



# Monthly Report on the T&D System

For the Month of August 2024

September 16, 2024

# Contents

- 1.0 Mission, Goals and Areas of Responsibility ..... 1
- 2.0 Monthly Sales Summary ..... 1
- 3.0 Recent LUMA Accomplishments ..... 2
- 4.0 System Operations Update ..... 2
- 5.0 Puerto Rico Energy Bureau Filings and Hearings ..... 7
- 6.0 Legislative Matters & Material Legal Update ..... 9
- 7.0 Ongoing External Audits ..... 12
- 8.0 Material OMA Items ..... 14

## 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 August 2024.

## 2.0 Monthly Sales Summary

Consumption in August decreased by 1.5% compared to the previous month (July) and by 1.2% compared to the same month of the previous year (August 2023). In August 2024, energy sales (\$) decreased by 7.6% compared to July 2024 and increased by 3.1% compared to August 2023.

*Please Note:* The Energy Efficiency ("EE") Rider was implemented starting on July 2024, and the reporting templates were updated accordingly to include revenues associated to EE as line items for customer classes and revenue types. However, the July 2024 Sales data inadvertently did not account for the new EE rider causing a divergence on the numbers reported on the July Monthly Operations Report. Please see the values below for the corrected sales pertaining to the month of July 2024 and the new data for August 2024.

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

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total <sup>4</sup>
<b>2024 August</b>	692.9	703.5	136.5	23.9	2.1	3.5	<b>1,562.4</b>
<b>2024 July</b>	721.9	704.8	130.6	22.7	2.0	3.5	<b>1,585.5</b>
<b>2023 August</b>	695.8	691.7	163.2	24.3	2.6	3.4	<b>1,580.9</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 August</b>	172.9	169.8	33.6	9.4	0.5	0.9	<b>387.1</b>
<b>2024 July</b>	181.7	190.6	35.4	9.7	0.6	0.9	<b>418.9</b>
<b>2023 August</b>	158.7	168.5	36.6	10.1	0.6	0.8	<b>375.3</b>

Table 2-3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA <sup>1</sup>	PPCA <sup>2</sup>	CILT & Subsidies & EE <sup>3</sup>	Total <sup>4</sup>
2024 August	100.9	198.5	59.9	27.8	387.1
2024 July	103.2	224.8	72.1	18.8	418.9
2023 August	102.9	210.2	32.4	29.8	375.3

## 3.0 Recent LUMA Accomplishments

- Completed two press conferences, published 14 press releases, over 50 social media posts, completed over 30 media interviews, 14 Interactive Voice Response message updates as part of LUMA's efforts to keep customers informed through the **Tropical Storm Ernesto Emergency Response** efforts that included restoring service to over 90% of customers impacted within 54 hours.
- Completed the installation of over 35 transmission structures as part of the Line 100 rebuild project along PR-1 from Salinas to Santa Isabel. Our teams expect to complete the installation of all 44 structures and over 50,000 feet of new wiring in September to provide redundancy and resiliency to customers in Santa Isabel and Coamo.
- Completed over 71,300 service meters walkdowns and visual inspections in various communities across San Juan as part of Phase 1 of the Smart Meter Initiative.
- 
- Participated in four (4) Public Hearings to provide legislatures and communities updates on Tropical Storm Ernesto response efforts, Acacias substation relocation project and updates on Santa Isabel transformer and transmission line 100 reconstruction.
- Unveiled a new Progress Dashboard available on the web to keep customers and stakeholders informed on the progress of key projects and initiatives. This new tool is part of LUMA's commitment to transparency about our progress and challenges as we continue to transform Puerto Rico's T&D system.
- Developed and published the first ever Customer Newsletter sent to all LUMA customers to provide information on Energy Efficiency, Energy Conservation, Emergency Preparedness, Public Safety and content featuring LUMA field workers serving our communities.

## 4.0 System Operations Update

### Reported Events

- Several generation forced outages occurred during the month. Ten (10) resulted in automatic underfrequency loadsheds.
- Several transmission outages occurred during the month.

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

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

<sup>3</sup> CILT: Contribution In Lieu of Taxes and EE: Energy Efficiency

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

- On August 12, at 13:00 hours, the LUMA Emergency Operations Center (LEOC) was partially activated. Based on the storm (**TS Ernesto**) forecasted conditions, LUMA initially classified the event as a Type 4 (non-emergency) and activated the LEOC at a Level 4, indicating partial activation. Effective August 14, LEOC started to operate 24/7 at Level 2 (Large Activation) and type 2 (Emergency Conditions) until August 21, when it changed to 12 hours shift. On August 23 at 19:00 hours, LEOC was demobilized, and transferred into an Incident Management Team under which restoration efforts continued. The ROCCs remained opened with additional resources for the areas pending restoration.

**Table 3-1: Significant Generation Outages by Site for August 2024**

Site Name	Derated	Forced Outage	Loadshed	Planned / Maintenance Outages
AES 1	2	0	0	0
AES 2	4	0	0	0
Aguirre 1	15	4	3	0
Aguirre 2	5	1	1	0
Costa Sur 5	9	1	1	0
Costa Sur 6	6	2	2	0
EcoEléctrica	1	3	0	0
Palo Seco 3	5	0	0	0
San Juan 5	0	1	1	0
San Juan 6	0	4	1	0
San Juan 7	3	3	0	0
San Juan 9	0	3	1	0
<b>Total</b>	<b>50</b>	<b>22</b>	<b>10</b>	<b>0</b>

**Table 3-2: Total Significant Generation Outages by Month**

Outage Type:	Derated	Forced Outage	Loadshed	Planned / Maintenance Outages
<b>2024 August</b>	50	22	10	0
<b>2024 July</b>	44	13	3	0
<b>2023 August</b>	27	32	10	6

**Table 3-3: Significant Transmission Outages by Line / Transformer for August 2024**

Name	Line Trips	Transformer Trips	Substation Trips
Barceloneta TC Bank #1	0	1	0
Hatillo TC Bank	0	1	0
Barceloneta TC Bank #2	0	1	0
Berwind Bank	0	1	0
Berwind TC Bus	0	0	1
Caguas TC Bank	0	1	0
Cambalache TC Bus	0	0	1
Cambalache TC Bank	0	2	0
Canóvanas TC Bank #2	0	1	0
Comerio TC Bank	0	2	0
Leon Bus Tripped	0	0	1
Line – 36100, Monacillos TC – Bayamon TC	1	0	0
Line – 36100, Dos Bocas HP – Bo. Piñas GIS	3	0	0
Line -36100, Dos Bocas HP – Ciales	1	0	0
Line -36200, Daguao TC – Fajardo TC	1	0	0
Line – 36200, Daguao TC – Rio Blanco	1	0	0
Line – 36200, Monacillo TC – Juncos TC	1	0	0
Line – 36300, Rio Blanco – Humacao TC	1	0	0
Line – 36400, Dos Bocas - Jayuya	2	0	0
Line – 36400, Ponce TC – Jayuya	3	0	0
Line – 36700, Mayaguez TC – San Sebastian TC	1	0	0

Name	Line Trips	Transformer Trips	Substation Trips
Line – 36800, Canóvanas TC – Palmer TC	1	0	0
Line – 36800, Palmer TC – Fajardo TC	1	0	0
Line – 36800, Sabana Llana TC – Canóvanas TC	1	0	0
Line – 37100, Costa Sur Steam Plant – Guánica TC	1	0	0
Line – 37200, Mayagüez TC – Mayagüez Planta	1	0	0
Line – 37400, Barceloneta TC – Cambalache TC	3	0	0
Line – 37400, Bayamon TC- Hato Tejas TC	1	0	0
Line -37400, Cambalache TC – Dos Bocas	1	0	0
Line – 37400, Dorado-Vega Baja	2	0	0
Line – 37400, Manatí TC – Vega Baja TC	3	0	0
Line – 37800, Cayey TC -Jobos TC	1	0	0
Line – 37800, Monacillos TC – Caguas TC	1	0	0
Line – 38100, San Juan Steam Plant – Viaducto TC	2	0	0
Line – 38200, Monacillos TC -Palo Seco Steam Plant	1	0	0
Line – 38400, San Juan Steam Plant – Viaducto TC	1	0	0
Line – 38500, San Juan Steam Plant – Hato Rey TC	1	0	0
Line – 38700, Jobos TC – Cayey TC	1	0	0

Name	Line Trips	Transformer Trips	Substation Trips
Line – 38900, Berwind TC – Martin Peña GIS	2	0	0
Line – 39000, Barranquitas TC – Comerio TC	2	0	0
Line – 39000, Barranquitas TC – Toro Negro – Juana Diaz	1	0	0
Line – 39000, Monacillos TC – Aguas Buenas GIS	1	0	0
Line – 39800, Acacias TC – Mayagüez Planta	8	0	0
Line – 40200, Jobos TC – Aguirre Bus	1	0	0
Line – 40300, Pattern – Ponce TC	1	0	0
Line – 40400, San Juan Steam Plant – Hato Rey TC	1	0	0
Line – 41200, Sabana Llana TC – Canóvanas TC	1	0	0
Line – 50200, Costa Sur Steam Plant – Manati TC	1	0	0
Line – 50500, Cambalache GP – Mora TC	1	0	0
Line – 50800, Sabana Llana TC – Yabucoa TC	1	0	0
Line -50900, Aguas Buenas-Aguirre	1	0	0
Llorens Bus	0	0	1
Ponce Bus 1	0	0	1
San Juan Bus #1	0	0	1
Substation #1204 Conquistador	0	0	1
Substation #2901 Yabucoa Pueblo	0	0	1
<b>Total</b>	<b>60</b>	<b>10</b>	<b>8</b>



Table 3-4: Total Significant Transmission Outages by Month

Outage Type:	Line Trips	Transformer Trips	Substation Trips
2024 August	60	10	8
2024 July	29	0	0
2023 August	47	6	9

## 5.0 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-2021-0002](#) | **Federal Funding** – On August 1, LUMA submitted to PREB a motion in compliance with the Resolution and Order (“R&O”) of September 22, informing the energization of twelve federally funded projects. On August 23, LUMA submitted two initial Scopes of Work (“SOW”) for the Venezuela and Caparra substation. On August 28, LUMA submitted three FEMA project obligations related to Transmission Priority Pole Replacements, Distribution Pole, Conductor Repair and Substation Rebuilds Improvement Programs. On August 30, LUMA submitted an amendment to the June 90-Day Plan to notify FEMA and P3A of the emergency works being performed by LUMA related to the July 2024 Major Disaster Declaration by FEMA and Tropical Storm Ernesto.
- [NEPR-MI-2021-0004](#) | **Initial Budgets** – On August 1, LUMA submitted a motion requesting PREB to: (1) accept LUMA’s comments, revised template and proposed quarterly cadence for vegetation management reporting, (2) extend the timeline to file the initial progress report to August 14, under docket number NEPR-MI-2019-0005. On August 6, LUMA requested PREB to reconsider their July 17 R&O. On August 26, LUMA filed a motion in compliance with the June 26 R&O, including Third Party Attachment contracts within LUMA’s possession.
- [NEPR-MI-2021-0013](#) | **Electric Vehicles (“EV”)** – On August 2, LUMA submitted a motion notifying PREB of existing barriers to the Implementation of Interim Electric Vehicles Time of Use (“EV-TOU”) Pilot Program Rate for Net Energy Metering (“NEM”) Customer and a request for approval of Short-Term Proposals.
- [NEPR-AP-2020-0025](#) | **LUMA’s Performance Metrics** – On August 2, the Court of Appeals amended the R&O of July 17, to notify LUMA of the term that it had to file an opposition to LECO’s writ requesting judicial review. PREB failed to include LUMA on their original resolution dated July 17. On August 7, LUMA requested an extension of 30 days to file its opposition to LECO’s writ by September 3.
- [NEPR-MI-2019-0006](#) | **Emergency Response Plan (“ERP”)** – On August 8, LUMA submitted to PREB the action items as per After Action Report and Improvement Plan (“AAR/IP”) for Fiscal Year 2024 (“FY24”) in compliance with the July 24 R&O. On August 16, LUMA submitted to the

PREB a partial response to the July 24 R&O and requested to vacate the pertinent parts of the July 24 Order that concern the 2024 Transmission & Distribution ERP.

- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – On August 9, LUMA submitted its response to the July 10 R&O, providing historical reliability data from April 2023 onwards, using the new district boundaries approved by the PREB to include Toa Baja as a new district. On the same date, PREB issued an R&O, with seven Requests for Information (“RFI”) based on the July 22, Submission of Quarterly (“Q”) Report on System Data for April through June 2024. On August 30, LUMA submitted its responses to the August 9 R&O, submitting information related to Reliability Metrics, OSHA Severity Rate and Number of Customers on Advance Metering Infrastructure.
- [NEPR-IN-2024-0002](#) | **June 02 Santa Isabel Substation Major Outage Incident** – On August 12, LUMA submitted a motion to PREB in response to the Independent Consumer Protection Office’s (“ICPO”) Motion for Reconsideration of the order denying request to intervene in the investigation.
- [NEPR-MI-2019-0016](#) | **Interconnection Progress Reports** – On August 15, LUMA submitted to PREB the Interconnections Progress Report for April to June 2024 and Supporting Materials. On August 26, LUMA participated in a Technical Conference to discuss the Interconnection Progress Report for Distributed Generation (“DG”) from April through June 2024.
- [NEPR-MI-2024-0002](#) | **LUMA’s Accelerated Storage Addition Program (“ASAP”)** – On August 20, LUMA submitted a detailed status update report in connection with the development of the ASAP Standard Offer to comply with the August 8 R&O.
- [NEPR-MI-2019-0005](#) | **Vegetation Management Plan** – On August 26, LUMA submitted a motion in compliance with the June 26 R&O, regarding Vegetation Management and Fire Mitigation, including the Vegetation Management Detailed Implementation Plan.

#### Other Filings in August:

- [NEPR-MI-2020-0001](#) | **Streetlights** – FY24 Q4 Report on Streetlight Repairs (August 6)
- [NEPR-MI-2021-0002](#) | **Federal Funding** – FY24 Q4 Federal Funding Report for (August 12)
- [NEPR-MI-2020-0019](#) | **System Remediation Plan (“SRP”)** – FY24 Q4 Report (August 13)
- [NEPR-MI-2021-0004](#) | **Initial Budgets** – FY24 Q4 Report for the period of April-June 2024 (August 13)
- [NEPR-MI-2022-0001](#) | **Energy Efficiency and Demand Response Transition Period Plan** – FY24 Q4 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report (August 13)
- [NEPR-MI-2024-0001](#) | **PREB Approved Investments** – FY24 Q4 PREB Approved Investments status Quarterly Report (August 13)
- [NEPR-MI-2019-0005](#) | **Vegetation Management Plan** – FY24 Q4 Vegetation Management Progress Report (August 21)
- [NEPR-MI-2021-0013](#) | **Electric Vehicles (“EV”)** –Second Semi-Annual Report for FY24 (August 30)

## 6.0 Legislative Matters & 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 Relevant Legislation and 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
Fortaleza	Senate Bill 1380 – <i>authorizes the establishment of payment plans for the amount owed for drinking water and electricity services during the Coronavirus Pandemic; clarifies the interpretation of Act 39-2020 and its relationship with other laws.</i>	On August 2, LUMA received a request for comments.  On the same day, LUMA submitted the comments requested.
	House Bill 1663 (Conf.) – <i>which amends subsections 9 and 12 of Section 7A of Act No. 5 of April 23, 1973, as amended, known as the “Organic Act of the Department of Consumer Affairs”, to establish the specific right of consumers not to be discriminated against when requesting essential services such as drinking water and electric energy.</i>	On August 19, LUMA received a request for comments.  On August 21, LUMA submitted the comments requested.
	Joint House Resolution 604 – <i>which orders the Puerto Rico Electric Power Authority (“PREPA”) and/or grid operator LUMA Energy, LLC. (“LUMA”) to permanently cease charging all Supplemental Study charges that would have been required by the Electric Power Authority’s (“PREPA”) Distribution System Interconnection Regulation Number 8915.</i>	On August 20, LUMA received a request for comments.  On August 21, LUMA submitted the comments requested.
	House Bill 1381 – <i>which amends Sections 3, 6, 7 and 8 of Act No. 33 of June 27, 1985, as amended, known as the “Act to Establish Minimum Procedural Requirements for the Suspension of Essential Public Services”, to include in the law, the Participatory Public-Private Partnerships and to simplify the steps of the appeals process of any bill.</i>	On August 23, LUMA received a request for comments.  On August 27, LUMA submitted the comments requested.
House Committee on Public-Private Partnerships	House Resolution 1182 – <i>orders to conduct an exhaustive investigation of all financial, operational, management and administration issues related to all contracts of all Public-Private Partnerships entered by the Government of Puerto Rico.</i>	On August 7, LUMA received an RFI from the Speaker of the House Committee.  On August 20, LUMA submitted a request for an extension, which was granted on August 22. On

Committee	Act, Bill or Resolution	LUMA Response
<p><b>House Committee on Economic Development, Planification, Telecommunications, Private-Public Partnerships and Energy</b></p>	<p>House Resolution 1049 – <i>orders a continuous investigation on issues linked to economic priorities aligned with Puerto Rico's socioeconomic advancement. In addition, oversee federal issues linked to federal funds allocated for the reconstruction of the generation, transmission, and distribution of energy by Public-Private Partnerships.</i></p>	<p>August 28, LUMA submitted the responses to the RFI.</p> <p>On August 12, the Committee canceled the hearing scheduled for August 15.</p> <p>On August 16, LUMA received a notification of the new date for the public hearing scheduling it for August 21. LUMA participated in the public hearing.</p> <p>Also, on August 16, LUMA was summoned to participate on an <i>on-site</i> hearing at the Acacias Substation in Hormigueros. LUMA participated in the public hearing.</p> <p>On August 23, LUMA received an RFI from the Committee related to the herbicides used on the Vegetation Management Plan.</p> <p>On August 28, LUMA submitted a response to the RFI.</p> <p>On August 30, LUMA submitted a request for an extension, which was granted.</p>
<p><b>House Committee on Consumer Affairs, Banking Services and Insurance Industry</b></p>	<p>House Resolution 259 – <i>orders a continuous investigation of the current situation of the municipalities in terms of socioeconomic, urban and rural development, environmental development, unemployment, housing, recreation, education, transportation, public protection and infrastructure, as well as all other areas of interest to said municipalities</i></p>	<p>On August 16, LUMA was summoned to participate on an <i>on-site</i> hearing at the Acacias Substation in Hormigueros.</p> <p>On August 26, LUMA participated on the on-site hearing.</p>
<p><b>Senate Committee on Essential Services and</b></p>	<p>Special Committee designated by the President of the Senate under the provision of <i>Section 6.1 of the Senate Rules of Procedure</i> to address urgent matters of public interest.</p>	<p>On August 20, LUMA was summoned to participate on a public hearing scheduled for August 22.</p>

Committee	Act, Bill or Resolution	LUMA Response
<b>Consumer Affairs</b>		<p>On August 22, LUMA participated on the public hearing.</p> <p>On August 23, LUMA received an RFI from the Committee.</p> <p>On August 29, LUMA submitted the response to the RFI.</p>
<b>Representative Dennis Márquez Lebrón</b>	Representative Márquez sent a letter to LUMA requesting information related to the Vegetation Management Plan.	On August 22, the Representative submitted an RFI.
<b>Representative Víctor Parés</b>	Representative Parés sent an email communication requesting LUMA's attendance to a meeting to discuss the integration of renewables to the T&D System.	<p>On August 23, LUMA received an email, requesting LUMA to participate on a meeting scheduled for September 4.</p> <p>On August 30, the meeting was rescheduled for September 9.</p>

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

Case No. & Parties	Description	Updates
<b>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</b>	Consolidated class actions claiming damages from the April 6, 2022, event at Costa Sur that caused an island-wide blackout.	On August 26, the Court ordered the parties to file the Initial Conference Report and set the Initial Conference for December 11.
<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.	On August 19, LUMA took the deposition of the Municipality of Manatí's Finance Director. The Municipality of Manatí expressed its intent to take depositions to LUMA personnel.
<b>Civil Case No. SJ2022CV08894 – UTIER, et. al. v. LUMA Energy ServCo, LLC, et. al</b>	Damage claim alleging defamation, libel, and cyberbullying in online publications referencing UTIER and Angel Figueroa Jaramillo.	On August 13, the Plaintiffs filed a motion for voluntary dismissal with prejudice. On August 15, the Court issued a judgment dismissing the Complaint with prejudice.

<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.

Case No. & Parties	Description	Updates
<i>The following cases have had no significant changes since the last report:</i>		
<b>Civil Case No. 22-CV-01357 – CADFI Corp. v. PREPA, LUMA and Municipality of San Juan</b>	Plaintiff alleges that pole placement in sidewalks violates ADA.	
<b>Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963</b>	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).	

## 7.0 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
<b>Comptroller’s Office of Puerto Rico (“OCPR”), No. 15592 (PREPA)</b>	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 August 23, OCPR auditors sent an RFI in connection with the Transmission Operation Center (“TOC”) in Monacillos, regarding data reports for the Gas Generation plants as well as the rest of the plants. The information was submitted on August 30.
<b>OCPR, No. 15671 (LUMA)</b>	Audit to LUMA Energy ServCo, LLC for the period of June 1, 2020, to February 28, 2023, by Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	<p>On August 5, OCPR auditors sent an RFI to Finance related to the service accounts for the period of January 2024 to July 2024. The information for this RFI was submitted on August 12.</p> <p>On August 22, OCPR auditors sent a second RFI to Finance related to the supporting evidence for certain transactions that impacted the Outage Event Reserve account for February 2, 2023. In addition, the auditors requested email communications for outage events on May 23, 2022, February 2, 2023, and December 28, 2023. The auditors also requested the written procedures for the use of funds related to the Outage Event Reserves. The information for this RFI was submitted on August 29.</p> <p>On August 22, OCPR auditors sent a third RFI to Finance related to a follow-up of the General Ledger report provided previously by LUMA for GridCo. The report covered the period of June 2021 and December 2023. The information for this RFI was submitted on August 28.</p>



Government Entity	Audit Description	Significant Updates
		On August 28, OCPR auditors sent a fourth RFI to Customer Experience related to accounts receivable balances for June 2023 and June 2024. The report covered the period of June 2021 and December 2023. The information for this RFI was submitted on August 29.
<b>OCPR, No. 15720 (LUMA)</b>	Audit to LUMA Energy ServCo, LLC for the period of June 1, 2020, to September 30, 2023, by Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	On August 6, OCPR auditors sent an RFI to Finance related to checks paid on a sample of contracts previously provided by the Procurement Department. The information for this RFI was submitted on August 13.
<b>PREPA FY2023</b>	KPMG Audit of PREPA Financial Statements (FY2023)	Audit started in April. LUMA has been providing all the data requested by KPMG and PREPA. The expected release date was shifted from August 31 to October 31, based on a revised timeline. LUMA is committed to support PREPA's updated deadline.
<b>PREPA FY2022</b>	KPMG Audit of PREPA Single Audit (FY2022) – includes GridCo	Audit started in May. LUMA has been meeting and providing all data requested. The expected release date is expected to be subsequent to October 31, once the FY23 PREPA Financial Statements are issued.
<b>PR Treasury Department</b>	PwC Audit of LUMA Energy, LLC 2022 (Consolidated: ManageCo & ServCo and Standalone: ServCo)	Audit started at the beginning of August. LUMA has been meeting and providing the data requested to the auditors. Target issuance date is by the end of October.
<b>P3A FY2022 Audit – Vázquez &amp; Vilanova</b>	First Year (FY22) OMA Compliance – audit for the first full year of LUMA operations.	<p>The audit remains ongoing, LUMA has been meeting, supporting and providing information to the P3A auditors. By the end of August, approximately 85% of the FY22 RFIs had been completed by LUMA and pending closure or fully closed by the auditors.</p> <p>On August 19, the auditors provided their RFIs related to the FY23 and FY2024 audits. The overall deadline for completing these audits is for November 2024. Work being done for FY22 is getting leveraged to accelerate FY23 &amp; FY24 responses. By end of August, approximately 48% of FY23 and FY24 items have had been completed by LUMA and pending closure or fully closed by the auditors.</p>
<b>Union Pension Plan Compliance (“NEBF”) 2023</b>	Pursuant to Article 6, Sections 6.7 and 6.8 of the Restated Employees Benefit Agreement and Trust for the National	On August 19, LUMA provided the auditors required information requested during the audit kick-off meeting on July 19.

Government Entity	Audit Description	Significant Updates
<b>(Calendar) Audit – Withum</b>	Electrical Benefit Fund, the Trustees of the Fund have established a Payroll Audit Program	
<b><i>The following audits have had no significant changes since the last report:</i></b>		
<b>OCPR, No. 15560</b> – Audit of debt issued by the Commonwealth of Puerto Rico and its public corporations from January 1, 2000 – present day.		
<b>OCPR, No. 15637</b> – Audit of the Municipality of Guánica.		

## 8.0 Material OMA Items

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

- August was the twentieth first (21) 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. August was also the ninth (9) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. LUMA has issued twenty-One (21) non-compliance notices to PREPA and notified P3A.
- PREPA also failed to fund the Outage Event Reserve Account (Section 7.5 (d)(ii)), which has remained unfunded since January 2024, and is particularly worrying at a time LUMA deploys resources to restore electric service to its customers after the effects of Tropical Storm Ernesto on the T&D System which was declared a Mayor Outage Event on August 14, 2024.
- Since January 2023, LUMA has been requesting PREPA to provide balance sheet reconciliations. After multiple requests, PREPA delivered the FY21 balance sheet reconciliations in September 2023. After reviewing the provided documentation, 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, nonetheless the issue remains outstanding. Until initial balance sheet reconciliations are provided including a segregated opening balance sheet for the T&D system, LUMA is prevented from providing certain O&M Services related to financial reporting under T&D OMA. As of August 20, FTI was contracted by AAFAF to initiate the assessments prior to the balance sheet separation efforts.

### LUMA's Performance Metrics

- PREB's Final Reconsideration in case NEPR-AP-2020-0025 contains due process violations, represents a substantial modification to the T&D OMA, and deprives LUMA of a reasonable opportunity to earn the Incentive Fee. On July 15, LUMA filed for judicial review before the Puerto Rico Appeals Court. On July 19, the Appeals Court issued an Order notifying that it will proceed to rule on this case. As of end of August 2024, court ruling is still pending.

### PREPA Reorganization and Shared Services



- The Amended and Restarted Shared Services Agreements (“A&R SSA”) with both Genera and PREPA are due to expired on September 30, 2024. As of August 27, LUMA has not received formal written notification of any reduction, modification or termination of services as required by Article III of the A&R SSA. On the same date and in absence of any formal communication, LUMA issued a notice of the Shared Services Termination to both PREPA and Genera. On August 30, LUMA received a letter from PREPA describing the obstacles it has faced to make significant progress towards Shared Services separation but failing to adhere to its contractual obligation under A&R SSA and effectively communicate any extension of Shared Services requirement.
- LUMA and PREPA have made significant progress towards the finalization of their Collaboration Agreements which include: the execution of their Facilities and OT Collaboration Agreements; and the completion of their Insurance and Telecommunications Collaboration Agreements which are pending execution within September 2024.
- LUMA’s Collaboration Agreements with Genera are significantly delayed after numerous attempts to find common ground for the agreements. At this stage, LUMA requires the P3A involvement to bridge the gaps and enable the finalization of the Collaboration Agreements which delays have an impact on the reconstruction efforts.

### **PREPA Title III Exit**

- On August 15, FOMB disclosed it had entered into a second amendment that extends to October 1, 2024, the closing date of the forward delivery bond purchase agreement, which is a key funding mechanism for PREPA’s current plan of adjustment.
- Judge Swain scheduled an omnibus hearing for September 18, 2024, at which point she is likely to consider whether to extend the litigation, stay in favor of continued mediation or allow the parties to set a litigation schedule.

### **Third-Party Pole Attachments (“TPA”)**

- On August 15, the Puerto Rico Telecommunication Bureau’s (“NET”), per its Spanish acronym, filed with the Puerto Rico Court of Appeals (“PR Court of Appeals”) a motion for reconsideration of the July 29, 2024, order that stayed the NET’s administrative proceedings.
- On August 27, the NET filed with the PR Court of Appeals a Motion to Dismiss Liberty’s petition for judicial review. In said motion, the NET argues that judicial review is premature because Liberty failed to exhaust administrative remedies.
- On August 28, LUMA filed with the PR Court of Appeals a Partial Opposition to Liberty’s Motion Requesting Judicial Review. In this motion, LUMA requests that the PR Court of Appeals deny Liberty’s claim that the NET lacks jurisdiction to regulate the third-party attachments in question. LUMA further maintains that the NET and not the FCC has jurisdiction; given that LUMA is acting as agent of PREPA.
- That same day the PR Court of Appeals issued a resolution whereby, it gave Liberty until August 30, to express its position regarding the NET’s motion to dismiss.
- Consequently, on August 30, Liberty filed with the PR Court of Appeals a response to the NET’s motion for reconsideration and motion to dismiss.

### **Net Energy Metering**

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 3,480 supplemental studies during August 2024. All feeders with penetration levels above 15% have been studied at least once, as of August 31. Through this process, LUMA has identified system upgrades required. Currently, LUMA is in the process of preparing the cost and timeline information to share with the developers. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system's stability and reliability. LUMA is highly concerned about the increasing number of interconnections surpassing the pace of comprehensive studies, which poses a systemic reliability risk. LUMA has engaged in discussions with Distributed Generation developers and installers to secure the payments for required supplemental studies. Joint Resolution 604, which ordered PREB to issue a resolution to repeal the provisions of Regulation 8915 that require customers interconnected with distributed generation systems to pay \$300 to cover the costs of supplementary studies, was signed on July 17 by the Puerto Rico Chamber and Senate Presidents. On August 19, the Joint Resolution was sent to the Governor of Puerto Rico for consideration.

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

- LUMA continues development and testing of system changes necessary to implement the Plan of Adjustment, once approved. User Acceptance Testing ("UAT") is 80% complete and will conclude in early September.
- The team finished testing for a new cancel/rebill automation that will reduce manual workload for the billing team in the coming months. A bill change motion will need to be socialized with the Independent Office of Consumer Protection ("OIPC") and filed with the PREB before it is progress to production.
- LUMA has successfully implemented a weekly report of customers with Life Preserving Equipment to ensure it is readily available for use during storm events.
- Due to Tropical Storm Ernesto, there was an increase of 3.6% to overall estimated bill in cycles 13-18. The team expects to reduce rates to below 7% in the month of September 2024.
- LUMA reached 2,708 new payment agreements with customers in August 2024, for a total of over 91,304 since June 2021. Also, during July 2024, LUMA completed over 129,000 outbound collection calls for a total of over 2.4 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$28 million during August 2024 directly related to active customer collections of past due receivables. Collection efforts include outbound calls, letters, emails, and inbound calls.

#### **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 FY22, FY23 and FY24 and now FY25 – including differing points of views on operational efficiencies and PREB's ability to approve / reject LUMA's outlined responsibilities within the T&D OMA. LUMA reiterated this concerns on its Motion for Reconsideration submitted on August 6 Including a renewed request for an evidentiary hearing to allow LUMA to present evidence on this topic.