

March 30, 2023

**To: Puerto Rico Electric Power Authority**

Attention: Lizzandra Matias

Controller

PO BOX 364267

San Juan, Puerto Rico 00936-4267

**RE: PREPA Accounting Documentation Request – Follow Up**

LUMA Energy Servco LLC (“LUMA”) is formally following up on its letter to the Puerto Rico Electric Power Authority (“PREPA”) regarding “PREPA Accounting Documentation Request,” which was sent to PREPA on January 25, 2023 (LUMA-PREP-T-00452). In that letter, LUMA requested PREPA provide balance sheet reconciliations and any available supporting working papers for all balance sheet accounts in Oracle as of June 30, 2020 and June 30, 2021, which were prepared to support the balances for the FY20 and FY21 audits conducted by KPMG.

As a reminder, the following events have occurred since LUMA sent the Accounting Documentation Request:

- On February 7, 2023, PREPA requested a seven-day extension to provide LUMA with the requested information. LUMA accepted PREPA's request for extension.
- On February 14, 2023, LUMA sent PREPA a follow up via email, requesting PREPA to provide the requested data.
- On February 17, 2023, PREPA provided LTD Rollforward (Bond) FY 2021 and FY 2020. Upon review, LUMA confirmed the information provided is sufficient for LUMA to understand how PREPA is recording the debt and will allow LUMA to record the appropriate entries related to debt for FY22.
- On March 6, 2023, PREPA provided PREPA uploaded approximately 60 PDF files that it asserted fulfilled LUMA's request for balance sheet reconciliations as at June 30, 2021.

Upon detailed review of the information provided by PREPA on March 6, 2023, LUMA discovered that the approximately 60 files provided by PREPA contained information about journal vouchers for various G/L accounts vouchers. This does not provide LUMA with the information it requires and LUMA again respectfully requests PREPA to provide balance sheet reconciliations as of June 30, 2020 and June 30, 2021.

To be clear, LUMA is requesting for each balance sheet account on the trial balance in Oracle as at June 30, 2020 and June 30, 2021 a reconciliation which includes:

- Balance of the account in Oracle at the start of the period,
- Description of any changes in the account balance for the period,
- Balance of the account in Oracle at the end of the period, and



- Copies of any report(s) or other supporting information which validates the balance in the Oracle account at the end of the period. Some examples of reports or other supporting information are:
  1. Accounts Payable: Detailed Accounts Payable Subledger for the period end date with information on how it ties to the balance in the Accounts Payable account(s) in Oracle.
  2. Accounts Receivable: Detailed Accounts Receivable Subledger for the period end date with information on how it ties to the balance in the Accounts Receivable account(s) in Oracle.
  3. Allowance for Doubtful Accounts: Detailed calculation supporting the Allowance for Doubtful Accounts balance in Oracle at the end of the period.
  4. Customer Deposits: Customer list with amounts per customer which agrees to the total amount in the Customer Deposits account in Oracle at the end of the period.
  5. Prepaid insurance: Schedule of insurance policies/invoices with the amounts expensed in the current period and the amounts remaining to be amortized in future periods, which should agree to the Prepaid Insurance account balance in Oracle at the end of the period.

The requested reconciliations and supporting working papers will provide LUMA with information on the opening balances for FY22 that will enable LUMA to better support PREPA with the FY22 Audit and to make necessary improvements to streamline processes and procedures for future periods. As this request has been outstanding for some time, LUMA urgently requests PREPA provide the outstanding requested information within 3 business days.

Should PREPA have any questions, please do not hesitate to reach out.

Sincerely,



**Keryn Lyster**  
Controller, LUMA

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