

# Monthly Report on the T&D System

For the Month of April 2025

May 15, 2025



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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 April 2025.

### URGENT CASH MATTERS

April 2025 is the twenty-nine (29<sup>th</sup>) 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. April 2025 is also the sixteenth (16<sup>th</sup>) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. April 2025 is also the seventh (7<sup>th</sup>) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account. Funding the Service Accounts, including the Outage Event Reserve Account and the Contingency Reserve Account, is an obligation of the Owner, pursuant to Section 7.5 of the T&D OMA. To date, PREPA has failed to identify a funding source to meet its obligations under the T&D OMA.

## 2.0 Monthly Sales Summary

- Consumption in April 2025 decreased by 1.4% compared to the previous month (March 2025) and 7.3% compared to the same month of the previous year (April 2024). In April 2025, energy sales (\$) decreased by 18.9% compared to March 2025 and 7.5% compared to April 2024.

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

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total <sup>4</sup>
2025 April	517.4	639.8	106.5	26.1	1.9	3.0	1,294.7
2025 March	514.8	639.4	127.5	26.4	2.1	3.1	1,313.3
2024 April	595.7	624.8	145.2	26.5	1.9	3.3	1,397.4

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

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total <sup>4</sup>
2025 April	110.9	154.0	24.7	9.5	0.5	0.7	300.3
2025 March	135.0	185.8	36.9	11.4	0.6	0.8	370.5
2024 April	131.2	149.2	33.3	9.9	0.5	0.7	324.8

**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>
<b>2025 April</b>	89.0	129.7	62.5	19.1	<b>300.3</b>
<b>2025 March</b>	88.5	194.1	63.1	24.8	<b>370.5</b>
<b>2024 April</b>	93.0	152.3	50.4	29.1	<b>324.8</b>

## 3.0 System Operations Update

### Reported Events

- In April 2025, a total of twenty-three (23) base load generation forced outages occurred. Seven (7) load sheds occurred because of generation outages that resulted in the activation of the Under Frequency Load Shed (“UFLS”<sup>5</sup>) and three (3) loadshed were due to generation shortfall.
- On April 16, 2025, at 12:38 hours an island-wide blackout occurred. 1,468,223 (100.0%) customers were without service. LEOC was partially activated on the same day at 15:00 hours. The event ended on April 18, 2025, at 02:15 hours. On April 19, 2024, LUMA issued its Preliminary Report - April 16th Island-wide Outage Event and it is actively supporting an independent third-party investigation of the event through a detailed Root Cause Analysis (“RCA”).

**Table 3–1: Significant Generation Outages by Site for February 2025**

Site Name	Derated <sup>6</sup>	Forced Outage <sup>7</sup>	Loadshed <sup>8</sup>	Planned / Maintenance Outages <sup>9</sup>
San Juan 5	10	3	1	0
San Juan 9	9	2	0	0
Palo Seco 3	4	1	0	0
Costa Sur 5	0	6	0	0
Costa Sur 6	2	1	0	0
AES 1	11	2	2	0
AES 2	16	1	0	0
EcoEléctrica	2	7	4	0
<b>TOTAL</b>	<b>54</b>	<b>23</b>	<b>7</b>	<b>0</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 and EE: Energy Efficiency

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

<sup>5</sup> Under Frequency Load Sheds occur when the system frequency drops below 59.2 Hz.

<sup>6</sup> Derated: A reduction in power generation capacity, typically due to technical limitation.

<sup>7</sup> Force Outage: Unplanned shutdown of a power station, generation unit, transmission or distribution lines due to unexpected breakdown or failure.

<sup>8</sup> Loadshed: A protective Electric System mechanism to curtail demand for electric power, typically due to power supply shortfalls or disturbances.

<sup>9</sup> Maintenance Outages: A generating unit shutdown for planned maintenance service.

Table 3–2: Total Significant Generation Outages by Month

Outage Type:	Derated	Forced Outage	Loadshed	Loadshed due to Generation Shortfall <sup>10</sup>	Planned / Maintenance Outages
2025 April	54	23	7	3	0
2025 March	36	7	4	0	1
2024 April	38	9	2	0	1

Table 3–3: Significant Transmission Outages by Line / Transformer for February 2025

Site Name	Line Trips <sup>11</sup>	Transformer Trips <sup>12</sup>	Substation Trips <sup>13</sup>
Acacias TC 38 kV Bus	0	0	1
Aguas Buenas 38 kV Bus	0	0	2
Amelia 38 kV Bus	0	0	1
Daguao TC 38 kV Bus	0	0	1
Dorado Substation #9207	0	0	1
Hacienda San Jose Bus 115 kV	0	0	1
Line - 36100 Dos Bocas HP - BO Piñas GIS	2	0	0
Line - 36100 Monacillos TC – Bayamón TC	1	0	0
Line - 36200 Monacillos TC – Juncos TC	1	0	0
Line - 36300 Yabucoa TC – Shell	1	0	0
Line - 36400 Ponce – Jayuya	4	0	0
Line - 36400 Ponce TC – Dos Bocas	1	0	0
Line - 37100 Acacias TC – San Germán TC	1	0	0
Line - 37400 Barceloneta TC - Manatí TC	1	0	0
Line - 37400 Cambalache TC – Barceloneta TC	2	0	0
Line - 37600 Bayamon TC – Palo Seco SP	1	0	0
Line - 37800 Cayey TC – Jobos TC	1	0	0
Line - 37800 Monacillos TC – Caguas TC	1	0	0
Line - 39000 Hacienda San José - Aguas Buenas GIS	1	0	0
Line - 40800 Manatí TC (Radial)	1	0	0
Line - 50100 Cambalache - Manatí TC	1	0	0
Line - 50200 Bayamon TC – Manatí TC	1	0	0
Monacillos TC Bank #2 115/38 kV	0	2	0

<sup>10</sup> Loadshed due to Generation Shortfall: Occurs when the demand for electricity becomes higher than the available supply.

<sup>11</sup> Line Trips: A protective disconnection of a transmission or distribution line due to a fault or abnormal condition.

<sup>12</sup> Transformer Trips: The automatic shutdown of a transformer triggered by protective relays due to faults such as overloads or internal issues.

<sup>13</sup> Substation Trips: The protective disconnection of electrical equipment within a substation, often caused by faults or abnormal operating conditions.

Site Name	Line Trips <sup>11</sup>	Transformer Trips <sup>12</sup>	Substation Trips <sup>13</sup>
Ponce TC Bus #2 38 kV	0	0	1
Substation #1657 Villamar	0	0	1
Villa Del Carmen Substation	0	0	1
Yabucoa TC 115 kV Bus #2	0	0	1
<b>Total</b>	<b>21</b>	<b>2</b>	<b>11</b>

Table 3–4: Total Significant Transmission Outages by Month

Outage Type:	Line Trips	Transformer Trips	Substation Trips
2025 April	21	2	11
2025 March	12	1	7
2024 April	18	7	15

## 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-AP-2023-0004](#) | **Review of the PREPA Integrated Resource Plan (“IRP”)** – On April 1, 2025, LUMA submitted the response to Question 8 of the 7<sup>th</sup> Set of Prefiling 2025 IRP Request for Information (“RFI”).
- [NEPR-IN-2023-0003](#) | **Commercial Bill Estimates** – On April 4, 2025, LUMA presented a writ of Judicial Review before the Puerto Rico Court of Appeals on the denied objections presented by LUMA on February 18<sup>th</sup> to the conclusions and recommendations contained in the Final Resolution and Order (“R&O”) dated January 27<sup>th</sup>.
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan (“TPP”)** – On April 23, 2025, LUMA submitted the presentation for the April 24<sup>th</sup> Technical Conference to discuss the permanent Customer Battery Energy Sharing (“CBES”) Program proposal, Emergency Load Reduction Program and the Revised TPP, and the progress of the EE and DR Three Year Plan.
- [NEPR-AP-2023-0003](#) | **Rate Review** – On April 21, 2025, PREB issued a revise R&O of the February 12 R&O, in which the main determinations were that (1) the rate case will consist of a single proceeding with two phases, and (2) each of the two phases will have its own filing requirements, application, pre-filed testimony, discovery, evidentiary hearing, and brief.
- [NEPR-IN-2025-0003](#) | **April 16<sup>th</sup> Island-Wide Outage Event** – On April 24, 2025, LUMA filed a preliminary outage report for the Island-wide outage event that occurred on April 16<sup>th</sup>, in compliance with the April 22<sup>nd</sup> R&O.
- [NEPR-MI-2019-0009](#) | **Interconnection Regulation** – On April 25, 2025, LUMA filed a motion to submit its comments on topics discussed during the Smart Inverter Working Group Meetings held

on February 11<sup>th</sup>, April 3<sup>rd</sup> and March 14<sup>th</sup>, regarding the implementation of enhanced inverter requirements for distributed energy resources.

#### Other Filings made during April 2025:

- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan** –monthly report on the development of the Backup Generator DR Program. (April 15)
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Quarterly Performance Metrics Report for the months of January through March 2025 (April 21)
- [NEPR-MI-2021-0002](#) | **Federal Funding** – March Progress Report for the 4x25 MW BESS Project (April 28)
- [NEPR-MI-2024-0005](#) | **System Improvements Plan** – Monthly Collaborative Report on the Progress of the Electric System Priority Stabilization Plan (April 28)

## 5.0 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.

**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
<b>House of Representatives of Puerto Rico - Government Committee</b>	Public Hearing summoning and Request for Input regarding R.C. 42 which investigates: Preparedness for hurricane season, installation and repair of streetlights, renewable energy projects and the possible closure of Customer Experience Centers.	On April 2, 2025, LUMA submitted its comments to the Committee regarding House Resolution No. 42 (R.C. 42). On April 9 <sup>th</sup> , LUMA attended the Public Hearing.
<b>House of Representatives of Puerto Rico - Government Committee</b>	Public Hearing summoning and Request for Input regarding P.C. 133: "To create the "Fair Payment Plans to Ensure Continuity of Essential Services Act".	On April 11, 2025, LUMA submitted its comments to the Committee regarding House Bill No. 133 (P.C. 133).
<b>Senate of Puerto Rico - Transportation, Telecommunications, Utilities, and</b>	Request for Input regarding P.S. 257 to amend Article 1, add a new Article 5 to Law 39-2020 known as the "Law to Prohibit the Interruption of Electricity Services and Drinking Water During the Validity of	On April 1, 2025, LUMA submitted its comments to the Committee regarding Senate Bill No. 257(P.S. 257).

Committee	Act, Bill or Resolution	LUMA Response
<b>Consumer Affairs Committee</b>	OE-2020-023 due to the Pandemic of Coronavirus (COVID-19)"	
<b>House of Representatives of Puerto Rico - Municipal Affairs Committee</b>	Request for Input on P.C. 430 to amend Law 107-2020, known as the "Municipal Code of Puerto Rico," regarding the notification of work aimed at normalizing or restoring the electric power system by the municipality during a state of emergency.	On April 17, 2025, LUMA submitted its comments regarding House Bill No. 430 (P.C. 430).
<b>House of Representatives of Puerto Rico - Government Committee</b>	Request for Input regarding R.C. 42, investigating the work plan related to vegetation.	On April 8, 2025, LUMA received the Request for Information based on House Resolution No. 42 regarding Vegetation Plan. LUMA provided a response on April 25 <sup>th</sup> .
<b>House of Representatives of Puerto Rico - Municipal Affairs Committee</b>	Request for Input regarding P.C. 493, to prohibit charging municipalities for the public lighting service when evidence is presented that said lighting is not in operation.	On April 8, 2025, LUMA received the Request for Input regarding House Bill No. 493 (P.C. 493). On April 24 <sup>th</sup> , LUMA requested an extension to submit the input for May 2 <sup>nd</sup> .
<b>House of Representatives of Puerto Rico - Government Committee</b>	Request for Additional Information regarding R.C. 42 which investigates: Preparedness for hurricane season, installation and repair of streetlights, renewable energy projects and the possible closure of Customer Experience Centers.	As a result of the Public Hearing held on April 9, 2025, LUMA received a request for additional information. LUMA provided a response on April 25 <sup>th</sup> .
<b>House of Representatives of Puerto Rico - Government Committee</b>	Oversight Hearing summoning regarding R.C. 42. It will be held at LUMA's Palo Seco Warehouse.	On April 9, 2025, LUMA received an Oversight Hearing summoning based on the House's Resolution No. 42 (R.C. 42) to visit Palo Seco Warehouse complex to inspect LUMA's inventory. The Hearing was held on April 30 <sup>th</sup> , at LUMA's Palo Seco Warehouse Complex.
<b>House of Representatives of Puerto Rico - North Committee</b>	Request for Input on R.C. 199 to conduct a thorough investigation into the measures taken by the AAA at the La Plata Dam as part of preparations for the upcoming hurricane season.	On April 22, 2025, LUMA received the Request for Input regarding House Resolution No. 199 (R.C. 199). LUMA provided a response on April 28 <sup>th</sup> .

Committee	Act, Bill or Resolution	LUMA Response
House of Representatives of Puerto Rico - Municipal Affairs Committee	Public Hearing summoning regarding P.C. 430 to amend Law 107-2020, known as the "Municipal Code of Puerto Rico," regarding the notification of work aimed at normalizing or restoring the electric power system by the municipality during a state of emergency.	On April 22, 2025, LUMA received a Public Hearing summoning scheduled for May 14 <sup>th</sup> .
House of Representatives of Puerto Rico - Government Committee	Request for information regarding R.C. 42 evaluating the chronology and shortages in backup platforms, among others, associated with the island-wide interruption of electrical service that occurred at 12:38 p.m. on April 16, 2025	On April 22, 2025, LUMA received a Request for Information.
Senate of Puerto Rico	Request for Information 2025-0049 regarding Island-wide Blackout (Week: April 14-20, 2025).	On April 23, 2025, LUMA received a Request for Information No. 2025-0049.
House of Representatives of Puerto Rico - Government Committee	Request for Input on P.S. 82 to amend Article 1.4 of Act 82-2010, as amended, known as the "Public Policy Law for Energy Diversification through Sustainable and Alternative Renewable Energy in Puerto Rico".	On April 24, 2025, LUMA received a Request for Input regarding Senate Bill No. 82 (P.S. 82).
House of Representatives of Puerto Rico - Consumer Affairs Committee	Request for Input regarding R.C. 88 to conduct a thorough investigation into power outages and voltage fluctuations; among other matters.	On April 25, 2025, LUMA received a Request for Input based on House's Resolution No. 88 (R.C. 88).
Senate of Puerto Rico	Request for Information 2025-0051 regarding budget, expenditure and contracts for public relations and communications.	On April 28, 2025, LUMA received Request for Information No. 2025-0051.

**Table 5–2: Material Litigation Update<sup>14</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</b>	Consolidated class actions claiming damages from the April 6, 2022, event at Costa Sur that caused an island-wide blackout.	On April 30, 2025, the Parties jointly filed a motion requesting a 60-day extension to finish the discovery related to the class action certification.

<sup>14</sup> *Material Litigation Activity refers to all litigation related to challenges to the T&D OMA, matters that could impede the T&D 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
<b>LLC, WenCo of Puerto Rico Inc. et al. v. LUMA Energy LLC</b> <b>Civil Case No. SJ2025CV03310 – WendCo of Puerto Rico Inc. et al. v. LUMA Energy LLC</b>	Class action complaint claiming damages from the April 16, 2025, event that caused an island-wide blackout.	The complaint was filed on April 18, 2025, by a group of restaurants composed of WendCo of Puerto Rico Inc., MultiSystem Restaurant Inc., Restaurant Operators Inc and Apple Caribe Inc., as representatives of all commercial customers. LUMA was served with process on April 23 <sup>rd</sup> .
<b>The following cases have had no significant changes since the last report:</b>		
<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”).	
<b>Civil Cases No. SJ2023CV01793, No. SJ2023CV02513 (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 multiple audits related to its activities under the T&D OMA. LUMA takes all required audits under T&D OMA very seriously and therefore allocates considerable resources and time to completion of these.

**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 of PREPA during the period of June 1, 2018 – 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.	At this moment there are no outstanding RFIs for this audit.
<b>Comptroller’s Office of Puerto Rico (“OCPR”), No. 15720 (LUMA)</b>	Audit of PREPA during the period of June 1, 2018 – June 30, 2021, by virtue of Article III, Section 22 of the	On April 7, 2025, OCPR sent an RFI requesting the contracts and the procurement process files for five (5)

Government Entity	Audit Description	Significant Updates
	Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	<p>contracts. The information was submitted on April 23.</p> <p>On this same date, OCPR sent a second RFI related to the disbursements made for ten (10) contracts. The information was submitted on April 21.</p>
<b>Comptroller’s Office of Puerto Rico (“OCPR”), No. 15794 (LUMA)</b>	Audit of PREPA during the period of June 1, 2018 – 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.	<p>On March 31, 2025, OCPR sent an RFI related to PCards statements, bank statements, examples of communications, and the Cash Management organizational chart. The information was submitted on April 11.</p> <p>On April 10, OCPR sent an RFI related to Revenue Protection monthly CC&amp;B system reports, sample letters for disconnections, and clarification of some CC&amp;B Reports. The information was submitted on April 21.</p> <p>On April 23, OCPR sent a second RFI related to wire transfers backup for PCard payments. The information was submitted on April 28.</p> <p>On April 24, OCPR sent a third RFI related to CC&amp;B reports for Accounts Receivable. The due date for submission is May 8.</p> <p>On April 28, OCPR sent a fourth RFI related to obtaining a report of disbursements from the Oracle system for the period 1/1/2024 to 3/31/2025. In addition, the auditors requested the complete CC&amp;B database for Accounts Receivable. The due date for submission is May 7.</p> <p>On April 28, OCPR sent a fifth RFI related to a PCard report that includes the account number, cardholder name and status. The information was submitted on April 29.</p>

<b>Government Entity</b>	<b>Audit Description</b>	<b>Significant Updates</b>
<b>PREPA Fiscal Year (“FY”) 2023</b>	KPMG Audit of PREPA Financial Statements (“FY2023”)	Audit started in April 2024. LUMA has been providing all data requested by KPMG and PREPA. The expected release date was for late April 2025, however this has shifted towards late May 2025 or later. LUMA is committed to supporting PREPA’s updated deadline.
<b>PR Treasury Department &amp; Municipalities by PwC</b>	PwC Audit of LUMA Energy, LLC 2022 (Consolidated: ManageCo & ServCo and Standalone: ServCo) – Financial Statements	The 2022 audit started at the beginning of August 2024 and was completed on April 11, 2025. The 2023 audit remains ongoing with a target issuance date by the end of June 2025.
<b>P3A FY2022 Audit – by Vázquez &amp; Vilanova</b>	First Year (“FY2022”) T&D OMA Compliance – audit for the first full year of LUMA operations.	LUMA provided its final response to the audit on December 20, 2024. LUMA is currently waiting for P3A’s feedback.
<b>P3A FY2023 Audit – by Vázquez &amp; Vilanova</b>	Second Year (“FY2023”) T&D OMA Compliance – audit for the second year of LUMA operations.	On January 17, 2025, LUMA provided the last of the responses to all RFI’s sent by P3A. P3A and its auditors requested additional information the week of February 7 <sup>th</sup> , and LUMA responded to the request. LUMA is currently waiting for P3A’s feedback on the submitted responses.
<b>P3A FY2024 Audit – by Vázquez &amp; Vilanova</b>	Third Year (“FY2024”) T&D OMA Compliance – audit for the third year of LUMA operations.	On January 17, 2025, LUMA provided the last of the responses to all RFI’s sent by P3A. LUMA is currently waiting for P3A’s feedback on the submitted responses.
<b>Union Pension Plan Compliance (“NEBF”) 2023 (Calendar) Audit – by Withum</b>	Pursuant to Article 6, Sections 6.7 and 6.8 of the Restated Employees Benefit Agreement and Trust for the National Electrical Benefit Fund, the Trustees of the Fund have established a Payroll Audit Program.	On February 19, 2025, LUMA followed up on the updated audit report, which will be provided by the end of February. LUMA has not received the finalized report.
<b>P3A Federal Funding Audit – by Kevane Grant Thornton</b>	Audit on the Management of Federally Funded Capital Improvements	Throughout April 2025, LUMA hosted several meetings with Kevane’s Auditors to review LUMA’s Request for Reimbursement Process. Additionally, LUMA has responded to various RFIs following the meetings. LUMA is currently working with Kevane to

Government Entity	Audit Description	Significant Updates
		conduct walkthroughs and answer follow up questions as they arise.
<b>COR3 - Central Office for Recovery, Reconstruction and Resiliency Monitoring by Deloitte</b>	Deloitte Monitoring for Q1-FY2025 Federal Funding process.	On April 22, 2025, LUMA provided COR3 a status update on its ongoing items. LUMA will continue to respond to the remaining follow ups by their respective deadlines.
<b><i>The following audits have had no significant changes since the last report:</i></b>		
<b>OCPR, No. 15560 – Audit of debt issued by the Commonwealth of Puerto Rico and its public corporations from January 1, 2000 – present day.</b>		
<b>OCPR, No. 15637 – Audit of the Municipality of Guánica.</b>		
<b>OCPR, No. 15671 – Audit to PREPA for the period of June 1, 2018 – June 30, 2021.</b>		

## 7.0 Material T&D OMA Items

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

- April 2025 is the twenty-nine (29<sup>th</sup>) 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.
- April 2025 is the sixteenth (16<sup>th</sup>) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- April 2025 is the seventh (7<sup>th</sup>) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued twenty-nine (29) non-compliance notices to PREPA and notified P3A as Administrator of the T&D OMA.
- Since January 2023, LUMA has been requesting PREPA provide balance sheet reconciliations. Until initial balance sheet reconciliations are provided, including a segregated opening balance sheet for the T&D system, LUMA is prevented from providing certain Operation and Maintenance (“O&M”) Services related to financial reporting under T&D OMA. On August 20, 2024, FTI was contracted by AAFAF to define the scope of PREPA’s Accounting Remediation project, including the balance sheet separation efforts. To date, LUMA has not been informed of the FTI project results.

### LUMA Budget Approval, Amendment and Reallocation

- On March 5, 2025, LUMA submitted a budget amendment notification to PREB and P3A. LUMA is finalizing the expected budget amendment request. Once the information and materials necessary to support a formal budget amendment request are completed, LUMA will submit such request to PREB.

## PREPA Reorganization and Shared Services

- In February 2025, LUMA and PREPA agreed, in good faith, to extend the existing Amended and Restated Shared Services Agreement (“A&R SSA”) until June 30, 2025, as stated in the 2025 Fiscal Plan and requested by PREPA. As required by the executed extension of the A&R SSA, PREPA is required to submit an updated separation plan through the end of June 2025. As of the end of April 2025, LUMA has not received the required updates from PREPA and LUMA is concerned that PREPA will fail yet again to assume its responsibilities under the A&R SSA and continue to burden LUMA in the provision of services far beyond the original intent of the T&D OMA.

## PREPA Title III Exit

- Since June 17, 2024, the parties have been participating in court-ordered mediation. On July 10, Judge Swain stayed all litigation in the title III case for an initial 60-day period, through September 8, 2024. The litigation stay period has been extended several times, most recently without an end date (except as specifically modified in an order entered on March 20, 2025), the appointment of the lead mediator has been extended to October 1, 2025, and the mediation period has been extended to October 31, 2025.
- In response to a motion filed by the non-settling bondholders, the title III court entered the March 20 order modifying the litigation stay in PREPA’s title III case specifically to permit (1) the FOMB to file an amended plan of adjustment for PREPA and an amended disclosure statement; (2) the parties to litigate the non-settling bondholders’ administrative expense claim for PREPA’s alleged misuse of net revenues; and (3) the FOMB to litigate its objection to the PREPA bond trustee’s proof of claim in the Commonwealth’s title III case.
- On April 7, 2025, the non-settling bondholders filed their motion seeking an administrative expense claim of at least \$3.7 billion, on the grounds that PREPA has misused the net revenues over the course of its title III case. The FOMB objected to the bondholders’ motion on April 28, 2025.

## Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 205 supplemental studies in April 2025. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system’s stability and reliability. As of April 30<sup>th</sup>, all feeders with penetration levels above fifteen percent (15%) have been studied. Through this process, LUMA has identified the required system upgrades. LUMA is currently in the process of preparing the cost and timeline information to share with the developers. 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 payments for required supplemental studies.

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

- LUMA has been actively engaging with all telecommunications service providers and cable television operators (jointly, the “Carriers”) in Puerto Rico to develop practical solutions to the main challenges related to third-party attachments on PREPA poles.
- Recognizing the importance of the TPA permitting process for the Carriers’ network expansion, LUMA adopted multiple streamlined procedures and requirements with the goal of maximizing efficiency for all Carriers, while ensuring compliance with applicable safety standards.
- On April 8, 2025, LUMA sent a letter to the Puerto Rico Telecommunications Bureau and to the Carriers notifying them of the aforementioned modifications to the TPA approval process that are being implemented.

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

- During April 2025, LUMA paused progress on critical Customer Care and Billing System (“CC&B”) through its System Remediation Plan (“SRP”) initiatives, including User Roles & Functions (100% complete), Letter Automation (98% complete) and CELI/Streetlight balance cleanup (75% complete) due to critical programming activities required to ensure LUMA is able to comply with future PREB orders, such as a Pension or Emergency Rider.
- The delayed start of the Low-Income Home Energy Assistance Program (“LIHEAP”) season resulted in lower-than-expected Energy Assistance Funds being received on behalf of vulnerable customers.
- LUMA reached 2,640 new payment agreements with customers in April 2025, for a total of over 116,374 agreements since June 2021. Also, in April LUMA completed over 232,000 outbound collection calls for a total of over 4 million outbound calls since June 2021. LUMA’s Revenue Protection team collected over \$30 million in April 2025 directly related to active customer collections of past due receivables. Collection efforts included outbound calls, letters, emails and inbound calls.
- LUMA issued a thirty (30) day disconnect letter to twenty-one (21) Municipalities with accounts in arrears.
- LUMA reduced the number of Federal Agencies with past due balances by 25%.
- Customers in danger of defaulting on payment arrangements have increased from 14% in April 2024 to 22% in April 2025.