

August 31, 2022

To: Puerto Rico Electric Power Authority

Attention: Nelson Morales

Chief Financial Officer

PO BOX 364267

San Juan, Puerto Rico 00936-4267

RE: LUMA's Response to PREPA's Bank Reconciliation Request

LUMA would like to formally respond to PREPA's proposal made in the Cash Scope Discussion Meeting held with LUMA and Lizzandra Matias, PREPA Controller, and Ryan Arrieta, Consultant of PREPA on August 30, 2022. PREPA proposed to complete bank reconciliations for all accounts through May 2021 and train LUMA employees to execute bank reconciliations in Oracle by working together to complete the May 2021 bank reconciliations.

LUMA appreciates PREPA's collaboration on this matter and looks forward to working with PREPA on the Fiscal Year 2021 (FY21) Audit. In the spirit of cooperation and to ensure that the FY21 Audit timelines are met, LUMA would like to propose modifications to the plan proposed by PREPA.

Per the timeline sent by PREPA to the Puerto Rico Department of Treasury, cash reports are to be submitted no later than the week of September 19, 2022. Given the need to complete the reconciliations sequentially (i.e., June reconciliations cannot be completed until the May reconciliations are done), LUMA proposes that PREPA also complete the June 2021 reconciliations to ensure the audit timelines will be met. Having LUMA complete the June 2021 reconciliations in advance of the training PREPA will provide would result in additional risk to the audit. Therefore, given the condensed FY21 Audit timeline, LUMA requests PREPA complete all bank reconciliations through June 2021.

Additionally, LUMA proposes that, subsequent to PREPA completing the June 2021 reconciliations, PREPA and LUMA agree on a time period in September or October for PREPA employees to train LUMA employees on the bank reconciliation process. Given the condensed timeline to meet the FY2021 Audit, LUMA does not believe that training should occur at the same time as trying to complete the FY21 reconciliations. We believe that dedicated training and support is required to ensure that LUMA personnel can accurately and efficiently complete all bank reconciliations going forward. Therefore, given the large number of bank accounts, LUMA believes the training period required will be approximately 10 days. LUMA respectfully requests that PREPA personnel document the process to complete the reconciliations for each account, in order to ensure that the process is fully understood and to reduce the support LUMA will require from PREPA on this issue in the future.

LUMA will provide PREPA with the required system access for PREPA to execute the agreed upon bank reconciliations. LUMA notes that PREPA employees may be required to attend to LUMA's offices in order to access some systems, in which case LUMA will provide a space for PREPA personnel to work in to complete the reconciliations. Please provide a complete list of the individuals



requiring system access (name, title, email address, firm/employer, phone number) and a list of the systems the individuals will need access to.

LUMA is eager to cooperate with PREPA in the upcoming FY21 Audit and respectfully requests PREPA respond to this letter before September 2, 2022. Should PREPA have any questions, please do not hesitate to reach out.

Sincerely,



Keryn Lyster
Controller, LUMA

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