to active customer collections of past due receivables including outbound calls, letters, emails, and inbound calls.

Third-Party Pole Attachments (“TPA”)

- In February, LUMA sent a formal communication to P3A informing that LUMA would file a motion with the Puerto Rico Telecommunications Bureau (“TEB”), to compel the telecommunication companies to produce copies of the most recent TPA Agreements and/or any missing TPA Agreements. LUMA is currently coordinating a meeting with the TEB to determine a future course of action.

Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed all backlogged 35,000 supplemental studies. The studies cover distribution feeder voltage, thermal and protection analyses, which are critical to maintaining the distributed system's stability and reliability. The results of the studies may indicate the need for upgrades to address stability and reliability risks. LUMA plans to issue the results of the studies and engage with distributed generation and storage developers and other stakeholders on further actions.

LUMA Budget Approval, Amendment and Reallocation

- LUMA continues to be concerned with PREB’s procedure and orders on LUMA’s budgets, reporting and related activities. Issues remain outstanding stemming from PREB’s decisions on the budgets for FY2022, FY2023 and FY2024, as well as excessive reporting requirements including a new very broad requirement in a new case (NEPR-MI-2024-0001) for additional detailed reporting on all capital projects. Most recently, on March 14, PREB issued an R&O in this docket that inferred that a FY2025 Budget Request should be submitted no later than April 15, in alignment with the 2017 Rate Order process and guidelines. This would be in direct contradiction to the schedule and directives issued in the current Rate Case.
- On March 28, LUMA filed a Budget Amendment for FY2024 budget with P3A for review and approval. In the Budget Amendment, LUMA is proposing to reallocate \$36 million from the T&D Operating Budget into the Non-Federally Funded Capital Budget. This reallocation will provide more funding for priority activities in the Distribution, Substation, Enabling, and Support Services Portfolios to enable improved reliability ahead of the 2024 Atlantic Hurricane season and higher peak demand months, as well as lower the operations cost in fleet and aviation. The Budget Amendment will not increase customer rates and LUMA will remain within budget for the aggregate T&D Pass-Through Expenditures for FY2024.

Rate Case

- On March 15, PREB issued an R&O acknowledging the receipt of LUMA’s Phase I submission in October 2023 and requesting a technical conference on April 17 to discuss primarily Federal Energy Regulatory Commission (“FERC”) and Uniform System of Accounts (“USOA”) compliance . The PREB, in preparation for the technical conference, issued an RFI for LUMA to reply by April 8, regarding the same topics. Further, PREB’s R&O extends the Rate Review Process by splitting the Phase II Submission into Part 1 (Revenue Requirement) and Part 2 (Rate Design). PREB states that Phase 2 Part 1 should be submitted no later than June 1, and Part 2 will be assessed upon review of Part 1.