COMMONWEALTH OF PUERTO RICO

PUERTO RICO ENERGY COMMISSION

IN RE: PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION Petitioner.	NO. CEPR-AP-2016-0001 **SUBJECT:** Motion to Revise and Supplement Response in Compliance with Commission Order and 5th Clarification Request

THE PREPA REVITALIZATION CORPORATION'S
MOTION TO REVISE AND SUPPLEMENT RESPONSE IN COMPLIANCE WITH
COMMISSION ORDER AND 5TH CLARIFICATION REQUEST

Comes now the Petitioner Puerto Rico Electric Power Authority Revitalization Corporation (the "Corporation"), before the Puerto Rico Energy Commission (the "Commission"), through the undersigned counsel, respectfully states, alleges, and prays as follows:

1. On June 06, 2016, the Corporation filed "The PREPA Revitalization Corporation's Submission of Information in Compliance with the Commission's Resolution and Order of May 31, 2016" (the "Motion"), in response to the Commission's Resolution and Order of May 31, 2016 ("May 31st Order").

2. The Motion included a Documentary Appendix and two (2) appendices. Appendix I consisted of the following documents: (1) Draft Restructuring Order; (2) Restructuring Resolution; (3) Calculation Methodology; and (4) Servicing Agreement; and Appendix II consisted solely of the document: Alternative version of Exhibit 9.01 (collectively referred to as the "Motion Appendices").

3. The May 31st Order required that the draft Restructuring Order and draft Servicing Agreement be filed, with revisions, in redline Word format. The Corporation

inadvertently provided these two documents in .pdf format. The Corporation hereby submits the redline draft Restructuring Order and draft Servicing Agreement, with revisions, in Word format.

4. The Corporation respectfully requests that the Commission take notice that draft Restructuring Order attached hereto revises the June 06, 2016 version to address minor corrections in paragraph numbering.

5. Additionally, the Motion Appendices were organized into one (1) .pdf document. The Corporation hereby submits the Motion Appendices as individual and separate documents for ease of viewing.

6. Lastly, the Corporation hereby supplements the Motion with an additional exhibit, "Appendix VI – Transition Charge Projection" attached hereto.

7. The Corporation respectfully requests that the Commission accept this Motion to Revise and Supplement Response in Compliance with Commission Order and 5th Clarification Request.

WE HEREBY CERTIFY that the foregoing was sent via email to: José Pérez-Velez, Esq., (jperez@oipc.pr.gov); Coral M. Odiot-Rivera, Esq., (codiot@oipc.pr.gov); Marc G. Roumain Prieto, Esq., (mgrprcorp@gmail.com); Fernando Agrait, Esq., (agraitfe@agraitlawpr.com); Edwin J. Quiñones Porrata, Esq., (edwin.quinones@aee.pr.gov); José G. Maeso Gonzalez, Esq. (jose.maeso@aae.pr.gov); Victor Luis Gonzalez, Esq., (victorluisgonzalez@yahoo.com); Alicia P. Perez Caballero, Esq., (aperez@fgrlaw.com); and Melissa Hernandez Carrasquillo, Esq. (mehernandez@fgrlaw.com); and Dr. Guillermo M. Riera, PE (guillermo.m.riera@gmail.com).

RESPECTFULLY SUBMITTED,

IN SAN JUAN, PUERTO RICO, THIS 7th DAY OF JUNE, 2016

PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION

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COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY COMMISSION

IN RE: PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION	NO.: MATTER:

RESTRUCTURING ORDER

This restructuring order is adopted by the Puerto Rico Energy Commission ("PREC" or the "Commission") pursuant to Article 6.25A of Act 57-2014, as added by Article 20 of the PREPA Revitalization Act, Act 4-2016 ("Revitalization Act" or the "PRA") and in response to a Petition filed with the Commission on April ~~__~~,07, 2016, by the Puerto Rico Electric Power Authority Revitalization Corporation (the "Corporation"), a special purpose public corporation and instrumentality of the Government of the Commonwealth of Puerto Rico (the "Commonwealth") pursuant to the Revitalization Act.

I. SUMMARY OF THE PETITION.

In the Petition, the Corporation describes the proposed issuance of certain Restructuring Bonds (hereinafter the "Bonds") and places before the Commission a proposed Restructuring Resolution[1] that creates Restructuring Property, provides for financing of Approved Restructuring Costs through the issuance of Bonds, imposes and provides for the collection of Transition Charges to fund Upfront Financing Costs and Ongoing Financing Costs, and describes how the Transition Charges will be calculated and adjusted through the Adjustment Mechanism.[2] The Corporation requests that the Commission, as provided in Article 6.25A(f), review the Petition and supporting testimony and attachments, and approve the Petition by issuing an order ("Restructuring Order") making the findings and determinations therein, including as set forth in Article 6.25A(b):

First, the provisions of the Restructuring Resolution proposed by the Corporation (the "Restructuring Resolution") ~~(Attachment 1.00)~~[3] ~~,~~[4] (submitted in response to the Commission's 5th

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[1] "Restructuring Resolution" ["*Resolución de Reestructuración*"] means "a resolution of the Board adopted in accordance with [the Revitalization Act] which creates Restructuring Property, approves the imposition and collection of Transition Charges and the financing of "Approved Restructuring Costs" through the issuance of Restructuring Bonds, and contains a related Adjustment Mechanism, all as provided in Articles 34 and 35 of [the Revitalization Act.]" PRA, Art. 31 para. 29.

[2] Attachments to the Petition are designated as "Attachments" and testimony or documents attached to testimony are designated as "Exhibits" or "Ex."

~~[3] To avoid confusion in the designation of documents, attachments to the Petition are designated as "Attachments" and testimony or documents attached to testimony are designated as "Exhibits" or "Ex."~~

Clarification Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request"), including the ~~calculation methodology~~revised Calculation Methodology for the Transition Charges[5] and revised Adjustment Mechanism[6] related to the Bonds are consistent with the criteria set forth in Article 6.25A(d) and are sufficient for and provide for adequate protection of the full and timely payment of the Bonds, in accordance with their terms, and other Ongoing Financing Costs;

Second, the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act; and

Third, the servicing costs proposed to be recovered by the Puerto Rico Electric Power Authority ("PREPA") in its role as the initial Servicer[7] (the "Initial Servicer") are necessary, reasonable, and sufficient to compensate PREPA for the incremental costs of performing its functions as the Initial Servicer.

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[4] In order to avoid confusion, the Restructuring Resolution, Calculation Methodology, and Adjustment Mechanism referred to in this Order are the revised versions thereof submitted in response to the Commission's 5th Clarification Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request"). This Revised Restructuring Resolution (including a revised Calculation Methodology and revised Adjustment Mechanism) incorporated certain changes to the Calculation Methodology in response to Commission and Intervenor suggestions and concerns. These changes are discussed herein in the sections that address the allocation of costs to residential and net-metering customers. Thus, the citation to these documents will be to the Exhibit admitted by the Commission after the Technical Conference on June 9, 2016 – not the Restructuring Resolution attached to the Corporation's Petition as Attachment 1.00. However, where the Restructuring Resolution (Attachment 1.00, Appendix 2), as filed is referenced in this Order, it is referred to as the "Original" Restructuring Resolution, "Original" Calculation Methodology, etc. Accordingly, all references to the "Restructuring Resolution," "Calculation Methodology," and "Adjustment Mechanism" hereafter refer to revised versions submitted in response to the 5th Clarification Request.

[5] "Transition Charges" ["*Cargos de Transición*"] means "those rates and charges that are separate from rates and charges of PREPA and that are imposed pursuant to a Restructuring Resolution on Customers to recover the Ongoing Financing Costs, and shall include a pro rata share of any late payment fee imposed in respect of any past-due bill for electric service that includes in such bill an amount for Transition Charges." PRA, Art. 31, para. 6 (citations are to the official version). "Transition Charge Revenues" ["*Ingresos de Cargos de Transición*"] "means all money and other property received or to be received, directly or indirectly, on account of the Transition Charges, and all proceeds of the investment thereof." *Id*., para. 20.

[6] "Adjustment Mechanism" [*"Mecanismo de Ajuste"]* means "the formulaic adjustment mechanism contained in a Restructuring Resolution, as approved in a Restructuring Order pursuant to the terms of Article 35 and Chapter IV of this Act and 6.25A of Act 57-2014, as amended, to be applied by the Corporation periodically, but not less often than semi-annually, to adjust the Transition Charges to ensure the collection of Transition Charge Revenues sufficient to provide for the timely payment of Ongoing Financing Costs." PRA, Art. 31, para. 23.

[7] "Servicer" ["*Manejador*"] means "PREPA to the extent permitted by this Act, and if PREPA is replaced as Servicer pursuant to a Servicing Agreement or Act 57-2014, as amended, a Person or Persons authorized and required, by contract or otherwise, to impose, bill or collect Transition Charges, to prepare periodic reports regarding billings and collections of Transition Charges, to remit collections to or for the account of the Corporation or its assigns or pledgees, including a Financing Entity, and to provide other related services for the Corporation, which may include calculation of periodic adjustments to the Transition Charges or providing other services related to the Restructuring Property; and shall be deemed to include any subservicer, backup servicer (including if it becomes a Servicer under a Servicing Agreement), replacement servicer or the successors of any of the foregoing, authorized to act as such under a Restructuring Resolution." PRA, Art. 31, para. 22.

In this Order, we approve the Petition and make the findings requested by the Corporation.

II. BACKGROUND AND STATUTORY OVERVIEW

PREPA provides electric utility service to the vast majority of Puerto Rico. PREPA serves an essential role in supporting the public health, welfare, and economic vitality of the Commonwealth. Since its creation in 1941, PREPA has worked for the benefit of consumers as the only public corporation responsible for the provision of electricity in the Commonwealth. Only a financially sound PREPA can fund its ongoing operating expenses and capital investment needs, meet its obligations to its creditors, and provide efficient, safe, reliable, and environmentally friendly electric service at just and reasonable rates, thereby stimulating Puerto Rico's economic growth.

During the past several decades, PREPA issued substantial debt to fund capital expenditures and, in the case of fuel related credit facilities, operating expenses. In total, PREPA has debt obligations of approximately $9 billion, including nearly $735 million currently due under its revolving fuel lines of credit and approximately $420 million in principal and interest that will be due on or before July 1, 2016 under its outstanding bonds. In adopting the Revitalization Act, the Legislative Assembly concluded that PREPA's financial situation requires immediate action if it is to become financially sound and be able to meet its obligations to all its stakeholders.

In light of its financial situation, PREPA negotiated with major creditors to arrive at a broad, consensual financial settlement, and has entered into a Restructuring Support Agreement, dated as of January 27, 2015 (as amended or restated from time to time, the "RSA") with creditors holding or insuring approximately 70% of the face amount of PREPA's outstanding financial indebtedness including beneficial owners and insurers of existing PREPA bonds, banks (and their transferees) that previously provided revolving lines of credit used to pay for fuel and other expenses, the Government Development Bank for Puerto Rico (collectively, the "Supporting Creditors"), and others. The Corporation is now also a party to the RSA. The RSA sets forth material terms of PREPA's financial and operational restructuring. A cornerstone of the restructuring is the issuance by the Corporation of Bonds[8] authorized by the Restructuring Resolution to defease, exchange for, and/or effectively refinance certain debt of PREPA.

The RSA provides, in pertinent part and in summary,[9] that the Corporation will issue certain Bonds including Bonds to be exchanged for certain existing uninsured PREPA bonds

[8] "Restructuring Bonds" [*"Bonos de Reestructuración"*] means "bonds, notes, or other evidences of long term indebtedness that are issued by the Corporation pursuant to this Act, any Restructuring Resolution and the Trust Agreement related thereto (a) the payments on or proceeds of which are used, directly or indirectly, to finance or refinance Approved Restructuring Costs, (b) that are directly or indirectly secured by, or payable from, Restructuring Property, and (c) that have a term no less than one (1) year and no longer than thirty-five years." PRA, Art. 31 para. 3. The Bonds, as defined above, refer to those Restructuring Bonds that would be authorized by the proposed Restructuring Resolution.

[9] The terms of the RSA and the Restructuring Resolution are precise, and speak for themselves. But, this summary is accurate, and it identifies key features of the RSA and the Bonds that the Commission should be aware of and that

having greater face value and that impose greater aggregate financial burdens on PREPA and, ultimately, on the residents of Puerto Rico. For the existing PREPA uninsured bondholders that participate, the RSA provides for an 85% exchange rate — or a 15% discount to principal owed under existing uninsured PREPA bonds — as well as a five-year principal holiday and an agreed-upon weighted-average interest rate pursuant to a pricing grid included in the RSA that is projected to be lower than the weighted-average interest rates on PREPA's existing bonds. In return for a commitment to defease certain insured PREPA bonds with Mirror Bonds (as defined in the Restructuring Resolution), the Monoline Insurers will provide an additional capital commitment in the form of one or more, debt service reserve fund surety policies (each, a "Surety Bond") to provide credit support for the Bonds. The scheduled maturity (including scheduled mandatory sinking fund redemptions), interest rate, principal amount, and other economic terms of the Mirror Bonds are the same as the legal maturity (including scheduled mandatory sinking fund redemptions), interest rate, principal amount, and other economic terms of the existing PREPA bonds insured by the monoline bond insurers that have signed, and are participating in the transactions set forth in Schedule II to Annex D to the RSA (the "Monoline Insurers"), provided that the parties may agree to alter certain interest payments on the Mirror Bonds to better match expected Transition Charge Revenue with debt service requirements.

Cognizant of the urgent need to address PREPA's legacy debt and the demands on its cash flow, to cement PREPA's transformation, and to benefit the Commonwealth and its citizens as a whole, the Legislative Assembly of Puerto Rico enacted, and the Governor on February 16, 2016 signed into law, the Revitalization Act. The Revitalization Act implements essential terms of the RSA, which is the "Agreement with Creditors"[10] referred to in the Revitalization Act, and authorizes the Corporation to issue the Bonds. The Revitalization Act sets forth, among other things: characteristics of the Bonds and describes the Restructuring Property created to secure, satisfy, and support the payment of the Bonds; the Calculation Methodology under which Transition Charges are established and adjusted over time; and the Servicing Agreement[11] that provides for the administration, billing, and collection of the Transition Charges on behalf of the Corporation. By creating the Corporation and authorizing its issuance of the Bonds, the Revitalization Act furthers PREPA's ability to perform its obligations under the RSA.

The Restructuring Resolution (~~Petition Attachment 1.00~~Technical Conference Exhibit XX, Findings of Fact 1 – 3) authorizes the issuance of one or more series of Bonds that may be

put the Commission's specific statutory duties and authority under the Revitalization Act into context. Additional details may also be found, without limitation, in the testimony of Lisa J. Donahue and Michael Mace (Corporation Exs. 1.00 and 4.00, respectively).

[10] "Agreement with Creditors" means "the agreement (including all schedules and annexes and supporting documents) between PREPA and several of its main creditors, as it may be amended or supplemented, through which certain terms and conditions of PREPA's outstanding debt are modified and PREPA commits to (i) implement certain administrative, operational, and governance reforms, (ii) modernize its generation fleet and (iii) implement operational savings." *See* PRA, Art. 3(a); Art. 4.

[11] "Servicing Agreement" ["*Contrato de Manejo*"] means "the agreement or agreements between the Corporation and the Servicer providing for the administering and servicing of Restructuring Property, as the same may be amended from time to time by the parties thereto in a manner not prohibited by this Act. PRA, Art. 31, para. 11. A draft form of the initial Servicing Agreement is attached to the Restructuring Resolution as Appendix 4. *See* Attachment 1.00, Appendix 4.

broadly grouped into two separate categories: the "Closing Date Bonds" and the "Post-Closing Date Bonds." The Closing Date Bonds are issued in the following amounts and for the following purposes on the date (the "Closing Date") on which the Exchange Offer Bonds, described below, are issued:

a. Bonds, in an initial aggregate principal amount not to exceed $4.97 billion (the "Exchange Offer Bonds"), to be issued to the beneficial owners of PREPA Bonds that are not insured PREPA Bonds ("Uninsured PREPA Bonds"), in exchange for such Uninsured PREPA Bonds (i) at an exchange ratio (principal to principal) of 85% and (ii) may also be issued in an amount equal to and in satisfaction of any accrued and unpaid interest owing on such Uninsured PREPA Bonds at the time of such exchange;

b. (i) Bonds, in an initial aggregate principal amount not to exceed $2.086 billion (the "Monoline Mirror Bonds"), to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds insured by the monoline bond insurers (the "Insured PREPA Bonds") that have signed the RSA and are participating in the transactions set forth in Schedule II to Annex D to the RSA (the "Monoline Insurers"), and (ii) Bonds, in an initial aggregate principal amount not to exceed $750 million (the "Other Mirror Bonds" and together with the Monoline Mirror Bonds, the "Mirror Bonds") to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds issued in 2016 (the "2016 PREPA Bonds");

c. Bonds, in a principal amount not in excess of the sum of 6.25% of the Closing Date Bonds described in clauses (A), (B), (D), (E), (F) and (G) plus 6.25% of the Post-Closing Date Bonds, to fund or, in the case of (ii) to be provided in whole or in part as payment for, (i) one or more debt service reserve or operating funds or accounts to secure payment of all or a portion of the Bonds, and (ii) all Upfront Financing Costs incurred in connection with the issuance of all Closing Date Bonds or the Post-Closing Date Bonds, as the case may be; plus (iii) the costs of any payment to the IRS (as described in clause (f) of Finding of Fact 4 below);

d. Bonds, in an initial aggregate principal amount not in excess of $50 million, to fund a deposit to the PREPA Self Insurance Fund described in Finding of Fact 4(g) below (Bonds issued for purposes described in this clause (D) and the preceding clause (C) are collectively referred to as "New Money Bonds");

e. Bonds, in an initial aggregate principal amount not exceeding $2.6 billion ("Cash Offer Bonds"), for the purpose of funding the costs to refund, redeem or purchase, directly or indirectly, Uninsured PREPA Bonds with the goal of increasing the exchange offer participation levels;

f. Bonds, in an initial aggregate principal amount not exceeding $625 million (the "Lender Bonds"), issued to the Supporting Creditors (i) in exchange for the extinguishment of the obligations due and owing under the Credit Agreements (the "Credit Agreements") between such Supporting Creditors and PREPA, at an

exchange ratio (principal to principal) of 85% and (ii) to reimburse such Supporting Creditors for certain fees and expenses in an amount not to exceed $1 million; and

g. Bonds, in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of additional mirror bonds or otherwise) or purchase PREPA Bonds insured by Syncora Guarantee Inc. and/or an affiliate thereof ("Syncora"), as required to implement the economic terms of the RSA, as it may be amended (the "Closing Date Syncora Bonds").

In addition, one or more series of Post-Closing Date Bonds may be issued after the Closing Date in the following amounts and for the following purposes:

a. One or more series of Bonds, in an initial aggregate principal amount not to exceed $750 million to one or more holders of 2016 PREPA Bonds, at an exchange ratio of 100%, in voluntary exchange for such 2016 PREPA Bonds. If any 2016 PREPA Bonds are exchanged for Post-Closing Date Bonds, the corresponding Mirror Bonds will be cancelled;

b. One or more series of Bonds in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of mirror bonds or otherwise) or purchase PREPA Bonds insured by Syncora, as required to implement the economic terms of the RSA, as it may be amended (the "Post-Closing Date Syncora Bonds" and, together with the Closing Date Bonds, the "Syncora Bonds"); provided that the total principal amount of Syncora Bonds issued shall not exceed $240 million; and

c. New Money Bonds with respect to Post-Closing Date Bonds, as described in and to the extent not previously issued pursuant to clause 1(i)(C) above to pay the Upfront Financing Costs described therein.

Post-Closing Date Bonds shall be payable, on a parity with all Closing Date Bonds, from, and secured, equally and ratably with all Closing Date Bonds, by, the Restructuring Property pledged to the payment of the Bonds in the Trust Agreement (as hereinafter defined). Absent exchange for Post-Closing Date Bonds, the 2016 PREPA Bonds would remain a liability of PREPA.

In accordance with the RSA, the Petition and supporting materials contemplate a Closing Date of June 30, 2016. However, if the Closing Date does not occur by June 30, 2016, the Corporation would endeavor to reach an agreement with other parties to the RSA to close on a later date. If agreed to by the parties and as authorized by the Restructuring Resolution, the Corporation could capitalize and securitize the incremental interest expense that PREPA would otherwise be obligated to pay on its bonds exchanged for Exchange Offer Bonds by reason of the later closing through the issuance of additional Exchange Offer Bonds and/or to defer initial interest payment dates on such Exchange Offer Bonds (or to capitalize such interest) to mitigate the short term effect on Transition Charges needed to collect revenues sufficient to make such a

payment in less than one year. Although this may result in a short term increase in the required Transition Charge, the costs to PREPA (which PREPA would seek to recover through its own rates) would be lessened. If agreed to by the parties and as authorized by the Restructuring Resolution, the Mirror Bonds could be subject to additional terms that provide for additional sources of payment or defer the timing of payment of such interest for the purpose of better matching expected Transition Charge revenues with debt service requirements. The potential need to close after June 30, 2016 does not affect any of the findings enumerated in Article 6.25A(b) and, in particular, the Calculation Methodology remains consistent with the criteria set forth in Article 6.25A(d).

As described in the Restructuring Resolution and required by the Revitalization Act, the Bonds will be paid and certain other expenses will be funded through Transition Charges that Customers[12] will be obligated to pay. Those Transition Charges will adjust over time, up or down, in response to changes in the Ongoing Financing Costs and in response to changes in revenues that the Transition Charges generates. The imposition of the Transition Charges does not, however, increase the total aggregate cost or burden on PREPA customers (i.e., whether paid to PREPA or as a Transition Charge). The Transition Charges support the Bonds and enable the transactions described in the Restructuring Resolution to achieve a reduction in PREPA's long-term costs and, in total and on balance, reduce the costs Customers ultimately bear as compared to the costs they would have borne in the absence of the issuance of the Bonds and the consummation of the restructuring. In particular, Exchange Offer Bonds paid by the Transition Charges are to be issued in a lower aggregate principal amount and, on average, are projected to require lower debt service than the debt exchanged for or refinanced by those Bonds. Monoline Mirror Bonds give the Corporation access to surety bonds that partially satisfy a debt service reserve requirement for the Bonds.

In order to make the restructuring possible and maximize the benefits to Puerto Rico from the securitization transaction that is the subject of the Petition, the RSA requires, among other things, that: (a) Transition Charges be non-bypassable; (b) the Adjustment Mechanism increase or decrease Transition Charges in response to changes in Ongoing Financing Costs and factors affecting the revenues generated by the Transition Charges, including, without limitation, the number of Customers paying Transition Charges, the Customers' electricity usage, and the timing and patterns of payment and collection of Transition Charges; and (c) there be a strong legislative and regulatory commitment, including the statutory covenants of the Commonwealth set forth in the Restructuring Resolution providing, among other things, that there be no amendment, modification, or termination of the Restructuring Resolution or the Restructuring

[12] Customer" ["*Cliente*"] means "any Person that is connected to or takes or receives electric service within the Commonwealth by means of the electric generation, transmission or distribution facilities constituting part of Electric System Assets, whether or not those electric generation, transmission, or distribution facilities are owned by PREPA. PREPA shall not be a Customer. Each municipality in the Commonwealth shall be a Customer to the extent that the dollar value of its usage of electric service (including in determining such dollar value of Transition Charges which would otherwise be imposed on such municipality and PREPA charges) in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a contribution in lieu of taxes for such fiscal year." PRA, Article 31, para. 7. For the avoidance of doubt, previous Customers that completely disconnect from Electric System Assets shall no longer be considered "Customers" for all purposes under the Act, the Restructuring Resolution and this Order unless and until said Customers reconnect.

Order and no reduction, impairment, postponement, termination, or adjustment to the Transition Charges authorized by this Order and established by the Restructuring Resolution except through the Adjustment Mechanism.

The Revitalization Act provides that the Petition be evaluated on a defined timetable, under specific statutory criteria, and under statutory procedures that, among other things, provide notice to the public and permit the citizens of Puerto Rico to express their opinions in writing. Under Article 6.25A(f), the Commission must approve the Petition by making certain findings in a Restructuring Order or adopt a resolution rejecting the Petition and stating the reasons for such rejection within seventy-five days of the Corporation Petition Date (as defined therein). Failing that, Article 6.25A(f)(4) provides that the Petition will be deemed approved as a matter of law. The Revitalization Act provides that approving the Petition, by making the findings specified in Article 6.25A(b) and issuing a Restructuring Order, will provide significant benefits to the citizens of Puerto Rico, and demonstrate concretely the ability of a key institution of the Commonwealth to successfully restructure its debt burden.

III. FINDINGS OF FACT

A. Jurisdiction.

1. The Corporation is a duly organized special purpose public corporation and governmental instrumentality of the Commonwealth of Puerto Rico exercising "essential governmental and public powers."[13] It was created on February 16, 2016, pursuant to Article 32 of the Revitalization Act. Its address is Roberto Sánchez Vilella (Minillas) Government Center, De Diego Avenue, Stop 22, San Juan, Puerto Rico 00907, Attention: President, Government Development Bank. ~~It is, as of the date hereof, in the process of establishing web~~Web sites have been created in English at prc.pr.gov and in Spanish at craee.pr.gov.

2. The Corporation is empowered by law to, among other things, adopt Restructuring Resolutions, issue Bonds contemplated by a Restructuring Resolution, impose and collect non-bypassable Transition Charges, and approve an Adjustment Mechanism, subject to the Commission issuing a Restructuring Order.[14] The Corporation may not operate "for the purpose of making a profit."[15]

3. The Corporation has determined to adopt, in accordance with the provisions of Article 6.25A and Chapter IV of the Revitalization Act, a Restructuring Resolution that meets the requirements of Article 6.25A authorizing the issuance of Bonds as described in Article 34 of the Revitalization Act. The proposed Restructuring Resolution with certain Appendices and Schedules thereto~~ is attached to the Petition as Attachment 1.00.~~ , as revised, is Technical Conference Exhibit XX, Findings of Fact 1 – 3. Appendix 2 to the Restructuring Resolution sets

[13] PRA, Art. 32(a).

[14] PRA, Art. 33(a).

[15] PRA, Art. 32(a).

out the "Calculation Methodology and Adjustment Mechanism as revised to Establish and Adjust the Transition Charge" (the "Calculation Methodology").[16]

4. The Revitalization Act defines the jurisdiction and authority of the Commission to review specific aspects of the Restructuring Resolution, the Calculation Methodology, and the agreement for servicing the Transition Charges. That statutory review is the subject of the Petition. Article 6.25A defines requirements for the Corporation's Petition, the Restructuring Resolution, and the supporting materials and testimony filed with the Petition. It also enumerates the specific criteria under which the Commission must evaluate the Petition and the findings that the Commission must make to issue the Restructuring Order. In accordance with paragraphs (b) and (f) of Article 6.25A, the Corporation asks the Commission, as requested by the Petition, to make the statutorily required findings and adopt a Restructuring Order substantially in the form proposed by the Corporation. The Revitalization Act provides that "[t]he establishment and adjustment of the Transition Charges made by the Corporation in relation with the Adjustment Mechanism shall not be subject to legislative or any other governmental review or approval, except as provided in Article 34, regarding the review by the Commission to correct mathematical errors made by the Corporation, and Article 35(b) with respect to the approval of the Adjustment Mechanism in the Restructuring Order."

B. Procedural Matters.

~~6.~~5. ~~On April __, 2016,~~Pursuant to Article 6.25A, the Corporation, PREPA, and Commission published on their respective websites a summary of the Petition prepared by the Corporation.

~~7.~~6. The "Corporation Petition Date" is the date of filing of the Petition unless the Commission notifies the Corporation within five (5) days thereafter that under Article 6.25A(c) it is requiring the Corporation to provide any information it concludes is missing, in which case the Corporation Petition Date is seven (7) days after such request. The Restructuring Order should be entered no later than 75 days after the Corporation Petition Date. If the Commission does not approve or adopt a resolution rejecting the Petition by that date, Article 6.25A(f) provides that the Petition will be deemed approved as a matter of law.

~~8.~~7. Pursuant to Article 6.25A(f), the Corporation Petition Date occurred on April ~~__~~,07, 2016.

~~9. On _____ __, 2016, PREC held public hearings with respect to the Petition [DETAILS TO COME] at which hearings the witnesses submitting testimony in support of the Petition appeared for questioning by the Commission on the subject matter of their testimonies. The Commission also permitted the public to submit written comments on the Petition. [DETAILS TO COME]~~

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[16] Certain technical terms, periods, and dates referred to in the Calculation Methodology are defined in the Restructuring Resolution (~~Attachment 1.00~~Technical Conference Exhibit XX) and Appendices thereto.

8. The Commission granted intervenor status to the Independent Consumer Protection Office ("ICPO") and the Commonwealth Energy Public Policy Office ("CEPPO") as a matter of statutory right.[17] Additionally, the Commission granted intervenor status to the following parties upon petition: 1) the Puerto Rico Institute for Competitiveness and Sustainable Economy ("PRICSE"); 2) PV Properties, Inc., Windmar PV Energy, Inc., and Windmar Renewable Energy, Inc., (collectively referred to as "Windmar" or "Windmar Group"); and 3) Guillermo M. Riera, PE, CEM, GBE, CPQ, CMVP.

9. On May 23, 2016, the Commission held a Pre-Hearing Conference where it addressed procedural and legal objections in preparation for the Technical Hearing.

10. On May 24th – 27th, the Commission held a Technical Hearing consisting of nine (9) separate panels. In each of the first seven (7) panels, the Commission addressed specific issues through live cross-examination of the Corporation's witnesses. The eighth (8th) panel consisted of addressing substantive issues raised by Intervenors. The ninth (9th) panel addressed legal issues and consisted of attorneys from both the Corporation and intervenors. Windmar Group, ICPO, and PRICSE submitted pre-filed written testimony, or some form of written comments, prior to the Technical Hearing.

11. On June 10, 2016, the Corporation and Intervenors filed legal briefs in support of their positions.

12. Notice of the Corporation's Petition and the aforementioned hearings was provided in accordance with the requirements of Article 6.25A(f) of the Revitalization Act, which requires the publication of summaries of the Petition in both English and Spanish on the websites of the Commission, the Corporation, and the Authority, and that notice of said hearings be published at least fifteen (15) days prior in two (2) newspapers of general circulation in the Commonwealth, among other requirements.

13. On May 31, 2016, the Commission held a Public Comments Hearing in the instant matter. The Commission received public comments, either orally or in electronic submission, from the following: 1) Windmar Group; 2) Maximo Solar Industries; 3) the Puerto Rico Manufacturers Association; and 4) Carlos Pares, Esq.

C. Satisfaction of the Criteria Requirements of Article 6.25A.

~~10.~~14. The Act requires that Transition Charges be established and adjusted pursuant to a formulaic "Adjustment Mechanism" contained in a Restructuring Resolution, as approved in a Restructuring Order pursuant to the terms of Article 35 and Chapter IV of the Revitalization Act and Article 6.25A of Act 57-2014, as amended, to be applied by the Corporation periodically, but not less often than semi-annually, to adjust the Transition Charges to ensure the collection of Transition Charges Revenues sufficient to provide for the timely payment of Ongoing Financing Costs. The establishment and adjustment of the Transition Charges made by the Corporation in relation with the Adjustment Mechanism in accordance with the ~~calculation~~

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[17] See Commission Resolution and Order of April 12, 2016.

~~methodology~~Calculation Methodology approved by this Order shall not be subject to legislative or any other governmental review or approval, except as provided in Article 34, regarding the review by the Commission to correct mathematical errors made by the Corporation, and by a court as provided in Article 35(b)(ii).

~~11.~~15. Article 6.25A(d) requires that the calculation methodology for the Transition Charges and the Adjustment Mechanism (previously defined as the "Calculation Methodology") satisfy five criteria. We address the satisfaction of these criteria separately in this Order.

Calculation Methodology Criterion One: Transition Charges and the Adjustment Mechanism designed for full and timely payment.

~~12.~~16. Article 6.25A(d)(i) requires:

> The calculation methodology for the Transition Charges and the Adjustment Mechanism included in a Restructuring Resolution shall (i) be designed to provide for the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs.

~~13.~~17. The Corporation has provided evidence to support that the Calculation Methodology established by the Restructuring Resolution ~~and Appendix 2 thereto~~as revised, satisfies this criterion. It is designed to provide for the full and timely payment of the Bonds along with other Ongoing Financing Costs.

~~14.~~18. ~~By its terms, the Calculation Methodology will~~As described in the following paragraphs, the Calculation Methodology is a self-adjustment mechanism to set and adjust Transition Charges mathematically in accordance with and in response to changes in the Ongoing Financing Costs to be recovered or in the revenues collected. It also incorporates features (among others) including quarterly true-up adjustments to address payment and usage variability and the reallocation and spreading of uncollectible Transition Charges among all Customer classes to avoid over-reliance on any one Customer class. Through these features, the Calculation Methodology is designed to ensure that Transition Charge Revenues are sufficient to provide for the timely payment of Ongoing Financing Costs. Each True-Up Adjustment will be designed (i) to correct for any over-collections or under-collections of Transition Charges through the proposed True-Up Adjustment Date and (ii) to ensure that expected Transition Charge Revenues remitted or to be remitted to the Trustee, after taking into account assumed charge-offs and payment delays, are adequate (A) to pay timely principal of (in accordance with the scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates)) and interest on the Bonds on each of the Payment Dates that occurs during the related Annual Calculation Period (defined below), (B) to fund or replenish any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund) to its required level, as provided in the Trust Agreement or the Ancillary Agreement (as the case may be), and (C) to make timely payment of all other Ongoing Financing Costs during the related Annual Calculation Period.

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~~15.~~19. By its terms, the Calculation Methodology requires~~–~~ the Corporation, or the Servicer on its behalf, to make adjustments to the Transition Charges (a) quarterly, beginning no more than three (3) months from issuance of the Bonds and continuing until the Bonds and all Ongoing Financing Costs are paid or deemed paid in full, and (b) at any other time if the Servicer, the Calculation Agent, Trustee (as and to the extent permitted in the Trust Agreement) or any party to an Ancillary Agreement (as and to the extent permitted in the Ancillary Agreement) determine that such adjustment is required to assure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs. Such adjustments are referred to herein as Quarterly and Optional True-Up Adjustments, respectively, and, collectively, as "True-Up Adjustments." See Restructuring Resolution, Appendix 2 ~~to Attachment 1.00,~~(Technical Conference Exhibit XX), Calculation Methodology and Adjustment Mechanism to Establish and Adjust the Transition Charge, and Appendix 4 ~~to Attachment 1.00~~thereto, Servicing Agreement, Section 4.01(a).

~~16.~~20. The Calculation Methodology estimates the expected receipts of Transition Charges for any period the Servicer will apply a "collection curve" reflecting the most recent 12-month history of collections for which data are available. In connection with each True-Up Adjustment filing, the Servicer will develop one collection curve reflecting payment history for all Customers (the "Composite Collection Curve"). A collection curve is data reflecting the timing of payments of outstanding bills during a 12-month period, adjusted to assume that any Transition Charges which are not collected within 120 days of billing are written off. Each month's billings are divided into aging buckets based on the number of days for which such billings have been outstanding (e.g., 0 to 29 days, 30 to 59 days, 60 to 89 days, and 90 to 119 days outstanding). The aging buckets are then used to estimate the dollar amount of each month's billings collected within 30, 60, 90 and 120 days, as well as the dollar amount not collected within 120 days (amount written off) for the 12-month period. For such 12-month period, the collection curve is calculated by dividing each of the total dollar amount of billings collected within 30, 60, 90, and 120 days by the total dollar amount of billings collected within 120 days.

~~17.~~21. To initiate any True-Up Adjustment, the Servicer will make a preliminary calculation of the True-Up Adjustment and will prepare and submit to the Calculation Agent a draft request for adjustment (a "True-Up Letter"). The Calculation Agent will review the draft True-Up Letter, including the mathematical calculations related to the proposed True-Up Adjustment, and forward any corrections or modifications to the Servicer. The Servicer will then file the True-Up Letter, reflecting any such corrections or modifications, with the Corporation, the Commission and the Trustee, not later than 30 days prior to the proposed effective date of the adjustment set forth in the True-Up Letter (such effective date being referred to as the "True-Up Adjustment Date").

~~18.~~22. By its terms, the Calculation Methodology takes into account, over time, for changes in the Revenue Requirements and variations and changes in other parameters influencing the calculation of the Transition Charges and their collection. See Restructuring Resolution, Appendix 2 ~~to Attachment 1.00,~~(Technical Conference Exhibit XX), Calculation Methodology and Adjustment Mechanism to Establish and Adjust the Transition Charge.

~~19.~~23. By its terms, the Calculation Methodology requires that the Servicer apply "collection curves" reflecting the most recent 12-month history of payment collections for which data is available to the Servicer in order to more accurately predict future Transition Charge collections. *Id.*

~~20.~~24. By its terms, the Calculation Methodology requires that uncollectible Transition Charges will be redistributed across all Customer classes in the same manner as Financing Costs are distributed. *Id.*

~~21.~~25. By its terms, the Calculation Methodology requires the Servicer to confirm the accuracy of its calculation of any True-Up Adjustment with an independent Calculation Agent, to assure the accuracy of its calculations. *Id.*

~~22.~~26. By its terms, the Calculation Methodology requires each True-Up Adjustment of the Transition Charges to be effective on the date specified in the True-Up Letter, so long as such effective date is at least 30 days after the filing with the Commission of such True-Up Letter, subject only to the correction of any mathematical errors by the Commission, as set forth in the following paragraphs. Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall such process or the implementation of a Commission order correcting any mathematical error result in the delay of the implementation of an adjustment to the Transition Charges from the effective date stated in the True-Up Letter.

~~23.~~27. The Corporation has submitted the testimony of Corporation witness Gil-Olazábal (Corporation Ex. 3.00), who confirms that the original Restructuring Resolution includes the documents and information listed in Article 6.25A(e).

~~24.~~28. The ~~Corporation has also submitted the testimony of Corporation witnesses Michael Mace and Ralph Zarumba (Corporation Exs. 4.00 and 6.00, respectively), each of whom confirm~~Corporation's Response to 5th Clarification Request confirms that the Calculation Methodology as revised is designed to provide for the full and timely payment of the Bonds and other Ongoing Financing Costs.

~~25.~~29. The Corporation has also submitted a report of Navigant Consulting, in accordance with Article 6.25A(e)(3), which requires a report prepared by an independent financial consultant with recognized expertise in financing public electric utilities, a representative of which will appear to sponsor such report as a witness before the Commission in accordance with Article 6.25A(e)(9), setting forth historical energy (kWh) usage, a projection of Ongoing Financing Costs and Transition Charges during the term of the Restructuring Bonds and any other material assumptions used in the report, and concluding that such Transition Charges have been calculated as provided in clauses (ii), (iii), (iv) and (vi) of Article 6.25A(e)(1), as applicable, and in accordance with the assumptions included in such report, and will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds. Based on issues and concerns raised by the Commission and Intervenors, the Corporation proposed a revised Calculation Methodology that: 1) calculates Transition Charges for Residential Customers based

upon their historic energy usage (kWh) instead of a per servicing agreement charge; 2) imposes a Transition Charge on only the net usage of "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX). The non-grandfathered customers will pay a Transition Charge calculated and adjusted based on gross usage (kWh) as set forth in further detail below. Based on these new Corporation determinations, a revised Navigant Report was filed containing a conclusion that such Calculation Methodology, as revised, meets the requirements of the Act. Technical Conference Exhibit XX.

~~26.~~30. We find that the Calculation Methodology established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(i)(2).

Calculation Methodology Criterion Two: Distribution of Financing Costs between Residential and Non-Residential Customers.

~~27.~~31. Article 6.25A(d)(ii)(1) of the Revitalization Act provides that the Calculation Methodology shall distribute Financing Costs among Customer classes and calculate and adjust the Transition Charges based on the following criterion:

> The share of Financing Costs to be recovered from each Customer class shall be calculated based upon the historic energy (kWh) usage of each class of Customers during the most recent twelve (12) months for which such information is reasonably available, as such information is provided by PREPA to the Corporation and to the Commission, and in such manner which is practicable to administer and which ensures the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs.

~~28.~~32. The Calculation Methodology distributes Financing Costs and determines Residential and Non-Residential Revenue Requirements based on the share of the total actual historical kWh billed to Residential and Non-Residential (including Government) Customers, respectively, in the previous 12-month period ending with the last day of the most recently completed calendar quarter for which data is available. See Restructuring Resolution ~~(Attachment 1.00),~~, Appendix 2~~.~~ (Technical Conference Exhibit XX).

~~29.~~33. The Corporation has submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who explains and supports the original filed Calculation Methodology and explains how Financing Costs are to be recovered from each Customer class.[18] Mr. Zarumba further testifies that the Calculation Methodology is practicable to administer and ensures the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs. At the Technical Conference on June 9, 2016, Mr. Zarumba testified regarding the revised Calculation Methodology (provided as the Corporation's Response to the

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[18] The historic energy usage of each class supporting that calculation is provided in Attachment 5.00 to the Petition. Corporation witness Javier Quintana Méndez (Corporation Ex. 2.00) provides testimony attesting that the historical energy usage data contained in Attachment 5.00 is accurate and based on the business records of PREPA.

5th Clarification Request) and provided support that it is practicable to administer and ensures the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs. [Cite Hearing]

~~30.~~34. We find that Calculation Methodology meets the criterion required by Article 6.25A(d)(ii)(1).

Calculation Methodology Criterion Three: Calculation of Transition Charges for Customers.

~~31.~~35. Article 6.25A(d)(ii)(2) of the Revitalization Act provides that Transition Charges will be calculated in accordance with the following criterion:

> Once the share of Financing Costs to be recovered from each Customers class shall have been calculated, Transition Charges for Customers will be based upon historic energy usage (kWh) data for the most recent twelve (12) months for which such information is reasonably available, as provided by PREPA to the Corporation and to the Commission, provided that the Corporation may elect to calculate Transition Charges for residential Customers on a per service agreement basis, calculated in such manner which is practicable to administer and which ensures the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs, and provided further that the allocation of responsibility for the Transition Charge among Customers classes and Customers does not limit the discretion of the Commission when evaluating the allocation of responsibility with respect to the PREPA revenue requirement in any PREPA rate case.

~~32.~~36. ~~The~~In the Original Restructuring Resolution ~~provides~~submitted with the Petition, the Petitioner proposed that ~~the~~ Transition Charges for Non-Residential Customers ~~are~~would be based upon historic energy usage (kWh) data for the most recent twelve (12) months for which such information is reasonably available~~. The Corporation has elected to calculate~~, and that Transition Charges for Residential Customers ~~on~~would be calculated based upon a per service agreement basis. Original Restructuring Resolution, Appendix 2. ~~These~~The Corporation submitted that the resulting calculations ~~are~~were practicable to administer and would ensure the full and timely payment of the Bonds and other Ongoing Financing Costs.

~~33.~~37. The Corporation ~~has~~ submitted the testimony of Corporation witnesses Michael Mace and Ralph Zarumba (Corporation Exs. 4.00 and 6.00, respectively), who ~~explain~~explained and ~~support~~supported the Original Calculation Methodology and how it ~~ensures~~ensured the full and timely payment of the Bonds and other Ongoing Financing Costs. Mr. Zarumba also ~~explains~~explained and ~~supports~~supported how Financing Costs ~~are~~were to be recovered from each Customer class and ~~confirms~~confirmed and ~~explains~~explained how the allocation of responsibility for the Transition Charge ~~does~~did not limit the Commission's discretion to allocate revenue requirement in any PREPA rate case.

38. Upon concerns raised during the Technical Hearing, the Corporation submitted its Response to the Commission's 5th Clarification Request in support of the Calculation

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Methodology. This response contained the revised Restructuring Resolution, including a revised Calculation Methodology which would impose a Transition Charge on Residential Customers based upon their historic energy usage (kWh) instead of a per servicing agreement charge, provided that Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs, implementing said Article 3.9(b), pay a fixed charge for the applicable consumption-based block of electricity, and will pay the Transition Charge only on their kWh usage beyond the Customer's permitted block of electricity under Article 3.9(b) of Law 22-2016 (as such blocks are established as of the date of this Restructuring Order and as they may be adjusted from time to time in accordance with Article 3.9(b)(4) of Law 22-2016). These Customers are referred to in the revised Calculation Methodology as Fixed Block Public Housing Customers.

~~34.~~39. We find that Calculation Methodology, as revised, established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(ii)(2).

Calculation Methodology Criterion Four: Adjusting for Delinquencies.

~~35.~~40. Article 6.25A(d)(ii)(3) of the Revitalization Act provides that delinquencies shall be addressed in accordance with the following criterion:

> Delinquencies of any class of Customers in any period will be added to the revenue requirement of the next period and allocated among all Customers classes as provided in clauses (1) and (2) of this paragraph (d). The Commission shall require PREPA (or any other Servicer) to demonstrate that PREPA (or such other Servicer) has been prudent in addressing late payments, past-due bills and non-payments, provided that a finding of imprudence shall not affect the first sentence of this paragraph (3).

~~36.~~41. The Restructuring Resolution provides that delinquencies of any Customers (including Governmental Customers) will be distributed among all Customer classes as provided in 6.25A(d)(ii)(3) and specified in the Adjustment Mechanism. See Restructuring Resolution ~~(Attachment 1.00),~~, Appendix 2~~.~~ (Technical Conference Exhibit XX). Particularly, any charges that are not collected within one hundred and twenty days of billing are re-distributed across all Customer classes. *Id*.

~~37.~~42. The Corporation ~~has~~ submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who ~~supports~~supported and ~~explains~~explained this feature of the original Calculation Methodology and how delinquencies are added to the revenue requirements of the next period and allocated among all Customer classes. The Restructuring resolution, as revised, did not change with respect to this issue.

~~38.~~43. We find ~~that~~the Calculation Methodology established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(ii)(3).

Calculation Methodology Criterion Five: Methodology for Determining Estimated Load Served by Net Metering or Distributed Generation.

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~~39.~~44. Article 6.25A(d)(ii)(4) of the Revitalization Act provides that the Calculation Methodology shall distribute Financing Costs among Customer classes and calculate and adjust the Transition Charges based on the following criterion:

> When calculating Customer energy usage in clauses (1) and (2) of this paragraph (d), the Corporation may elect to include the estimated load served by net metering or distributed generation ("behind the meter") if the methodology for such inclusion is practical to administer, and will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs.

~~40.~~45. The Original Calculation Methodology ~~reflects~~reflected the Corporation's determination that net-metering Customers and Customers using behind the meter generation should not be allowed to bypass Transition Charges to the extent their net load is less than their gross load and that, therefore behind the meter generation should not be an opportunity to bypass or avoid the applicability of Transition Charges. Therefore, the original Calculation Methodology (Appendix 2 to Attachment 1.00) ~~defines~~defined "Actual kWh Billed," for this purpose, "without regard to any offset for net-metering and adjusted for estimated distributed generation usage." Initially, that amount will be measured without any subtraction for the amount of electricity generated "behind the meter" and exported to the grid, and will reflect electricity flowing to the customer on PREPA facilities. As it becomes practicable, and as meter data measuring the output of the distributed generation itself becomes available, the load of such customers for these purposes will include the gross output of the distributed generation plus the net deliveries from PREPA. If the estimated load served by net metering and distributed "behind the meter" generation were not included, a Customer could reduce its responsibility to pay Transition Charges, and the responsibility for those avoided charges would be transferred inequitably to other Customers. Further explanation and support for this determination is provided by Corporation witness Ralph Zarumba (Corporation Ex. 6.00).

~~41.~~46. Article 35(i) of Act 4-2016 provides in pertinent part that:

> For so long as Restructuring Bonds are outstanding, and the Approved Restructuring Costs (including, any payments that have or are to become due under Ancillary Agreements) have not been paid in full, the Transition Charges authorized and imposed by this Act shall be obligatory, Non-bypassable and shall apply to all Customers.

As Mr. Zarumba (Corporation Ex. 6.00) ~~explains~~explained, the Transition Charges ultimately result from historical PREPA operating and fuel costs and investment expenditures, and that failing to include this load in its entirety would permit Customers to bypass those charges prospectively, effectively stranding their share of the costs to the detriment of Customers as a whole. This increase in other Customers' Transition Charges would create still greater uneconomic incentives to bypass the PREPA system. As Mr. Zarumba also explains, if Customers could entirely bypass or reduce their share (or that of their class) of these historical costs based on installing generation behind the meter or by net metering, it would distort the economic incentives to install and make use of behind the meter generation, send improper and

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inefficient price signals, waste resources and increase the total cost of energy production, and further exacerbate the shift in the responsibility for Transition Charges.

~~42.~~47. Article 29 of the Revitalization Act amends Section 4 of Act 114-2007 to provide that the Commission shall "… evaluate and determine which rates will be applied to the net metering customers, the Contribution in lieu of Taxes, Grants, Securitization, and Subsidies." This provision must be interpreted and applied in the context of, and in harmony, with Article 6.25A and Article 35(i) of the Revitalization Act.

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~~43.~~48. ~~In addition to determining~~The Corporation believes that the ~~Calculation Methodology proposed~~Net Metering determination included in the Original Restructuring Resolution ~~complies fully~~was reasonable and consistent with ~~Article 6.25A and establishes Transition Charges that are "obligatory, Non-bypassable and … apply to all Customers," as required by Article 35(i),~~ the ~~Corporation and PREPA have considered~~requirements of the Revitalization Act and the criteria set out in Article 4 of Act 114-2007, as amended by Article 29 of the Revitalization Act. The Corporation also believes that the ~~resulting~~ Transition Charges resulting from the Original Calculation Methodology "will be just and … will cover operational and administrative costs of network services" received by a net metering customer [that the Transition Charges represent,] and the Net Metering Agreement, and that the Transition Charge ~~will~~ "never will be excessive or established in such a way that it becomes an obstacle to the deployment of renewable energy projects." Id. The Corporation notes further that the Commission retains authority, separate from the specification of the Transition Charges in the Calculation Methodology, over the design of PREPA's rates, including the charges applicable to net metering customers. The determination of how load is measured for the purposes of calculating the Transition Charge will not affect that authority or limit the design of the PREPA rate charged to such Customers when the time comes for the Commission to evaluate PREPA's rate request.

49. In response to the Commission's 5th Clarification Request, the Corporation proposed a Calculation Methodology which imposed a Transition Charge on "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. These "Grandfathered Net Metered Customer" are Customers (whether Residential, Non-Residential or Governmental, as specified) who had a net metering agreement with PREPA as of February 16, 2016, when the Revitalization Act became effective, that satisfies the conditions of Article 4 of Act 114-2007, as amended by Article 29 of the Revitalization Act (as enacted), or (2) who entered or enters with PREPA into a net metering agreement for a new project after February 16, 2016, satisfying the conditions of Article 29 of the Revitalization Act (as enacted)], *i.e.*, a Customer (a) who submitted or submits a net metering application for a new project between February 16, 2016 and the date on which the Commission approves this Restructuring Order, (b) has submitted or submits the required deposit to PREPA in accordance with the Revitalization Act, and (c) completes the project and certifies its installation within the required 270 days, and (d) otherwise complies with Article 29 of the Revitalization Act, all as provided in Article 29 of the Revitalization Act. For the avoidance of doubt, any customer that increases the capacity of the renewable energy system up to a cap of 20%, as provided in Article 29 of the Revitalization Act, shall cease to be considered a Grandfathered Net Metered Customer from the moment the increase in capacity to PREPA's system was completed, in conformity with the terms of Article 29 of the Revitalization Act.

50. In the Calculation Methodology, as revised, these Grandfathered Net Metered Customers would pay a Transition Charge only on their net energy kWh usage (*i.e.*, *excluding* behind–the–meter output—whether consumed by the Customer or exported to PREPA). The non-Grandfathered Net Metered Customers (whether Residential, Non-Residential or Governmental) will pay a Transition Charge calculated and adjusted based on gross usage (kWh) as set forth in further detail below.

~~44.~~51. Finally, the Corporation has determined that, except as mentioned in Findings of Fact XX and XX with respect to Fixed Block Public Housing Customers and Grandfathered Net Metered Customers, Customer usage for the purpose of calculating Transition Charges should reflect gross usage (without regard to net metered credits) and "behind the meter" usage, insofar as practical, and the Corporation proposes that Transition Charges be calculated and adjusted based on established usage (kWh) measured in that manner. Initially, that ~~estimate~~determination will remove any reduction in the Customers' load due to exports to the PREPA grid. Thereafter, as it becomes practical, the total output of "behind the meter" generation for which metering data is available, regardless of whether it is a PREPA meter, will be considered in the calculation of the Customers' load. See Appendix 4 to Attachment 1.00, Servicing Agreement, Annex 3, Section 3. The Corporation has submitted the testimony of Corporation witness Ralph Zarumba, who provides explanation and support for this aspect of the Calculation Methodology is provided by (Corporation Ex. 6.00). ~~The Corporation has further determined that this approach~~The Corporation asserts that these limited exemptions with respect to Fixed Block Public Housing Customers and Grandfathered Net Metered Customers assure that there is only a limited shift of payment responsibility to other Customers to satisfy requirements of existing law. The Corporation has further determined that this approach, including these limited exemptions on usage subject to the Transition Charges, will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs. PREPA can practically determine total load, including estimated load served by net metering and distributed generation, in the calculation of Transition Charges, as described above. Including such estimated load in the distribution of costs among Customer classes and the calculation of individual Customers' Transition Charges will not impair the collection of Transition Charges or the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

~~45.~~52. The Corporation further requests that the Commission, in making the required findings concerning the calculation of the Transition Charge, take notice of the Corporation's ~~determinations and evaluate~~treatment of Grandfathered Net Metered Customers and determine that the criteria of Article 4 of Act 114-2007, as amended by Article 29 of the Revitalization Act, are ~~met, and~~satisfied. The Corporation also requests that the Commission should accept the Corporation's proposal that load of Customers (other than Grandfathered Net Metered Customers) who are net metered or have other "behind the meter" generation, for the purposes of distributing Financing Costs among Customer classes and calculating those Transition Charges that are based on kWh usage, be based on estimated total electric consumption as described herein and in the Restructuring Resolution~~.~~ (initially determined or "estimated" by gross usage – without regard to net metered credits – and behind-the-meter usage, and in the future, as it becomes practical, metering the total output of behind-the-meter generation regardless of whether it is a PREPA meter).

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~~46.~~53. We find that the Calculation Methodology established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(ii)(4). We further find that the Calculation Methodology followed by the Corporation for the Transition Charges, and Adjustment Mechanism to be applied to adjust the Transition Charges is consistent with the cost distribution and other standards set forth in Article 6.25A of Law 57-2014 and is not arbitrary or capricious. We further take notice of the Corporation's determinations that the treatment of Grandfathered Net Metered Customers and ~~evaluate~~Fixed Block Public Housing Customers, and ~~determine that~~the other provisions of the Calculation Methodology are consistent with the criteria of Article 4 of Act 114-2007, as amended by Article 29 of the Revitalization Act~~, are met,~~ and ~~accept~~concur in such determination. We also approve the Corporation's proposal that load of Customers who are net metered or have other "behind the meter" generation, for the purposes of distributing Financing Costs among Customer classes and calculating those Transition Charges that are based on kWh usage except for Grandfathered Net Metered and Fixed Public Housing Customers, are based on estimated total electric consumption as described in the Petition and in the Restructuring Resolution.

The Petition and Restructuring Resolution Meet the Requirements of Article 6.25A(e)

~~47.~~54. Article 6.25A(e) identifies information, determinations, commitments, and other features required of the Restructuring Resolution and the Corporation's Petition or attachments thereto. Those commitments are each enforceable against the Corporation by the Commission under Article 6.25A through judicial action directing that that the Corporation act in accordance with their terms. Below we address each of those requirements.

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Article 6.25A(e)(1)(i)-(xii) – Requirements for the Restructuring Resolution

~~48.~~55. Article 6.25A(e)(1) lists descriptions, documentation, determinations, calculations, and other provisions and information that must be included in the proposed form of Restructuring Resolution attached to the Petition.

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Resolution Requirement One: Upfront and Ongoing Financing Costs description and documentation.

~~49.~~56. Article 6.25A(e)(1)(i) provides that the Restructuring Resolution must contain the following:

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> A description and documentation supporting the proposed Upfront Financing Costs and the Ongoing Financing Costs, to be recovered from the Restructuring Bonds proceeds or Transition Charges, as applicable;

57. Descriptions and documentation of Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered ~~are contained~~were provided in the following sections of the original Restructuring Resolution (Appendix 2 to Attachment 1.00~~):~~). The Restructuring Resolution, as revised, did not change with respect to this issue:

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- Finding of Fact 10 of the Restructuring Resolution sets forth each of the categories of the Upfront Financing Costs that require payment.

- Schedule D to the Restructuring Resolution, also attached to the Petition as Attachment 2.01, identifies and provides estimates of the Upfront Financing Costs.

- Finding of Fact 16 of the Restructuring Resolution sets forth each of the categories of Ongoing Financing Costs that require payment.

- Schedule E to the Restructuring Resolution, also attached to the Petition as Attachment 2.02, identifies and provides estimates of the Ongoing Financing Costs excluding debt service. Attachment 2.03 identifies and estimates debt service.

~~50.~~58. The precise amount of all components of Upfront Financing Costs for the Closing Date Bonds and the Post-Closing Date Bonds (each, as defined and described in the Restructuring Resolution) cannot be ascertained with certainty until the Bonds have been priced and issued. The Corporation estimates at this time that the Upfront Financing Costs, as identified and itemized in Attachment 2.01, will total approximately $44.7 million. The Corporation estimates at this time that the annual Ongoing Financing Costs (exclusive of debt service), as identified and itemized in Attachment 2.02, will total approximately $15.6 million for the first 12 months that the Bonds are outstanding.

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~~51.~~59. Several of the components of the Upfront Financing Costs will vary depending upon the size of the final issuance of the Bonds. Specifically, the underwriters' fees, and the rating agencies' fees are typically proportional to the amount of a bond issuance. Other Upfront Financing Costs, such as legal and accounting fees and expenses, printing expenses, and trustee costs will not be known until the issuance of the Bonds or even thereafter, when final invoices are submitted. The costs of any credit enhancements or other mechanisms designed to promote the credit quality or marketability of the Bonds, if any, will not be known until near or at the time of issuance of the Bonds. For those reasons, the Corporation anticipates that its current estimate of the Upfront Financing Costs set forth above, and in the attachments to the Petition, will be subject to updating and changes. The Corporation commits that updated data concerning these costs will be provided to the Commission as called for by Article 6.25A(e).

~~52.~~60. Upfront Financing Costs shall be paid from the proceeds of the New Money Bonds or the Cash Offer Bonds (as the case may be), provided that any Upfront Financing Costs approved for recovery that cannot be paid from the proceeds of the sale of the Bonds shall be recoverable as Ongoing Financing Costs.

~~53.~~61. The Corporation has submitted the testimony of Corporation witness Michael Mace (Corporation Ex. 4.00), who explains and estimates costs proposed to be recovered from the Bond proceeds and Transition Charges, and sponsors Attachments 2.01 and 2.03 that, respectively identify and estimate Upfront Financing Costs and Ongoing Financing Costs (excluding principal and interest). Mr. Mace also provides descriptions and documentation of the Upfront Financing Costs and Ongoing Financing Cost estimates (pursuant to Article 6.25A(e)(4)).

~~54.~~62. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(i).

Resolution Requirement Two: Determination of Customer classes.

~~55.~~63. Article 6.25A(e)(1)(ii) provides that the Restructuring Resolution must contain the following:

> The determination of Customers classes among which Ongoing Financing Costs are distributed and the distribution of Ongoing Financing Costs among the Customers classes;

~~56.~~64. Appendix 2 attached to the Restructuring Resolution sets forth the Calculation Methodology that distributes the responsibility for Financing Costs among Residential and Non-Residential classes of Customers and calculates and adjusts from time to time the Transition Charges (collectively, the "Adjustment Mechanism"). The Corporation has submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who also supports and explains the Residential and Non-Residential Customer class determinations and how the Original Calculation Methodology distributes Ongoing Financing Costs to each. The Restructuring Resolution, as revised, did not change with respect to this issue.

~~57.~~65. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(ii).

Resolution Requirement Three: Calculation of Transition Charges for Customers Other Than Residential Customers.

~~58.~~66. Article 6.25A(e)(1)(iii) provides that the Restructuring Resolution must contain the following:

> The calculation of Transition Charges for Customers (other than residential Customers) based upon historical energy usage (kWh) data, along with information sufficient to allow the Commission to replicate such Charges;

~~59.~~67. The Restructuring Resolution describes the method for calculating Transition Charges for Non-Residential Customers based on historical energy usage. See ~~Attachment 1.00 (~~Restructuring Resolution~~)~~, Appendix 2~~.~~ (Technical Conference Exhibit XX). The data required to replicate the initial calculations are provided in the Attachments to the Petition. The Corporation has submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who explains and supports the Calculation Methodology applicable to Non-Residential Customers. The Restructuring Resolution, as revised, did not change with respect to this issue.

~~60.~~68. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(iii). The Restructuring Resolution, as revised, did not change with respect to this issue

Resolution Requirement Four: Calculation of Transition Charges for Residential Customers.

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~~61.~~69. Article 6.25A(e)(1)(iv) provides that the Restructuring Resolution must contain the following:

> The calculation of Transition Charges for residential Customers based upon historical energy usage (kWh) data or, at the option of the Corporation, on a per service agreement basis, along with information sufficient to allow the Commission to replicate such Charges;

~~62.~~70. The Original Restructuring Resolution and Original Calculation Methodology calculated Transition Charges for residential based on a per service agreement basis as per the Corporation's determination. Based on issues and concerns raised by the Commission and Intervenors, the Corporation submitted the Restructuring Resolution that describes the method for calculating Transition Charges for Residential Customers ~~on a per service agreement basis.~~based upon their historic energy usage (kWh) instead of a per servicing agreement charge, provided that Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), in each case as of [the date on which the Commission approves the Restructuring Order], pays a fixed charge for its applicable consumption-based block of electricity, and will pay the Transition Charge only on their kWh usage beyond the Customer's permitted block of electricity under Law 22-2016. These Customers are referred to in the Calculation Methodology as Fixed Block Public Housing Customers. See ~~Attachment 1.00 (~~Restructuring Resolution~~),~~, Appendix 2~~.~~ (Technical Conference Exhibit XX). The calculation of the Transition Charge applicable to Residential Customers is supported ~~in the~~by testimony elicited at the Technical Hearing and through information submitted by the ~~Corporation of~~ Corporation ~~witness Ralph Zarumba (Corporation Ex. 6.00), who~~in its Response to 5th Clarification Request which also supports the determination of the Corporation to calculate such Transition Charges on a ~~per service agreement~~ historic energy usage (kWh) basis and discusses information provided that allows that calculation to be replicated by the Commission.

~~63.~~71. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(iv).

Resolution Requirement Five: Distribution of Customer Delinquencies.

~~64.~~72. Article 6.25A(e)(1)(v) provides that the Restructuring Resolution must contain the following:

> A provision that delinquencies of any class of Customers will be distributed among all Customers classes as provided in this clause (ii) of this paragraph (e)(1) and included in the Adjustment Mechanism;

~~65.~~73. The Adjustment Mechanism, set out in Appendix 2 attached to the original Restructuring Resolution, provides that delinquencies of any class of Customers will be distributed among all Customer classes. This characteristic of the Adjustment Mechanism is further confirmed by the testimony submitted by the Corporation of Corporation witness Ralph Zarumba (Corporation Ex. 6.00). The Restructuring Resolution, as revised, did not change with respect to this issue.

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~~66.~~74. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(v).

Resolution Requirement Six: Methodology for Determining Estimated Load Served by Net Metering or Distributed Generation.

~~67.~~75. Article 6.25A(e)(1)(vi) provides that the Restructuring Resolution must contain the following:

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> A determination by the Corporation of whether the estimated load served by net metering or estimated distributed generation ("behind the meter") will be included in its determination of energy usage pursuant to clauses (ii), (iii) and (iv) of this paragraph (e)(1) and in the Adjustment Mechanism. If the Corporation determines to include estimated net metering or estimated distributed generation in determining energy usage in clauses (ii), (iii) and (iv) of paragraph (e)(1), an explanation of the reasons and a determination (with its corresponding explanation) that this will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds;

~~68. The Corporation's determination that the Transition Charges should be based on load including that served by net metering or estimated distributed generation ("behind the meter"), its determination that including estimated load served by net metering or estimated distributed generation will not render the resulting Transition Charges impracticable to administer, and its determination that the resulting Transition Charges will ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs are confirmed by the testimony of Corporation witness Gerard Gil-Olazábal (Corporation Ex. 3.00). The proposed means of implementing that determination and the rationale for it are described above. Corporation witness Ralph Zarumba (Corporation Ex. 6.00): (1) confirms that the Calculation Methodology includes an estimate of load served by net metering or estimated distributed generation ("behind the meter") in determining energy usage in the calculations; (2) explains and supports the method for calculating Transition Charges for Customers with net metering or distributed generation, as included in the Restructuring Resolution; and (3) confirms that determination and the method of estimating the load served will not render the resulting Transition Charges impracticable to administer or interfere with the full and timely payment of the Bonds and all other Ongoing Financing Costs during the term of the Bonds.~~

76. In response to the Commission's 5th Clarification Request, the Corporation proposed a revised Calculation Methodology which imposed a Transition Charge on "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. These "Grandfathered Net Metered Customer" are Customers (whether Residential, Non-Residential or Governmental, as specified) who had a net metering agreement with PREPA as of February 16, 2016 [when Law 4-2016 became effective], or (2) a Customer who entered or enters into a net metering agreement after such date with PREPA satisfying the conditions of [Article 29 of the Act (as

enacted)], *i.e.*, a Customer (a) who is or was a new net metering Customer who submitted or submits an application for a new net metering project between February 16, 2016 and [the date on which the Commission approves the Restructuring Order], (b) has submitted or submits the required deposit to PREPA in accordance with Law 4-2016, and (c) completes the project within the required 270 days, all as provided in Article 29 of the Revitalization Act. In the revised Calculation Methodology, these Grandfathered Net Metered Customers (whether Residential, Non-Residential or Governmental) would pay a Transition Charge only on their net energy kWh usage (*i.e.*, ***excluding*** behind–the–meter output—whether consumed by the Customer or exported to PREPA). The non-Grandfathered Net Metered Customers (whether Residential, Non-Residential or Governmental) will pay a Transition Charge calculated and adjusted based on gross usage (kWh) as set forth in further detail below.

~~69.~~77. We find that the Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(vi).

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Resolution Requirement Seven: Distributions can be administered practicably and ensure full and timely payment.

~~70.~~78. Article 6.25A(e)(1)(vii) provides that the Restructuring Resolution must contain the following:

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> A determination by the Corporation, with the corresponding explanations, that the distribution or calculation (as the case may be) in respect of the provisions in clauses (ii), (iii), (iv), (v) and (vi), as applicable, of this paragraph (e)(1) are practicable to administer and ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds;

Attachment 1.00, Finding of Fact No. 31.

~~71.~~79. The Corporation has submitted testimony by Corporation witness Gerard Gil-Olazábal (Corporation Ex. 3.00), who confirms the Corporation's determination that the Calculation Methodology is practicable to administer and ensures the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds. Corporation witness Mr. Zarumba (Corporation Ex. 6.00) explains and supports this determination, testifying that: (1) the Calculation Methodology and the manner in which Ongoing Financing Costs are distributed among classes is practicable to administer, and (2) ensures the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs. Testimony provided by Ralph Zarumba at the Technical Hearing on June 9, 2016 confirms that the Transition Charges as calculated in the Restructuring Resolution, as revised, are practicable to administer and ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds. [Insert Cite]

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~~72.~~80. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(vii).

Resolution Requirement Eight: Commitment to file Report on final terms of Bonds and estimates of Upfront and Ongoing Financing Costs.

~~73.~~81. Article 6.25A(e)(1)(viii) provides that the Restructuring Resolution must contain the following:

> A commitment, enforceable by the Commission, that not later than ten (10) days following the issuance date of the Restructuring Bonds, the Corporation shall file, or cause the Servicer to file, with the Commission, for informational purposes only, a report detailing the final terms of the Restructuring Bonds, and setting forth a final estimate of the Upfront Financing Costs and the estimated Ongoing Financing Costs during the term of the Restructuring Bonds;

~~74.~~82. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

> Not later than ten (10) days following the issuance date of the Restructuring Bonds, the Corporation shall file, or cause the Servicer to file, with the Commission, for informational purposes only, a report detailing the final terms of the Restructuring Bonds, and setting forth a final estimate of the Upfront Financing Costs and the estimated Ongoing Financing Costs during the term of the Restructuring Bonds;

Restructuring Resolution, Attachment 1.00, at Resolution No. 19(i). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue.

~~75.~~83. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(viii).

Resolution Requirement Nine: Commitment to provide any Successor Servicing Agreement and all Servicer Reports.

~~76.~~84. Article 6.25A(e)(1)(ix) provides that the Restructuring Resolution must contain the following:

> A commitment that (A) the Corporation shall provide to the Commission a copy of any successor Servicing Agreement, for informational purposes only, and (B) the Corporation shall file, or cause the Servicer to file, with the Commission, all Servicer reports, including any notice of any proposed adjustment of the Transition Charge, at the same time as such notice is submitted to the Corporation (such report to show in detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis);

~~77.~~85. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

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> (A) The Corporation shall provide to the Commission a copy of any successor Servicing Agreement, for informational purposes only, and (B) the Corporation shall file, or cause the Servicer to file, with the Commission, all Servicer reports, including any notice of any proposed adjustment of the Transition Charge, at the same time as such notice is submitted to the Corporation (such report to show in detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis).

Restructuring Resolution, Attachment 1.00, at [Resolution No. 19(ii)]. This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue.

~~78.~~86. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(ix).

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Resolution Requirement Ten: Commitment to provide any Reports Required by Bond Trustee.

~~79.~~87. Article 6.25A(e)(1)(x) provides that the Restructuring Resolution must contain the following:

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> A commitment, enforceable by the Commission, that any reports required to be filed with the Corporation by the bond trustee for the Restructuring Bonds shall also be filed with the Commission at the same time as such reports are filed with the Corporation;

~~80.~~88. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

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> Any reports required to be filed with the Corporation by the bond trustee for the Restructuring Bonds shall also be filed with the Commission at the same time as such reports are filed with the Corporation;

Restructuring Resolution, Attachment 1.00, at Resolution No. 19(iii). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue

~~81.~~89. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(x).

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Resolution Requirement Eleven: Commitment to provide any annual Reports and Final Accounting.

~~82.~~90. Article 6.25A(e)(1)(xi) provides that the Restructuring Resolution must contain the following:

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A commitment, enforceable by the Commission, that (A) the Corporation and the Servicer shall jointly submit a report to the Commission, not later than March 1 of each year, setting forth with respect to the prior calendar year, the outstanding principal amount of the Restructuring Bonds, the amount paid on such Bonds in such calendar year and the remaining Ongoing Financing Costs payable in such calendar year; and (B) after final and full payment of the Restructuring Bonds and any Financing Costs, the Transition Charge Revenues on deposit with, or thereafter received by, the bond trustee will be credited back to Customers in a manner directed by the Commission, and the Corporation will issue such final accounting reports as directed by the Commission;

~~83.~~91. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

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(A) The Corporation and the Servicer shall jointly submit a report to the Commission, not later than March 1 of each year, setting forth with respect to the prior calendar year, the outstanding principal amount of the Restructuring Bonds, the amount paid on such Bonds in such calendar year and the remaining Ongoing Financing Costs payable in such calendar year; and (B) after final payment of the Bonds and any associated Financing Costs in full, the Transition Charge Revenues on deposit with, or thereafter received by, the Trustee will be credited back to Customers in a manner directed by the Commission, and the Corporation will issue such final accounting reports as directed by the Commission.

Restructuring Resolution, Attachment 1.00, at Resolution No. 19(iv). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue

~~84.~~92. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(xi).

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Resolution Requirement Twelve: Commitment to provide notice and data/work papers regarding any adjustments to Transition Charges.

~~85.~~93. Article 6.25A(e)(1)(xii) provides that the Restructuring Resolution must contain the following:

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A commitment, enforceable by the Commission, that each notice of a proposed adjustment to the Transition Charges, including the data or work papers used to calculate the Transition Charges, will be delivered by the Corporation or the Servicer to the Commission at least thirty (30) days prior to the proposed effective date of such adjustment, provided that, (1) notwithstanding the thirty (30) day obligation established by this paragraph, such information relating to the initial Transition Charges shall be provided not later than three (3) business days following the pricing or award of the Restructuring Bonds and such initial

> Transition Charges will be effective on the issuance date of the Restructuring Bonds…;

~~86.~~94. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

> The Corporation shall deliver to the Commission or cause the Servicer to deliver, notice of the proposed adjustment to the Transition Charges, including the data and work papers used to calculate the Transition Charges, at least thirty (30) days prior to the effective date of each proposed adjustment, provided that notwithstanding such thirty (30) day notice obligation, such information related to the initial Transition Charges shall be provided not later than three (3) business days following the pricing or award of the Restructuring Bonds and such initial Transition Charges shall be effective on the issuance date of the Restructuring Bonds,

Restructuring Resolution, Attachment 1.00, at Finding of Fact No. 33 and Resolution No. 19(v). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue

~~87.~~95. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(xii).

Article 6.25A(e)(2) – Transition Cost Calculation

The Transition Cost Calculation Utilizes Historic Energy Usage Provided with the Petition.

~~88.~~96. Article 6.25(e)(2) requires that the Petition include or attach the following:

> The historic energy (kWh) usage of each class of Customers that serves as the basis of the distributions set forth in clauses (ii), (iii), (iv) and (vi) of paragraph (e)(1), as applicable, certified by an officer of PREPA.

~~89.~~97. Appendix 2 of the Restructuring Resolution ~~(Attachment 1.00~~as revised (Technical Conference Exhibit XX), describes the Calculation Methodology including how the share of costs will be recovered from each class of customer. The Calculation Methodology sets forth the manner in which Financing Costs are distributed among classes and allocated to customers and identifies the historic energy (kWh) usage on which those distributions and kWh transitional charges are initially based. That data is in Attachment 5.00 to the Petition. The Restructuring Resolution, as revised, utilizes the same historic energy usage data to calculate the Transition Charge. Corporation witness Javier Quintana Méndez, PE (Corporation Ex. 2.00) certifies that the historical energy usage data contained in Attachment 5.00 is accurate and based on the records of PREPA.

~~90.~~98. We find that Petition satisfies the criterion required by Article 6.25A(e)(2).

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Article 6.25A(e)(3) – Financial Consultant Report

~~91.~~99. Article 6.25(e)(3) requires that the petition include or attach the following:

> A report prepared by an independent financial consultant with recognized expertise in financing public electric utilities, a representative of which will appear to sponsor such report as a witness before the Commission in accordance with clause 9 of this paragraph (e), setting forth historical energy (kWh) usage, a projection of Ongoing Financing Costs and Transition Charges during the term of the Restructuring Bonds and any other material assumptions used in the report, and concluding that such Transition Charges have been calculated as provided in clauses (ii), (iii), (iv) and (vi) of paragraph (e)(1), as applicable, and in accordance with the assumptions included in such report, and will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds.

~~92.~~100. Attached to the Petition as Attachment 6.00 is a report sponsored and prepared by Corporation witness Mr. Zarumba, an independent financial consultant with recognized expertise in financing public electric utilities. Ralph Zarumba is a Director at Navigant, an independent professional services firm that provides financial and strategic services to companies, legal counsel, and governmental agencies worldwide, and is a recognized expert in financing public electric utilities. (Corporation Ex. 6.00). Mr. Zarumba has personally served as a consultant to publicly-owned and investor-owned electric utilities in the United States (including Puerto Rico), Canada, and Europe. The Original Navigant report sets forth the material assumptions, historical energy (kWh) usage, per service agreement and net metering determinations, a projection of Ongoing Financing Costs and Transition Charges during the term of the Bonds, and a conclusion that such Transition Charges meet the requirements of the Act. Based on issues and concerns raised by the Commission and Intervenors, the Corporation proposed a revised Calculation Methodology that: 1) calculates Transition Charges for Residential Customers based upon their historic energy usage (kWh) instead of a per servicing agreement charge; and 2) imposes a Transition Charge on only the net usage of "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX). Based on these new Corporation determinations, the Corporation submitted a revised Navigant Report containing a conclusion that such Calculation Methodology, as revised, meets the requirements of the Act. Technical Conference Exhibit XX.

~~93.~~101. We find that Petition satisfies the criterion required by Article 6.25A(e)(3).

Article 6.25A(e)(4) – Financing Costs

~~94.~~102. Article 6.25(e)(4) requires that the Petition include or attach the following:

> A[n] itemized breakdown of the estimates of (i) the Upfront Financing Cost in connection with the issuance of the Restructuring Bonds, and (ii) the Ongoing Financing Cost estimated to be incurred during the term of the Restructuring

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Bonds, together with any estimate of the resulting Transition Charges, and the estimated ratio of total Transition Charges to total charges to Customers.

~~95.~~103. The Corporation has submitted testimony from Corporation witness Michael Mace (Corporation Ex. 4.00), which supports, and Attachments 2.00 – 2.04 that set forth itemized estimates of the Upfront Financing Costs in connection with the issuance of the Bonds, the Ongoing Financing Costs estimated to be incurred during the term of the Bonds, and the Transition Charges. Corporation witness Ralph Zarumba (Corporation Ex. 6.00) supports Attachment 3.02 that sets forth the estimated ratio of total Transition Charges to total charges to Customers.

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~~96.~~104. We find that Petition satisfies the criterion required by Article 6.25A(e)(4). The Restructuring Resolution, as revised, did not change with respect to this issue. The Restructuring Resolution, as revised, did not change with respect to this issue.

Article 6.25A(e)(5) – Savings Test

~~97.~~105. Article 6.25(e)(5) requires that the Petition include or attach the following:

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> A demonstration that the proposed transaction is anticipated to satisfy the savings test set forth in Article 35 and Chapter IV of the PREPA Revitalization Act.

~~98.~~106. Attachment 3.01 to the Petition demonstrates that the proposed transaction will satisfy the Savings Test of Article 35(a)(iii) of the Revitalization Act. This Attachment shows the calculation of the expected net present value savings based upon the scheduled payments on the Bonds, the expected Ongoing Financing Costs and debt service schedule on legacy PREPA bonds to be exchanged. The testimony submitted by the Corporation of Corporation witness Michael Mace (Corporation Ex. 4.00) discusses the savings test and how the proposed transaction satisfies this test.

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~~99.~~107. We find that Petition satisfies the criterion required by Article 6.25A(e)(5).

Article 6.25A(e)(6) – Servicer Costs

~~100.~~108. Article 6.25(e)(6) requires that the Petition include or attach the following:

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> A determination, with support, that the servicing costs proposed to be recovered by PREPA as Servicer are sufficient to compensate PREPA for the reasonable incremental costs related to its servicing functions, including a copy of the proposed Servicing Agreement.

~~101.~~109. A draft form of the Initial Servicing Agreement is attached to the Restructuring Resolution (Attachment 1.00) as Appendix 4 thereto. The Corporation has submitted testimony from Corporation witness Dan Stathos (Corporation Ex. 5.00) who identifies, explains, and supports the operations that PREPA must undertake to perform its duties as Initial Servicer and the incremental costs PREPA will incur to do so. He also confirms that the proposed payments to PREPA under the Initial Servicing Agreement are sufficient to

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compensate PREPA for the reasonable incremental costs of performing those servicing functions.

~~102.~~110. We find that Petition satisfies the criterion required by Article 6.25A(e)(6).

Article 6.25A(e)(7) – Projections and Stress Tests

~~103.~~111. Article 6.25A(e)(7) requires that the Petition include or attach the following:

> All projections and stress test scenarios provided by PREPA or the Corporation to credit rating agencies relating to the Transition Charges;

~~104.~~112. Attached to the Petition as Attachment 4.00 are all projections and stress test scenarios provided by the Corporation to credit rating agencies relating to the Transition Charges. Those scenarios are described by Corporation witness Michael Mace (Corporation Ex. 4.00). The Corporation has submitted testimony from Corporation witness Javier Quintana Méndez, PE (Corporation Ex. 2.00), who confirms that PREPA has not created or provided to any credit rating agencies any additional projections and stress test scenarios.

~~105.~~113. We find that Petition satisfies the criterion required by Article 6.25A(e)(7).

Article 6.25A(e)(8) – Other Documentary Support and Estimates

~~106.~~114. Article 6.25(e)(8) lists information that must be included with or attached to the Petition, to the extent not already provided. It requires:

i) documentary support for and non-binding estimates of

(1) interest and principal payments [including amortization payments] on the Restructuring Bonds and the payment dates thereof,

(2) debt service coverage requirement, if any,

(3) issuance expenses (including legal fees, underwriting fees, defeasing costs, servicing fees, and other fees and costs),

(4) any payments to the United States to preserve or protect the tax-exempt status of PREPA's outstanding debt obligations or the Restructuring Bonds

(5) deposits to accounts (including amounts deposited in respect of capitalized interest, debt service reserve fund, or account, operating expense reserve or account, and PREPA's self-insurance deposits), and

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(6) any costs, not included above, related to obtaining the Restructuring Order, protecting status of Restructuring Property, collecting Transition Charge, and administration costs, and

ii) an identification of the one-time costs (as distinct from ongoing costs), and an explanation of how such one-time costs will be included in the Transition Charge (for example, amortization vs. one-time recovery in a single repayment).

~~107.~~115. The Corporation has submitted testimony with respect to Article 6.25A(e)(8), as summarized in the following table:

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Article	Witness/attachment	Description
6.25A(e)(8)(i)(1)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.03	Mace supports the current estimates of the various components of the Restructuring Bonds and their respective principal and interest requirements (including amortization payments) (and dates) that are included in Attachment 2.03.
6.25A(e)(8)(i)(2)	Mace Ex. 4.00 Attachment 3.03	Mace discusses PREPA debt service coverage and the fact that there is no debt service coverage requirement on the Bonds.
6.25A(e)(8)(i)(3)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.01	Mace discusses the estimated Upfront Financing Costs contained in Attachment 2.01 including issuance expenses (including legal fees, underwriting fees, defeasing costs, servicing fees, and other fees and costs).
6.25A(e)(8)(i)(4)	Mace Ex. 4.00	Mace discusses potential payments to protect the tax-exempt status of PREPA's outstanding debt obligations or the Restructuring Bonds.
6.25A(e)(8)(i)(5)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.01	Mace discusses deposits to reserves and self-insurance funds and deposits required to replenish draws on reserves (including deposits to fund or replenish any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement as an additional reserve fund to their required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, and, to the extent permitted in the Trust Agreement, Ancillary Agreement (as the case may be) to secure

		payment of all or a portion of the Bonds). Deposits to reserve funds are included in the estimates of Upfront Financing Charges in Attachment 2.01.
6.25A(e)(8)(i)(6)	Mace Ex. 4.00 Attachment 2.01 Attachment 2.02	Mace discusses costs related to obtaining the Restructuring Order, protecting status of Restructuring Property, collecting Transition Charge, and administration costs. He supports estimates of Upfront and Ongoing Financing Charges in Attachments 2.01 and 2.02.
6.25A(e)(8)(ii)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.01	Mace discusses estimated one-time costs and an explanation of how such estimated one-time costs will be included in the Transition Charge (for example, amortization vs. one-time recovery). He supports estimates of Upfront and Financing Charges in Attachment 2.01.

~~108.~~116. We find that Petition satisfies the criterion required by Article 6.25A(e)(8).

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Article 6.25A(e)(9) – Written Testimony

~~109.~~117. Article 6.25A(e)(9) requires that the Petition include or attach the following:

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> Written forms of testimony with confirming Affidavits (which testimony shall incorporate attachments and the petition or other materials filed with it) of one or more employees of the Corporation, or PREPA or any agents or consultants to the Corporation or PREPA, attesting to the statements of fact in the petition and the determinations required to be made in the materials required to be filed with it. Such testimony shall:
>
> i) describe the Adjustment Mechanism and the manner of its calculation; and describe each Upfront and Ongoing Financing Cost estimated to be incurred;
>
> ii) present an estimation, together with corresponding explanations, of how the Transition Charge will change over the life of the Transition Charge;
>
> iii) describe the estimated ratio of total Transition Charges to total charges to Customers;
>
> iv) compare the debt service and other Ongoing Financing Costs associated with the Restructuring Bonds, to the debt service and other

Ongoing Financing Costs of PREPA's outstanding debt to be financed by the Restructuring Bonds; and

v) explain the projections and stress test scenarios provided by PREPA or the Corporation to the credit rating agencies relating to the Transition Charge.

~~110.~~118. Submitted with the Petition are written testimonies, with confirming Affidavits, of employees of, and agents and consultants to, the Corporation or PREPA that incorporate applicable attachments to the Petition and other materials filed with the Petition, attest to the statements of fact made in the Petition and the determinations required to be made in the materials filed with the Petition, and present, describe, compare, and explain the matters identified. The following table identifies the principal locations where the requirements enumerated in Article 6.25A(e)(9)(i) through (v) are met:

Article	Witness/Attachment	Description
6.25A(e)(9)(i)	Zarumba Ex. 6.00 Mace Ex. 4.00 Attachment 1.00 Attachment 2.01 Attachment 2.02	Mr. Zarumba describes the Adjustment Mechanism and the manner of its calculation; Mr. Mace describes each Upfront and Ongoing Financing Cost estimated to be incurred and provides a description of each Upfront and Ongoing Financing Cost estimated to be incurred.
6.25A(e)(9)(ii)	Zarumba Ex. 6.00 Attachment 3.02	Estimates of Transition Charges by class and a comparison of Transition Charges to total charges to customers, each over the life of the Transition Charges.
6.25A(e)(9)(iii)	Zarumba Ex. 6.00 Attachment 3.02	Describes the estimated ratio of total Transition Charges to total charges to Customers.
6.25A(e)(9)(iv)	Mace Ex. 4.00 Attachment 3.01 Attachment 3.03	Compares the debt service and other Ongoing Financing Costs associated with the Bonds, to the debt service and other costs of PREPA's outstanding debt to be refinanced by the Restructuring Bonds.
6.25A(e)(9)(v)	Mace Ex. 4.00 Quintana Ex. 2.00 Attachment 4.00	Mace explains the projections and stress test scenarios provided by PREPA or the Corporation to the credit rating agencies relating to the Transition Charge. Quintana confirms that PREPA did not provide any such estimates to rating agencies.

~~111.~~119. We find that Petition satisfies the criterion required by Article 6.25A(e)(9).

Article 6.25A(e)(10) – Attachments and Other Documents

~~112.~~120. Article 6.25A(e)(10) provides that:

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The draft Restructuring Resolution presented to the Commission need not contain forms of any other financing document referenced in the Resolution, except for the proposed form of the Servicing Agreement and any other document to support the information required in accordance with this Article 6.25A as requested by the Commission within five (5) days of filing of the petition. The Commission shall not, by rule or otherwise, require additional materials or information to be submitted in support of the petition.

~~113.~~121. Attached to the Petition is a draft form of the Initial Servicing Agreement (Appendix 4 to Attachment 1.00). The Corporation has presented testimony from Corporation witness Gerard Gil-Olazábal that the Corporation commits to providing to the Commission an executed copy of the Initial Servicing Agreement when available. Corporation Ex. 3.00 (Gil-Olazábal). The Corporation will timely provide any other documents and information required under Article 6.25A that are duly requested by the Commission within five days of the filing of the Petition.

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~~114.~~122. We find that Petition satisfies the criterion required by Article 6.25A(e)(10).

D. Article 6.25A(b)(2) requires that the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act.

Upfront Financing Costs and Ongoing Financing Costs

~~1.~~123. The requirements of Article 6.25A(e), relating to the contents of the Petition and Restructuring Resolution, are described above in this Restructuring Order.

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~~2.~~124. The Corporation has submitted testimony of Corporation witness Michael Mace itemizing by cost category in Attachment 2.01 the estimated Upfront Financing Costs and Ongoing Financing Costs. Mace testified that the Corporation and its advisors had exercised due diligence in making such estimates, and that the Corporation will update the actual costs pursuant to the Corporation's commitment under Article 6.25A(e)(1)(viii).

~~3.~~125. The Corporation has also submitted testimony of Corporation witness Mace detailing the Upfront Financing Costs and Ongoing Financing Costs.

~~4.~~126. Mace testified that the Upfront Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act.

~~5.~~127. We find that the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act, in accordance with the requirements of Article 6.25A(b).

E. Article 6.25A(b)(3) requires that the servicing costs proposed to be recovered by PREPA in its role as the initial Servicer are necessary, reasonable and sufficient to compensate PREPA for the incremental costs of performing its functions as Servicer.

~~1.~~128. The requirements of Article 6.25A(e), relating to the contents of the Petition and Restructuring Resolution, are described above.

~~2.~~129. The Corporation has submitted testimony from Corporation witness Gil-Olazábal that the Corporation has determined that the servicing costs proposed to be recovered by PREPA as Servicer are sufficient to compensate PREPA for the reasonable incremental costs of performing the servicing functions as set out in the proposed Servicing Agreement.

~~3.~~130. The Corporation has also submitted testimony from Corporation witness Stathos that the servicing costs proposed to be recovered by PREPA in its role as the initial Servicer are necessary, reasonable and sufficient to compensate PREPA for the incremental costs of performing its functions as Servicer.

~~4.~~131. We find that the servicing costs proposed to be recovered by PREPA in its role as the initial Servicer are necessary, reasonable and sufficient to compensate PREPA for the incremental costs of performing its functions as Servicer, in accordance with Article 6.25A(b)(3).

IV. CONCLUSIONS OF LAW

~~10.~~1. Jurisdiction and Authority. The Commission has jurisdiction and authority to adopt this order.

~~11.~~2. Petition. The Petition satisfies the requirements of the Act and has been deemed complete by this Commission pursuant to Article 6.25A.

~~12.~~3. Findings Required under Article 6.25A(b). We find that:

a. the provisions of the Restructuring Resolution ~~(Attachment 1.00~~, as revised in response to the Commission's 5th Clarification Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request") (Technical Conference Exhibit XX), including the Calculation Methodology as revised related to the Bonds are consistent with the criteria set forth in Article 6.25A(d) of Act 57 and are sufficient for and provide for adequate protection of the full and timely payment of the Bonds, in accordance with their terms, and other Ongoing Financing Costs;

b. the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act; and

c. the servicing costs proposed to be recovered by PREPA in its role as the Initial Servicer are necessary, reasonable, and sufficient to compensate PREPA for the incremental costs of performing its functions as the Initial Servicer.

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~~13.~~4. Commission Review of Transition Charge Calculations. The Commission acknowledges that, pursuant to Article 34 of the Revitalization Act and clause (e)(xii) of Article 6.25A, the Commission's review of the initial Transition Charges or of any adjustment to the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent adjustment of the Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be). As provided in clause (f)(5) of Article 6.25A, except for the verification for mathematic accuracy as described in the preceding sentence, nothing in Chapter IV of the Act shall authorize the Commission to approve, modify or alter any Transition Charge, or to approve, reduce, or alter any Upfront Financing Cost or Ongoing Financing Cost or interfere with the payment thereof.

~~14.~~5. Replacement of Servicer. Pursuant to clause (g) of Article 6.25A, the Commission is authorized to direct the Corporation to replace PREPA as Servicer, motu proprio, pursuant to an order based on substantial evidence or at the request of the Trustee or the Bondholders, if PREPA shall default in its obligations under the Servicing Agreement, as long as the naming of said substitute Servicer complies with the requirements and other conditions of the Servicing Agreement. No such Commission action shall diminish the rights of the Trustee, the Bondholders or any credit enhancer of the Bonds to replace the Servicer under the terms of any trust agreement or any other financing document relating to the Bonds.

~~15.~~6. Enforceable Commitments. Resolution 19 of the Restructuring Resolution sets forth all commitments of the Corporation that are enforceable against the Corporation by the Commission under Article 6.25A of Act 57-2014, as amended, through judicial action directing that that the Corporation act in accordance with their terms.

~~16.~~7. Transition Charges Obligatory, Non-bypassable and Applicable to All Customers. As provided in Article 35(i) of the Act, for so long as the Bonds are outstanding, and the Approved Restructuring Costs (including any payments that have or are to become due under Ancillary Agreements) have not been paid in full, the Transition Charges authorized and imposed by the Act shall be obligatory, Non-bypassable and shall apply to all Customers~~.~~, provided that certain usage of Grandfathered Net Metered and Fixed Block Public Housing Customers will be exempted from the Transition Charge, to the extent provided herein.

~~17.~~8. Meaning of Non-bypassable. As provided in Article 31(19) of the Act, Non-bypassable means that the Transition Charges shall be paid by all Customers, even if the Customer elects to purchase electricity in whole or in part from an alternative electric supplier, or obtain electricity from a generation source "behind the meter~~."~~", provided that certain usage of Grandfathered Net Metered and Fixed Block Public Housing Customers will be exempted from the Transition Charge, to the extent provided herein.

~~18.~~9. Partial Payments Allocated Pro Rata. As provided in Article 35(k)(1) of the Act, to the extent that any Customer makes a partial payment of a bill containing both Transition Charge and any other charges, such payment shall be allocated pro rata between the Transition Charges and the other charges.

~~19.~~10. Successor and Assigns Obligations. As provided in Article 35(l) of the Act, PREPA, any successor or assign of PREPA or any other Person with any operational control of

any portion of the Electric System Assets, whether as owner, lessee, licensee or otherwise and any Servicer successor, shall be bound by the requirements of the Act and this Order and shall perform and satisfy all obligations imposed pursuant thereto in the same manner and to the same extent as did its predecessor, including the obligation to bill, adjust and enforce the payment of Transition Charges.

~~20.~~11. No Limitation, Alteration, Reduction, Impairment, Postponement or Termination of Rights. As provided in Article 41 of the Act, the Commonwealth has covenanted, pledged and agreed with the holders of any "Restructuring Bonds", including the Bonds, issued under the Act and with those Persons that enter into other contracts with the Corporation, pursuant to the provisions of the Act, that after the issuance of any "Restructuring Bonds", including the Bonds, neither the Commonwealth nor any agency, public corporation, municipality or instrumentality thereof (including the Commission) shall take or permit any action to limit, alter, reduce, impair, postpone or terminate the rights conferred in any Restructuring Resolution, including those relating to Transition Charges and the related Adjustment Mechanism, as the same may be adjusted from time to time pursuant to the Restructuring Resolution in a manner that impairs the rights or remedies of the Corporation or the holders of any "Restructuring Bonds", including the Bonds, parties to any Ancillary Agreement or any Financing Entity or the security for the "Restructuring Bonds", including the Bonds, or Ancillary Agreements, or that impairs the Restructuring Property or the billing or collection of Transition Charge Revenues. Nor shall the amount of revenues arising with respect to Restructuring Property be subject in any way to limitation, alteration, reduction, impairment, postponement or termination by the Commonwealth or any agency, public corporation, municipality or instrumentality thereof except as contemplated by the Adjustment Mechanism. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders. The Commission acknowledges that the covenants of the Commonwealth, as fully set forth in Article 41, are binding.

~~21.~~12. Savings. The Corporation has demonstrated that the proposed Bond transaction is anticipated to satisfy the savings test set forth in Article 35 of Chapter IV of the PREPA Revitalization Act (the "Savings Test").

~~22.~~13. Corporation and Authority Obligations under the Servicing Agreement. Pursuant to clause (g) of Article 6.25A, the Commission shall ensure that the Corporation and PREPA perform their respective obligations under the Servicing Agreement, including the obligations to collect all late charges and delinquencies with care and diligence.

~~23.~~14. Basic Documents. Pursuant to Article 6.25A(e)(10), the Commission has not and shall not review or approve any Basic Document or any other financing document executed in connection with the issuance of the Bonds, provided that no change to the compensation payable to PREPA as Initial Servicer under the Servicing Agreement shall be made without the approval of the Commission.

~~24.~~15. Projections, Estimates and Calculations Non-binding. Pursuant to Article 6.25A(e)(8)(i), any projections, estimates or calculations provided in the Petition or included in

any document supporting such Petition are in all cases non-binding and any failure to realize any projections or estimates shall not affect the Restructuring Resolution or Restructuring Order.

~~25.~~16. Net Metering. Article 4 of Law No. 114-2007, as amended, is consistent with and does not limit the ability to impose Transition Charges on net-metering or distributed generation Customers, other than, to the extent provided herein, Grandfathered Net Metering Customers, as proposed in the Petition.

V. ORDERS

~~10.~~1. Approval of Petition. We approve the Petition as submitted by the Corporation.

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~~11.~~2. Approval of Calculation Methodology and Adjustment Mechanism. We approve the Calculation Methodology and the Adjustment Mechanism as ~~described in Exhibit A hereto.~~revised in response to the Commission's 5th Clarification Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request"). The Commission's review of the initial Transition Charges or any adjustment to the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be). If the Commission has reason to believe that there is a mathematical error in the calculation of the Transition Charges, before issuing an order requiring the Corporation to correct such error, the Commission ~~may~~will provide a preliminary finding to the Servicer and the Calculation Agent. Any adjustment to correct a mathematical error, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall the Commission's inquiries into any such mathematic error or the implementation of a Commission order correcting any mathematical error result in the delay of the implementation of an adjustment to the Transition Charges from the effective date stated in the True-Up Adjustment Letter.

~~12.~~3. Depository; Calculation Agent. The Commission acknowledges that the Corporation, or the Trustee, as and to the extent provided in the Trust Agreement, may replace the Depository or the Calculation Agent without the approval of the Commission.

~~13.~~4. Action with respect to Servicer. The Commission acknowledges that any action taken by the Corporation, at the direction of the Commission, with respect to the Servicer, including the replacement of the Servicer, is subject to the prior consent or contrary direction of the Trustee on behalf of or as directed by the Bondholders and/or parties to an Ancillary Agreement, in accordance with the terms of the Trust Agreement or any Ancillary Agreement.

~~14.~~5. Initial Servicing Fee. The Commission approves the initial annual servicing fee to be paid to PREPA, in the amount of 0.05% of the initial principal amount of the Bonds, subject to annual adjustment as described in the Petition.

~~15.~~6. Successor Servicer. In the event a successor Servicer must be appointed by the Corporation, or by the Trustee on behalf of the Bondholders in accordance with the terms of the Servicing Agreement, Trust Agreement or any Ancillary Agreement, the annual fee of a successor Servicer may not exceed 1% of the initial principal amount of the Bonds. Any fee in

excess of such amount is subject to the prior approval of the Commission, and the Commission will expeditiously review any request for such an adjustment.

~~16.~~7. Restructuring Resolution. The Restructuring Resolution may be amended by the Corporation prior to the issuance of any Bonds; provided, however, that no such amendment may alter in any material respect the calculation methodology for the initial Transition Charge or the Adjustment Mechanism, or diminish in any respect the powers and rights of the Commission under this Order, or alter the fee of the Initial Servicer or increase the maximum fee of any successor Servicer from the amounts approved in this Order. The Corporation shall file with the Commission a final copy of the Restructuring Resolution, marked to show changes from the proposed Restructuring Resolution submitted to this Board at the same time as the Corporation files such resolution with its board for approval, and in any event no less than two business days' prior to approval by the Corporation Board.

~~17.~~8. Delivery of Initial Transition Charges Information. Pursuant to Article 34 of Chapter IV of the Revitalization Act, we order the Corporation deliver to the Commission or cause the Servicer to deliver, not later than three (3) business days following the pricing or award of the Restructuring Bonds, the information relating to the initial Transition Charges described in such Article, which initial Transition Charge shall be effective on the issuance date of the Bonds.

~~9.~~Effectiveness. This Order shall be effective upon its approval and shall be irrevocable and not subject to further review or amendment by the Commission.

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Be it hereby notified and published.

_____
[Agustín F. Carbó Lugo]
Chairman

_____
[Ángel R. Rivera de la Cruz]
Associate Commissioner

_____
[José H. Román Morales]
Associate Commissioner

I hereby certify that on _____, 2016 the Puerto Rico Commission so agreed. I further certify that today, _____, 2016 I have notified a copy of this order to

[TO COME]

_____
[Brenda Liz Mulero Montes]
Interim Clerk

CERTIFICATION

I certify that this document is a true and exact copy of the Ruling and Order issued by the Puerto Rico Energy Commission. I further certify that today, _____, 2016, I have recorded this Ruling and Order in the case file and I have notified a copy of it to:

[TO COME]

In witness whereof, I sign this document in San Juan, Puerto Rico on _____, 2016.

_____
[Rafael O. García Santiago]
Clerk of the Puerto Rico
Telecommunications Regulatory Board

Exhibit A

CALCULATION METHODOLOGY AND ADJUSTMENT MECHANISM

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY COMMISSION

IN RE: PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION	NO.: MATTER:

RESTRUCTURING ORDER

This restructuring order is adopted by the Puerto Rico Energy Commission ("PREC" or the "Commission") pursuant to Article 6.25A of Act 57-2014, as added by Article 20 of the PREPA Revitalization Act, Act 4-2016 ("Revitalization Act" or the "PRA") and in response to a Petition filed with the Commission on April 07, 2016, by the Puerto Rico Electric Power Authority Revitalization Corporation (the "Corporation"), a special purpose public corporation and instrumentality of the Government of the Commonwealth of Puerto Rico (the "Commonwealth") pursuant to the Revitalization Act.

I. SUMMARY OF THE PETITION.

In the Petition, the Corporation describes the proposed issuance of certain Restructuring Bonds (hereinafter the "Bonds") and places before the Commission a proposed Restructuring Resolution[1] that creates Restructuring Property, provides for financing of Approved Restructuring Costs through the issuance of Bonds, imposes and provides for the collection of Transition Charges to fund Upfront Financing Costs and Ongoing Financing Costs, and describes how the Transition Charges will be calculated and adjusted through the Adjustment Mechanism.[2] The Corporation requests that the Commission, as provided in Article 6.25A(f), review the Petition and supporting testimony and attachments, and approve the Petition by issuing an order ("Restructuring Order") making the findings and determinations therein, including as set forth in Article 6.25A(b):

First, the provisions of the Restructuring Resolution proposed by the Corporation (the "Restructuring Resolution")[3] (submitted in response to the Commission's 5th Clarification

[1] "Restructuring Resolution" ["*Resolución de Reestructuración*"] means "a resolution of the Board adopted in accordance with [the Revitalization Act] which creates Restructuring Property, approves the imposition and collection of Transition Charges and the financing of "Approved Restructuring Costs" through the issuance of Restructuring Bonds, and contains a related Adjustment Mechanism, all as provided in Articles 34 and 35 of [the Revitalization Act.]" PRA, Art. 31 para. 29.

[2] Attachments to the Petition are designated as "Attachments" and testimony or documents attached to testimony are designated as "Exhibits" or "Ex."

[3] In order to avoid confusion, the Restructuring Resolution, Calculation Methodology, and Adjustment Mechanism referred to in this Order are the revised versions thereof submitted in response to the Commission's 5th Clarification Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request"). This Revised Restructuring

Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request"), including the revised Calculation Methodology for the Transition Charges[4] and revised Adjustment Mechanism[5] related to the Bonds are consistent with the criteria set forth in Article 6.25A(d) and are sufficient for and provide for adequate protection of the full and timely payment of the Bonds, in accordance with their terms, and other Ongoing Financing Costs;

Second, the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act; and

Third, the servicing costs proposed to be recovered by the Puerto Rico Electric Power Authority ("PREPA") in its role as the initial Servicer[6] (the "Initial Servicer") are necessary, reasonable, and sufficient to compensate PREPA for the incremental costs of performing its functions as the Initial Servicer.

In this Order, we approve the Petition and make the findings requested by the Corporation.

II. BACKGROUND AND STATUTORY OVERVIEW

Resolution (including a revised Calculation Methodology and revised Adjustment Mechanism) incorporated certain changes to the Calculation Methodology in response to Commission and Intervenor suggestions and concerns. These changes are discussed herein in the sections that address the allocation of costs to residential and net-metering customers. Thus, the citation to these documents will be to the Exhibit admitted by the Commission after the Technical Conference on June 9, 2016 – not the Restructuring Resolution attached to the Corporation's Petition as Attachment 1.00. However, where the Restructuring Resolution (Attachment 1.00, Appendix 2), as filed is referenced in this Order, it is referred to as the "Original" Restructuring Resolution, "Original" Calculation Methodology, etc. Accordingly, all references to the "Restructuring Resolution," "Calculation Methodology," and "Adjustment Mechanism" hereafter refer to revised versions submitted in response to the 5th Clarification Request.

[4] "Transition Charges" ["*Cargos de Transición*"] means "those rates and charges that are separate from rates and charges of PREPA and that are imposed pursuant to a Restructuring Resolution on Customers to recover the Ongoing Financing Costs, and shall include a pro rata share of any late payment fee imposed in respect of any past-due bill for electric service that includes in such bill an amount for Transition Charges." PRA, Art. 31, para. 6 (citations are to the official version). "Transition Charge Revenues" ["*Ingresos de Cargos de Transición*"] "means all money and other property received or to be received, directly or indirectly, on account of the Transition Charges, and all proceeds of the investment thereof." *Id*., para. 20.

[5] "Adjustment Mechanism" [*"Mecanismo de Ajuste"]* means "the formulaic adjustment mechanism contained in a Restructuring Resolution, as approved in a Restructuring Order pursuant to the terms of Article 35 and Chapter IV of this Act and 6.25A of Act 57-2014, as amended, to be applied by the Corporation periodically, but not less often than semi-annually, to adjust the Transition Charges to ensure the collection of Transition Charge Revenues sufficient to provide for the timely payment of Ongoing Financing Costs." PRA, Art. 31, para. 23.

[6] "Servicer" ["*Manejador*"] means "PREPA to the extent permitted by this Act, and if PREPA is replaced as Servicer pursuant to a Servicing Agreement or Act 57-2014, as amended, a Person or Persons authorized and required, by contract or otherwise, to impose, bill or collect Transition Charges, to prepare periodic reports regarding billings and collections of Transition Charges, to remit collections to or for the account of the Corporation or its assigns or pledgees, including a Financing Entity, and to provide other related services for the Corporation, which may include calculation of periodic adjustments to the Transition Charges or providing other services related to the Restructuring Property; and shall be deemed to include any subservicer, backup servicer (including if it becomes a Servicer under a Servicing Agreement), replacement servicer or the successors of any of the foregoing, authorized to act as such under a Restructuring Resolution." PRA, Art. 31, para. 22.

PREPA provides electric utility service to the vast majority of Puerto Rico. PREPA serves an essential role in supporting the public health, welfare, and economic vitality of the Commonwealth. Since its creation in 1941, PREPA has worked for the benefit of consumers as the only public corporation responsible for the provision of electricity in the Commonwealth. Only a financially sound PREPA can fund its ongoing operating expenses and capital investment needs, meet its obligations to its creditors, and provide efficient, safe, reliable, and environmentally friendly electric service at just and reasonable rates, thereby stimulating Puerto Rico's economic growth.

During the past several decades, PREPA issued substantial debt to fund capital expenditures and, in the case of fuel related credit facilities, operating expenses. In total, PREPA has debt obligations of approximately $9 billion, including nearly $735 million currently due under its revolving fuel lines of credit and approximately $420 million in principal and interest that will be due on or before July 1, 2016 under its outstanding bonds. In adopting the Revitalization Act, the Legislative Assembly concluded that PREPA's financial situation requires immediate action if it is to become financially sound and be able to meet its obligations to all its stakeholders.

In light of its financial situation, PREPA negotiated with major creditors to arrive at a broad, consensual financial settlement, and has entered into a Restructuring Support Agreement, dated as of January 27, 2015 (as amended or restated from time to time, the "RSA") with creditors holding or insuring approximately 70% of the face amount of PREPA's outstanding financial indebtedness including beneficial owners and insurers of existing PREPA bonds, banks (and their transferees) that previously provided revolving lines of credit used to pay for fuel and other expenses, the Government Development Bank for Puerto Rico (collectively, the "Supporting Creditors"), and others. The Corporation is now also a party to the RSA. The RSA sets forth material terms of PREPA's financial and operational restructuring. A cornerstone of the restructuring is the issuance by the Corporation of Bonds[7] authorized by the Restructuring Resolution to defease, exchange for, and/or effectively refinance certain debt of PREPA.

The RSA provides, in pertinent part and in summary,[8] that the Corporation will issue certain Bonds including Bonds to be exchanged for certain existing uninsured PREPA bonds having greater face value and that impose greater aggregate financial burdens on PREPA and, ultimately, on the residents of Puerto Rico. For the existing PREPA uninsured bondholders that participate, the RSA provides for an 85% exchange rate — or a 15% discount to principal owed

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[7] "Restructuring Bonds" [*"Bonos de Reestructuración"*] means "bonds, notes, or other evidences of long term indebtedness that are issued by the Corporation pursuant to this Act, any Restructuring Resolution and the Trust Agreement related thereto (a) the payments on or proceeds of which are used, directly or indirectly, to finance or refinance Approved Restructuring Costs, (b) that are directly or indirectly secured by, or payable from, Restructuring Property, and (c) that have a term no less than one (1) year and no longer than thirty-five years." PRA, Art. 31 para. 3. The Bonds, as defined above, refer to those Restructuring Bonds that would be authorized by the proposed Restructuring Resolution.

[8] The terms of the RSA and the Restructuring Resolution are precise, and speak for themselves. But, this summary is accurate, and it identifies key features of the RSA and the Bonds that the Commission should be aware of and that put the Commission's specific statutory duties and authority under the Revitalization Act into context. Additional details may also be found, without limitation, in the testimony of Lisa J. Donahue and Michael Mace (Corporation Exs. 1.00 and 4.00, respectively).

under existing uninsured PREPA bonds — as well as a five-year principal holiday and an agreed-upon weighted-average interest rate pursuant to a pricing grid included in the RSA that is projected to be lower than the weighted-average interest rates on PREPA's existing bonds. In return for a commitment to defease certain insured PREPA bonds with Mirror Bonds (as defined in the Restructuring Resolution), the Monoline Insurers will provide an additional capital commitment in the form of one or more, debt service reserve fund surety policies (each, a "Surety Bond") to provide credit support for the Bonds. The scheduled maturity (including scheduled mandatory sinking fund redemptions), interest rate, principal amount, and other economic terms of the Mirror Bonds are the same as the legal maturity (including scheduled mandatory sinking fund redemptions), interest rate, principal amount, and other economic terms of the existing PREPA bonds insured by the monoline bond insurers that have signed, and are participating in the transactions set forth in Schedule II to Annex D to the RSA (the "Monoline Insurers"), provided that the parties may agree to alter certain interest payments on the Mirror Bonds to better match expected Transition Charge Revenue with debt service requirements.

Cognizant of the urgent need to address PREPA's legacy debt and the demands on its cash flow, to cement PREPA's transformation, and to benefit the Commonwealth and its citizens as a whole, the Legislative Assembly of Puerto Rico enacted, and the Governor on February 16, 2016 signed into law, the Revitalization Act. The Revitalization Act implements essential terms of the RSA, which is the "Agreement with Creditors"[9] referred to in the Revitalization Act, and authorizes the Corporation to issue the Bonds. The Revitalization Act sets forth, among other things: characteristics of the Bonds and describes the Restructuring Property created to secure, satisfy, and support the payment of the Bonds; the Calculation Methodology under which Transition Charges are established and adjusted over time; and the Servicing Agreement[10] that provides for the administration, billing, and collection of the Transition Charges on behalf of the Corporation. By creating the Corporation and authorizing its issuance of the Bonds, the Revitalization Act furthers PREPA's ability to perform its obligations under the RSA.

The Restructuring Resolution (Technical Conference Exhibit XX, Findings of Fact 1 – 3) authorizes the issuance of one or more series of Bonds that may be broadly grouped into two separate categories: the "Closing Date Bonds" and the "Post-Closing Date Bonds." The Closing Date Bonds are issued in the following amounts and for the following purposes on the date (the "Closing Date") on which the Exchange Offer Bonds, described below, are issued:

a. Bonds, in an initial aggregate principal amount not to exceed $4.97 billion (the "Exchange Offer Bonds"), to be issued to the beneficial owners of PREPA Bonds that are not insured PREPA Bonds ("Uninsured PREPA Bonds"), in exchange for

[9] "Agreement with Creditors" means "the agreement (including all schedules and annexes and supporting documents) between PREPA and several of its main creditors, as it may be amended or supplemented, through which certain terms and conditions of PREPA's outstanding debt are modified and PREPA commits to (i) implement certain administrative, operational, and governance reforms, (ii) modernize its generation fleet and (iii) implement operational savings." *See* PRA, Art. 3(a); Art. 4.

[10] "Servicing Agreement" ["*Contrato de Manejo*"] means "the agreement or agreements between the Corporation and the Servicer providing for the administering and servicing of Restructuring Property, as the same may be amended from time to time by the parties thereto in a manner not prohibited by this Act. PRA, Art. 31, para. 11. A draft form of the initial Servicing Agreement is attached to the Restructuring Resolution as Appendix 4. *See* Attachment 1.00, Appendix 4.

such Uninsured PREPA Bonds (i) at an exchange ratio (principal to principal) of 85% and (ii) may also be issued in an amount equal to and in satisfaction of any accrued and unpaid interest owing on such Uninsured PREPA Bonds at the time of such exchange;

b. (i) Bonds, in an initial aggregate principal amount not to exceed $2.086 billion (the "Monoline Mirror Bonds"), to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds insured by the monoline bond insurers (the "Insured PREPA Bonds") that have signed the RSA and are participating in the transactions set forth in Schedule II to Annex D to the RSA (the "Monoline Insurers"), and (ii) Bonds, in an initial aggregate principal amount not to exceed $750 million (the "Other Mirror Bonds" and together with the Monoline Mirror Bonds, the "Mirror Bonds") to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds issued in 2016 (the "2016 PREPA Bonds");

c. Bonds, in a principal amount not in excess of the sum of 6.25% of the Closing Date Bonds described in clauses (A), (B), (D), (E), (F) and (G) plus 6.25% of the Post-Closing Date Bonds, to fund or, in the case of (ii) to be provided in whole or in part as payment for, (i) one or more debt service reserve or operating funds or accounts to secure payment of all or a portion of the Bonds, and (ii) all Upfront Financing Costs incurred in connection with the issuance of all Closing Date Bonds or the Post-Closing Date Bonds, as the case may be; plus (iii) the costs of any payment to the IRS (as described in clause (f) of Finding of Fact 4 below);

d. Bonds, in an initial aggregate principal amount not in excess of $50 million, to fund a deposit to the PREPA Self Insurance Fund described in Finding of Fact 4(g) below (Bonds issued for purposes described in this clause (D) and the preceding clause (C) are collectively referred to as "New Money Bonds");

e. Bonds, in an initial aggregate principal amount not exceeding $2.6 billion ("Cash Offer Bonds"), for the purpose of funding the costs to refund, redeem or purchase, directly or indirectly, Uninsured PREPA Bonds with the goal of increasing the exchange offer participation levels;

f. Bonds, in an initial aggregate principal amount not exceeding $625 million (the "Lender Bonds"), issued to the Supporting Creditors (i) in exchange for the extinguishment of the obligations due and owing under the Credit Agreements (the "Credit Agreements") between such Supporting Creditors and PREPA, at an exchange ratio (principal to principal) of 85% and (ii) to reimburse such Supporting Creditors for certain fees and expenses in an amount not to exceed $1 million; and

g. Bonds, in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of additional mirror bonds or otherwise) or purchase PREPA Bonds insured by Syncora Guarantee Inc. and/or an affiliate thereof ("Syncora"), as required to

implement the economic terms of the RSA, as it may be amended (the "Closing Date Syncora Bonds").

In addition, one or more series of Post-Closing Date Bonds may be issued after the Closing Date in the following amounts and for the following purposes:

a. One or more series of Bonds, in an initial aggregate principal amount not to exceed $750 million to one or more holders of 2016 PREPA Bonds, at an exchange ratio of 100%, in voluntary exchange for such 2016 PREPA Bonds. If any 2016 PREPA Bonds are exchanged for Post-Closing Date Bonds, the corresponding Mirror Bonds will be cancelled;

b. One or more series of Bonds in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of mirror bonds or otherwise) or purchase PREPA Bonds insured by Syncora, as required to implement the economic terms of the RSA, as it may be amended (the "Post-Closing Date Syncora Bonds" and, together with the Closing Date Bonds, the "Syncora Bonds"); provided that the total principal amount of Syncora Bonds issued shall not exceed $240 million; and

c. New Money Bonds with respect to Post-Closing Date Bonds, as described in and to the extent not previously issued pursuant to clause 1(i)(C) above to pay the Upfront Financing Costs described therein.

Post-Closing Date Bonds shall be payable, on a parity with all Closing Date Bonds, from, and secured, equally and ratably with all Closing Date Bonds, by, the Restructuring Property pledged to the payment of the Bonds in the Trust Agreement (as hereinafter defined). Absent exchange for Post-Closing Date Bonds, the 2016 PREPA Bonds would remain a liability of PREPA.

In accordance with the RSA, the Petition and supporting materials contemplate a Closing Date of June 30, 2016. However, if the Closing Date does not occur by June 30, 2016, the Corporation would endeavor to reach an agreement with other parties to the RSA to close on a later date. If agreed to by the parties and as authorized by the Restructuring Resolution, the Corporation could capitalize and securitize the incremental interest expense that PREPA would otherwise be obligated to pay on its bonds exchanged for Exchange Offer Bonds by reason of the later closing through the issuance of additional Exchange Offer Bonds and/or to defer initial interest payment dates on such Exchange Offer Bonds (or to capitalize such interest) to mitigate the short term effect on Transition Charges needed to collect revenues sufficient to make such a payment in less than one year. Although this may result in a short term increase in the required Transition Charge, the costs to PREPA (which PREPA would seek to recover through its own rates) would be lessened. If agreed to by the parties and as authorized by the Restructuring Resolution, the Mirror Bonds could be subject to additional terms that provide for additional sources of payment or defer the timing of payment of such interest for the purpose of better matching expected Transition Charge revenues with debt service requirements. The potential need to close after June 30, 2016 does not affect any of the findings enumerated in Article

6.25A(b) and, in particular, the Calculation Methodology remains consistent with the criteria set forth in Article 6.25A(d).

As described in the Restructuring Resolution and required by the Revitalization Act, the Bonds will be paid and certain other expenses will be funded through Transition Charges that Customers[11] will be obligated to pay. Those Transition Charges will adjust over time, up or down, in response to changes in the Ongoing Financing Costs and in response to changes in revenues that the Transition Charges generates. The imposition of the Transition Charges does not, however, increase the total aggregate cost or burden on PREPA customers (i.e., whether paid to PREPA or as a Transition Charge). The Transition Charges support the Bonds and enable the transactions described in the Restructuring Resolution to achieve a reduction in PREPA's long-term costs and, in total and on balance, reduce the costs Customers ultimately bear as compared to the costs they would have borne in the absence of the issuance of the Bonds and the consummation of the restructuring. In particular, Exchange Offer Bonds paid by the Transition Charges are to be issued in a lower aggregate principal amount and, on average, are projected to require lower debt service than the debt exchanged for or refinanced by those Bonds. Monoline Mirror Bonds give the Corporation access to surety bonds that partially satisfy a debt service reserve requirement for the Bonds.

In order to make the restructuring possible and maximize the benefits to Puerto Rico from the securitization transaction that is the subject of the Petition, the RSA requires, among other things, that: (a) Transition Charges be non-bypassable; (b) the Adjustment Mechanism increase or decrease Transition Charges in response to changes in Ongoing Financing Costs and factors affecting the revenues generated by the Transition Charges, including, without limitation, the number of Customers paying Transition Charges, the Customers' electricity usage, and the timing and patterns of payment and collection of Transition Charges; and (c) there be a strong legislative and regulatory commitment, including the statutory covenants of the Commonwealth set forth in the Restructuring Resolution providing, among other things, that there be no amendment, modification, or termination of the Restructuring Resolution or the Restructuring Order and no reduction, impairment, postponement, termination, or adjustment to the Transition Charges authorized by this Order and established by the Restructuring Resolution except through the Adjustment Mechanism.

The Revitalization Act provides that the Petition be evaluated on a defined timetable, under specific statutory criteria, and under statutory procedures that, among other things, provide notice to the public and permit the citizens of Puerto Rico to express their opinions in writing. Under Article 6.25A(f), the Commission must approve the Petition by making certain findings in

[11] Customer" ["*Cliente*"] means "any Person that is connected to or takes or receives electric service within the Commonwealth by means of the electric generation, transmission or distribution facilities constituting part of Electric System Assets, whether or not those electric generation, transmission, or distribution facilities are owned by PREPA. PREPA shall not be a Customer. Each municipality in the Commonwealth shall be a Customer to the extent that the dollar value of its usage of electric service (including in determining such dollar value of Transition Charges which would otherwise be imposed on such municipality and PREPA charges) in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a contribution in lieu of taxes for such fiscal year." PRA, Article 31, para. 7. For the avoidance of doubt, previous Customers that completely disconnect from Electric System Assets shall no longer be considered "Customers" for all purposes under the Act, the Restructuring Resolution and this Order unless and until said Customers reconnect.

a Restructuring Order or adopt a resolution rejecting the Petition and stating the reasons for such rejection within seventy-five days of the Corporation Petition Date (as defined therein). Failing that, Article 6.25A(f)(4) provides that the Petition will be deemed approved as a matter of law. The Revitalization Act provides that approving the Petition, by making the findings specified in Article 6.25A(b) and issuing a Restructuring Order, will provide significant benefits to the citizens of Puerto Rico, and demonstrate concretely the ability of a key institution of the Commonwealth to successfully restructure its debt burden.

III. FINDINGS OF FACT

A. Jurisdiction.

1. The Corporation is a duly organized special purpose public corporation and governmental instrumentality of the Commonwealth of Puerto Rico exercising "essential governmental and public powers."[12] It was created on February 16, 2016, pursuant to Article 32 of the Revitalization Act. Its address is Roberto Sánchez Vilella (Minillas) Government Center, De Diego Avenue, Stop 22, San Juan, Puerto Rico 00907, Attention: President, Government Development Bank. Web sites have been created in English at prc.pr.gov and in Spanish at craee.pr.gov.

2. The Corporation is empowered by law to, among other things, adopt Restructuring Resolutions, issue Bonds contemplated by a Restructuring Resolution, impose and collect non-bypassable Transition Charges, and approve an Adjustment Mechanism, subject to the Commission issuing a Restructuring Order.[13] The Corporation may not operate "for the purpose of making a profit."[14]

3. The Corporation has determined to adopt, in accordance with the provisions of Article 6.25A and Chapter IV of the Revitalization Act, a Restructuring Resolution that meets the requirements of Article 6.25A authorizing the issuance of Bonds as described in Article 34 of the Revitalization Act. The proposed Restructuring Resolution with certain Appendices and Schedules thereto, as revised, is Technical Conference Exhibit XX, Findings of Fact 1 – 3. Appendix 2 to the Restructuring Resolution sets out the "Calculation Methodology and Adjustment Mechanism as revised to Establish and Adjust the Transition Charge" (the "Calculation Methodology").[15]

4. The Revitalization Act defines the jurisdiction and authority of the Commission to review specific aspects of the Restructuring Resolution, the Calculation Methodology, and the agreement for servicing the Transition Charges. That statutory review is the subject of the Petition. Article 6.25A defines requirements for the Corporation's Petition, the Restructuring Resolution, and the supporting materials and testimony filed with the Petition. It also

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[12] PRA, Art. 32(a).

[13] PRA, Art. 33(a).

[14] PRA, Art. 32(a).

[15] Certain technical terms, periods, and dates referred to in the Calculation Methodology are defined in the Restructuring Resolution (Technical Conference Exhibit XX) and Appendices thereto.

enumerates the specific criteria under which the Commission must evaluate the Petition and the findings that the Commission must make to issue the Restructuring Order. In accordance with paragraphs (b) and (f) of Article 6.25A, the Corporation asks the Commission, as requested by the Petition, to make the statutorily required findings and adopt a Restructuring Order substantially in the form proposed by the Corporation. The Revitalization Act provides that "[t]he establishment and adjustment of the Transition Charges made by the Corporation in relation with the Adjustment Mechanism shall not be subject to legislative or any other governmental review or approval, except as provided in Article 34, regarding the review by the Commission to correct mathematical errors made by the Corporation, and Article 35(b) with respect to the approval of the Adjustment Mechanism in the Restructuring Order."

B. Procedural Matters.

5. Pursuant to Article 6.25A, the Corporation, PREPA, and Commission published on their respective websites a summary of the Petition prepared by the Corporation.

6. The "Corporation Petition Date" is the date of filing of the Petition unless the Commission notifies the Corporation within five (5) days thereafter that under Article 6.25A(c) it is requiring the Corporation to provide any information it concludes is missing, in which case the Corporation Petition Date is seven (7) days after such request. The Restructuring Order should be entered no later than 75 days after the Corporation Petition Date. If the Commission does not approve or adopt a resolution rejecting the Petition by that date, Article 6.25A(f) provides that the Petition will be deemed approved as a matter of law.

7. Pursuant to Article 6.25A(f), the Corporation Petition Date occurred on April 07, 2016.

8. The Commission granted intervenor status to the Independent Consumer Protection Office ("ICPO") and the Commonwealth Energy Public Policy Office ("CEPPO") as a matter of statutory right.[16] Additionally, the Commission granted intervenor status to the following parties upon petition: 1) the Puerto Rico Institute for Competitiveness and Sustainable Economy ("PRICSE"); 2) PV Properties, Inc., Windmar PV Energy, Inc., and Windmar Renewable Energy, Inc., (collectively referred to as "Windmar" or "Windmar Group"); and 3) Guillermo M. Riera, PE, CEM, GBE, CPQ, CMVP.

9. On May 23, 2016, the Commission held a Pre-Hearing Conference where it addressed procedural and legal objections in preparation for the Technical Hearing.

10. On May 24th – 27th, the Commission held a Technical Hearing consisting of nine (9) separate panels. In each of the first seven (7) panels, the Commission addressed specific issues through live cross-examination of the Corporation's witnesses. The eighth (8th) panel consisted of addressing substantive issues raised by Intervenors. The ninth (9th) panel addressed legal issues and consisted of attorneys from both the Corporation and intervenors. Windmar Group, ICPO, and PRICSE submitted pre-filed written testimony, or some form of written comments, prior to the Technical Hearing.

[16] See Commission Resolution and Order of April 12, 2016.

11. On June 10, 2016, the Corporation and Intervenors filed legal briefs in support of their positions.

12. Notice of the Corporation's Petition and the aforementioned hearings was provided in accordance with the requirements of Article 6.25A(f) of the Revitalization Act, which requires the publication of summaries of the Petition in both English and Spanish on the websites of the Commission, the Corporation, and the Authority, and that notice of said hearings be published at least fifteen (15) days prior in two (2) newspapers of general circulation in the Commonwealth, among other requirements.

13. On May 31, 2016, the Commission held a Public Comments Hearing in the instant matter. The Commission received public comments, either orally or in electronic submission, from the following: 1) Windmar Group; 2) Maximo Solar Industries; 3) the Puerto Rico Manufacturers Association; and 4) Carlos Pares, Esq.

C. Satisfaction of the Criteria Requirements of Article 6.25A.

14. The Act requires that Transition Charges be established and adjusted pursuant to a formulaic "Adjustment Mechanism" contained in a Restructuring Resolution, as approved in a Restructuring Order pursuant to the terms of Article 35 and Chapter IV of the Revitalization Act and Article 6.25A of Act 57-2014, as amended, to be applied by the Corporation periodically, but not less often than semi-annually, to adjust the Transition Charges to ensure the collection of Transition Charges Revenues sufficient to provide for the timely payment of Ongoing Financing Costs. The establishment and adjustment of the Transition Charges made by the Corporation in relation with the Adjustment Mechanism in accordance with the Calculation Methodology approved by this Order shall not be subject to legislative or any other governmental review or approval, except as provided in Article 34, regarding the review by the Commission to correct mathematical errors made by the Corporation, and by a court as provided in Article 35(b)(ii).

15. Article 6.25A(d) requires that the calculation methodology for the Transition Charges and the Adjustment Mechanism (previously defined as the "Calculation Methodology") satisfy five criteria. We address the satisfaction of these criteria separately in this Order.

Calculation Methodology Criterion One: Transition Charges and the Adjustment Mechanism designed for full and timely payment.

16. Article 6.25A(d)(i) requires:

> The calculation methodology for the Transition Charges and the Adjustment Mechanism included in a Restructuring Resolution shall (i) be designed to provide for the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs.

17. The Corporation has provided evidence to support that the Calculation Methodology established by the Restructuring Resolution as revised, satisfies this criterion. It is designed to provide for the full and timely payment of the Bonds along with other Ongoing Financing Costs.

18. As described in the following paragraphs, the Calculation Methodology is a self-adjustment mechanism to set and adjust Transition Charges mathematically in accordance with and in response to changes in the Ongoing Financing Costs to be recovered or in the revenues collected. It also incorporates features (among others) including quarterly true-up adjustments to address payment and usage variability and the reallocation and spreading of uncollectible Transition Charges among all Customer classes to avoid over-reliance on any one Customer class. Through these features, the Calculation Methodology is designed to ensure that Transition Charge Revenues are sufficient to provide for the timely payment of Ongoing Financing Costs. Each True-Up Adjustment will be designed (i) to correct for any over-collections or under-collections of Transition Charges through the proposed True-Up Adjustment Date and (ii) to ensure that expected Transition Charge Revenues remitted or to be remitted to the Trustee, after taking into account assumed charge-offs and payment delays, are adequate (A) to pay timely principal of (in accordance with the scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates)) and interest on the Bonds on each of the Payment Dates that occurs during the related Annual Calculation Period (defined below), (B) to fund or replenish any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund) to its required level, as provided in the Trust Agreement or the Ancillary Agreement (as the case may be), and (C) to make timely payment of all other Ongoing Financing Costs during the related Annual Calculation Period.

19. By its terms, the Calculation Methodology requires the Corporation, or the Servicer on its behalf, to make adjustments to the Transition Charges (a) quarterly, beginning no more than three (3) months from issuance of the Bonds and continuing until the Bonds and all Ongoing Financing Costs are paid or deemed paid in full, and (b) at any other time if the Servicer, the Calculation Agent, Trustee (as and to the extent permitted in the Trust Agreement) or any party to an Ancillary Agreement (as and to the extent permitted in the Ancillary Agreement) determine that such adjustment is required to assure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs. Such adjustments are referred to herein as Quarterly and Optional True-Up Adjustments, respectively, and, collectively, as "True-Up Adjustments." See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX), Calculation Methodology and Adjustment Mechanism to Establish and Adjust the Transition Charge, and Appendix 4 thereto, Servicing Agreement, Section 4.01(a).

20. The Calculation Methodology estimates the expected receipts of Transition Charges for any period the Servicer will apply a "collection curve" reflecting the most recent 12-month history of collections for which data are available. In connection with each True-Up Adjustment filing, the Servicer will develop one collection curve reflecting payment history for all Customers (the "Composite Collection Curve"). A collection curve is data reflecting the timing of payments of outstanding bills during a 12-month period, adjusted to assume that any Transition Charges which are not collected within 120 days of billing are written off. Each month's billings are divided into aging buckets based on the number of days for which such billings have been outstanding (e.g., 0 to 29 days, 30 to 59 days, 60 to 89 days, and 90 to 119 days outstanding). The aging buckets are then used to estimate the dollar amount of each month's billings collected within 30, 60, 90 and 120 days, as well as the dollar amount not collected within 120 days (amount written off) for the 12-month period. For such 12-month period, the collection curve is calculated by dividing each of the total dollar amount of billings

collected within 30, 60, 90, and 120 days by the total dollar amount of billings collected within 120 days.

21. To initiate any True-Up Adjustment, the Servicer will make a preliminary calculation of the True-Up Adjustment and will prepare and submit to the Calculation Agent a draft request for adjustment (a "True-Up Letter"). The Calculation Agent will review the draft True-Up Letter, including the mathematical calculations related to the proposed True-Up Adjustment, and forward any corrections or modifications to the Servicer. The Servicer will then file the True-Up Letter, reflecting any such corrections or modifications, with the Corporation, the Commission and the Trustee, not later than 30 days prior to the proposed effective date of the adjustment set forth in the True-Up Letter (such effective date being referred to as the "True-Up Adjustment Date").

22. By its terms, the Calculation Methodology takes into account, over time, for changes in the Revenue Requirements and variations and changes in other parameters influencing the calculation of the Transition Charges and their collection. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX), Calculation Methodology and Adjustment Mechanism to Establish and Adjust the Transition Charge.

23. By its terms, the Calculation Methodology requires that the Servicer apply "collection curves" reflecting the most recent 12-month history of payment collections for which data is available to the Servicer in order to more accurately predict future Transition Charge collections. *Id.*

24. By its terms, the Calculation Methodology requires that uncollectible Transition Charges will be redistributed across all Customer classes in the same manner as Financing Costs are distributed. *Id.*

25. By its terms, the Calculation Methodology requires the Servicer to confirm the accuracy of its calculation of any True-Up Adjustment with an independent Calculation Agent, to assure the accuracy of its calculations. *Id.*

26. By its terms, the Calculation Methodology requires each True-Up Adjustment of the Transition Charges to be effective on the date specified in the True-Up Letter, so long as such effective date is at least 30 days after the filing with the Commission of such True-Up Letter, subject only to the correction of any mathematical errors by the Commission, as set forth in the following paragraphs. Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall such process or the implementation of a Commission order correcting any mathematical error result in the delay of the implementation of an adjustment to the Transition Charges from the effective date stated in the True-Up Letter.

27. The Corporation has submitted the testimony of Corporation witness Gil-Olazábal (Corporation Ex. 3.00), who confirms that the original Restructuring Resolution includes the documents and information listed in Article 6.25A(e).

28. The Corporation's Response to 5th Clarification Request confirms that the Calculation Methodology as revised is designed to provide for the full and timely payment of the Bonds and other Ongoing Financing Costs.

29. The Corporation has also submitted a report of Navigant Consulting, in accordance with Article 6.25A(e)(3), which requires a report prepared by an independent financial consultant with recognized expertise in financing public electric utilities, a representative of which will appear to sponsor such report as a witness before the Commission in accordance with Article 6.25A(e)(9), setting forth historical energy (kWh) usage, a projection of Ongoing Financing Costs and Transition Charges during the term of the Restructuring Bonds and any other material assumptions used in the report, and concluding that such Transition Charges have been calculated as provided in clauses (ii), (iii), (iv) and (vi) of Article 6.25A(e)(1), as applicable, and in accordance with the assumptions included in such report, and will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds. Based on issues and concerns raised by the Commission and Intervenors, the Corporation proposed a revised Calculation Methodology that: 1) calculates Transition Charges for Residential Customers based upon their historic energy usage (kWh) instead of a per servicing agreement charge; 2) imposes a Transition Charge on only the net usage of "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX). The non-grandfathered customers will pay a Transition Charge calculated and adjusted based on gross usage (kWh) as set forth in further detail below. Based on these new Corporation determinations, a revised Navigant Report was filed containing a conclusion that such Calculation Methodology, as revised, meets the requirements of the Act. Technical Conference Exhibit XX.

30. We find that the Calculation Methodology established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(i)(2).

Calculation Methodology Criterion Two: Distribution of Financing Costs between Residential and Non-Residential Customers.

31. Article 6.25A(d)(ii)(1) of the Revitalization Act provides that the Calculation Methodology shall distribute Financing Costs among Customer classes and calculate and adjust the Transition Charges based on the following criterion:

> The share of Financing Costs to be recovered from each Customer class shall be calculated based upon the historic energy (kWh) usage of each class of Customers during the most recent twelve (12) months for which such information is reasonably available, as such information is provided by PREPA to the Corporation and to the Commission, and in such manner which is practicable to administer and which ensures the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs.

32. The Calculation Methodology distributes Financing Costs and determines Residential and Non-Residential Revenue Requirements based on the share of the total actual

historical kWh billed to Residential and Non-Residential (including Government) Customers, respectively, in the previous 12-month period ending with the last day of the most recently completed calendar quarter for which data is available. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX).

33. The Corporation has submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who explains and supports the original filed Calculation Methodology and explains how Financing Costs are to be recovered from each Customer class.[17] Mr. Zarumba further testifies that the Calculation Methodology is practicable to administer and ensures the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs. At the Technical Conference on June 9, 2016, Mr. Zarumba testified regarding the revised Calculation Methodology (provided as the Corporation's Response to the 5th Clarification Request) and provided support that it is practicable to administer and ensures the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs. [Cite Hearing]

34. We find that Calculation Methodology meets the criterion required by Article 6.25A(d)(ii)(1).

Calculation Methodology Criterion Three: Calculation of Transition Charges for Customers.

35. Article 6.25A(d)(ii)(2) of the Revitalization Act provides that Transition Charges will be calculated in accordance with the following criterion:

> Once the share of Financing Costs to be recovered from each Customers class shall have been calculated, Transition Charges for Customers will be based upon historic energy usage (kWh) data for the most recent twelve (12) months for which such information is reasonably available, as provided by PREPA to the Corporation and to the Commission, provided that the Corporation may elect to calculate Transition Charges for residential Customers on a per service agreement basis, calculated in such manner which is practicable to administer and which ensures the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs, and provided further that the allocation of responsibility for the Transition Charge among Customers classes and Customers does not limit the discretion of the Commission when evaluating the allocation of responsibility with respect to the PREPA revenue requirement in any PREPA rate case.

36. In the Original Restructuring Resolution submitted with the Petition, the Petitioner proposed that Transition Charges for Non-Residential Customers would be based upon historic energy usage (kWh) data for the most recent twelve (12) months for which such information is reasonably available, and that Transition Charges for Residential Customers

[17] The historic energy usage of each class supporting that calculation is provided in Attachment 5.00 to the Petition. Corporation witness Javier Quintana Méndez (Corporation Ex. 2.00) provides testimony attesting that the historical energy usage data contained in Attachment 5.00 is accurate and based on the business records of PREPA.

would be calculated based upon a per service agreement basis. Original Restructuring Resolution, Appendix 2. The Corporation submitted that the resulting calculations were practicable to administer and would ensure the full and timely payment of the Bonds and other Ongoing Financing Costs.

37. The Corporation submitted the testimony of Corporation witnesses Michael Mace and Ralph Zarumba (Corporation Exs. 4.00 and 6.00, respectively), who explained and supported the Original Calculation Methodology and how it ensured the full and timely payment of the Bonds and other Ongoing Financing Costs. Mr. Zarumba also explained and supported how Financing Costs were to be recovered from each Customer class and confirmed and explained how the allocation of responsibility for the Transition Charge did not limit the Commission's discretion to allocate revenue requirement in any PREPA rate case.

38. Upon concerns raised during the Technical Hearing, the Corporation submitted its Response to the Commission's 5th Clarification Request in support of the Calculation Methodology. This response contained the revised Restructuring Resolution, including a revised Calculation Methodology which would impose a Transition Charge on Residential Customers based upon their historic energy usage (kWh) instead of a per servicing agreement charge, provided that Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs, implementing said Article 3.9(b), pay a fixed charge for the applicable consumption-based block of electricity, and will pay the Transition Charge only on their kWh usage beyond the Customer's permitted block of electricity under Article 3.9(b) of Law 22-2016 (as such blocks are established as of the date of this Restructuring Order and as they may be adjusted from time to time in accordance with Article 3.9(b)(4) of Law 22-2016). These Customers are referred to in the revised Calculation Methodology as Fixed Block Public Housing Customers.

39. We find that Calculation Methodology, as revised, established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(ii)(2).

Calculation Methodology Criterion Four: Adjusting for Delinquencies.

40. Article 6.25A(d)(ii)(3) of the Revitalization Act provides that delinquencies shall be addressed in accordance with the following criterion:

> Delinquencies of any class of Customers in any period will be added to the revenue requirement of the next period and allocated among all Customers classes as provided in clauses (1) and (2) of this paragraph (d). The Commission shall require PREPA (or any other Servicer) to demonstrate that PREPA (or such other Servicer) has been prudent in addressing late payments, past-due bills and non-payments, provided that a finding of imprudence shall not affect the first sentence of this paragraph (3).

41. The Restructuring Resolution provides that delinquencies of any Customers (including Governmental Customers) will be distributed among all Customer classes as provided in 6.25A(d)(ii)(3) and specified in the Adjustment Mechanism. See Restructuring Resolution,

Appendix 2 (Technical Conference Exhibit XX). Particularly, any charges that are not collected within one hundred and twenty days of billing are re-distributed across all Customer classes. *Id*.

42. The Corporation submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who supported and explained this feature of the original Calculation Methodology and how delinquencies are added to the revenue requirements of the next period and allocated among all Customer classes. The Restructuring resolution, as revised, did not change with respect to this issue.

43. We find the Calculation Methodology established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(ii)(3).

Calculation Methodology Criterion Five: Methodology for Determining Estimated Load Served by Net Metering or Distributed Generation.

44. Article 6.25A(d)(ii)(4) of the Revitalization Act provides that the Calculation Methodology shall distribute Financing Costs among Customer classes and calculate and adjust the Transition Charges based on the following criterion:

> When calculating Customer energy usage in clauses (1) and (2) of this paragraph (d), the Corporation may elect to include the estimated load served by net metering or distributed generation ("behind the meter") if the methodology for such inclusion is practical to administer, and will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and other Ongoing Financing Costs.

45. The Original Calculation Methodology reflected the Corporation's determination that net-metering Customers and Customers using behind the meter generation should not be allowed to bypass Transition Charges to the extent their net load is less than their gross load and that, therefore behind the meter generation should not be an opportunity to bypass or avoid the applicability of Transition Charges. Therefore, the original Calculation Methodology (Appendix 2 to Attachment 1.00) defined "Actual kWh Billed," for this purpose, "without regard to any offset for net-metering and adjusted for estimated distributed generation usage." Initially, that amount will be measured without any subtraction for the amount of electricity generated "behind the meter" and exported to the grid, and will reflect electricity flowing to the customer on PREPA facilities. As it becomes practicable, and as meter data measuring the output of the distributed generation itself becomes available, the load of such customers for these purposes will include the gross output of the distributed generation plus the net deliveries from PREPA. If the estimated load served by net metering and distributed "behind the meter" generation were not included, a Customer could reduce its responsibility to pay Transition Charges, and the responsibility for those avoided charges would be transferred inequitably to other Customers. Further explanation and support for this determination is provided by Corporation witness Ralph Zarumba (Corporation Ex. 6.00).

46. Article 35(i) of Act 4-2016 provides in pertinent part that:

> For so long as Restructuring Bonds are outstanding, and the Approved Restructuring Costs (including, any payments that have or are to become due

> under Ancillary Agreements) have not been paid in full, the Transition Charges authorized and imposed by this Act shall be obligatory, Non-bypassable and shall apply to all Customers.

As Mr. Zarumba (Corporation Ex. 6.00) explained, the Transition Charges ultimately result from historical PREPA operating and fuel costs and investment expenditures, and that failing to include this load in its entirety would permit Customers to bypass those charges prospectively, effectively stranding their share of the costs to the detriment of Customers as a whole. This increase in other Customers' Transition Charges would create still greater uneconomic incentives to bypass the PREPA system. As Mr. Zarumba also explains, if Customers could entirely bypass or reduce their share (or that of their class) of these historical costs based on installing generation behind the meter or by net metering, it would distort the economic incentives to install and make use of behind the meter generation, send improper and inefficient price signals, waste resources and increase the total cost of energy production, and further exacerbate the shift in the responsibility for Transition Charges.

47. Article 29 of the Revitalization Act amends Section 4 of Act 114-2007 to provide that the Commission shall "… evaluate and determine which rates will be applied to the net metering customers, the Contribution in lieu of Taxes, Grants, Securitization, and Subsidies." This provision must be interpreted and applied in the context of, and in harmony, with Article 6.25A and Article 35(i) of the Revitalization Act.

48. The Corporation believes that the Net Metering determination included in the Original Restructuring Resolution was reasonable and consistent with the requirements of the Revitalization Act and the criteria set out in Article 4 of Act 114-2007, as amended by Article 29 of the Revitalization Act. The Corporation also believes that the Transition Charges resulting from the Original Calculation Methodology "will be just and … will cover operational and administrative costs of network services" received by a net metering customer [that the Transition Charges represent,] and the Net Metering Agreement, and that the Transition Charge "never will be excessive or established in such a way that it becomes an obstacle to the deployment of renewable energy projects." Id. The Corporation notes further that the Commission retains authority, separate from the specification of the Transition Charges in the Calculation Methodology, over the design of PREPA's rates, including the charges applicable to net metering customers. The determination of how load is measured for the purposes of calculating the Transition Charge will not affect that authority or limit the design of the PREPA rate charged to such Customers when the time comes for the Commission to evaluate PREPA's rate request.

49. In response to the Commission's 5th Clarification Request, the Corporation proposed a Calculation Methodology which imposed a Transition Charge on "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. These "Grandfathered Net Metered Customer" are Customers (whether Residential, Non-Residential or Governmental, as specified) who had a net metering agreement with PREPA as of February 16, 2016, when the Revitalization Act became effective, that satisfies the conditions of Article 4 of Act 114-2007, as amended by Article 29 of the Revitalization Act (as enacted), or (2) who entered or enters with PREPA into a net metering agreement for a new project after February 16, 2016, satisfying the conditions of

Article 29 of the Revitalization Act (as enacted)], *i.e.*, a Customer (a) who submitted or submits a net metering application for a new project between February 16, 2016 and the date on which the Commission approves this Restructuring Order, (b) has submitted or submits the required deposit to PREPA in accordance with the Revitalization Act, and (c) completes the project and certifies its installation within the required 270 days, and (d) otherwise complies with Article 29 of the Revitalization Act, all as provided in Article 29 of the Revitalization Act. For the avoidance of doubt, any customer that increases the capacity of the renewable energy system up to a cap of 20%, as provided in Article 29 of the Revitalization Act, shall cease to be considered a Grandfathered Net Metered Customer from the moment the increase in capacity to PREPA's system was completed, in conformity with the terms of Article 29 of the Revitalization Act.

50. In the Calculation Methodology, as revised, these Grandfathered Net Metered Customers would pay a Transition Charge only on their net energy kWh usage (*i.e.*, *excluding* behind–the–meter output—whether consumed by the Customer or exported to PREPA). The non-Grandfathered Net Metered Customers (whether Residential, Non-Residential or Governmental) will pay a Transition Charge calculated and adjusted based on gross usage (kWh) as set forth in further detail below.

51. Finally, the Corporation has determined that, except as mentioned in Findings of Fact XX and XX with respect to Fixed Block Public Housing Customers and Grandfathered Net Metered Customers, Customer usage for the purpose of calculating Transition Charges should reflect gross usage (without regard to net metered credits) and "behind the meter" usage, insofar as practical, and the Corporation proposes that Transition Charges be calculated and adjusted based on established usage (kWh) measured in that manner. Initially, that determination will remove any reduction in the Customers' load due to exports to the PREPA grid. Thereafter, as it becomes practical, the total output of "behind the meter" generation for which metering data is available, regardless of whether it is a PREPA meter, will be considered in the calculation of the Customers' load. See Appendix 4 to Attachment 1.00, Servicing Agreement, Annex 3, Section 3. The Corporation has submitted the testimony of Corporation witness Ralph Zarumba, who provides explanation and support for this aspect of the Calculation Methodology is provided by (Corporation Ex. 6.00). The Corporation asserts that these limited exemptions with respect to Fixed Block Public Housing Customers and Grandfathered Net Metered Customers assure that there is only a limited shift of payment responsibility to other Customers to satisfy requirements of existing law. The Corporation has further determined that this approach, including these limited exemptions on usage subject to the Transition Charges, will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs. PREPA can practically determine total load, including estimated load served by net metering and distributed generation, in the calculation of Transition Charges, as described above. Including such estimated load in the distribution of costs among Customer classes and the calculation of individual Customers' Transition Charges will not impair the collection of Transition Charges or the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

52. The Corporation further requests that the Commission, in making the required findings concerning the calculation of the Transition Charge, take notice of the Corporation's treatment of Grandfathered Net Metered Customers and determine that the criteria of Article 4 of

Act 114-2007, as amended by Article 29 of the Revitalization Act, are satisfied. The Corporation also requests that the Commission should accept the Corporation's proposal that load of Customers (other than Grandfathered Net Metered Customers) who are net metered or have other "behind the meter" generation, for the purposes of distributing Financing Costs among Customer classes and calculating those Transition Charges that are based on kWh usage, be based on estimated total electric consumption as described herein and in the Restructuring Resolution (initially determined or "estimated" by gross usage – without regard to net metered credits – and behind-the-meter usage, and in the future, as it becomes practical, metering the total output of behind-the-meter generation regardless of whether it is a PREPA meter).

53. We find that the Calculation Methodology established by the Restructuring Resolution and Appendix 2 thereto satisfies the criterion required by Article 6.25A(d)(ii)(4). We further find that the Calculation Methodology followed by the Corporation for the Transition Charges, and Adjustment Mechanism to be applied to adjust the Transition Charges is consistent with the cost distribution and other standards set forth in Article 6.25A of Law 57-2014 and is not arbitrary or capricious. We further take notice of the Corporation's determinations that the treatment of Grandfathered Net Metered Customers and Fixed Block Public Housing Customers, and the other provisions of the Calculation Methodology are consistent with the criteria of Article 4 of Act 114-2007, as amended by Article 29 of the Revitalization Act and concur in such determination. We also approve the Corporation's proposal that load of Customers who are net metered or have other "behind the meter" generation, for the purposes of distributing Financing Costs among Customer classes and calculating those Transition Charges that are based on kWh usage except for Grandfathered Net Metered and Fixed Public Housing Customers, are based on estimated total electric consumption as described in the Petition and in the Restructuring Resolution.

The Petition and Restructuring Resolution Meet the Requirements of Article 6.25A(e)

54. Article 6.25A(e) identifies information, determinations, commitments, and other features required of the Restructuring Resolution and the Corporation's Petition or attachments thereto. Those commitments are each enforceable against the Corporation by the Commission under Article 6.25A through judicial action directing that that the Corporation act in accordance with their terms. Below we address each of those requirements.

Article 6.25A(e)(1)(i)-(xii) – Requirements for the Restructuring Resolution

55. Article 6.25A(e)(1) lists descriptions, documentation, determinations, calculations, and other provisions and information that must be included in the proposed form of Restructuring Resolution attached to the Petition.

Resolution Requirement One: Upfront and Ongoing Financing Costs description and documentation.

56. Article 6.25A(e)(1)(i) provides that the Restructuring Resolution must contain the following:

A description and documentation supporting the proposed Upfront Financing Costs and the Ongoing Financing Costs, to be recovered from the Restructuring Bonds proceeds or Transition Charges, as applicable;

57. Descriptions and documentation of Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered were provided in the following sections of the original Restructuring Resolution (Appendix 2 to Attachment 1.00). The Restructuring Resolution, as revised, did not change with respect to this issue:

- Finding of Fact 10 of the Restructuring Resolution sets forth each of the categories of the Upfront Financing Costs that require payment.
- Schedule D to the Restructuring Resolution, also attached to the Petition as Attachment 2.01, identifies and provides estimates of the Upfront Financing Costs.
- Finding of Fact 16 of the Restructuring Resolution sets forth each of the categories of Ongoing Financing Costs that require payment.
- Schedule E to the Restructuring Resolution, also attached to the Petition as Attachment 2.02, identifies and provides estimates of the Ongoing Financing Costs excluding debt service. Attachment 2.03 identifies and estimates debt service.

58. The precise amount of all components of Upfront Financing Costs for the Closing Date Bonds and the Post-Closing Date Bonds (each, as defined and described in the Restructuring Resolution) cannot be ascertained with certainty until the Bonds have been priced and issued. The Corporation estimates at this time that the Upfront Financing Costs, as identified and itemized in Attachment 2.01, will total approximately $44.7 million. The Corporation estimates at this time that the annual Ongoing Financing Costs (exclusive of debt service), as identified and itemized in Attachment 2.02, will total approximately $15.6 million for the first 12 months that the Bonds are outstanding.

59. Several of the components of the Upfront Financing Costs will vary depending upon the size of the final issuance of the Bonds. Specifically, the underwriters' fees, and the rating agencies' fees are typically proportional to the amount of a bond issuance. Other Upfront Financing Costs, such as legal and accounting fees and expenses, printing expenses, and trustee costs will not be known until the issuance of the Bonds or even thereafter, when final invoices are submitted. The costs of any credit enhancements or other mechanisms designed to promote the credit quality or marketability of the Bonds, if any, will not be known until near or at the time of issuance of the Bonds. For those reasons, the Corporation anticipates that its current estimate of the Upfront Financing Costs set forth above, and in the attachments to the Petition, will be subject to updating and changes. The Corporation commits that updated data concerning these costs will be provided to the Commission as called for by Article 6.25A(e).

60. Upfront Financing Costs shall be paid from the proceeds of the New Money Bonds or the Cash Offer Bonds (as the case may be), provided that any Upfront Financing Costs

approved for recovery that cannot be paid from the proceeds of the sale of the Bonds shall be recoverable as Ongoing Financing Costs.

61. The Corporation has submitted the testimony of Corporation witness Michael Mace (Corporation Ex. 4.00), who explains and estimates costs proposed to be recovered from the Bond proceeds and Transition Charges, and sponsors Attachments 2.01 and 2.03 that, respectively identify and estimate Upfront Financing Costs and Ongoing Financing Costs (excluding principal and interest). Mr. Mace also provides descriptions and documentation of the Upfront Financing Costs and Ongoing Financing Cost estimates (pursuant to Article 6.25A(e)(4)).

62. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(i).

Resolution Requirement Two: Determination of Customer classes.

63. Article 6.25A(e)(1)(ii) provides that the Restructuring Resolution must contain the following:

> The determination of Customers classes among which Ongoing Financing Costs are distributed and the distribution of Ongoing Financing Costs among the Customers classes;

64. Appendix 2 attached to the Restructuring Resolution sets forth the Calculation Methodology that distributes the responsibility for Financing Costs among Residential and Non-Residential classes of Customers and calculates and adjusts from time to time the Transition Charges (collectively, the "Adjustment Mechanism"). The Corporation has submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who also supports and explains the Residential and Non-Residential Customer class determinations and how the Original Calculation Methodology distributes Ongoing Financing Costs to each. The Restructuring Resolution, as revised, did not change with respect to this issue.

65. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(ii).

Resolution Requirement Three: Calculation of Transition Charges for Customers Other Than Residential Customers.

66. Article 6.25A(e)(1)(iii) provides that the Restructuring Resolution must contain the following:

> The calculation of Transition Charges for Customers (other than residential Customers) based upon historical energy usage (kWh) data, along with information sufficient to allow the Commission to replicate such Charges;

67. The Restructuring Resolution describes the method for calculating Transition Charges for Non-Residential Customers based on historical energy usage. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX). The data required to replicate the

initial calculations are provided in the Attachments to the Petition. The Corporation has submitted the testimony of Corporation witness Ralph Zarumba (Corporation Ex. 6.00), who explains and supports the Calculation Methodology applicable to Non-Residential Customers. The Restructuring Resolution, as revised, did not change with respect to this issue.

68. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(iii). The Restructuring Resolution, as revised, did not change with respect to this issue

Resolution Requirement Four: Calculation of Transition Charges for Residential Customers.

69. Article 6.25A(e)(1)(iv) provides that the Restructuring Resolution must contain the following:

> The calculation of Transition Charges for residential Customers based upon historical energy usage (kWh) data or, at the option of the Corporation, on a per service agreement basis, along with information sufficient to allow the Commission to replicate such Charges;

70. The Original Restructuring Resolution and Original Calculation Methodology calculated Transition Charges for residential based on a per service agreement basis as per the Corporation's determination. Based on issues and concerns raised by the Commission and Intervenors, the Corporation submitted the Restructuring Resolution that describes the method for calculating Transition Charges for Residential Customers based upon their historic energy usage (kWh) instead of a per servicing agreement charge, provided that Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), in each case as of [the date on which the Commission approves the Restructuring Order], pays a fixed charge for its applicable consumption-based block of electricity, and will pay the Transition Charge only on their kWh usage beyond the Customer's permitted block of electricity under Law 22-2016. These Customers are referred to in the Calculation Methodology as Fixed Block Public Housing Customers. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX). The calculation of the Transition Charge applicable to Residential Customers is supported by testimony elicited at the Technical Hearing and through information submitted by the Corporation in its Response to 5th Clarification Request which also supports the determination of the Corporation to calculate such Transition Charges on a historic energy usage (kWh) basis and discusses information provided that allows that calculation to be replicated by the Commission.

71. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(iv).

Resolution Requirement Five: Distribution of Customer Delinquencies.

72. Article 6.25A(e)(1)(v) provides that the Restructuring Resolution must contain the following:

> A provision that delinquencies of any class of Customers will be distributed among all Customers classes as provided in this clause (ii) of this paragraph (e)(1) and included in the Adjustment Mechanism;

73. The Adjustment Mechanism, set out in Appendix 2 attached to the original Restructuring Resolution, provides that delinquencies of any class of Customers will be distributed among all Customer classes. This characteristic of the Adjustment Mechanism is further confirmed by the testimony submitted by the Corporation of Corporation witness Ralph Zarumba (Corporation Ex. 6.00). The Restructuring Resolution, as revised, did not change with respect to this issue.

74. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(v).

Resolution Requirement Six: Methodology for Determining Estimated Load Served by Net Metering or Distributed Generation.

75. Article 6.25A(e)(1)(vi) provides that the Restructuring Resolution must contain the following:

> A determination by the Corporation of whether the estimated load served by net metering or estimated distributed generation ("behind the meter") will be included in its determination of energy usage pursuant to clauses (ii), (iii) and (iv) of this paragraph (e)(1) and in the Adjustment Mechanism. If the Corporation determines to include estimated net metering or estimated distributed generation in determining energy usage in clauses (ii), (iii) and (iv) of paragraph (e)(1), an explanation of the reasons and a determination (with its corresponding explanation) that this will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds;

76. In response to the Commission's 5th Clarification Request, the Corporation proposed a revised Calculation Methodology which imposed a Transition Charge on "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. These "Grandfathered Net Metered Customer" are Customers (whether Residential, Non-Residential or Governmental, as specified) who had a net metering agreement with PREPA as of February 16, 2016 [when Law 4-2016 became effective], or (2) a Customer who entered or enters into a net metering agreement after such date with PREPA satisfying the conditions of [Article 29 of the Act (as enacted)], *i.e.*, a Customer (a) who is or was a new net metering Customer who submitted or submits an application for a new net metering project between February 16, 2016 and [the date on which the Commission approves the Restructuring Order], (b) has submitted or submits the required deposit to PREPA in accordance with Law 4-2016, and (c) completes the project within the required 270 days, all as provided in Article 29 of the Revitalization Act. In the revised Calculation Methodology, these Grandfathered Net Metered Customers (whether Residential,

Non-Residential or Governmental) would pay a Transition Charge only on their net energy kWh usage (*i.e.*, ***excluding*** behind–the–meter output—whether consumed by the Customer or exported to PREPA). The non-Grandfathered Net Metered Customers (whether Residential, Non-Residential or Governmental) will pay a Transition Charge calculated and adjusted based on gross usage (kWh) as set forth in further detail below.

77. We find that the Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(vi).

Resolution Requirement Seven: Distributions can be administered practicably and ensure full and timely payment.

78. Article 6.25A(e)(1)(vii) provides that the Restructuring Resolution must contain the following:

> A determination by the Corporation, with the corresponding explanations, that the distribution or calculation (as the case may be) in respect of the provisions in clauses (ii), (iii), (iv), (v) and (vi), as applicable, of this paragraph (e)(1) are practicable to administer and ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds;

Attachment 1.00, Finding of Fact No. 31.

79. The Corporation has submitted testimony by Corporation witness Gerard Gil-Olazábal (Corporation Ex. 3.00), who confirms the Corporation's determination that the Calculation Methodology is practicable to administer and ensures the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds. Corporation witness Mr. Zarumba (Corporation Ex. 6.00) explains and supports this determination, testifying that: (1) the Calculation Methodology and the manner in which Ongoing Financing Costs are distributed among classes is practicable to administer, and (2) ensures the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs. Testimony provided by Ralph Zarumba at the Technical Hearing on June 9, 2016 confirms that the Transition Charges as calculated in the Restructuring Resolution, as revised, are practicable to administer and ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds. [Insert Cite]

80. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(vii).

Resolution Requirement Eight: Commitment to file Report on final terms of Bonds and estimates of Upfront and Ongoing Financing Costs.

81. Article 6.25A(e)(1)(viii) provides that the Restructuring Resolution must contain the following:

> A commitment, enforceable by the Commission, that not later than ten (10) days following the issuance date of the Restructuring Bonds, the Corporation shall file, or cause the Servicer to file, with the Commission, for informational purposes only, a report detailing the final terms of the Restructuring Bonds, and setting forth a final estimate of the Upfront Financing Costs and the estimated Ongoing Financing Costs during the term of the Restructuring Bonds;

82. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

> Not later than ten (10) days following the issuance date of the Restructuring Bonds, the Corporation shall file, or cause the Servicer to file, with the Commission, for informational purposes only, a report detailing the final terms of the Restructuring Bonds, and setting forth a final estimate of the Upfront Financing Costs and the estimated Ongoing Financing Costs during the term of the Restructuring Bonds;

Restructuring Resolution, Attachment 1.00, at Resolution No. 19(i). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue.

83. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(viii).

Resolution Requirement Nine: Commitment to provide any Successor Servicing Agreement and all Servicer Reports.

84. Article 6.25A(e)(1)(ix) provides that the Restructuring Resolution must contain the following:

> A commitment that (A) the Corporation shall provide to the Commission a copy of any successor Servicing Agreement, for informational purposes only, and (B) the Corporation shall file, or cause the Servicer to file, with the Commission, all Servicer reports, including any notice of any proposed adjustment of the Transition Charge, at the same time as such notice is submitted to the Corporation (such report to show in detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis);

85. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

> (A) The Corporation shall provide to the Commission a copy of any successor Servicing Agreement, for informational purposes only, and (B) the Corporation shall file, or cause the Servicer to file, with the Commission, all Servicer reports, including any notice of any proposed adjustment of the Transition Charge, at the same time as such notice is submitted to the Corporation (such report to show in

> detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis).

Restructuring Resolution, Attachment 1.00, at [Resolution No. 19(ii)]. This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue.

86. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(ix).

Resolution Requirement Ten: Commitment to provide any Reports Required by Bond Trustee.

87. Article 6.25A(e)(1)(x) provides that the Restructuring Resolution must contain the following:

> A commitment, enforceable by the Commission, that any reports required to be filed with the Corporation by the bond trustee for the Restructuring Bonds shall also be filed with the Commission at the same time as such reports are filed with the Corporation;

88. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

> Any reports required to be filed with the Corporation by the bond trustee for the Restructuring Bonds shall also be filed with the Commission at the same time as such reports are filed with the Corporation;

Restructuring Resolution, Attachment 1.00, at Resolution No. 19(iii). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue

89. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(x).

Resolution Requirement Eleven: Commitment to provide any annual Reports and Final Accounting.

90. Article 6.25A(e)(1)(xi) provides that the Restructuring Resolution must contain the following:

> A commitment, enforceable by the Commission, that (A) the Corporation and the Servicer shall jointly submit a report to the Commission, not later than March 1 of each year, setting forth with respect to the prior calendar year, the outstanding principal amount of the Restructuring Bonds, the amount paid on such Bonds in such calendar year and the remaining Ongoing Financing Costs payable in such

calendar year; and (B) after final and full payment of the Restructuring Bonds and any Financing Costs, the Transition Charge Revenues on deposit with, or thereafter received by, the bond trustee will be credited back to Customers in a manner directed by the Commission, and the Corporation will issue such final accounting reports as directed by the Commission;

91. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

> (A) The Corporation and the Servicer shall jointly submit a report to the Commission, not later than March 1 of each year, setting forth with respect to the prior calendar year, the outstanding principal amount of the Restructuring Bonds, the amount paid on such Bonds in such calendar year and the remaining Ongoing Financing Costs payable in such calendar year; and (B) after final payment of the Bonds and any associated Financing Costs in full, the Transition Charge Revenues on deposit with, or thereafter received by, the Trustee will be credited back to Customers in a manner directed by the Commission, and the Corporation will issue such final accounting reports as directed by the Commission.

Restructuring Resolution, Attachment 1.00, at Resolution No. 19(iv). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue

92. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(xi).

Resolution Requirement Twelve: Commitment to provide notice and data/work papers regarding any adjustments to Transition Charges.

93. Article 6.25A(e)(1)(xii) provides that the Restructuring Resolution must contain the following:

> A commitment, enforceable by the Commission, that each notice of a proposed adjustment to the Transition Charges, including the data or work papers used to calculate the Transition Charges, will be delivered by the Corporation or the Servicer to the Commission at least thirty (30) days prior to the proposed effective date of such adjustment, provided that, (1) notwithstanding the thirty (30) day obligation established by this paragraph, such information relating to the initial Transition Charges shall be provided not later than three (3) business days following the pricing or award of the Restructuring Bonds and such initial Transition Charges will be effective on the issuance date of the Restructuring Bonds…;

94. The Restructuring Resolution makes the following enforceable commitment by the Corporation to the Commission:

> The Corporation shall deliver to the Commission or cause the Servicer to deliver, notice of the proposed adjustment to the Transition Charges, including the data and work papers used to calculate the Transition Charges, at least thirty (30) days prior to the effective date of each proposed adjustment, provided that notwithstanding such thirty (30) day notice obligation, such information related to the initial Transition Charges shall be provided not later than three (3) business days following the pricing or award of the Restructuring Bonds and such initial Transition Charges shall be effective on the issuance date of the Restructuring Bonds,

Restructuring Resolution, Attachment 1.00, at Finding of Fact No. 33 and Resolution No. 19(v). This commitment is confirmed by the testimony submitted by the Corporation of Corporation witness Gerard Gil-Olazábal. (Corporation Ex. 3.00). The Restructuring Resolution, as revised, did not change with respect to this issue

95. We find that Restructuring Resolution satisfies the criterion required by Article 6.25A(e)(1)(xii).

Article 6.25A(e)(2) – Transition Cost Calculation

The Transition Cost Calculation Utilizes Historic Energy Usage Provided with the Petition.

96. Article 6.25(e)(2) requires that the Petition include or attach the following:

> The historic energy (kWh) usage of each class of Customers that serves as the basis of the distributions set forth in clauses (ii), (iii), (iv) and (vi) of paragraph (e)(1), as applicable, certified by an officer of PREPA.

97. Appendix 2 of the Restructuring Resolution as revised (Technical Conference Exhibit XX), describes the Calculation Methodology including how the share of costs will be recovered from each class of customer. The Calculation Methodology sets forth the manner in which Financing Costs are distributed among classes and allocated to customers and identifies the historic energy (kWh) usage on which those distributions and kWh transitional charges are initially based. That data is in Attachment 5.00 to the Petition. The Restructuring Resolution, as revised, utilizes the same historic energy usage data to calculate the Transition Charge. Corporation witness Javier Quintana Méndez, PE (Corporation Ex. 2.00) certifies that the historical energy usage data contained in Attachment 5.00 is accurate and based on the records of PREPA.

98. We find that Petition satisfies the criterion required by Article 6.25A(e)(2).

Article 6.25A(e)(3) – Financial Consultant Report

99. Article 6.25(e)(3) requires that the petition include or attach the following:

> A report prepared by an independent financial consultant with recognized expertise in financing public electric utilities, a representative of which will

> appear to sponsor such report as a witness before the Commission in accordance with clause 9 of this paragraph (e), setting forth historical energy (kWh) usage, a projection of Ongoing Financing Costs and Transition Charges during the term of the Restructuring Bonds and any other material assumptions used in the report, and concluding that such Transition Charges have been calculated as provided in clauses (ii), (iii), (iv) and (vi) of paragraph (e)(1), as applicable, and in accordance with the assumptions included in such report, and will ensure the full and timely payment of the Restructuring Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Restructuring Bonds.

100. Attached to the Petition as Attachment 6.00 is a report sponsored and prepared by Corporation witness Mr. Zarumba, an independent financial consultant with recognized expertise in financing public electric utilities. Ralph Zarumba is a Director at Navigant, an independent professional services firm that provides financial and strategic services to companies, legal counsel, and governmental agencies worldwide, and is a recognized expert in financing public electric utilities. (Corporation Ex. 6.00). Mr. Zarumba has personally served as a consultant to publicly-owned and investor-owned electric utilities in the United States (including Puerto Rico), Canada, and Europe. The Original Navigant report sets forth the material assumptions, historical energy (kWh) usage, per service agreement and net metering determinations, a projection of Ongoing Financing Costs and Transition Charges during the term of the Bonds, and a conclusion that such Transition Charges meet the requirements of the Act. Based on issues and concerns raised by the Commission and Intervenors, the Corporation proposed a revised Calculation Methodology that: 1) calculates Transition Charges for Residential Customers based upon their historic energy usage (kWh) instead of a per servicing agreement charge; and 2) imposes a Transition Charge on only the net usage of "grandfathered" Customers who have or are eligible to enter into net metering agreements that satisfy the requirements of Article 29 of the Revitalization Act. See Restructuring Resolution, Appendix 2 (Technical Conference Exhibit XX). Based on these new Corporation determinations, the Corporation submitted a revised Navigant Report containing a conclusion that such Calculation Methodology, as revised, meets the requirements of the Act. Technical Conference Exhibit XX.

101. We find that Petition satisfies the criterion required by Article 6.25A(e)(3).

Article 6.25A(e)(4) – Financing Costs

102. Article 6.25(e)(4) requires that the Petition include or attach the following:

> A[n] itemized breakdown of the estimates of (i) the Upfront Financing Cost in connection with the issuance of the Restructuring Bonds, and (ii) the Ongoing Financing Cost estimated to be incurred during the term of the Restructuring Bonds, together with any estimate of the resulting Transition Charges, and the estimated ratio of total Transition Charges to total charges to Customers.

103. The Corporation has submitted testimony from Corporation witness Michael Mace (Corporation Ex. 4.00), which supports, and Attachments 2.00 – 2.04 that set forth itemized estimates of the Upfront Financing Costs in connection with the issuance of the Bonds, the Ongoing Financing Costs estimated to be incurred during the term of the Bonds, and the

Transition Charges. Corporation witness Ralph Zarumba (Corporation Ex. 6.00) supports Attachment 3.02 that sets forth the estimated ratio of total Transition Charges to total charges to Customers.

104. We find that Petition satisfies the criterion required by Article 6.25A(e)(4). The Restructuring Resolution, as revised, did not change with respect to this issue. The Restructuring Resolution, as revised, did not change with respect to this issue.

Article 6.25A(e)(5) – Savings Test

105. Article 6.25(e)(5) requires that the Petition include or attach the following:

> A demonstration that the proposed transaction is anticipated to satisfy the savings test set forth in Article 35 and Chapter IV of the PREPA Revitalization Act.

106. Attachment 3.01 to the Petition demonstrates that the proposed transaction will satisfy the Savings Test of Article 35(a)(iii) of the Revitalization Act. This Attachment shows the calculation of the expected net present value savings based upon the scheduled payments on the Bonds, the expected Ongoing Financing Costs and debt service schedule on legacy PREPA bonds to be exchanged. The testimony submitted by the Corporation of Corporation witness Michael Mace (Corporation Ex. 4.00) discusses the savings test and how the proposed transaction satisfies this test.

107. We find that Petition satisfies the criterion required by Article 6.25A(e)(5).

Article 6.25A(e)(6) – Servicer Costs

108. Article 6.25(e)(6) requires that the Petition include or attach the following:

> A determination, with support, that the servicing costs proposed to be recovered by PREPA as Servicer are sufficient to compensate PREPA for the reasonable incremental costs related to its servicing functions, including a copy of the proposed Servicing Agreement.

109. A draft form of the Initial Servicing Agreement is attached to the Restructuring Resolution (Attachment 1.00) as Appendix 4 thereto. The Corporation has submitted testimony from Corporation witness Dan Stathos (Corporation Ex. 5.00) who identifies, explains, and supports the operations that PREPA must undertake to perform its duties as Initial Servicer and the incremental costs PREPA will incur to do so. He also confirms that the proposed payments to PREPA under the Initial Servicing Agreement are sufficient to compensate PREPA for the reasonable incremental costs of performing those servicing functions.

110. We find that Petition satisfies the criterion required by Article 6.25A(e)(6).

Article 6.25A(e)(7) – Projections and Stress Tests

111. Article 6.25A(e)(7) requires that the Petition include or attach the following:

All projections and stress test scenarios provided by PREPA or the Corporation to credit rating agencies relating to the Transition Charges;

112. Attached to the Petition as Attachment 4.00 are all projections and stress test scenarios provided by the Corporation to credit rating agencies relating to the Transition Charges. Those scenarios are described by Corporation witness Michael Mace (Corporation Ex. 4.00). The Corporation has submitted testimony from Corporation witness Javier Quintana Méndez, PE (Corporation Ex. 2.00), who confirms that PREPA has not created or provided to any credit rating agencies any additional projections and stress test scenarios.

113. We find that Petition satisfies the criterion required by Article 6.25A(e)(7).

Article 6.25A(e)(8) – Other Documentary Support and Estimates

114. Article 6.25(e)(8) lists information that must be included with or attached to the Petition, to the extent not already provided. It requires:

i) documentary support for and non-binding estimates of

(1) interest and principal payments [including amortization payments] on the Restructuring Bonds and the payment dates thereof,

(2) debt service coverage requirement, if any,

(3) issuance expenses (including legal fees, underwriting fees, defeasing costs, servicing fees, and other fees and costs),

(4) any payments to the United States to preserve or protect the tax-exempt status of PREPA's outstanding debt obligations or the Restructuring Bonds

(5) deposits to accounts (including amounts deposited in respect of capitalized interest, debt service reserve fund, or account, operating expense reserve or account, and PREPA's self-insurance deposits), and

(6) any costs, not included above, related to obtaining the Restructuring Order, protecting status of Restructuring Property, collecting Transition Charge, and administration costs, and

ii) an identification of the one-time costs (as distinct from ongoing costs), and an explanation of how such one-time costs will be included in the Transition Charge (for example, amortization vs. one-time recovery in a single repayment).

115. The Corporation has submitted testimony with respect to Article 6.25A(e)(8), as summarized in the following table:

Article	Witness/attachment	Description
6.25A(e)(8)(i)(1)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.03	Mace supports the current estimates of the various components of the Restructuring Bonds and their respective principal and interest requirements (including amortization payments) (and dates) that are included in Attachment 2.03.
6.25A(e)(8)(i)(2)	Mace Ex. 4.00 Attachment 3.03	Mace discusses PREPA debt service coverage and the fact that there is no debt service coverage requirement on the Bonds.
6.25A(e)(8)(i)(3)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.01	Mace discusses the estimated Upfront Financing Costs contained in Attachment 2.01 including issuance expenses (including legal fees, underwriting fees, defeasing costs, servicing fees, and other fees and costs).
6.25A(e)(8)(i)(4)	Mace Ex. 4.00	Mace discusses potential payments to protect the tax-exempt status of PREPA's outstanding debt obligations or the Restructuring Bonds.
6.25A(e)(8)(i)(5)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.01	Mace discusses deposits to reserves and self-insurance funds and deposits required to replenish draws on reserves (including deposits to fund or replenish any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement as an additional reserve fund to their required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, and, to the extent permitted in the Trust Agreement, Ancillary Agreement (as the case may be) to secure payment of all or a portion of the Bonds). Deposits to reserve funds are included in the estimates of Upfront Financing Charges in Attachment 2.01.
6.25A(e)(8)(i)(6)	Mace Ex. 4.00 Attachment 2.01 Attachment 2.02	Mace discusses costs related to obtaining the Restructuring Order, protecting status of Restructuring Property, collecting Transition Charge, and administration costs. He supports

		estimates of Upfront and Ongoing Financing Charges in Attachments 2.01 and 2.02.
6.25A(e)(8)(ii)	Mace Ex. 4.00 Attachment 1.00 Attachment 2.01	Mace discusses estimated one-time costs and an explanation of how such estimated one-time costs will be included in the Transition Charge (for example, amortization vs. one-time recovery). He supports estimates of Upfront and Financing Charges in Attachment 2.01.

116. We find that Petition satisfies the criterion required by Article 6.25A(e)(8).

Article 6.25A(e)(9) – Written Testimony

117. Article 6.25A(e)(9) requires that the Petition include or attach the following:

> Written forms of testimony with confirming Affidavits (which testimony shall incorporate attachments and the petition or other materials filed with it) of one or more employees of the Corporation, or PREPA or any agents or consultants to the Corporation or PREPA, attesting to the statements of fact in the petition and the determinations required to be made in the materials required to be filed with it. Such testimony shall:
>
> i) describe the Adjustment Mechanism and the manner of its calculation; and describe each Upfront and Ongoing Financing Cost estimated to be incurred;
>
> ii) present an estimation, together with corresponding explanations, of how the Transition Charge will change over the life of the Transition Charge;
>
> iii) describe the estimated ratio of total Transition Charges to total charges to Customers;
>
> iv) compare the debt service and other Ongoing Financing Costs associated with the Restructuring Bonds, to the debt service and other Ongoing Financing Costs of PREPA's outstanding debt to be financed by the Restructuring Bonds; and
>
> v) explain the projections and stress test scenarios provided by PREPA or the Corporation to the credit rating agencies relating to the Transition Charge.

118. Submitted with the Petition are written testimonies, with confirming Affidavits, of employees of, and agents and consultants to, the Corporation or PREPA that incorporate applicable attachments to the Petition and other materials filed with the Petition, attest to the statements of fact made in the Petition and the determinations required to be made in the

materials filed with the Petition, and present, describe, compare, and explain the matters identified. The following table identifies the principal locations where the requirements enumerated in Article 6.25A(e)(9)(i) through (v) are met:

Article	**Witness/Attachment**	**Description**
6.25A(e)(9)(i)	Zarumba Ex. 6.00 Mace Ex. 4.00 Attachment 1.00 Attachment 2.01 Attachment 2.02	Mr. Zarumba describes the Adjustment Mechanism and the manner of its calculation; Mr. Mace describes each Upfront and Ongoing Financing Cost estimated to be incurred and provides a description of each Upfront and Ongoing Financing Cost estimated to be incurred.
6.25A(e)(9)(ii)	Zarumba Ex. 6.00 Attachment 3.02	Estimates of Transition Charges by class and a comparison of Transition Charges to total charges to customers, each over the life of the Transition Charges.
6.25A(e)(9)(iii)	Zarumba Ex. 6.00 Attachment 3.02	Describes the estimated ratio of total Transition Charges to total charges to Customers.
6.25A(e)(9)(iv)	Mace Ex. 4.00 Attachment 3.01 Attachment 3.03	Compares the debt service and other Ongoing Financing Costs associated with the Bonds, to the debt service and other costs of PREPA's outstanding debt to be refinanced by the Restructuring Bonds.
6.25A(e)(9)(v)	Mace Ex. 4.00 Quintana Ex. 2.00 Attachment 4.00	Mace explains the projections and stress test scenarios provided by PREPA or the Corporation to the credit rating agencies relating to the Transition Charge. Quintana confirms that PREPA did not provide any such estimates to rating agencies.

119. We find that Petition satisfies the criterion required by Article 6.25A(e)(9).

Article 6.25A(e)(10) – Attachments and Other Documents

120. Article 6.25A(e)(10) provides that:

> The draft Restructuring Resolution presented to the Commission need not contain forms of any other financing document referenced in the Resolution, except for the proposed form of the Servicing Agreement and any other document to support the information required in accordance with this Article 6.25A as requested by the Commission within five (5) days of filing of the petition. The Commission shall not, by rule or otherwise, require additional materials or information to be submitted in support of the petition.

121. Attached to the Petition is a draft form of the Initial Servicing Agreement (Appendix 4 to Attachment 1.00). The Corporation has presented testimony from Corporation witness Gerard Gil-Olazábal that the Corporation commits to providing to the Commission an

executed copy of the Initial Servicing Agreement when available. Corporation Ex. 3.00 (Gil-Olazábal). The Corporation will timely provide any other documents and information required under Article 6.25A that are duly requested by the Commission within five days of the filing of the Petition.

122. We find that Petition satisfies the criterion required by Article 6.25A(e)(10).

D. Article 6.25A(b)(2) requires that the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act.

Upfront Financing Costs and Ongoing Financing Costs

123. The requirements of Article 6.25A(e), relating to the contents of the Petition and Restructuring Resolution, are described above in this Restructuring Order.

124. The Corporation has submitted testimony of Corporation witness Michael Mace itemizing by cost category in Attachment 2.01 the estimated Upfront Financing Costs and Ongoing Financing Costs. Mace testified that the Corporation and its advisors had exercised due diligence in making such estimates, and that the Corporation will update the actual costs pursuant to the Corporation's commitment under Article 6.25A(e)(1)(viii).

125. The Corporation has also submitted testimony of Corporation witness Mace detailing the Upfront Financing Costs and Ongoing Financing Costs.

126. Mace testified that the Upfront Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act.

127. We find that the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act, in accordance with the requirements of Article 6.25A(b).

E. Article 6.25A(b)(3) requires that the servicing costs proposed to be recovered by PREPA in its role as the initial Servicer are necessary, reasonable and sufficient to compensate PREPA for the incremental costs of performing its functions as Servicer.

128. The requirements of Article 6.25A(e), relating to the contents of the Petition and Restructuring Resolution, are described above.

129. The Corporation has submitted testimony from Corporation witness Gil-Olazábal that the Corporation has determined that the servicing costs proposed to be recovered by PREPA as Servicer are sufficient to compensate PREPA for the reasonable incremental costs of performing the servicing functions as set out in the proposed Servicing Agreement.

130. The Corporation has also submitted testimony from Corporation witness Stathos that the servicing costs proposed to be recovered by PREPA in its role as the initial Servicer are necessary, reasonable and sufficient to compensate PREPA for the incremental costs of performing its functions as Servicer.

131. We find that the servicing costs proposed to be recovered by PREPA in its role as the initial Servicer are necessary, reasonable and sufficient to compensate PREPA for the incremental costs of performing its functions as Servicer, in accordance with Article 6.25A(b)(3).

IV. CONCLUSIONS OF LAW

1. Jurisdiction and Authority. The Commission has jurisdiction and authority to adopt this order.

2. Petition. The Petition satisfies the requirements of the Act and has been deemed complete by this Commission pursuant to Article 6.25A.

3. Findings Required under Article 6.25A(b). We find that:

a. the provisions of the Restructuring Resolution, as revised in response to the Commission's 5th Clarification Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request") (Technical Conference Exhibit XX), including the Calculation Methodology as revised related to the Bonds are consistent with the criteria set forth in Article 6.25A(d) of Act 57 and are sufficient for and provide for adequate protection of the full and timely payment of the Bonds, in accordance with their terms, and other Ongoing Financing Costs;

b. the Upfront Financing Costs and Ongoing Financing Costs proposed to be recovered from the Bond proceeds or the Transition Charge Revenues are consistent with Article 6.25A and Chapter IV of the Revitalization Act; and

c. the servicing costs proposed to be recovered by PREPA in its role as the Initial Servicer are necessary, reasonable, and sufficient to compensate PREPA for the incremental costs of performing its functions as the Initial Servicer.

4. Commission Review of Transition Charge Calculations. The Commission acknowledges that, pursuant to Article 34 of the Revitalization Act and clause (e)(xii) of Article 6.25A, the Commission's review of the initial Transition Charges or of any adjustment to the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent adjustment of the Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be). As provided in clause (f)(5) of Article 6.25A, except for the verification for mathematic accuracy as described in the preceding sentence, nothing in Chapter IV of the Act shall authorize the Commission to approve, modify or alter any Transition Charge, or to approve, reduce, or alter any Upfront Financing Cost or Ongoing Financing Cost or interfere with the payment thereof.

5. Replacement of Servicer. Pursuant to clause (g) of Article 6.25A, the Commission is authorized to direct the Corporation to replace PREPA as Servicer, motu proprio, pursuant to an order based on substantial evidence or at the request of the Trustee or the Bondholders, if PREPA shall default in its obligations under the Servicing Agreement, as long as the naming of said substitute Servicer complies with the requirements and other conditions of the Servicing Agreement. No such Commission action shall diminish the rights of the Trustee, the Bondholders or any credit enhancer of the Bonds to replace the Servicer under the terms of any trust agreement or any other financing document relating to the Bonds.

6. Enforceable Commitments. Resolution 19 of the Restructuring Resolution sets forth all commitments of the Corporation that are enforceable against the Corporation by the Commission under Article 6.25A of Act 57-2014, as amended, through judicial action directing that that the Corporation act in accordance with their terms.

7. Transition Charges Obligatory, Non-bypassable and Applicable to All Customers. As provided in Article 35(i) of the Act, for so long as the Bonds are outstanding, and the Approved Restructuring Costs (including any payments that have or are to become due under Ancillary Agreements) have not been paid in full, the Transition Charges authorized and imposed by the Act shall be obligatory, Non-bypassable and shall apply to all Customers, provided that certain usage of Grandfathered Net Metered and Fixed Block Public Housing Customers will be exempted from the Transition Charge, to the extent provided herein.

8. Meaning of Non-bypassable. As provided in Article 31(19) of the Act, Non-bypassable means that the Transition Charges shall be paid by all Customers, even if the Customer elects to purchase electricity in whole or in part from an alternative electric supplier, or obtain electricity from a generation source "behind the meter", provided that certain usage of Grandfathered Net Metered and Fixed Block Public Housing Customers will be exempted from the Transition Charge, to the extent provided herein.

9. Partial Payments Allocated Pro Rata. As provided in Article 35(k)(1) of the Act, to the extent that any Customer makes a partial payment of a bill containing both Transition Charge and any other charges, such payment shall be allocated pro rata between the Transition Charges and the other charges.

10. Successor and Assigns Obligations. As provided in Article 35(l) of the Act, PREPA, any successor or assign of PREPA or any other Person with any operational control of any portion of the Electric System Assets, whether as owner, lessee, licensee or otherwise and any Servicer successor, shall be bound by the requirements of the Act and this Order and shall perform and satisfy all obligations imposed pursuant thereto in the same manner and to the same extent as did its predecessor, including the obligation to bill, adjust and enforce the payment of Transition Charges.

11. No Limitation, Alteration, Reduction, Impairment, Postponement or Termination of Rights. As provided in Article 41 of the Act, the Commonwealth has covenanted, pledged and agreed with the holders of any "Restructuring Bonds", including the Bonds, issued under the Act and with those Persons that enter into other contracts with the Corporation, pursuant to the provisions of the Act, that after the issuance of any "Restructuring Bonds", including the Bonds,

neither the Commonwealth nor any agency, public corporation, municipality or instrumentality thereof (including the Commission) shall take or permit any action to limit, alter, reduce, impair, postpone or terminate the rights conferred in any Restructuring Resolution, including those relating to Transition Charges and the related Adjustment Mechanism, as the same may be adjusted from time to time pursuant to the Restructuring Resolution in a manner that impairs the rights or remedies of the Corporation or the holders of any "Restructuring Bonds", including the Bonds, parties to any Ancillary Agreement or any Financing Entity or the security for the "Restructuring Bonds", including the Bonds, or Ancillary Agreements, or that impairs the Restructuring Property or the billing or collection of Transition Charge Revenues. Nor shall the amount of revenues arising with respect to Restructuring Property be subject in any way to limitation, alteration, reduction, impairment, postponement or termination by the Commonwealth or any agency, public corporation, municipality or instrumentality thereof except as contemplated by the Adjustment Mechanism. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders. The Commission acknowledges that the covenants of the Commonwealth, as fully set forth in Article 41, are binding.

12. Savings. The Corporation has demonstrated that the proposed Bond transaction is anticipated to satisfy the savings test set forth in Article 35 of Chapter IV of the PREPA Revitalization Act (the "Savings Test").

13. Corporation and Authority Obligations under the Servicing Agreement. Pursuant to clause (g) of Article 6.25A, the Commission shall ensure that the Corporation and PREPA perform their respective obligations under the Servicing Agreement, including the obligations to collect all late charges and delinquencies with care and diligence.

14. Basic Documents. Pursuant to Article 6.25A(e)(10), the Commission has not and shall not review or approve any Basic Document or any other financing document executed in connection with the issuance of the Bonds, provided that no change to the compensation payable to PREPA as Initial Servicer under the Servicing Agreement shall be made without the approval of the Commission.

15. Projections, Estimates and Calculations Non-binding. Pursuant to Article 6.25A(e)(8)(i), any projections, estimates or calculations provided in the Petition or included in any document supporting such Petition are in all cases non-binding and any failure to realize any projections or estimates shall not affect the Restructuring Resolution or Restructuring Order.

16. Net Metering. Article 4 of Law No. 114-2007, as amended, is consistent with and does not limit the ability to impose Transition Charges on net-metering or distributed generation Customers, other than, to the extent provided herein, Grandfathered Net Metering Customers, as proposed in the Petition.

V. ORDERS

1. Approval of Petition. We approve the Petition as submitted by the Corporation.

2. Approval of Calculation Methodology and Adjustment Mechanism. We approve the Calculation Methodology and the Adjustment Mechanism as revised in response to the Commission's 5th Clarification Request via Resolution and Order of May 31, 2016 (the "5th Clarification Request"). The Commission's review of the initial Transition Charges or any adjustment to the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be). If the Commission has reason to believe that there is a mathematical error in the calculation of the Transition Charges, before issuing an order requiring the Corporation to correct such error, the Commission will provide a preliminary finding to the Servicer and the Calculation Agent. Any adjustment to correct a mathematical error, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall the Commission's inquiries into any such mathematic error or the implementation of a Commission order correcting any mathematical error result in the delay of the implementation of an adjustment to the Transition Charges from the effective date stated in the True-Up Adjustment Letter.

3. Depository; Calculation Agent. The Commission acknowledges that the Corporation, or the Trustee, as and to the extent provided in the Trust Agreement, may replace the Depository or the Calculation Agent without the approval of the Commission.

4. Action with respect to Servicer. The Commission acknowledges that any action taken by the Corporation, at the direction of the Commission, with respect to the Servicer, including the replacement of the Servicer, is subject to the prior consent or contrary direction of the Trustee on behalf of or as directed by the Bondholders and/or parties to an Ancillary Agreement, in accordance with the terms of the Trust Agreement or any Ancillary Agreement.

5. Initial Servicing Fee. The Commission approves the initial annual servicing fee to be paid to PREPA, in the amount of 0.05% of the initial principal amount of the Bonds, subject to annual adjustment as described in the Petition.

6. Successor Servicer. In the event a successor Servicer must be appointed by the Corporation, or by the Trustee on behalf of the Bondholders in accordance with the terms of the Servicing Agreement, Trust Agreement or any Ancillary Agreement, the annual fee of a successor Servicer may not exceed 1% of the initial principal amount of the Bonds. Any fee in excess of such amount is subject to the prior approval of the Commission, and the Commission will expeditiously review any request for such an adjustment.

7. Restructuring Resolution. The Restructuring Resolution may be amended by the Corporation prior to the issuance of any Bonds; provided, however, that no such amendment may alter in any material respect the calculation methodology for the initial Transition Charge or the Adjustment Mechanism, or diminish in any respect the powers and rights of the Commission under this Order, or alter the fee of the Initial Servicer or increase the maximum fee of any successor Servicer from the amounts approved in this Order. The Corporation shall file with the Commission a final copy of the Restructuring Resolution, marked to show changes from the proposed Restructuring Resolution submitted to this Board at the same time as the Corporation

files such resolution with its board for approval, and in any event no less than two business days' prior to approval by the Corporation Board.

8. Delivery of Initial Transition Charges Information. Pursuant to Article 34 of Chapter IV of the Revitalization Act, we order the Corporation deliver to the Commission or cause the Servicer to deliver, not later than three (3) business days following the pricing or award of the Restructuring Bonds, the information relating to the initial Transition Charges described in such Article, which initial Transition Charge shall be effective on the issuance date of the Bonds.

Effectiveness. This Order shall be effective upon its approval and shall be irrevocable and not subject to further review or amendment by the Commission.

Be it hereby notified and published.

_____
[Agustín F. Carbó Lugo]
Chairman

_____
[Ángel R. Rivera de la Cruz]
Associate Commissioner

_____
[José H. Román Morales]
Associate Commissioner

I hereby certify that on _____, 2016 the Puerto Rico Commission so agreed. I further certify that today, _____, 2016 I have notified a copy of this order to

[TO COME]

_____
[Brenda Liz Mulero Montes]
Interim Clerk

CERTIFICATION

I certify that this document is a true and exact copy of the Ruling and Order issued by the Puerto Rico Energy Commission. I further certify that today, _____, 2016, I have recorded this Ruling and Order in the case file and I have notified a copy of it to:

[TO COME]

In witness whereof, I sign this document in San Juan, Puerto Rico on _____, 2016.

_____
[Rafael O. García Santiago]
Clerk of the Puerto Rico
Telecommunications Regulatory Board

Exhibit A

CALCULATION METHODOLOGY AND ADJUSTMENT MECHANISM

PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION

RESTRUCTURING RESOLUTION NO. 1

This restructuring resolution (this "Restructuring Resolution") is adopted by Puerto Rico Electric Power Authority Revitalization Corporation (the "Corporation") pursuant to Act No. 4-2016 of the Legislature of Puerto Rico, approved February 16, 2016 (the "Act") to authorize and approve, among other things, (a) the issuance by the Corporation of Restructuring Bonds in an aggregate principal amount not to exceed the principal amounts hereinafter set forth (the Restructuring Bonds approved pursuant to this Restructuring Resolution are hereinafter defined as the "Bonds"); (b) the Approved Restructuring Costs to be paid through the issuance of the Bonds and recovered from authorized Transition Charges; (c) the creation of the Restructuring Property described in this Restructuring Resolution including, without limitation, the right to impose, bill and collect the Transition Charges described in this Restructuring Resolution, as adjusted from time to time in accordance with the Adjustment Mechanism adopted by this Restructuring Resolution; (d) the imposition, billing and collection of such Transition Charges from Customers as approved in this Restructuring Resolution; (e) the execution and delivery of an initial servicing agreement with Puerto Rico Electric Power Authority ("PREPA"), as the initial servicer, and of a trust agreement, a calculation agent agreement, a depository agreement and other agreements related to the Bonds; and (f) other related matters as required in accordance with the Act.

Capitalized terms used, but not defined, herein shall have the meanings given such terms in Chapter IV of the Act (the "Securitization Chapter").

STATUTORY OVERVIEW AND HISTORY

PREPA was created in 1941 as a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the "Commonwealth") by Act No. 83 of the Legislature of Puerto Rico, approved May 2, 1941, as amended (the "Act"). PREPA supplies the great majority of the electric power consumed in the Commonwealth and owns all transmission and distribution facilities and most of the generating facilities that constitute Puerto Rico's electric power system. PREPA is one of the largest publicly-owned utilities in the United States.

Faced with a growing challenge to pay its obligations as they became due, in August 2014, PREPA entered into forbearance agreements with certain beneficial owners and insurers of PREPA revenue bonds ("PREPA Bonds"), banks that provide revolving lines of credit used to pay for fuel and other expenses and Government Development Bank for Puerto Rico ("GDB"). During the term of the forbearance agreements, PREPA engaged in substantive discussions with the forbearing creditors to negotiate the terms of a broad, consensual financial settlement. On January 27, 2016, PREPA entered into a restructuring support agreement (including the annexes, exhibits and schedules attached thereto and as it may be amended, restated or reinstated from time to time, the "RSA") with creditors (such creditors, the "Supporting Creditors") that sets forth the material terms of a financial settlement, which was predicated, in part, upon the establishment of the Corporation as an entity separate and distinct from PREPA and the issuance by the Corporation of the Bonds, in exchange for or to legally or economically defease PREPA Bonds beneficially owned or insured by the parties to the RSA. Certain material terms of the RSA required action by

the Legislative Assembly, including the enactment of the Act. Further, the Corporation was required to, and did, become a party to the RSA not later than twenty five days after passage of the Act.

In passing the Act, the Legislative Assembly allowed for the creation of the Corporation and the issuance of Bonds to help PREPA become financially sound and be able to meet its obligations to its stakeholders. Moreover, the legal protections set forth in the Act are intended to permit the Corporation to access the capital markets to fulfill the economic terms of the RSA. These legal protections include, *inter alia*, provisions which authorized (a) a formulaic adjustment mechanism, called an Adjustment Mechanism, to be applied by the Corporation (or by a Servicer on behalf of the Corporation) to adjust the Transition Charge, no less often than semi-annually, to ensure that Transition Charge revenues are sufficient to provide for the timely payment of the Bonds and related Ongoing Financing Costs, (b) provisions to make the Transition Charge Non-bypassable to Customers, and (c) the statutory agreements, covenants and pledges of the Commonwealth including, *inter alia*, providing that the Commonwealth shall not limit, alter, reduce, impair, postpone or terminate the rights conferred in the Act, any restructuring resolution and related agreements, including the requirements of the Securitization Chapter.

On February 16, 2016, the Legislative Assembly adopted the Act and the Governor signed the Act into law. As required by Article 35(c)(1) and (2) of the Act, for once a week for three successive weeks after the effective date of the Act, GDB published a notice of passage of the Act, which notice explained, among other things, the opportunity for interested parties to challenge its validity. [Placeholder ~~for~~to describe history of challenges and outcome if determined.] As required by Article 35(c)(2) of the Act, notice of passage of the Act was also posted on the websites of the Corporation, GDB and PREPA, [and was delivered to those Interested Persons identified in the Securitization Chapter] and filed by PREPA on February 24, 2016 with the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board, each in accordance with the timelines set forth in the Securitization Chapter.

On March __, 2016, the Corporation authorized the filing of a petition (the "Petition") with the Puerto Rico Energy Commission ("PREC" or the "Commission") for approval of the calculation methodology for the Transition Charges, and the Adjustment Mechanism to be applied to adjust the Transition Charges from time to time, together with related matters, as required by Article 6.25A of Act No. 57-2014, as amended. On March __, 2016, the Corporation, PREPA, and Commission published on their respective websites a summary of the Petition prepared by the Corporation.

On ~~_____ __~~,April 7, 2016, the Petition was deemed to be complete (such date referred to as the "Corporation Petition Date").

~~On _____ __, 2016, PREC held public hearings with respect to the Petition [details to come] at which hearings the witnesses submitting testimony in support of the Petition appeared for questioning by the Commission on the subject matter of their testimonies. The Commission also permitted the public to submit written comments on the Petition.~~ On _____, 2016, PREC issued Order No. __ (the "Restructuring Order") that, *inter alia*, approved the Petition, as supplemented by testimony presented by the Corporation during the hearings ("Testimony"), and found that the calculation methodology for the Transition Charges and the Adjustment Mechanism

related thereto complied with Article 6.25A of Act 57-2014, as amended. As a result, pursuant to Article 35 (b)(i) of the Act, the Corporation is required to issue this Restructuring Resolution by [INSERT DATE WITHIN 5 DAYS OF RESTRUCTURING ORDER].

If the Bonds authorized by this Restructuring Resolution are approved and issued by the Corporation, PREPA, as the initial Servicer shall, on behalf of the Corporation, service, bill and collect from Customers the Transition Charges, as adjusted from time to time in accordance with the Adjustment Mechanism set forth in this Restructuring Resolution, until the principal of and interest on the Bonds and the related Ongoing Financing Costs have been paid in full.

FINDINGS OF FACT

The Corporation hereby makes the findings of fact listed below.

Issuance of Bonds by Corporation:

1. It is in the best interests of the Corporation and the Commonwealth to authorize this issuance of Bonds under the Act in furtherance of the provisions of the RSA (including as it may be amended), at one or more times, in one or more series, for the following authorized purposes under the Act:

   (i) One or more series of Bonds to be issued on the date (the "Closing Date") on which the Exchange Offer Bonds described in clause (i) (such bonds collectively referred to herein as the "Closing Date Bonds") are issued for the following purposes:

   (A) Bonds, in an initial aggregate principal amount not to exceed $4.97 billion (the "Exchange Offer Bonds"), to be issued to the beneficial owners of PREPA Bonds that are not insured PREPA Bonds ("Uninsured PREPA Bonds"), in exchange for such Uninsured PREPA Bonds (i) at an exchange ratio (principal to principal) of 85% and (ii) may also be issued in an amount equal to and in satisfaction of any accrued and unpaid interest owing on such Uninsured PREPA Bonds at the time of such exchange;

   (B) (i) Bonds, in an initial aggregate principal amount not to exceed $2.086 billion (the "Monoline Mirror Bonds"), to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds insured by the monoline bond insurers (the "Insured PREPA Bonds") that have signed the RSA and are participating in the transactions set forth in Schedule II to Annex D to the RSA (the "Monoline Insurers"), and (ii) Bonds, in an initial aggregate principal amount not to exceed $750 million (the "Other Mirror Bonds" and together with the Monoline Mirror Bonds, the "Mirror Bonds") to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds issued in 2016 (the "2016 PREPA Bonds");

   (C) Bonds, in a principal amount not in excess of the sum of 6.25% of the Closing Date Bonds described in clauses (A), (B), (D), (E), (F) and (G) plus 6.25% of the Post-Closing Date Bonds, to fund or, in the case of (ii) to be

provided in whole or in part as payment for, (i) one or more debt service reserve or operating funds or accounts to secure payment of all or a portion of the Bonds, and (ii) all Upfront Financing Costs incurred in connection with the issuance of all Closing Date Bonds or the Post-Closing Date Bonds, as the case may be; plus (iii) the costs of any payment to the IRS (as described in clause (f) of Finding of Fact 4 below);

(D) Bonds, in an initial aggregate principal amount not in excess of $50 million, to fund a deposit to the PREPA Self Insurance Fund described in Finding of Fact 4(g) below (Bonds issued for purposes described in this clause (D) and the preceding clause (C) are collectively referred to as "New Money Bonds");

(E) Bonds, in an initial aggregate principal amount not exceeding $2.6 billion ("Cash Offer Bonds"), for the purpose of funding the costs to refund, redeem or purchase, directly or indirectly, Uninsured PREPA Bonds with the goal of increasing the exchange offer participation levels;

(F) Bonds, in an initial aggregate principal amount not exceeding $625 million (the "Lender Bonds"), issued to the Supporting Creditors (i) in exchange for the extinguishment of the obligations due and owing under the Credit Agreements (the "Credit Agreements") between such Supporting Creditors and PREPA, at an exchange ratio (principal to principal) of 85% and (ii) to reimburse such Supporting Creditors for certain fees and expenses in an amount not to exceed $1 million; and

(G) Bonds, in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of additional mirror bonds or otherwise) or purchase PREPA Bonds insured by Syncora Guarantee Inc. and/or an affiliate thereof ("Syncora"), as required to implement the economic terms of the RSA, as it may be amended (the "Closing Date Syncora Bonds").

(ii) One or more series of Bonds to be issued after the Closing Date (such bonds collectively referred to herein as the "Post-Closing Date Bonds") are issued for the following purposes:

(A) One or more series of Bonds, in an initial aggregate principal amount not to exceed $750 million to one or more holders of 2016 PREPA Bonds, at an exchange ratio of 100%, in voluntary exchange for such 2016 PREPA Bonds. If any 2016 PREPA Bonds are exchanged for Post-Closing Date Bonds, the corresponding Mirror Bonds will be cancelled;

(B) One or more series of Bonds in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of mirror bonds or otherwise) or purchase PREPA Bonds insured by Syncora, as required to implement the

economic terms of the RSA, as it may be amended (the "Post-Closing Date Syncora Bonds" and, together with the Closing Date Bonds, the "Syncora Bonds"); provided that the total principal amount of Syncora Bonds issued shall not exceed $240 million; and

(C) New Money Bonds with respect to Post-Closing Date Bonds, as described in and to the extent not previously issued pursuant to clause 1(i)(C) above to pay the Upfront Financing Costs described therein.

2. Post-Closing Date Bonds shall be payable, on a parity with all Closing Date Bonds, from, and secured, equally and ratably with all Closing Date Bonds, by, the Restructuring Property pledged to the payment of the Bonds in the Trust Agreement (as hereinafter defined).

3. Nothing in this Restructuring Resolution shall preclude the Corporation from authorizing additional "Restructuring Bonds" (in addition to the Bonds) secured by "Restructuring Property" (other than the Restructuring Property created pursuant to this Restructuring Resolution) under one or more "Restructuring Resolutions" (in addition to this Restructuring Resolution) so long as such issuance is consistent with the terms of the Act, the Trust Agreement securing any outstanding Bonds and the RSA.

Approved Restructuring Costs:

4. The Approved Restructuring Costs to be paid through the issuance of the Bonds and recovered through Transition Charges shall include the costs of (a) retiring the PREPA Bonds in exchange for the Exchange Offer Bonds or the 2016 PREPA Bonds in exchange for Post-Closing Date Bonds; (b) legally or economically defeasing Insured PREPA Bonds and 2016 PREPA Bonds through the issuance of Mirror Bonds and the payment of such Mirror Bonds; (c) restructuring, refunding, redeeming, defeasing (legally or economically through the issuance of additional mirror bonds or otherwise), or purchasing PREPA Bonds through the issuance of Syncora Bonds; (d) the retirement of the obligations due and owing by PREPA under the Credit Agreements through the issuance of the Lender Bonds; (e) funding or replenishing any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund, to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement (as the case may be), to secure payment of all or a portion of the Bonds; (f) funding any payment to the Internal Revenue Service (the "IRS") in accordance with any PREPA agreement with the IRS under the voluntary closing agreement or similar program; (g) funding a deposit to the self-insurance fund (the "PREPA Self Insurance Fund"), established pursuant to the trust agreement, dated as of January 1, 1974, as amended, by and between PREPA and U.S. Bank National Association, as successor trustee, in an amount not to exceed $50 million; (h) paying Financing Costs, including the Upfront Financing Costs, in connection with any issuance of Bonds and approved for recovery in this Restructuring Resolution; and (i) refunding, redeeming or purchasing Uninsured PREPA Bonds.

5. The Exchange Offer Bonds, the Monoline Mirror Bonds, the New Money Bonds which may be issued on the Closing Date, the Cash Offer Bonds and the Lender Bonds were all contemplated by the RSA, and, accordingly, the costs of legally or economically defeasing, exchanging for, refunding, redeeming, purchasing, funding, retiring or extinguishing, as applicable, Uninsured PREPA Bonds and Insured PREPA Bonds, a deposit to the PREPA Self Insurance Fund and retiring the obligations under the Credit Agreements may be included as Approved Restructuring Costs.

6. The 2016 PREPA Bonds do not exceed an aggregate principal amount of $535,000,000 and accordingly the costs of legally or economically defeasing, exchanging for, refunding, redeeming or purchasing 2016 PREPA Bonds may be included as Approved Restructuring Costs.

Terms of Bonds:

7. In no event are Bonds to be issued during the pendency of any action brought pursuant to Article 35(c), (d) or (f)(2) of the Act, nor later than five years from the date of adoption of this Restructuring Resolution.

8. The Bonds of any issue (i) may be issued in one or more tranches or series, at one or more times, (ii) may be issued as any combination of serial and term Bonds and as Bonds paying current interest ("Current Interest Bonds") and Bonds accreting interest for a period of no more than 4 ½ years to 5 ½ years after their issue date and paying cash interest thereafter ("Convertible Capital Appreciation Bonds" or "Convertible CABs"), (iii) may have (A) a scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates), which will be a date or dates by which such series or tranche is to be amortized in principal amounts set forth therein for such date or dates and with Transition Charges set at sufficient levels to generate receipts to enable such amortization on such date or dates, and (B) a legal maturity date or dates (including legal mandatory sinking fund redemption dates), which will be a date or dates by which such series or tranche must be amortized in principal amounts set forth therein in order to avoid a default under the transaction documents and which is expected to be two years after the related scheduled maturity date, provided that the legal maturity date for any series or tranche of the Bonds shall be no less than one year and no more than thirty-five years after the date of issuance of the Bonds, and (iv) shall have such other terms and details, consistent with this Restructuring Resolution and as contained in the applicable Trust Agreement as executed and delivered, subject to the following additional limitations for the Closing Date Bonds and the Post-Closing Date Bonds, respectively.

Closing Date Bonds:

(A) The terms of the Exchange Offer Bonds will result in the satisfaction of the Savings Test described in Finding of Fact 22, to be conclusively confirmed by the Designee Certificate of Determination and Approval in the form attached hereto as **Appendix 1** (the "Designee Certificate") to be submitted to the Secretary of the Board and to the Commission not later than three (3) business days following the pricing of the Bonds;

(B) The terms of the Monoline Mirror Bonds and the Other Mirror Bonds will mirror the economic terms (i.e., the principal amount, payment dates, interest rate (except as described in the proviso to this sentence) and maturity date and shall not accelerate as a result of acceleration of the Insured PREPA Bonds or 2016 PREPA Bonds) of the Insured PREPA Bonds and the 2016 PREPA Bonds, respectively, as described in the RSA (including as it may be amended); provided, however, subject to the agreement of the parties to the RSA, certain interest payments on the Monoline Mirror Bonds or Other Mirror Bonds, as applicable, may be subject to additional terms that provide for additional sources of payment or defer the timing of payment of such interest payments for the purpose of better matching expected Transition Charge revenues with debt service requirements;

(C) The interest rate or rates on the New Money Bonds will not exceed the maximum rate of interest permitted by applicable law as of the date hereof;

(D) The terms of the Cash Offer Bonds will result in the satisfaction of the Savings Test described in Finding of Fact 22, to be conclusively confirmed by the Designee Certificate;

(E) The issuance of New Money Bonds to fund the PREPA Self Insurance Fund will not have a material adverse impact on the pricing of the Exchange Offer Bonds or the Cash Offer Bonds, to be conclusively evidenced by the Designee Certificate; and

(F) The terms of the Syncora Bonds would be described in an amended RSA. To the extent the Savings Test described in Finding of Fact 22 applies to the Syncora Bonds, the terms of the Syncora Bonds will result in the satisfaction of the Savings Test, to be conclusively confirmed by the Designee Certificate.

Post-Closing Date Bonds:

(A) The interest rate or rates on any Post-Closing Date Bonds described in clause (ii) of Finding of Fact 1 will not exceed the maximum rate of interest permitted by applicable law as of the date hereof.

9. The final terms of the Closing Date Bonds, consistent with the terms of this Restructuring Resolution, shall be approved by the Corporation either solely by act of the Corporation Designee, as evidenced by the execution of the Designee Certificate, or in the discretion of the Board, through an award resolution (an "Award Resolution") which the Board may adopt to approve the final pricing and terms of the Closing Date Bonds. In either such case, the approval of the final terms of the Closing Date Bonds shall be conclusively evidenced by the execution and delivery by the Corporation Designee of the Designee Certificate and the applicable Trust Agreement. The final terms of the Post-Closing Date Bonds, consistent with the terms of this Restructuring Resolution, at the option of the Board, shall

be approved by this Board in an Award Resolution adopted at the time the Board approves the final pricing and terms of the Post-Closing Date Bonds, and again will be conclusively evidenced by the execution and delivery by the Corporation Designee of the Designee Certificate and the applicable Trust Agreement or supplement thereto.

Upfront Financing Costs:

10. The issuance of any series of Bonds ~~will~~may require the payment of the Upfront Financing Costs described as follows (the "Upfront Financing Costs"), which costs are recoverable from the Bond proceeds or Transition Charges, as applicable:

    (i) expenses of the Corporation associated with the petition to and proceedings before the Commission;

    (ii) the funding of any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund, to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement (as the case may be), to be held under the Trust Agreement securing the Bonds;

    (iii) fees and expenses associated with the structuring, marketing, and issuance of the Bonds, including without limitation

        (A) attorneys' fees and expenses and advisors' fees and expenses payable by the Corporation directly or indirectly;

        (B) fees and expenses associated with the issuance of surety bonds for deposit to one or more reserve funds or accounts established under the Trust Agreement by the Monoline Insurers (each such bond, a "Surety Bond");

        (C) fees and expenses of any broker-dealer engaged to assist in the tender and exchange of PREPA Bonds;

        (D) fees and expenses payable to underwriters in connection with the sale of the Bonds;

        (E) administration fees and expenses and any cost related to obtaining a Restructuring Order;

        (F) original issue discount;

        (G) rating agency fees;

        (H) Trustee (or similar fiduciary) fees and expenses (including attorneys' fees and expenses);

(I) the fees and expenses relating to the solicitation and engagement of any Depository or Depositories or other administrator or fiduciary (as described in Finding of Fact 52);

(J) accounting and auditing fees and expenses;

(K) the fees and expenses related to the solicitation and engagement of any Calculation Agent or other administrator or fiduciary (as described in Finding of Fact 40);

(L) printing and marketing expenses;

(M) compliance fees;

(N) filing or listing fees;

(O) fees and expenses of the Corporation's other consultants, if any;

(P) initial fees and expenses (or set-up) of the Servicer;

(Q) any fee or expense incurred to directly or indirectly facilitate the purchase of Uninsured PREPA Bonds, including any fees or expenses incurred to secure any commitments;

(R) placement fees and expenses; and

(S) any other cost approved by the Board as necessary or desirable for the accomplishment of the purposes of the Act.

Upfront Financing Costs include the reimbursement of PREPA or any other Person of amounts advanced for the payment of Upfront Financing Costs.

11. The Corporation has provided to the Commission in Attachment 2.01 to the Petition an estimate of the Upfront Financing Costs that are expected to be incurred in connection with the delivery of the Closing Date Bonds and the Post-Closing Date Bonds, based upon, in part, estimates from counsel, advisors, underwriters, rating agencies, the Trustee, accountants, printers, and other professionals and agents, and other factors in light of then-current information at the time of the submission of the Petition.

12. In the Restructuring Order, the Commission found and determined that the Upfront Financing Costs proposed to be recovered by the Corporation are consistent with Article 6.25A of Act 57-2014, as amended, and Chapter IV of the Act.

13. The precise amount of Upfront Financing Costs for the Closing Date Bonds and the Post-Closing Date Bonds cannot be ascertained with certainty until the respective Bonds have been priced and issued, and the final Upfront Financing Costs for the Closing Date Bonds should be subject to approval by the Corporation Designee or through an Award Resolution, in either case as conclusively evidenced in the Designee Certificate. If the total

amount of Upfront Financing Costs exceed the estimate of total Upfront Financing Costs presented to this Board, such excess, as well as the final Upfront Financing Costs to be incurred for the Post-Closing Date Bonds, shall be subject to approval by this Board.

14. Upfront Financing Costs shall be paid from the proceeds of the New Money Bonds or the Cash Offer Bonds (as the case may be), provided that any Upfront Financing Costs approved for recovery (as described in Finding of Fact 10) that cannot be paid from the proceeds of the sale of the Bonds shall be recoverable as an Ongoing Financing Cost, as provided in the Designee Certificate or any Award Resolution of this Board (as applicable).

15. References in this Restructuring Resolution to the payment, funding or recovery of Upfront Financing Costs through the Closing Date, whether from Bond proceeds or otherwise, shall be deemed to include, without limitation, the payment of such Upfront Financing Costs by the delivery of New Money Bonds as payment of such Upfront Financing Costs as well as funding of such Upfront Financing Costs through any contributions or advances received from PREPA. Nothing in this Restructuring Resolution shall prevent the payment or funding of Upfront Financing Costs with a contribution or advance from PREPA.

Ongoing Financing Costs:

16. The terms of each issuance of Bonds may require the payment of the following Ongoing Financing Costs from the proceeds of the Transition Charges and any other moneys available under the Trust Agreement securing the Bond issuance (the "Ongoing Financing Costs") which costs are recoverable from the Transition Charges:

    (i) principal, interest and redemption premiums payable on the Bonds;

    (ii) any payment required under any bond insurance policy, surety bond, reimbursement agreement or any agreement entered into in connection therewith or other Ancillary Agreement, or any amount required to fund or replenish (or to reimburse a third party for replenishing) any debt service reserve fund or account or any other fund or account established under the Trust Agreement and, to the extent permitted by the Trust Agreement, any Basic Document (as hereinafter defined) or under any other financing document related to the Bonds, including an additional reserve fund;

    (iii) any taxes and charges, including payments or contributions in lieu of taxes, franchise fees or license fees imposed on Transition Charge Revenues;

    (iv) any cost related to administering the Corporation, the Bonds or the Restructuring Property, including the costs of calculating adjustments of Transition Charges and implementing the Adjustment Mechanism, ~~all Servicing Fees~~the fees and expenses of the initial Servicer and any replacement servicer, the fees and expenses of the Calculation Agent (hereafter defined) employed to verify the calculation of any adjustment to the Transition Charges, the costs of all Depositories (hereinafter defined) or other collection agents employed to assure the collection, segregation and remittance of Transition Charge Revenues to the Trustee, the costs of the

Trustee and any other fiduciaries appointed to secure or facilitate payment of the Bonds, and all legal, accounting and other advisors' or consultants' fees and expenses incurred in connection with the foregoing;

(v) all rating agency fees and expenses incurred to obtain and/or maintain ratings on the Bonds;

(vi) any cost related to protecting the status of Restructuring Property and collecting Transition Charges, including any cost related to any judicial or similar proceedings that the Corporation or the Trustee or any owner of all or a portion of Restructuring Property deems necessary to enforce or collect Transition Charge Revenues or protect the Restructuring Property or any other costs referred to in Article 38(a) of the Act, in each case subject to the provisions of the Act;

(vii) any ongoing filing or listing fees for the Bonds;

(viii) the fees and expenses of any auditor;

(ix) without duplication, any indemnity payments required to be paid by the Corporation to the Trustee, any Servicer, Calculation Agent, or Depository, the underwriters, the broker-dealers, the parties to any Ancillary Agreements (including any Surety Bond or Surety Bond reimbursement agreement) or other persons pursuant to agreements entered into in connection with the Bonds;

(x) any indemnity or other payments or costs required to be paid to the Board or its individual directors, or officials, agents and employees of the Corporation as provided in Article 35(q) of the Act; and

(xi) any other cost related to issuing Bonds, administering and servicing Restructuring Property and Bonds payable under the Basic Documents (as described in Finding of Fact 62), including the payment of any Upfront Financing Costs not paid from the proceeds of the Bonds and any other cost approved in a Designee Certificate or approved by the Board as necessary or desirable for the accomplishment of the purposes of the Act.

17. Expenses corresponding to most categories of Ongoing Financing Costs will continue to be incurred while Bonds remain outstanding, and the total amount of most Ongoing Financing Costs will not be known until after this Restructuring Resolution is adopted, *e.g.,* the expected principal and interest payable on the Bonds will not be known until the Bonds are priced, certain Ongoing Financing Costs consisting of fees may be estimated at the time the Bonds are issued but will likely change over the life of the Bonds, the expenses will vary from year to year depending upon what services or activities are required to be performed in each year, and some possible Ongoing Financing Costs may not be known at the time of issuance of the Bonds, including the costs of funding or replenishing any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund, to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any

Ancillary Agreement (as the case may be). Additionally, certain possible Ongoing Financing Costs depend upon contingencies that may never happen.

18. The Corporation has provided to the Commission in Attachment 2.02 to the Petition an estimate of the annual Ongoing Financing Costs to be incurred for the first annual period following the delivery of the Closing Date Bonds and the Post-Closing Date Bonds and during the life of such Bonds.

19. In the Restructuring Order, the Commission found and determined that the Ongoing Financing Costs proposed to be recovered by the Corporation are consistent with Article 6.25A of Act 57-2014, as amended, and Chapter IV of the Act.

20. The Corporation Designee will include in the Designee Certificate a final estimate of the Ongoing Financing Costs for the first annual period following issuance of the Closing Date Bonds or Post-Closing Date Bonds, as well as an estimate of the Ongoing Financing Costs for the term of such Bonds.

21. The Corporation will recover, from Transition Charge Revenues, all Ongoing Financing Costs as incurred by the Corporation, without limitation as to amount, and the Transition Charges shall be imposed and collected from all Customers until all such Ongoing Financing Costs are paid in full.

Required Statutory Savings; Customer Benefits:

22. Pursuant to Article 33(a)(3) of the Act, the Corporation may issue the Exchange Offer Bonds, the Cash Offer Bonds and Syncora Bonds (if issued in a manner such that the Savings Test would apply to such Syncora Bonds pursuant to the Act) only if, as a result of the issuance of such Bonds, the present value of the debt service in respect of all such Bonds is at least $725 million lower than the present value of the debt service of all of such PREPA Bonds refinanced by such issue of Bonds (calculated using the yield on such issue of Bonds then being issued as determined by the Corporation and using such other customary assumptions as the Corporation in consultation with its advisors shall determine) (the "Savings Test").

23. The Savings Test is not applicable to other Bonds to be issued on the Closing Date or to Post-Closing Date Bonds.

24. In the Petition, the Corporation has provided to the Commission evidence and calculations demonstrating that the issuance of the Exchange Offer Bonds, the Cash Offer Bonds and Syncora Bonds (if issued in a manner such that the Savings Test would apply to such Syncora Bonds pursuant to the Act) is anticipated to satisfy the Savings Test and will satisfy the Savings Test as conclusively evidenced by the Designee Certificate.

25. Compliance with the Savings Test shall be conclusively confirmed by the delivery of the Designee Certificate.

26. The issuance of the Bonds will result in Customer benefits, including cost savings (compared to the current present value of PREPA's avoided debt service revenue requirements).

Transition Charge Allocation Methodology and Adjustment Mechanism:

27. In the Petition and Testimony, the Corporation has submitted a formulaic methodology for distributing the responsibility for Financing Costs among Customer classes and Customers, and for calculating and adjusting from time to time the Transition Charge (collectively, the "Adjustment Mechanism"), which is appended to this Restructuring Resolution as **Appendix 2** hereto, together with supporting evidence which:

    (i) determines the classes of Customers among which Ongoing Financing Costs are distributed;

    (ii) distributes the responsibility for the Ongoing Financing Costs among residential and non-residential Customers, and distributes such costs among such Customer classes based upon the most recent 12-month historical energy usage (kWh) for which data are available;

    (iii) calculates the Transition Charge for ~~non-residential~~all Customers based upon historical energy usage (kWh) data~~ and calculates the Transition Charge for residential Customers on an equal per-service agreement basis~~, provided that certain Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), pay a fixed charge for its applicable consumption-based block of electricity, in each case as such blocks are established as of the date on which the Commission approves the Restructuring Order and as they may be adjusted from time to time as provided in Article 3.9(b)(4) of Law 22-2016, will pay the Transition Charge on consumption in excess of the block and provided further that certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible under Law 4-2016 will pay Transition Charges based upon net metered consumption;

    (iv) provides that delinquencies of any class of Customers will be distributed among all Customer classes as provided in Article 6.25A(e)(1)(v) of Act 57-2014, as amended; and

    (v) provides that estimated load served by net metering or estimated distributed generation ("behind the meter") will be included in its determination of energy usage in clauses (ii) and (iii) above, provided that certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible under Law 4-2016 will pay Transition Charges based upon net metered consumption, all as described in Finding of Fact 28.

28. The Corporation has determined that estimated load served by net metering or estimated distributed generation ("behind the meter") should be included in the determination of energy usage under clauses 27(ii) and 27(iii) above by adjusting customer usage to reflect gross usage (without regard to net metered credits) and by estimating "behind the meter"

usage; provided that in the case of clause 27(iii), certain Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), pay a fixed charge for its applicable consumption-based block of electricity, in each case as such blocks are established as of the date on which the Commission approves the Restructuring Order and as they may be adjusted from time to time as provided in Article 3.9(b)(4) of Law 22-2016, will pay the Transition Charge on consumption in excess of the block and provided further that certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible under Law 4-2016 will pay Transition Charges based upon net metered consumption. This "behind the meter" usage will be estimated as practicable. Initially the load will be estimated by eliminating any subtraction from load for the amount of electricity generated "behind the meter" and delivered to the grid. As it becomes practicable and meter data measuring the output of the distributed generation becomes available, the load of such customers for these purposes will no longer exclude the output of the distributed generation not delivered to the grid. The Corporation has further determined that this approach will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds. PREPA can practically determine total load, including estimated load served by net metering and distributed generation, in the calculation of Transition Charges, as described above. ~~If the estimated load served by net metering and distributed "behind the meter" generation were not included, a Customer could reduce its responsibility to pay Transition Charges, and the responsibility for those avoided charges would be transferred to other Customers. This would increase other Customers' Transition Charges and create an uneconomic incentive to bypass the PREPA system, increasing further the shift in the responsibility for Transition Charges. In contrast, including such estimated load in the distribution of costs among Customer classes and the calculation of individual Customers' Transition Charges~~The approach of the Corporation also limits the exemptions for usage subject to the Transition Charge to Customers eligible for the exemption under Law 22-2016 and certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible under Law 4-2016. These limited exemptions assure that there is only a limited shift of payment responsibility to other Customers to satisfy requirements of existing law. Further these limitations on usage subject to the Transition Charge will not impair the collection of Transition Charges or impair the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

29. The Corporation has determined that the distribution and calculation methodologies described in clauses (i) through (v) of Finding of Fact 27 are practicable to administer, and ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

30. The Corporation has determined that the exclusion of net metered generation and the inclusion of estimated "behind the meter" load served by distributed generation in the energy usage as and to the extent set forth in Findings of Fact 27(ii) and 27(iii) above will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Bonds in

accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

31. The Adjustment Mechanism (a) has been approved by the Commission in the Restructuring Order, (b) is practical to administer and ensures the full and timely payment of (i) the Bonds in accordance with their terms and (ii) all other Ongoing Financing Costs, and (c) should be approved by the Corporation.

Calculation and Adjustment of Transition Charges:

32. The Corporation will apply, or cause the Servicer to apply, the Adjustment Mechanism to adjust the Transition Charge no less often than quarterly to ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

33. The Corporation will deliver, or cause the Servicer to deliver, to the Commission, notice of the proposed adjustment to the Transition Charges (a "True-Up Adjustment Letter"), including the data and work papers used to calculate the Transition Charges, at least thirty (30) days prior to the effective date of each proposed adjustment, provided that the information related to the initial Transition Charges with respect to any issuance of Bonds shall be provided to the Commission by the Corporate Designee (in the Designee Certificate or a True-Up Adjustment Letter) not later than three business days following the pricing or award of the Bonds and such initial Transition Charges shall be effective on the issuance date of the Bonds.

34. Each True-Up Adjustment Letter shall be substantially in the form attached hereto as Exhibit F to the Initial Servicing Agreement (approved pursuant to Finding of Fact 45).

35. The Commission's review of the initial Transition Charges or any adjustment to the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be).

36. If the Commission has reason to believe that there is a mathematical error in the calculation of the Transition Charges, before issuing an order requiring the Corporation to correct such error, the Commission ~~[may]~~[will~~]~~ provide a preliminary finding to the Servicer and the Calculation Agent. ~~[revised per Submission of Information in Compliance with the Commission's Resolution and Order of April 18, 2016, filed April 25, 2016 ("Response"), Section I.E.]~~ Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall the provision of a preliminary finding or the implementation of a Commission order correcting any mathematical error result in the delay of the implementation of an adjustment to the Transition Charges from the effective date stated in the True-Up Adjustment Letter.

37. Any estimated over-collections or under-collections resulting from such mathematical inaccuracy shall be credited or added in connection with such succeeding application of the

Adjustment Mechanism, but no Customer shall be entitled to a refund of Transition Charges or the retroactive application of the same by reason of mathematical inaccuracies corrected in periodic adjustments.

38. No adjustment of Transition Charges pursuant to the Adjustment Mechanism shall in any way affect the irrevocability of this Restructuring Resolution.

39. There shall be no cap on the Transition Charge calculated pursuant to the Adjustment Mechanism.

Calculation Agent:

40. The Corporation with the approval of the Trustee, or the Trustee, in each case as and to the extent provided in the Trust Agreement, is authorized pursuant to Article 35(i) of the Act to retain the services of a third party calculation agent unrelated to GDB or PREPA and acceptable to the Trustee, to confirm the calculation of the Transition Charges prepared by the Servicer. The use of a Calculation Agent will enhance the marketability of the Bonds and the Corporation Designee should be authorized to execute and deliver a calculation agent agreement (a "Calculation Agent Agreement"), substantially in form of **Appendix 3** hereto, with _____, as initial Calculation Agent, with such changes, omissions or alterations as the Corporate Designee shall approve with the advice of financing counsel to the Corporation, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations. In the event that the Calculation Agent should resign or be discharged, the Corporation with the approval of the Trustee, or the Trustee, in each case as and to the extent provided in the Trust Agreement, shall be authorized to take all necessary action to cause a new Calculation Agent to be appointed.

41. In the event of a dispute between the Servicer and the Calculation Agent, the Corporation, as and to the extent provided in any Trust Agreement, shall promptly appoint an independent third party expert to resolve the matter. In the event that the Corporation shall fail to appoint or retain a Calculation Agent acceptable to the Trustee (the initial Calculation Agent named in Finding of Fact 40 shall be deemed to be acceptable) or to appoint an expert to resolve any conflicts, the Trustee, as and to the extent provided in the Trust Agreement, should be authorized to appoint a Calculation Agent or expert. Any costs of the Calculation Agent (or any expert) shall be Ongoing Financing Costs and shall be recovered from Transition Charge Revenues.

Restructuring Property:

42. The Restructuring Property created by this Restructuring Resolution shall include this Restructuring Resolution and the property rights and interests created hereby, including the right, title, and interest in and to: (a) the right to create and receive Transition Charges in amounts sufficient to pay the Bonds and all related Ongoing Financing Costs in full and on a timely basis; (b) the Transition Charges, as adjusted from time to time in accordance with the Adjustment Mechanism, including any rights under the Servicing Agreement, the Calculation Agent Agreement, the Depository Agreement (as hereinafter defined) or other agreement assigned pursuant to the Trust Agreement; (c) all revenues, collections, claims,

payments, moneys, or proceeds of or arising from the Transition Charges or constituting Transition Charges, regardless of whether such revenues, collections, claims, payments, moneys, or proceeds are imposed, billed, received, accrued, collected or maintained by PREPA, any other Servicer or by the Corporation, together with or commingled with other revenues, collections, claims, payments, money or proceeds; (d) all rights to obtain adjustments to the Transition Charges pursuant to the terms of the Adjustment Mechanism, the Restructuring Order and this Restructuring Resolution; and (e) all reserves, Surety Bonds, or other collateral accounts established in connection with the Bonds or the Restructuring Property or otherwise pledged to the payment of the Bonds under the Trust Agreement.

43. Upon the issuance of any series of Bonds, the Restructuring Property shall constitute a vested, presently existing property right in the Corporation, as initial owner, subject to the pledge of Restructuring Property pursuant to the Trust Agreement and subject to the transfer, sale, conveyance or assignment upon an event of default under the Trust Agreement, notwithstanding the fact that the value of the property right will depend on further acts that have not yet occurred, including Customers remaining or becoming connected to the Electric System Assets and taking or receiving electric service, the imposition and billing of Transition Charges, or the Servicer performing services. "Electric System Assets" shall mean the electric generation, transmission and distribution facilities (and other general property and equipment used in connection therewith), whether now existing or hereafter acquired, owned or used by PREPA as of the effective date of this Act or thereafter acquired for use by PREPA, including any successor electric utility, in providing electric service to Customers, including any transmission and distribution service.

Servicing.

44. The Corporation is authorized pursuant to Article 35(i) of the Act to enter into a servicing agreement with PREPA, as the initial Servicer (the "Initial Servicer") to perform such duties of the Servicer as may be required or permitted by the Act, including to provide for the servicing, billing and collection of the Transition Charges.

45. The terms of the initial servicing agreement with PREPA, substantially in the form of **Appendix 4** hereto (the "Initial Servicing Agreement"), are consistent with the Act and enhance the marketability of the Bonds, and should be approved. Accordingly, the Corporation Designee should be authorized to execute and deliver the Initial Servicing Agreement, with such changes, omissions or alterations as the Corporate Designee shall approve upon the advice of financing counsel to the Corporation, other than changes to the Servicing Agreement which alter the fees payable to the Servicer, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations.

46. The Servicing Agreement shall provide that the Corporation or the Trustee will have the ability to replace Servicer after an event of default under the Servicing Agreement. In the event that PREPA shall default in its obligation under the Initial Servicing Agreement, (i) the Corporation, at the direction of the Commission pursuant to an order in accordance with the Act based upon substantial evidence (but subject to the next sentence), or upon the

direction of the Trustee, as and to the extent provided in the Trust Agreement, or (ii) upon the occurrence of an event of default under the Trust Agreement or an Ancillary Agreement, the Trustee, in either case, as and to the extent provided in the Trust Agreement, shall be authorized to replace PREPA as Servicer, and to direct the Corporation to enter into such other servicing, billing and collection agreements as the Corporation or the Trustee deems appropriate to ensure the timely and full payment of the Bonds and all Ongoing Financing Costs. As provided in paragraph (g) of Article 6.25A of Act 57-2014, as amended, the Commission's rights to replace the Servicer shall not diminish the rights of the Trustee, holders or beneficial owners of the Bonds (the "Bondholders") or any party to an Ancillary Agreement, to replace the Servicer under the terms of the Trust Agreement or any Ancillary Agreement. Accordingly, any action taken by the Corporation, at the direction of the Commission, with respect to the Servicer, including the replacement of the Servicer, is subject to the prior consent or contrary direction of the Trustee on behalf of or as directed by the Bondholders and/or parties to an Ancillary Agreement, in accordance with the terms of the Trust Agreement, the Servicing Agreement and any Ancillary Agreement.

47. The Corporation has submitted to the Commission an estimate, together with supporting documentation prepared by PREPA, of PREPA's costs to serve as Initial Servicer under the Initial Servicing Agreement.

48. In the Restructuring Order, the Commission has determined that the proposed initial annual servicing fee to be paid to PREPA, in the amount of 0.05% of the initial principal amount of the Bonds, to be increased on each anniversary date by the year-over-year percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) (not seasonally adjusted) for the most recently completed twelve-month period for which such data is available, is necessary~~,~~ and reasonable and at least sufficient to compensate PREPA for the incremental cost of performing such servicing functions. Accordingly, the Corporation should approve the initial annual servicing fee.

49. In the event a successor Servicer must be appointed by the Corporation, or by the Trustee on behalf of the Bondholders in accordance with the terms of the Trust Agreement, the annual fee of a successor Servicer may not exceed 1% of the initial principal amount of all series of Bonds. Any fee in excess of such amount is subject to the prior approval of the Commission.

50. The fees and expenses of any Servicer (including any successor Servicer) shall be Ongoing Financing Costs (except for any set-up costs paid as Upfront Financing Costs) and shall be recovered from Transition Charge Revenues.

51. The Servicer shall be required to terminate service to each Customer that is delinquent in the payment of its Transition Charge on the same basis as termination of service is permitted for nonpayment of electric or other rates by PREPA, but none of the Corporation, the Trustee and the Bondholders may directly terminate service to any Customer.

Depositories.

52. The Corporation is authorized pursuant to Article 34 of the Act to enter into one or more depository, trust or escrow agreements with financial institutions or other Persons (each, a "Depository") providing for the escrowing and allocation of collections from Customers' bills between PREPA and the Corporation, as the Corporation, in consultation with such advisers as it may deem appropriate, determines enhances the marketability of the Bonds.

53. Any Depository shall be a bank organized under and subject to regulation by the laws of the United States or any state thereof (and licensed to operate in the Commonwealth) selected by the Corporation (except as provided in Finding of Fact 55) and not related to PREPA or the Commonwealth or under the control of PREPA or the Commonwealth.

54. The terms of the depository agreement with _____, substantially in the form of **Appendix 5** hereto (the "Depository Agreement"), by and among PREPA, the PREPA Bond trustee, the Corporation and the Trustee, are consistent with the Act and the RSA and are designed to enhance the marketability of the Bonds, and should be approved. Accordingly, the Corporation Designee should be authorized to execute and deliver the Depository Agreement, with such changes, omissions or alterations as the Corporation Designee shall approve upon the advice of financing counsel to the Corporation, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations.

55. In the event that the Depository should resign or be discharged, the Corporation and the Trustee, each as and to the extent provided in the Trust Agreement, shall be authorized to take all necessary action to cause a new Depository to be appointed.

56. The costs of the Depository shall be Ongoing Financing Costs and should be recovered from Transition Charge Revenues.

Trust Agreement

57. The Corporation will enter into a Trust Agreement (the "Trust Agreement"), substantially in the form of **Appendix 6** attached hereto, with a bank or trust company acceptable to the Corporation Designee (the "Trustee") pursuant to which the Closing Date Bonds and any Post-Closing Date Bonds may be issued and secured.

58. As provided in Article 35(m) of the Act, the Corporation, by its execution and delivery of a Trust Agreement, will pledge the Restructuring Property to secure the payment of Bonds, amounts payable to Financing Entities, and other Ongoing Financing Costs. While the Restructuring Property remains pledged to secure such payments, revenues from the collection of Transition Charges shall be applied solely to pay Ongoing Financing Costs.

59. Following the award or pricing of any issue of Bonds, consistent with Finding of Fact 1 of this Restructuring Resolution, the Corporation Designee should be authorized to execute and deliver the Trust Agreement, together with any supplements thereto consistent with the terms of the Trust Agreement, with such changes, omissions or alterations, consistent with terms of this Restructuring Resolution, as the Corporation Designee shall approve upon the

advice of financing counsel to the Corporation, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations.

Surety Bonds; Insurance Agreements.

60. The RSA contemplates that each series of the Bonds shall be secured by separate or a common debt service reserve funds or accounts in a manner to be set forth in the Trust Agreement, and certain portions of the debt service reserve requirement shall be provided through a Surety Bond provided by one or more of the Monoline Insurers. The Corporation, acting through its Corporation Designee, should be authorized to negotiate the terms of any such Surety Bond, consistent with the terms of the RSA, and to execute and deliver any commitments or agreements relating to securing such Surety Bonds. The terms of the Surety Bonds (or any related commitments or agreements) may provide that (a) prior to an acceleration of the Bonds, the payment of amounts due and owing under Surety Bonds shall be subordinated to debt service on the Bonds, and (b) and upon an acceleration of the Bonds, the payment of amounts due and owing under Surety Bonds shall be payable on parity with the principal of and interest on the Bonds.

61. The Corporation, acting through the Corporation Designee, should be authorized to establish such additional reserve or collateral accounts under the Trust Agreement (including, without limitation, any restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund to provide sufficient reserves to account for miscalculations in the collection curve and other short term deficiencies in revenue collection), as shall enhance the marketability and/or credit rating of the Bonds or serve such other purpose as may be agreed to by the required parties under the RSA such as mitigating the risk of a draw on the debt service reserve fund.

Basic Documents:

62. In addition to the Trust Agreement, the Initial Servicing Agreement, the Depository Agreement(s), the Calculation Agent Agreement, and agreements with any Surety Bond provider, the Corporation will be required, in connection with the issuance of any issue of Bonds, to execute one or more of the following additional financing agreements (collectively with the foregoing, the "Basic Documents"):

- [Bond Purchase Agreement]
- [Tender Agent Agreement]
- Dealer/Manager Agreement
- Continuing Disclosure Agreement
- [Others]
- any other financing document related to the Bonds.

Award Resolution for Post-Closing Date Bonds.

63. The final terms of the issuance of Post-Closing Date Bonds, consistent with the terms of this Restructuring Resolution, will be determined by the Board at or about the time of pricing of such Post-Closing Date Bonds. At the time of the submission of the Award Resolution to this Board for approval, there will be filed with this Board by the Corporation Designee (i) a savings calculation consistent with the Act and Finding of Fact No. 22, (ii) an estimate of Upfront Financing Costs expected to be incurred, (iii) a recommendation of whether any Upfront Financing Costs should be paid as Ongoing Financing Costs, and (iv) an estimate of Ongoing Financing Costs for the initial year following issuance, it being understood that all Ongoing Financing Costs shall be recoverable from Transition Charge Revenues regardless of their amounts, as set forth in Finding of Fact 16.

Governing Law; Jurisdiction:

64. The Corporation deems it necessary for the issuance of the Bonds to include in this Restructuring Resolution an authorization to the irrevocable submission and waiver of any objection by the Corporation to the nonexclusive, in personam jurisdiction and venue of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and to the application of the laws of the State of New York, with respect to any claim related to the Bonds (including, without limitation, any claims arising under the Restructuring Resolution and the Basic Documents, including, to the extent permitted by law, the Initial Servicing Agreement).

65. The Corporation deems it necessary for the issuance of the Bonds to include in this Restructuring Resolution an authorization for the Corporation to include in the Trust Agreement, any Servicing Agreement, any Ancillary Agreement and any other Basic Documents a provision to the effect that such agreement will be governed by New York law as if each such agreement were executed in and to be performed entirely within the state of New York. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth (including the Act) and this Restructuring Resolution, all rights of the Corporation or the Servicer against any Customer by virtue of the Act, and the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth.

Commitments of the Corporation:

66. Resolution 19 of this Restructuring Resolution sets forth all commitments of the Corporation that are enforceable against the Corporation by the Commission under Article 6.25A of Act 57-2014, as amended.

Transition Charges Non-bypassable:

67. The Corporation has made the Transition Charges Non-bypassable to Customers in this Restructuring Resolution in accordance with Article 33(a)(2)(i) of the Act.

Corporation Designee

68. As the final terms of the Closing Date Bonds and Post-Closing Date Bonds, certain details ancillary thereto, including (without limitation) the mechanics of how the Mirror Bonds will serve to legally or economically defease the related PREPA Bonds, and the final form of the Basic Documents cannot be known as of the date of adoption of this Restructuring Resolution, and certain actions after the date of adoption of this Restructuring Resolution may require expedited approval or other action by the Corporation in order to accomplish the purposes of this Restructuring Resolution, the Corporation deems it reasonable to appoint the Chairperson and the Vice Chairperson of the Corporation, either of whom may act (each a "Corporation Designee"), on behalf of the Corporation, to approve the final terms of each issuance of Bonds, to execute and deliver the Designee Certificate related to such Bonds, to file with the Commission the True-Up Adjustment Letter with respect to the initial Transition Charges, to execute and deliver the Basic Documents and such other documents, certificates or agreements as are required under any of the Basic Documents or otherwise, and take such other actions as are necessary and appropriate to cause the issuance of the Bonds and the fulfillment of any commitments to the Commission, all in a manner consistent with this Restructuring Resolution.

Corporation Designee

69. The Corporation acknowledges that the transactions contemplated by this Resolution are subject to the provisions of the RSA and nothing contained herein shall be construed as a waiver of any rights by any party to the RSA or any term thereof.

CONCLUSIONS OF LAW

The Corporation hereby makes the conclusions of law listed below.

Compliance with the Securitization Chapter:

70. The structure of the Bonds is consistent with the Securitization Chapter, and the Bonds are "Restructuring Bonds" under the Securitization Chapter.

71. The Approved Restructuring Costs are "Approved Restructuring Costs" under the Securitization Chapter. Without limiting the generality of the foregoing, the Upfront Financing Costs and Ongoing Financing Costs to be recovered from the proceeds of the Bonds or the Transition Charge Revenues are consistent with Article 6.25A of Act 57-2014, as amended, and the Securitization Chapter.

72. The Restructuring Property is "Restructuring Property" under the Securitization Chapter.

73. The Transition Charges are "Transition Charges" under the Securitization Chapter.

74. This Restructuring Resolution meets the requirements of a "Restructuring Resolution" under the Securitization Chapter. Without limiting the generality of the foregoing, the provisions of this Restructuring Resolution, including the calculation methodology for the Transition Charges and the Adjustment Mechanism related to the Bonds as described

herein, are consistent with the criteria set forth in Article 6.25A(d) of Act 57-2014, as amended, and are sufficient for and provide for adequate protection of the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs.

Restructuring Resolution:

75. As provided in Article 34 of the Act, this Restructuring Resolution, the Restructuring Property, the Adjustment Mechanism and all other obligations of the Corporation set forth in this Restructuring Resolution will be direct, explicit, irrevocable and unconditional upon issuance of the Bonds, legally enforceable against PREPA and the Corporation.

No Cap on Transition Charges:

76. Neither the Act nor this Restructuring Resolution imposes a cap on the Transition Charge calculated pursuant to the Adjustment Mechanism.

Irrevocability of Restructuring Resolution:

77. As provided in Article 35(h) of the Act, upon the issuance of the Bonds, this Restructuring Resolution, the related Transition Charges, including their Non-bypassability and the procedures for the Adjustment Mechanism shall be irrevocable, final, non-discretionary and effective without further action by the Corporation or any other Person. No adjustment of the Transition Charges pursuant to the Adjustment Mechanism or any other action or inaction whatsoever by the Corporation, Servicer or any other Person shall in any way affect the irrevocability of this Restructuring Resolution.

Non-bypassability:

78. As provided in Article 35(i) of the Act, for so long as the Bonds are outstanding, and the Approved Restructuring Costs (including any payments that have or are to become due under Ancillary Agreements) have not been paid in full, the Transition Charges authorized and imposed by the Act shall be obligatory, Non-bypassable and shall apply to all Customers.

79. As provided in Article 35(h) of the Act and Conclusion of Law 8, the Non-bypassability of the Transition Charges is irrevocable, final, non-discretionary and effective without further action by the Corporation or any other Person.

80. As provided in Article 31(19) of the Act, Non-bypassable ["*Inevitable*"] means that the Transition Charges shall be paid by all Customers, even if the Customer elects to purchase electricity in whole or in part from an alternative electric supplier.

Customers

81. Customer means any Person that is connected to or takes or receives electric service within the Commonwealth by means of the electric generation, transmission or distribution facilities constituting part of Electric System Assets whether or not those electric generation, transmission or distribution facilities are owned by PREPA. PREPA shall not

be a Customer. Each municipality in the Commonwealth shall be a Customer to the extent that the dollar value of its usage of electric service (including in determining such dollar value of Transition Charges which would otherwise be imposed on such municipality and PREPA charges) in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a contribution in lieu of taxes for such fiscal year. Electric System Assets shall mean the electric generation, transmission and distribution facilities (and other general property and equipment used in connection therewith), whether now existing or hereafter acquired, owned or used by PREPA as of the effective date of the Act or thereafter acquired for use by PREPA, including any successor electric utility, in providing electric service to Customers, including any transmission and distribution service. For purposes hereof, electric generation, transmission or distribution facilities (and other general property and equipment used in connection therewith) are deemed to be "acquired for use" by PREPA (or any successor electric utility) if they are used by PREPA (or any successor electric utility) even if they are not owned by PREPA (or any successor electric utility) or even if they are leased by PREPA (or any successor electric utility) to a third party.

82. Customers include recipients of load served by net metering, purchase power or other distributed generation.

Adjustment Mechanism.

83. The Adjustment Mechanism is consistent with the requirements of the Securitization Chapter.

84. Pursuant to Article 34 of the Act, except for the requirements in the Securitization Chapter, the Transition Charges and the Adjustment Mechanism will not be subject to any other provision of law, including the provisions of Act No. 21, approved May 31, 1985, the Act or any other provision of law requiring or providing for the review (except by the Corporation as in Article 34 of the Act) or approval of rates of any governmental entity, or the holding of public hearings (except by the Commission as provided in subsection (b) of Article 35 of the Act) or notification of rate changes of any governmental entity, including the Legislative Assembly or the Commission. Neither the Commission nor any other governmental entity shall adopt any regulations, rules or procedures or take any other action that would delay or adversely affect the implementation of the Adjustment Mechanism or collection of Transition Charge Revenues.

85. Pursuant to Article 34 of the Act, the Commission's review of the initial Transition Charges or any adjustment of the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be). If the Commission has reason to believe that there is a mathematical error in the calculation of the Transition Charges, before issuing an order requiring the Corporation to correct such error, the Commission ~~[may]~~[will~~]~~ provide a preliminary finding to the Servicer and the Calculation Agent. ~~[revised per Response, Section I.E.]~~ Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of

the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall such consultation process or the implementation of a Commission order correcting any error result in the delay of the implementation of an adjustment to the Transition Charges on the effective date stated in the True-Up Adjustment Letter. The adjustment of the Transition Charge shall not be subject to any approval or review except for the review for mathematical accuracy by the Commission described above.

86. The adjustment of the Transition Charges is a ministerial act of the Corporation and Servicer and should the Corporation or the Servicer fail in any respect with respect to their respective duties to establish or adjust the Transition Charges at any time, the Trustee, the Bondholders, the Corporation or the Servicer shall be entitled upon application or petition therefor, to a writ of mandamus requiring the Corporation or the Servicer, as the case may be, to establish or adjust the Transition Charges in accordance with this Restructuring Resolution.

Taxation of Restructuring Property and Bonds:

87. As provided in Article 35(o)(1) of the Act, neither the Restructuring Property, nor the Transition Charge and Transition Charge Revenues, regardless of whether the Corporation is the owner of the Restructuring Property, shall be subject to any fees, taxes, special ad valorem levies or assessments of any kind, including income taxes, franchise taxes, sales taxes or other taxes or payments or contributions in lieu of taxes.

88. As provided in Article 35(o)(2) of the Act, the Bonds and the income therefrom and all revenues, money, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation; and this covenant may be included in the Bonds.

Indemnities:

89. Any indemnity payments required to be paid by the Corporation to PREPA, the Trustee, the underwriters or other persons pursuant to the Securitization Chapter or agreements entered into in connection with the sale of the Bonds will be Ongoing Financing Costs recoverable pursuant to this Restructuring Resolution and the Securitization Chapter.

Partial Payments:

90. As provided in Article 35(k)(1) of the Act, to the extent that any Customer makes a partial payment of a bill containing both Transition Charge and any other charges, such payment shall be allocated *pro rata* between the Transition Charges and the other charges.

Pledge of Restructuring Property:

91. As provided in Article 35(m) of the Act, the Corporation, by its execution and delivery of the Trust Agreement, pledges the Restructuring Property to secure the payment of the Bonds issued pursuant to the Trust Agreement, amounts payable to Financing Entities, and other Ongoing Financing Costs. While the Restructuring Property remains pledged to

secure such payments, revenues from the collection of Transition Charges shall be applied solely to pay Ongoing Financing Costs.

Existence of Restructuring Property:

92. As provided in Article 31(28) of the Act (definition of "Restructuring Property" ["*Propiedad de Reestructuración*"]), upon the issuance of the Bonds, the Restructuring Property created pursuant to this Restructuring Resolution shall constitute a vested, presently existing property right in the Corporation, as initial owner, subject to any pledge of Restructuring Property pursuant to the Act, notwithstanding the fact that the value of the property right will depend on further acts that have not yet occurred, including Customers remaining or becoming connected to the Electric System Assets and taking or receiving electric service, the imposition and billing of Transition Charges, or the Servicer performing services.

93. As provided in Article 35(j)(1) of the Act, the Restructuring Property shall constitute an existing, present and continuing property right for all purposes whether or not the revenues and proceeds arising with respect thereto have accrued and notwithstanding the fact that the imposition and collection of Transition Charges will depend on further future acts, including: (a) PREPA delivering services, (b) the Servicer performing billing and collection functions of Transition Charges, and (c) the level of future consumption of such service. Restructuring Property shall exist whether or not Transition Charges have been imposed, billed, accrued or collected and notwithstanding the fact that the value or amount of the Restructuring Property is dependent on the future provision of service to Customers. Subject to applicable law and regulations, the timely payment in full of all Transition Charges shall be a condition of receiving service from PREPA.

94. As provided in Article 35(j)(2) of the Act, all Restructuring Property shall continue to exist until the Bonds and all Ongoing Financing Costs relating to the Bonds have been paid in full.

Statutory Lien:

95. As provided in Article 35(k)(2) of the Act, the Bonds and obligations of the Corporation under Ancillary Agreements, including any Surety Bond reimbursement agreement, shall be secured by a statutory lien on the Restructuring Property in favor of the Bondholders and the parties to such Ancillary Agreements. The lien shall automatically arise upon issuance of the Bonds without the need for any action or authorization by the Corporation or the Board. The lien shall be valid and binding from the time the Bonds or Ancillary Agreements, including any Surety Bond reimbursement agreement, are executed and delivered. The Restructuring Property shall be immediately subject to the lien, which shall be effective, binding, and enforceable against the Corporation, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those Persons have notice of the lien and without the need for any physical delivery, recordation, filing, or further act. The lien, although created by the Act and not by any security agreement, may be enforced by a Trustee or other fiduciary, and such other parties as provided for under the

terms of the Trust Agreement for the owners or beneficial owners of Bonds and other secured parties.

96. As provided in Article 35(k)(2) of the Act, the statutory lien is a continuously perfected security interest and has priority over any other lien, created by law or otherwise, that may subsequently attach to the Restructuring Property or any proceeds thereof, unless the Bondholders have as specified in the Trust Agreement agreed in writing otherwise. The statutory lien is a lien on Transition Charges and all Transition Charge Revenues or other proceeds that are deposited in any deposit account or other account of the Servicer or other Person in which Transition Charge Revenues or other proceeds have been commingled with other funds. Without limiting the effectiveness of the statutory lien created by the Act, any other security interest that may apply to Transition Charge Revenues shall be considered cancelled when such revenues or proceeds are transferred to a segregated account for an assignee or a Financing Entity in compliance with the terms of any trust agreement. No application of the Adjustment Mechanism shall affect the validity, perfection, or priority of the statutory lien created by the Act. The Transition Charge Revenues mingled with other funds subject to any lien shall be administered in a manner that allows for the identification within the Transition Charge Revenues and such other funds.

97. As provided in Article 35(k)(3) of the Act, the statutory lien or its priority shall not be affected or impaired by, among other things, the commingling of Transition Charge Revenues or other proceeds from Transition Charges with other amounts regardless of the Person holding such amounts.

No Conflicting Liens:

98. The Transition Charge Revenues are not subject to any lien or charge of Bondholders or other creditors of PREPA or of any other Person other than the lien or charge imposed by the Trust Agreement in favor of the Bondholders or under any Ancillary Agreement as and to extent provided therein.

Revenues Solely of the Corporation:

99. The Transition Charge Revenues are revenue and income of the Corporation and not of PREPA or any other Person and are not available resources of the Commonwealth nor do the Transition Charges constitute a tax and the right of the Corporation to impose and collect Transition Charges may not be revoked or rescinded.

100. As more fully provided in Article 35(i) of the Act, (i) as soon as possible after receipt, all Transition Charge Revenues and PREPA charges shall be paid or deposited to a special collection account at the Depository, and (ii) such revenues shall be distributed among, and remitted to, the Corporation or its assigns or pledgees and to PREPA or its assigns or pledgees on a daily basis in accordance with their respective interests.

101. As provided in Article 35(i) of the Act, under no circumstances shall the Transition Charges imposed or Restructuring Property created by the Corporation to secure the Bonds be deemed as raised by taxation, nor deemed to be PREPA or Commonwealth revenue nor

be deemed received as a result of PREPA's ownership or operation of the Electric System Assets.

102. As provided in Article 35(i) of the Act, PREPA, in servicing and collecting any Transition Charges, shall be deemed to be acting solely as an agent of the Corporation and not as principal, any such Transition Charges to be received in trust for the exclusive benefit of the Corporation, the Bondholders and Persons entitled to receive payment therefrom for any Financing Costs. Transition Charges shall not lose their character as Transition Charges by virtue of any possession by PREPA.

Servicing.

103. As provided in Article 35(i) of the Act, the Corporation, PREPA and the Servicer (in case the latter is different from PREPA) shall have the following duties: (i) impose, adjust, bill and collect to all the Customers any applicable Transition Charges, including in each bill the applicable Transition Charge as a separate item; (ii) distribute pro rata between the Corporation and PREPA the partial payments made by the customers as provided in subsection (k)(1) of Article 35 of the Act; (iii) take any actions permitted by the law to collect unpaid bills; (iv) exercise all the collection rights of the holders or pledgees of the Restructuring Property in benefit of such holders or pledgees; and (v) shall transfer any Transition Charge Revenues to the holders or pledgees of Restructuring Property.

104. As provided in Article 35(i) of the Act, PREPA, upon the Servicer's request, shall terminate or suspend service to non-paying Customers on the same basis as termination or suspension of service is permitted for nonpayment of electric or other rates by PREPA. Neither the Corporation, nor other holder of the Restructuring Property or the Trustee may directly suspend or terminate the electric service to any Customer.

105. As provided in Article 31(22) of the Act (definition of "Servicer" ["*Manejador*"]), the term Servicer shall be deemed to include any subservicer, backup servicer (including if it becomes a Servicer under a Servicing Agreement), replacement servicer or the successors of any of the foregoing, authorized to act as such under a Restructuring Resolution.

Successor Owners:

106. As provided in Article 35(l) of the Act, PREPA, any successor or assign of PREPA or any other Person with any operational control of any portion of the Electric System Assets, whether as owner, lessee, licensee or otherwise and any Servicer successor, shall be bound by the requirements of the Act and shall perform and satisfy all obligations imposed pursuant thereto in the same manner and to the same extent as did its predecessor, including the obligation to bill, adjust and enforce the payment of Transition Charges.

Commonwealth No Bankruptcy Covenant:

107. The Commonwealth has covenanted with the Bondholders and parties to any Ancillary Agreements in Article 41 of the Act that the Commonwealth will not limit or alter the provision of Article 41 of the Act that provides that prior to the date that is one year and one day after the Corporation no longer has any "Restructuring Bonds" outstanding, including

the Bonds, or any Ancillary Agreement, including any Surety Bond reimbursement agreement, with payment obligations that have or may become due thereunder, the Corporation shall have no authority to file a petition for relief as a debtor under any chapter of the federal bankruptcy code or any other bankruptcy, insolvency, debt composition, moratorium, receiver or similar federal laws or any other bankruptcy, insolvency, debt composition, moratorium, receiver or similar federal laws or any Commonwealth bankruptcy, moratorium, debt adjustment, composition or similar laws permitting stay or delay of payment or discharge or reduction in amount owed on any "Restructuring Bonds", including the Bonds, as may, from time to time, be in effect, and no public officer, organization, entity or other Person shall authorize the Corporation to be or become a debtor under chapter 9 of the Federal Bankruptcy Act or similar federal law or any such Commonwealth law during such period. As provided in Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such Ancillary Agreement parties.

Commonwealth Non-Dilution Covenant:

108. Article 41 of the Act contains the covenant of the Commonwealth, made to the holders of any "Restructuring Bonds", including the Bonds, and with those Persons that enter into contracts with the Corporation, including parties to any Ancillary Agreement, including any Surety Bond reimbursement agreement, pursuant to the provisions of the Act, that after the issuance of the Bonds, the Commonwealth will not authorize the issuance of debt by any public corporation and governmental instrumentality of the Commonwealth or any other Person which indebtedness is secured by Restructuring Property or any other rights and interests in rates, charges, taxes or assessments that are separate from rates and charges of PREPA and that are imposed upon Customers to recover the ongoing financing costs of such debt, if upon the issuance of such debt the security for any "Restructuring Bonds", including the Bonds, or any Ancillary Agreements shall be materially impaired. It shall be presumed that such security shall not be materially impaired if upon the issuance of such debt, the credit ratings for the then-outstanding Bonds (without regard to any third-party credit enhancement) shall not have been reduced or withdrawn. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such Persons.

Setoff, Counterclaim or Defense:

109. As provided Article 35(k)(1) of the Act, the Restructuring Property, Transition Charges, Transition Charge Revenues, and the interests of a bondholder, Financing Entity or any other Person in Restructuring Property or in Transition Charge Revenues are not subject to set-off, counterclaim, surcharge or defense by a Servicer, any Customer, the Corporation, PREPA, holders of any other debt issued by PREPA (or any other creditors of PREPA) or any other Person or in connection with any default, bankruptcy, reorganization or other insolvency proceeding of any of the foregoing Persons.

Corporation:

110. The Corporation has been duly created by Article 32(a) of the Act.

Exercise of Remedies:

111. As provided in Article 35(j)(3) of the Act, if the Servicer defaults in the obligations contained in the Act or through a contract related to the Transition Charge Revenues' required remittances, the Corporation, the Trustee or the holder or pledgees of the Restructuring Property may resort to any court, including any federal court, to require an order of seizure and payment of the Transition Charge Revenues, or any other applicable remedy. If such court determines that such default existed, it shall issue the requested seizure and payment order. The order shall remain valid notwithstanding any bankruptcy, reorganization, or any other insolvency procedure with respect to the Servicer, the Corporation, PREPA or any other Person.

112. As provided in Article 38(a) of the Act, subject to the limitations contained in this Restructuring Resolution or the Trust Agreement, the Corporation or any other holder of Restructuring Property, or the applicable Trustee, (1) are authorized to hire consultants, attorneys and other Persons and enter into such agreements as the Corporation, other holder or Trustee deems necessary to require and collect payment of the Transition Charge Revenues or protect the Restructuring Property and include the cost thereof as a Financing Cost, and notwithstanding any other provision of law, and (2) are expressly permitted to (i) bring actions against any owner of the Electric System Assets, any Servicer, or any other Person authorized to bill or collect Transition Charges, any Customers or any other Person for failure to impose, bill, pay or collect any Transition Charges constituting part of the Restructuring Property then pledged as security for such Bonds, (ii) enforce any other provision of the Act or action taken by the Corporation in respect thereof, (iii) take any other action as the Corporation, other holder of Restructuring Property or the Trustee may deem necessary to enforce and collect the Transition Charge Revenues or (iv) protect the Restructuring Property in accordance with the terms of the Restructuring Resolution related thereto and the Bonds, regardless of whether an event default has occurred in respect of the Bonds.

113. As provided in Article 38(a) of the Act, no action may be brought by the Corporation, the Trustee or the party to any Ancillary Agreement or on their behalf (other than through PREPA or any successor Servicer) against any Customer for its failure to pay any Transition Charges so long as PREPA or any Servicer is complying with its obligations, pursuant to the Servicing Agreement, to collect charges (including Transition Charges) due from such Customer.

114. As provided in Article 31(13)(e) of the Act ("Financing Costs" ["*Costos de Financiamiento*"]), any cost related to protecting the status of Restructuring Property and collecting Transition Charges, including any cost related to any judicial or similar proceedings that the Corporation or the Trustee or any holder of all or a portion of Restructuring Property deems necessary to enforce or collect Transition Charge Revenues

or protect the Restructuring Property or any other costs referred to in Article 38(a) of the Act is a Financing Cost approved for recovery in the Restructuring Resolution.

115. As provided in Article 38(b) of the Act, any court shall have jurisdiction over any actions for failure to bill, pay or collect any Transition Charges or for enforcement of any provision of the Act.

116. As provided in Article 38(c) of the Act, the Restructuring Property may be transferred, sold, conveyed or assigned (including by an action to foreclose on the Restructuring Property) to any Person after an event of default has occurred, subject to the terms of the Trust Agreement in case the same is still in effect regarding the Bonds.

117. Pursuant to Article 35(i) of the Act, neither the Corporation, nor any other holder of the Restructuring Property or the Trustee may directly suspend or terminate the electric service to any customer.

Additional Commonwealth Covenants:

118. As provided in Article 41 of the Act, the Commonwealth has covenanted, pledged and agreed with the holders of any "Restructuring Bonds", including the Bonds, issued under the Act and with those Persons that enter into other contracts with the Corporation, including parties to any Ancillary Agreement, pursuant to the provisions of the Act, that it shall not limit, alter, impair, postpone or terminate the rights conferred in the Act, any Restructuring Resolution and related agreements, including the requirements in Articles 34 and 35 as well as the Securitization Chapter, until any "Restructuring Bonds", including the Bonds, and the interest thereon are paid or legally defeased in accordance with their terms and such other contracts are fully performed and honored on the part of the Corporation. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such other Persons.

119. As provided in Article 41 of the Act, the Commonwealth has covenanted, pledged and agreed with the holders of any "Restructuring Bonds", including the Bonds, issued under the Act and with those Persons that enter into other contracts with the Corporation, pursuant to the provisions of the Act, that after the issuance of any "Restructuring Bonds", including the Bonds, neither the Commonwealth nor any agency, public corporation, municipality or instrumentality thereof (including the Commission) shall take or permit any action to limit, alter, reduce, impair, postpone or terminate the rights conferred in any Restructuring Resolution, including those relating to Transition Charges and the related Adjustment Mechanism, as the same may be adjusted from time to time pursuant to the Restructuring Resolution in a manner that impairs the rights or remedies of the Corporation or the holders of any "Restructuring Bonds", including the Bonds, parties to any Ancillary Agreement, including any Surety Bond reimbursement agreement, or any Financing Entity or the security for the "Restructuring Bonds", including the Bonds, or Ancillary Agreements, including any Surety Bond reimbursement agreement, or that impairs the Restructuring Property or the billing or collection of Transition Charge Revenues. Nor

shall the amount of revenues arising with respect to Restructuring Property be subject in any way to limitation, alteration, reduction, impairment, postponement or termination by the Commonwealth or any agency, public corporation, municipality or instrumentality thereof except as contemplated by the Adjustment Mechanism. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such Ancillary Agreement parties.

Not Debt of the Commonwealth:

120. As provided in Article 35(q) of the Act, the Bonds shall not be a debt of the Commonwealth, nor shall they be payable from funds other than those of the Corporation; and such Bonds shall contain on the face thereof a statement to that effect.

Legal Investments:

121. As provided in Article 35(n) of the Act, the Bonds are securities in which all public officers and bodies of the Commonwealth and all public corporations, municipalities and instrumentalities, all insurance companies and associations and other Persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations including savings and loan associations, building and loan cooperatives, investment companies and other Persons carrying on a banking business, all administrators, conservators, guardians, executors, trustees and other fiduciaries, and all other Persons now or hereafter authorized to invest in bonds or in other obligations of the Commonwealth, may invest funds in their control or belonging to them. The Bonds may be deposited with and may be received by all public officers and bodies of the Commonwealth and all municipalities, public corporations and instrumentalities for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized.

Governing Law:

122. The Corporation may include in this Restructuring Resolution an authorization for the Corporation to include in the Trust Agreement, any Servicing Agreement, any Ancillary Agreement and any other Basic Document a provision to the effect that such agreement will be governed by New York law as if each such agreement were executed in and to be performed entirely within the state of New York. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth (including the Act) and this Restructuring Resolution, all rights of the Corporation or the Servicer against any Customer by virtue of the Act, and the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth.

123. The Corporation may irrevocably submit and waive any objection to the nonexclusive, in personam jurisdiction and venue of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, with respect to any claim related to the Bonds (including, without limitation, any claims arising under this Restructuring Resolution or under any Basic Document, including, to the extent

permitted by law, the Initial Servicing Agreement). Notwithstanding the foregoing, any proceeding commenced and undertaken pursuant to the provisions of Articles 35(c) or 35(d) of the Act must be filed in the Superior Court, San Juan Part, and follow the procedures established therein.

Additional Restructuring Bonds:

124. The Corporation may issue one or more series of "Restructuring Bonds," in addition to the Bonds, secured by "Restructuring Property" created pursuant to one or more additional "Restructuring Resolutions" (other than the Restructuring Resolution attached to the Petition as Attachment 1.00) so long as such issuance is consistent with the terms of the Act, the Trust Agreement securing any outstanding Bonds, and with the terms of the RSA. ~~[revised per Response, Section III.L.]~~

Commission Approvals; Paramount Bondholder Rights:

125. As provided in Article 31(14) of the Act, the Restructuring Order is irrevocable and not subject to further review or amendment by the Commission.

126. Except as set forth in Finding of Fact 36 relating to verification of the mathematical accuracy of the Transition Charges, nothing in the Act shall authorize the Commission to approve, modify or alter any Transition Charge, or to approve, reduce, or alter any Upfront Financing Cost or Ongoing Financing Cost or interfere with the payment thereof.

127. Any successor Servicing Agreements will not be subject to review or approval by the Commission if and to the extent that such review or approval would diminish the rights of the Trustee the Bondholders, or any party to an Ancillary Agreement to replace the Servicer under the terms of any Trust Agreement or any other financing document relating to the Bonds. ~~[revised per Response, Section VII.G.]~~ Any Basic Document or agreement approved in this Restructuring Resolution shall be subject to change and completion without Commission approval, other than any change to the Servicing Agreement which materially alters the fees payable to PREPA, as the Initial Servicer.

128. Any projections, estimates or calculations provided in the Petition or included in any document supporting such Petition are in all cases non-binding and any failure to realize any projections or estimates shall not affect the Restructuring Resolution or Restructuring Order.

129. Article 4 of Law No. 114-2007, as amended, is consistent with and does not limit the ability to impose Transition Charges on net-metering or distributed generation Customers as provided in the Adjustment Mechanism.

130. Resolution 19 of this Restructuring Resolution sets forth all commitments of the Corporation that are enforceable against the Corporation by the Commission under Article 6.25A of Act 57-2014, as amended, through judicial action directing that the Corporation act in accordance with their terms. ~~[revised per Response, Section III.M.]~~

131. Nothing in Article 6.25A of Act 57-2014, as amended, authorizes the Commission to take any action (including replacement of the Servicer) which would impair rights of the Bondholders or which would be contrary to, or conflict with, the prior and paramount rights of Bondholders as provided in the Trust Agreement, including, but not limited to the rights of the Trustee or Bondholders to override an order of the Commission replacing the Servicer.

General

132. [Neither the Servicing Agreement, nor any obligation or duty of the Authority thereunder, is, nor may it be classified as, an enumerated obligation as defined in Act No. 21-2016 of the Legislature of Puerto Rico, enacted April 6, 2016.]

BE IT RESOLVED BY THE CORPORATION AS FOLLOWS:

133. RESOLVED, The Corporation authorizes and approves the issuance and sale of Bonds in the maximum principal amounts set forth in Finding of Fact 1, for the purposes described in this Restructuring Resolution. The final terms of the Bonds, consistent with the terms of this Restructuring Resolution, shall be approved by the Corporation Designee pursuant to Finding of Fact 68 and Ordering Paragraph 14 below, or in the case of Closing Date Bonds or Post-Closing Date Bonds, by the Board pursuant to the Award Resolution and any Designee Certificate. In no event are Bonds to be issued during the pendency of any action brought pursuant to Article 35(c), (d) or (f)(2) of the Act.

134. RESOLVED, The Corporation authorizes and approves the recovery of the Approved Restructuring Costs described in this Restructuring Resolution through the issuance of the Bonds.

135. RESOLVED, The Corporation authorizes the creation of the Restructuring Property, as described in Findings of Fact 42 and 43 and hereby specifies that it will be created and vest in the Corporation upon the issuance of any Bonds.

136. RESOLVED, The Restructuring Property, as described in Findings of Fact 42 and 43, shall be pledged to, and shall be used solely for the purpose of, paying and securing the payment of the Bonds and other Ongoing Financing Costs.

137. RESOLVED, Regardless of whether the Corporation is the owner of the Restructuring Property, neither the Restructuring Property, the Transition Charges, nor the Transition Charge Revenues shall be subject to any fees, taxes, special ad valorem levies or assessments of any kind, including income taxes, franchise taxes, sales taxes or other taxes or payments or contributions in lieu of taxes. The Bonds, other Ongoing Financing Costs and the income therefrom and all revenues, money, and other property pledged to pay or to secure the payment of such Bonds and other Ongoing Financing Costs shall at all times be free from taxation; and this covenant shall be included in the Bonds.

138. RESOLVED, The Corporation authorizes and approves the recovery and payment of all Upfront Financing Costs described in this Restructuring Resolution from the proceeds of the New Money Bonds, the Cash Offer Bonds or Post-Closing Date Bonds or through

delivery of New Money Bonds as payment or from an advance or contribution from PREPA, provided that, to the extent provided in the Designee Certificate or any Award Resolution), any Upfront Financing Costs in excess of available Bond proceeds not otherwise paid for, shall be paid as Ongoing Financing Costs from Transition Charges.

139. RESOLVED, The Corporation approves the recovery and payment of all Ongoing Financing Costs, regardless of the amount, from the collections of the Transition Charges as described in this Restructuring Resolution.

140. RESOLVED, The Corporation approves the calculation methodology for the Transition Charges and the Adjustment Mechanism described in Finding of Fact 27 and authorizes its use for the calculation and adjustment of the Transition Charges.

141. RESOLVED, The Corporation shall adjust, or shall cause the Servicer to adjust, the Transition Charges, no less often than quarterly, as described in Findings of Fact 32 through 39.

142. RESOLVED, There shall be no cap on the Transition Charge calculated pursuant to the Adjustment Mechanism.

143. RESOLVED, The Corporation authorizes the imposition, adjustment in accordance with the calculation methodology for the Transition Charges and the Adjustment Mechanism and the billing and collection of the Transition Charges to recover from Customers the principal and interest payable on the Bonds and the other Ongoing Financing Costs. The Transition Charges shall be in an amount sufficient at all times to provide for the full payment of principal of the Bonds at their scheduled maturity dates, the timely payment of interest on the Bonds and the timely payment and recovery of other Ongoing Financing Costs. The Transition Charges shall be separate from rates and charges of PREPA appearing as a separate line item on each Customer bill.

144. RESOLVED, Upon the issuance of the Bonds, this Restructuring Resolution and the Transition Charges, including their Non-bypassability and the Adjustment Mechanism described herein, shall be irrevocable, final, non-discretionary and effective without further action by the Corporation or any other Person.

145. RESOLVED, The Corporation Designee is hereby authorized and directed to file, not later than the third business day following the pricing of any issue of Bonds, the Designee Certificate with the Clerk of the Board and the Commission (for information purposes).

146. RESOLVED, The Corporation approves the forms of the Basic Documents and authorizes the Corporation Designee to execute and deliver the Basic Documents, with such changes, consistent with this Restructuring Resolution and any Award Resolution, as the Corporation Designee, upon the advice of its financing counsel, may approve, such approval to be conclusively evidenced by the execution of such Basic Documents by the Corporation Designee, as described in Finding of Fact 68. The execution of the Basic Documents by the Corporation Designee shall constitute the final and irrevocable approval of this Board of the terms of such Basic Documents and the Bonds, which approval shall not be subject to any further review or approval of the Corporation except as provided by

the terms of such Basic Documents. Nothing herein shall prevent the Corporation from approving any amendments to the Basic Documents, or the execution of any other security or financing document not inconsistent with the terms of this Restructuring Resolution through an Award Resolution.

147. RESOLVED, The Corporation authorizes and approves the appointment of the Trustee, the Servicer, the Depository and the Calculation Agent.

148. RESOLVED, The Corporation is hereby authorized to contract with PREPA as Initial Servicer, for an initial annual servicing fee of 0.05% of the initial principal amount of the Bonds, to be increased on each anniversary date by the year-over-year percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) (not seasonally adjusted) for the most recently completed twelve-month period for which such data is available. The Corporation or the Trustee is hereby authorized to contract with a successor Servicer for a servicing fee not exceeding 1% of the initial principal amount of all series of Bonds. Any fees of a Servicer shall be recovered from Transition Charge Revenues. Any subservicer, backup servicer (including if it becomes a Servicer under a Servicing Agreement), replacement servicer or the successors of any of the foregoing, appointed by the Corporation under a Servicing Agreement shall be authorized to act as Servicer under this Restructuring Resolution.

149. RESOLVED, The Corporation shall cause the Servicer to file monthly with the Corporation, the Commission and the Trustee a report showing the billing and collection of Transition Charges, and remittances to the Trustee.

150. RESOLVED, In the event that the Depository or the Calculation Agent should resign or be discharged, the Corporation or the Trustee may, in accordance with the provisions of the Trust Agreement, take all necessary action to cause a new Depository or Calculation Agent to be appointed, as described in Findings of Fact 52 and 40, respectively. Any costs of the Depository or Calculation Agent shall be recovered from Transition Charge Revenues as an Ongoing Financing Cost.

151. RESOLVED: The Corporation makes the following commitments to the Commission, each of which commitments will be enforceable by the Commission solely by specific performance:

(i) Not later than ten (10) days following any issuance of Bonds, the Corporation shall file, or cause the Servicer to file, with the Commission, for informational purposes only, a report detailing the final terms of the Bonds, and setting forth a final estimate of the Upfront Financing Costs and the estimated Ongoing Financing Costs for the term of the Bonds. All or portions of such information may be provided in the Designee Certificate;

(ii) (A) the Corporation shall provide to the Commission a copy of any successor Servicing Agreement, for informational purposes only, and (B) the Corporation shall file, or cause the Servicer to file, with the Commission, all Servicer reports, including any notice of any proposed adjustment of the Transition Charge, at the

same time as such notice is submitted to the Corporation (such report to show in detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis);

(iii) any reports required to be filed with the Corporation by any Trustee for the Bonds shall also be filed with the Commission at the same time as such reports are filed with the Corporation;

(iv) (A) the Corporation and the Servicer, shall jointly submit a report to the Commission, not later than March 1 of each year, setting forth with respect to the prior calendar year, the outstanding principal amount of the Bonds, the amount paid on such Bonds in such calendar year and the Ongoing Financing Costs paid in such prior year; and (B) after final payment of the Bonds and any associated Financing Costs in full, the Transition Charge Revenues on deposit with, or thereafter received by, the Trustee will be credited back to Customers in a manner directed by the Commission, and the Corporation will issue such final accounting reports as directed by the Commission;

(v) each notice of a proposed adjustment to the Transition Charges, including the data or work papers used to calculate the Transition Charges, will be delivered and will take effect as described in Finding of Fact 33; and

(vi) the Corporation shall retain an independent auditor, subject to approval by the Commission, and the Corporation shall cause such auditor to deliver to the Corporation and to the Commission, no later than August 15 of each year, a report that shall include a verification that the Upfront Financing Costs and Ongoing Financing Costs paid from Transition Charge Revenues within the preceding calendar year to the date of such report are consistent with the Basic Documents. In addition, at the discretion of the Commission, the Corporation shall retain an independent entity (which may be the same auditor), subject to the approval of the Commission, which entity shall deliver to the Corporation and the Commission, no later than August 15 of each year, an assessment of the reasonableness of the costs listed in Article 31(13) (definition of "Financing Costs" ["*Costos de Financiamiento*"]) of the Act incurred in the preceding year.

152. RESOLVED, The Trustee, as and to the extent provided in the Trust Agreement, shall be entitled to enforce the obligations of the Depository under the Depository Agreement, the obligations of the Calculation Agent under the Calculation Agent Agreement, and the obligations of the Servicer under any Servicing Agreement, in each case, in accordance with the Trust Agreement.

153. RESOLVED, If a requisite number of Bondholders are entitled to act in lieu of the Trustee and on behalf of all Bondholders under the Trust Agreement or any other Basic Document (herein, the "Requisite Bondholders"), then the Requisite Bondholders shall be entitled to take all actions the Trustee would be entitled to take, as and to the extent provided under the Trust Agreement.

154. RESOLVED, The Corporation authorizes the Corporation Designee and the other directors and officers of the Corporation to take such further actions, including without limitation the execution of such agreements, certificates and documents, as they deem necessary or appropriate, to cause the issuance of the Bonds and the fulfillment of all commitments to the Commission, consistent with the terms of this Restructuring Resolution, as further described in Finding of Fact 68. All such prior actions of the Corporation Designee or any other trustee or officer of the Corporation are hereby ratified and approved.

155. RESOLVED, Neither the directors or officers of the Corporation nor any Person executing Bonds shall be liable personally thereon or be subject to any personal or corporate liability or accountability solely by reason of the issuance thereof. The Bonds shall not be a debt of the Commonwealth, nor shall they be payable out of any funds other than those of the Corporation; and the Bonds shall contain on the face thereof a statement to that effect.

156. RESOLVED, The Bonds shall be without recourse to the credit or any assets of the Corporation other than the Restructuring Property and any other collateral for the Bonds described in the Trust Agreement.

157. RESOLVED, This Restructuring Resolution shall not be interpreted to alter or limit the rights vested in PREPA to establish sufficient rates to pay and perform all of its obligations and contracts with its Bondholders and other creditors in accordance with their respective terms, nor to interfere with or diminish the lien upon PREPA revenues imposed under the Trust Agreement or other documents securing the PREPA Bonds and other obligations.

158. RESOLVED, With respect to any claim related to the Bonds (including claims arising under this Restructuring Resolution or under the Basic Documents and, to the extent permitted by law, the Initial Servicing Agreement), the Corporation hereby irrevocably submits and waives any objection to the non-exclusive, *in personam* jurisdiction and venue of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and to the application of the laws of the State of New York, and agrees to maintain contacts with the State of New York sufficient to give the courts located therein personal jurisdiction over the Corporation. Notwithstanding the foregoing, any proceeding commenced and undertaken pursuant to the provisions of Articles 35(c) or 35(d) of the Act must be filed in the Superior Court, San Juan Part, and follow the procedures established therein.

159. RESOLVED, The Corporation shall include in the Trust Agreement, any Servicing Agreement, any Ancillary Agreement and any other Basic Document, a provision to the effect that such agreement will be governed by New York law as if such agreement were executed in and to be performed entirely within the state of New York. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth (including the Act) and this Restructuring Resolution, all rights of the Corporation or the Servicer against any Customer by virtue of the Act and of the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth.

160. RESOLVED, If an event of default with respect to the Bonds has occurred and is continuing, the transfer of the Restructuring Property to a third party as and to the extent provided in the Trust Agreement is hereby approved.

161. RESOLVED, This Restructuring Resolution may be amended by the Corporation prior to the issuance of any Bonds without the approval of the Commission; provided, however, that no such amendment may alter in any material respect the Calculation Methodology for the initial Transition Charge or the Adjustment Mechanism, or diminish in any respect the powers and rights of the Commission under the Restructuring Order, or alter the fee of the Initial Servicer or increase the maximum fee of any successor Servicer from the amounts approved in the Restructuring Order. ~~[revised per Response, Section III.P.]~~

162. RESOLVED, This Restructuring Resolution shall be effective upon its approval, and, on and after the date the Bonds are issued, shall not be subject to amendment and shall be irrevocable.

APPENDIX 1

CORPORATION DESIGNEE CERTIFICATION OF DETERMINATION

Pursuant to the Restructuring Resolution No. _____ (the "Restructuring Resolution") adopted by the Corporation on _____, 2016, _____, the Corporation Designee hereby reports and certifies to the Board and the Commission the final terms of the Bonds issued on _____, 20__ (the "Closing Date") in the aggregate principal amount of $_____ and other information required by the Restructuring Resolution. Any capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the Restructuring Resolution.

PURPOSE:

This filing sets forth the following:

(a) Terms of Issuance, including principal amount, interest rate, and other terms and details of the Bonds, including the Exchange Offer Bonds, the Mirror Bonds, the New Money Bonds, the Cash Offer Bonds [and Syncora Bonds (if issued in a manner such that the Savings Test would apply to such Syncora Bonds pursuant to the Act)] and the Lender Bonds;

(b) A description of the PREPA Bonds which were exchanged for the Exchange Offer Bonds, the PREPA Bonds insured or held by the Monoline Insurers or holders of 2016 PREPA Bonds to be legally or economically defeased by the Mirror Bonds, the PREPA Bonds which were [defeased, redeemed, purchased] with the proceeds of the Cash Offer Bonds, [the PREPA Bonds which were restructured, refunded, redeemed, defeased or purchased through the issuance of Syncora Bonds] and the obligations under the Credit Agreements to be extinguished in exchange for the Lender Bonds;

(c) The application of the net proceeds from the sale of the New Money Bonds and the Cash Offer Bonds;

(d) The estimated Upfront Financing Costs to be paid with the proceeds of the New Money Bonds or through the delivery of Bonds in payment thereof;

(e) Estimated Ongoing Financing Costs for the first ____-month period following the Closing Date;

(f) Calculation of the expected savings from the issuance of the Exchange Offer Bonds, the Cash Offer Bonds [and the Syncora Bonds]; and

(g) The initial Transition Charges and their effective date (previously reported on _____, 20__ pursuant to the initial True Up Adjustment Letter), and the estimated Transition Charges over the life of the Bond issuance.

This Certificate is provided for information purposes only, except that the initial Transition Charges shall be subject to mathematical verification as provided in Finding of Fact 35 of the Restructuring Resolution.

(a) FINAL TERMS OF ISSUANCE:

All Bonds:

Total Amount Issued (Taxable):

Total Amount Issued (Non-Taxable):

Trustee: [*]

Sale Date: [*]

Closing Date:

Bond Ratings: [*]

Bonds by Type:

Exchange Offer Bonds:

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings:[*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-1.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level	$[ ]

Mirror Bonds

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	

Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-2.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level	$[]

Cash Offer Bonds

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-3.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level	$[]

New Money Bonds

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-3.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]

Required Reserve Level	$[]

Lender Bonds:

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-4.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level:	$[]

Syncora Bonds:

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-4.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level:	$[]

Each of the Bonds has a legal maturity no less than one year and no more than 35 years from the date of its issuance.

(b) DESCRIPTION OF RETIRED PREPA BONDS

A description of terms and debt service schedule on the PREPA Bonds to be exchanged for the Exchange Offer Bonds, the Insured PREPA Bonds or 2016 PREPA Bonds to be legally or economically defeased by the Mirror Bonds, the PREPA Bonds which were [defeased, redeemed, purchased] with the proceeds of the Cash Offer Bonds, the PREPA Bonds which were restructured, refunded, redeemed, defeased or purchased through the issuance of Syncora Bonds, and the obligations under the Credit Agreements to be extinguished in exchange for the Lender Bonds

[Schedules B-1 through B-___].

(c) APPLICATION OF PROCEEDS OF THE NEW MONEY BONDS AND CASH EXCHANGE BONDS

The proceeds from the sale of the New Money Bonds were applied as follows:

	AMOUNT
-Defeasance, redemption purchase of PREPA Bonds	
-Cost of Issuance Account (to pay Upfront Financing Costs-see attached Schedule D-1)	
-Deposit to Debt Service Reserve Funds {list subaccounts}	
-Deposit to PREPA Self Insurance Fund	
-IRS payment	

(d) ESTIMATED UPFRONT FINANCING COSTS

The estimated Upfront Financing Costs to be paid with the proceeds of the New Money Bonds or any New Money Bonds issued as payment of Upfront Financing Costs are set forth in Schedule D-1.

(e) ESTIMATED ONGOING FINANCING COSTS;

The estimated Ongoing Financing Costs for the Bonds (exclusive of debt service on the Bonds) for the initial period ending _____, 2017 are shown on Schedule E-1.

(f) EXPECTED SAVINGS:

The expected net present value savings, calculated using the assumptions set forth in the Petition and the Restructuring Resolution, including Schedule F thereto, based upon the scheduled payments on the Bonds specified in Schedules A-1 through A-___ hereto, the expected other Ongoing Financing Costs specified in Schedule E-___, and debt service schedule on the PREPA Bonds to be exchanged for the Exchange Offer Bonds specified in Schedule B-___, are shown below and calculated as shown in Schedule F-1[1]:

	Uninsured PREPA Bonds Debt Service	**Restructuring Bond Debt Service**	**Expected Savings**
Net Present Value	**$_____**	**$_____**	**$_____**

(g) INITIAL TRANSITION CHARGES:

The initial Transition Charges, calculated pursuant Appendix ____ to the Restructuring Resolution, are shown below:

Residential Customers: $_____ per service agreement

All other Customers: $_____-kWh.

The calculations are shown in the work papers attached to the Initial True-Up Adjustment Letter. As stated in the Initial True-Up Adjustment Letter, the initial Transition Charges will be effective on and after _____, until adjusted in accordance with the Restructuring Resolution.

BASIC DOCUMENTS:

Attached to this Certificate are the substantially final forms of the Basic Documents which have been or will be executed and delivered by the Corporation Designee at or about the time of delivery of the Bonds. Executed documents will be filed with the Clerk of the Board and with the Commission no later than ten (10) days following the closing.

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[1] To include Syncora Bonds as well if Savings Test applies.

Respectfully submitted:

By: _____
[Title]
Corporation Designee

SCHEDULE A-1

Interest Rates, Scheduled and Legal Maturities[2]

[2] So long as the related interest rate swap agreement remains in effect, the interest rate for Monoline Mirror Bonds that legally or economically defease variable rate Insured PREPA Bonds shall bear interest at the fixed rate payable by PREPA under the applicable interest rate swap agreement. In such case, the Monoline Mirror Bonds will secure both debt service on the related Insured PREPA Bonds and the applicable interest rate swap. If the related interest rate swap agreement expires or terminates, the interest rate for Monoline Mirror Bonds that legally or economically defease variable rate Insured PREPA Bonds shall be identical to the interest rate borne by such variable rate Insured PREPA Bonds.

SCHEDULE B-1

PREPA DEBT TO BE EXCHANGED AND RETIRED BY EXCHANGE OFFER BONDS

Description	Amount to be Retired	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-2

PREPA DEBT TO BE LEGALLY OR ECONOMICALLY DEFEASED BY MIRROR BONDS

Description	Amount to be Defeased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-3

PREPA DEBT TO BE DEFEASED, REDEEMED, PURCHASED FROM THE PROCEEDS OF CASH OFFER BONDS

Description	Amount to be Defeased, Redeemed, Purchased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-4

CREDIT AGREEMENT DEBT
TO BE EXTINGUISHED/DEFEASED BY LENDER BONDS

Description	Amount to be Defeased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-5

SYNCORA INSURED PREPA BONDS TO BE DEFEASED, REDEEMED, PURCHASED FROM THE PROCEEDS OF CASH OFFER BONDS

Description	Amount to be Defeased, Redeemed, Purchased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE D

UPFRONT FINANCING COSTS:

The following shows the estimated Upfront Financing Costs (excluding Debt Service):

		AMOUNT
1	Accountant's / Auditor's Fees	
2	Legal Fees and Expenses	
	-- Issuer's Counsel (Sidley)	
	-- Local Counsel (PMA)	
	-- Regulatory Counsel (R3)	
	-- Underwriter's Counsel (Orrick)	
	-- Trustee's Counsel (TBD)	
	--[other]	
3	Printing & Filing Costs	
4	Advisor Fees	
	-- Restructuring Advisor (AlixPartners)	
	-- Restructuring Advisor (Millstein)	
	-- Municipal Advisor (PFM)	
	--[other]	
5	Rate Consultant Fees (Navigant)	
6	Rating Agency Fees	
7	Reserve Account Deposit	
8	Reserve Surety Premium	
9	Calculation Agent Set-Up Costs	
10	Servicer Set-up Costs	
11	Custodian / Depository Agent [Fees and Expenses]	
12	Information Agent (Bondcom) [Fees and Expenses]	
13	Trustee Fees	
14	Underwriting / Exchange Agent Fees (Bankers)	
15	Solicitation Agent Retail Fees	
16	Underwriting Expenses	
17	Miscellaneous / Other	
18	Original Issue Discount / Original Issue Premium	
19	[other]	
	Total estimated Upfront Financing Costs (Sum of Lines 1 through __)	

SCHEDULE E

ESTIMATED OTHER ONGOING FINANCING COSTS
(for period ending _____, 20___)

	ANNUAL AMOUNT
Servicing Fee (Paid to PREPA)	
Administration Fees and Expenses	
Directors Liability Insurance	
Surety Fees -- Quarterly Fees -- Annual Premium (c)	
Trustee Fees and Expenses	
Legal Fees	
Accounting Fees	
Calculation Agent Fee	
Custodian / Depository Agent Fee	
Rating Agency Fees	
Miscellaneous / Other	
TOTAL ESTIMATED OTHER ONGOING FINANCING COSTS	

The Ongoing Financing Costs detailed in the table above are authorized by the Restructuring Resolution and approved by the Corporation Designee.

Note: The amounts shown for each category of Ongoing Financing Costs on this attachment are the expected expenses for the first year following issuance of the Bonds/Post-Closing Date Bonds. Charges will be adjusted at least quarterly to reflect any changes in Ongoing Financing Costs through the Adjustment Mechanism described in the Restructuring Resolution.

SCHEDULE F

CALCULATION OF SAVINGS

APPENDIX 2

CALCULATION METHODOLOGY AND ADJUSTMENT MECHANISM

APPENDIX 3

FORM OF CALCULATION AGENT AGREEMENT

APPENDIX 4

FORM OF INITIAL SERVICING AGREEMENT

APPENDIX 5

FORM OF DEPOSITORY AGREEMENT

APPENDIX 6

FORM OF TRUST AGREEMENT

Document comparison by Workshare Compare on Tuesday, June 07, 2016 2:43:40 PM

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Rendering set	Standard

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Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Deletions	22
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Moved to	0
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Format changed	0
Total changes	43

PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION

RESTRUCTURING RESOLUTION NO. 1

This restructuring resolution (this "Restructuring Resolution") is adopted by Puerto Rico Electric Power Authority Revitalization Corporation (the "Corporation") pursuant to Act No. 4-2016 of the Legislature of Puerto Rico, approved February 16, 2016 (the "Act") to authorize and approve, among other things, (a) the issuance by the Corporation of Restructuring Bonds in an aggregate principal amount not to exceed the principal amounts hereinafter set forth (the Restructuring Bonds approved pursuant to this Restructuring Resolution are hereinafter defined as the "Bonds"); (b) the Approved Restructuring Costs to be paid through the issuance of the Bonds and recovered from authorized Transition Charges; (c) the creation of the Restructuring Property described in this Restructuring Resolution including, without limitation, the right to impose, bill and collect the Transition Charges described in this Restructuring Resolution, as adjusted from time to time in accordance with the Adjustment Mechanism adopted by this Restructuring Resolution; (d) the imposition, billing and collection of such Transition Charges from Customers as approved in this Restructuring Resolution; (e) the execution and delivery of an initial servicing agreement with Puerto Rico Electric Power Authority ("PREPA"), as the initial servicer, and of a trust agreement, a calculation agent agreement, a depository agreement and other agreements related to the Bonds; and (f) other related matters as required in accordance with the Act.

Capitalized terms used, but not defined, herein shall have the meanings given such terms in Chapter IV of the Act (the "Securitization Chapter").

STATUTORY OVERVIEW AND HISTORY

PREPA was created in 1941 as a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the "Commonwealth") by Act No. 83 of the Legislature of Puerto Rico, approved May 2, 1941, as amended (the "Act"). PREPA supplies the great majority of the electric power consumed in the Commonwealth and owns all transmission and distribution facilities and most of the generating facilities that constitute Puerto Rico's electric power system. PREPA is one of the largest publicly-owned utilities in the United States.

Faced with a growing challenge to pay its obligations as they became due, in August 2014, PREPA entered into forbearance agreements with certain beneficial owners and insurers of PREPA revenue bonds ("PREPA Bonds"), banks that provide revolving lines of credit used to pay for fuel and other expenses and Government Development Bank for Puerto Rico ("GDB"). During the term of the forbearance agreements, PREPA engaged in substantive discussions with the forbearing creditors to negotiate the terms of a broad, consensual financial settlement. On January 27, 2016, PREPA entered into a restructuring support agreement (including the annexes, exhibits and schedules attached thereto and as it may be amended, restated or reinstated from time to time, the "RSA") with creditors (such creditors, the "Supporting Creditors") that sets forth the material terms of a financial settlement, which was predicated, in part, upon the establishment of the Corporation as an entity separate and distinct from PREPA and the issuance by the Corporation of the Bonds, in exchange for or to legally or

economically defease PREPA Bonds beneficially owned or insured by the parties to the RSA. Certain material terms of the RSA required action by the Legislative Assembly, including the enactment of the Act. Further, the Corporation was required to, and did, become a party to the RSA not later than twenty five days after passage of the Act.

In passing the Act, the Legislative Assembly allowed for the creation of the Corporation and the issuance of Bonds to help PREPA become financially sound and be able to meet its obligations to its stakeholders. Moreover, the legal protections set forth in the Act are intended to permit the Corporation to access the capital markets to fulfill the economic terms of the RSA. These legal protections include, *inter alia*, provisions which authorized (a) a formulaic adjustment mechanism, called an Adjustment Mechanism, to be applied by the Corporation (or by a Servicer on behalf of the Corporation) to adjust the Transition Charge, no less often than semi-annually, to ensure that Transition Charge revenues are sufficient to provide for the timely payment of the Bonds and related Ongoing Financing Costs, (b) provisions to make the Transition Charge Non-bypassable to Customers, and (c) the statutory agreements, covenants and pledges of the Commonwealth including, *inter alia*, providing that the Commonwealth shall not limit, alter, reduce, impair, postpone or terminate the rights conferred in the Act, any restructuring resolution and related agreements, including the requirements of the Securitization Chapter.

On February 16, 2016, the Legislative Assembly adopted the Act and the Governor signed the Act into law. As required by Article 35(c)(1) and (2) of the Act, for once a week for three successive weeks after the effective date of the Act, GDB published a notice of passage of the Act, which notice explained, among other things, the opportunity for interested parties to challenge its validity. [Placeholder to describe history of challenges and outcome if determined.] As required by Article 35(c)(2) of the Act, notice of passage of the Act was also posted on the websites of the Corporation, GDB and PREPA, [and was delivered to those Interested Persons identified in the Securitization Chapter] and filed by PREPA on February 24, 2016 with the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board, each in accordance with the timelines set forth in the Securitization Chapter.

On March __, 2016, the Corporation authorized the filing of a petition (the "Petition") with the Puerto Rico Energy Commission ("PREC" or the "Commission") for approval of the calculation methodology for the Transition Charges, and the Adjustment Mechanism to be applied to adjust the Transition Charges from time to time, together with related matters, as required by Article 6.25A of Act No. 57-2014, as amended. On March __, 2016, the Corporation, PREPA, and Commission published on their respective websites a summary of the Petition prepared by the Corporation.

On April 7, 2016, the Petition was deemed to be complete (such date referred to as the "Corporation Petition Date").

On _____, 2016, PREC issued Order No. __ (the "Restructuring Order") that, *inter alia*, approved the Petition, as supplemented by testimony presented by the Corporation during the hearings ("Testimony"), and found that the calculation methodology for the Transition Charges and the Adjustment Mechanism related thereto complied with Article 6.25A of Act 57-2014, as amended. As a result, pursuant to Article 35 (b)(i) of the Act, the Corporation is

required to issue this Restructuring Resolution by [INSERT DATE WITHIN 5 DAYS OF RESTRUCTURING ORDER].

If the Bonds authorized by this Restructuring Resolution are approved and issued by the Corporation, PREPA, as the initial Servicer shall, on behalf of the Corporation, service, bill and collect from Customers the Transition Charges, as adjusted from time to time in accordance with the Adjustment Mechanism set forth in this Restructuring Resolution, until the principal of and interest on the Bonds and the related Ongoing Financing Costs have been paid in full.

FINDINGS OF FACT

The Corporation hereby makes the findings of fact listed below.

Issuance of Bonds by Corporation:

1. It is in the best interests of the Corporation and the Commonwealth to authorize this issuance of Bonds under the Act in furtherance of the provisions of the RSA (including as it may be amended), at one or more times, in one or more series, for the following authorized purposes under the Act:

   (i) One or more series of Bonds to be issued on the date (the "Closing Date") on which the Exchange Offer Bonds described in clause (i) (such bonds collectively referred to herein as the "Closing Date Bonds") are issued for the following purposes:

   (A) Bonds, in an initial aggregate principal amount not to exceed $4.97 billion (the "Exchange Offer Bonds"), to be issued to the beneficial owners of PREPA Bonds that are not insured PREPA Bonds ("Uninsured PREPA Bonds"), in exchange for such Uninsured PREPA Bonds (i) at an exchange ratio (principal to principal) of 85% and (ii) may also be issued in an amount equal to and in satisfaction of any accrued and unpaid interest owing on such Uninsured PREPA Bonds at the time of such exchange;

   (B) (i) Bonds, in an initial aggregate principal amount not to exceed $2.086 billion (the "Monoline Mirror Bonds"), to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds insured by the monoline bond insurers (the "Insured PREPA Bonds") that have signed the RSA and are participating in the transactions set forth in Schedule II to Annex D to the RSA (the "Monoline Insurers"), and (ii) Bonds, in an initial aggregate principal amount not to exceed $750 million (the "Other Mirror Bonds" and together with the Monoline Mirror Bonds, the "Mirror Bonds") to be deposited in an irrevocable escrow to solely legally or economically defease the PREPA Bonds issued in 2016 (the "2016 PREPA Bonds");

   (C) Bonds, in a principal amount not in excess of the sum of 6.25% of the Closing Date Bonds described in clauses (A), (B), (D), (E), (F) and

(G) plus 6.25% of the Post-Closing Date Bonds, to fund or, in the case of (ii) to be provided in whole or in part as payment for, (i) one or more debt service reserve or operating funds or accounts to secure payment of all or a portion of the Bonds, and (ii) all Upfront Financing Costs incurred in connection with the issuance of all Closing Date Bonds or the Post-Closing Date Bonds, as the case may be; plus (iii) the costs of any payment to the IRS (as described in clause (f) of Finding of Fact 4 below);

(D) Bonds, in an initial aggregate principal amount not in excess of $50 million, to fund a deposit to the PREPA Self Insurance Fund described in Finding of Fact 4(g) below (Bonds issued for purposes described in this clause (D) and the preceding clause (C) are collectively referred to as "New Money Bonds");

(E) Bonds, in an initial aggregate principal amount not exceeding $2.6 billion ("Cash Offer Bonds"), for the purpose of funding the costs to refund, redeem or purchase, directly or indirectly, Uninsured PREPA Bonds with the goal of increasing the exchange offer participation levels;

(F) Bonds, in an initial aggregate principal amount not exceeding $625 million (the "Lender Bonds"), issued to the Supporting Creditors (i) in exchange for the extinguishment of the obligations due and owing under the Credit Agreements (the "Credit Agreements") between such Supporting Creditors and PREPA, at an exchange ratio (principal to principal) of 85% and (ii) to reimburse such Supporting Creditors for certain fees and expenses in an amount not to exceed $1 million; and

(G) Bonds, in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of additional mirror bonds or otherwise) or purchase PREPA Bonds insured by Syncora Guarantee Inc. and/or an affiliate thereof ("Syncora"), as required to implement the economic terms of the RSA, as it may be amended (the "Closing Date Syncora Bonds").

(ii) One or more series of Bonds to be issued after the Closing Date (such bonds collectively referred to herein as the "Post-Closing Date Bonds") are issued for the following purposes:

(A) One or more series of Bonds, in an initial aggregate principal amount not to exceed $750 million to one or more holders of 2016 PREPA Bonds, at an exchange ratio of 100%, in voluntary exchange for such 2016 PREPA Bonds. If any 2016 PREPA Bonds are exchanged for Post-Closing Date Bonds, the corresponding Mirror Bonds will be cancelled;

(B) One or more series of Bonds in a principal amount not exceeding $240 million, to be issued to restructure, refund, redeem, defease (legally or economically through the issuance of mirror bonds or otherwise) or

purchase PREPA Bonds insured by Syncora, as required to implement the economic terms of the RSA, as it may be amended (the "Post-Closing Date Syncora Bonds" and, together with the Closing Date Bonds, the "Syncora Bonds"); provided that the total principal amount of Syncora Bonds issued shall not exceed $240 million; and

(C) New Money Bonds with respect to Post-Closing Date Bonds, as described in and to the extent not previously issued pursuant to clause 1(i)(C) above to pay the Upfront Financing Costs described therein.

2. Post-Closing Date Bonds shall be payable, on a parity with all Closing Date Bonds, from, and secured, equally and ratably with all Closing Date Bonds, by, the Restructuring Property pledged to the payment of the Bonds in the Trust Agreement (as hereinafter defined).

3. Nothing in this Restructuring Resolution shall preclude the Corporation from authorizing additional "Restructuring Bonds" (in addition to the Bonds) secured by "Restructuring Property" (other than the Restructuring Property created pursuant to this Restructuring Resolution) under one or more "Restructuring Resolutions" (in addition to this Restructuring Resolution) so long as such issuance is consistent with the terms of the Act, the Trust Agreement securing any outstanding Bonds and the RSA.

Approved Restructuring Costs:

4. The Approved Restructuring Costs to be paid through the issuance of the Bonds and recovered through Transition Charges shall include the costs of (a) retiring the PREPA Bonds in exchange for the Exchange Offer Bonds or the 2016 PREPA Bonds in exchange for Post-Closing Date Bonds; (b) legally or economically defeasing Insured PREPA Bonds and 2016 PREPA Bonds through the issuance of Mirror Bonds and the payment of such Mirror Bonds; (c) restructuring, refunding, redeeming, defeasing (legally or economically through the issuance of additional mirror bonds or otherwise), or purchasing PREPA Bonds through the issuance of Syncora Bonds; (d) the retirement of the obligations due and owing by PREPA under the Credit Agreements through the issuance of the Lender Bonds; (e) funding or replenishing any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund, to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement (as the case may be), to secure payment of all or a portion of the Bonds; (f) funding any payment to the Internal Revenue Service (the "IRS") in accordance with any PREPA agreement with the IRS under the voluntary closing agreement or similar program; (g) funding a deposit to the self-insurance fund (the "PREPA Self Insurance Fund"), established pursuant to the trust agreement, dated as of January 1, 1974, as amended, by and between PREPA and U.S. Bank National Association, as successor trustee, in an amount not to exceed $50 million; (h) paying Financing Costs, including the Upfront Financing Costs, in connection with any issuance of Bonds and approved for

recovery in this Restructuring Resolution; and (i) refunding, redeeming or purchasing Uninsured PREPA Bonds.

5. The Exchange Offer Bonds, the Monoline Mirror Bonds, the New Money Bonds which may be issued on the Closing Date, the Cash Offer Bonds and the Lender Bonds were all contemplated by the RSA, and, accordingly, the costs of legally or economically defeasing, exchanging for, refunding, redeeming, purchasing, funding, retiring or extinguishing, as applicable, Uninsured PREPA Bonds and Insured PREPA Bonds, a deposit to the PREPA Self Insurance Fund and retiring the obligations under the Credit Agreements may be included as Approved Restructuring Costs.

6. The 2016 PREPA Bonds do not exceed an aggregate principal amount of $535,000,000 and accordingly the costs of legally or economically defeasing, exchanging for, refunding, redeeming or purchasing 2016 PREPA Bonds may be included as Approved Restructuring Costs.

Terms of Bonds:

7. In no event are Bonds to be issued during the pendency of any action brought pursuant to Article 35(c), (d) or (f)(2) of the Act, nor later than five years from the date of adoption of this Restructuring Resolution.

8. The Bonds of any issue (i) may be issued in one or more tranches or series, at one or more times, (ii) may be issued as any combination of serial and term Bonds and as Bonds paying current interest ("Current Interest Bonds") and Bonds accreting interest for a period of no more than 4 ½ years to 5 ½ years after their issue date and paying cash interest thereafter ("Convertible Capital Appreciation Bonds" or "Convertible CABs"), (iii) may have (A) a scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates), which will be a date or dates by which such series or tranche is to be amortized in principal amounts set forth therein for such date or dates and with Transition Charges set at sufficient levels to generate receipts to enable such amortization on such date or dates, and (B) a legal maturity date or dates (including legal mandatory sinking fund redemption dates), which will be a date or dates by which such series or tranche must be amortized in principal amounts set forth therein in order to avoid a default under the transaction documents and which is expected to be two years after the related scheduled maturity date, provided that the legal maturity date for any series or tranche of the Bonds shall be no less than one year and no more than thirty-five years after the date of issuance of the Bonds, and (iv) shall have such other terms and details, consistent with this Restructuring Resolution and as contained in the applicable Trust Agreement as executed and delivered, subject to the following additional limitations for the Closing Date Bonds and the Post-Closing Date Bonds, respectively.

Closing Date Bonds:

(A) The terms of the Exchange Offer Bonds will result in the satisfaction of the Savings Test described in Finding of Fact 22, to be conclusively confirmed by the Designee Certificate of Determination and Approval in

the form attached hereto as **Appendix 1** (the "Designee Certificate") to be submitted to the Secretary of the Board and to the Commission not later than three (3) business days following the pricing of the Bonds;

(B) The terms of the Monoline Mirror Bonds and the Other Mirror Bonds will mirror the economic terms (i.e., the principal amount, payment dates, interest rate (except as described in the proviso to this sentence) and maturity date and shall not accelerate as a result of acceleration of the Insured PREPA Bonds or 2016 PREPA Bonds) of the Insured PREPA Bonds and the 2016 PREPA Bonds, respectively, as described in the RSA (including as it may be amended); provided, however, subject to the agreement of the parties to the RSA, certain interest payments on the Monoline Mirror Bonds or Other Mirror Bonds, as applicable, may be subject to additional terms that provide for additional sources of payment or defer the timing of payment of such interest payments for the purpose of better matching expected Transition Charge revenues with debt service requirements;

(C) The interest rate or rates on the New Money Bonds will not exceed the maximum rate of interest permitted by applicable law as of the date hereof;

(D) The terms of the Cash Offer Bonds will result in the satisfaction of the Savings Test described in Finding of Fact 22, to be conclusively confirmed by the Designee Certificate;

(E) The issuance of New Money Bonds to fund the PREPA Self Insurance Fund will not have a material adverse impact on the pricing of the Exchange Offer Bonds or the Cash Offer Bonds, to be conclusively evidenced by the Designee Certificate; and

(F) The terms of the Syncora Bonds would be described in an amended RSA. To the extent the Savings Test described in Finding of Fact 22 applies to the Syncora Bonds, the terms of the Syncora Bonds will result in the satisfaction of the Savings Test, to be conclusively confirmed by the Designee Certificate.

Post-Closing Date Bonds:

(A) The interest rate or rates on any Post-Closing Date Bonds described in clause (ii) of Finding of Fact 1 will not exceed the maximum rate of interest permitted by applicable law as of the date hereof.

9. The final terms of the Closing Date Bonds, consistent with the terms of this Restructuring Resolution, shall be approved by the Corporation either solely by act of the Corporation Designee, as evidenced by the execution of the Designee Certificate, or in the discretion of the Board, through an award resolution (an "Award Resolution") which the Board may adopt to approve the final pricing and terms of the Closing Date Bonds. In either such

case, the approval of the final terms of the Closing Date Bonds shall be conclusively evidenced by the execution and delivery by the Corporation Designee of the Designee Certificate and the applicable Trust Agreement. The final terms of the Post-Closing Date Bonds, consistent with the terms of this Restructuring Resolution, at the option of the Board, shall be approved by this Board in an Award Resolution adopted at the time the Board approves the final pricing and terms of the Post-Closing Date Bonds, and again will be conclusively evidenced by the execution and delivery by the Corporation Designee of the Designee Certificate and the applicable Trust Agreement or supplement thereto.

Upfront Financing Costs:

10. The issuance of any series of Bonds may require the payment of the Upfront Financing Costs described as follows (the "Upfront Financing Costs"), which costs are recoverable from the Bond proceeds or Transition Charges, as applicable:

    (i) expenses of the Corporation associated with the petition to and proceedings before the Commission;

    (ii) the funding of any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund, to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement (as the case may be), to be held under the Trust Agreement securing the Bonds;

    (iii) fees and expenses associated with the structuring, marketing, and issuance of the Bonds, including without limitation

        (A) attorneys' fees and expenses and advisors' fees and expenses payable by the Corporation directly or indirectly;

        (B) fees and expenses associated with the issuance of surety bonds for deposit to one or more reserve funds or accounts established under the Trust Agreement by the Monoline Insurers (each such bond, a "Surety Bond");

        (C) fees and expenses of any broker-dealer engaged to assist in the tender and exchange of PREPA Bonds;

        (D) fees and expenses payable to underwriters in connection with the sale of the Bonds;

        (E) administration fees and expenses and any cost related to obtaining a Restructuring Order;

        (F) original issue discount;

(G) rating agency fees;

(H) Trustee (or similar fiduciary) fees and expenses (including attorneys' fees and expenses);

(I) the fees and expenses relating to the solicitation and engagement of any Depository or Depositories or other administrator or fiduciary (as described in Finding of Fact 52);

(J) accounting and auditing fees and expenses;

(K) the fees and expenses related to the solicitation and engagement of any Calculation Agent or other administrator or fiduciary (as described in Finding of Fact 40);

(L) printing and marketing expenses;

(M) compliance fees;

(N) filing or listing fees;

(O) fees and expenses of the Corporation's other consultants, if any;

(P) initial fees and expenses (or set-up) of the Servicer;

(Q) any fee or expense incurred to directly or indirectly facilitate the purchase of Uninsured PREPA Bonds, including any fees or expenses incurred to secure any commitments;

(R) placement fees and expenses; and

(S) any other cost approved by the Board as necessary or desirable for the accomplishment of the purposes of the Act.

Upfront Financing Costs include the reimbursement of PREPA or any other Person of amounts advanced for the payment of Upfront Financing Costs.

11. The Corporation has provided to the Commission in Attachment 2.01 to the Petition an estimate of the Upfront Financing Costs that are expected to be incurred in connection with the delivery of the Closing Date Bonds and the Post-Closing Date Bonds, based upon, in part, estimates from counsel, advisors, underwriters, rating agencies, the Trustee, accountants, printers, and other professionals and agents, and other factors in light of then-current information at the time of the submission of the Petition.

12. In the Restructuring Order, the Commission found and determined that the Upfront Financing Costs proposed to be recovered by the Corporation are consistent with Article 6.25A of Act 57-2014, as amended, and Chapter IV of the Act.

13. The precise amount of Upfront Financing Costs for the Closing Date Bonds and the Post-Closing Date Bonds cannot be ascertained with certainty until the respective Bonds have been priced and issued, and the final Upfront Financing Costs for the Closing Date Bonds should be subject to approval by the Corporation Designee or through an Award Resolution, in either case as conclusively evidenced in the Designee Certificate. If the total amount of Upfront Financing Costs exceed the estimate of total Upfront Financing Costs presented to this Board, such excess, as well as the final Upfront Financing Costs to be incurred for the Post-Closing Date Bonds, shall be subject to approval by this Board.

14. Upfront Financing Costs shall be paid from the proceeds of the New Money Bonds or the Cash Offer Bonds (as the case may be), provided that any Upfront Financing Costs approved for recovery (as described in Finding of Fact 10) that cannot be paid from the proceeds of the sale of the Bonds shall be recoverable as an Ongoing Financing Cost, as provided in the Designee Certificate or any Award Resolution of this Board (as applicable).

15. References in this Restructuring Resolution to the payment, funding or recovery of Upfront Financing Costs through the Closing Date, whether from Bond proceeds or otherwise, shall be deemed to include, without limitation, the payment of such Upfront Financing Costs by the delivery of New Money Bonds as payment of such Upfront Financing Costs as well as funding of such Upfront Financing Costs through any contributions or advances received from PREPA. Nothing in this Restructuring Resolution shall prevent the payment or funding of Upfront Financing Costs with a contribution or advance from PREPA.

Ongoing Financing Costs:

16. The terms of each issuance of Bonds may require the payment of the following Ongoing Financing Costs from the proceeds of the Transition Charges and any other moneys available under the Trust Agreement securing the Bond issuance (the "Ongoing Financing Costs") which costs are recoverable from the Transition Charges:

    (i) principal, interest and redemption premiums payable on the Bonds;

    (ii) any payment required under any bond insurance policy, surety bond, reimbursement agreement or any agreement entered into in connection therewith or other Ancillary Agreement, or any amount required to fund or replenish (or to reimburse a third party for replenishing) any debt service reserve fund or account or any other fund or account established under the Trust Agreement and, to the extent permitted by the Trust Agreement, any Basic Document (as hereinafter defined) or under any other financing document related to the Bonds, including an additional reserve fund;

    (iii) any taxes and charges, including payments or contributions in lieu of taxes, franchise fees or license fees imposed on Transition Charge Revenues;

(iv) any cost related to administering the Corporation, the Bonds or the Restructuring Property, including the costs of calculating adjustments of Transition Charges and implementing the Adjustment Mechanism, the fees and expenses of the initial Servicer and any replacement servicer, the fees and expenses of the Calculation Agent (hereafter defined) employed to verify the calculation of any adjustment to the Transition Charges, the costs of all Depositories (hereinafter defined) or other collection agents employed to assure the collection, segregation and remittance of Transition Charge Revenues to the Trustee, the costs of the Trustee and any other fiduciaries appointed to secure or facilitate payment of the Bonds, and all legal, accounting and other advisors' or consultants' fees and expenses incurred in connection with the foregoing;

(v) all rating agency fees and expenses incurred to obtain and/or maintain ratings on the Bonds;

(vi) any cost related to protecting the status of Restructuring Property and collecting Transition Charges, including any cost related to any judicial or similar proceedings that the Corporation or the Trustee or any owner of all or a portion of Restructuring Property deems necessary to enforce or collect Transition Charge Revenues or protect the Restructuring Property or any other costs referred to in Article 38(a) of the Act, in each case subject to the provisions of the Act;

(vii) any ongoing filing or listing fees for the Bonds;

(viii) the fees and expenses of any auditor;

(ix) without duplication, any indemnity payments required to be paid by the Corporation to the Trustee, any Servicer, Calculation Agent, or Depository, the underwriters, the broker-dealers, the parties to any Ancillary Agreements (including any Surety Bond or Surety Bond reimbursement agreement) or other persons pursuant to agreements entered into in connection with the Bonds;

(x) any indemnity or other payments or costs required to be paid to the Board or its individual directors, or officials, agents and employees of the Corporation as provided in Article 35(q) of the Act; and

(xi) any other cost related to issuing Bonds, administering and servicing Restructuring Property and Bonds payable under the Basic Documents (as described in Finding of Fact 62), including the payment of any Upfront Financing Costs not paid from the proceeds of the Bonds and any other cost approved in a Designee Certificate or approved by the Board as necessary or desirable for the accomplishment of the purposes of the Act.

17. Expenses corresponding to most categories of Ongoing Financing Costs will continue to be incurred while Bonds remain outstanding, and the total amount of most Ongoing Financing Costs will not be known until after this Restructuring Resolution is adopted, *e.g.,* the expected principal and interest payable on the Bonds will not be known until the Bonds are priced, certain Ongoing Financing Costs consisting of fees may be estimated at

the time the Bonds are issued but will likely change over the life of the Bonds, the expenses will vary from year to year depending upon what services or activities are required to be performed in each year, and some possible Ongoing Financing Costs may not be known at the time of issuance of the Bonds, including the costs of funding or replenishing any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund, to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement (as the case may be). Additionally, certain possible Ongoing Financing Costs depend upon contingencies that may never happen.

18. The Corporation has provided to the Commission in Attachment 2.02 to the Petition an estimate of the annual Ongoing Financing Costs to be incurred for the first annual period following the delivery of the Closing Date Bonds and the Post-Closing Date Bonds and during the life of such Bonds.

19. In the Restructuring Order, the Commission found and determined that the Ongoing Financing Costs proposed to be recovered by the Corporation are consistent with Article 6.25A of Act 57-2014, as amended, and Chapter IV of the Act.

20. The Corporation Designee will include in the Designee Certificate a final estimate of the Ongoing Financing Costs for the first annual period following issuance of the Closing Date Bonds or Post-Closing Date Bonds, as well as an estimate of the Ongoing Financing Costs for the term of such Bonds.

21. The Corporation will recover, from Transition Charge Revenues, all Ongoing Financing Costs as incurred by the Corporation, without limitation as to amount, and the Transition Charges shall be imposed and collected from all Customers until all such Ongoing Financing Costs are paid in full.

Required Statutory Savings; Customer Benefits:

22. Pursuant to Article 33(a)(3) of the Act, the Corporation may issue the Exchange Offer Bonds, the Cash Offer Bonds and Syncora Bonds (if issued in a manner such that the Savings Test would apply to such Syncora Bonds pursuant to the Act) only if, as a result of the issuance of such Bonds, the present value of the debt service in respect of all such Bonds is at least $725 million lower than the present value of the debt service of all of such PREPA Bonds refinanced by such issue of Bonds (calculated using the yield on such issue of Bonds then being issued as determined by the Corporation and using such other customary assumptions as the Corporation in consultation with its advisors shall determine) (the "Savings Test").

23. The Savings Test is not applicable to other Bonds to be issued on the Closing Date or to Post-Closing Date Bonds.

24. In the Petition, the Corporation has provided to the Commission evidence and calculations demonstrating that the issuance of the Exchange Offer Bonds, the Cash Offer

Bonds and Syncora Bonds (if issued in a manner such that the Savings Test would apply to such Syncora Bonds pursuant to the Act) is anticipated to satisfy the Savings Test and will satisfy the Savings Test as conclusively evidenced by the Designee Certificate.

25. Compliance with the Savings Test shall be conclusively confirmed by the delivery of the Designee Certificate.

26. The issuance of the Bonds will result in Customer benefits, including cost savings (compared to the current present value of PREPA's avoided debt service revenue requirements).

Transition Charge Allocation Methodology and Adjustment Mechanism:

27. In the Petition and Testimony, the Corporation has submitted a formulaic methodology for distributing the responsibility for Financing Costs among Customer classes and Customers, and for calculating and adjusting from time to time the Transition Charge (collectively, the "Adjustment Mechanism"), which is appended to this Restructuring Resolution as **Appendix 2** hereto, together with supporting evidence which:

    (i) determines the classes of Customers among which Ongoing Financing Costs are distributed;

    (ii) distributes the responsibility for the Ongoing Financing Costs among residential and non-residential Customers, and distributes such costs among such Customer classes based upon the most recent 12-month historical energy usage (kWh) for which data are available;

    (iii) calculates the Transition Charge for all Customers based upon historical energy usage (kWh) data, provided that certain Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), pay a fixed charge for its applicable consumption-based block of electricity, in each case as such blocks are established as of the date on which the Commission approves the Restructuring Order and as they may be adjusted from time to time as provided in Article 3.9(b)(4) of Law 22-2016, will pay the Transition Charge on consumption in excess of the block and provided further that certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible under Law 4-2016 will pay Transition Charges based upon net metered consumption;

    (iv) provides that delinquencies of any class of Customers will be distributed among all Customer classes as provided in Article 6.25A(e)(1)(v) of Act 57-2014, as amended; and

    (v) provides that estimated load served by net metering or estimated distributed generation ("behind the meter") will be included in its determination of energy usage in clauses (ii) and (iii) above, provided that certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible

under Law 4-2016 will pay Transition Charges based upon net metered consumption, all as described in Finding of Fact 28.

28. The Corporation has determined that estimated load served by net metering or estimated distributed generation ("behind the meter") should be included in the determination of energy usage under clauses 27(ii) and 27(iii) above by adjusting customer usage to reflect gross usage (without regard to net metered credits) and by estimating "behind the meter" usage; provided that in the case of clause 27(iii), certain Customers who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), pay a fixed charge for its applicable consumption-based block of electricity, in each case as such blocks are established as of the date on which the Commission approves the Restructuring Order and as they may be adjusted from time to time as provided in Article 3.9(b)(4) of Law 22-2016, will pay the Transition Charge on consumption in excess of the block and provided further that certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible under Law 4-2016 will pay Transition Charges based upon net metered consumption. This "behind the meter" usage will be estimated as practicable. Initially the load will be estimated by eliminating any subtraction from load for the amount of electricity generated "behind the meter" and delivered to the grid. As it becomes practicable and meter data measuring the output of the distributed generation becomes available, the load of such customers for these purposes will no longer exclude the output of the distributed generation not delivered to the grid. The Corporation has further determined that this approach will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds. PREPA can practically determine total load, including estimated load served by net metering and distributed generation, in the calculation of Transition Charges, as described above. The approach of the Corporation also limits the exemptions for usage subject to the Transition Charge to Customers eligible for the exemption under Law 22-2016 and certain net metered Customers (whether Residential, Non-Residential or Governmental, as specified) eligible under Law 4-2016. These limited exemptions assure that there is only a limited shift of payment responsibility to other Customers to satisfy requirements of existing law. Further these limitations on usage subject to the Transition Charge will not impair the collection of Transition Charges or impair the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

29. The Corporation has determined that the distribution and calculation methodologies described in clauses (i) through (v) of Finding of Fact 27 are practicable to administer, and ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

30. The Corporation has determined that the exclusion of net metered generation and the inclusion of estimated "behind the meter" load served by distributed generation in the energy usage as and to the extent set forth in Findings of Fact 27(ii) and 27(iii) above will not render the resulting Transition Charges impracticable to administer and that the resulting Transition Charges will ensure the full and timely payment of the Bonds in

accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

31. The Adjustment Mechanism (a) has been approved by the Commission in the Restructuring Order, (b) is practical to administer and ensures the full and timely payment of (i) the Bonds in accordance with their terms and (ii) all other Ongoing Financing Costs, and (c) should be approved by the Corporation.

Calculation and Adjustment of Transition Charges:

32. The Corporation will apply, or cause the Servicer to apply, the Adjustment Mechanism to adjust the Transition Charge no less often than quarterly to ensure the full and timely payment of the Bonds in accordance with their terms and all other Ongoing Financing Costs during the term of the Bonds.

33. The Corporation will deliver, or cause the Servicer to deliver, to the Commission, notice of the proposed adjustment to the Transition Charges (a "True-Up Adjustment Letter"), including the data and work papers used to calculate the Transition Charges, at least thirty (30) days prior to the effective date of each proposed adjustment, provided that the information related to the initial Transition Charges with respect to any issuance of Bonds shall be provided to the Commission by the Corporate Designee (in the Designee Certificate or a True-Up Adjustment Letter) not later than three business days following the pricing or award of the Bonds and such initial Transition Charges shall be effective on the issuance date of the Bonds.

34. Each True-Up Adjustment Letter shall be substantially in the form attached hereto as Exhibit F to the Initial Servicing Agreement (approved pursuant to Finding of Fact 45).

35. The Commission's review of the initial Transition Charges or any adjustment to the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be).

36. If the Commission has reason to believe that there is a mathematical error in the calculation of the Transition Charges, before issuing an order requiring the Corporation to correct such error, the Commission will provide a preliminary finding to the Servicer and the Calculation Agent. Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall the provision of a preliminary finding or the implementation of a Commission order correcting any mathematical error result in the delay of the implementation of an adjustment to the Transition Charges from the effective date stated in the True-Up Adjustment Letter.

37. Any estimated over-collections or under-collections resulting from such mathematical inaccuracy shall be credited or added in connection with such succeeding application of the Adjustment Mechanism, but no Customer shall be entitled to a refund of Transition

Charges or the retroactive application of the same by reason of mathematical inaccuracies corrected in periodic adjustments.

38. No adjustment of Transition Charges pursuant to the Adjustment Mechanism shall in any way affect the irrevocability of this Restructuring Resolution.

39. There shall be no cap on the Transition Charge calculated pursuant to the Adjustment Mechanism.

Calculation Agent:

40. The Corporation with the approval of the Trustee, or the Trustee, in each case as and to the extent provided in the Trust Agreement, is authorized pursuant to Article 35(i) of the Act to retain the services of a third party calculation agent unrelated to GDB or PREPA and acceptable to the Trustee, to confirm the calculation of the Transition Charges prepared by the Servicer. The use of a Calculation Agent will enhance the marketability of the Bonds and the Corporation Designee should be authorized to execute and deliver a calculation agent agreement (a "Calculation Agent Agreement"), substantially in form of **Appendix 3** hereto, with _____, as initial Calculation Agent, with such changes, omissions or alterations as the Corporate Designee shall approve with the advice of financing counsel to the Corporation, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations. In the event that the Calculation Agent should resign or be discharged, the Corporation with the approval of the Trustee, or the Trustee, in each case as and to the extent provided in the Trust Agreement, shall be authorized to take all necessary action to cause a new Calculation Agent to be appointed.

41. In the event of a dispute between the Servicer and the Calculation Agent, the Corporation, as and to the extent provided in any Trust Agreement, shall promptly appoint an independent third party expert to resolve the matter. In the event that the Corporation shall fail to appoint or retain a Calculation Agent acceptable to the Trustee (the initial Calculation Agent named in Finding of Fact 40 shall be deemed to be acceptable) or to appoint an expert to resolve any conflicts, the Trustee, as and to the extent provided in the Trust Agreement, should be authorized to appoint a Calculation Agent or expert. Any costs of the Calculation Agent (or any expert) shall be Ongoing Financing Costs and shall be recovered from Transition Charge Revenues.

Restructuring Property:

42. The Restructuring Property created by this Restructuring Resolution shall include this Restructuring Resolution and the property rights and interests created hereby, including the right, title, and interest in and to: (a) the right to create and receive Transition Charges in amounts sufficient to pay the Bonds and all related Ongoing Financing Costs in full and on a timely basis; (b) the Transition Charges, as adjusted from time to time in accordance with the Adjustment Mechanism, including any rights under the Servicing Agreement, the Calculation Agent Agreement, the Depository Agreement (as hereinafter defined) or other agreement assigned pursuant to the Trust Agreement; (c) all revenues,

collections, claims, payments, moneys, or proceeds of or arising from the Transition Charges or constituting Transition Charges, regardless of whether such revenues, collections, claims, payments, moneys, or proceeds are imposed, billed, received, accrued, collected or maintained by PREPA, any other Servicer or by the Corporation, together with or commingled with other revenues, collections, claims, payments, money or proceeds; (d) all rights to obtain adjustments to the Transition Charges pursuant to the terms of the Adjustment Mechanism, the Restructuring Order and this Restructuring Resolution; and (e) all reserves, Surety Bonds, or other collateral accounts established in connection with the Bonds or the Restructuring Property or otherwise pledged to the payment of the Bonds under the Trust Agreement.

43. Upon the issuance of any series of Bonds, the Restructuring Property shall constitute a vested, presently existing property right in the Corporation, as initial owner, subject to the pledge of Restructuring Property pursuant to the Trust Agreement and subject to the transfer, sale, conveyance or assignment upon an event of default under the Trust Agreement, notwithstanding the fact that the value of the property right will depend on further acts that have not yet occurred, including Customers remaining or becoming connected to the Electric System Assets and taking or receiving electric service, the imposition and billing of Transition Charges, or the Servicer performing services. "Electric System Assets" shall mean the electric generation, transmission and distribution facilities (and other general property and equipment used in connection therewith), whether now existing or hereafter acquired, owned or used by PREPA as of the effective date of this Act or thereafter acquired for use by PREPA, including any successor electric utility, in providing electric service to Customers, including any transmission and distribution service.

Servicing.

44. The Corporation is authorized pursuant to Article 35(i) of the Act to enter into a servicing agreement with PREPA, as the initial Servicer (the "Initial Servicer") to perform such duties of the Servicer as may be required or permitted by the Act, including to provide for the servicing, billing and collection of the Transition Charges.

45. The terms of the initial servicing agreement with PREPA, substantially in the form of **Appendix 4** hereto (the "Initial Servicing Agreement"), are consistent with the Act and enhance the marketability of the Bonds, and should be approved. Accordingly, the Corporation Designee should be authorized to execute and deliver the Initial Servicing Agreement, with such changes, omissions or alterations as the Corporate Designee shall approve upon the advice of financing counsel to the Corporation, other than changes to the Servicing Agreement which alter the fees payable to the Servicer, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations.

46. The Servicing Agreement shall provide that the Corporation or the Trustee will have the ability to replace Servicer after an event of default under the Servicing Agreement. In the event that PREPA shall default in its obligation under the Initial Servicing Agreement, (i) the Corporation, at the direction of the Commission pursuant to an order in accordance

with the Act based upon substantial evidence (but subject to the next sentence), or upon the direction of the Trustee, as and to the extent provided in the Trust Agreement, or (ii) upon the occurrence of an event of default under the Trust Agreement or an Ancillary Agreement, the Trustee, in either case, as and to the extent provided in the Trust Agreement, shall be authorized to replace PREPA as Servicer, and to direct the Corporation to enter into such other servicing, billing and collection agreements as the Corporation or the Trustee deems appropriate to ensure the timely and full payment of the Bonds and all Ongoing Financing Costs. As provided in paragraph (g) of Article 6.25A of Act 57-2014, as amended, the Commission's rights to replace the Servicer shall not diminish the rights of the Trustee, holders or beneficial owners of the Bonds (the "Bondholders") or any party to an Ancillary Agreement, to replace the Servicer under the terms of the Trust Agreement or any Ancillary Agreement. Accordingly, any action taken by the Corporation, at the direction of the Commission, with respect to the Servicer, including the replacement of the Servicer, is subject to the prior consent or contrary direction of the Trustee on behalf of or as directed by the Bondholders and/or parties to an Ancillary Agreement, in accordance with the terms of the Trust Agreement, the Servicing Agreement and any Ancillary Agreement.

47. The Corporation has submitted to the Commission an estimate, together with supporting documentation prepared by PREPA, of PREPA's costs to serve as Initial Servicer under the Initial Servicing Agreement.

48. In the Restructuring Order, the Commission has determined that the proposed initial annual servicing fee to be paid to PREPA, in the amount of 0.05% of the initial principal amount of the Bonds, to be increased on each anniversary date by the year-over-year percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) (not seasonally adjusted) for the most recently completed twelve-month period for which such data is available, is necessary and reasonable and at least sufficient to compensate PREPA for the incremental cost of performing such servicing functions. Accordingly, the Corporation should approve the initial annual servicing fee.

49. In the event a successor Servicer must be appointed by the Corporation, or by the Trustee on behalf of the Bondholders in accordance with the terms of the Trust Agreement, the annual fee of a successor Servicer may not exceed 1% of the initial principal amount of all series of Bonds. Any fee in excess of such amount is subject to the prior approval of the Commission.

50. The fees and expenses of any Servicer (including any successor Servicer) shall be Ongoing Financing Costs (except for any set-up costs paid as Upfront Financing Costs) and shall be recovered from Transition Charge Revenues.

51. The Servicer shall be required to terminate service to each Customer that is delinquent in the payment of its Transition Charge on the same basis as termination of service is permitted for nonpayment of electric or other rates by PREPA, but none of the Corporation, the Trustee and the Bondholders may directly terminate service to any Customer.

Depositories.

52. The Corporation is authorized pursuant to Article 34 of the Act to enter into one or more depository, trust or escrow agreements with financial institutions or other Persons (each, a "Depository") providing for the escrowing and allocation of collections from Customers' bills between PREPA and the Corporation, as the Corporation, in consultation with such advisers as it may deem appropriate, determines enhances the marketability of the Bonds.

53. Any Depository shall be a bank organized under and subject to regulation by the laws of the United States or any state thereof (and licensed to operate in the Commonwealth) selected by the Corporation (except as provided in Finding of Fact 55) and not related to PREPA or the Commonwealth or under the control of PREPA or the Commonwealth.

54. The terms of the depository agreement with _____, substantially in the form of **Appendix 5** hereto (the "Depository Agreement"), by and among PREPA, the PREPA Bond trustee, the Corporation and the Trustee, are consistent with the Act and the RSA and are designed to enhance the marketability of the Bonds, and should be approved. Accordingly, the Corporation Designee should be authorized to execute and deliver the Depository Agreement, with such changes, omissions or alterations as the Corporation Designee shall approve upon the advice of financing counsel to the Corporation, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations.

55. In the event that the Depository should resign or be discharged, the Corporation and the Trustee, each as and to the extent provided in the Trust Agreement, shall be authorized to take all necessary action to cause a new Depository to be appointed.

56. The costs of the Depository shall be Ongoing Financing Costs and should be recovered from Transition Charge Revenues.

Trust Agreement

57. The Corporation will enter into a Trust Agreement (the "Trust Agreement"), substantially in the form of **Appendix 6** attached hereto, with a bank or trust company acceptable to the Corporation Designee (the "Trustee") pursuant to which the Closing Date Bonds and any Post-Closing Date Bonds may be issued and secured.

58. As provided in Article 35(m) of the Act, the Corporation, by its execution and delivery of a Trust Agreement, will pledge the Restructuring Property to secure the payment of Bonds, amounts payable to Financing Entities, and other Ongoing Financing Costs. While the Restructuring Property remains pledged to secure such payments, revenues from the collection of Transition Charges shall be applied solely to pay Ongoing Financing Costs.

59. Following the award or pricing of any issue of Bonds, consistent with Finding of Fact 1 of this Restructuring Resolution, the Corporation Designee should be authorized to execute and deliver the Trust Agreement, together with any supplements thereto

consistent with the terms of the Trust Agreement, with such changes, omissions or alterations, consistent with terms of this Restructuring Resolution, as the Corporation Designee shall approve upon the advice of financing counsel to the Corporation, his or her execution of the same being conclusive proof of the approval of such changes, omissions or alterations.

Surety Bonds; Insurance Agreements.

60. The RSA contemplates that each series of the Bonds shall be secured by separate or a common debt service reserve funds or accounts in a manner to be set forth in the Trust Agreement, and certain portions of the debt service reserve requirement shall be provided through a Surety Bond provided by one or more of the Monoline Insurers. The Corporation, acting through its Corporation Designee, should be authorized to negotiate the terms of any such Surety Bond, consistent with the terms of the RSA, and to execute and deliver any commitments or agreements relating to securing such Surety Bonds. The terms of the Surety Bonds (or any related commitments or agreements) may provide that (a) prior to an acceleration of the Bonds, the payment of amounts due and owing under Surety Bonds shall be subordinated to debt service on the Bonds, and (b) and upon an acceleration of the Bonds, the payment of amounts due and owing under Surety Bonds shall be payable on parity with the principal of and interest on the Bonds.

61. The Corporation, acting through the Corporation Designee, should be authorized to establish such additional reserve or collateral accounts under the Trust Agreement (including, without limitation, any restricted accounts or subaccounts required to be established by the Trust Agreement, and to the extent permitted in the Trust Agreement, any Ancillary Agreement, including an additional reserve fund to provide sufficient reserves to account for miscalculations in the collection curve and other short term deficiencies in revenue collection), as shall enhance the marketability and/or credit rating of the Bonds or serve such other purpose as may be agreed to by the required parties under the RSA such as mitigating the risk of a draw on the debt service reserve fund.

Basic Documents:

62. In addition to the Trust Agreement, the Initial Servicing Agreement, the Depository Agreement(s), the Calculation Agent Agreement, and agreements with any Surety Bond provider, the Corporation will be required, in connection with the issuance of any issue of Bonds, to execute one or more of the following additional financing agreements (collectively with the foregoing, the "Basic Documents"):

- [Bond Purchase Agreement]
- [Tender Agent Agreement]
- Dealer/Manager Agreement
- Continuing Disclosure Agreement

- [Others]

- any other financing document related to the Bonds.

Award Resolution for Post-Closing Date Bonds.

63. The final terms of the issuance of Post-Closing Date Bonds, consistent with the terms of this Restructuring Resolution, will be determined by the Board at or about the time of pricing of such Post-Closing Date Bonds. At the time of the submission of the Award Resolution to this Board for approval, there will be filed with this Board by the Corporation Designee (i) a savings calculation consistent with the Act and Finding of Fact No. 22, (ii) an estimate of Upfront Financing Costs expected to be incurred, (iii) a recommendation of whether any Upfront Financing Costs should be paid as Ongoing Financing Costs, and (iv) an estimate of Ongoing Financing Costs for the initial year following issuance, it being understood that all Ongoing Financing Costs shall be recoverable from Transition Charge Revenues regardless of their amounts, as set forth in Finding of Fact 16.

Governing Law; Jurisdiction:

64. The Corporation deems it necessary for the issuance of the Bonds to include in this Restructuring Resolution an authorization to the irrevocable submission and waiver of any objection by the Corporation to the nonexclusive, in personam jurisdiction and venue of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and to the application of the laws of the State of New York, with respect to any claim related to the Bonds (including, without limitation, any claims arising under the Restructuring Resolution and the Basic Documents, including, to the extent permitted by law, the Initial Servicing Agreement).

65. The Corporation deems it necessary for the issuance of the Bonds to include in this Restructuring Resolution an authorization for the Corporation to include in the Trust Agreement, any Servicing Agreement, any Ancillary Agreement and any other Basic Documents a provision to the effect that such agreement will be governed by New York law as if each such agreement were executed in and to be performed entirely within the state of New York. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth (including the Act) and this Restructuring Resolution, all rights of the Corporation or the Servicer against any Customer by virtue of the Act, and the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth.

Commitments of the Corporation:

66. Resolution 19 of this Restructuring Resolution sets forth all commitments of the Corporation that are enforceable against the Corporation by the Commission under Article 6.25A of Act 57-2014, as amended.

Transition Charges Non-bypassable:

67. The Corporation has made the Transition Charges Non-bypassable to Customers in this Restructuring Resolution in accordance with Article 33(a)(2)(i) of the Act.

Corporation Designee

68. As the final terms of the Closing Date Bonds and Post-Closing Date Bonds, certain details ancillary thereto, including (without limitation) the mechanics of how the Mirror Bonds will serve to legally or economically defease the related PREPA Bonds, and the final form of the Basic Documents cannot be known as of the date of adoption of this Restructuring Resolution, and certain actions after the date of adoption of this Restructuring Resolution may require expedited approval or other action by the Corporation in order to accomplish the purposes of this Restructuring Resolution, the Corporation deems it reasonable to appoint the Chairperson and the Vice Chairperson of the Corporation, either of whom may act (each a "Corporation Designee"), on behalf of the Corporation, to approve the final terms of each issuance of Bonds, to execute and deliver the Designee Certificate related to such Bonds, to file with the Commission the True-Up Adjustment Letter with respect to the initial Transition Charges, to execute and deliver the Basic Documents and such other documents, certificates or agreements as are required under any of the Basic Documents or otherwise, and take such other actions as are necessary and appropriate to cause the issuance of the Bonds and the fulfillment of any commitments to the Commission, all in a manner consistent with this Restructuring Resolution.

Corporation Designee

69. The Corporation acknowledges that the transactions contemplated by this Resolution are subject to the provisions of the RSA and nothing contained herein shall be construed as a waiver of any rights by any party to the RSA or any term thereof.

CONCLUSIONS OF LAW

The Corporation hereby makes the conclusions of law listed below.

Compliance with the Securitization Chapter:

1. The structure of the Bonds is consistent with the Securitization Chapter, and the Bonds are "Restructuring Bonds" under the Securitization Chapter.

2. The Approved Restructuring Costs are "Approved Restructuring Costs" under the Securitization Chapter. Without limiting the generality of the foregoing, the Upfront Financing Costs and Ongoing Financing Costs to be recovered from the proceeds of the Bonds or the Transition Charge Revenues are consistent with Article 6.25A of Act 57-2014, as amended, and the Securitization Chapter.

3. The Restructuring Property is "Restructuring Property" under the Securitization Chapter.

4. The Transition Charges are "Transition Charges" under the Securitization Chapter.

5. This Restructuring Resolution meets the requirements of a "Restructuring Resolution" under the Securitization Chapter. Without limiting the generality of the foregoing, the provisions of this Restructuring Resolution, including the calculation methodology for the Transition Charges and the Adjustment Mechanism related to the Bonds as described herein, are consistent with the criteria set forth in Article 6.25A(d) of Act 57-2014, as amended, and are sufficient for and provide for adequate protection of the full and timely payment of the Bonds in accordance with their terms and other Ongoing Financing Costs.

Restructuring Resolution:

6. As provided in Article 34 of the Act, this Restructuring Resolution, the Restructuring Property, the Adjustment Mechanism and all other obligations of the Corporation set forth in this Restructuring Resolution will be direct, explicit, irrevocable and unconditional upon issuance of the Bonds, legally enforceable against PREPA and the Corporation.

No Cap on Transition Charges:

7. Neither the Act nor this Restructuring Resolution imposes a cap on the Transition Charge calculated pursuant to the Adjustment Mechanism.

Irrevocability of Restructuring Resolution:

8. As provided in Article 35(h) of the Act, upon the issuance of the Bonds, this Restructuring Resolution, the related Transition Charges, including their Non-bypassability and the procedures for the Adjustment Mechanism shall be irrevocable, final, non-discretionary and effective without further action by the Corporation or any other Person. No adjustment of the Transition Charges pursuant to the Adjustment Mechanism or any other action or inaction whatsoever by the Corporation, Servicer or any other Person shall in any way affect the irrevocability of this Restructuring Resolution.

Non-bypassability:

9. As provided in Article 35(i) of the Act, for so long as the Bonds are outstanding, and the Approved Restructuring Costs (including any payments that have or are to become due under Ancillary Agreements) have not been paid in full, the Transition Charges authorized and imposed by the Act shall be obligatory, Non-bypassable and shall apply to all Customers.

10. As provided in Article 35(h) of the Act and Conclusion of Law 8, the Non-bypassability of the Transition Charges is irrevocable, final, non-discretionary and effective without further action by the Corporation or any other Person.

11. As provided in Article 31(19) of the Act, Non-bypassable ["*Inevitable*"] means that the Transition Charges shall be paid by all Customers, even if the Customer elects to purchase electricity in whole or in part from an alternative electric supplier.

Customers

12. Customer means any Person that is connected to or takes or receives electric service within the Commonwealth by means of the electric generation, transmission or distribution facilities constituting part of Electric System Assets whether or not those electric generation, transmission or distribution facilities are owned by PREPA. PREPA shall not be a Customer. Each municipality in the Commonwealth shall be a Customer to the extent that the dollar value of its usage of electric service (including in determining such dollar value of Transition Charges which would otherwise be imposed on such municipality and PREPA charges) in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a contribution in lieu of taxes for such fiscal year. Electric System Assets shall mean the electric generation, transmission and distribution facilities (and other general property and equipment used in connection therewith), whether now existing or hereafter acquired, owned or used by PREPA as of the effective date of the Act or thereafter acquired for use by PREPA, including any successor electric utility, in providing electric service to Customers, including any transmission and distribution service. For purposes hereof, electric generation, transmission or distribution facilities (and other general property and equipment used in connection therewith) are deemed to be "acquired for use" by PREPA (or any successor electric utility) if they are used by PREPA (or any successor electric utility) even if they are not owned by PREPA (or any successor electric utility) or even if they are leased by PREPA (or any successor electric utility) to a third party.

13. Customers include recipients of load served by net metering, purchase power or other distributed generation.

Adjustment Mechanism.

14. The Adjustment Mechanism is consistent with the requirements of the Securitization Chapter.

15. Pursuant to Article 34 of the Act, except for the requirements in the Securitization Chapter, the Transition Charges and the Adjustment Mechanism will not be subject to any other provision of law, including the provisions of Act No. 21, approved May 31, 1985, the Act or any other provision of law requiring or providing for the review (except by the Corporation as in Article 34 of the Act) or approval of rates of any governmental entity, or the holding of public hearings (except by the Commission as provided in subsection (b) of Article 35 of the Act) or notification of rate changes of any governmental entity, including the Legislative Assembly or the Commission. Neither the Commission nor any other governmental entity shall adopt any regulations, rules or procedures or take any other action that would delay or adversely affect the implementation of the Adjustment Mechanism or collection of Transition Charge Revenues.

16. Pursuant to Article 34 of the Act, the Commission's review of the initial Transition Charges or any adjustment of the Transition Charges shall be limited to verifying the mathematical accuracy of the calculation of the initial Transition Charges or subsequent

Transition Charges resulting from the application of the Adjustment Mechanism (as the case may be). If the Commission has reason to believe that there is a mathematical error in the calculation of the Transition Charges, before issuing an order requiring the Corporation to correct such error, the Commission will provide a preliminary finding to the Servicer and the Calculation Agent. Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Corporation (or the Servicer on its behalf) not later than the next succeeding application of the Adjustment Mechanism on which such adjustment can practically be implemented. In no event shall such consultation process or the implementation of a Commission order correcting any error result in the delay of the implementation of an adjustment to the Transition Charges on the effective date stated in the True-Up Adjustment Letter. The adjustment of the Transition Charge shall not be subject to any approval or review except for the review for mathematical accuracy by the Commission described above.

17. The adjustment of the Transition Charges is a ministerial act of the Corporation and Servicer and should the Corporation or the Servicer fail in any respect with respect to their respective duties to establish or adjust the Transition Charges at any time, the Trustee, the Bondholders, the Corporation or the Servicer shall be entitled upon application or petition therefor, to a writ of mandamus requiring the Corporation or the Servicer, as the case may be, to establish or adjust the Transition Charges in accordance with this Restructuring Resolution.

Taxation of Restructuring Property and Bonds:

18. As provided in Article 35(o)(1) of the Act, neither the Restructuring Property, nor the Transition Charge and Transition Charge Revenues, regardless of whether the Corporation is the owner of the Restructuring Property, shall be subject to any fees, taxes, special ad valorem levies or assessments of any kind, including income taxes, franchise taxes, sales taxes or other taxes or payments or contributions in lieu of taxes.

19. As provided in Article 35(o)(2) of the Act, the Bonds and the income therefrom and all revenues, money, and other property pledged to pay or to secure the payment of such Bonds shall at all times be free from taxation; and this covenant may be included in the Bonds.

Indemnities:

20. Any indemnity payments required to be paid by the Corporation to PREPA, the Trustee, the underwriters or other persons pursuant to the Securitization Chapter or agreements entered into in connection with the sale of the Bonds will be Ongoing Financing Costs recoverable pursuant to this Restructuring Resolution and the Securitization Chapter.

Partial Payments:

21. As provided in Article 35(k)(1) of the Act, to the extent that any Customer makes a partial payment of a bill containing both Transition Charge and any other charges, such payment shall be allocated *pro rata* between the Transition Charges and the other charges.

Pledge of Restructuring Property:

22. As provided in Article 35(m) of the Act, the Corporation, by its execution and delivery of the Trust Agreement, pledges the Restructuring Property to secure the payment of the Bonds issued pursuant to the Trust Agreement, amounts payable to Financing Entities, and other Ongoing Financing Costs. While the Restructuring Property remains pledged to secure such payments, revenues from the collection of Transition Charges shall be applied solely to pay Ongoing Financing Costs.

Existence of Restructuring Property:

23. As provided in Article 31(28) of the Act (definition of "Restructuring Property" ["*Propiedad de Reestructuración*"]), upon the issuance of the Bonds, the Restructuring Property created pursuant to this Restructuring Resolution shall constitute a vested, presently existing property right in the Corporation, as initial owner, subject to any pledge of Restructuring Property pursuant to the Act, notwithstanding the fact that the value of the property right will depend on further acts that have not yet occurred, including Customers remaining or becoming connected to the Electric System Assets and taking or receiving electric service, the imposition and billing of Transition Charges, or the Servicer performing services.

24. As provided in Article 35(j)(1) of the Act, the Restructuring Property shall constitute an existing, present and continuing property right for all purposes whether or not the revenues and proceeds arising with respect thereto have accrued and notwithstanding the fact that the imposition and collection of Transition Charges will depend on further future acts, including: (a) PREPA delivering services, (b) the Servicer performing billing and collection functions of Transition Charges, and (c) the level of future consumption of such service. Restructuring Property shall exist whether or not Transition Charges have been imposed, billed, accrued or collected and notwithstanding the fact that the value or amount of the Restructuring Property is dependent on the future provision of service to Customers. Subject to applicable law and regulations, the timely payment in full of all Transition Charges shall be a condition of receiving service from PREPA.

25. As provided in Article 35(j)(2) of the Act, all Restructuring Property shall continue to exist until the Bonds and all Ongoing Financing Costs relating to the Bonds have been paid in full.

Statutory Lien:

26. As provided in Article 35(k)(2) of the Act, the Bonds and obligations of the Corporation under Ancillary Agreements, including any Surety Bond reimbursement agreement, shall be secured by a statutory lien on the Restructuring Property in favor of the Bondholders and the parties to such Ancillary Agreements. The lien shall automatically arise upon issuance of the Bonds without the need for any action or authorization by the Corporation or the Board. The lien shall be valid and binding from the time the Bonds or Ancillary Agreements, including any Surety Bond reimbursement agreement, are executed and delivered. The Restructuring Property shall be immediately subject to the lien, which

shall be effective, binding, and enforceable against the Corporation, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those Persons have notice of the lien and without the need for any physical delivery, recordation, filing, or further act. The lien, although created by the Act and not by any security agreement, may be enforced by a Trustee or other fiduciary, and such other parties as provided for under the terms of the Trust Agreement for the owners or beneficial owners of Bonds and other secured parties.

27. As provided in Article 35(k)(2) of the Act, the statutory lien is a continuously perfected security interest and has priority over any other lien, created by law or otherwise, that may subsequently attach to the Restructuring Property or any proceeds thereof, unless the Bondholders have as specified in the Trust Agreement agreed in writing otherwise. The statutory lien is a lien on Transition Charges and all Transition Charge Revenues or other proceeds that are deposited in any deposit account or other account of the Servicer or other Person in which Transition Charge Revenues or other proceeds have been commingled with other funds. Without limiting the effectiveness of the statutory lien created by the Act, any other security interest that may apply to Transition Charge Revenues shall be considered cancelled when such revenues or proceeds are transferred to a segregated account for an assignee or a Financing Entity in compliance with the terms of any trust agreement. No application of the Adjustment Mechanism shall affect the validity, perfection, or priority of the statutory lien created by the Act. The Transition Charge Revenues mingled with other funds subject to any lien shall be administered in a manner that allows for the identification within the Transition Charge Revenues and such other funds.

28. As provided in Article 35(k)(3) of the Act, the statutory lien or its priority shall not be affected or impaired by, among other things, the commingling of Transition Charge Revenues or other proceeds from Transition Charges with other amounts regardless of the Person holding such amounts.

No Conflicting Liens:

29. The Transition Charge Revenues are not subject to any lien or charge of Bondholders or other creditors of PREPA or of any other Person other than the lien or charge imposed by the Trust Agreement in favor of the Bondholders or under any Ancillary Agreement as and to extent provided therein.

Revenues Solely of the Corporation:

30. The Transition Charge Revenues are revenue and income of the Corporation and not of PREPA or any other Person and are not available resources of the Commonwealth nor do the Transition Charges constitute a tax and the right of the Corporation to impose and collect Transition Charges may not be revoked or rescinded.

31. As more fully provided in Article 35(i) of the Act, (i) as soon as possible after receipt, all Transition Charge Revenues and PREPA charges shall be paid or deposited to a special collection account at the Depository, and (ii) such revenues shall be distributed among,

and remitted to, the Corporation or its assigns or pledgees and to PREPA or its assigns or pledgees on a daily basis in accordance with their respective interests.

32. As provided in Article 35(i) of the Act, under no circumstances shall the Transition Charges imposed or Restructuring Property created by the Corporation to secure the Bonds be deemed as raised by taxation, nor deemed to be PREPA or Commonwealth revenue nor be deemed received as a result of PREPA's ownership or operation of the Electric System Assets.

33. As provided in Article 35(i) of the Act, PREPA, in servicing and collecting any Transition Charges, shall be deemed to be acting solely as an agent of the Corporation and not as principal, any such Transition Charges to be received in trust for the exclusive benefit of the Corporation, the Bondholders and Persons entitled to receive payment therefrom for any Financing Costs. Transition Charges shall not lose their character as Transition Charges by virtue of any possession by PREPA.

Servicing.

34. As provided in Article 35(i) of the Act, the Corporation, PREPA and the Servicer (in case the latter is different from PREPA) shall have the following duties: (i) impose, adjust, bill and collect to all the Customers any applicable Transition Charges, including in each bill the applicable Transition Charge as a separate item; (ii) distribute pro rata between the Corporation and PREPA the partial payments made by the customers as provided in subsection (k)(1) of Article 35 of the Act; (iii) take any actions permitted by the law to collect unpaid bills; (iv) exercise all the collection rights of the holders or pledgees of the Restructuring Property in benefit of such holders or pledgees; and (v) shall transfer any Transition Charge Revenues to the holders or pledgees of Restructuring Property.

35. As provided in Article 35(i) of the Act, PREPA, upon the Servicer's request, shall terminate or suspend service to non-paying Customers on the same basis as termination or suspension of service is permitted for nonpayment of electric or other rates by PREPA. Neither the Corporation, nor other holder of the Restructuring Property or the Trustee may directly suspend or terminate the electric service to any Customer.

36. As provided in Article 31(22) of the Act (definition of "Servicer" ["*Manejador*"]), the term Servicer shall be deemed to include any subservicer, backup servicer (including if it becomes a Servicer under a Servicing Agreement), replacement servicer or the successors of any of the foregoing, authorized to act as such under a Restructuring Resolution.

Successor Owners:

37. As provided in Article 35(l) of the Act, PREPA, any successor or assign of PREPA or any other Person with any operational control of any portion of the Electric System Assets, whether as owner, lessee, licensee or otherwise and any Servicer successor, shall be bound by the requirements of the Act and shall perform and satisfy all obligations imposed pursuant thereto in the same manner and to the same extent as did its predecessor, including the obligation to bill, adjust and enforce the payment of Transition Charges.

Commonwealth No Bankruptcy Covenant:

38. The Commonwealth has covenanted with the Bondholders and parties to any Ancillary Agreements in Article 41 of the Act that the Commonwealth will not limit or alter the provision of Article 41 of the Act that provides that prior to the date that is one year and one day after the Corporation no longer has any "Restructuring Bonds" outstanding, including the Bonds, or any Ancillary Agreement, including any Surety Bond reimbursement agreement, with payment obligations that have or may become due thereunder, the Corporation shall have no authority to file a petition for relief as a debtor under any chapter of the federal bankruptcy code or any other bankruptcy, insolvency, debt composition, moratorium, receiver or similar federal laws or any other bankruptcy, insolvency, debt composition, moratorium, receiver or similar federal laws or any Commonwealth bankruptcy, moratorium, debt adjustment, composition or similar laws permitting stay or delay of payment or discharge or reduction in amount owed on any "Restructuring Bonds", including the Bonds, as may, from time to time, be in effect, and no public officer, organization, entity or other Person shall authorize the Corporation to be or become a debtor under chapter 9 of the Federal Bankruptcy Act or similar federal law or any such Commonwealth law during such period. As provided in Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such Ancillary Agreement parties.

Commonwealth Non-Dilution Covenant:

39. Article 41 of the Act contains the covenant of the Commonwealth, made to the holders of any "Restructuring Bonds", including the Bonds, and with those Persons that enter into contracts with the Corporation, including parties to any Ancillary Agreement, including any Surety Bond reimbursement agreement, pursuant to the provisions of the Act, that after the issuance of the Bonds, the Commonwealth will not authorize the issuance of debt by any public corporation and governmental instrumentality of the Commonwealth or any other Person which indebtedness is secured by Restructuring Property or any other rights and interests in rates, charges, taxes or assessments that are separate from rates and charges of PREPA and that are imposed upon Customers to recover the ongoing financing costs of such debt, if upon the issuance of such debt the security for any "Restructuring Bonds", including the Bonds, or any Ancillary Agreements shall be materially impaired. It shall be presumed that such security shall not be materially impaired if upon the issuance of such debt, the credit ratings for the then-outstanding Bonds (without regard to any third-party credit enhancement) shall not have been reduced or withdrawn. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such Persons.

Setoff, Counterclaim or Defense:

40. As provided Article 35(k)(1) of the Act, the Restructuring Property, Transition Charges, Transition Charge Revenues, and the interests of a bondholder, Financing Entity or any other Person in Restructuring Property or in Transition Charge Revenues are not subject

to set-off, counterclaim, surcharge or defense by a Servicer, any Customer, the Corporation, PREPA, holders of any other debt issued by PREPA (or any other creditors of PREPA) or any other Person or in connection with any default, bankruptcy, reorganization or other insolvency proceeding of any of the foregoing Persons.

Corporation:

41. The Corporation has been duly created by Article 32(a) of the Act.

Exercise of Remedies:

42. As provided in Article 35(j)(3) of the Act, if the Servicer defaults in the obligations contained in the Act or through a contract related to the Transition Charge Revenues' required remittances, the Corporation, the Trustee or the holder or pledgees of the Restructuring Property may resort to any court, including any federal court, to require an order of seizure and payment of the Transition Charge Revenues, or any other applicable remedy. If such court determines that such default existed, it shall issue the requested seizure and payment order. The order shall remain valid notwithstanding any bankruptcy, reorganization, or any other insolvency procedure with respect to the Servicer, the Corporation, PREPA or any other Person.

43. As provided in Article 38(a) of the Act, subject to the limitations contained in this Restructuring Resolution or the Trust Agreement, the Corporation or any other holder of Restructuring Property, or the applicable Trustee, (1) are authorized to hire consultants, attorneys and other Persons and enter into such agreements as the Corporation, other holder or Trustee deems necessary to require and collect payment of the Transition Charge Revenues or protect the Restructuring Property and include the cost thereof as a Financing Cost, and notwithstanding any other provision of law, and (2) are expressly permitted to (i) bring actions against any owner of the Electric System Assets, any Servicer, or any other Person authorized to bill or collect Transition Charges, any Customers or any other Person for failure to impose, bill, pay or collect any Transition Charges constituting part of the Restructuring Property then pledged as security for such Bonds, (ii) enforce any other provision of the Act or action taken by the Corporation in respect thereof, (iii) take any other action as the Corporation, other holder of Restructuring Property or the Trustee may deem necessary to enforce and collect the Transition Charge Revenues or (iv) protect the Restructuring Property in accordance with the terms of the Restructuring Resolution related thereto and the Bonds, regardless of whether an event default has occurred in respect of the Bonds.

44. As provided in Article 38(a) of the Act, no action may be brought by the Corporation, the Trustee or the party to any Ancillary Agreement or on their behalf (other than through PREPA or any successor Servicer) against any Customer for its failure to pay any Transition Charges so long as PREPA or any Servicer is complying with its obligations, pursuant to the Servicing Agreement, to collect charges (including Transition Charges) due from such Customer.

45. As provided in Article 31(13)(e) of the Act ("Financing Costs" ["*Costos de Financiamiento*"]), any cost related to protecting the status of Restructuring Property and collecting Transition Charges, including any cost related to any judicial or similar proceedings that the Corporation or the Trustee or any holder of all or a portion of Restructuring Property deems necessary to enforce or collect Transition Charge Revenues or protect the Restructuring Property or any other costs referred to in Article 38(a) of the Act is a Financing Cost approved for recovery in the Restructuring Resolution.

46. As provided in Article 38(b) of the Act, any court shall have jurisdiction over any actions for failure to bill, pay or collect any Transition Charges or for enforcement of any provision of the Act.

47. As provided in Article 38(c) of the Act, the Restructuring Property may be transferred, sold, conveyed or assigned (including by an action to foreclose on the Restructuring Property) to any Person after an event of default has occurred, subject to the terms of the Trust Agreement in case the same is still in effect regarding the Bonds.

48. Pursuant to Article 35(i) of the Act, neither the Corporation, nor any other holder of the Restructuring Property or the Trustee may directly suspend or terminate the electric service to any customer.

Additional Commonwealth Covenants:

49. As provided in Article 41 of the Act, the Commonwealth has covenanted, pledged and agreed with the holders of any "Restructuring Bonds", including the Bonds, issued under the Act and with those Persons that enter into other contracts with the Corporation, including parties to any Ancillary Agreement, pursuant to the provisions of the Act, that it shall not limit, alter, impair, postpone or terminate the rights conferred in the Act, any Restructuring Resolution and related agreements, including the requirements in Articles 34 and 35 as well as the Securitization Chapter, until any "Restructuring Bonds", including the Bonds, and the interest thereon are paid or legally defeased in accordance with their terms and such other contracts are fully performed and honored on the part of the Corporation. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such other Persons.

50. As provided in Article 41 of the Act, the Commonwealth has covenanted, pledged and agreed with the holders of any "Restructuring Bonds", including the Bonds, issued under the Act and with those Persons that enter into other contracts with the Corporation, pursuant to the provisions of the Act, that after the issuance of any "Restructuring Bonds", including the Bonds, neither the Commonwealth nor any agency, public corporation, municipality or instrumentality thereof (including the Commission) shall take or permit any action to limit, alter, reduce, impair, postpone or terminate the rights conferred in any Restructuring Resolution, including those relating to Transition Charges and the related Adjustment Mechanism, as the same may be adjusted from time to time pursuant to the Restructuring Resolution in a manner that impairs the rights or remedies

of the Corporation or the holders of any "Restructuring Bonds", including the Bonds, parties to any Ancillary Agreement, including any Surety Bond reimbursement agreement, or any Financing Entity or the security for the "Restructuring Bonds", including the Bonds, or Ancillary Agreements, including any Surety Bond reimbursement agreement, or that impairs the Restructuring Property or the billing or collection of Transition Charge Revenues. Nor shall the amount of revenues arising with respect to Restructuring Property be subject in any way to limitation, alteration, reduction, impairment, postponement or termination by the Commonwealth or any agency, public corporation, municipality or instrumentality thereof except as contemplated by the Adjustment Mechanism. As provided by Article 41 of the Act, the Corporation is authorized and directed as agent of the Commonwealth to include this covenant as an agreement of the Commonwealth in the Bonds and in any contract with the Bondholders or such Ancillary Agreement parties.

Not Debt of the Commonwealth:

51. As provided in Article 35(q) of the Act, the Bonds shall not be a debt of the Commonwealth, nor shall they be payable from funds other than those of the Corporation; and such Bonds shall contain on the face thereof a statement to that effect.

Legal Investments:

52. As provided in Article 35(n) of the Act, the Bonds are securities in which all public officers and bodies of the Commonwealth and all public corporations, municipalities and instrumentalities, all insurance companies and associations and other Persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations including savings and loan associations, building and loan cooperatives, investment companies and other Persons carrying on a banking business, all administrators, conservators, guardians, executors, trustees and other fiduciaries, and all other Persons now or hereafter authorized to invest in bonds or in other obligations of the Commonwealth, may invest funds in their control or belonging to them. The Bonds may be deposited with and may be received by all public officers and bodies of the Commonwealth and all municipalities, public corporations and instrumentalities for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized.

Governing Law:

53. The Corporation may include in this Restructuring Resolution an authorization for the Corporation to include in the Trust Agreement, any Servicing Agreement, any Ancillary Agreement and any other Basic Document a provision to the effect that such agreement will be governed by New York law as if each such agreement were executed in and to be performed entirely within the state of New York. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth (including the Act) and this Restructuring Resolution, all rights of the Corporation or the Servicer against any Customer by virtue of the Act, and the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth.

54. The Corporation may irrevocably submit and waive any objection to the nonexclusive, in personam jurisdiction and venue of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, with respect to any claim related to the Bonds (including, without limitation, any claims arising under this Restructuring Resolution or under any Basic Document, including, to the extent permitted by law, the Initial Servicing Agreement). Notwithstanding the foregoing, any proceeding commenced and undertaken pursuant to the provisions of Articles 35(c) or 35(d) of the Act must be filed in the Superior Court, San Juan Part, and follow the procedures established therein.

Additional Restructuring Bonds:

55. The Corporation may issue one or more series of "Restructuring Bonds," in addition to the Bonds, secured by "Restructuring Property" created pursuant to one or more additional "Restructuring Resolutions" (other than the Restructuring Resolution attached to the Petition as Attachment 1.00) so long as such issuance is consistent with the terms of the Act, the Trust Agreement securing any outstanding Bonds, and with the terms of the RSA.

Commission Approvals; Paramount Bondholder Rights:

56. As provided in Article 31(14) of the Act, the Restructuring Order is irrevocable and not subject to further review or amendment by the Commission.

57. Except as set forth in Finding of Fact 36 relating to verification of the mathematical accuracy of the Transition Charges, nothing in the Act shall authorize the Commission to approve, modify or alter any Transition Charge, or to approve, reduce, or alter any Upfront Financing Cost or Ongoing Financing Cost or interfere with the payment thereof.

58. Any successor Servicing Agreements will not be subject to review or approval by the Commission if and to the extent that such review or approval would diminish the rights of the Trustee the Bondholders, or any party to an Ancillary Agreement to replace the Servicer under the terms of any Trust Agreement or any other financing document relating to the Bonds. Any Basic Document or agreement approved in this Restructuring Resolution shall be subject to change and completion without Commission approval, other than any change to the Servicing Agreement which materially alters the fees payable to PREPA, as the Initial Servicer.

59. Any projections, estimates or calculations provided in the Petition or included in any document supporting such Petition are in all cases non-binding and any failure to realize any projections or estimates shall not affect the Restructuring Resolution or Restructuring Order.

60. Article 4 of Law No. 114-2007, as amended, is consistent with and does not limit the ability to impose Transition Charges on net-metering or distributed generation Customers as provided in the Adjustment Mechanism.

61. Resolution 19 of this Restructuring Resolution sets forth all commitments of the Corporation that are enforceable against the Corporation by the Commission under Article 6.25A of Act 57-2014, as amended, through judicial action directing that the Corporation act in accordance with their terms.

62. Nothing in Article 6.25A of Act 57-2014, as amended, authorizes the Commission to take any action (including replacement of the Servicer) which would impair rights of the Bondholders or which would be contrary to, or conflict with, the prior and paramount rights of Bondholders as provided in the Trust Agreement, including, but not limited to the rights of the Trustee or Bondholders to override an order of the Commission replacing the Servicer.

General

63. [Neither the Servicing Agreement, nor any obligation or duty of the Authority thereunder, is, nor may it be classified as, an enumerated obligation as defined in Act No. 21-2016 of the Legislature of Puerto Rico, enacted April 6, 2016.]

BE IT RESOLVED BY THE CORPORATION AS FOLLOWS:

1. RESOLVED, The Corporation authorizes and approves the issuance and sale of Bonds in the maximum principal amounts set forth in Finding of Fact 1, for the purposes described in this Restructuring Resolution. The final terms of the Bonds, consistent with the terms of this Restructuring Resolution, shall be approved by the Corporation Designee pursuant to Finding of Fact 68 and Ordering Paragraph 14 below, or in the case of Closing Date Bonds or Post-Closing Date Bonds, by the Board pursuant to the Award Resolution and any Designee Certificate. In no event are Bonds to be issued during the pendency of any action brought pursuant to Article 35(c), (d) or (f)(2) of the Act.

2. RESOLVED, The Corporation authorizes and approves the recovery of the Approved Restructuring Costs described in this Restructuring Resolution through the issuance of the Bonds.

3. RESOLVED, The Corporation authorizes the creation of the Restructuring Property, as described in Findings of Fact 42 and 43 and hereby specifies that it will be created and vest in the Corporation upon the issuance of any Bonds.

4. RESOLVED, The Restructuring Property, as described in Findings of Fact 42 and 43, shall be pledged to, and shall be used solely for the purpose of, paying and securing the payment of the Bonds and other Ongoing Financing Costs.

5. RESOLVED, Regardless of whether the Corporation is the owner of the Restructuring Property, neither the Restructuring Property, the Transition Charges, nor the Transition Charge Revenues shall be subject to any fees, taxes, special ad valorem levies or assessments of any kind, including income taxes, franchise taxes, sales taxes or other taxes or payments or contributions in lieu of taxes. The Bonds, other Ongoing Financing Costs and the income therefrom and all revenues, money, and other property pledged to

pay or to secure the payment of such Bonds and other Ongoing Financing Costs shall at all times be free from taxation; and this covenant shall be included in the Bonds.

6. RESOLVED, The Corporation authorizes and approves the recovery and payment of all Upfront Financing Costs described in this Restructuring Resolution from the proceeds of the New Money Bonds, the Cash Offer Bonds or Post-Closing Date Bonds or through delivery of New Money Bonds as payment or from an advance or contribution from PREPA, provided that, to the extent provided in the Designee Certificate or any Award Resolution), any Upfront Financing Costs in excess of available Bond proceeds not otherwise paid for, shall be paid as Ongoing Financing Costs from Transition Charges.

7. RESOLVED, The Corporation approves the recovery and payment of all Ongoing Financing Costs, regardless of the amount, from the collections of the Transition Charges as described in this Restructuring Resolution.

8. RESOLVED, The Corporation approves the calculation methodology for the Transition Charges and the Adjustment Mechanism described in Finding of Fact 27 and authorizes its use for the calculation and adjustment of the Transition Charges.

9. RESOLVED, The Corporation shall adjust, or shall cause the Servicer to adjust, the Transition Charges, no less often than quarterly, as described in Findings of Fact 32 through 39.

10. RESOLVED, There shall be no cap on the Transition Charge calculated pursuant to the Adjustment Mechanism.

11. RESOLVED, The Corporation authorizes the imposition, adjustment in accordance with the calculation methodology for the Transition Charges and the Adjustment Mechanism and the billing and collection of the Transition Charges to recover from Customers the principal and interest payable on the Bonds and the other Ongoing Financing Costs. The Transition Charges shall be in an amount sufficient at all times to provide for the full payment of principal of the Bonds at their scheduled maturity dates, the timely payment of interest on the Bonds and the timely payment and recovery of other Ongoing Financing Costs. The Transition Charges shall be separate from rates and charges of PREPA appearing as a separate line item on each Customer bill.

12. RESOLVED, Upon the issuance of the Bonds, this Restructuring Resolution and the Transition Charges, including their Non-bypassability and the Adjustment Mechanism described herein, shall be irrevocable, final, non-discretionary and effective without further action by the Corporation or any other Person.

13. RESOLVED, The Corporation Designee is hereby authorized and directed to file, not later than the third business day following the pricing of any issue of Bonds, the Designee Certificate with the Clerk of the Board and the Commission (for information purposes).

14. RESOLVED, The Corporation approves the forms of the Basic Documents and authorizes the Corporation Designee to execute and deliver the Basic Documents, with such changes, consistent with this Restructuring Resolution and any Award Resolution,

as the Corporation Designee, upon the advice of its financing counsel, may approve, such approval to be conclusively evidenced by the execution of such Basic Documents by the Corporation Designee, as described in Finding of Fact 68. The execution of the Basic Documents by the Corporation Designee shall constitute the final and irrevocable approval of this Board of the terms of such Basic Documents and the Bonds, which approval shall not be subject to any further review or approval of the Corporation except as provided by the terms of such Basic Documents. Nothing herein shall prevent the Corporation from approving any amendments to the Basic Documents, or the execution of any other security or financing document not inconsistent with the terms of this Restructuring Resolution through an Award Resolution.

15. RESOLVED, The Corporation authorizes and approves the appointment of the Trustee, the Servicer, the Depository and the Calculation Agent.

16. RESOLVED, The Corporation is hereby authorized to contract with PREPA as Initial Servicer, for an initial annual servicing fee of 0.05% of the initial principal amount of the Bonds, to be increased on each anniversary date by the year-over-year percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) (not seasonally adjusted) for the most recently completed twelve-month period for which such data is available. The Corporation or the Trustee is hereby authorized to contract with a successor Servicer for a servicing fee not exceeding 1% of the initial principal amount of all series of Bonds. Any fees of a Servicer shall be recovered from Transition Charge Revenues. Any subservicer, backup servicer (including if it becomes a Servicer under a Servicing Agreement), replacement servicer or the successors of any of the foregoing, appointed by the Corporation under a Servicing Agreement shall be authorized to act as Servicer under this Restructuring Resolution.

17. RESOLVED, The Corporation shall cause the Servicer to file monthly with the Corporation, the Commission and the Trustee a report showing the billing and collection of Transition Charges, and remittances to the Trustee.

18. RESOLVED, In the event that the Depository or the Calculation Agent should resign or be discharged, the Corporation or the Trustee may, in accordance with the provisions of the Trust Agreement, take all necessary action to cause a new Depository or Calculation Agent to be appointed, as described in Findings of Fact 52 and 40, respectively. Any costs of the Depository or Calculation Agent shall be recovered from Transition Charge Revenues as an Ongoing Financing Cost.

19. RESOLVED: The Corporation makes the following commitments to the Commission, each of which commitments will be enforceable by the Commission solely by specific performance:

    (i) Not later than ten (10) days following any issuance of Bonds, the Corporation shall file, or cause the Servicer to file, with the Commission, for informational purposes only, a report detailing the final terms of the Bonds, and setting forth a final estimate of the Upfront Financing Costs and the estimated Ongoing

Financing Costs for the term of the Bonds. All or portions of such information may be provided in the Designee Certificate;

(ii) (A) the Corporation shall provide to the Commission a copy of any successor Servicing Agreement, for informational purposes only, and (B) the Corporation shall file, or cause the Servicer to file, with the Commission, all Servicer reports, including any notice of any proposed adjustment of the Transition Charge, at the same time as such notice is submitted to the Corporation (such report to show in detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis);

(iii) any reports required to be filed with the Corporation by any Trustee for the Bonds shall also be filed with the Commission at the same time as such reports are filed with the Corporation;

(iv) (A) the Corporation and the Servicer, shall jointly submit a report to the Commission, not later than March 1 of each year, setting forth with respect to the prior calendar year, the outstanding principal amount of the Bonds, the amount paid on such Bonds in such calendar year and the Ongoing Financing Costs paid in such prior year; and (B) after final payment of the Bonds and any associated Financing Costs in full, the Transition Charge Revenues on deposit with, or thereafter received by, the Trustee will be credited back to Customers in a manner directed by the Commission, and the Corporation will issue such final accounting reports as directed by the Commission;

(v) each notice of a proposed adjustment to the Transition Charges, including the data or work papers used to calculate the Transition Charges, will be delivered and will take effect as described in Finding of Fact 33; and

(vi) the Corporation shall retain an independent auditor, subject to approval by the Commission, and the Corporation shall cause such auditor to deliver to the Corporation and to the Commission, no later than August 15 of each year, a report that shall include a verification that the Upfront Financing Costs and Ongoing Financing Costs paid from Transition Charge Revenues within the preceding calendar year to the date of such report are consistent with the Basic Documents. In addition, at the discretion of the Commission, the Corporation shall retain an independent entity (which may be the same auditor), subject to the approval of the Commission, which entity shall deliver to the Corporation and the Commission, no later than August 15 of each year, an assessment of the reasonableness of the costs listed in Article 31(13) (definition of "Financing Costs" ["*Costos de Financiamiento*"]) of the Act incurred in the preceding year.

20. RESOLVED, The Trustee, as and to the extent provided in the Trust Agreement, shall be entitled to enforce the obligations of the Depository under the Depository Agreement, the obligations of the Calculation Agent under the Calculation Agent Agreement, and the obligations of the Servicer under any Servicing Agreement, in each case, in accordance with the Trust Agreement.

21. RESOLVED, If a requisite number of Bondholders are entitled to act in lieu of the Trustee and on behalf of all Bondholders under the Trust Agreement or any other Basic Document (herein, the "Requisite Bondholders"), then the Requisite Bondholders shall be entitled to take all actions the Trustee would be entitled to take, as and to the extent provided under the Trust Agreement.

22. RESOLVED, The Corporation authorizes the Corporation Designee and the other directors and officers of the Corporation to take such further actions, including without limitation the execution of such agreements, certificates and documents, as they deem necessary or appropriate, to cause the issuance of the Bonds and the fulfillment of all commitments to the Commission, consistent with the terms of this Restructuring Resolution, as further described in Finding of Fact 68. All such prior actions of the Corporation Designee or any other trustee or officer of the Corporation are hereby ratified and approved.

23. RESOLVED, Neither the directors or officers of the Corporation nor any Person executing Bonds shall be liable personally thereon or be subject to any personal or corporate liability or accountability solely by reason of the issuance thereof. The Bonds shall not be a debt of the Commonwealth, nor shall they be payable out of any funds other than those of the Corporation; and the Bonds shall contain on the face thereof a statement to that effect.

24. RESOLVED, The Bonds shall be without recourse to the credit or any assets of the Corporation other than the Restructuring Property and any other collateral for the Bonds described in the Trust Agreement.

25. RESOLVED, This Restructuring Resolution shall not be interpreted to alter or limit the rights vested in PREPA to establish sufficient rates to pay and perform all of its obligations and contracts with its Bondholders and other creditors in accordance with their respective terms, nor to interfere with or diminish the lien upon PREPA revenues imposed under the Trust Agreement or other documents securing the PREPA Bonds and other obligations.

26. RESOLVED, With respect to any claim related to the Bonds (including claims arising under this Restructuring Resolution or under the Basic Documents and, to the extent permitted by law, the Initial Servicing Agreement), the Corporation hereby irrevocably submits and waives any objection to the non-exclusive, *in personam* jurisdiction and venue of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City and to the application of the laws of the State of New York, and agrees to maintain contacts with the State of New York sufficient to give the courts located therein personal jurisdiction over the Corporation. Notwithstanding the foregoing, any proceeding commenced and undertaken pursuant to the provisions of Articles 35(c) or 35(d) of the Act must be filed in the Superior Court, San Juan Part, and follow the procedures established therein.

27. RESOLVED, The Corporation shall include in the Trust Agreement, any Servicing Agreement, any Ancillary Agreement and any other Basic Document, a provision to the

effect that such agreement will be governed by New York law as if such agreement were executed in and to be performed entirely within the state of New York. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth (including the Act) and this Restructuring Resolution, all rights of the Corporation or the Servicer against any Customer by virtue of the Act and of the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth.

28. RESOLVED, If an event of default with respect to the Bonds has occurred and is continuing, the transfer of the Restructuring Property to a third party as and to the extent provided in the Trust Agreement is hereby approved.

29. RESOLVED, This Restructuring Resolution may be amended by the Corporation prior to the issuance of any Bonds without the approval of the Commission; provided, however, that no such amendment may alter in any material respect the Calculation Methodology for the initial Transition Charge or the Adjustment Mechanism, or diminish in any respect the powers and rights of the Commission under the Restructuring Order, or alter the fee of the Initial Servicer or increase the maximum fee of any successor Servicer from the amounts approved in the Restructuring Order.

30. RESOLVED, This Restructuring Resolution shall be effective upon its approval, and, on and after the date the Bonds are issued, shall not be subject to amendment and shall be irrevocable.

APPENDIX 1

CORPORATION DESIGNEE CERTIFICATION OF DETERMINATION

Pursuant to the Restructuring Resolution No. _____ (the "Restructuring Resolution") adopted by the Corporation on _____, 2016, _____, the Corporation Designee hereby reports and certifies to the Board and the Commission the final terms of the Bonds issued on _____, 20__ (the "Closing Date") in the aggregate principal amount of $_____ and other information required by the Restructuring Resolution. Any capitalized terms not defined in this Certificate shall have the meanings ascribed to them in the Restructuring Resolution.

PURPOSE:

This filing sets forth the following:

(a) Terms of Issuance, including principal amount, interest rate, and other terms and details of the Bonds, including the Exchange Offer Bonds, the Mirror Bonds, the New Money Bonds, the Cash Offer Bonds [and Syncora Bonds (if issued in a manner such that the Savings Test would apply to such Syncora Bonds pursuant to the Act)] and the Lender Bonds;

(b) A description of the PREPA Bonds which were exchanged for the Exchange Offer Bonds, the PREPA Bonds insured or held by the Monoline Insurers or holders of 2016 PREPA Bonds to be legally or economically defeased by the Mirror Bonds, the PREPA Bonds which were [defeased, redeemed, purchased] with the proceeds of the Cash Offer Bonds, [the PREPA Bonds which were restructured, refunded, redeemed, defeased or purchased through the issuance of Syncora Bonds] and the obligations under the Credit Agreements to be extinguished in exchange for the Lender Bonds;

(c) The application of the net proceeds from the sale of the New Money Bonds and the Cash Offer Bonds;

(d) The estimated Upfront Financing Costs to be paid with the proceeds of the New Money Bonds or through the delivery of Bonds in payment thereof;

(e) Estimated Ongoing Financing Costs for the first ____-month period following the Closing Date;

(f) Calculation of the expected savings from the issuance of the Exchange Offer Bonds, the Cash Offer Bonds [and the Syncora Bonds]; and

(g) The initial Transition Charges and their effective date (previously reported on _____, 20__ pursuant to the initial True Up Adjustment Letter), and the estimated Transition Charges over the life of the Bond issuance.

This Certificate is provided for information purposes only, except that the initial Transition Charges shall be subject to mathematical verification as provided in Finding of Fact 35 of the Restructuring Resolution.

(a) FINAL TERMS OF ISSUANCE:

All Bonds:

Total Amount Issued (Taxable):

Total Amount Issued (Non-Taxable):

Trustee: [*]

Sale Date: [*]

Closing Date:

Bond Ratings: [*]

Bonds by Type:

Exchange Offer Bonds:

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings:[*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-1.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level	$[ ]

Mirror Bonds

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	

Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-2.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level	$[]

Cash Offer Bonds

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-3.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level	$[]

New Money Bonds

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-3.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]

Required Reserve Level	$[]

Lender Bonds:

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-4.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level:	$[]

Syncora Bonds:

Total Amount Issued (Taxable):	$[ ]
Total Amount Issued (Non-Taxable):	$[ ]
Bond Ratings: [*]	
Interest Rates, Scheduled and Legal Maturities, [Prices or Yields] Target Amortization Schedule: [*]	See Schedule A-4.
Call Provisions:[*]	
Payments to Holders:[*]	Semiannually, Beginning on [ ]
Required Reserve Level:	$[]

Each of the Bonds has a legal maturity no less than one year and no more than 35 years from the date of its issuance.

(b) DESCRIPTION OF RETIRED PREPA BONDS

A description of terms and debt service schedule on the PREPA Bonds to be exchanged for the Exchange Offer Bonds, the Insured PREPA Bonds or 2016 PREPA Bonds to be legally or economically defeased by the Mirror Bonds, the PREPA Bonds which were [defeased, redeemed, purchased] with the proceeds of the Cash Offer Bonds, the PREPA Bonds which were restructured, refunded, redeemed, defeased or purchased through the issuance of Syncora Bonds, and the obligations under the Credit Agreements to be extinguished in exchange for the Lender Bonds

[Schedules B-1 through B-___].

(c) APPLICATION OF PROCEEDS OF THE NEW MONEY BONDS AND CASH EXCHANGE BONDS

The proceeds from the sale of the New Money Bonds were applied as follows:

	AMOUNT
-Defeasance, redemption purchase of PREPA Bonds	
-Cost of Issuance Account (to pay Upfront Financing Costs-see attached Schedule D-1)	
-Deposit to Debt Service Reserve Funds {list subaccounts}	
-Deposit to PREPA Self Insurance Fund	
-IRS payment	

(d) ESTIMATED UPFRONT FINANCING COSTS

The estimated Upfront Financing Costs to be paid with the proceeds of the New Money Bonds or any New Money Bonds issued as payment of Upfront Financing Costs are set forth in Schedule D-1.

(e) ESTIMATED ONGOING FINANCING COSTS;

The estimated Ongoing Financing Costs for the Bonds (exclusive of debt service on the Bonds) for the initial period ending _____, 2017 are shown on Schedule E-1.

(f) EXPECTED SAVINGS:

The expected net present value savings, calculated using the assumptions set forth in the Petition and the Restructuring Resolution, including Schedule F thereto, based upon the scheduled payments on the Bonds specified in Schedules A-1 through A-___ hereto, the expected other Ongoing Financing Costs specified in Schedule E-___, and debt service schedule on the PREPA Bonds to be exchanged for the Exchange Offer Bonds specified in Schedule B-___, are shown below and calculated as shown in Schedule F-1[1]:

	Uninsured PREPA Bonds Debt Service	**Restructuring Bond Debt Service**	**Expected Savings**
Net Present Value	**$_____**	**$_____**	**$_____**

(g) INITIAL TRANSITION CHARGES:

The initial Transition Charges, calculated pursuant Appendix ____ to the Restructuring Resolution, are shown below:

Residential Customers: $_____ per service agreement

All other Customers: $_____-kWh.

The calculations are shown in the work papers attached to the Initial True-Up Adjustment Letter. As stated in the Initial True-Up Adjustment Letter, the initial Transition Charges will be effective on and after _____, until adjusted in accordance with the Restructuring Resolution.

BASIC DOCUMENTS:

Attached to this Certificate are the substantially final forms of the Basic Documents which have been or will be executed and delivered by the Corporation Designee at or about the time of delivery of the Bonds. Executed documents will be filed with the Clerk of the Board and with the Commission no later than ten (10) days following the closing.

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[1] To include Syncora Bonds as well if Savings Test applies.

Respectfully submitted:

By: _____
[Title]
Corporation Designee

SCHEDULE A-1

Interest Rates, Scheduled and Legal Maturities[2]

[2] So long as the related interest rate swap agreement remains in effect, the interest rate for Monoline Mirror Bonds that legally or economically defease variable rate Insured PREPA Bonds shall bear interest at the fixed rate payable by PREPA under the applicable interest rate swap agreement. In such case, the Monoline Mirror Bonds will secure both debt service on the related Insured PREPA Bonds and the applicable interest rate swap. If the related interest rate swap agreement expires or terminates, the interest rate for Monoline Mirror Bonds that legally or economically defease variable rate Insured PREPA Bonds shall be identical to the interest rate borne by such variable rate Insured PREPA Bonds.

SCHEDULE B-1

PREPA DEBT TO BE EXCHANGED AND RETIRED BY EXCHANGE OFFER BONDS

Description	Amount to be Retired	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-2

PREPA DEBT TO BE LEGALLY OR ECONOMICALLY DEFEASED BY MIRROR BONDS

Description	Amount to be Defeased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-3

PREPA DEBT TO BE DEFEASED, REDEEMED, PURCHASED FROM THE PROCEEDS OF CASH OFFER BONDS

Description	Amount to be Defeased, Redeemed, Purchased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-4

CREDIT AGREEMENT DEBT
TO BE EXTINGUISHED/DEFEASED BY LENDER BONDS

Description	Amount to be Defeased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE B-5

SYNCORA INSURED PREPA BONDS TO BE DEFEASED, REDEEMED, PURCHASED FROM THE PROCEEDS OF CASH OFFER BONDS

Description	Amount to be Defeased, Redeemed, Purchased	Total Outstanding Principal Amount	Current Maturity	Interest Rate

SCHEDULE D

UPFRONT FINANCING COSTS:

The following shows the estimated Upfront Financing Costs (excluding Debt Service):

		AMOUNT
1	Accountant's / Auditor's Fees	
2	Legal Fees and Expenses	
	-- Issuer's Counsel (Sidley)	
	-- Local Counsel (PMA)	
	-- Regulatory Counsel (R3)	
	-- Underwriter's Counsel (Orrick)	
	-- Trustee's Counsel (TBD)	
	--[other]	
3	Printing & Filing Costs	
4	Advisor Fees	
	-- Restructuring Advisor (AlixPartners)	
	-- Restructuring Advisor (Millstein)	
	-- Municipal Advisor (PFM)	
	--[other]	
5	Rate Consultant Fees (Navigant)	
6	Rating Agency Fees	
7	Reserve Account Deposit	
8	Reserve Surety Premium	
9	Calculation Agent Set-Up Costs	
10	Servicer Set-up Costs	
11	Custodian / Depository Agent [Fees and Expenses]	
12	Information Agent (Bondcom) [Fees and Expenses]	
13	Trustee Fees	
14	Underwriting / Exchange Agent Fees (Bankers)	
15	Solicitation Agent Retail Fees	
16	Underwriting Expenses	
17	Miscellaneous / Other	
18	Original Issue Discount / Original Issue Premium	
19	[other]	
	Total estimated Upfront Financing Costs (Sum of Lines 1 through __)	

SCHEDULE E

ESTIMATED OTHER ONGOING FINANCING COSTS
(for period ending _____, 20___)

	ANNUAL AMOUNT
Servicing Fee (Paid to PREPA)	
Administration Fees and Expenses	
Directors Liability Insurance	
Surety Fees -- Quarterly Fees -- Annual Premium (c)	
Trustee Fees and Expenses	
Legal Fees	
Accounting Fees	
Calculation Agent Fee	
Custodian / Depository Agent Fee	
Rating Agency Fees	
Miscellaneous / Other	
TOTAL ESTIMATED OTHER ONGOING FINANCING COSTS	

The Ongoing Financing Costs detailed in the table above are authorized by the Restructuring Resolution and approved by the Corporation Designee.

Note: The amounts shown for each category of Ongoing Financing Costs on this attachment are the expected expenses for the first year following issuance of the Bonds/Post-Closing Date Bonds. Charges will be adjusted at least quarterly to reflect any changes in Ongoing Financing Costs through the Adjustment Mechanism described in the Restructuring Resolution.

SCHEDULE F

CALCULATION OF SAVINGS

APPENDIX 2

CALCULATION METHODOLOGY AND ADJUSTMENT MECHANISM

APPENDIX 3

FORM OF CALCULATION AGENT AGREEMENT

APPENDIX 4

FORM OF INITIAL SERVICING AGREEMENT

APPENDIX 5

FORM OF DEPOSITORY AGREEMENT

APPENDIX 6

FORM OF TRUST AGREEMENT

CALCULATION METHODOLOGY AND ADJUSTMENT MECHANISM TO ESTABLISH AND ADJUST THE TRANSITION CHARGE

The Corporation will, or will cause the Servicer on behalf of the Corporation to, calculate the initial Transition Charge and to adjust the Transition Charges in accordance with the following procedure. PREPA, as the initial Servicer pursuant to the Servicing Agreement, or any successor Servicer will make adjustments to the Transition Charges (a) quarterly, beginning no more than three (3) months from issuance of the Bonds and continuing until the Bonds and all Ongoing Financing Costs are paid or deemed paid in full, and (b) at any other time if the Servicer, the Calculation Agent, the Trustee or Requisite Bondholders (as and to the extent provided in the Trust Agreement) or any party to an Ancillary Agreement (as and to the extent provided in an Ancillary Agreement) determines that such adjustment is required to assure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs. Such adjustments are referred to herein as Quarterly and Optional True-Up Adjustments, respectively, and, collectively, as "True-Up Adjustments." Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Restructuring Resolution.

To initiate any True-Up Adjustment, the Servicer will make a preliminary calculation of the True-Up Adjustment and will prepare and submit to the Calculation Agent a draft request for adjustment (a "True-Up Letter"). The Calculation Agent will review the draft True-Up Letter, including the mathematical calculations related to the proposed True-Up Adjustment, and forward any corrections or modifications to the Servicer. The Servicer will then file the True-Up Letter, reflecting any such corrections or modifications, with the Corporation, the Commission and the Trustee, not later than 30 days prior to the proposed effective date of the adjustment set forth in the True-Up Letter (such effective date being referred to as the "True-Up Adjustment Date").

Each True-Up Adjustment will be designed (i) to correct for any over-collections or under-collections of Transition Charges through the proposed True-Up Adjustment Date and (ii) to ensure that expected Transition Charge Revenues remitted or to be remitted to the Trustee, after taking into account assumed charge-offs and payment delays, are adequate (A) to pay timely principal of (in accordance with the scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates)) and interest on the Bonds on each of the Payment Dates that occurs during the related Annual Calculation Period (defined below), (B) to fund or replenish any debt service reserve fund or account (or any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund) to its required level, as provided in the Trust Agreement or the Ancillary Agreement (as the case may be), and (C) to make timely payment of all other Ongoing Financing Costs during the related Annual Calculation Period.

In estimating the expected receipts of Transition Charges for any period the Servicer will apply a "collection curve" reflecting the most recent 12-month history of collections for which data are available. In connection with each True-Up Adjustment filing, the Servicer will develop one collection curve reflecting payment history for all Customers (the "Composite Collection Curve"). A collection curve is data reflecting the timing of payments of outstanding bills during a 12-month period, adjusted to assume that any Transition Charges which are not collected within 120 days of billing are written off. Each month's billings are divided into aging buckets based on

the number of days for which such billings have been outstanding (e.g., 0 to 29 days, 30 to 59 days, 60 to 89 days, and 90 to 119 days outstanding). The aging buckets are then used to estimate the dollar amount of each month's billings collected within 30, 60, 90 and 120 days, as well as the dollar amount not collected within 120 days (amount written off) for the 12-month period. For such 12-month period, the collection curve is calculated by dividing each of the total dollar amount of billings collected within 30, 60, 90, and 120 days by the total dollar amount of billings collected within 120 days. The Composite Collection Curve will also be used to calculate the Days Sales Outstanding referred to in Annex 3 to the Servicing Agreement.

As used herein, unless otherwise defined, capitalized terms shall have the following meanings:

"Actual kWh ~~Billed~~Usage" means, for any period and for any Customer, Class or Classes, the gross kWh consumption, measured, as and to the extent provided in the Restructuring Resolution, without regard to any offset for net-metering and adjusted for estimated ~~distributed generation usage~~generation consumption "behind the meter" (whether or not metered, "behind the meter"). For Fixed Block Public Housing Customers, actual kWh usage includes the full consumption of such Customers, whether within or outside of the base block. For Grandfathered Net Metered Customers (whether Residential, Non-Residential or Governmental), actual kWh usage will include gross consumption, without any offset for net metering. Usage of municipal Customers will be included only to the extent that the dollar value of such usage for electric service, including in determining such dollar value both Transition Charges which would otherwise be imposed on such municipality and PREPA charges, in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a contribution in lieu of taxes for such fiscal year, as provided in the Act and the Restructuring Resolution.

"Aggregated Actual kWh ~~Billed~~Usage" means, for any period, the sum of the Actual kWh ~~Billed~~Usage for all Customers.

"Annual Calculation Period" means the 12-month period beginning on (but not including) a True-Up Adjustment Date and ending on (and including) a date which is 12-months later.

"Base Residential Customers" means all Residential Customers except Grandfathered Net Metered Customers and Fixed Block Public Housing Customers.

"Base Non-Residential and Governmental Customers" means all Non-Residential or Governmental Customers except Grandfathered Net Metered Non-Residential and Grandfathered Net Metered Governmental Customers.

"Bond Payment Date" means each consecutive Bond payment date (whether for principal or interest) following a True-Up Adjustment Date. As an illustration, the "First Bond Payment Date" means the first Bond Payment Date following a True-Up Adjustment Date; the "Second Bond Payment Date" means the second Bond Payment Date following the True-Up Adjustment Date; etc.

"Class" means each of the Residential Customers, the Non-Residential Customers and the Government Customers, respectively, and, collectively, the "Classes." For the avoidance of

doubt, the Non-Residential Customers and the Government Customers together constitute a single Class.

"Collection Period" means, for the purposes of any True-Up Adjustment, the period which commences on a True-Up Adjustment Date and which ends five (5) Business Days prior to a designated Bond Payment Date. As an illustration, the "First Collection Period" means the period which commences on a True-Up Adjustment Date and which ends five (5) Business Days prior to the First Bond Payment Date following such True-Up Adjustment Date; the "Second Collection Period" means the period which commences on the same True-Up Adjustment Date and which ends five (5) Business Days prior to the Second Bond Payment Date following such True-Up Adjustment Date; etc.

"Eligible Residential kWh Usage" means, for any period, the sum of the (i) Actual kWh Usage for Base Residential Customers, (ii) the Grandfathered Net Metered Customer Usage for Residential Customers and (iii) the Fixed Block Public Housing Customer Usage.

"Eligible Non-Residential and Governmental kWh Usage" means, for any period, the sum of the (i) Actual kWh Usage for Base Non-Residential and Governmental Customers and (ii) the Grandfathered Net Metered Customer Usage for Non-Residential and Governmental Customers.

"Fixed Block Public Housing Customer" means a Customer who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), pays a fixed charge for its applicable consumption-based block of electricity, in each case as such blocks are established as of the date on which the Commission approves the Restructuring Order and as they may be adjusted from time to time as provided in Article 3.9(b) of Law 22-2016.

"Fixed Block Public Housing Customer Usage" means the kWh usage beyond the Fixed Block Public Housing Customer's permitted block of electricity pursuant to Article 3.9(b)(4) of Law 22-2016.

"Government Customers" means any Customer that is an agency, public corporation, office, municipality, or instrumentality of the Commonwealth of Puerto Rico, or an agency, public corporation, office, department or instrumentality of the United States.

"Grandfathered Net Metered Customer" is (1) a Customer (whether Residential, Non-Residential or Governmental, as specified) who had a net metering agreement that satisfies the requirements of Law 4-2016 with PREPA as of February 16, 2016 when Law 4-2016 became effective, or (2) a Customer who enters with PREPA into a net metering agreement for a new project after February 16, 2016 satisfying the conditions of Article 4 of Act 114-2007 as amended by Article 29 of Law 4-2016 (as enacted), i.e., a Customer (a) who submitted or submits a net metering application for a new project between February 16, 2016 and the date on which the Commission approves the Restructuring Order, (b) has submitted or submits the required deposit to PREPA in accordance with Law 4-2016, (c) completes the project and certifies its installation within the required 270 days, all as provided in Article 29 of the Law 4-2016 and (d) otherwise complies with Article 29 of Act 4-2016. For the avoidance of doubt, any customer that increases the capacity of the renewable energy system by more than 20%, as provided in Law 4-2016, shall cease to be considered a Grandfathered Net Metered Customer from the moment the increase in

capacity to PREPA's system was completed, in conformity with the terms of Article 29 Act 4-2016.

"Grandfathered Net Metered Customer Usage" means the net energy kWh usage (*i.e.*, excluding behind–the–meter output—whether consumed by the Customer or exported to PREPA) of the Grandfathered Net Metered Customer (whether Residential, Non-Residential or Governmental, as specified).

"Gross Billing Requirement" shall have the meaning set forth in clause (6) below.

"Net Revenue Requirement" shall have the meaning set forth in clause (5) below.

"Non-Residential and Government Customer Allocation" shall have the meaning set forth in clause (2) below.

"Non-Residential Customers" means the rate classes identified on Exhibit A to [__] as Non-Residential Customers, as such rate classes may be changed from time to time based upon Customer characteristics.

"Residential Customer Allocation" shall have the meaning set forth in clause (1) below.

"Residential Customers" means the rate classes identified on Exhibit A to [__] as Residential Customers, as such rate classes may be changed from time to time based upon Customer characteristics.

~~"Residential Service Agreement Count" means, as of the date of any calculation, the average number of Residential Service Agreements used for billing purposes during the previous 12-month period ending with the end of the most recently completed calendar quarter for which data are available.~~

~~"Residential Service Agreement Aggregate Count" means Residential Service Agreement Count times the number of billing cycles (or portions thereof) within a Collection Period.~~

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charge shall be as follows:

(1) Divide the Aggregated Actual kWh ~~Billed~~Usage for the previous 12-month period ending with the end of the most recently completed calendar quarter for which data are available into the Actual kWh ~~Billed to~~Usage for all Residential Customers during that same 12-month period. The resulting percentage is the "Residential Customer Allocation."

(2) Divide the Aggregated Actual kWh ~~Billed~~Usage for the previous 12-month period ending with the end of the most recently completed calendar quarter for which data are available into the Actual kWh ~~Billed~~Usage for all Non-Residential Customers and Government Customers during the same 12-month period. The resulting percentage is the "Non-Residential and Government Customer Allocation."

(3) Project the Transition Charge Revenues (including any interest earnings on such amounts) expected to be held by the Trustee on the proposed True-Up Adjustment Date after payment of Ongoing Financing Costs due on or prior to such date (but excluding amounts held or to be held on such date by the Trustee in any debt service reserve fund or account, or in any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund), and add to that amount the Transition Charge Revenues expected to be received by the Trustee after the True-Up Adjustment Date and during the First Collection Period from bills rendered prior to the True-Up Adjustment Date based on the Transition Charges then or previously in effect, including projected interest earnings on such amounts.

(4) Calculate the sum of (a) principal of (in accordance with the scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates)) and interest on the Bonds when due and as accruing through and including the First Bond Payment Date, (b) any amount necessary or expected to be necessary to fund or replenish any debt service reserve fund or account, or any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund, to their required level, as and to the extent such funding or replenishment is required by the Trust Agreement or any Ancillary Agreement (as the case may be) on or prior to the First Bond Payment Date, and (c) all other Ongoing Financing Costs required to be paid or deposited on or prior to the First Bond Payment Date.

(5) Subtract the amount in clause (3) from the amount in clause (4) to determine the "Net Revenue Requirement" for the First Collection Period.

(6) Adjust (or gross up) the Net Revenue Requirement to give effect to the number of billing cycles, the Composite Collection Curve and the write-off assumption, to ensure that the Transition Charge Revenues expected to be remitted to the Trustee during the First Collection Period will satisfy the Net Revenue Requirement for the First Collection Period on a timely basis and will result in the Excess Funds Account held under the Trust Agreement to be zero by the First Bond Payment Date. The result will be the "Gross Billing Requirement" for the First Collection Period.

(7) Multiply the Gross Billing Requirement for the First Collection Period by the Residential Customer Allocation. The result will be the "Residential Gross Billing Requirement" for the First Collection Period.

(8) Multiply the Gross Billing Requirement for the First Collection Period by the Non-Residential and Government Customer Allocation. The result will be the "Non-Residential and Government Gross Billing Requirement" for the First Collection Period.

(9) Divide the Residential Gross Billing Requirement ~~for the First Collection Period~~ by the Eligible Residential ~~Service Agreement Aggregate Count for~~kWh Usage in the prior 12-month period for which data are available (i.e., the calendar dates one year prior to the calendar dates in the First Collection Period), to produce a $/~~per service~~

~~agreement~~kWh Transition Charge. Subject to clause (12) below, the result will be the first possible Transition Charge ~~for each~~to be imposed upon all customers using Eligible Residential ~~Customer to be effective~~kWh Usage, on a per kWh basis, commencing on the True-Up Adjustment Date.

(10) Divide the Non-Residential and ~~Government~~Governmental Gross Billing Requirement ~~for the First Collection Period~~ by the ~~Actual kWh Billed for~~Eligible Non-Residential ~~Customers and Government Customers during the comparable period to the First Collection Period~~and Governmental kWh Usage in the prior 12-month period for which data are available (i.e., the calendar dates one year prior to the calendar dates in the First Collection Period), to produce ~~an estimated volumetric (per kWh)~~a $/kWh Transition Charge. Subject to clause (12) below, the result will be the first possible Transition Charge ~~(per kWh) for all~~to be imposed upon all customers using Eligible Non-Residential and ~~Government Customers to be effective~~Governmental kWh Usage, on a per kWh basis, commencing on the True-Up Adjustment Date.

(11) Repeat the calculations described in clauses (3) through (10), inclusive, to determine the Transition Charges necessary to satisfy the revenue requirement for each consecutive Collection Period which ends during the Annual Calculation Period, replacing "First Bond Payment Date" with "Second Bond Payment Date" and "First Collection Period" with "Second Collection Period," etc. through the Third and Fourth Collection Periods (if any), respectively.

(12) Compare the revenues produced by each set of Transition Charges resulting from the calculations above (i.e., one set for each Collection Period). The set of Transition Charges for any Collection Period which is expected to produce the greatest amount of revenue by the end of the First Collection Period will be the set of Transition Charges to be effective on the True-Up Adjustment Date.

The Corporation will adjust the Transition Charges for each Class as requested in each True-Up Letter, and such Transition Charges will be effective on the date specified in the True-Up Letter, so long as such effective date is at least 30 days after the filing with the Commission of such True-Up Letter, subject only to the correction of any mathematical errors by the Commission as set forth in the next sentence. Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Servicer no later than the next succeeding True-Up Adjustment on which such adjustment can practically be made without delaying the effective date set forth in the True-Up Letter.

Document comparison by Workshare Compare on Tuesday, June 07, 2016 2:42:04 PM

Input:	
Document 1 ID	file://C:\Users\PS16439\Desktop\PREPA Formula.DOCX
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Description	#21627514v4<USFIRM> - Calculation Formula
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	36
Deletions	25
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	63

CALCULATION METHODOLOGY AND ADJUSTMENT MECHANISM TO ESTABLISH AND ADJUST THE TRANSITION CHARGE

The Corporation will, or will cause the Servicer on behalf of the Corporation to, calculate the initial Transition Charge and to adjust the Transition Charges in accordance with the following procedure. PREPA, as the initial Servicer pursuant to the Servicing Agreement, or any successor Servicer will make adjustments to the Transition Charges (a) quarterly, beginning no more than three (3) months from issuance of the Bonds and continuing until the Bonds and all Ongoing Financing Costs are paid or deemed paid in full, and (b) at any other time if the Servicer, the Calculation Agent, the Trustee or Requisite Bondholders (as and to the extent provided in the Trust Agreement) or any party to an Ancillary Agreement (as and to the extent provided in an Ancillary Agreement) determines that such adjustment is required to assure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs. Such adjustments are referred to herein as Quarterly and Optional True-Up Adjustments, respectively, and, collectively, as "True-Up Adjustments." Capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to them in the Restructuring Resolution.

To initiate any True-Up Adjustment, the Servicer will make a preliminary calculation of the True-Up Adjustment and will prepare and submit to the Calculation Agent a draft request for adjustment (a "True-Up Letter"). The Calculation Agent will review the draft True-Up Letter, including the mathematical calculations related to the proposed True-Up Adjustment, and forward any corrections or modifications to the Servicer. The Servicer will then file the True-Up Letter, reflecting any such corrections or modifications, with the Corporation, the Commission and the Trustee, not later than 30 days prior to the proposed effective date of the adjustment set forth in the True-Up Letter (such effective date being referred to as the "True-Up Adjustment Date").

Each True-Up Adjustment will be designed (i) to correct for any over-collections or under-collections of Transition Charges through the proposed True-Up Adjustment Date and (ii) to ensure that expected Transition Charge Revenues remitted or to be remitted to the Trustee, after taking into account assumed charge-offs and payment delays, are adequate (A) to pay timely principal of (in accordance with the scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates)) and interest on the Bonds on each of the Payment Dates that occurs during the related Annual Calculation Period (defined below), (B) to fund or replenish any debt service reserve fund or account (or any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund) to its required level, as provided in the Trust Agreement or the Ancillary Agreement (as the case may be), and (C) to make timely payment of all other Ongoing Financing Costs during the related Annual Calculation Period.

In estimating the expected receipts of Transition Charges for any period the Servicer will apply a "collection curve" reflecting the most recent 12-month history of collections for which data are available. In connection with each True-Up Adjustment filing, the Servicer will develop one collection curve reflecting payment history for all Customers (the "Composite Collection Curve"). A collection curve is data reflecting the timing of payments of outstanding bills during

a 12-month period, adjusted to assume that any Transition Charges which are not collected within 120 days of billing are written off. Each month's billings are divided into aging buckets based on the number of days for which such billings have been outstanding (e.g., 0 to 29 days, 30 to 59 days, 60 to 89 days, and 90 to 119 days outstanding). The aging buckets are then used to estimate the dollar amount of each month's billings collected within 30, 60, 90 and 120 days, as well as the dollar amount not collected within 120 days (amount written off) for the 12-month period. For such 12-month period, the collection curve is calculated by dividing each of the total dollar amount of billings collected within 30, 60, 90, and 120 days by the total dollar amount of billings collected within 120 days. The Composite Collection Curve will also be used to calculate the Days Sales Outstanding referred to in Annex 3 to the Servicing Agreement.

As used herein, unless otherwise defined, capitalized terms shall have the following meanings:

"Actual kWh Usage" means, for any period and for any Customer, Class or Classes, the gross kWh consumption, measured, as and to the extent provided in the Restructuring Resolution, without regard to any offset for net-metering and adjusted for estimated generation consumption "behind the meter" (whether or not metered, "behind the meter"). For Fixed Block Public Housing Customers, actual kWh usage includes the full consumption of such Customers, whether within or outside of the base block. For Grandfathered Net Metered Customers (whether Residential, Non-Residential or Governmental), actual kWh usage will include gross consumption, without any offset for net metering. Usage of municipal Customers will be included only to the extent that the dollar value of such usage for electric service, including in determining such dollar value both Transition Charges which would otherwise be imposed on such municipality and PREPA charges, in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a contribution in lieu of taxes for such fiscal year, as provided in the Act and the Restructuring Resolution.

"Aggregated Actual kWh Usage" means, for any period, the sum of the Actual kWh Usage for all Customers.

"Annual Calculation Period" means the 12-month period beginning on (but not including) a True-Up Adjustment Date and ending on (and including) a date which is 12-months later.

"Base Residential Customers" means all Residential Customers except Grandfathered Net Metered Customers and Fixed Block Public Housing Customers.

"Base Non-Residential and Governmental Customers" means all Non-Residential or Governmental Customers except Grandfathered Net Metered Non-Residential and Grandfathered Net Metered Governmental Customers.

"Bond Payment Date" means each consecutive Bond payment date (whether for principal or interest) following a True-Up Adjustment Date. As an illustration, the "First Bond Payment Date" means the first Bond Payment Date following a True-Up Adjustment Date; the "Second Bond Payment Date" means the second Bond Payment Date following the True-Up Adjustment Date; etc.

"Class" means each of the Residential Customers, the Non-Residential Customers and the Government Customers, respectively, and, collectively, the "Classes." For the avoidance of doubt, the Non-Residential Customers and the Government Customers together constitute a single Class.

"Collection Period" means, for the purposes of any True-Up Adjustment, the period which commences on a True-Up Adjustment Date and which ends five (5) Business Days prior to a designated Bond Payment Date. As an illustration, the "First Collection Period" means the period which commences on a True-Up Adjustment Date and which ends five (5) Business Days prior to the First Bond Payment Date following such True-Up Adjustment Date; the "Second Collection Period" means the period which commences on the same True-Up Adjustment Date and which ends five (5) Business Days prior to the Second Bond Payment Date following such True-Up Adjustment Date; etc.

"Eligible Residential kWh Usage" means, for any period, the sum of the (i) Actual kWh Usage for Base Residential Customers, (ii) the Grandfathered Net Metered Customer Usage for Residential Customers and (iii) the Fixed Block Public Housing Customer Usage.

"Eligible Non-Residential and Governmental kWh Usage" means, for any period, the sum of the (i) Actual kWh Usage for Base Non-Residential and Governmental Customers and (ii) the Grandfathered Net Metered Customer Usage for Non-Residential and Governmental Customers.

"Fixed Block Public Housing Customer" means a Customer who under Article 3.9(b) of Law 22-2016 and under PREPA's tariffs implementing said Article 3.9(b), pays a fixed charge for its applicable consumption-based block of electricity, in each case as such blocks are established as of the date on which the Commission approves the Restructuring Order and as they may be adjusted from time to time as provided in Article 3.9(b) of Law 22-2016.

"Fixed Block Public Housing Customer Usage" means the kWh usage beyond the Fixed Block Public Housing Customer's permitted block of electricity pursuant to Article 3.9(b)(4) of Law 22-2016.

"Government Customers" means any Customer that is an agency, public corporation, office, municipality, or instrumentality of the Commonwealth of Puerto Rico, or an agency, public corporation, office, department or instrumentality of the United States.

"Grandfathered Net Metered Customer" is (1) a Customer (whether Residential, Non-Residential or Governmental, as specified) who had a net metering agreement that satisfies the requirements of Law 4-2016 with PREPA as of February 16, 2016 when Law 4-2016 became effective, or (2) a Customer who enters with PREPA into a net metering agreement for a new project after February 16, 2016 satisfying the conditions of Article 4 of Act 114-2007 as amended by Article 29 of Law 4-2016 (as enacted), i.e., a Customer (a) who submitted or submits a net metering application for a new project between February 16, 2016 and the date on which the Commission approves the Restructuring Order, (b) has submitted or submits the required deposit to PREPA in accordance with Law 4-2016, (c) completes the project and certifies its installation within the required 270 days, all as provided in Article 29 of the Law 4-

2016 and (d) otherwise complies with Article 29 of Act 4-2016. For the avoidance of doubt, any customer that increases the capacity of the renewable energy system by more than 20%, as provided in Law 4-2016, shall cease to be considered a Grandfathered Net Metered Customer from the moment the increase in capacity to PREPA's system was completed, in conformity with the terms of Article 29 Act 4-2016.

"Grandfathered Net Metered Customer Usage" means the net energy kWh usage (*i.e.*, excluding behind–the–meter output—whether consumed by the Customer or exported to PREPA) of the Grandfathered Net Metered Customer (whether Residential, Non-Residential or Governmental, as specified).

"Gross Billing Requirement" shall have the meaning set forth in clause (6) below.

"Net Revenue Requirement" shall have the meaning set forth in clause (5) below.

"Non-Residential and Government Customer Allocation" shall have the meaning set forth in clause (2) below.

"Non-Residential Customers" means the rate classes identified on Exhibit A to [__] as Non-Residential Customers, as such rate classes may be changed from time to time based upon Customer characteristics.

"Residential Customer Allocation" shall have the meaning set forth in clause (1) below.

"Residential Customers" means the rate classes identified on Exhibit A to [__] as Residential Customers, as such rate classes may be changed from time to time based upon Customer characteristics.

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charge shall be as follows:

(1) Divide the Aggregated Actual kWh Usage for the previous 12-month period ending with the end of the most recently completed calendar quarter for which data are available into the Actual kWh Usage for all Residential Customers during that same 12-month period. The resulting percentage is the "Residential Customer Allocation."

(2) Divide the Aggregated Actual kWh Usage for the previous 12-month period ending with the end of the most recently completed calendar quarter for which data are available into the Actual kWh Usage for all Non-Residential Customers and Government Customers during the same 12-month period. The resulting percentage is the "Non-Residential and Government Customer Allocation."

(3) Project the Transition Charge Revenues (including any interest earnings on such amounts) expected to be held by the Trustee on the proposed True-Up Adjustment Date after payment of Ongoing Financing Costs due on or prior to such date (but excluding amounts held or to be held on such date by the Trustee in any debt service reserve fund or account, or in any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional

reserve fund), and add to that amount the Transition Charge Revenues expected to be received by the Trustee after the True-Up Adjustment Date and during the First Collection Period from bills rendered prior to the True-Up Adjustment Date based on the Transition Charges then or previously in effect, including projected interest earnings on such amounts.

(4) Calculate the sum of (a) principal of (in accordance with the scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates)) and interest on the Bonds when due and as accruing through and including the First Bond Payment Date, (b) any amount necessary or expected to be necessary to fund or replenish any debt service reserve fund or account, or any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund, to their required level, as and to the extent such funding or replenishment is required by the Trust Agreement or any Ancillary Agreement (as the case may be) on or prior to the First Bond Payment Date, and (c) all other Ongoing Financing Costs required to be paid or deposited on or prior to the First Bond Payment Date.

(5) Subtract the amount in clause (3) from the amount in clause (4) to determine the "Net Revenue Requirement" for the First Collection Period.

(6) Adjust (or gross up) the Net Revenue Requirement to give effect to the number of billing cycles, the Composite Collection Curve and the write-off assumption, to ensure that the Transition Charge Revenues expected to be remitted to the Trustee during the First Collection Period will satisfy the Net Revenue Requirement for the First Collection Period on a timely basis and will result in the Excess Funds Account held under the Trust Agreement to be zero by the First Bond Payment Date. The result will be the "Gross Billing Requirement" for the First Collection Period.

(7) Multiply the Gross Billing Requirement for the First Collection Period by the Residential Customer Allocation. The result will be the "Residential Gross Billing Requirement" for the First Collection Period.

(8) Multiply the Gross Billing Requirement for the First Collection Period by the Non-Residential and Government Customer Allocation. The result will be the "Non-Residential and Government Gross Billing Requirement" for the First Collection Period.

(9) Divide the Residential Gross Billing Requirement by the Eligible Residential kWh Usage in the prior 12-month period for which data are available (i.e., the calendar dates one year prior to the calendar dates in the First Collection Period), to produce a $/kWh Transition Charge. Subject to clause (12) below, the result will be the first possible Transition Charge to be imposed upon all customers using Eligible Residential kWh Usage, on a per kWh basis, commencing on the True-Up Adjustment Date.

(10) Divide the Non-Residential and Governmental Gross Billing Requirement by the Eligible Non-Residential and Governmental kWh Usage in the prior 12-month period for which data are available (i.e., the calendar dates one year prior to the calendar dates in the First Collection Period), to produce a $/kWh Transition Charge. Subject to clause (12) below, the result will be the first possible Transition Charge to be imposed upon all customers using Eligible Non-Residential and Governmental kWh Usage, on a per kWh basis, commencing on the True-Up Adjustment Date.

(11) Repeat the calculations described in clauses (3) through (10), inclusive, to determine the Transition Charges necessary to satisfy the revenue requirement for each consecutive Collection Period which ends during the Annual Calculation Period, replacing "First Bond Payment Date" with "Second Bond Payment Date" and "First Collection Period" with "Second Collection Period," etc. through the Third and Fourth Collection Periods (if any), respectively.

(12) Compare the revenues produced by each set of Transition Charges resulting from the calculations above (i.e., one set for each Collection Period). The set of Transition Charges for any Collection Period which is expected to produce the greatest amount of revenue by the end of the First Collection Period will be the set of Transition Charges to be effective on the True-Up Adjustment Date.

The Corporation will adjust the Transition Charges for each Class as requested in each True-Up Letter, and such Transition Charges will be effective on the date specified in the True-Up Letter, so long as such effective date is at least 30 days after the filing with the Commission of such True-Up Letter, subject only to the correction of any mathematical errors by the Commission as set forth in the next sentence. Any adjustment to correct the mathematical inaccuracy, if ordered by the Commission, shall be made by the Servicer no later than the next succeeding True-Up Adjustment on which such adjustment can practically be made without delaying the effective date set forth in the True-Up Letter.

PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION

as Issuer

AND

PUERTO RICO ELECTRIC POWER AUTHORITY

as Servicer

RESTRUCTURING PROPERTY SERVICING AGREEMENT

Dated as of [_____, 2016]

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APPENDICES

Appendix A Definitions

This RESTRUCTURING PROPERTY SERVICING AGREEMENT, dated as of [_____, 2016], is between Puerto Rico Electric Power Authority Revitalization Corporation, a special purpose public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the "Corporation"), as issuer of the Bonds (the "Issuer"), and Puerto Rico Electric Power Authority, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico ("PREPA"), as servicer (the "Servicer").

RECITALS

WHEREAS the Servicer is willing to service the Restructuring Property created by the Restructuring Resolution and owned by the Issuer; and

WHEREAS the Issuer, in connection with ownership of Restructuring Property, desires to engage the Servicer to carry out the functions described herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used but not otherwise defined herein have the respective meanings assigned to them in Appendix A hereto, and if not defined therein, in the Trust Agreement.

Section 1.02 Other Definitional Provisions.

(a) "Agreement" means this Restructuring Property Servicing Agreement, together with all Exhibits, Schedules, Appendices and Annexes hereto, as the same may be amended, supplemented or otherwise modified from time to time as herein permitted.

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) The words "hereof," "herein," "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Section, Schedule, Exhibit, Appendix and Annex references contained in this Agreement are references to Sections, Schedules, Exhibits, Appendices and Annexes in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter forms of such terms.

ARTICLE II

APPOINTMENT AND AUTHORIZATION

Section 2.01 Appointment of Servicer; Acceptance of Appointment. The Issuer hereby appoints the Servicer, and the Servicer hereby accepts such appointment, to perform the Servicer's obligations pursuant to this Agreement on behalf of and for the benefit of the Issuer in accordance with the terms of this Agreement. This appointment and the Servicer's acceptance thereof may not be revoked except in accordance with the express terms of this Agreement.

Section 2.02 Authorization. Subject to the provisions of this Agreement and subject to any direction given in accordance with the Trust Agreement, with respect to all or any portion of the Restructuring Property, the Servicer is hereby authorized and empowered by the Issuer to:

(a) execute and deliver, on behalf of itself and/or the Issuer, as the case may be, any and all instruments, documents or notices, and

(b) on behalf of itself and/or the Issuer, as the case may be, make any filing and participate in proceedings of any kind with any governmental authorities, including with the Commission.

Subject to the provisions of this Agreement and subject to any direction given in accordance with the Trust Agreement, (i) the Issuer shall execute and deliver to the Servicer such documents as have been prepared by the Servicer for execution by the Issuer, and such other documents as may be in the Issuer's possession, as the Servicer may determine to be necessary or appropriate to enable it to carry out its servicing and administrative duties hereunder and (ii) upon the Servicer's written request, the Issuer shall furnish the Servicer with any powers of attorney or other documents necessary or appropriate to enable the Servicer to carry out its duties hereunder.

Section 2.03 Dominion and Control Over the Restructuring Property. Notwithstanding any other provision herein to the contrary, the Issuer shall have ownership, dominion and control over the Restructuring Property, and the Servicer, in accordance with the terms hereof, is acting solely as the servicing agent and custodian for the Issuer with respect to the Restructuring Property and the Restructuring Property Documentation. The Servicer shall not take any action with respect to the Restructuring Property that is not authorized by this Agreement or that impairs the rights of the Issuer, the Trustee, the Bondholders or the parties to the Ancillary Agreements in, or the rights of an owner of, the Restructuring Property.

ARTICLE III

BILLING SERVICES

Section 3.01 Duties of Servicer. The Servicer, as agent for the Issuer, shall have the following duties:

(a) Duties of Servicer Generally. The Servicer will manage, service, administer and make collections in respect of the Transition Charges. The Servicer's duties will be to and the Servicer shall:

(i) impose the Transition Charges on all Customers and adjust them as more fully set forth herein;

(ii) exercise all the collection rights of the holders or pledgees of the Restructuring Property for the benefit of such holders or pledgees as more fully set forth herein;

(iii) transfer any Transition Charge Revenues to the holders or pledgees of Restructuring Property as more fully set forth herein;

(iv) obtain meter reads, calculate electricity usage, maintain record of service agreements, calculate the periodic adjustments to the Transition Charges, bill the Transition Charges to the Customers as a separate line item on PREPA's bills and collect (from Customers and Third Party Billers, as applicable) all Transition Charge Collections, all in accordance with the Restructuring Resolution, the Trust Agreement and this Agreement;

(v) estimate the energy use of Customers for the purpose of calculating Transition Charges in a manner that includes load served by net metering or estimated distributed generation ("behind the meter") in accordance with the terms of the Restructuring Resolution and Annex 3 herein;

(vi) respond to inquiries by Customers, Third Party Billers, the Commission, the Trustee, the Bondholders, any party to an Ancillary Agreement or inquiries by any federal, local or other Commonwealth governmental authority, with respect to the Transition Charges;

(vii) deliver Bills to Customers and Third Party Billers, account for Transition Charge Collections, investigate and resolve delinquencies, process and deposit collections, make periodic remittances and furnish periodic reports to the Issuer, the Commission, the Calculation Agent, the Trustee and the Rating Agencies;

(viii) sell, as the agent for the Issuer, as its interest may appear, defaulted or written off accounts in accordance with the Servicer's usual and customary practices for accounts of Customers for Rates;

(ix) take action in connection with True-Up Adjustments as is set forth herein;

(x) take any action necessary to direct (a) all Customers that do not pay their Bills in person, and (b) Third Party Billers or any other Person that hold Transition Charge Collections and PREPA Charges, to remit their payments or turn over all such Transition Charge Collections and PREPA Charges directly to the Depository [this may be Depositories] for deposit into the Allocation Account;

(xi) promptly, and in any event as soon as reasonably possible after receipt of the same, cause all Transition Charge Collections and all PREPA Charges not otherwise deposited with or paid to the Depository to be paid to the Depository for deposit into the Allocation Account held thereunder, as further provided in Sections 3.03 and 5.11;

(xii) include charges for the Transition Charges as separate line items on all Customer bills separate from all other PREPA Charges;

(xiii) take any actions permitted by the law to collect unpaid bills and terminate service to Customers who are delinquent in the payment of their Transition Charge on the same basis as termination of service is permitted for nonpayment of electric or other rates by PREPA, and which would otherwise be consistent with Best Efforts, but none of the Issuer, the Trustee, the Bondholders or any party to an Ancillary Agreement may directly terminate service to any Customer; and

(xiv) administer Transition Charge Revenues mingled with other funds of the Servicer in a manner that allows for the distinct identification of the Transition Charge Revenues and such other funds, respectively.

Without limiting the generality of this Section 3.01(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities set forth in Annex 3 which, among other things, relate to data acquisition, usage and bill calculation, billing, Customer service functions, collections, payment processing and remittance.

(b) Notification of Laws and Regulations. The Servicer shall promptly notify the Issuer, the Commission, the Trustee and the Rating Agencies in writing of any laws or Commission Regulations hereafter promulgated that have an adverse effect on the Servicer's ability to perform its duties under this Agreement.

(c) Other Information. Upon the request of the Issuer, the Commission, the Trustee, [the Administrator,] the Calculation Agent, any party to an Ancillary Agreement or any Rating Agency, the Servicer shall provide to the Issuer, the Commission, the Trustee, [the Administrator], such party to an Ancillary Agreement or the Rating Agencies, as the case may be, any financial information in respect of the Servicer, or any material information regarding the Restructuring Property, as may be necessary and permitted by law or as may be required by any other agreement, including the Trust Agreement, for the Issuer, the Commission, the Calculation Agent, [the Administrator,] the Trustee or the Rating Agencies to monitor the Servicer's performance hereunder. In addition, so long as any of the Bonds of any Tranche are outstanding, or the Issuer's obligations under any Ancillary Agreement have not been performed in full, the Servicer shall provide to the Issuer, the Commission, the Calculation Agent, [the Administrator], any party to an Ancillary Agreement and the Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by the Servicer that is necessary to perform their respective duties, to determine compliance by the Servicer with this Agreement, to calculate the Transition Charges, or perform the Adjustment Mechanism. To the extent permitted by the Trust Agreement, the Trustee shall be authorized to provide any information received under this Agreement to Bondholders.

Section 3.02 Collection of the Transition Charges.

(a) [Subject to Section 3.01(a)(x), the Servicer shall use Best Efforts to collect all amounts owed in respect of the Transition Charges as and when the same shall become due and shall follow such collection procedures as it applies with respect to collection activities that the Servicer conducts for itself or others, provided that such collection procedures shall be consistent with Best Efforts. The Servicer shall not change the amount of or reschedule the due date of any scheduled payment of the Transition Charges, except as contemplated in this Agreement and as

permitted in the Trust Agreement or as required by law or Commission or court order as authorized under the law**;** provided, however, that the Servicer may take any of the foregoing actions to the extent that any such action taken would be in accordance with its customary billing and collection practices for Rates and treats the Transition Charges in the same manner as other PREPA charges, provided that such actions and practices are consistent with Best Efforts. The Servicer shall enforce the obligations of any Third Party Billers providing billing and collection services with respect to the Transition Charges and shall require that all such agreements with Third Party Billers provide for the right of the Trustee to enforce such obligations.]

(b) As specified in the Act, the Restructuring Resolution and the Trust Agreement, any amounts received from or on behalf of a Customer that represent a partial payment of a Bill containing both Transition Charges and PREPA Charges shall be allocated *pro rata* between the Transition Charges and PREPA Charges set forth on such Bill.

Section 3.03 Transfer of Customer Revenues to Trustee; Allocation and Transfer of Transition Charge Collections and PREPA Charge Collections.

(a) The parties recognize that the Customer Revenues must be allocated between PREPA and the Corporation in a manner which respects their respective interests. Accordingly, on each Business Day, commencing on the Business Day following the expiration of a period, which period shall commence on the issue date of the Bonds, consisting of the number of days set forth in the last sentence of definition of Days Sales Outstanding (the "Deposit Commencement Date"; each such day being referred to as a "Deposit Date"), the Servicer shall remit all Customer Revenues received by the Servicer to the Depository for deposit into the Allocation Account. Customer Revenues shall be remitted to the Depository by the Servicer as soon as possible following receipt, but in any event no more than two Business Days after receipt by the Servicer. Under no circumstance shall the Servicer act as the Depository in respect of the Transition Charges.

(b) On each Deposit Date, the Depository shall be required to inform the Servicer of any Customer Revenues received by it directly.

(c) On each Deposit Date, the Servicer (a) shall calculate, according to the procedures set forth in Annex 3, the Estimated Transition Charge Collections deemed to have been received by the Servicer on behalf of the Issuer on such Deposit Date and for each day or days immediately preceding such Deposit Date which are not Business Days, and (b) not later than [9:00 a.m. New York time] on each Deposit Date, shall file with the Depository, the Trustee, the Calculation Agent and the Issuer a Daily Remittance Certificate showing the amount of Estimated Transition Charge Collections which the Depository is required to remit to the Collection Account on such date (*i.e.*, the Daily Remittance) and the remaining amount of the Customer Revenues which the Depository is required to remit to or for the account of PREPA.

(d) The Servicer shall also promptly, but no less frequently than once each Business Day, remit to the Trustee for deposit to the Collection Account any other proceeds of the Collateral that the Servicer may have received from time to time on behalf of the Issuer.

(e) The Servicer agrees and acknowledges that: (i) it shall be deemed to be acting solely as an agent of the Issuer and not as principal, (ii) it holds all Transition Charge Collections collected by it, and any other proceeds of the Collateral received by it, in trust for the exclusive benefit of the Trustee, the Bondholders and parties to Ancillary Agreements, as their interests may appear, (iii) it holds no interest in the Transition Charges or the Transition Charge Collections and (iv) all such collected or received amounts will be remitted to the Trustee for deposit to the Collection Account or to the Depository for deposit to the Allocation Account without any surcharge, fee, offset, charge or other deduction. The Servicer further agrees not to make any claim or assert any right to set-off to reduce any Transition Charge Collections collected by it or deposited into the Allocation Account or the Collection Account.

(f) Not later than fifteen days following each calendar quarter, commencing [xx 15, xxxx], the Servicer (a) shall calculate the amount, if any, by which the aggregate of the Estimated Transition Charge Collections were less than or exceeded Actual Transition Charge Collections deposited into the Allocation Account during the preceding calendar quarter, and (b) shall file with the Depository, the Trustee, the Calculation Agent, the parties to the Ancillary Agreements and the Issuer, and submit to the Commission for informational purposes only, a "Quarterly Reconciliation Certificate," substantially in the form attached as Exhibit B to this Servicing Agreement. If the certificate shows that a Remittance Shortfall exists, the Servicer shall direct the Depository to make a supplemental remittance from the Allocation Account to the Collection Account. If the certificate shows that an Excess Remittance exists, the Servicer shall cause such Excess Remittance to be corrected as soon as practicable (i) by directing the Depository, in one or more Daily Remittance Certificates, to reduce the amount of each Daily Remittance from the Allocation Account until the balance of such Excess Remittance has been reduced to zero, or (ii) only if and to the extent necessary, following two Business Days' prior written notice to the Trustee, by causing payment of the amount of such Excess Remittance to or for the account of PREPA from the General Subaccount or the Excess Funds Subaccount in the Collection Account.

(g) Transition Charge Collections received by the Servicer shall not lose their character as revenues of the Corporation by virtue of possession by the Servicer or any other party, including any Third Party Biller.

Section 3.04 [Servicing and Maintenance Standards. The Servicer shall, on behalf of the Issuer:

(a) manage, service, administer and make collections in respect of the Restructuring Property with reasonable care and in compliance with applicable law, including all applicable Commission Regulations, using the same degree of care and diligence that the Servicer exercises with respect to billing and collection activities that the Servicer conducts for itself and others, subject to paragraph (b) below;

(b) use Best Efforts to collect all Transition Charges;

(c) follow customary standards, policies and procedures in performing its duties as Servicer that are customary in the electric utility industry;

(d) enforce and maintain the rights of the Issuer, the Trustee, the parties to the Ancillary Agreements and the Bondholders in respect of the Restructuring Property, and the rights of an owner of the Restructuring Property in respect thereof, including, but not limited to, taking such action the Servicer may deem necessary or desirable to enforce collection of the Transition Charge, subject to paragraph (b) above;

(e) calculate the Transition Charges and Adjustment Mechanism in compliance with the Act and the Restructuring Resolution; and

(f) invoice Customers in accordance with the procedures set forth in Annex 3, except where the failure to comply with any of the foregoing would not adversely affect the rights of the Issuer, the Trustee, any party to an Ancillary Agreement or the Bondholders in respect of the Restructuring Property or the rights of an owner of the Restructuring Property in respect thereof. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of the Restructuring Property, which, in the Servicer's judgment, may include the taking of legal action pursuant to Section 3.10 or otherwise; provided, however, that the Servicer's customary and usual practices and procedures as they relate to the collection of Transition Charges shall be consistent with Best Efforts; and provided further that the Servicer shall not change its customary and usual practices and procedures in any manner which would [materially and] adversely affect the rights of the Issuer, the Trustee or any party to an Ancillary Agreement, or the Bondholders in respect of the Restructuring Property or the rights of an owner of the Restructuring Property in respect thereof, unless it shall have provided the Issuer, the Trustee, the parties to the Ancillary Agreements and the Rating Agencies with prior written notice describing such adverse change and the Rating Agency Condition shall have been satisfied.]

Section 3.05 Servicer's Reports and Certificates. The Servicer will provide to the Issuer, the Commission, the Calculation Agent, the parties to the Ancillary Agreements and the Trustee the statements and certificates specified in Annex 2. The Issuer shall file, or shall cause the Servicer to file, with the Commission and the Calculation Agent, any Servicer report, certificate or True-Up Letter at the same time as such report, certificate or True-Up Letter is submitted to the Corporation. Each Semiannual Servicer Certificate will show in detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis.

Section 3.06 Annual Statement as to Compliance. The Servicer shall deliver to the Issuer, the Commission, the Trustee, the Calculation Agent, each party to an Ancillary Agreement and each Rating Agency, and submit to the Commission for informational purposes only, on or before [_____] of each year beginning [_____, xxxx] to and including [_____] succeeding the Final Maturity Date of the Bonds or the final payment of any other Ongoing Financing Costs, whichever is later, an Officer's Certificate, substantially in the form of Exhibit E hereto, stating:

(a) that a review of the activities of the Servicer (including any party to which the Servicer has subcontracted services under this Agreement) during the preceding calendar year (or relevant portion thereof in the case of the first such Officer's Certificate) and of its performance under this Agreement has been made, and

(b) whether to the best of such officers' knowledge, based on such review, the Servicer has fulfilled all its obligations under this Agreement throughout such period and, if there has been a default in the fulfillment of any such obligation, describing each such default and its status.

Section 3.07 Annual Independent Registered Public Accountants' Report; Annual Assessment.

(a) The Servicer shall cause [INSERT NAME] or another firm of Independent Registered Public Accountants (which may provide other services to the Servicer or its affiliates) to prepare annually, and the Servicer shall deliver annually to the Issuer, the Trustee, the Calculation Agent, the Rating Agencies, and the Commission, on or before August 15 of each year, commencing with [2017] to and including the August 15 succeeding the date on which both (i) Final Maturity Date of the Bonds shall have occurred and (ii) all obligations under the Bonds and the Ancillary Agreements have been paid in full, a report addressed to the Servicer (the "Annual Accountant's Report"), which may be included as part of the Servicer's customary auditing activities, to the effect that such firm has performed certain procedures, agreed upon by the Servicer and such accountants, in connection with the Servicer's compliance with its obligations under this Agreement during the preceding twelve months ended [December 31] (or, in the case of the first Annual Accountant's Report to be delivered on or before [_____, 2017], the period of time from the date of this Agreement until [December 31, 2016]), identifying the results of such procedures and including any exceptions noted. The Annual Accountant's Report shall include a verification that the Upfront Financing Costs and Ongoing Financing Costs paid from the Transition Charge Revenues are consistent with the requirements of the Trust Agreement, the Restructuring Resolution and this Agreement. In the event such accounting firm requires the Trustee to agree or consent to the procedures performed by such firm, the Issuer shall direct the Trustee in writing to so agree; it being understood and agreed that the Trustee may deliver such letter of agreement or consent in conclusive reliance upon the direction of the Issuer, and the Trustee is not required to make any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

(b) The Annual Accountant's Report shall also indicate that the accounting firm providing such report is Independent of the Servicer, the Government Development Bank for Puerto Rico and the Commonwealth of Puerto Rico in accordance with the Code of Professional Ethics of the American Institute of Certified Public Accountants, as then in effect.

(c) At the direction of the Commission, the Servicer, on behalf of the Corporation, will retain an Independent entity (which may be the Independent registered public accountants preparing the annual audit) to prepare an assessment of the reasonableness of the Financing Costs incurred in the preceding year.

Section 3.08 Restructuring Property Documentation. To ensure uniform quality in servicing the Restructuring Property and to reduce administrative costs, the Servicer shall keep on file, in accordance with its customary procedures, all Restructuring Property Documentation, it being understood that the Servicer is acting solely as the servicing agent and custodian for the Issuer with respect to the Restructuring Property Documentation. Such Restructuring Property Documentation shall be open to the inspection of, and shall be provided up request of, the Issuer,

the Trustee or any Person with rights to receive such Restructuring Property Documentation pursuant to the Trust Agreement or any Ancillary Agreement.

Section 3.09 Computer Records: Audits of Documentation.

(a) Safekeeping. The Servicer shall maintain accurate and complete accounts, records and computer systems pertaining to the Restructuring Property and the Restructuring Property Documentation in accordance with generally accepted accounting principles (GAAP) and in sufficient detail to permit reconciliation between Estimated Transition Charge Collections and Actual Transition Charges, whether remitted directly to the Depository by Customers or by the Servicer, so as to enable the Issuer to comply with this Agreement, the Depository Agreement, the Restructuring Resolution and the Trust Agreement. The Servicer shall conduct, or cause to be conducted, periodic audits of the Restructuring Property Documentation held by it under this Agreement and of the related accounts, records and computer systems, in such a manner as shall enable the Issuer, the Commission, the Trustee, the Depository and the Calculation Agent to verify the accuracy of the Servicer's record keeping. The Servicer shall promptly report to the Issuer, the Commission, the Calculation Agent, the Administrator and the Trustee any failure on the Servicer's part to hold the Restructuring Property Documentation and maintain its accounts, records and computer systems as herein provided and promptly take appropriate action to remedy any such failure. Nothing herein shall be deemed to require an initial review or any periodic review by the Issuer or the Trustee of the Restructuring Property Documentation. The Issuer and the Trustee shall have the right to conduct any such review, and the Requisite Bondholders or any party to an Ancillary Agreement may initiate such review, as and to the extent set forth in the Trust Agreement and any Ancillary Agreement; provided, however, that the Servicer shall not pay for any costs related to such review unless it is in default under this Agreement. The Servicer's duties to hold the Restructuring Property Documentation on behalf of the Issuer set forth in Sections 3.08 and 3.09, to the extent such Restructuring Property Documentation has not been previously transferred to a successor Servicer, shall terminate three years after the earlier of the date on which (i) the Servicer is succeeded by a successor Servicer pursuant to the provisions of this Agreement and (ii) no Bonds of any Tranche are outstanding and no other Ongoing Financing Costs remain unpaid.

(b) Maintenance of and Access to Records. The Servicer shall maintain the Restructuring Property Documentation at [ADDRESS], or at such other office as shall be specified by the Servicer to the Issuer, the Commission, the Depository, the Calculation Agent, [the Administrator] and the Trustee by written notice not later than 30 days prior to any change in location. The Servicer shall permit the Issuer, the Commission, the Calculation Agent, the Administrator and the Trustee or their respective duly authorized representatives, attorneys, agents or auditors at any time during normal business hours to inspect, audit and make copies of and abstracts from the Servicer's records regarding the Restructuring Property, the Transition Charges and the Restructuring Property Documentation, except that the failure of the Servicer to provide access to such information as a result of an obligation or applicable law (including Commission Regulations) prohibiting disclosure of information regarding Customers shall not constitute a breach of this Section 3.09(b); provided, however, that (i) such exception shall only apply to the specific information that violates the law and (ii) the Servicer shall provide access to such information or portion thereof that may be disclosed, including information redacted to protect privacy rights.

Section 3.10 Defending Restructuring Property Against Claims. The Servicer shall institute in its own name and the name of the Issuer, and maintain, any action or proceeding necessary to compel performance by the Commission or the Commonwealth of any of their obligations or duties under the Act, the Restructuring Resolution or the Restructuring Order with respect to the Restructuring Property, and the Servicer agrees to take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, as may be necessary to block or overturn any attempts to cause a repeal of, modification of or supplement to the Act, the Restructuring Resolution, the Trust Agreement or the Restructuring Order, as the case may be, or the rights of holders of Restructuring Property that would be adverse to Bondholders. The costs of any such action reasonably allocated by the Servicer to the Restructuring Property shall be payable from Transition Charge Collections as an Ongoing Financing Cost in accordance with the Trust Agreement.

The Servicer's obligations pursuant to this Section 3.10 shall survive and continue notwithstanding the fact that the payment of Ongoing Financing Costs pursuant to the Trust Agreement may be delayed (it being understood that the Servicer may be required to advance its own funds to satisfy its obligations under this Section 3.10).

ARTICLE IV

SERVICES RELATED TO TRUE-UP ADJUSTMENTS

Section 4.01 True-Up Adjustments-General.

(a) The Servicer, on behalf of the Issuer, will cause the Transition Charges to be adjusted (i) quarterly, beginning in XX, XX, as described below (the "Quarterly True-Up Adjustments"), and (ii) at any other time if the Servicer, the Calculation Agent, the Trustee or the Requisite Bondholders (as and to the extent provided in the Trust Agreement) or any party to an Ancillary Agreement (as and to the extent provided in an Ancillary Agreement) determines that such adjustment is required to ensure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs (the "Optional True-Up Adjustments" and together with the Quarterly True-Up Adjustments, the "True-Up Adjustments").

(b) To initiate any True-Up Adjustment, the Servicer will make a preliminary calculation of the True-Up Adjustment and will prepare and submit to the Calculation Agent a draft direction pursuant Section 4.02 or a request pursuant to Section 4.03 for adjustment (a "True-Up Letter"), which in either case shall specify the proposed effective date of the True-Up Adjustment (the "True-Up Adjustment Date"), and shall be provided to the Calculation Agent in the case of a Quarterly True-Up Adjustment at the time specified in Section 4.02 and in the case of an Optional True-Up Adjustment [__] days prior to the True-Up Adjustment Date. Each True-Up Letter will be substantially in the form of Exhibit F hereto. The Issuer will cause the Calculation Agent to review the draft True-Up Letter, including the proposed True-Up Adjustment, and to provide the Servicer with any corrections or modifications, which shall be within the time specified in Section 4.02 with respect to a Quarterly True-Up Adjustment, so that the Servicer can file the True-Up Letter, as corrected and confirmed, with the Issuer, the Commission and the Trustee not later than the Quarterly Filing Date in the case of a Quarterly True-Up Adjustment or

30 days prior to the True-Up Adjustment Date in the case of an Optional True-Up Adjustment. The Issuer shall also cause the Trustee to provide to the Servicer, the parties to the Ancillary Agreements and the Calculation Agent any information required to prepare and verify the accuracy of the True-Up Letter. Concurrently with the filing of any True-Up Letter with the Commission, the Servicer shall provide a copy of the True-Up Letter to the Issuer, the Calculation Agent, the Commission, the Trustee, the parties to the Ancillary Agreements, the Rating Agencies, and any other party that has filed with the Secretary of the Issuer a request to receive a copy of such filing.

(c) The Servicer shall ensure that each True-Up Adjustment will be designed (i) to correct for any over-collections or under-collections of Transition Charges through the proposed True-Up Adjustment Date and (ii) to ensure that expected Transition Charge Revenues remitted or to be remitted to the Trustee, after taking into account assumed charge-offs and payment delays, are adequate (A) to pay timely principal of (in accordance with the Expected Amortization Schedule) and interest on the Bonds on the Payment Dates that occur during the related Annual Calculation Period, (B) to fund or replenish any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement, as an additional reserve fund to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement (as the case may be), no later than the corresponding date or dates specified in the True-Up Letter, and (C) to make timely payment of all other Ongoing Financing Costs during the related Annual Collection Period.

(d) If the Commission determines, in consultation with the Calculation Agent, that the calculation of any adjustment to the Transition Charges is mathematically inaccurate, then, promptly upon receipt of notice of such determination from the Commission, the Servicer, on behalf of the Corporation, shall use Best Efforts to correct the True-Up Adjustment calculations and submit the corrected True-Up Letter to the Issuer and the Calculation Agent for review. If the Servicer, in consultation with the Issuer and the Calculation Agent, determines that the True-Up Letter can be corrected and filed with the Commission not later than the True-Up Adjustment Date, the Servicer shall proceed to make such corrected True-Up Letter filing with the Commission (so long as such corrected charge is effective upon filing). Otherwise, the Servicer shall take the corrections into account not later than the next succeeding True-Up Adjustment filing with the Commission on which such adjustment can practically be made without delaying the effective date set forth in the True-Up Letter.

Section 4.02 Quarterly True-Up Adjustments. The Servicer, on behalf of the Issuer, shall file a True-Up Letter for a Quarterly True-Up Adjustment with the Commission not later than ____, _____, _____, and _____ of each year (each a "Quarterly Filing Date"). Each True-Up Letter shall specify the applicable True-Up Adjustment Date, which shall be not earlier than 30 days, nor later than 45 days following the corresponding Quarterly Filing Date. Not later than 60 days prior to each Quarterly Filing Date, the Servicer shall prepare and file with the Issuer, the Trustee and the Calculation Agent a proposed, completed True-Up Letter for review. Not later than 10 days prior to the Quarterly Filing Date, the Issuer shall provide, or shall cause the Calculation Agent to provide, the Servicer with any comments and corrections to the proposed form of the True-Up Letter.

Section 4.03 Optional True-Up Adjustments. The Servicer, on behalf of the Issuer, shall file a True-Up Letter at any time if (1) the Servicer, on its own volition, determines, or (2) the Calculation Agent, on behalf of the Issuer, determines, or (3) the Servicer is otherwise advised by the Commission or the Calculation Agent, or (4) if the Servicer is in default under this Agreement, the Trustee or any party to an Ancillary Agreement determines in any of the preceding instances that such Optional True-Up Adjustment is required to ensure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs. If the Calculation Agent requests the Servicer to initiate an Optional True-Up Adjustment, it shall give the Servicer, as well as the Issuer and the Trustee notice of such request. Upon receipt of such request, or on its own volition, the Servicer shall prepare and file with the Issuer, the Trustee and the Calculation Agent a proposed, completed True-Up Letter for review, which shall specify a True-Up Adjustment Date not earlier than 30 days after the date that the True-Up Letter is filed with the Corporation and the Commission. The Issuer, the Trustee and the Calculation Agent shall promptly review the True-Up Letter, and provide any comments within five Business Days of receipt. The Servicer shall file the True-Up Letter, as reviewed, with the Commission not later than 30 days prior to the True-Up Adjustment Date set forth in the True-Up Letter.

ARTICLE V

THE SERVICER

Section 5.01 Representations and Warranties of Servicer. The Servicer makes the following representations and warranties, as of the Closing Date, upon which the Issuer has and will rely in entering into this Agreement, relating to the servicing of the Restructuring Property. The representations and warranties shall survive the execution and delivery of this Agreement and the pledge thereof to the Trustee pursuant to the Trust Agreement.

(a) Organization. The Servicer is a duly organized public corporation and governmental instrumentality of the Commonwealth, established and existing by virtue of Act No. 83 of the Legislative Assembly of Puerto Rico, approved May 2, 1941, as amended, reenacted and supplemented, with the requisite power and authority to own its properties as such properties are currently owned and to conduct its business as such business is now conducted by it, to service the Restructuring Property and to hold the Restructuring Property and Restructuring Property Documentation as custodian.

(b) Power and Authority. The Servicer has the requisite power and authority to execute and deliver this Agreement and to carry out its terms; and the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Servicer.

(c) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Servicer, enforceable against the Servicer in accordance with its terms.

(d) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof do not: (i) conflict with or result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the bylaws of the Servicer, the PREPA Trust Agreement, the Amended and Restated

Restructuring Support Agreement, dated as of January 27, 2016, by and among the Servicer and the Supporting Creditors (as therein defined), as the same may be amended, modified or supplemented as therein permitted (the "Restructuring Support Agreement"), or any other material indenture, agreement or other instrument to which the Servicer is a party or by which it is bound or to which it or any of its property or other assets are otherwise subject; (ii) result in the creation or imposition of any Lien upon any of the Servicer's properties pursuant to the terms of the PREPA Trust Agreement and Restructuring Support Agreement and any such other indenture, agreement or other instrument; or (iii) violate any existing law or any existing order, rule or regulation applicable to the Servicer of any federal, state (to the best of its knowledge and after due inquiry) or Commonwealth court or regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Servicer or its properties or other assets.

(e) Approvals. No approval, authorization, consent, order or other action of, or registration or other filing with, any federal, state (to the best of the Servicer's knowledge and after due inquiry) or Commonwealth court, regulatory body including the Commission, administrative agency or other governmental instrumentality is required in connection with the execution and delivery by the Servicer of this Agreement, the performance by the Servicer of the transactions contemplated hereby or the fulfillment by the Servicer of the terms hereof, except those that have been obtained or made and those that the Servicer is required to make in the future pursuant to Article III or IV hereof.

(f) No Proceedings. There are no proceedings pending and, to the Servicer's knowledge, there are no proceedings threatened and no investigations pending or threatened, before any federal, state or Commonwealth court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Servicer or its properties or other assets involving or relating to the Servicer, the Commission or the Issuer or, to the Servicer's knowledge, any other Person (nor to the knowledge of the Servicer is there any basis therefor): (i) asserting the invalidity of this Agreement; (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement; or (iii) seeking any determination or ruling that might materially adversely affect the performance by the Servicer of its obligations under, or the validity or enforceability against the Servicer of, this Agreement.

(g) Reports and Certificates. Each report and certificate delivered by the Servicer to the Issuer, the Calculation Agent, the Depository or the Commission, with respect to the Transition Charges, Estimated Transition Charge Collections, Transition Charge Revenues or True-Up Adjustments, will constitute a representation and warranty by the Servicer that each such report or certificate, as the case may be, is true and correct in all material respects; but to the extent any such report or certificate is based in part upon or contains estimates, assumptions, forecasts or other predictions of future events, the representation and warranty of the Servicer with respect thereto will be limited to the representation and warranty that such estimates are made in good faith and such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and in either case are based on facts known to the Servicer on the date such report or certificate is delivered).

(h) No Sovereign Immunity. Under existing law, the Servicer is not entitled to raise the defense of sovereign immunity in connection with any legal proceeding relating to this Agreement.

Section 5.02 Indemnities of Servicer.

(a) The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Servicer under this Agreement.

(b) The Servicer shall indemnify the Issuer, the Calculation Agent, the Depository, the Trustee (for itself and on behalf of the Bondholders), and the Bondholders and each of their respective trustees, members, managers, officers, directors, employees and agents for, and defend and hold harmless each such Person (each, an "Indemnified Person") from and against, any and all Losses that may be imposed upon, incurred by or asserted against any such Person as a result of:

(i) the Servicer's negligence or willful misconduct ~~or negligence~~ in the performance of its duties or observance of its covenants under this Agreement or the Servicer's reckless disregard of its obligations and duties under this Agreement;

(ii) the Servicer's breach of any of its representations or warranties in this Agreement;

(iii) litigation and related expenses relating to its status and obligations as Servicer; and

(iv) litigation and related expenses relating to or arising out of any negligent act by Third Party Billers employed or used by the Servicer to perform any of its obligations under this Agreement;

provided, however, that the Servicer shall not be liable to an Indemnified Person (i) for any Losses resulting from the willful misconduct or gross negligence of such Indemnified Person pursuant to this Section 5.02, or (ii) resulting from a breach of a representation, warranty, covenant or agreement made by such Indemnified Person in any of the Basic Documents that gives rise to the Servicer's breach; and provided, further, however, if the indemnification provided for in this Section 5.02 is unavailable to an Indemnified Person in respect of any Losses, for any reason, then the Servicer, to the extent permitted under applicable law, in lieu of indemnifying such Indemnified Person hereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the Servicer on the one hand and of the Indemnified Person on the other. Amounts payable by PREPA to an Indemnified Person on account of Losses pursuant to this Section 5.02 shall be payable [as set forth in the PREPA Trust Agreement].

Promptly after receipt by an Indemnified Person of notice of its involvement in any action, proceeding or investigation, such Indemnified Person shall, if a claim for indemnification in respect thereof is to be made against the Servicer under this Section 5.02, notify the Servicer in writing of such involvement. Failure by an Indemnified Person to so notify the Servicer shall relieve the Servicer from the obligation to indemnify and hold harmless such Indemnified Person under this Section 5.02 only to the extent of the actual prejudice suffered by the Servicer as a result of such failure. With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought under this Section 5.02, the Servicer shall be entitled to assume the defense of any such action, proceeding or investigation. Upon assumption by the Servicer of the defense of any such action, proceeding or investigation, the Indemnified Person

shall have the right to participate in such action or proceeding and to retain its own counsel (including local counsel), and the Servicer shall bear the reasonable fees, costs and expenses of such separate counsel. Unless a Servicer Default has occurred and is continuing, the Indemnified Person shall not settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought under this Section 5.02 (whether or not the Servicer is an actual or potential party to such claim or action) unless the Servicer agrees in writing to such settlement, compromise or consent and such settlement, compromise or consent includes an unconditional release of the Servicer from all liability arising out of such claim, action, suit or proceeding. The Servicer shall not settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought under this Section 5.02 (whether or not the Servicer is an actual or potential party to such claim or action) unless the Indemnified Person agrees in writing to such settlement, compromise or consent.

(c) The Servicer shall indemnify the Trustee and its officers, directors and agents for, and defend and hold harmless each such Person from and against, any and all Losses that may be imposed upon, incurred by or asserted against any such Person as a result of the acceptance or performance of the trusts and duties contained herein and in the Trust Agreement, except to the extent that any such Loss is due to the willful misconduct, bad faith or gross negligence of such Person; provided, however, that the indemnity under this Section 5.02(c) is extended to the Trustee solely in its individual capacity and not for the benefit of the Bondholders or any other Person. Such amounts with respect to the Trustee shall be deposited and distributed in accordance with the Trust Agreement.

(d) The Servicer's indemnification obligations under Section 5.02(b)-(c) for events occurring prior to the removal or resignation of the Trustee or the termination of this Agreement shall survive the resignation or removal of the Trustee or the termination of this Agreement and shall include reasonable costs, fees and expenses of investigation and litigation (including the Issuer's and the Trustee's reasonable attorneys' fees and expenses).

(e) Except to the extent expressly provided for in the Basic Documents (including the Servicer's claims with respect to the Servicing Fees), the Servicer hereby releases and discharges the Issuer (including its trustees, officers, employees and agents, if any), the Trustee (including its officers, directors and agents) and the Bondholders (including their respective trustees, officers, employees and agents, if any) (collectively, the "Released Parties") from any and all actions, claims and demands whatsoever, which the Servicer shall or may have against any such Person relating to the Restructuring Property or the Servicer's activities with respect thereto other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

(f) The Servicer will not indemnify any Person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Bonds or for any consequential damages, including any loss of market value of the Bonds, resulting [solely] from any downgrade of the ratings on the Bonds.

(g) Notwithstanding the indemnification provisions contained in any agreements entered into by the Servicer with any Third Party Billers, the Servicer shall not be relieved of its obligations to indemnify each Indemnified Person as provided in this Section 5.02.

Section 5.03 Merger or Consolidation of, or Assumption of the Obligations of, Servicer. Any Person (a) into which the Servicer may be merged or consolidated, (b) that may result from any merger or consolidation to which the Servicer shall be a party or (c) that may succeed to a substantial portion of the Electric System Assets of the Servicer, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Servicer under this Agreement, shall be the successor to the Servicer under this Agreement without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 5.01 shall have been breached and no Servicer Default and no event which, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, and the Rating Agency Condition shall have been satisfied, (ii) the Servicer shall have delivered to the Issuer and the Trustee an Officer's Certificate stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with, (iii) the Servicer shall have delivered to the Issuer and the Trustee an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all statutory filings to be made by the Servicer, including filings with the Commission pursuant to the Act and any filings under the applicable UCC, that are necessary fully to preserve and protect the interests in the Restructuring Property of the Issuer, the Trustee, the Bondholders or any Person with any such interest in the Restructuring Property have been executed and filed and reciting the details of such filings or (B) stating that, in the opinion of such counsel, no such action is necessary to preserve and protect such interests, (iv) the Servicer shall have delivered to the Issuer, the Commission and the Trustee an opinion of Bond Counsel (as selected by, and in form and substance reasonably satisfactory to, the Servicer, and which may be based on a ruling from the Internal Revenue Service) to the effect that, for federal income tax purposes, such consolidation or merger or assumption of the obligations will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes, and (v) a copy of the agreement of assumption shall have been delivered to the Commission.

The Servicer shall not consummate any transaction referred to in subclauses (a), (b) or (c) above except upon execution of the above-described agreement of assumption and compliance with subclauses (i), (ii), (iii), (iv) and (v) above. When any Person acquires the a substantial portion of the Electric System Assets of the Servicer, and becomes the successor to the Servicer in accordance with the terms of this Section 5.03, then upon satisfaction of all of the other conditions of this Section 5.03, such successor Servicer shall be the Servicer for all purposes hereunder; provided, however, that the Servicer covenants and agrees with the Issuer and the Trustee that it will, on an ongoing basis, cooperate with the successor Servicer and provide whatever information is, and take whatever actions are, necessary to assist the successor Servicer in performing its obligations hereunder.

Section 5.04 Assignment. If permissible under Section 5.06, the Servicer may assign any or all of its obligations hereunder to any successor if either (i) the Rating Agency Condition and any other condition specified in the Restructuring Resolution or the Trust Agreement have been satisfied or (ii) the Servicer is replaced by a successor pursuant to Section 5.03 hereof. In

either such case, a copy of any servicing agreement or agreement of assumption shall be promptly delivered to the Commission upon execution by the applicable parties.

Section 5.05 Limitation on Liability of Servicer and Others. The Servicer shall not be liable to the Issuer, the Calculation Agent, the Depository or the Trustee, except as provided under this Agreement, for any action taken or for refraining from the taking of any action pursuant to this Agreement or for errors in judgment; provided, however, that this provision shall not protect the Servicer against any liability that would otherwise be imposed by reason of willful misconduct, bad faith or negligence in the performance of its duties or by reason of reckless disregard of its obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel reasonably acceptable to the Trustee or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement. Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action incidental to its duties to service the Restructuring Property in accordance with this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability for which it has not been reasonably indemnified.

Section 5.06 PREPA Not to Resign as Servicer. Subject to the provisions of Sections 5.03 and 5.04, PREPA shall not resign from the obligations and duties hereby imposed on it as Servicer under this Agreement except upon a determination that PREPA's performance of its duties under this Agreement shall no longer be permissible under applicable law. Notice of any such determination permitting the resignation of PREPA shall be communicated to the Issuer, the Commission, the Depository, the Calculation Agent, the Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Commission, the Calculation Agent, the Depository and the Trustee concurrently with or promptly after such notice. No such resignation shall become effective until a successor Servicer has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 6.04.

Section 5.07 Servicing Fee. The Issuer agrees to pay the Servicer an annual servicing fee (the "Servicing Fee") for all obligations to be performed by the Servicer under this Agreement. For so long as PREPA is the Servicer, the initial Servicing Fee shall be 0.05% of the initial principal amount of the Bonds. Such Servicing Fee shall be increased on each anniversary date by the year-over-year percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) (not seasonally adjusted) for the most recently completed twelve-month period for which such data are available. The foregoing fee constitutes a fair and reasonable price for the obligations to be performed by the Servicer and ~~approximates (but~~ is not less than~~)~~ the estimated incremental cost of performing the services required by this Agreement exclusive of the expenses payable under Section 5.08. If a successor Servicer is not affiliated with the owner of the Electric System Assets or not performing similar services with respect to the base rates of the owner of the Electric System Assets, the Servicing Fee shall be an amount agreed upon by the Issuer and the successor Servicer, provided that any Servicing Fee in excess of [1.00]% of the aggregate initial principal amount of the Bonds shall be subject to the prior written approval of the Issuer (so long as the Issuer is not in default under the Trust Agreement) and the Commission, and prior written notice to the Trustee and each of the Rating Agencies.

Section 5.08 Servicer Expenses. Except as otherwise expressly provided herein and to the extent not included in the calculation of the Servicing Fee, the Issuer shall pay all reasonable [third party] expenses incurred by the Servicer in connection with its activities hereunder (including any fees to and disbursements by accountants, counsel, or any other Person, and any expenses incurred in connection with reports to Bondholders, subject to the priorities set forth in Section [8.02(e)] of the Trust Agreement).

Section 5.09 Subservicing. The Servicer may at any time contract with a subservicer to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided further that the Servicer shall remain obligated and be liable to the Issuer, the Depository, the Calculation Agent, the Trustee, the Bondholders, the parties to the Ancillary Agreements and any owner of the Restructuring Property for the servicing and administering of the Restructuring Property in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such subservicer and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Restructuring Property. The fees and expenses of the subservicer shall be as agreed between the Servicer and its subservicer from time to time, and none of the Issuer, the Trustee, the Bondholders, the parties to the Ancillary Agreements or the owner of Restructuring Property shall have any responsibility therefor. Any such appointment shall not constitute a Servicer resignation under Section 5.06. In addition to the foregoing, the Issuer may, upon being advised by its consultants, appoint one or more subservicers or co-servicers, if the Issuer determines that such appointment is likely to (i) prevent or delay an imminent negative ratings action by any Rating Agency, (ii) facilitate a reversal of any such negative ratings action, or (iii) result in a positive ratings action by any Rating Agency. The Issuer may also appoint one or more back-up servicers.

Section 5.10 Servicer Advances. PREPA, in its capacity as Servicer hereunder, shall have the option to make advances to the Issuer, upon request by the Issuer or the Trustee, with respect to Transition Charge Revenues, provided that such advances are made on an arm's length basis. The parties agree that Estimated Transition Charge Collections represent a good faith estimate of actual collections of Transition Charges received by the Servicer and do not represent an advance or borrowing by the Servicer. Prior to making any advance to the Issuer, the Servicer shall provide notice to the Commission of the amounts, the terms, the accounting treatment and the reasons for the advance.

Section 5.11 Remittances. As soon as possible but no later than the second Business Day following receipt by the Servicer, the Servicer shall cause all Customer Revenues, including without limitation all Transition Charge Collections (from whatever source), to be deposited into the Allocation Account held by the Depository. As provided in Section 3.03 hereof, the Servicer shall cause the Depository to remit the Daily Remittances to the Trustee for deposit into the Collection Account.

In the event of any change of account or change of the Depository or the Trustee or any other institution affecting the remittances of Transition Charges, the Issuer shall provide written notice thereof to the Servicer by the earlier of: (A) five Business Days from the effective date of such change, and (B) five Business Days prior to the next applicable Deposit Date.

Section 5.12 Protection of Title. The Servicer shall execute and file such filings and cause to be executed and filed such filings, all in such manner and in such places as may be required by law fully to preserve, maintain and protect the interests of the Issuer, the Trustee, the Bondholders or any owner of the Restructuring Property in the Restructuring Property, as their interests may appear, including all filings, if any, required under the UCC or the Act relating to the security interest granted by the Issuer to the Trustee and the Bondholders in the Restructuring Property and the liens granted for the benefit of the Trustee under the Depository Agreement. The Servicer shall deliver (or cause to be delivered) to the Issuer, the Commission and the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing. The costs of any such action reasonably allocated by the Servicer to the Restructuring Property shall be payable from Transition Charge Collections as an Ongoing Financing Cost in accordance with the Trust Agreement. The Servicer's obligations pursuant to this Section 5.12 shall survive and continue notwithstanding the fact that the payment of Ongoing Financing Costs pursuant to the Trust Agreement may be delayed (it being understood that the Servicer may be required to advance its own funds to satisfy its obligations under this Section 5.12).

Section 5.13 Tax-Exempt Bonds. The Servicer shall comply with the tax certificates to be executed and delivered by it in connection with the issuance of the Bonds and with letters of instruction, if any, delivered by Bond Counsel in connection with the issuance of the Bonds, as such tax certificates and letters may be amended from time to time. Notwithstanding anything else in this Agreement to the contrary, the covenants of this Section 5.13 shall survive the payment, redemption or defeasance of the Bonds and the termination of this Agreement.

Section 5.14 Compliance with Article 33 of the Act. The Issuer and the Servicer each agree to comply with the provisions of Article 33 of the Act so as to maintain the separateness of the Issuer and the Servicer, including the following:

(a) Pursuant to Article 33(e) of the Act, each of the Issuer and the Servicer shall maintain its books, financial records and accounts (including inter-entity transaction accounts) in a manner so as to identify separately the assets and liabilities of each such entity from those of any other Person; each shall observe all applicable corporate procedures and formalities, including, where applicable, the holding of regular periodic and special meetings of governing bodies, the recording and maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if any, adopted at such meetings; and all transactions and agreements between and among the Issuer, the Servicer and any Person will reflect the separate legal existence of each entity and shall be formally documented in writing. The Issuer shall not enter into any transaction with an affiliate of the Servicer, the Issuer, Government Development Bank for Puerto Rico or the Commonwealth, except on terms similar to those available to unaffiliated Persons in an arm's length transaction.

(b) Pursuant to Article 33(f) of the Act, the Issuer and the Servicer shall each have separate annual financial statements, prepared in accordance with generally accepted accounting principles, that reflect the separate assets and liabilities of each such entity and all transactions and transfers of funds involving each such entity, and each shall pay or bear the cost of the preparation of its own financial statements regardless of whether such public accounting firm prepares or audits the financial statements of the Issuer or the Servicer.

(c) Pursuant to Article 33(g) of the Act, the Issuer and the Servicer shall pay their respective liabilities and losses from their own respective separate assets. In furtherance of the foregoing, the Issuer shall compensate all employees, consultants, independent contractors and agents from its own funds for services provided to it by such employees, consultants, independent contractors and agents. The Issuer shall maintain sufficient employees in light of its contemplated business purpose.

(d) Pursuant to Article 33(h) of the Act, each of the Issuer and the Servicer shall maintain its assets, funds and liabilities separate and apart from the assets, funds and liabilities of any other Person, and will conduct all business between either the Issuer or the Servicer and third parties in their own name separate and distinct from the other. Both entities shall correct any known misunderstanding regarding its separate identity.

(e) Pursuant to Article 33(i) of the Act, neither the assets nor the creditworthiness of the Servicer shall be held out as being available for the payment of any liability of the Issuer, and vice versa. Assets shall not be transferred between the Servicer and the Issuer inconsistently with the Act or with the intent to hinder or defraud creditors.

(f) Pursuant to Article 33(j) of the Act, the Servicer in its papers and the statements of its officials shall refer to the Issuer as a separate and distinct legal entity; and shall take no action that is inconsistent with the Act or that would give any of its creditors cause to believe either that any such obligations incurred by the Servicer are also obligations of the Issuer, or that the Servicer were not or would not continue to remain an entity separate and distinct from the Issuer.

Section 5.15 [Standard of Performance for Collections. Any requirement in this Agreement that the Servicer act in accordance with its customary practices, procedures or standard of care as applied to the collection of Transition Charges shall be understood to also require the Servicer to use its Best Efforts, whether or not such additional requirement is explicitly stated.]

Section 5.16 Servicer's Obligations Under the Act. The Servicer shall comply with all of its obligations under the Act.

ARTICLE VI

DEFAULT

Section 6.01 Servicer Default. If any one of the following events (each a "Servicer Default") shall occur and be continuing:

(a) any failure by the Servicer to cause all Customer Revenues, including all Transition Charge Collections (from whatever source), received by the Servicer to be deposited into the Allocation Account as provided in Sections 3.03 and 5.11 or any failure by the Servicer to cause the Depository to transfer to the Trustee any required Daily Remittance and cause other amounts received from Collateral to be deposited to the Collection Account pursuant to Sections 3.03 and Section 5.11 hereof that shall continue unremedied for a period of five (5) Business Days after written notice of such failure is received by the Servicer from the Issuer, the Trustee or any party to an Ancillary Agreement; or

(b) any failure of the Servicer to provide information to the Calculation Agent in connection with the verification of a True-Up Adjustment [or a Quarterly Reconciliation Certificate] within five Business Days unless such period is impracticable and a larger period, not exceeding 10 Business Days has been requested by the Servicer after written notice thereof from the Calculation Agent, the Issuer, the Trustee or any party to an Ancillary Agreement; or

(c) any failure by the Servicer duly to observe or perform in any material respect any other covenant or agreement of the Servicer set forth in this Agreement, and continues unremedied for a period of 30 days after written notice of such failure has been given to the Servicer by the Issuer, the Commission, the Depository, the Calculation Agent, the Administrator, the Trustee or any party to an Ancillary Agreement or after discovery of such failure by an officer of the Servicer;

(d) any representation or warranty made by the Servicer in this Agreement proves to have been incorrect when made, which has an adverse effect on the Issuer or the Bondholders, or the rights of the Issuer, Bondholders or parties to Ancillary Agreements in the Restructuring Property, and which adverse effect continues unremedied for a period of 45 days after the date on which written notice thereof has been given to the Servicer by the Issuer, the Commission, the Trustee or any party to an Ancillary Agreement or after discovery of such failure by an officer of the Servicer, as the case may be; ~~or~~

(e) an Insolvency Event occurs with respect to the Servicer; or

(f) a moratorium, a stay or an emergency period which prevents the Servicer from being able to perform any of its obligations under this Agreement (or exempts the Servicer from performing any such obligations) is declared under (i) Act 21 of 2016 or (ii) any federal or other Commonwealth law or order;

then, and in each and every case, so long as the Servicer Default shall be continuing, either the Issuer or the Trustee may, or, upon the written direction of the Commission acting in accordance with the Act, Restructuring Order and Restructuring Resolution, shall by notice then given in writing to the Servicer (and to the Trustee if given by the Bondholders or a party to such Ancillary Agreement) (a "Termination Notice") terminate all the rights and obligations of the Servicer under this Agreement (other than the Servicer's indemnification obligations set forth in Section 5.02 hereof and the Servicer's obligation under Section 6.04 to continue performing its functions as Servicer until a successor Servicer is appointed, which obligations shall remain ongoing). In the event of any conflict between the direction of the Commission and the designation of the Trustee, the holders of the Bonds or a party to any Ancillary Agreement, and the Trustee or such other party shall determine that the Commission's direction would impair or would not adequately protect the rights of such party, such party shall so inform the Commission in writing of such determination and the basis therefor, and upon such communication, the designation of the Trustee, holders or such party, as the case may be, shall control.

In addition upon a Servicer Default, the Issuer and the Trustee may as against the Servicer:

(A) apply to any court of competent jurisdiction for an order of seizure or sequestration and payment of revenues arising with respect to the Restructuring Property or any other applicable remedy;

(B) seek a writ of mandamus as specified in Section 7.03 hereof;

(C) resort to any court, including any federal court, to require, an order of seizure and payment of the Transition Charge Revenues, or any other applicable remedy. If such court determines that such Servicer Default exists, it shall issue the requested seizure and payment order. The order shall remain valid notwithstanding any bankruptcy, reorganization, or any other insolvency procedure with respect to the Servicer, the Issuer, PREPA or any other Person; or

(D) exercise the remedies set forth in Section 7.04 hereof.

In addition, any party to an Ancillary Agreement may seek a writ of mandamus as specified in Section 7.03 hereof. Nothing in this Section 6.01 shall permit the Issuer or the Trustee to directly initiate or maintain any action to suspend or terminate the electric service of any Customer.

On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Restructuring Property, the Transition Charges or otherwise, shall, upon appointment of a successor Servicer pursuant to Section 6.04, without further action, pass to and be vested in such successor Servicer and, without limitation, the Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of the Restructuring Property Documentation and related documents, or otherwise. The predecessor Servicer shall cooperate with the successor Servicer, the Trustee, the Issuer and the Depository in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the successor Servicer for administration by it of all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Restructuring Property or the Transition Charges. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Restructuring Property Documentation to the successor Servicer. All reasonable costs and expenses (including attorneys' fees and expenses) incurred in connection with transferring the Restructuring Property Documentation to the successor Servicer and amending this Agreement to reflect such succession as Servicer pursuant to this Section 6.01 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses.

Section 6.02 Notice of Servicer Default. The Servicer shall deliver to the Issuer, the Commission, the Trustee, the Calculation Agent, the Depository and each Rating Agency, promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice in an Officer's Certificate of any event or circumstance which with the giving of notice or passage of time, or both, would become a Servicer Default under Section 6.01.

Section 6.03 Waiver of Past Defaults. The Trustee, with the consent of the Requisite Bondholders and the party (other than the Trustee) to each Ancillary Agreement, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences. The Servicer shall provide notice of any such waivers to the Commission and each Rating Agency, promptly after its receipt thereof from the Trustee. Upon any such waiver of a past

default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon. Any waiver by the Trustee shall be effective, regardless of any prior instruction or order of the Commission to the contrary effect.

Section 6.04 Appointment of Successor.

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 6.01 or the Servicer's resignation in accordance with the terms of this Agreement, the Servicer shall continue to perform its functions as Servicer under this Agreement, and shall be entitled to receive the requisite portion of the Servicing Fee and reimbursement of expenses as provided herein, until a successor Servicer is qualified and has assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Issuer, at the direction of the Commission, subject to the prior consent or contrary direction of the Trustee, or the Trustee, shall designate a successor Servicer, provided that if the Issuer is in default on its obligation under the Trust Agreement, either the Commission, subject to the prior consent or contrary direction of the Trustee, or the Trustee shall appoint a successor Servicer; provided further that in the event of any conflict between the direction of the Commission and the direction of the Trustee, the direction of the Trustee shall control. If within 30 days after the delivery of the Termination Notice, a new Servicer has not accepted such appointment, the Trustee may petition a court of competent jurisdiction to appoint a successor Servicer under this Agreement. If within 60 days after the delivery of the Termination Notice, a new Servicer has not accepted such appointment and the Trustee has not petitioned a court of competent jurisdiction in accordance with the immediately preceding sentence, a party to any Ancillary Agreement in respect of which an Ancillary Agreement Event has occurred and is continuing and/or the Requisite Bondholders may petition a court of competent jurisdiction to appoint a successor Servicer under this Agreement. A Person shall qualify as a successor Servicer only if (i) such Person is not prohibited from performing the duties of the Servicer pursuant to the Act, the Restructuring Resolution, the Trust Agreement and this Agreement, (ii) the Rating Agency Condition has been satisfied and (iii) such Person enters into a servicing agreement with the Issuer having substantially the same provisions as this Agreement.

(b) Upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer under this Agreement and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Servicer and shall be entitled to the Servicing Fee and all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

(c) The successor Servicer may resign only in accordance with Section 5.06 of this Agreement.

(d) The Issuer shall provide to the Commission a copy of any successor Servicing Agreement for informational purposes.

Section 6.05 Cooperation with Successor. The Servicer covenants and agrees with the Issuer and the Trustee that it will, on an ongoing basis, cooperate with the successor Servicer and

provide whatever information is, and take whatever actions are, necessary to assist the successor Servicer in performing its obligations hereunder and under any successor servicing agreement.

ARTICLE VII

THIRD PARTY BENEFICIARY PROVISIONS

Section 7.01 Trustee, Bondholders, parties to Ancillary Agreements Third Party Beneficiaries. The Trustee, the Bondholders and parties to Ancillary Agreements are express and intended third party beneficiaries under this Agreement. The Trustee, or a party to any Ancillary Agreement shall be entitled to enforce this Agreement against the Servicer, as and to the extent provided herein or the Trust Agreement, to the same extent as if the Trustee and such parties were parties hereto. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto and their permitted successors and assigns hereunder, the Trustee, the Bondholders, parties to Ancillary Agreements and their respective permitted successors and assigns, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

Section 7.02 Commission Action. Any action taken by the Issuer, at the direction of the Commission or otherwise, with respect to the Servicer, including (subject to the provisions of Section 6.01 hereof) the replacement of the Servicer, is subject to the prior consent of or contrary direction of the Trustee on behalf of the Bondholders or as directed by Requisite Bondholders and/or parties to an Ancillary Agreement, in accordance with the terms of the Trust Agreement.

Section 7.03 Mandamus. The adjustment of the Transition Charges is a ministerial act of the Servicer and should the Servicer fail in any respect with respect to its duties to establish or adjust the Transition Charges at any time, the Trustee, a party to any Ancillary Agreement or the Issuer shall be entitled, upon application or petition therefor, to a writ of mandamus requiring the Servicer to establish or adjust the Transition Charges in accordance with this Agreement and the Restructuring Resolution.

Section 7.04 Rights and Remedies. As and to the extent as provided in the Trust Agreement or any Ancillary Agreement, as the case may be, any owner of Restructuring Property, the Trustee, or any party to any Ancillary Agreement may exercise any rights and remedies provided in such Trust Agreement and Ancillary Agreement and, as to the Trustee and any owner of the Restructuring Property, any rights and remedies provided in the Act.

Section 7.05 Actions in Lieu of the Trustee. The Requisite Bondholders or the parties to the Ancillary Agreement, as applicable, may act in lieu of the Trustee under this Agreement, as and to the extent permitted under the Act, the Trust Agreement and the Ancillary Agreements.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01 Amendment.

(a) This Agreement may be amended by the Servicer and the Issuer, with the consent of the Trustee and the satisfaction of the Rating Agency Condition, provided that any such amendment is not prohibited by the Act or the Restructuring Resolution. Promptly after the execution of any such amendment or consent, the Issuer shall furnish written notification of the substance of such amendment or consent to each of the Rating Agencies and to the Commission.

Prior to the execution of any amendment to this Agreement, the Issuer and the Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and the Opinion of Counsel referred to in Section 5.06. The Issuer and the Trustee may, but shall not be obligated to, enter into any such amendment which affects their own rights, duties or immunities under this Agreement or otherwise.

(b) The Servicer shall promptly provide each of the Rating Agencies and the Commission with a copy of any amendment to this Agreement or of any successor Servicer Agreement.

(c) Notwithstanding the foregoing, no amendment or modification of this Agreement shall be effective without the prior written consent of each party to Ancillary Agreements that is materially adversely affected by such amendment or modification.

Section 8.02 Notices. Unless otherwise specifically provided herein, all notices, directions, consents and waivers required under the terms and provisions of this Agreement shall be in English and in writing, and any such notice, direction, consent or waiver may be given by United States mail, reputable overnight courier service, facsimile transmission or electronic mail (confirmed by telephone, United States mail or reputable overnight courier service in the case of notice by facsimile transmission or electronic mail) or any other customary means of communication, and any such notice, direction, consent or waiver shall be effective when delivered or transmitted, or if mailed, five days after deposit in the United States mail with proper postage for ordinary mail prepaid:

(a) if to the Servicer, to:

Puerto Rico Electric Power Authority
[P.O. Box 364267
San Juan, Puerto Rico 00936-4267]
Attention: [Office of the General Counsel]
Telephone: (___) _____
Telecopy: (___) _____
Email: _____

(b) if to the Issuer, to:

Puerto Rico Electric Power Authority Revitalization Corporation
_____
_____
_____
Attention: _____

Telephone: (___) _____
Telecopy: (___) _____
Email: _____

(c) if to the Trustee, to:

_____
_____
Attention: _____
Telephone: (___) _____
Telecopy: (___)_____
Email: _____

(d) if to the Commission, to:

Puerto Rico Energy Commission
_____
_____
Attention: _____
Telephone: (___) _____
Telecopy: (___)_____
Email: _____

(e) if to Moody's, to:

Moody's Investors Service, Inc.
7 World Trade Center, 250 Greenwich Street, 25th Floor,
New York, New York 10007
Attention: ABS/RMBS Monitoring Department
E-mail: ServicerReports@moodys.com

(f) if to Standard & Poor's, to:

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041
Attention: Structured Credit Surveillance
E-mail: servicer-report@standardandpoors.com
Telephone: (212) 438-8991

(g) if to Fitch, to:

Fitch Ratings
33 Whitehall Street
New York, New York 10004
Attention: ABS Surveillance
Email: surveillance-abs-other@fitchratings.com
Telephone: (212) 908-0500

(h) if to the Calculation Agent:

(i) if to the Depository:

(j) as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

Section 8.03 Limitations on Rights of Others. The provisions of this Agreement are solely for the benefit of the Servicer, the Issuer, the Commission, the Depository, the Calculation Agent, the parties to the Ancillary Agreements, the Bondholders, the Trustee, any party to an Ancillary Agreement and the other Persons expressly referred to herein and such Persons shall have the right to enforce the relevant provisions of this Agreement, except that the Bondholders shall be entitled to enforce their rights against the Servicer under this Agreement solely through a cause of action brought for their benefit by the Trustee or as set forth in the Trust Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Restructuring Property or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

Section 8.04 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.05 Separate Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of any executed signature page of this Agreement by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 8.06 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 8.07 Governing Law. This Agreement shall be construed in accordance with the substantive laws of the State of New York, applied as if this Agreement were executed in New York and to be performed entirely within New York, without giving effect to its conflict of law or other principles that would cause the application of the laws of another jurisdiction. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth of Puerto Rico (including the Act) and the Restructuring Resolution, all rights of the Issuer or the Servicer against any Customer by virtue of the Act and of the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth of Puerto Rico. To the extent permitted by law, the Servicer hereby submits to, and waives any objection to, venue in any federal or state court located in the Borough of Manhattan, City of New York, New York.

Section 8.08 Collateral Assignment to Trustee. The Servicer hereby acknowledges the grant of a security interest and collateral assignment by the Issuer pursuant to the Trust Agreement of all of the Issuer's rights hereunder to the Trustee for the benefit of the Bondholders and the

Trustee, and the parties to any Ancillary Agreement. The Trustee shall succeed to all of the Issuer's rights in the manner set forth in the Trust Agreement.

Section 8.09 Nonpetition Covenant. Notwithstanding any prior termination of this Agreement or the Trust Agreement, but subject to the right of a court of competent jurisdiction to order the sequestration and payment of revenues arising with respect to the Restructuring Property and notwithstanding any bankruptcy, reorganization or other insolvency proceedings with respect to any person or entity permitted pursuant to Section 41 of the Act, the Servicer shall not, prior to the date which is one year and one day after no Bonds are outstanding or any Ancillary Agreement with payment obligations that have or may become due thereunder are owing by the Issuer, petition or otherwise invoke or cause the Issuer to invoke the process of any court or governmental authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any federal or Commonwealth bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of the property of the Issuer, or, to the fullest extent permitted by law, ordering the winding up or liquidation of the affairs of the Issuer.

Section 8.10 Termination. This Agreement shall terminate when all Bonds have been retired, redeemed, defeased or paid or deemed paid in full and all other Ongoing Financing Costs have been paid in full and the Servicer has disposed of all remaining Transition Charges in the manner required by the Restructuring Resolution and the Trust Agreement; provided, however, that this Section 8.10 shall not apply to those rights and/or obligations set forth in this Agreement that expressly survive the termination of this Agreement. Termination pursuant to this Section 8.10 or otherwise provided herein shall be without prejudice to any rights of the Issuer, the Trustee, the Bondholders, any party to an Ancillary Agreement, the Servicer or any other Person which may have accrued through the date of termination hereunder.

Section 8.11 Rule 17g-5 Compliance. The Servicer agrees that any notice, report, request for satisfaction of the Rating Agency Condition, document or other information provided by the Servicer to any Rating Agency under this Agreement or any other Basic Document to which it is a party for the purposes of determining the initial credit rating of the Bonds or undertaking credit rating surveillance of the Bonds with any Rating Agency, shall be, substantially concurrently, posted by the Servicer on the 17g-5 Website.

Section 8.12 Continuing Disclosure Under Rule l5c2-12. The Servicer shall prepare and provide to the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access system ("EMMA"), in the format prescribed by the Municipal Securities Rulemaking Board, the reports, certificates and notices required of it under the Continuing Disclosure Agreement.

Section 8.13 No Set-off, Counterclaim or Defense. The Restructuring Property, Transition Charges, Transition Charge Revenues, and the interests of a Bondholder, any party to an Ancillary Agreement, Financing Entity or any other Person in Restructuring Property or in Transition Charge Revenues are not subject to set-off, counterclaim, surcharge or defense by the Servicer, the Issuer, PREPA, holders of any other debt issued by PREPA (or any other creditors of PREPA) or in connection with any default, bankruptcy, reorganization or other insolvency proceeding of any of the foregoing Persons.

Section 8.14 Third Party Billers.

(a) If at any time in the future the Commonwealth takes any action to amend the Act, or the Commission takes any action to adopt, supplement or amend Commission Regulations, in either case, to permit the billing and/or collecting of Transition Charges by Third Party Billers, the Servicer, for the benefit of the Bondholders, shall take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, as may be necessary to (A) if the Servicer, any party to an Ancillary Agreement, the Trustee or Requisite Bondholders reasonably believe that such action could result in a downgrade of the Bonds or is otherwise contrary to the Act or the Restructuring Resolution, block or overturn such action of the Commonwealth or the Commission, as the case may be, including by asserting that such action violates the Commonwealth Pledge (as defined in the Trust Agreement); and (B) if such challenge or opposition fails, compel performance by the Commission or the Commonwealth, as the case may be, of their obligations and duties under the Act or the Restructuring Resolution, as applicable, with respect to Third Party Billers, including but not limited to ensuring that the implementation of any such amendment, supplement, rule or regulation does not result in a downgrade in the credit ratings assigned to the Bonds and otherwise conforms with the matters referenced in Annex 1 hereto;

(i) the Servicer, for the benefit of the Bondholders, will take reasonable steps to monitor on an ongoing basis proceedings in the legislature of the Commonwealth and at the Commission for proposed legislation, rules, regulations or other initiatives that could reasonably result in the taking by the Commonwealth or the Commission of any action referenced in this paragraph (a); and

(ii) the costs of any action taken by, and the obligations of, the Servicer under this Section shall be treated in the same manner as expenses under Section 5.08.

(b) Should the laws of the Commonwealth be changed to permit the billing and/or collecting of Rates and Transition Charges by Third Party Billers, the Servicer shall, using the same degree of care and diligence that it exercises with respect to payments owed to it for its own account, implement such procedures and policies as would be necessary to properly enforce the obligations of each Third Party Biller to remit Rates and Transition Charges, in accordance with the terms and provisions of the Restructuring Resolution.

IN WITNESS WHEREOF, the parties hereto have caused this Restructuring Property Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

PUERTO RICO ELECTRIC POWER
AUTHORITY REVITALIZATION
CORPORATION, as Issuer

By:_____
Name:
Title:

PUERTO RICO ELECTRIC POWER
AUTHORITY, as Servicer

By:_____
Name:
Title:

Acknowledgement of Section 7.01 hereof.

[TRUSTEE], as Trustee under
the Trust Agreement

By:_____
Name:
Title:

ANNEX 2

CERTIFICATES AND ADJUSTMENTS

The Servicer agrees to comply with the following with respect to the Issuer:

SECTION 1. Definitions. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Restructuring Property Servicing Agreement dated as of [_____, 2016], between the Issuer and PREPA, as Servicer (the "Servicing Agreement").

SECTION 2. Monthly Servicer Certificates. On or before the [15th] Business Day following the end of each calendar month, commencing with [_____ 2016], the Servicer will deliver to the Depository, the Issuer, the Administrator, the Calculation Agent, the Trustee each Rating Agency, and, for informational purposes, the Commission a monthly certificate in substantially the form of Exhibit C hereto (the "Monthly Servicer Certificate") showing: (a) the total amount of Customer Revenues deposited into the Allocation Account, either by the Servicer, directly by Customers or otherwise, during the month and through the end of the current Collection Period (b) the Estimated Transition Charge Collections transferred to the Collection Account during the month and through the end of the current Collection Period, (c) the PREPA Charges transferred to PREPA during the month and through the end of the current Collection Period and (d) the amount of any transfers or reductions in respect of Excess Remittances or the Remittance Shortfalls required pursuant to Section 3.03(f) of the Servicing Agreement.

SECTION 3. Semiannual Servicer Certificates. At least one Business Day before each Payment Date, the Servicer shall provide the Issuer, the Trustee, [the Administrator], each Rating Agency, the Calculation Agent and, for informational purposes, the Commission, with a certificate in substantially the form of Exhibit D hereto (the "Semiannual Servicer Certificate") showing, *inter alia*, the amounts to be paid to Bondholders on such Payment Date, the amounts to be paid with respect to other Ongoing Financing Costs (in reasonable detail) on or following such Payment Date, and all transfers required to be made into the various funds and accounts held under the Trust Agreement.

SECTION 4. Annual Statement of Compliance. The Servicer shall provide the Certificate of Compliance required by Section 3.06 of the Servicing Agreement in substantially the form of Exhibit E hereto to the Issuer, the Trustee, the Administrator, each Rating Agency, the Calculation Agent and, for informational purposes, the Commission.

SECTION 5. Post-Issuance Report. If the estimates of Upfront Financing Costs or Ongoing Financing Costs need to be updated from the information provided in the Designee Certificate, the Servicer shall prepare, on behalf of the Issuer, and deliver to the Commission, the Issuer [and the Administrator] a post-issuance report, which shall update such information in a revised form of the Designee Certificate, not later than ten (10) days following the issuance date of the Bonds. This updated certificate shall be provided to the Commission for informational purposes only.

SECTION 6. Annual Report to Commission. The Servicer shall prepare and provide on behalf of itself and the Issuer a joint report to the Commission, in substantially the form of Exhibit G hereto, not later than March 1 of each year, setting forth with respect to the prior calendar year,

the outstanding principal amount of the Bonds at the close of such calendar year [(taking into account any principal payment made on such Bonds on or about January 1 immediately succeeding such calendar year close),] the amount paid on such Bonds in respect of such calendar year, the Ongoing Financing Costs (in detail) paid in such prior year and the remaining Ongoing Financing Costs payable in the current year.

SECTION 7. Final Accounting Report. Not later than 120 days following final payment of the Bonds and any associated Financing Costs, the Servicer shall prepare and provide to the Commission a final accounting report showing the Transition Charge Revenues on deposit with the Trustee and the method, approved by the Commission, by which such charges will be credited back to Customers.

ANNEX 3

SERVICING PROCEDURES

The Servicer agrees to comply with the following servicing procedures:

SECTION 1. Definitions.

(a) Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Restructuring Property Servicing Agreement, dated as of [_____, 2016], between the Issuer and PREPA, as Servicer (the "Servicing Agreement").

(b) Whenever used in this Annex 3, the following words and phrases shall have the following meanings:

"Applicable MDMA" means, with respect to each Customer, the meter data management agent or other person providing meter reading services for that Customer's account.

"Applicable Third Party" means, with respect to each Customer, the Third Party Biller, if any, providing billing or metering services to that Customer.

"Billed Charges" means the amounts of Transition Charges billed to Customers, whether billed directly to such Customers by the Servicer or indirectly through a Third Party Biller pursuant to Consolidated Third Party Billing.

"Bills" means each of the regular monthly bills, summary bills and other bills issued to Customers for Rates provided by the Servicer or by a Third Party Biller.

["Budget Payment Plan" means a levelized payment plan offered by PREPA, which, if elected by a Customer, provides for level monthly Bill charges to such Customer. For residential Customers, this charge is calculated by calculating actual electricity usage for the previous 12 months, multiplying that usage by the applicable rates and adding non-usage sensitive charges and dividing this amount by twelve. The number which results from this calculation is charged to the residential Customer each month. In the twelfth month, PREPA bills the residential Customer for actual use in that month, adjusted for any excess or deficit the Customer has paid PREPA over the prior eleven months. If the Customer owes PREPA [$4] or more over the normal budget amount, that Customer has the option repaying the full amount in the twelfth month, or spreading the amount of this deficit in equal installments over the first four months of the Customer's next budget year. The procedure is similar for small industrial and commercial Customers.][Note: Conform to PREPA's Budget Payment Plan.]

"Charge Effective Date" means the date on which the initial Transition Charge goes into effect as provided in this Agreement.

"Closing Bill" means the final bill issued to a Customer at the time service is terminated.

"Consolidated Third Party Billing" means the billing option available to Customers served by a Third Party Biller pursuant to which such Third Party Biller will be responsible for billing and

collecting all charges to Customers electing such billing option, including the Transition Charges, and will become obligated to the Servicer for the Billed Charges, all in accordance with applicable Commission Regulations and the Restructuring Order.

"Days Sales Outstanding" means the average number of days that monthly Bills to Customers remain outstanding during the calendar year immediately preceding the calculation of projected lags in collection of Billed Charges pursuant to Annex 1 of the Servicing Agreement. The initial Days Sales Outstanding shall be ___ days until updated pursuant to this Annex 3.

"Servicer Policies and Practices" means, with respect to the Servicer's duties under this Annex 3, the policies and practices applicable to such duties that the Servicer (or its sub-servicer) follows with respect to the Rates.

SECTION 2. Data Acquisition.

(a) Installation and Maintenance of Meters. Except to the extent that a Third Party Biller is responsible for such services, the Servicer shall use commercially reasonable efforts to cause to be installed, replaced and maintained meters in such places and in such condition as will enable the Servicer to obtain usage measurements for each Customer approximately every 30 days or as provided in the applicable Rate tariff.

(b) Meter Reading. At least once each Billing Period, the Servicer shall obtain usage measurements from the Applicable MDMA for each Customer; provided, however, that the Servicer may determine any Customer's usage on the basis of estimates.

(c) Cost of Metering. The Issuer shall not be obligated to pay any costs associated with the metering duties set forth in this Section 2, including, but not limited to, the costs of installing, replacing and maintaining meters, nor shall the Issuer be entitled to any credit against the Servicing Fee for any cost savings realized by the Servicer or any Third Party Biller as a result of new metering and/or billing technologies.

SECTION 3. Usage and Bill Calculation.

The Servicer shall obtain each Customer's usage (which may be based on data obtained from such Customer's meter read or on usage estimates determined in accordance with applicable Commission Regulations) at least once each Billing Period and shall determine therefrom the amount of the Transition Charges to be included on such Customer's Bill in accordance with the Restructuring Resolution and this Agreement.

The obligations of the Servicer include adjusting the estimate of energy use of Customers for the purpose of calculating Transition Charges in a manner that (a) includes load served by net metering by adjusting customer usage to reflect gross usage (without regard to net metered credits) and (b) adjusts customer usage to include estimated distributed generation ("behind the meter") usage. To estimate "behind the meter" use, the Servicer shall [(i) exclude by subtraction for electricity generated behind the meter and delivered to the PREPA's electrical grid,] and (ii) if and to the extent the gross output of such generation is metered or otherwise measured, take such data into account in calculating total customer load.

SECTION 4. Billing.

The Servicer shall implement the Transition Charges as of the Transition Charges Effective Date and shall thereafter bill each Customer or the Applicable Third Party for the each Customer's outstanding current and past due charges relating to the Transition Charges, accruing until all payments of principal of and interest on the Bonds and all other Ongoing Financing Costs have been paid in accordance with the Trust Agreement, all in accordance with the following:

(a) Frequency of Bills; Billing Practices. In accordance with the Servicer's then-existing Servicer Policies and Practices, as such Servicer Policies and Practices may be modified from time to time, the Servicer shall generate and issue a Bill to each Customer, or, in the case of a Customer who has elected Consolidated Third Party Billing, to an Applicable Third Party, for such Customer's Rates and Transition Charges as a general practice once approximately every 30 days or such other time period as allowed by the Commission, at the same time, with the same frequency and on the same Bill as that containing Rates to such Customer or Third Party Biller, as the case may be. In the event that the Servicer makes any material modification to these practices, it shall notify the Issuer, the Trustee, the parties to the Ancillary Agreements, the Depository and the Rating Agencies as soon as practicable, and in no event later than 60 Business Days after such modification goes into effect; provided, however, that the Servicer may not make any modification that will adversely affect the Bondholders.

(b) Format.

(i) Pursuant to the Restructuring Resolution, each Bill will identify the Transition Charges included in such Bill as a separate line item, and will include a statement, by means of a footnote or otherwise, to the effect that the Transition Charges belong to the Issuer.

(ii) In the case of each Customer that has elected Consolidated Third Party Billing, the Servicer shall deliver to the Applicable Third Party itemized charges for such Customer including the amount of such Customer's Rates and text identifying the Issuer as the owner of such Charge.

(c) Delivery. The Servicer shall deliver all Bills to Customers

(i) by United States mail in such class or classes as are consistent with the Servicer Policies and Practices followed by the Servicer with respect to the Rates or

(ii) by any other means, whether electronic or otherwise, that the Servicer may from time to time uses to bill the Rates to Customers. In the case of Customers that have elected Consolidated Third Party Billing, the Servicer shall deliver all Bills to the applicable Third Party Billers by such means as are prescribed by applicable Commission Regulations, or if not prescribed by applicable Commission Regulations, by such means as are mutually agreed upon by the Servicer and the Applicable Third Party and are consistent with Commission Regulations. The Servicer or a Third Party Biller, as applicable, shall pay from its own funds all costs of issuance and delivery of all Bills, including but not limited to printing and postage costs as the same may increase or decrease from time to time.

SECTION 5. Customer Service Functions.

The Servicer shall handle all Customer inquiries and other Customer service matters according to the same procedures it uses to service Customers with respect to the Rates.

SECTION 6. Collections; Payment Processing; Remittances.

(a) Collection Efforts, Policies, Procedures.

(i) The Servicer shall use Best Efforts to collect all Billed Charges from Customers and Third Party Billers as and when the same become due and shall follow such collection procedures as it follows with respect to the Rates, including, as follows:

(A) The Servicer shall prepare and deliver overdue notices to Customers and Third Party Billers in accordance with applicable Commission Regulations and the Servicer Policies and Practices.

(B) The Servicer shall apply late payment charges to outstanding Customer and Third Party Biller balances on the same basis as it applies late charges on its Rates.

(C) The Servicer shall deliver verbal and written final call notices in accordance with [applicable Commission Regulations and] Servicer Policies and Practices.

(D) The Servicer shall adhere to and carry out disconnection policies in accordance with the Act, other applicable law and Commission Regulations and Servicer Policies and Practices.

(E) The Servicer may employ the assistance of collections agents in accordance with [applicable Commission Regulations and] Servicer Policies and Practices.

(F) The Servicer shall apply Customer and Third Party Biller deposits, Customers' letters of credit and Customer posted surety bonds to the payment of delinquent accounts in accordance with applicable Commission Regulations and Servicer Policies and Practices and according to the priorities set forth in Section 6(b)(ii), (iii) and (iv) of this Annex 3.

(G) The Servicer shall promptly take all necessary action in accordance with applicable Commission Regulations to terminate billing of Rates by Third Party Billers whose payments are delinquent and to collect the Billed Charges directly from the applicable Customers.

(H) The Servicer shall make use of any intercept provisions for non-payment of electric or other rates by any public agency, municipality, public corporation or other governmental entity or Governmental Authority that is applicable to non-payment of electric or other rates charged by the Servicer, to the extent such intercept provisions are permitted under applicable laws, orders and regulations.

(ii) The Servicer shall impose late charges for any Transition Charges on the same basis as it imposes late charges for its Rates. The Servicer shall not waive any late payment charge or any other fee or charge relating to delinquent payments, if any, or waive, vary or modify any terms of payment of any amounts payable by a Customer, in each case unless such waiver or action:

(A) would be in accordance with the Servicer's customary practices or those of any successor Servicer with respect to other Customer Charges that it services for itself and for others;

(B) would not materially adversely affect the rights of the Bondholders; and

(C) would comply with applicable law; provided, however, that notwithstanding anything in the Servicing Agreement, including this Annex 3, to the contrary, the Servicer is authorized to write off any Billed Charges in accordance with its Servicer Policies and Practices that remain outstanding for more than 120 days and shall for the purpose of any True-Up Adjustment calculation, assume that any delinquency after 120 days is written off and uncollectible.

(iii) The Servicer shall accept payment from Customers in respect of Billed Charges in such forms, by such methods and at such times and places as it accepts payment of the Rates. The Servicer shall accept payment from Third Party Billers in respect of Billed Charges in such forms, by such methods and at such times and places as the Servicer and each Third Party Biller shall mutually agree in accordance with applicable Commission Regulations.

(iv) The Servicer shall terminate service to non-paying Customers on the same basis as termination of service is permitted for nonpayment of electric or other rates by PREPA.

(b) Payment Processing; Allocation; Priority of Payments.

(i) The Servicer shall post all payments received to Customer accounts as promptly as practicable, and, in any event, substantially all payments shall be posted no later than two Business Days after receipt.

(ii) Subject to clause (iii) below, the Servicer shall apply payments received to each Customer's or Third Party Biller's account in the same proportion that the Transition Charges contained in the outstanding Bill to such Customer or Third Party Biller bears to any other charges contained in such Bill.

(iii) Any amounts collected by the Servicer that represent partial payments of the total Bill to a Customer or Third Party Biller shall be allocated *pro rata* in accordance with Section 3.02(b) of the Servicing Agreement.

(iv) The Servicer shall cause all over-payments to be deposited into the Allocation Account and shall allocate such funds in accordance with clauses (ii) and (iii).

(v) [For Customers on a Budget Payment Plan, the Servicer shall treat Transition Charge Collections received from such Customers as if such Customers had been billed for the Transition Charges in the absence of the Budget Payment Plan. Partial payment of a Budget Payment Plan payment shall be allocated according to clause (iii) above, and overpayment of a Budget Payment Plan payment shall be allocated according to clause (iv) above.]

(c) Accounts; Records.

(i) The Servicer shall maintain accounts and records as to the Restructuring Property accurately and in accordance with its standard accounting procedures and in sufficient detail to permit reconciliation between payments or recoveries with respect to the Restructuring Property and the amounts from time to time remitted to the Collection Account in respect of the Restructuring Property.

(ii) The Servicer shall maintain accounts and records as to Third Party Billers performing Consolidated Third Party Billing for Customers accurately and in accordance with its standard accounting procedures and in sufficient detail to permit reconciliation between payments or recoveries with respect to the Restructuring Property and amounts owed by such Customers in respect of the Transition Charges.

(d) Calculation of Daily Remittances, Excess Remittances and Remittance Shortfalls.

1. For purposes of calculating the Daily Remittance, (i) all Billed Charges shall be estimated to be collected the same number of days after billing as is equal to the Days Sales Outstanding then in effect (or, if such day is not a Business Day, on the next Business Day) and (ii) the Servicer will, on each Business Day, cause the Depository to remit to the Trustee for deposit into the Collection Account an amount equal to the product of the Billed Charges estimated to be collected on such Business Day multiplied by the difference of one hundred percent and [the percentage of projected uncollectibles used by the Servicer to calculate the most recent True-Up Adjustment pursuant to Annex 1 of the Servicing Agreement [and in the case of the first calculation, the percentage of projected uncollectibles identified in the initial True-Up Letter or Designee Certificate]. Such product shall constitute the amount of Estimated Transition Charge Collections for such Business Day.

2. Pursuant to Section 3.03(f) of the Servicing Agreement, not later than fifteen days following each calendar quarter, commencing [xx 15, xxxx], the Servicer (a) shall calculate the amount, if any, by which Estimated Transition Charge Collections were less than or exceeded Actual Transition Charge Collections deposited into the Allocation Account, and (b) shall file with the Depository, the Trustee, the Calculation Agent and the Issuer a Quarterly Reconciliation Certificate, substantially in the form attached as Exhibit B to the Servicing Agreement. The calculations made in the Quarterly Reconciliation Certificate shall be confirmed to the Depository by the Calculation Agent prior to delivery to the parties, as evidenced by the signature of the Calculation Agent. Actual Transition Charge Collections will be calculated using actual data, including actual electricity consumption, actual uncollectibles and actual lags in collection for the Reconciliation Period. If Third Party Billers are authorized to bill, collect and remit Rates and Transition Charges, the Servicer shall be allowed to use the reimbursement or credit of any Excess Remittance to reimburse or credit any Third Party Billers for the excess of their remittances over actual

Transition Charge Collections received by such Third Party Billers in accordance with the terms of Commission Regulations.

3. Prior to the filing for any Quarterly True-Up Adjustment, the Servicer shall update the Days Sales Outstanding, the projected lags in collection of Billed Charges and the projected uncollectibles to more accurately calculate such True-Up Adjustment and the Daily Remittances for the next Reconciliation Period.

4. The Servicer's calculations of collections, updates of the Days Sales Outstanding, the projected lags in collection of billed Transition Charges, the projected uncollectibles and any changes in procedures used to calculate the Estimated Transition Charge Collections pursuant to this Section 6(d) shall be made in good faith, and in the case of any update pursuant to Section 6(d)(3) above, in a manner reasonably intended to provide estimates and calculations that are at least as accurate as those that were provided on the Closing Date utilizing the initial procedures for calculation Estimated Transition Charge Collections and reconciling such collections with actual receipts.

(e) Remittances.

1. The Servicer shall make or cause payments to be made to the Collection Account or the Allocation Account in accordance with Section 3.03 and this Annex 3 of the Servicing Agreement.

2. In the event of any change of account or change of the Depository or the Trustee or any other institution affecting the remittances of Transition Charges, the Issuer shall provide written notice thereof to the Servicer by the earlier of:

   (A) five Business Days from the effective date of such change, and

   (B) five Business Days prior to the next applicable Deposit Date.

EXHIBIT A

FORM OF DAILY REMITTANCE CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer (the "Servicer"), and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer of the Bonds (the "Issuer"), the undersigned on behalf of the Servicer does hereby certify, for _____, 20___ (the "Business Day"), as follows:

Any capitalized terms not defined in this Certificate shall have the respective meanings ascribed to them in the Servicing Agreement.

(a) Total Customer Revenues on deposit in the Allocation Account: $

(b) Estimated Transition Charge Collections to be remitted to the Collection Account: $

(Billed Charges estimated to be collected on such Business Day x (100% - the projected percentage of uncollectibles used by Servicer to calculate most recent adjustment pursuant to the Adjustment Mechanism))

(c) Remaining Customer Revenues to be remitted to PREPA : $

(d) [Other Proceeds of Collateral (if any) to be remitted to the Collection Account: $]

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Daily Remittance Certificate this _____ day of _____, 20____.

[Name of Entity]

By _____
Name:
Title:

EXHIBIT B

FORM OF QUARTERLY RECONCILIATION CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify, for the quarter ended _____, 20__, as follows:

Any capitalized terms not defined in this Certificate shall have the respective meanings ascribed to them in the Servicing Agreement.

(a) Actual Transition Charge Collections deposited into Allocation Account during the preceding calendar quarter: $

(b) Estimated Transition Charge Collections remitted to Collection Account during the preceding calendar quarter: $

(c) Difference between (a) – (b): $

(d) Total Excess Remittance: $

(e) Total Remittance Shortfall: $

The calculations made herein were confirmed by the Calculation Agent prior to delivery of this Quarterly Reconciliation Certificate.

[Add instructions to Trustee and Depository regarding how Excess Remittance or Remittance or shortfall will be remedied.]

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Quarterly Reconciliation Certificate this _____ day of _____, 20_____.

[Name of Entity]

By _____
Name:
Title:

Confirmed by

[Name of Calculation Agent]

By _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY SERVICER CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Servicer: Puerto Rico Electric Power Authority

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify to the Issuer, the Commission and the Trustee as follows, in each case with respect to the preceding calendar month ([MONTH], 20___):

Capitalized terms used herein shall have the respective meanings given to them in the Servicing Agreement, or if not defined in the Servicing Agreement, in the Trust Agreement. References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Trust Agreement, as the context indicates.

Current Collection Period: [_____] through [_____]

Next Bond Payment Date: [_____]

Date of Certification [_____]

Cut-Off Date (not more than ten days prior to the Date of Certification): [_____]

(a) Deposits of Customer Revenues in Allocation Account

- through Month: $_____

-through Collection Period: $_____

(b) Estimated Transition Charge Collections transferred into the Collection Account:

- through Month: $_____

-through Collection Period: $_____

(c) PREPA Charge remitted to PREPA:

- through Month: $_____

-through Collection Period: $_____

(d) Any Excess Remittances or Remittance Shortfalls during Collection Period:

-Total Remittance Shortfall instructed to be transferred to Collection Account during Collection Period: $

-Total Excess Remittance instructed to be deducted from future Daily Remittances during Collection Period: $

-Total Excess Remittance to be paid or transferred from the Collection Account or Excess Funds Subaccount during Collection Period: $

(i) [To the undersigned's knowledge, the Servicer has fulfilled its obligations in all material respects under Section 3.03 of the Servicing Agreement throughout the current Collection Period [, except _____].]

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer Certificate this _____ day of _____, 20____.

[Name of Entity]

By _____
Name:
Title:

EXHIBIT D

FORM OF SEMIANNUAL SERVICER CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify, for the _____, 20__ Payment Date (the "Current Payment Date"), as follows:

Capitalized terms used herein shall have the respective meanings given to them in the Servicing Agreement, or if not defined in the Servicing Agreement, in the Trust Agreement. References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Trust Agreement, as the context indicates.

Current Payment Date: [_____]

Date of Certificate: [_____]

Cut-Off Date (not more than three days prior to the date hereof): [_____]:

(a) Available Amounts on Deposit in Collection Account (including Excess Funds Subaccount) as of Cut-Off Date: $

(b) Actual or Estimated Remittances from the [Cut-Off Date?] through the Servicer Business Day preceding Current Payment Date: $

(c) Total Amounts Available to Trustee for Payment of Bonds and Other Ongoing Financing Costs: $

(d) Allocation of Available Amounts as of Current Payment Date allocable to payment of principal and interest on Bonds on Current Payment Date:

Principal

Aggregate

Total

Interest

Aggregate

Total

(e) Outstanding Amount of Bonds prior to, and after giving effect to the payment on the Current Payment Date and the difference, if any, between the Outstanding Amount

specified in the Expected Amortization Schedule (after giving effect to payments to be made on such Payment Date set forth above) and the Principal Balance to be Outstanding (following payment on Current Payment Date):

Principal Balance Outstanding (as of the date of this certification):

Total

Principal Balance to be Outstanding (following payment on Current Payment Date):

Total

(f) Difference between (e) above and Outstanding Amount specified in the Expected Amortization Schedule:

Total

(g) All other transfers to be made on the Current Payment Date, including amounts to be paid to the Trustee and to the Servicer pursuant to [Section 8.02(e)] of the Trust Agreement:

Ongoing Financing Costs:

Trustee Fees and Expenses:
Servicer Fees and Expenses:
Calculation Agent Fees and Expenses:
Depository Fees and Expenses:
Administration Fees and Expenses:
Rating Agency Fees:
Accounting Fees:
Legal Fees
Surety Bond Issuers Fees and Expenses
Directors Liability Insurance
Miscellaneous/Other
Funding of Reserve Subaccount (to required amount):

Total:

(h) Estimated amounts on deposit in the Reserve Subaccount and Excess Funds Subaccount after giving effect to the foregoing payments:

Reserve Subaccount

Total:

Excess Funds Subaccount

Total:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Semiannual Servicer Certificate this ___ day of _____, 20__.

[Name of Entity]

By _____
Name:
Title:

EXHIBIT E

CERTIFICATE OF COMPLIANCE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify, for the _____, 20_ Payment Date (the "Current Payment Date"), as follows:

The undersigned is the duly elected and acting [_____] of [_____] and:

1. A review of the activities of the Servicer and any of its subcontractors and of its performance under the Servicing Agreement during the twelve months ended [_____], [20__] has been made under the supervision of the undersigned pursuant to Section 3.06 of the Servicing Agreement; and

2. To the undersigned's knowledge, based on such review, the Servicer has fulfilled its obligations in all material respects under the Servicing Agreement throughout the twelve months ended [_____], [20__], except _____.

Executed as of this _____ day of _____, 20__.

_____
Name:
Title:

EXHIBIT F

TRUE-UP LETTER

[name and address of Commission]

Pursuant to Article 6.25A of Act 57-2014, enacted May 27, 2014, as amended ("Article 6.25A"), the Restructuring Resolution adopted by PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION (the "Issuer") on XX, 20XX (the "Restructuring Resolution"), and the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY ("PREPA"), as Servicer, and the Issuer, the undersigned, as Servicer, does hereby provide notice of an adjustment to the Transition Charges to take effect on the True-Up Adjustment Date specified below (which is more than 30-days from the date of this True-Up Letter). Capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings given to them in the Servicing Agreement.

True-Up Adjustment Date:

Pursuant to the Article 6.25A and the Restructuring Resolution, the review by the Puerto Rico Energy Commission (the "Commission") of the Transition Charges is limited to verifying the mathematical accuracy of the calculation of the Transition Charges resulting from the application of the Adjustment Mechanism. If the Commission determines that the calculation of the adjustment to the Transition Charges is mathematically inaccurate, the Commission will notify the Issuer and PREPA in writing not later than [__ Business Days after the date of this letter] of any adjustment necessary to correct such mathematical inaccuracy, and such correction ordered by the Commission shall be made by the Issuer not later than the next succeeding application of the Adjustment Mechanism.

The table below shows the current assumptions for variables used in the adjustment to the Transition Charge.

Input Values For Transition Charge	
First Collection period: from _____, _____ to _____, _____ Second Collection period: from _____, _____ to _____, _____	
Recoverable kWh Billed to all Customers during twelve month period ending: -Recoverable kWh Billed to Residential Customers: -Recoverable kWh Billed to Non-Residential and Government Customers Residential Customer Allocation (%):	

Non-Residential and Government Customer Allocation (%): (See Schedule 1)	
Net Revenue Requirements for: -- Residential Customers: -- Non-Residential and Government Customers (See Schedule 2)	
Residential Charge-Off Factor: Non-Residential Charge-Off Factor: Governmental Charge-Off Factor: (See Schedule 3)	
Forecasted Non-Residential and Government Customers kWh Usage --First Collection Period: --Second Collection Period: (See Schedule 4)	
Forecasted Residential Service Agreement Count: (See Schedule 5)	
Transition Charge per kWh (Non-Residential and Government Customers): Transition Charge per service agreement (Residential Customers): (See Schedule 6)	

The work papers showing the calculation of the Transition Charges are attached as Exhibit A.

Executed as of this _____ day of _____, 20__

By:_____
Name:
Title:

EXHIBIT G

FORM OF ANNUAL REPORT TO COMMISSION

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016], (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer (the "Servicer"), and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer of the Bonds (the "Issuer"), and Restructuring Resolution No. _____ adopted by the Issuer on _____, 2016 (the "Restructuring Resolution"), the undersigned on behalf of the Issuer and the Servicer do hereby certify, as follows:

Any capitalized terms not defined in this Certificate shall have the respective meanings ascribed to them in the Servicing Agreement and the Restructuring Resolution, as the case may be.

They are the duly elected and acting [____] of the Issuer and [_____] of the Servicer, respectively, and further, with respect to the prior calendar year:

1. The outstanding principal amount of the Bonds is as follows:

Exchange Offer Bonds: $

Mirror Bonds: $

Cash Offer Bonds: $

New Money Bonds: $

Lender Bonds: $

Post Closing Date Bonds: $

All Bonds: $

2. The amount paid on the Bonds in such calendar year is as follows:

Exchange Offer Bonds: $

Mirror Bonds: $

Cash Offer Bonds: $

New Money Bonds: $

Lender Bonds: $

Post Closing Date Bonds: $

All Bonds: $

3. The remaining Ongoing Financing Costs payable in such calendar year is as follows [see attached schedule]:

Executed as of this _____ day of _____, __.

PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer

By: _____
Name:
Title:

PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer

By: _____
Name:
Title:

SCHEDULE 1

EXPECTED AMORTIZATION SCHEDULE

OUTSTANDING PRINCIPAL BALANCE PER TRANCHE

APPENDIX A

DEFINITIONS

Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Act" means the Revitalization Act, Law No. 4-2016, enacted on February 16, 2016, as amended to the date hereof.

"Actual Transition Charge Collections" means the Transition Charge Collections that have been collected from Customers and deposited into the Allocation Account (whether directly by Customers or by the Servicer) during the applicable period.

"Adjustment Mechanism" means the formulaic adjustment mechanism applied to Transition Charges contained in a Restructuring Resolution, as approved in a Restructuring Order pursuant to Article 35 of the Act and Section 6.25A of Act 57-2014, enacted May 27, 2014, as amended, to be applied by the Servicer, on behalf of the Issuer, periodically, but not less often than quarterly, to ensure the collection of Transition Charge Revenues sufficient to provide for the timely payment of Ongoing Financing Costs. The establishment and adjustment of the Transition Charges made by the Servicer, on behalf of the Issuer, in relation to the Adjustment Mechanism shall not be subject to legislative or any other governmental review or approval, except as provided in Article 34 of the Act regarding the review by the Commission to correct mathematical errors made by the Issuer, and Article 6.25A of Act 57-2014, enacted May 27, 2014, as amended, and Article 35(b) of the Act with respect to the approval of the Adjustment Mechanism in the Restructuring Resolution through the issuance of the Restructuring Order. The Adjustment Mechanism is attached as Annex 1 hereto.

"Administration Agreement" means the administration agreement, dated as of _____, 20__, by and between _____ and the Issuer relating to the provisions of administration services by PREPA to the Issuer.

"Administrator" means _____, as administrator under the Administration Agreement, or any successor thereto.

"Allocation Account" means the deposit account or accounts designated by the Issuer from time to time and controlled by a Depository, into which [all] Customer Revenues are required to be deposited pursuant to Section 3.03 of the Servicing Agreement. Initially, the Allocation Account shall refer to the clearing account that has been established by the Issuer with [DEPOSITORY].

"Ancillary Agreement" means any bond insurance agreement or policy, letter of credit, reserve account, surety bond, swap arrangement, hedging arrangement, liquidity or credit support arrangement or other arrangement designed to promote the credit quality and marketability of Bonds or to mitigate the risk of a change in interest rates.

"Ancillary Agreement Event" means, with respect to any Ancillary Agreement that was entered into in order to satisfy all or part of any Required Debt Service Reserve Level with respect to any Debt Service Reserve Subaccount, that either (i) the Corporation has failed to reimburse or

otherwise pay within any applicable grace period for the occurrence of an Ancillary Agreement Event resulting from this clause (i) that is set forth in such Ancillary Agreement a party to such Ancillary Agreement when due, or (ii) the Corporation has failed to fund with cash the applicable Debt Service Reserve Subaccount in accordance with the schedule for the replacement of such Ancillary Agreement that is set forth in such Ancillary Agreement.

"Annual Accountant's Report" has the meaning set forth in Section 3.07 of the Servicing Agreement.

"Annual Calculation Period" means the 12-month period beginning on (but not including) a True-Up Adjustment Date and ending on (and including) a date which is 12 months later.

"Basic Documents" means the Basic Documents as defined in the Restructuring Resolution.

"Best Efforts" means [reasonable best efforts consistent with customary electric utility practices in the United States.]

"Billing Month" means a calendar month during which the Transition Charges are billed to Customers.

"Billing Period" means the period during which the electric transmission and distribution services reflected on a Customer's Bill were received by such Customer. [Note: Needs to be updated for Puerto Rico to reflect full service.]

"Bills" means each of the regular monthly bills, summary bills and other bills issued to Customers for Rates provided by the Servicer or by a Third Party Biller.

"Board" means the board of directors of the Issuer established pursuant to the Act.

"Bondholder" or "Holder" means any Person in whose name a Bond is registered on the registration books maintained by the Issuer or the Trustee under the Trust Agreement or, if the Person in whose name a Bond is registered on such registration books is a securities depository, the beneficial owner.

"Bond Balance" means, as of any date, the aggregate Outstanding Amount of all Bonds on such date.

"Bond Counsel" means a firm of attorneys with nationally recognized expertise regarding the issuance of bonds the interest on which is excluded from gross income for federal income tax purposes, which counsel shall be reasonably acceptable to the party receiving such opinion(s) of counsel.

"Bonds" means, to the extent issued, the Closing Date Bonds and Post Closing Date Bonds, as defined in the Restructuring Resolution.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies in New York, New York or in San Juan, Puerto Rico, are authorized or obligated by law, regulation or executive order to remain closed.

"Calculation Agent" means a third-party calculation agent appointed and retained by or with the approval of the Trustee to confirm the Servicer's calculation of the Transition Charges and the application of the Adjustment Mechanism. The initial Calculation Agent shall be _____.

"Certificate of Compliance" means the certificate referred to in Section 3.06 of this Agreement.

"CILT" means Contributions In Lieu of Taxes determined in accordance with the Act.

"Closing Date" means [_____, 2016].

"Collateral" has the meaning specified in Section [1.01] of the Trust Agreement.

"Collection Account" means the account established and maintained by the Trustee in accordance with Section [8.02(a)] of the Trust Agreement and any subaccounts contained therein.

"Collection Period" means the period from and including the first day of a calendar month to but excluding the first day of the next calendar month.

"Commission" means the Puerto Rico Energy Commission established by Act No. 57 of the Legislative Assembly of Puerto Rico, approved on May 27, 2014, as amended, or any successor thereto.

"Commission Regulations" means all regulations, rules, tariffs and laws applicable to Rates and promulgated by the Commission.

"Commonwealth" means Commonwealth of Puerto Rico.

"Continuing Disclosure Agreement" means _____.

"Court" has the meaning given to it in Article 32 of the Act.

"Customer" means any Person that is connected to or takes or receives electric service within the Commonwealth by means of the electric generation, transmission or distribution facilities constituting part of Electric System Assets, whether or not those electric generation, transmission or distribution facilities are owned by PREPA. PREPA shall not be a Customer. Each municipality in the Commonwealth shall be a Customer to the extent that the dollar value of its usage of electric service (including in determining such dollar value of Transition Charges which would otherwise be imposed on such municipality and PREPA Charges) in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a CILT for such fiscal year.

"Customer Revenues" means all payments made by or on behalf of Customers, including, without limitation, all Rates and all Transition Charges.

"Daily Remittance" means each remittance of Estimated Transition Charge Collections or Actual Transition Charge Collections required to be remitted by the Depository to the Trustee pursuant to Section 3.03 of the Servicing Agreement.

"Daily Remittance Certificate" means the daily remittance certificate, substantially in the form attached as Exhibit A to this Agreement.

"Days Sales Outstanding" shall have the meaning set forth in Annex 3.

"Debt Service Payment Default" means that an event of default has occurred with respect to the Bonds as a result of the failure of the Corporation to pay interest on or principal of the Bonds when due.

"Deposit Commencement Date" has the meaning set forth in Section 3.03 of the Servicing Agreement.

"Deposit Date" has the meaning set forth in Section 3.03 of the Servicing Agreement.

"Depository" means a third-party collection agent and financial institution reasonably acceptable to the Servicer and the Issuer that is (i) organized under and subject to the regulations and laws of the United States or any state and licensed to operate in the Commonwealth, (ii) neither affiliated with PREPA, the Commonwealth or its instrumentalities, public corporations, or municipalities, nor located in the Commonwealth, and (iii) holds its accounts, including the Allocation Account, in New York, New York pursuant to the Trust Agreement and the Depository Agreement. PREPA is expressly prohibited from acting as Depository. Initially, the Depository shall be _____.

"Depository Agreement" means the depository agreement by and among [TO COME].

"Designee Certificate" has the meaning set forth in the Restructuring Resolution.

"Electric System Assets" means the electric generation, transmission and distribution facilities (and other general property and equipment used in connection therewith), whether now existing or hereafter acquired, used or acquired for use by PREPA as of the effective date of the Act or thereafter used or acquired for use by it, including any successor electric utility, in providing electric service to Customers, including any transmission and distribution service.

"EMMA" has the meaning specified in Section 8.12 of the Servicing Agreement.

"Estimated Transition Charge Collections" means the estimated Transition Charge Collections calculated as provided in Annex 3 of this Agreement and required to be remitted on a daily basis to the Trustee pursuant to Section 3.03(b) of this Agreement.

"Estimated PREPA Collections" means estimated PREPA Charges required to be remitted on a daily basis to the PREPA Trustee pursuant to Section 3.03(b) of this Agreement.

"Excess Remittance" means the amount, if any, calculated for a particular Reconciliation Period, by which Estimated Transition Charge Collections remitted to the Collection Account

during such Reconciliation Period exceed Actual Transition Charge Collections received during such Reconciliation Period.

"Excess Funds Subaccount" means any residual or excess funds subaccount of the Collection Account other than the Reserve Subaccount.

"Expected Amortization Schedule" means the Expected Amortization Schedule attached to this Agreement.

"Expected Final Payment Date" means the Payment Date on which all of the Bonds are scheduled to be paid in full.

"Final Maturity Date" means, with respect to any Tranche of Bonds, the date by which all principal and interest on that Tranche is required to be paid, as specified in the Trust Agreement.

"Financing Costs" has the meaning assigned to that term in the Restructuring Resolution and the Act; provided, however, that Financing Costs shall not include any amount, if any, that may be required to be paid by the Servicer (i) in settlement of, or as the result of a judgment against the Servicer arising from, any action with respect to the matters set forth in Section 5.02(b)(i), (ii), (iii) or (iv) hereof, or (ii) in the case of any judgment against the Servicer arising from any such action, any attorneys' fees or other expenses of the Servicer in connection therewith.

"Fitch" means Fitch, Inc. or its successor.

"Governmental Authority" means any nation or government, any federal, state, local or other political subdivision thereof and any court, administrative agency, or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative function of government.

"Independent" has the meaning specified in Section [1.01] of the Trust Agreement.

"Independent Registered Public Accountants" means [TO COME].

"Initial Restructuring Resolution" means the Restructuring Resolution adopted by the Issuer on _____, 2016.

"Insolvency Event" means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal, Commonwealth or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable federal, Commonwealth or state bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any

substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due.

"Interested Person" means (a) the trustee representing the holders of PREPA's outstanding bonds, (b) the securities depositary, if any, at which any of such bonds shall be deposited, (c) any holders of PREPA's outstanding debt obligations or any Person that provides credit or liquidity support, including financial guaranty insurance, to any or all of such obligations, (d) any financial institution to which PREPA is indebted (other than through the securities depositary) or is otherwise obligated, (e) the Secretary of Justice of the Commonwealth of Puerto Rico, (f) any Customer, (g) any vendor of PREPA that is not a Customer of PREPA as defined in this law, (h) any Person who has filed with the secretary of the Board and PREPA a request to receive the notice set forth in Article 35 of the Act, (i) any Person who would otherwise be entitled to receive notice with respect to the adjustment of PREPA rates and charges and (j) any other Person interested in the matters raised in the proceedings provided for in Article 35 of the Act.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"Issuer" means Puerto Rico Electric Power Authority Revitalization Corporation, a special purpose public corporation and a governmental instrumentality of the Commonwealth, created pursuant to Article 30 of the Act.

"Lien" has the meaning specified in Section [1.01] of the Trust Agreement.

"Losses" means collectively, any and all liabilities, obligations, losses, damages, payments, costs or expenses of any kind whatsoever.

"Monthly Servicer Certificate" has the meaning assigned to that term in Annex 2 of this Agreement.

"Moody's" means Moody's Investors Service Inc. or its successor.

"Officer's Certificate" means a certificate of the Servicer signed by a Responsible Officer.

"Ongoing Financing Costs" has the meaning assigned to that term in Restructuring Resolution and the Act; provided, however, that Ongoing Financing Costs shall not include any amount, if any, that may be required to be paid by the Servicer in settlement of, or as the result of a judgment against the Servicer arising from, any action with respect to the matters set forth in Section 5.02(b)(i), (ii), (iii) or (iv) hereof, or, in the case of any judgment against the Servicer arising from any such action, any attorneys' fees or other expenses of the Servicer in connection therewith.

"Opinion of Counsel" means one or more written opinions of Bond Counsel, which counsel shall be reasonably acceptable to the party receiving such opinion(s) of counsel.

"Optional True-up" has the meaning assigned to that term in Annex 1.

"Outstanding" has the meaning specified in Section [1.01] of the Trust Agreement.

"Outstanding Amount" has the meaning specified in Section [1.01] of the Trust Agreement.

"Payment Date" means, with respect to any Tranche of Bonds, each dates specified in the Trust Agreement for the payment of interest on the Bonds; or if any such date is not a Business Day, the next Business Day.

"Person" means any natural or juridical person, including any local agency, or any individual, firm, partnership, joint venture, trust, joint stock company, association or public or private corporation, municipality, organized or existing under the laws of the Commonwealth, the United States of America or any state, any agency or instrumentality of the United States, or any combination of the above.

"PREPA" means Puerto Rico Electric Power Authority, a public corporation and governmental instrumentality established and existing by virtue of Act No. 83 of the Legislative Assembly of Puerto Rico, approved May 2, 1941, as amended, and any successor or successors thereto, including successors referred to in Article 35 of the Act.

"PREPA Charges" means all charges on a Customer Bill other than Transition Charges.

"PREPA Bond Trustee" means U.S. Bank National Association, as trustee with respect to the PREPA Bonds (together with any successors and assigns), under the PREPA Trust Agreement.

"PREPA Trust Agreement" means the Trust Agreement, dated as of January 1, 1974, as amended, between PREPA and the PREPA Bond Trustee.

"Principal Balance" means, as of any Payment Date, the sum of the respective outstanding principal amounts of the Bonds.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Projected Principal Balance" means, as of any Payment Date, the sum of the respective projected outstanding principal amounts of the Bonds for such Payment Date set forth in the Expected Amortization Schedule.

"Quarterly Reconciliation Certificate" has the meaning specified in Section 3.03 of this Agreement.

"Rates" means the rates and charges for electric generation, transmission and distribution services in the Service Area. "Rates" do not include Transition Charges.

"Rating Agency" means, [as of any date,] any rating agency rating at the time of issuance thereof at the request of the Issuer, any Tranche of Bonds. If no such organization or successor is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization [or other comparable Person designated by the Issuer], notice of which designation shall be given to the Trustee, the Commission and the Servicer.

"Rating Agency Condition" means, with respect to any action, not less than ten Business Days' prior written notification by the Issuer to each Rating Agency of such action, and written confirmation from each of [Standard & Poor's and Moody's] to the Servicer, the Trustee and the Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any Tranche of Bonds and that prior to the taking of the proposed action no other Rating Agency shall have provided written notice to the Issuer that such action has resulted or would result in the suspension, reduction or withdrawal of the then current rating of any Tranche of Bonds; provided, however, that if prior to the relevant action, any of the Bonds [are not rated by a Rating Agency or] have a rating from a Rating Agency below the rating assigned by such Rating Agency as of the date of the issuance of such Bonds, then the Rating Agency Condition shall only be deemed satisfied with respect to such Rating Agency with the written consent of the Requisite Bondholders. If within such ten Business Day period, any Rating Agency (other than Standard & Poor's) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then (i) the Issuer shall be required to obtain confirmation [in writing] that such Rating Agency has received the Rating Agency Condition notification as provided above in this definition, and if it has, promptly request the related Rating Agency Condition written confirmation and (ii) if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five Business Days following such Issuer request in clause (i) above, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency if waived in writing by the Requisite Bondholders. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent). If the [any] ratings on the Bonds are below investment-grade [(or if the Bonds are not rated by any Rating Agency)], the Rating Agency Condition requirement shall also include the written consent of the Trustee to the relevant action in the manner provided in the Trust Agreement.

"Reconciliation Period" means the twelve-month period ending the last day of the Collection Period preceding the calculation of Remittance Shortfalls or Excess Remittances under Section 3.03(f) this Agreement. The initial Reconciliation Period shall commence on the Closing Date and may be less than twelve months.

"Remittance" means each transfer hereunder of Estimated Transition Charge Collections or Remittance Shortfalls from the Allocation Account to the Collection Account.

"Remittance Shortfall" means the amount, if any, calculated for a particular Reconciliation Period, by which Actual Transition Charge Collections during such Reconciliation Period exceed all Estimated Transition Charge Collections remitted to the Collection Account during such Reconciliation Period.

"Required Debt Service Reserve Level" has the meaning specified in Section [1.01] of the Trust Agreement.

"Required Reserve Level" has the meaning specified in Section [1.01] of the Trust Agreement.

"Requisite Bondholders" means Bondholders who, legally or beneficially own at least the percentage of the aggregate principal amount (and/or of the aggregate accreted value, in the case of Bonds on which, by their terms, interest is to be paid, if at all, less frequently than semiannually) of Bonds necessary to approve or consent, to give direction or to take action under the Trust Agreement, as such percentage is specified in the Trust Agreement.

"Reserve Subaccount" has the meaning specified in Section [1.01] of the Trust Agreement.

"Responsible Officer" means the chief executive officer, the president, any vice president, the treasurer, any assistant treasurer, the secretary, any assistant secretary, the controller or the director of finance or any equivalent position of the Servicer.

"Restructuring Order" means the Restructuring Order approving the calculation methodology for the Transition Charges and the Adjustment Mechanism related thereto, as provided in the Act. The "Restructuring Order" shall be irrevocable and will not be subject to further review or amendment by the Commission.

"Restructuring Property" means the Restructuring Property as defined in the Restructuring Resolution.

"Restructuring Property Documentation" means all documents relating to Restructuring Property, including copies of the Restructuring Resolution, Restructuring Order and all documents filed with the Commission in connection with any True-Up Letter.

"Restructuring Resolution" means an Issuer resolution adopted in accordance with the Act, which resolution creates Restructuring Property, approves the imposition and collection of Transition Charges and the financing of Approved Restructuring Costs through the issuance of Bonds and which resolution contains the related Adjustment Mechanism, all as provided in Articles 34 and 35 of the Act.

"Retirement of the Bonds" means the day on which the final payment is made to the Trustee in respect of the last outstanding Bond.

"Rule 15c2-12" or the "Rule" means Rule 15c2-12 of the SEC under the Securities Exchange Act of 1934, as amended.

"Scheduled Maturity Date" has the meaning specified in Section [1.01] of the Trust Agreement.

"SEC" means the U.S. Securities and Exchange Commission.

"Semiannual Servicer Certificate" has the meaning assigned to that term in Annex 2 to this Agreement.

"Service Area" means the geographical area within which PREPA provided electric delivery services as of _____, 20___.

"Servicer" means PREPA, as the servicer of the Restructuring Property, or each successor (in the same capacity) pursuant to Section 5.03 or 6.04 of this Agreement.

"Servicer Default" means an event specified in Section 6.01 of this Agreement.

"Servicing Agreement" means this Agreement between the Issuer and the Servicer providing for the administering and servicing of Restructuring Property, as the same may be amended from time to time by the parties hereto in a manner not prohibited by the Act.

"Servicing Fee" has the meaning set forth in Section 5.07 of this Agreement.

"17g-5 Website" has the meaning specified in Section [1.01] of the Trust Agreement.

"Standard & Poor's" means Standard & Poor's, a division of Standard & Poor's Financial Services LLC or its successor.

"Termination Notice" has the meaning assigned to that term in Section 6.01 of this Agreement.

"Third Party Biller" means any Person authorized to bill or collect Transition Charges other than the Issuer, PREPA or, if different, a Servicer.

"Tranche" or "Tranche of Bonds" has the meaning specified in Section [1.01] of the Trust Agreement.

"Transition Charge Collections" means the payments of the Transition Charges by or on behalf of Customers.

"Transition Charge Revenues" means all money received or to be received, directly or indirectly, on account of the Transition Charges, and all proceeds of the investment thereof.

"Transition Charges" means those rates and charges that are separate from rates and charges of PREPA and that are imposed pursuant to a Restructuring Resolution on Customers to recover the Ongoing Financing Costs, and shall include a *pro rata* share of any late payment fee imposed in respect of any past-due bill for electric service.

"True-Up Adjustment" means each adjustment to the Transition Charges made in accordance with Annex 1 of this Agreement.

"True-Up Adjustment Date" means the date specified in a True-Up Letter on which the adjusted Transition Charge described in such True-Up Letter shall take effect.

"True-Up Letter" means the filing to be made with the Commission by the Servicer on behalf of the Issuer to set or adjust the Transition Charges, including the Designee Certificate. The form of the True-Up Letter is attached as Exhibit F hereto.

"Trust Agreement" means the Trust Agreement, dated as of [_____, 2016], between the Issuer and the Trustee, as the same may be amended and supplemented from time to time as

provided therein, establishing the rights and responsibilities of the Issuer and of the beneficial owners of Bonds issued thereunder and secured thereby.

"Trustee" has the meaning specified in Section [___] of the Trust Agreement.

"Upfront Financing Costs" has the meaning assigned to that term in the Restructuring Resolution and the Act.

"Written Notice", "written notice" or "notice in writing" means notice in writing which may be delivered by hand or first-class mail or other recognized method of delivery and also means electronic transmission.

Document comparison by Workshare Compare on Tuesday, June 07, 2016 2:41:45 PM

Input:	
Document 1 ID	interwovenSite://US_DMS/USFIRM/21625901/1
Description	#21625901v1<USFIRM> - v14 New PREPA Servicing Agreement (replaces #212544689) (SA document 212544689v14)
Document 2 ID	interwovenSite://US_DMS/USFIRM/21625815/7
Description	#21625815v7<USFIRM> - PREPA - Servicing Agreement
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
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Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	15
Deletions	12
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	27

PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION

as Issuer

AND

PUERTO RICO ELECTRIC POWER AUTHORITY

as Servicer

RESTRUCTURING PROPERTY SERVICING AGREEMENT

Dated as of [_____, 2016]

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APPENDICES

Appendix A Definitions

This RESTRUCTURING PROPERTY SERVICING AGREEMENT, dated as of [_____, 2016], is between Puerto Rico Electric Power Authority Revitalization Corporation, a special purpose public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the "Corporation"), as issuer of the Bonds (the "Issuer"), and Puerto Rico Electric Power Authority, a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico ("PREPA"), as servicer (the "Servicer").

RECITALS

WHEREAS the Servicer is willing to service the Restructuring Property created by the Restructuring Resolution and owned by the Issuer; and

WHEREAS the Issuer, in connection with ownership of Restructuring Property, desires to engage the Servicer to carry out the functions described herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Capitalized terms used but not otherwise defined herein have the respective meanings assigned to them in Appendix A hereto, and if not defined therein, in the Trust Agreement.

Section 1.02 Other Definitional Provisions.

(a) "Agreement" means this Restructuring Property Servicing Agreement, together with all Exhibits, Schedules, Appendices and Annexes hereto, as the same may be amended, supplemented or otherwise modified from time to time as herein permitted.

(b) All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein.

(c) The words "hereof," "herein," "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement; Section, Schedule, Exhibit, Appendix and Annex references contained in this Agreement are references to Sections, Schedules, Exhibits, Appendices and Annexes in or to this Agreement unless otherwise specified; and the term "including" shall mean "including without limitation."

(d) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter forms of such terms.

ARTICLE II

APPOINTMENT AND AUTHORIZATION

Section 2.01 Appointment of Servicer; Acceptance of Appointment. The Issuer hereby appoints the Servicer, and the Servicer hereby accepts such appointment, to perform the Servicer's obligations pursuant to this Agreement on behalf of and for the benefit of the Issuer in accordance with the terms of this Agreement. This appointment and the Servicer's acceptance thereof may not be revoked except in accordance with the express terms of this Agreement.

Section 2.02 Authorization. Subject to the provisions of this Agreement and subject to any direction given in accordance with the Trust Agreement, with respect to all or any portion of the Restructuring Property, the Servicer is hereby authorized and empowered by the Issuer to:

(a) execute and deliver, on behalf of itself and/or the Issuer, as the case may be, any and all instruments, documents or notices, and

(b) on behalf of itself and/or the Issuer, as the case may be, make any filing and participate in proceedings of any kind with any governmental authorities, including with the Commission.

Subject to the provisions of this Agreement and subject to any direction given in accordance with the Trust Agreement, (i) the Issuer shall execute and deliver to the Servicer such documents as have been prepared by the Servicer for execution by the Issuer, and such other documents as may be in the Issuer's possession, as the Servicer may determine to be necessary or appropriate to enable it to carry out its servicing and administrative duties hereunder and (ii) upon the Servicer's written request, the Issuer shall furnish the Servicer with any powers of attorney or other documents necessary or appropriate to enable the Servicer to carry out its duties hereunder.

Section 2.03 Dominion and Control Over the Restructuring Property. Notwithstanding any other provision herein to the contrary, the Issuer shall have ownership, dominion and control over the Restructuring Property, and the Servicer, in accordance with the terms hereof, is acting solely as the servicing agent and custodian for the Issuer with respect to the Restructuring Property and the Restructuring Property Documentation. The Servicer shall not take any action with respect to the Restructuring Property that is not authorized by this Agreement or that impairs the rights of the Issuer, the Trustee, the Bondholders or the parties to the Ancillary Agreements in, or the rights of an owner of, the Restructuring Property.

ARTICLE III

BILLING SERVICES

Section 3.01 Duties of Servicer. The Servicer, as agent for the Issuer, shall have the following duties:

(a) Duties of Servicer Generally. The Servicer will manage, service, administer and make collections in respect of the Transition Charges. The Servicer's duties will be to and the Servicer shall:

(i) impose the Transition Charges on all Customers and adjust them as more fully set forth herein;

(ii) exercise all the collection rights of the holders or pledgees of the Restructuring Property for the benefit of such holders or pledgees as more fully set forth herein;

(iii) transfer any Transition Charge Revenues to the holders or pledgees of Restructuring Property as more fully set forth herein;

(iv) obtain meter reads, calculate electricity usage, maintain record of service agreements, calculate the periodic adjustments to the Transition Charges, bill the Transition Charges to the Customers as a separate line item on PREPA's bills and collect (from Customers and Third Party Billers, as applicable) all Transition Charge Collections, all in accordance with the Restructuring Resolution, the Trust Agreement and this Agreement;

(v) estimate the energy use of Customers for the purpose of calculating Transition Charges in a manner that includes load served by net metering or estimated distributed generation ("behind the meter") in accordance with the terms of the Restructuring Resolution and Annex 3 herein;

(vi) respond to inquiries by Customers, Third Party Billers, the Commission, the Trustee, the Bondholders, any party to an Ancillary Agreement or inquiries by any federal, local or other Commonwealth governmental authority, with respect to the Transition Charges;

(vii) deliver Bills to Customers and Third Party Billers, account for Transition Charge Collections, investigate and resolve delinquencies, process and deposit collections, make periodic remittances and furnish periodic reports to the Issuer, the Commission, the Calculation Agent, the Trustee and the Rating Agencies;

(viii) sell, as the agent for the Issuer, as its interest may appear, defaulted or written off accounts in accordance with the Servicer's usual and customary practices for accounts of Customers for Rates;

(ix) take action in connection with True-Up Adjustments as is set forth herein;

(x) take any action necessary to direct (a) all Customers that do not pay their Bills in person, and (b) Third Party Billers or any other Person that hold Transition Charge

Collections and PREPA Charges, to remit their payments or turn over all such Transition Charge Collections and PREPA Charges directly to the Depository [this may be Depositories] for deposit into the Allocation Account;

(xi) promptly, and in any event as soon as reasonably possible after receipt of the same, cause all Transition Charge Collections and all PREPA Charges not otherwise deposited with or paid to the Depository to be paid to the Depository for deposit into the Allocation Account held thereunder, as further provided in Sections 3.03 and 5.11;

(xii) include charges for the Transition Charges as separate line items on all Customer bills separate from all other PREPA Charges;

(xiii) take any actions permitted by the law to collect unpaid bills and terminate service to Customers who are delinquent in the payment of their Transition Charge on the same basis as termination of service is permitted for nonpayment of electric or other rates by PREPA, and which would otherwise be consistent with Best Efforts, but none of the Issuer, the Trustee, the Bondholders or any party to an Ancillary Agreement may directly terminate service to any Customer; and

(xiv) administer Transition Charge Revenues mingled with other funds of the Servicer in a manner that allows for the distinct identification of the Transition Charge Revenues and such other funds, respectively.

Without limiting the generality of this Section 3.01(a), in furtherance of the foregoing, the Servicer hereby agrees that it shall also have, and shall comply with, the duties and responsibilities set forth in Annex 3 which, among other things, relate to data acquisition, usage and bill calculation, billing, Customer service functions, collections, payment processing and remittance.

(b) Notification of Laws and Regulations. The Servicer shall promptly notify the Issuer, the Commission, the Trustee and the Rating Agencies in writing of any laws or Commission Regulations hereafter promulgated that have an adverse effect on the Servicer's ability to perform its duties under this Agreement.

(c) Other Information. Upon the request of the Issuer, the Commission, the Trustee, [the Administrator,] the Calculation Agent, any party to an Ancillary Agreement or any Rating Agency, the Servicer shall provide to the Issuer, the Commission, the Trustee, [the Administrator], such party to an Ancillary Agreement or the Rating Agencies, as the case may be, any financial information in respect of the Servicer, or any material information regarding the Restructuring Property, as may be necessary and permitted by law or as may be required by any other agreement, including the Trust Agreement, for the Issuer, the Commission, the Calculation Agent, [the Administrator,] the Trustee or the Rating Agencies to monitor the Servicer's performance hereunder. In addition, so long as any of the Bonds of any Tranche are outstanding, or the Issuer's obligations under any Ancillary Agreement have not been performed in full, the Servicer shall provide to the Issuer, the Commission, the Calculation Agent, [the Administrator], any party to an Ancillary Agreement and the Trustee, within a reasonable time after written request therefor, any information available to the Servicer or reasonably obtainable by the

Servicer that is necessary to perform their respective duties, to determine compliance by the Servicer with this Agreement, to calculate the Transition Charges, or perform the Adjustment Mechanism. To the extent permitted by the Trust Agreement, the Trustee shall be authorized to provide any information received under this Agreement to Bondholders.

Section 3.02 Collection of the Transition Charges.

(a) [Subject to Section 3.01(a)(x), the Servicer shall use Best Efforts to collect all amounts owed in respect of the Transition Charges as and when the same shall become due and shall follow such collection procedures as it applies with respect to collection activities that the Servicer conducts for itself or others, provided that such collection procedures shall be consistent with Best Efforts. The Servicer shall not change the amount of or reschedule the due date of any scheduled payment of the Transition Charges, except as contemplated in this Agreement and as permitted in the Trust Agreement or as required by law or Commission or court order as authorized under the law; provided, however, that the Servicer may take any of the foregoing actions to the extent that any such action taken would be in accordance with its customary billing and collection practices for Rates and treats the Transition Charges in the same manner as other PREPA charges, provided that such actions and practices are consistent with Best Efforts. The Servicer shall enforce the obligations of any Third Party Billers providing billing and collection services with respect to the Transition Charges and shall require that all such agreements with Third Party Billers provide for the right of the Trustee to enforce such obligations.]

(b) As specified in the Act, the Restructuring Resolution and the Trust Agreement, any amounts received from or on behalf of a Customer that represent a partial payment of a Bill containing both Transition Charges and PREPA Charges shall be allocated *pro rata* between the Transition Charges and PREPA Charges set forth on such Bill.

Section 3.03 Transfer of Customer Revenues to Trustee; Allocation and Transfer of Transition Charge Collections and PREPA Charge Collections.

(a) The parties recognize that the Customer Revenues must be allocated between PREPA and the Corporation in a manner which respects their respective interests. Accordingly, on each Business Day, commencing on the Business Day following the expiration of a period, which period shall commence on the issue date of the Bonds, consisting of the number of days set forth in the last sentence of definition of Days Sales Outstanding (the "Deposit Commencement Date"; each such day being referred to as a "Deposit Date"), the Servicer shall remit all Customer Revenues received by the Servicer to the Depository for deposit into the Allocation Account. Customer Revenues shall be remitted to the Depository by the Servicer as soon as possible following receipt, but in any event no more than two Business Days after receipt by the Servicer. Under no circumstance shall the Servicer act as the Depository in respect of the Transition Charges.

(b) On each Deposit Date, the Depository shall be required to inform the Servicer of any Customer Revenues received by it directly.

(c) On each Deposit Date, the Servicer (a) shall calculate, according to the procedures set forth in Annex 3, the Estimated Transition Charge Collections deemed to have been received

by the Servicer on behalf of the Issuer on such Deposit Date and for each day or days immediately preceding such Deposit Date which are not Business Days, and (b) not later than [9:00 a.m. New York time] on each Deposit Date, shall file with the Depository, the Trustee, the Calculation Agent and the Issuer a Daily Remittance Certificate showing the amount of Estimated Transition Charge Collections which the Depository is required to remit to the Collection Account on such date (*i.e.*, the Daily Remittance) and the remaining amount of the Customer Revenues which the Depository is required to remit to or for the account of PREPA.

(d) The Servicer shall also promptly, but no less frequently than once each Business Day, remit to the Trustee for deposit to the Collection Account any other proceeds of the Collateral that the Servicer may have received from time to time on behalf of the Issuer.

(e) The Servicer agrees and acknowledges that: (i) it shall be deemed to be acting solely as an agent of the Issuer and not as principal, (ii) it holds all Transition Charge Collections collected by it, and any other proceeds of the Collateral received by it, in trust for the exclusive benefit of the Trustee, the Bondholders and parties to Ancillary Agreements, as their interests may appear, (iii) it holds no interest in the Transition Charges or the Transition Charge Collections and (iv) all such collected or received amounts will be remitted to the Trustee for deposit to the Collection Account or to the Depository for deposit to the Allocation Account without any surcharge, fee, offset, charge or other deduction. The Servicer further agrees not to make any claim or assert any right to set-off to reduce any Transition Charge Collections collected by it or deposited into the Allocation Account or the Collection Account.

(f) Not later than fifteen days following each calendar quarter, commencing [xx 15, xxxx], the Servicer (a) shall calculate the amount, if any, by which the aggregate of the Estimated Transition Charge Collections were less than or exceeded Actual Transition Charge Collections deposited into the Allocation Account during the preceding calendar quarter, and (b) shall file with the Depository, the Trustee, the Calculation Agent, the parties to the Ancillary Agreements and the Issuer, and submit to the Commission for informational purposes only, a "Quarterly Reconciliation Certificate," substantially in the form attached as Exhibit B to this Servicing Agreement. If the certificate shows that a Remittance Shortfall exists, the Servicer shall direct the Depository to make a supplemental remittance from the Allocation Account to the Collection Account. If the certificate shows that an Excess Remittance exists, the Servicer shall cause such Excess Remittance to be corrected as soon as practicable (i) by directing the Depository, in one or more Daily Remittance Certificates, to reduce the amount of each Daily Remittance from the Allocation Account until the balance of such Excess Remittance has been reduced to zero, or (ii) only if and to the extent necessary, following two Business Days' prior written notice to the Trustee, by causing payment of the amount of such Excess Remittance to or for the account of PREPA from the General Subaccount or the Excess Funds Subaccount in the Collection Account.

(g) Transition Charge Collections received by the Servicer shall not lose their character as revenues of the Corporation by virtue of possession by the Servicer or any other party, including any Third Party Biller.

Section 3.04 [Servicing and Maintenance Standards. The Servicer shall, on behalf of the Issuer:

(a) manage, service, administer and make collections in respect of the Restructuring Property with reasonable care and in compliance with applicable law, including all applicable Commission Regulations, using the same degree of care and diligence that the Servicer exercises with respect to billing and collection activities that the Servicer conducts for itself and others, subject to paragraph (b) below;

(b) use Best Efforts to collect all Transition Charges;

(c) follow customary standards, policies and procedures in performing its duties as Servicer that are customary in the electric utility industry;

(d) enforce and maintain the rights of the Issuer, the Trustee, the parties to the Ancillary Agreements and the Bondholders in respect of the Restructuring Property, and the rights of an owner of the Restructuring Property in respect thereof, including, but not limited to, taking such action the Servicer may deem necessary or desirable to enforce collection of the Transition Charge, subject to paragraph (b) above;

(e) calculate the Transition Charges and Adjustment Mechanism in compliance with the Act and the Restructuring Resolution; and

(f) invoice Customers in accordance with the procedures set forth in Annex 3, except where the failure to comply with any of the foregoing would not adversely affect the rights of the Issuer, the Trustee, any party to an Ancillary Agreement or the Bondholders in respect of the Restructuring Property or the rights of an owner of the Restructuring Property in respect thereof. The Servicer shall follow such customary and usual practices and procedures as it shall deem necessary or advisable in its servicing of the Restructuring Property, which, in the Servicer's judgment, may include the taking of legal action pursuant to Section 3.10 or otherwise; provided, however, that the Servicer's customary and usual practices and procedures as they relate to the collection of Transition Charges shall be consistent with Best Efforts; and provided further that the Servicer shall not change its customary and usual practices and procedures in any manner which would [materially and] adversely affect the rights of the Issuer, the Trustee or any party to an Ancillary Agreement, or the Bondholders in respect of the Restructuring Property or the rights of an owner of the Restructuring Property in respect thereof, unless it shall have provided the Issuer, the Trustee, the parties to the Ancillary Agreements and the Rating Agencies with prior written notice describing such adverse change and the Rating Agency Condition shall have been satisfied.]

Section 3.05 Servicer's Reports and Certificates. The Servicer will provide to the Issuer, the Commission, the Calculation Agent, the parties to the Ancillary Agreements and the Trustee the statements and certificates specified in Annex 2. The Issuer shall file, or shall cause the Servicer to file, with the Commission and the Calculation Agent, any Servicer report, certificate or True-Up Letter at the same time as such report, certificate or True-Up Letter is submitted to the Corporation. Each Semiannual Servicer Certificate will show in detail all Ongoing Financing Costs which are being paid from Transition Charges on an ongoing basis.

Section 3.06 Annual Statement as to Compliance. The Servicer shall deliver to the Issuer, the Commission, the Trustee, the Calculation Agent, each party to an Ancillary

Agreement and each Rating Agency, and submit to the Commission for informational purposes only, on or before [_____] of each year beginning [_____, xxxx] to and including [_____] succeeding the Final Maturity Date of the Bonds or the final payment of any other Ongoing Financing Costs, whichever is later, an Officer's Certificate, substantially in the form of Exhibit E hereto, stating:

(a) that a review of the activities of the Servicer (including any party to which the Servicer has subcontracted services under this Agreement) during the preceding calendar year (or relevant portion thereof in the case of the first such Officer's Certificate) and of its performance under this Agreement has been made, and

(b) whether to the best of such officers' knowledge, based on such review, the Servicer has fulfilled all its obligations under this Agreement throughout such period and, if there has been a default in the fulfillment of any such obligation, describing each such default and its status.

Section 3.07 Annual Independent Registered Public Accountants' Report; Annual Assessment.

(a) The Servicer shall cause [INSERT NAME] or another firm of Independent Registered Public Accountants (which may provide other services to the Servicer or its affiliates) to prepare annually, and the Servicer shall deliver annually to the Issuer, the Trustee, the Calculation Agent, the Rating Agencies, and the Commission, on or before August 15 of each year, commencing with [2017] to and including the August 15 succeeding the date on which both (i) Final Maturity Date of the Bonds shall have occurred and (ii) all obligations under the Bonds and the Ancillary Agreements have been paid in full, a report addressed to the Servicer (the "Annual Accountant's Report"), which may be included as part of the Servicer's customary auditing activities, to the effect that such firm has performed certain procedures, agreed upon by the Servicer and such accountants, in connection with the Servicer's compliance with its obligations under this Agreement during the preceding twelve months ended [December 31] (or, in the case of the first Annual Accountant's Report to be delivered on or before [_____, 2017], the period of time from the date of this Agreement until [December 31, 2016]), identifying the results of such procedures and including any exceptions noted. The Annual Accountant's Report shall include a verification that the Upfront Financing Costs and Ongoing Financing Costs paid from the Transition Charge Revenues are consistent with the requirements of the Trust Agreement, the Restructuring Resolution and this Agreement. In the event such accounting firm requires the Trustee to agree or consent to the procedures performed by such firm, the Issuer shall direct the Trustee in writing to so agree; it being understood and agreed that the Trustee may deliver such letter of agreement or consent in conclusive reliance upon the direction of the Issuer, and the Trustee is not required to make any independent inquiry or investigation as to, and shall have no obligation or liability in respect of, the sufficiency, validity or correctness of such procedures.

(b) The Annual Accountant's Report shall also indicate that the accounting firm providing such report is Independent of the Servicer, the Government Development Bank for Puerto Rico and the Commonwealth of Puerto Rico in accordance with the Code of Professional Ethics of the American Institute of Certified Public Accountants, as then in effect.

(c) At the direction of the Commission, the Servicer, on behalf of the Corporation, will retain an Independent entity (which may be the Independent registered public accountants preparing the annual audit) to prepare an assessment of the reasonableness of the Financing Costs incurred in the preceding year.

Section 3.08 Restructuring Property Documentation. To ensure uniform quality in servicing the Restructuring Property and to reduce administrative costs, the Servicer shall keep on file, in accordance with its customary procedures, all Restructuring Property Documentation, it being understood that the Servicer is acting solely as the servicing agent and custodian for the Issuer with respect to the Restructuring Property Documentation. Such Restructuring Property Documentation shall be open to the inspection of, and shall be provided up request of, the Issuer, the Trustee or any Person with rights to receive such Restructuring Property Documentation pursuant to the Trust Agreement or any Ancillary Agreement.

Section 3.09 Computer Records: Audits of Documentation.

(a) Safekeeping. The Servicer shall maintain accurate and complete accounts, records and computer systems pertaining to the Restructuring Property and the Restructuring Property Documentation in accordance with generally accepted accounting principles (GAAP) and in sufficient detail to permit reconciliation between Estimated Transition Charge Collections and Actual Transition Charges, whether remitted directly to the Depository by Customers or by the Servicer, so as to enable the Issuer to comply with this Agreement, the Depository Agreement, the Restructuring Resolution and the Trust Agreement. The Servicer shall conduct, or cause to be conducted, periodic audits of the Restructuring Property Documentation held by it under this Agreement and of the related accounts, records and computer systems, in such a manner as shall enable the Issuer, the Commission, the Trustee, the Depository and the Calculation Agent to verify the accuracy of the Servicer's record keeping. The Servicer shall promptly report to the Issuer, the Commission, the Calculation Agent, the Administrator and the Trustee any failure on the Servicer's part to hold the Restructuring Property Documentation and maintain its accounts, records and computer systems as herein provided and promptly take appropriate action to remedy any such failure. Nothing herein shall be deemed to require an initial review or any periodic review by the Issuer or the Trustee of the Restructuring Property Documentation. The Issuer and the Trustee shall have the right to conduct any such review, and the Requisite Bondholders or any party to an Ancillary Agreement may initiate such review, as and to the extent set forth in the Trust Agreement and any Ancillary Agreement; provided, however, that the Servicer shall not pay for any costs related to such review unless it is in default under this Agreement. The Servicer's duties to hold the Restructuring Property Documentation on behalf of the Issuer set forth in Sections 3.08 and 3.09, to the extent such Restructuring Property Documentation has not been previously transferred to a successor Servicer, shall terminate three years after the earlier of the date on which (i) the Servicer is succeeded by a successor Servicer pursuant to the provisions of this Agreement and (ii) no Bonds of any Tranche are outstanding and no other Ongoing Financing Costs remain unpaid.

(b) Maintenance of and Access to Records. The Servicer shall maintain the Restructuring Property Documentation at [ADDRESS], or at such other office as shall be specified by the Servicer to the Issuer, the Commission, the Depository, the Calculation Agent, [the Administrator] and the Trustee by written notice not later than 30 days prior to any change

in location. The Servicer shall permit the Issuer, the Commission, the Calculation Agent, the Administrator and the Trustee or their respective duly authorized representatives, attorneys, agents or auditors at any time during normal business hours to inspect, audit and make copies of and abstracts from the Servicer's records regarding the Restructuring Property, the Transition Charges and the Restructuring Property Documentation, except that the failure of the Servicer to provide access to such information as a result of an obligation or applicable law (including Commission Regulations) prohibiting disclosure of information regarding Customers shall not constitute a breach of this Section 3.09(b); provided, however, that (i) such exception shall only apply to the specific information that violates the law and (ii) the Servicer shall provide access to such information or portion thereof that may be disclosed, including information redacted to protect privacy rights.

Section 3.10 Defending Restructuring Property Against Claims. The Servicer shall institute in its own name and the name of the Issuer, and maintain, any action or proceeding necessary to compel performance by the Commission or the Commonwealth of any of their obligations or duties under the Act, the Restructuring Resolution or the Restructuring Order with respect to the Restructuring Property, and the Servicer agrees to take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, as may be necessary to block or overturn any attempts to cause a repeal of, modification of or supplement to the Act, the Restructuring Resolution, the Trust Agreement or the Restructuring Order, as the case may be, or the rights of holders of Restructuring Property that would be adverse to Bondholders. The costs of any such action reasonably allocated by the Servicer to the Restructuring Property shall be payable from Transition Charge Collections as an Ongoing Financing Cost in accordance with the Trust Agreement.

The Servicer's obligations pursuant to this Section 3.10 shall survive and continue notwithstanding the fact that the payment of Ongoing Financing Costs pursuant to the Trust Agreement may be delayed (it being understood that the Servicer may be required to advance its own funds to satisfy its obligations under this Section 3.10).

ARTICLE IV

SERVICES RELATED TO TRUE-UP ADJUSTMENTS

Section 4.01 True-Up Adjustments-General.

(a) The Servicer, on behalf of the Issuer, will cause the Transition Charges to be adjusted (i) quarterly, beginning in XX, XX, as described below (the "Quarterly True-Up Adjustments"), and (ii) at any other time if the Servicer, the Calculation Agent, the Trustee or the Requisite Bondholders (as and to the extent provided in the Trust Agreement) or any party to an Ancillary Agreement (as and to the extent provided in an Ancillary Agreement) determines that such adjustment is required to ensure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs (the "Optional True-Up Adjustments" and together with the Quarterly True-Up Adjustments, the "True-Up Adjustments").

(b) To initiate any True-Up Adjustment, the Servicer will make a preliminary calculation of the True-Up Adjustment and will prepare and submit to the Calculation Agent a draft direction pursuant Section 4.02 or a request pursuant to Section 4.03 for adjustment (a "True-Up Letter"), which in either case shall specify the proposed effective date of the True-Up Adjustment (the "True-Up Adjustment Date"), and shall be provided to the Calculation Agent in the case of a Quarterly True-Up Adjustment at the time specified in Section 4.02 and in the case of an Optional True-Up Adjustment [__] days prior to the True-Up Adjustment Date. Each True-Up Letter will be substantially in the form of Exhibit F hereto. The Issuer will cause the Calculation Agent to review the draft True-Up Letter, including the proposed True-Up Adjustment, and to provide the Servicer with any corrections or modifications, which shall be within the time specified in Section 4.02 with respect to a Quarterly True-Up Adjustment, so that the Servicer can file the True-Up Letter, as corrected and confirmed, with the Issuer, the Commission and the Trustee not later than the Quarterly Filing Date in the case of a Quarterly True-Up Adjustment or 30 days prior to the True-Up Adjustment Date in the case of an Optional True-Up Adjustment. The Issuer shall also cause the Trustee to provide to the Servicer, the parties to the Ancillary Agreements and the Calculation Agent any information required to prepare and verify the accuracy of the True-Up Letter. Concurrently with the filing of any True-Up Letter with the Commission, the Servicer shall provide a copy of the True-Up Letter to the Issuer, the Calculation Agent, the Commission, the Trustee, the parties to the Ancillary Agreements, the Rating Agencies, and any other party that has filed with the Secretary of the Issuer a request to receive a copy of such filing.

(c) The Servicer shall ensure that each True-Up Adjustment will be designed (i) to correct for any over-collections or under-collections of Transition Charges through the proposed True-Up Adjustment Date and (ii) to ensure that expected Transition Charge Revenues remitted or to be remitted to the Trustee, after taking into account assumed charge-offs and payment delays, are adequate (A) to pay timely principal of (in accordance with the Expected Amortization Schedule) and interest on the Bonds on the Payment Dates that occur during the related Annual Calculation Period, (B) to fund or replenish any debt service reserve fund or account or any other restricted accounts or subaccounts required to be established by the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement, as an additional reserve fund to its required level, as provided in the Trust Agreement and, to the extent permitted in the Trust Agreement, any Ancillary Agreement (as the case may be), no later than the corresponding date or dates specified in the True-Up Letter, and (C) to make timely payment of all other Ongoing Financing Costs during the related Annual Collection Period.

(d) If the Commission determines, in consultation with the Calculation Agent, that the calculation of any adjustment to the Transition Charges is mathematically inaccurate, then, promptly upon receipt of notice of such determination from the Commission, the Servicer, on behalf of the Corporation, shall use Best Efforts to correct the True-Up Adjustment calculations and submit the corrected True-Up Letter to the Issuer and the Calculation Agent for review. If the Servicer, in consultation with the Issuer and the Calculation Agent, determines that the True-Up Letter can be corrected and filed with the Commission not later than the True-Up Adjustment Date, the Servicer shall proceed to make such corrected True-Up Letter filing with the Commission (so long as such corrected charge is effective upon filing). Otherwise, the Servicer shall take the corrections into account not later than the next succeeding True-Up Adjustment

filing with the Commission on which such adjustment can practically be made without delaying the effective date set forth in the True-Up Letter.

Section 4.02 Quarterly True-Up Adjustments. The Servicer, on behalf of the Issuer, shall file a True-Up Letter for a Quarterly True-Up Adjustment with the Commission not later than ____, _____, _____, and _____ of each year (each a "Quarterly Filing Date"). Each True-Up Letter shall specify the applicable True-Up Adjustment Date, which shall be not earlier than 30 days, nor later than 45 days following the corresponding Quarterly Filing Date. Not later than 60 days prior to each Quarterly Filing Date, the Servicer shall prepare and file with the Issuer, the Trustee and the Calculation Agent a proposed, completed True-Up Letter for review. Not later than 10 days prior to the Quarterly Filing Date, the Issuer shall provide, or shall cause the Calculation Agent to provide, the Servicer with any comments and corrections to the proposed form of the True-Up Letter.

Section 4.03 Optional True-Up Adjustments. The Servicer, on behalf of the Issuer, shall file a True-Up Letter at any time if (1) the Servicer, on its own volition, determines, or (2) the Calculation Agent, on behalf of the Issuer, determines, or (3) the Servicer is otherwise advised by the Commission or the Calculation Agent, or (4) if the Servicer is in default under this Agreement, the Trustee or any party to an Ancillary Agreement determines in any of the preceding instances that such Optional True-Up Adjustment is required to ensure the timely payment of the principal of and interest on the Bonds and all other Ongoing Financing Costs. If the Calculation Agent requests the Servicer to initiate an Optional True-Up Adjustment, it shall give the Servicer, as well as the Issuer and the Trustee notice of such request. Upon receipt of such request, or on its own volition, the Servicer shall prepare and file with the Issuer, the Trustee and the Calculation Agent a proposed, completed True-Up Letter for review, which shall specify a True-Up Adjustment Date not earlier than 30 days after the date that the True-Up Letter is filed with the Corporation and the Commission. The Issuer, the Trustee and the Calculation Agent shall promptly review the True-Up Letter, and provide any comments within five Business Days of receipt. The Servicer shall file the True-Up Letter, as reviewed, with the Commission not later than 30 days prior to the True-Up Adjustment Date set forth in the True-Up Letter.

ARTICLE V

THE SERVICER

Section 5.01 Representations and Warranties of Servicer. The Servicer makes the following representations and warranties, as of the Closing Date, upon which the Issuer has and will rely in entering into this Agreement, relating to the servicing of the Restructuring Property. The representations and warranties shall survive the execution and delivery of this Agreement and the pledge thereof to the Trustee pursuant to the Trust Agreement.

(a) Organization. The Servicer is a duly organized public corporation and governmental instrumentality of the Commonwealth, established and existing by virtue of Act No. 83 of the Legislative Assembly of Puerto Rico, approved May 2, 1941, as amended, reenacted and supplemented, with the requisite power and authority to own its properties as such properties are currently owned and to conduct its business as such business is now conducted by

it, to service the Restructuring Property and to hold the Restructuring Property and Restructuring Property Documentation as custodian.

(b) Power and Authority. The Servicer has the requisite power and authority to execute and deliver this Agreement and to carry out its terms; and the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Servicer.

(c) Binding Obligation. This Agreement constitutes a legal, valid and binding obligation of the Servicer, enforceable against the Servicer in accordance with its terms.

(d) No Violation. The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof do not: (i) conflict with or result in any breach of any of the terms and provisions of, nor constitute (with or without notice or lapse of time) a default under, the bylaws of the Servicer, the PREPA Trust Agreement, the Amended and Restated Restructuring Support Agreement, dated as of January 27, 2016, by and among the Servicer and the Supporting Creditors (as therein defined), as the same may be amended, modified or supplemented as therein permitted (the "Restructuring Support Agreement"), or any other material indenture, agreement or other instrument to which the Servicer is a party or by which it is bound or to which it or any of its property or other assets are otherwise subject; (ii) result in the creation or imposition of any Lien upon any of the Servicer's properties pursuant to the terms of the PREPA Trust Agreement and Restructuring Support Agreement and any such other indenture, agreement or other instrument; or (iii) violate any existing law or any existing order, rule or regulation applicable to the Servicer of any federal, state (to the best of its knowledge and after due inquiry) or Commonwealth court or regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Servicer or its properties or other assets.

(e) Approvals. No approval, authorization, consent, order or other action of, or registration or other filing with, any federal, state (to the best of the Servicer's knowledge and after due inquiry) or Commonwealth court, regulatory body including the Commission, administrative agency or other governmental instrumentality is required in connection with the execution and delivery by the Servicer of this Agreement, the performance by the Servicer of the transactions contemplated hereby or the fulfillment by the Servicer of the terms hereof, except those that have been obtained or made and those that the Servicer is required to make in the future pursuant to Article III or IV hereof.

(f) No Proceedings. There are no proceedings pending and, to the Servicer's knowledge, there are no proceedings threatened and no investigations pending or threatened, before any federal, state or Commonwealth court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the Servicer or its properties or other assets involving or relating to the Servicer, the Commission or the Issuer or, to the Servicer's knowledge, any other Person (nor to the knowledge of the Servicer is there any basis therefor): (i) asserting the invalidity of this Agreement; (ii) seeking to prevent the consummation of any of the transactions contemplated by this Agreement; or (iii) seeking any determination or ruling that might materially adversely affect the performance by the Servicer of its obligations under, or the validity or enforceability against the Servicer of, this Agreement.

(g) Reports and Certificates. Each report and certificate delivered by the Servicer to the Issuer, the Calculation Agent, the Depository or the Commission, with respect to the Transition Charges, Estimated Transition Charge Collections, Transition Charge Revenues or True-Up Adjustments, will constitute a representation and warranty by the Servicer that each such report or certificate, as the case may be, is true and correct in all material respects; but to the extent any such report or certificate is based in part upon or contains estimates, assumptions, forecasts or other predictions of future events, the representation and warranty of the Servicer with respect thereto will be limited to the representation and warranty that such estimates are made in good faith and such assumptions, forecasts or other predictions of future events are reasonable based upon historical performance (and in either case are based on facts known to the Servicer on the date such report or certificate is delivered).

(h) No Sovereign Immunity. Under existing law, the Servicer is not entitled to raise the defense of sovereign immunity in connection with any legal proceeding relating to this Agreement.

Section 5.02 Indemnities of Servicer.

(a) The Servicer shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Servicer under this Agreement.

(b) The Servicer shall indemnify the Issuer, the Calculation Agent, the Depository, the Trustee (for itself and on behalf of the Bondholders), and the Bondholders and each of their respective trustees, members, managers, officers, directors, employees and agents for, and defend and hold harmless each such Person (each, an "Indemnified Person") from and against, any and all Losses that may be imposed upon, incurred by or asserted against any such Person as a result of:

(i) the Servicer's negligence or willful misconduct in the performance of its duties or observance of its covenants under this Agreement or the Servicer's reckless disregard of its obligations and duties under this Agreement;

(ii) the Servicer's breach of any of its representations or warranties in this Agreement;

(iii) litigation and related expenses relating to its status and obligations as Servicer; and

(iv) litigation and related expenses relating to or arising out of any negligent act by Third Party Billers employed or used by the Servicer to perform any of its obligations under this Agreement;

provided, however, that the Servicer shall not be liable to an Indemnified Person (i) for any Losses resulting from the willful misconduct or gross negligence of such Indemnified Person pursuant to this Section 5.02, or (ii) resulting from a breach of a representation, warranty, covenant or agreement made by such Indemnified Person in any of the Basic Documents that gives rise to the Servicer's breach; and provided, further, however, if the indemnification provided for in this Section 5.02 is unavailable to an Indemnified Person in respect of any

Losses, for any reason, then the Servicer, to the extent permitted under applicable law, in lieu of indemnifying such Indemnified Person hereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the Servicer on the one hand and of the Indemnified Person on the other. Amounts payable by PREPA to an Indemnified Person on account of Losses pursuant to this Section 5.02 shall be payable [as set forth in the PREPA Trust Agreement].

Promptly after receipt by an Indemnified Person of notice of its involvement in any action, proceeding or investigation, such Indemnified Person shall, if a claim for indemnification in respect thereof is to be made against the Servicer under this Section 5.02, notify the Servicer in writing of such involvement. Failure by an Indemnified Person to so notify the Servicer shall relieve the Servicer from the obligation to indemnify and hold harmless such Indemnified Person under this Section 5.02 only to the extent of the actual prejudice suffered by the Servicer as a result of such failure. With respect to any action, proceeding or investigation brought by a third party for which indemnification may be sought under this Section 5.02, the Servicer shall be entitled to assume the defense of any such action, proceeding or investigation. Upon assumption by the Servicer of the defense of any such action, proceeding or investigation, the Indemnified Person shall have the right to participate in such action or proceeding and to retain its own counsel (including local counsel), and the Servicer shall bear the reasonable fees, costs and expenses of such separate counsel. Unless a Servicer Default has occurred and is continuing, the Indemnified Person shall not settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought under this Section 5.02 (whether or not the Servicer is an actual or potential party to such claim or action) unless the Servicer agrees in writing to such settlement, compromise or consent and such settlement, compromise or consent includes an unconditional release of the Servicer from all liability arising out of such claim, action, suit or proceeding. The Servicer shall not settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought under this Section 5.02 (whether or not the Servicer is an actual or potential party to such claim or action) unless the Indemnified Person agrees in writing to such settlement, compromise or consent.

(c) The Servicer shall indemnify the Trustee and its officers, directors and agents for, and defend and hold harmless each such Person from and against, any and all Losses that may be imposed upon, incurred by or asserted against any such Person as a result of the acceptance or performance of the trusts and duties contained herein and in the Trust Agreement, except to the extent that any such Loss is due to the willful misconduct, bad faith or gross negligence of such Person; provided, however, that the indemnity under this Section 5.02(c) is extended to the Trustee solely in its individual capacity and not for the benefit of the Bondholders or any other Person. Such amounts with respect to the Trustee shall be deposited and distributed in accordance with the Trust Agreement.

(d) The Servicer's indemnification obligations under Section 5.02(b)-(c) for events occurring prior to the removal or resignation of the Trustee or the termination of this Agreement shall survive the resignation or removal of the Trustee or the termination of this Agreement and shall include reasonable costs, fees and expenses of investigation and litigation (including the Issuer's and the Trustee's reasonable attorneys' fees and expenses).

(e) Except to the extent expressly provided for in the Basic Documents (including the Servicer's claims with respect to the Servicing Fees), the Servicer hereby releases and discharges the Issuer (including its trustees, officers, employees and agents, if any), the Trustee (including its officers, directors and agents) and the Bondholders (including their respective trustees, officers, employees and agents, if any) (collectively, the "Released Parties") from any and all actions, claims and demands whatsoever, which the Servicer shall or may have against any such Person relating to the Restructuring Property or the Servicer's activities with respect thereto other than any actions, claims and demands arising out of the willful misconduct, bad faith or gross negligence of the Released Parties.

(f) The Servicer will not indemnify any Person for any loss, damages, liability, obligation, claim, action, suit or payment resulting solely from a downgrade in the ratings on the Bonds or for any consequential damages, including any loss of market value of the Bonds, resulting [solely] from any downgrade of the ratings on the Bonds.

(g) Notwithstanding the indemnification provisions contained in any agreements entered into by the Servicer with any Third Party Billers, the Servicer shall not be relieved of its obligations to indemnify each Indemnified Person as provided in this Section 5.02.

Section 5.03 Merger or Consolidation of, or Assumption of the Obligations of, Servicer. Any Person (a) into which the Servicer may be merged or consolidated, (b) that may result from any merger or consolidation to which the Servicer shall be a party or (c) that may succeed to a substantial portion of the Electric System Assets of the Servicer, which Person in any of the foregoing cases executes an agreement of assumption to perform every obligation of the Servicer under this Agreement, shall be the successor to the Servicer under this Agreement without the execution or filing of any document or any further act by any of the parties to this Agreement; provided, however, that (i) immediately after giving effect to such transaction, no representation or warranty made pursuant to Section 5.01 shall have been breached and no Servicer Default and no event which, after notice or lapse of time, or both, would become a Servicer Default shall have occurred and be continuing, and the Rating Agency Condition shall have been satisfied, (ii) the Servicer shall have delivered to the Issuer and the Trustee an Officer's Certificate stating that such consolidation, merger or succession and such agreement of assumption comply with this Section and that all conditions precedent provided for in this Agreement relating to such transaction have been complied with, (iii) the Servicer shall have delivered to the Issuer and the Trustee an Opinion of Counsel either (A) stating that, in the opinion of such counsel, all statutory filings to be made by the Servicer, including filings with the Commission pursuant to the Act and any filings under the applicable UCC, that are necessary fully to preserve and protect the interests in the Restructuring Property of the Issuer, the Trustee, the Bondholders or any Person with any such interest in the Restructuring Property have been executed and filed and reciting the details of such filings or (B) stating that, in the opinion of such counsel, no such action is necessary to preserve and protect such interests, (iv) the Servicer shall have delivered to the Issuer, the Commission and the Trustee an opinion of Bond Counsel (as selected by, and in form and substance reasonably satisfactory to, the Servicer, and which may be based on a ruling from the Internal Revenue Service) to the effect that, for federal income tax purposes, such consolidation or merger or assumption of the obligations will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes, and (v) a copy of the agreement of assumption shall have been delivered to the Commission.

The Servicer shall not consummate any transaction referred to in subclauses (a), (b) or (c) above except upon execution of the above-described agreement of assumption and compliance with subclauses (i), (ii), (iii), (iv) and (v) above. When any Person acquires the a substantial portion of the Electric System Assets of the Servicer, and becomes the successor to the Servicer in accordance with the terms of this Section 5.03, then upon satisfaction of all of the other conditions of this Section 5.03, such successor Servicer shall be the Servicer for all purposes hereunder; provided, however, that the Servicer covenants and agrees with the Issuer and the Trustee that it will, on an ongoing basis, cooperate with the successor Servicer and provide whatever information is, and take whatever actions are, necessary to assist the successor Servicer in performing its obligations hereunder.

Section 5.04 Assignment. If permissible under Section 5.06, the Servicer may assign any or all of its obligations hereunder to any successor if either (i) the Rating Agency Condition and any other condition specified in the Restructuring Resolution or the Trust Agreement have been satisfied or (ii) the Servicer is replaced by a successor pursuant to Section 5.03 hereof. In either such case, a copy of any servicing agreement or agreement of assumption shall be promptly delivered to the Commission upon execution by the applicable parties.

Section 5.05 Limitation on Liability of Servicer and Others. The Servicer shall not be liable to the Issuer, the Calculation Agent, the Depository or the Trustee, except as provided under this Agreement, for any action taken or for refraining from the taking of any action pursuant to this Agreement or for errors in judgment; provided, however, that this provision shall not protect the Servicer against any liability that would otherwise be imposed by reason of willful misconduct, bad faith or negligence in the performance of its duties or by reason of reckless disregard of its obligations and duties under this Agreement. The Servicer and any director, officer, employee or agent of the Servicer may rely in good faith on the advice of counsel reasonably acceptable to the Trustee or on any document of any kind, *prima facie* properly executed and submitted by any Person, respecting any matters arising under this Agreement. Except as provided in this Agreement, the Servicer shall not be under any obligation to appear in, prosecute or defend any legal action incidental to its duties to service the Restructuring Property in accordance with this Agreement or related to its obligation to pay indemnification, and that in its reasonable opinion may cause it to incur any expense or liability for which it has not been reasonably indemnified.

Section 5.06 PREPA Not to Resign as Servicer. Subject to the provisions of Sections 5.03 and 5.04, PREPA shall not resign from the obligations and duties hereby imposed on it as Servicer under this Agreement except upon a determination that PREPA's performance of its duties under this Agreement shall no longer be permissible under applicable law. Notice of any such determination permitting the resignation of PREPA shall be communicated to the Issuer, the Commission, the Depository, the Calculation Agent, the Trustee and each Rating Agency at the earliest practicable time (and, if such communication is not in writing, shall be confirmed in writing at the earliest practicable time), and any such determination shall be evidenced by an Opinion of Counsel to such effect delivered to the Issuer, the Commission, the Calculation Agent, the Depository and the Trustee concurrently with or promptly after such notice. No such resignation shall become effective until a successor Servicer has assumed the servicing obligations and duties hereunder of the Servicer in accordance with Section 6.04.

Section 5.07 Servicing Fee. The Issuer agrees to pay the Servicer an annual servicing fee (the "Servicing Fee") for all obligations to be performed by the Servicer under this Agreement. For so long as PREPA is the Servicer, the initial Servicing Fee shall be 0.05% of the initial principal amount of the Bonds. Such Servicing Fee shall be increased on each anniversary date by the year-over-year percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) (not seasonally adjusted) for the most recently completed twelve-month period for which such data are available. The foregoing fee constitutes a fair and reasonable price for the obligations to be performed by the Servicer and is not less than the estimated incremental cost of performing the services required by this Agreement exclusive of the expenses payable under Section 5.08. If a successor Servicer is not affiliated with the owner of the Electric System Assets or not performing similar services with respect to the base rates of the owner of the Electric System Assets, the Servicing Fee shall be an amount agreed upon by the Issuer and the successor Servicer, provided that any Servicing Fee in excess of [1.00]% of the aggregate initial principal amount of the Bonds shall be subject to the prior written approval of the Issuer (so long as the Issuer is not in default under the Trust Agreement) and the Commission, and prior written notice to the Trustee and each of the Rating Agencies.

Section 5.08 Servicer Expenses. Except as otherwise expressly provided herein and to the extent not included in the calculation of the Servicing Fee, the Issuer shall pay all reasonable [third party] expenses incurred by the Servicer in connection with its activities hereunder (including any fees to and disbursements by accountants, counsel, or any other Person, and any expenses incurred in connection with reports to Bondholders, subject to the priorities set forth in Section [8.02(e)] of the Trust Agreement).

Section 5.09 Subservicing. The Servicer may at any time contract with a subservicer to perform all or any portion of its obligations as Servicer hereunder; provided, however, that the Rating Agency Condition shall have been satisfied in connection therewith; and provided further that the Servicer shall remain obligated and be liable to the Issuer, the Depository, the Calculation Agent, the Trustee, the Bondholders, the parties to the Ancillary Agreements and any owner of the Restructuring Property for the servicing and administering of the Restructuring Property in accordance with the provisions hereof without diminution of such obligation and liability by virtue of the appointment of such subservicer and to the same extent and under the same terms and conditions as if the Servicer alone were servicing and administering the Restructuring Property. The fees and expenses of the subservicer shall be as agreed between the Servicer and its subservicer from time to time, and none of the Issuer, the Trustee, the Bondholders, the parties to the Ancillary Agreements or the owner of Restructuring Property shall have any responsibility therefor. Any such appointment shall not constitute a Servicer resignation under Section 5.06. In addition to the foregoing, the Issuer may, upon being advised by its consultants, appoint one or more subservicers or co-servicers, if the Issuer determines that such appointment is likely to (i) prevent or delay an imminent negative ratings action by any Rating Agency, (ii) facilitate a reversal of any such negative ratings action, or (iii) result in a positive ratings action by any Rating Agency. The Issuer may also appoint one or more back-up servicers.

Section 5.10 Servicer Advances. PREPA, in its capacity as Servicer hereunder, shall have the option to make advances to the Issuer, upon request by the Issuer or the Trustee, with respect to Transition Charge Revenues, provided that such advances are made on an arm's length

basis. The parties agree that Estimated Transition Charge Collections represent a good faith estimate of actual collections of Transition Charges received by the Servicer and do not represent an advance or borrowing by the Servicer. Prior to making any advance to the Issuer, the Servicer shall provide notice to the Commission of the amounts, the terms, the accounting treatment and the reasons for the advance.

Section 5.11 Remittances. As soon as possible but no later than the second Business Day following receipt by the Servicer, the Servicer shall cause all Customer Revenues, including without limitation all Transition Charge Collections (from whatever source), to be deposited into the Allocation Account held by the Depository. As provided in Section 3.03 hereof, the Servicer shall cause the Depository to remit the Daily Remittances to the Trustee for deposit into the Collection Account.

In the event of any change of account or change of the Depository or the Trustee or any other institution affecting the remittances of Transition Charges, the Issuer shall provide written notice thereof to the Servicer by the earlier of: (A) five Business Days from the effective date of such change, and (B) five Business Days prior to the next applicable Deposit Date.

Section 5.12 Protection of Title. The Servicer shall execute and file such filings and cause to be executed and filed such filings, all in such manner and in such places as may be required by law fully to preserve, maintain and protect the interests of the Issuer, the Trustee, the Bondholders or any owner of the Restructuring Property in the Restructuring Property, as their interests may appear, including all filings, if any, required under the UCC or the Act relating to the security interest granted by the Issuer to the Trustee and the Bondholders in the Restructuring Property and the liens granted for the benefit of the Trustee under the Depository Agreement. The Servicer shall deliver (or cause to be delivered) to the Issuer, the Commission and the Trustee file-stamped copies of, or filing receipts for, any document filed as provided above, as soon as available following such filing. The costs of any such action reasonably allocated by the Servicer to the Restructuring Property shall be payable from Transition Charge Collections as an Ongoing Financing Cost in accordance with the Trust Agreement. The Servicer's obligations pursuant to this Section 5.12 shall survive and continue notwithstanding the fact that the payment of Ongoing Financing Costs pursuant to the Trust Agreement may be delayed (it being understood that the Servicer may be required to advance its own funds to satisfy its obligations under this Section 5.12).

Section 5.13 Tax-Exempt Bonds. The Servicer shall comply with the tax certificates to be executed and delivered by it in connection with the issuance of the Bonds and with letters of instruction, if any, delivered by Bond Counsel in connection with the issuance of the Bonds, as such tax certificates and letters may be amended from time to time. Notwithstanding anything else in this Agreement to the contrary, the covenants of this Section 5.13 shall survive the payment, redemption or defeasance of the Bonds and the termination of this Agreement.

Section 5.14 Compliance with Article 33 of the Act. The Issuer and the Servicer each agree to comply with the provisions of Article 33 of the Act so as to maintain the separateness of the Issuer and the Servicer, including the following:

(a) Pursuant to Article 33(e) of the Act, each of the Issuer and the Servicer shall maintain its books, financial records and accounts (including inter-entity transaction accounts) in a manner so as to identify separately the assets and liabilities of each such entity from those of any other Person; each shall observe all applicable corporate procedures and formalities, including, where applicable, the holding of regular periodic and special meetings of governing bodies, the recording and maintenance of minutes of such meetings, and the recording and maintenance of resolutions, if any, adopted at such meetings; and all transactions and agreements between and among the Issuer, the Servicer and any Person will reflect the separate legal existence of each entity and shall be formally documented in writing. The Issuer shall not enter into any transaction with an affiliate of the Servicer, the Issuer, Government Development Bank for Puerto Rico or the Commonwealth, except on terms similar to those available to unaffiliated Persons in an arm's length transaction.

(b) Pursuant to Article 33(f) of the Act, the Issuer and the Servicer shall each have separate annual financial statements, prepared in accordance with generally accepted accounting principles, that reflect the separate assets and liabilities of each such entity and all transactions and transfers of funds involving each such entity, and each shall pay or bear the cost of the preparation of its own financial statements regardless of whether such public accounting firm prepares or audits the financial statements of the Issuer or the Servicer.

(c) Pursuant to Article 33(g) of the Act, the Issuer and the Servicer shall pay their respective liabilities and losses from their own respective separate assets. In furtherance of the foregoing, the Issuer shall compensate all employees, consultants, independent contractors and agents from its own funds for services provided to it by such employees, consultants, independent contractors and agents. The Issuer shall maintain sufficient employees in light of its contemplated business purpose.

(d) Pursuant to Article 33(h) of the Act, each of the Issuer and the Servicer shall maintain its assets, funds and liabilities separate and apart from the assets, funds and liabilities of any other Person, and will conduct all business between either the Issuer or the Servicer and third parties in their own name separate and distinct from the other. Both entities shall correct any known misunderstanding regarding its separate identity.

(e) Pursuant to Article 33(i) of the Act, neither the assets nor the creditworthiness of the Servicer shall be held out as being available for the payment of any liability of the Issuer, and vice versa. Assets shall not be transferred between the Servicer and the Issuer inconsistently with the Act or with the intent to hinder or defraud creditors.

(f) Pursuant to Article 33(j) of the Act, the Servicer in its papers and the statements of its officials shall refer to the Issuer as a separate and distinct legal entity; and shall take no action that is inconsistent with the Act or that would give any of its creditors cause to believe either that any such obligations incurred by the Servicer are also obligations of the Issuer, or that the Servicer were not or would not continue to remain an entity separate and distinct from the Issuer.

Section 5.15 [Standard of Performance for Collections. Any requirement in this Agreement that the Servicer act in accordance with its customary practices, procedures or

standard of care as applied to the collection of Transition Charges shall be understood to also require the Servicer to use its Best Efforts, whether or not such additional requirement is explicitly stated.]

Section 5.16 Servicer's Obligations Under the Act. The Servicer shall comply with all of its obligations under the Act.

ARTICLE VI

DEFAULT

Section 6.01 Servicer Default. If any one of the following events (each a "Servicer Default") shall occur and be continuing:

(a) any failure by the Servicer to cause all Customer Revenues, including all Transition Charge Collections (from whatever source), received by the Servicer to be deposited into the Allocation Account as provided in Sections 3.03 and 5.11 or any failure by the Servicer to cause the Depository to transfer to the Trustee any required Daily Remittance and cause other amounts received from Collateral to be deposited to the Collection Account pursuant to Sections 3.03 and Section 5.11 hereof that shall continue unremedied for a period of five (5) Business Days after written notice of such failure is received by the Servicer from the Issuer, the Trustee or any party to an Ancillary Agreement; or

(b) any failure of the Servicer to provide information to the Calculation Agent in connection with the verification of a True-Up Adjustment [or a Quarterly Reconciliation Certificate] within five Business Days unless such period is impracticable and a larger period, not exceeding 10 Business Days has been requested by the Servicer after written notice thereof from the Calculation Agent, the Issuer, the Trustee or any party to an Ancillary Agreement; or

(c) any failure by the Servicer duly to observe or perform in any material respect any other covenant or agreement of the Servicer set forth in this Agreement, and continues unremedied for a period of 30 days after written notice of such failure has been given to the Servicer by the Issuer, the Commission, the Depository, the Calculation Agent, the Administrator, the Trustee or any party to an Ancillary Agreement or after discovery of such failure by an officer of the Servicer;

(d) any representation or warranty made by the Servicer in this Agreement proves to have been incorrect when made, which has an adverse effect on the Issuer or the Bondholders, or the rights of the Issuer, Bondholders or parties to Ancillary Agreements in the Restructuring Property, and which adverse effect continues unremedied for a period of 45 days after the date on which written notice thereof has been given to the Servicer by the Issuer, the Commission, the Trustee or any party to an Ancillary Agreement or after discovery of such failure by an officer of the Servicer, as the case may be;

(e) an Insolvency Event occurs with respect to the Servicer; or

(f) a moratorium, a stay or an emergency period which prevents the Servicer from being able to perform any of its obligations under this Agreement (or exempts the Servicer from

performing any such obligations) is declared under (i) Act 21 of 2016 or (ii) any federal or other Commonwealth law or order;

then, and in each and every case, so long as the Servicer Default shall be continuing, either the Issuer or the Trustee may, or, upon the written direction of the Commission acting in accordance with the Act, Restructuring Order and Restructuring Resolution, shall by notice then given in writing to the Servicer (and to the Trustee if given by the Bondholders or a party to such Ancillary Agreement) (a "Termination Notice") terminate all the rights and obligations of the Servicer under this Agreement (other than the Servicer's indemnification obligations set forth in Section 5.02 hereof and the Servicer's obligation under Section 6.04 to continue performing its functions as Servicer until a successor Servicer is appointed, which obligations shall remain ongoing). In the event of any conflict between the direction of the Commission and the designation of the Trustee, the holders of the Bonds or a party to any Ancillary Agreement, and the Trustee or such other party shall determine that the Commission's direction would impair or would not adequately protect the rights of such party, such party shall so inform the Commission in writing of such determination and the basis therefor, and upon such communication, the designation of the Trustee, holders or such party, as the case may be, shall control.

In addition upon a Servicer Default, the Issuer and the Trustee may as against the Servicer:

(A) apply to any court of competent jurisdiction for an order of seizure or sequestration and payment of revenues arising with respect to the Restructuring Property or any other applicable remedy;

(B) seek a writ of mandamus as specified in Section 7.03 hereof;

(C) resort to any court, including any federal court, to require, an order of seizure and payment of the Transition Charge Revenues, or any other applicable remedy. If such court determines that such Servicer Default exists, it shall issue the requested seizure and payment order. The order shall remain valid notwithstanding any bankruptcy, reorganization, or any other insolvency procedure with respect to the Servicer, the Issuer, PREPA or any other Person; or

(D) exercise the remedies set forth in Section 7.04 hereof.

In addition, any party to an Ancillary Agreement may seek a writ of mandamus as specified in Section 7.03 hereof. Nothing in this Section 6.01 shall permit the Issuer or the Trustee to directly initiate or maintain any action to suspend or terminate the electric service of any Customer.

On or after the receipt by the Servicer of a Termination Notice, all authority and power of the Servicer under this Agreement, whether with respect to the Restructuring Property, the Transition Charges or otherwise, shall, upon appointment of a successor Servicer pursuant to Section 6.04, without further action, pass to and be vested in such successor Servicer and, without limitation, the Trustee is hereby authorized and empowered to execute and deliver, on behalf of the predecessor Servicer, as attorney-in-fact or otherwise, any and all documents and other instruments, and to do or accomplish all other acts or things necessary or appropriate to effect the purposes of such Termination Notice, whether to complete the transfer of the

Restructuring Property Documentation and related documents, or otherwise. The predecessor Servicer shall cooperate with the successor Servicer, the Trustee, the Issuer and the Depository in effecting the termination of the responsibilities and rights of the predecessor Servicer under this Agreement, including the transfer to the successor Servicer for administration by it of all cash amounts that shall at the time be held by the predecessor Servicer for remittance, or shall thereafter be received by it with respect to the Restructuring Property or the Transition Charges. As soon as practicable after receipt by the Servicer of such Termination Notice, the Servicer shall deliver the Restructuring Property Documentation to the successor Servicer. All reasonable costs and expenses (including attorneys' fees and expenses) incurred in connection with transferring the Restructuring Property Documentation to the successor Servicer and amending this Agreement to reflect such succession as Servicer pursuant to this Section 6.01 shall be paid by the predecessor Servicer upon presentation of reasonable documentation of such costs and expenses.

Section 6.02 Notice of Servicer Default. The Servicer shall deliver to the Issuer, the Commission, the Trustee, the Calculation Agent, the Depository and each Rating Agency, promptly after having obtained knowledge thereof, but in no event later than five Business Days thereafter, written notice in an Officer's Certificate of any event or circumstance which with the giving of notice or passage of time, or both, would become a Servicer Default under Section 6.01.

Section 6.03 Waiver of Past Defaults. The Trustee, with the consent of the Requisite Bondholders and the party (other than the Trustee) to each Ancillary Agreement, may waive in writing any default by the Servicer in the performance of its obligations hereunder and its consequences. The Servicer shall provide notice of any such waivers to the Commission and each Rating Agency, promptly after its receipt thereof from the Trustee. Upon any such waiver of a past default, such default shall cease to exist, and any Servicer Default arising therefrom shall be deemed to have been remedied for every purpose of this Agreement. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon. Any waiver by the Trustee shall be effective, regardless of any prior instruction or order of the Commission to the contrary effect.

Section 6.04 Appointment of Successor.

(a) Upon the Servicer's receipt of a Termination Notice pursuant to Section 6.01 or the Servicer's resignation in accordance with the terms of this Agreement, the Servicer shall continue to perform its functions as Servicer under this Agreement, and shall be entitled to receive the requisite portion of the Servicing Fee and reimbursement of expenses as provided herein, until a successor Servicer is qualified and has assumed in writing the obligations of the Servicer hereunder as described below. In the event of the Servicer's removal or resignation hereunder, the Issuer, at the direction of the Commission, subject to the prior consent or contrary direction of the Trustee, or the Trustee, shall designate a successor Servicer, provided that if the Issuer is in default on its obligation under the Trust Agreement, either the Commission, subject to the prior consent or contrary direction of the Trustee, or the Trustee shall appoint a successor Servicer; provided further that in the event of any conflict between the direction of the Commission and the direction of the Trustee, the direction of the Trustee shall control. If within 30 days after the delivery of the Termination Notice, a new Servicer has not accepted such

appointment, the Trustee may petition a court of competent jurisdiction to appoint a successor Servicer under this Agreement. If within 60 days after the delivery of the Termination Notice, a new Servicer has not accepted such appointment and the Trustee has not petitioned a court of competent jurisdiction in accordance with the immediately preceding sentence, a party to any Ancillary Agreement in respect of which an Ancillary Agreement Event has occurred and is continuing and/or the Requisite Bondholders may petition a court of competent jurisdiction to appoint a successor Servicer under this Agreement. A Person shall qualify as a successor Servicer only if (i) such Person is not prohibited from performing the duties of the Servicer pursuant to the Act, the Restructuring Resolution, the Trust Agreement and this Agreement, (ii) the Rating Agency Condition has been satisfied and (iii) such Person enters into a servicing agreement with the Issuer having substantially the same provisions as this Agreement.

(b) Upon appointment, the successor Servicer shall be the successor in all respects to the predecessor Servicer under this Agreement and shall be subject to all the responsibilities, duties and liabilities arising thereafter relating thereto placed on the predecessor Servicer and shall be entitled to the Servicing Fee and all the rights granted to the predecessor Servicer by the terms and provisions of this Agreement.

(c) The successor Servicer may resign only in accordance with Section 5.06 of this Agreement.

(d) The Issuer shall provide to the Commission a copy of any successor Servicing Agreement for informational purposes.

Section 6.05 Cooperation with Successor. The Servicer covenants and agrees with the Issuer and the Trustee that it will, on an ongoing basis, cooperate with the successor Servicer and provide whatever information is, and take whatever actions are, necessary to assist the successor Servicer in performing its obligations hereunder and under any successor servicing agreement.

ARTICLE VII

THIRD PARTY BENEFICIARY PROVISIONS

Section 7.01 Trustee, Bondholders, parties to Ancillary Agreements Third Party Beneficiaries. The Trustee, the Bondholders and parties to Ancillary Agreements are express and intended third party beneficiaries under this Agreement. The Trustee, or a party to any Ancillary Agreement shall be entitled to enforce this Agreement against the Servicer, as and to the extent provided herein or the Trust Agreement, to the same extent as if the Trustee and such parties were parties hereto. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto and their permitted successors and assigns hereunder, the Trustee, the Bondholders, parties to Ancillary Agreements and their respective permitted successors and assigns, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

Section 7.02 Commission Action. Any action taken by the Issuer, at the direction of the Commission or otherwise, with respect to the Servicer, including (subject to the provisions of

Section 6.01 hereof) the replacement of the Servicer, is subject to the prior consent of or contrary direction of the Trustee on behalf of the Bondholders or as directed by Requisite Bondholders and/or parties to an Ancillary Agreement, in accordance with the terms of the Trust Agreement.

Section 7.03 Mandamus. The adjustment of the Transition Charges is a ministerial act of the Servicer and should the Servicer fail in any respect with respect to its duties to establish or adjust the Transition Charges at any time, the Trustee, a party to any Ancillary Agreement or the Issuer shall be entitled, upon application or petition therefor, to a writ of mandamus requiring the Servicer to establish or adjust the Transition Charges in accordance with this Agreement and the Restructuring Resolution.

Section 7.04 Rights and Remedies. As and to the extent as provided in the Trust Agreement or any Ancillary Agreement, as the case may be, any owner of Restructuring Property, the Trustee, or any party to any Ancillary Agreement may exercise any rights and remedies provided in such Trust Agreement and Ancillary Agreement and, as to the Trustee and any owner of the Restructuring Property, any rights and remedies provided in the Act.

Section 7.05 Actions in Lieu of the Trustee. The Requisite Bondholders or the parties to the Ancillary Agreement, as applicable, may act in lieu of the Trustee under this Agreement, as and to the extent permitted under the Act, the Trust Agreement and the Ancillary Agreements.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.01 Amendment.

(a) This Agreement may be amended by the Servicer and the Issuer, with the consent of the Trustee and the satisfaction of the Rating Agency Condition, provided that any such amendment is not prohibited by the Act or the Restructuring Resolution. Promptly after the execution of any such amendment or consent, the Issuer shall furnish written notification of the substance of such amendment or consent to each of the Rating Agencies and to the Commission.

Prior to the execution of any amendment to this Agreement, the Issuer and the Trustee shall be entitled to receive and rely upon an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Agreement and the Opinion of Counsel referred to in Section 5.06. The Issuer and the Trustee may, but shall not be obligated to, enter into any such amendment which affects their own rights, duties or immunities under this Agreement or otherwise.

(b) The Servicer shall promptly provide each of the Rating Agencies and the Commission with a copy of any amendment to this Agreement or of any successor Servicer Agreement.

(c) Notwithstanding the foregoing, no amendment or modification of this Agreement shall be effective without the prior written consent of each party to Ancillary Agreements that is materially adversely affected by such amendment or modification.

Section 8.02 Notices. Unless otherwise specifically provided herein, all notices, directions, consents and waivers required under the terms and provisions of this Agreement shall be in English and in writing, and any such notice, direction, consent or waiver may be given by United States mail, reputable overnight courier service, facsimile transmission or electronic mail (confirmed by telephone, United States mail or reputable overnight courier service in the case of notice by facsimile transmission or electronic mail) or any other customary means of communication, and any such notice, direction, consent or waiver shall be effective when delivered or transmitted, or if mailed, five days after deposit in the United States mail with proper postage for ordinary mail prepaid:

(a) if to the Servicer, to:

Puerto Rico Electric Power Authority
[P.O. Box 364267
San Juan, Puerto Rico 00936-4267]
Attention: [Office of the General Counsel]
Telephone: (___) _____
Telecopy: (___) _____
Email: _____

(b) if to the Issuer, to:

Puerto Rico Electric Power Authority Revitalization Corporation
_____
_____
_____
Attention: _____
Telephone: (___) _____
Telecopy: (___) _____
Email: _____

(c) if to the Trustee, to:

_____
_____
Attention: _____
Telephone: (___) _____
Telecopy: (___)_____
Email: _____

(d) if to the Commission, to:

Puerto Rico Energy Commission
_____
_____
Attention: _____
Telephone: (___) _____

Telecopy: (___)_____
Email: _____

(e) if to Moody's, to:

Moody's Investors Service, Inc.
7 World Trade Center, 250 Greenwich Street, 25th Floor,
New York, New York 10007
Attention: ABS/RMBS Monitoring Department
E-mail: ServicerReports@moodys.com

(f) if to Standard & Poor's, to:

Standard & Poor's Ratings Services
55 Water Street
New York, New York 10041
Attention: Structured Credit Surveillance
E-mail: servicer-report@standardandpoors.com
Telephone: (212) 438-8991

(g) if to Fitch, to:

Fitch Ratings
33 Whitehall Street
New York, New York 10004
Attention: ABS Surveillance
Email: surveillance-abs-other@fitchratings.com
Telephone: (212) 908-0500

(h) if to the Calculation Agent:

(i) if to the Depository:

(j) as to each of the foregoing, at such other address as shall be designated by written notice to the other parties.

Section 8.03 Limitations on Rights of Others. The provisions of this Agreement are solely for the benefit of the Servicer, the Issuer, the Commission, the Depository, the Calculation Agent, the parties to the Ancillary Agreements, the Bondholders, the Trustee, any party to an Ancillary Agreement and the other Persons expressly referred to herein and such Persons shall have the right to enforce the relevant provisions of this Agreement, except that the Bondholders shall be entitled to enforce their rights against the Servicer under this Agreement solely through a cause of action brought for their benefit by the Trustee or as set forth in the Trust Agreement. Nothing in this Agreement, whether express or implied, shall be construed to give to any other Person any legal or equitable right, remedy or claim in the Restructuring Property or under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

Section 8.04 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.05 Separate Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of any executed signature page of this Agreement by facsimile or email transmission shall be effective as delivery of a manually executed counterpart hereof.

Section 8.06 Headings. The headings of the various Articles and Sections herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

Section 8.07 Governing Law. This Agreement shall be construed in accordance with the substantive laws of the State of New York, applied as if this Agreement were executed in New York and to be performed entirely within New York, without giving effect to its conflict of law or other principles that would cause the application of the laws of another jurisdiction. Notwithstanding the foregoing, all matters of the constitutional and statutory law of the Commonwealth of Puerto Rico (including the Act) and the Restructuring Resolution, all rights of the Issuer or the Servicer against any Customer by virtue of the Act and of the effect of the judgments and decrees of the Commonwealth courts, shall in all events be governed by the law of the Commonwealth of Puerto Rico. To the extent permitted by law, the Servicer hereby submits to, and waives any objection to, venue in any federal or state court located in the Borough of Manhattan, City of New York, New York.

Section 8.08 Collateral Assignment to Trustee. The Servicer hereby acknowledges the grant of a security interest and collateral assignment by the Issuer pursuant to the Trust Agreement of all of the Issuer's rights hereunder to the Trustee for the benefit of the Bondholders and the Trustee, and the parties to any Ancillary Agreement. The Trustee shall succeed to all of the Issuer's rights in the manner set forth in the Trust Agreement.

Section 8.09 Nonpetition Covenant. Notwithstanding any prior termination of this Agreement or the Trust Agreement, but subject to the right of a court of competent jurisdiction to order the sequestration and payment of revenues arising with respect to the Restructuring Property and notwithstanding any bankruptcy, reorganization or other insolvency proceedings with respect to any person or entity permitted pursuant to Section 41 of the Act, the Servicer shall not, prior to the date which is one year and one day after no Bonds are outstanding or any Ancillary Agreement with payment obligations that have or may become due thereunder are owing by the Issuer, petition or otherwise invoke or cause the Issuer to invoke the process of any court or governmental authority for the purpose of commencing or sustaining an involuntary case against the Issuer under any federal or Commonwealth bankruptcy, insolvency or similar law or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Issuer or any substantial part of the property of the Issuer, or, to the fullest extent permitted by law, ordering the winding up or liquidation of the affairs of the Issuer.

Section 8.10 Termination. This Agreement shall terminate when all Bonds have been retired, redeemed, defeased or paid or deemed paid in full and all other Ongoing Financing Costs have been paid in full and the Servicer has disposed of all remaining Transition Charges in the manner required by the Restructuring Resolution and the Trust Agreement; provided, however, that this Section 8.10 shall not apply to those rights and/or obligations set forth in this Agreement that expressly survive the termination of this Agreement. Termination pursuant to this Section 8.10 or otherwise provided herein shall be without prejudice to any rights of the Issuer, the Trustee, the Bondholders, any party to an Ancillary Agreement, the Servicer or any other Person which may have accrued through the date of termination hereunder.

Section 8.11 Rule 17g-5 Compliance. The Servicer agrees that any notice, report, request for satisfaction of the Rating Agency Condition, document or other information provided by the Servicer to any Rating Agency under this Agreement or any other Basic Document to which it is a party for the purposes of determining the initial credit rating of the Bonds or undertaking credit rating surveillance of the Bonds with any Rating Agency, shall be, substantially concurrently, posted by the Servicer on the 17g-5 Website.

Section 8.12 Continuing Disclosure Under Rule l5c2-12. The Servicer shall prepare and provide to the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access system ("EMMA"), in the format prescribed by the Municipal Securities Rulemaking Board, the reports, certificates and notices required of it under the Continuing Disclosure Agreement.

Section 8.13 No Set-off, Counterclaim or Defense. The Restructuring Property, Transition Charges, Transition Charge Revenues, and the interests of a Bondholder, any party to an Ancillary Agreement, Financing Entity or any other Person in Restructuring Property or in Transition Charge Revenues are not subject to set-off, counterclaim, surcharge or defense by the Servicer, the Issuer, PREPA, holders of any other debt issued by PREPA (or any other creditors of PREPA) or in connection with any default, bankruptcy, reorganization or other insolvency proceeding of any of the foregoing Persons.

Section 8.14 Third Party Billers.

(a) If at any time in the future the Commonwealth takes any action to amend the Act, or the Commission takes any action to adopt, supplement or amend Commission Regulations, in either case, to permit the billing and/or collecting of Transition Charges by Third Party Billers, the Servicer, for the benefit of the Bondholders, shall take such legal or administrative actions, including defending against or instituting and pursuing legal actions and appearing or testifying at hearings or similar proceedings, as may be necessary to (A) if the Servicer, any party to an Ancillary Agreement, the Trustee or Requisite Bondholders reasonably believe that such action could result in a downgrade of the Bonds or is otherwise contrary to the Act or the Restructuring Resolution, block or overturn such action of the Commonwealth or the Commission, as the case may be, including by asserting that such action violates the Commonwealth Pledge (as defined in the Trust Agreement); and (B) if such challenge or opposition fails, compel performance by the Commission or the Commonwealth, as the case may be, of their obligations and duties under the Act or the Restructuring Resolution, as applicable, with respect to Third Party Billers, including but not limited to ensuring that the implementation of any such amendment, supplement, rule or

regulation does not result in a downgrade in the credit ratings assigned to the Bonds and otherwise conforms with the matters referenced in Annex 1 hereto;

(i) the Servicer, for the benefit of the Bondholders, will take reasonable steps to monitor on an ongoing basis proceedings in the legislature of the Commonwealth and at the Commission for proposed legislation, rules, regulations or other initiatives that could reasonably result in the taking by the Commonwealth or the Commission of any action referenced in this paragraph (a); and

(ii) the costs of any action taken by, and the obligations of, the Servicer under this Section shall be treated in the same manner as expenses under Section 5.08.

(b) Should the laws of the Commonwealth be changed to permit the billing and/or collecting of Rates and Transition Charges by Third Party Billers, the Servicer shall, using the same degree of care and diligence that it exercises with respect to payments owed to it for its own account, implement such procedures and policies as would be necessary to properly enforce the obligations of each Third Party Biller to remit Rates and Transition Charges, in accordance with the terms and provisions of the Restructuring Resolution.

IN WITNESS WHEREOF, the parties hereto have caused this Restructuring Property Servicing Agreement to be duly executed by their respective officers as of the day and year first above written.

PUERTO RICO ELECTRIC POWER
AUTHORITY REVITALIZATION
CORPORATION, as Issuer

By:_____
Name:
Title:

PUERTO RICO ELECTRIC POWER
AUTHORITY, as Servicer

By:_____
Name:
Title:

Acknowledgement of Section 7.01 hereof.

[TRUSTEE], as Trustee under
the Trust Agreement

By:_____
Name:
Title:

ANNEX 2

CERTIFICATES AND ADJUSTMENTS

The Servicer agrees to comply with the following with respect to the Issuer:

SECTION 1. Definitions. Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Restructuring Property Servicing Agreement dated as of [_____, 2016], between the Issuer and PREPA, as Servicer (the "Servicing Agreement").

SECTION 2. Monthly Servicer Certificates. On or before the [15th] Business Day following the end of each calendar month, commencing with [_____ 2016], the Servicer will deliver to the Depository, the Issuer, the Administrator, the Calculation Agent, the Trustee each Rating Agency, and, for informational purposes, the Commission a monthly certificate in substantially the form of Exhibit C hereto (the "Monthly Servicer Certificate") showing: (a) the total amount of Customer Revenues deposited into the Allocation Account, either by the Servicer, directly by Customers or otherwise, during the month and through the end of the current Collection Period (b) the Estimated Transition Charge Collections transferred to the Collection Account during the month and through the end of the current Collection Period, (c) the PREPA Charges transferred to PREPA during the month and through the end of the current Collection Period and (d) the amount of any transfers or reductions in respect of Excess Remittances or the Remittance Shortfalls required pursuant to Section 3.03(f) of the Servicing Agreement.

SECTION 3. Semiannual Servicer Certificates. At least one Business Day before each Payment Date, the Servicer shall provide the Issuer, the Trustee, [the Administrator], each Rating Agency, the Calculation Agent and, for informational purposes, the Commission, with a certificate in substantially the form of Exhibit D hereto (the "Semiannual Servicer Certificate") showing, *inter alia*, the amounts to be paid to Bondholders on such Payment Date, the amounts to be paid with respect to other Ongoing Financing Costs (in reasonable detail) on or following such Payment Date, and all transfers required to be made into the various funds and accounts held under the Trust Agreement.

SECTION 4. Annual Statement of Compliance. The Servicer shall provide the Certificate of Compliance required by Section 3.06 of the Servicing Agreement in substantially the form of Exhibit E hereto to the Issuer, the Trustee, the Administrator, each Rating Agency, the Calculation Agent and, for informational purposes, the Commission.

SECTION 5. Post-Issuance Report. If the estimates of Upfront Financing Costs or Ongoing Financing Costs need to be updated from the information provided in the Designee Certificate, the Servicer shall prepare, on behalf of the Issuer, and deliver to the Commission, the Issuer [and the Administrator] a post-issuance report, which shall update such information in a revised form of the Designee Certificate, not later than ten (10) days following the issuance date of the Bonds. This updated certificate shall be provided to the Commission for informational purposes only.

SECTION 6. Annual Report to Commission. The Servicer shall prepare and provide on behalf of itself and the Issuer a joint report to the Commission, in substantially the form of Exhibit G hereto, not later than March 1 of each year, setting forth with respect to the prior calendar year, the outstanding principal amount of the Bonds at the close of such calendar year [(taking into account any principal payment made on such Bonds on or about January 1 immediately succeeding such calendar year close),] the amount paid on such Bonds in respect of such calendar year, the Ongoing Financing Costs (in detail) paid in such prior year and the remaining Ongoing Financing Costs payable in the current year.

SECTION 7. Final Accounting Report. Not later than 120 days following final payment of the Bonds and any associated Financing Costs, the Servicer shall prepare and provide to the Commission a final accounting report showing the Transition Charge Revenues on deposit with the Trustee and the method, approved by the Commission, by which such charges will be credited back to Customers.

ANNEX 3

SERVICING PROCEDURES

The Servicer agrees to comply with the following servicing procedures:

SECTION 1. Definitions.

(a) Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Restructuring Property Servicing Agreement, dated as of [_____, 2016], between the Issuer and PREPA, as Servicer (the "Servicing Agreement").

(b) Whenever used in this Annex 3, the following words and phrases shall have the following meanings:

"Applicable MDMA" means, with respect to each Customer, the meter data management agent or other person providing meter reading services for that Customer's account.

"Applicable Third Party" means, with respect to each Customer, the Third Party Biller, if any, providing billing or metering services to that Customer.

"Billed Charges" means the amounts of Transition Charges billed to Customers, whether billed directly to such Customers by the Servicer or indirectly through a Third Party Biller pursuant to Consolidated Third Party Billing.

"Bills" means each of the regular monthly bills, summary bills and other bills issued to Customers for Rates provided by the Servicer or by a Third Party Biller.

["Budget Payment Plan" means a levelized payment plan offered by PREPA, which, if elected by a Customer, provides for level monthly Bill charges to such Customer. For residential Customers, this charge is calculated by calculating actual electricity usage for the previous 12 months, multiplying that usage by the applicable rates and adding non-usage sensitive charges and dividing this amount by twelve. The number which results from this calculation is charged to the residential Customer each month. In the twelfth month, PREPA bills the residential Customer for actual use in that month, adjusted for any excess or deficit the Customer has paid PREPA over the prior eleven months. If the Customer owes PREPA [$4] or more over the normal budget amount, that Customer has the option repaying the full amount in the twelfth month, or spreading the amount of this deficit in equal installments over the first four months of the Customer's next budget year. The procedure is similar for small industrial and commercial Customers.][Note: Conform to PREPA's Budget Payment Plan.]

"Charge Effective Date" means the date on which the initial Transition Charge goes into effect as provided in this Agreement.

"Closing Bill" means the final bill issued to a Customer at the time service is terminated.

"Consolidated Third Party Billing" means the billing option available to Customers served by a Third Party Biller pursuant to which such Third Party Biller will be responsible for

billing and collecting all charges to Customers electing such billing option, including the Transition Charges, and will become obligated to the Servicer for the Billed Charges, all in accordance with applicable Commission Regulations and the Restructuring Order.

"Days Sales Outstanding" means the average number of days that monthly Bills to Customers remain outstanding during the calendar year immediately preceding the calculation of projected lags in collection of Billed Charges pursuant to Annex 1 of the Servicing Agreement. The initial Days Sales Outstanding shall be ___ days until updated pursuant to this Annex 3.

"Servicer Policies and Practices" means, with respect to the Servicer's duties under this Annex 3, the policies and practices applicable to such duties that the Servicer (or its sub-servicer) follows with respect to the Rates.

SECTION 2. Data Acquisition.

(a) Installation and Maintenance of Meters. Except to the extent that a Third Party Biller is responsible for such services, the Servicer shall use commercially reasonable efforts to cause to be installed, replaced and maintained meters in such places and in such condition as will enable the Servicer to obtain usage measurements for each Customer approximately every 30 days or as provided in the applicable Rate tariff.

(b) Meter Reading. At least once each Billing Period, the Servicer shall obtain usage measurements from the Applicable MDMA for each Customer; provided, however, that the Servicer may determine any Customer's usage on the basis of estimates.

(c) Cost of Metering. The Issuer shall not be obligated to pay any costs associated with the metering duties set forth in this Section 2, including, but not limited to, the costs of installing, replacing and maintaining meters, nor shall the Issuer be entitled to any credit against the Servicing Fee for any cost savings realized by the Servicer or any Third Party Biller as a result of new metering and/or billing technologies.

SECTION 3. Usage and Bill Calculation.

The Servicer shall obtain each Customer's usage (which may be based on data obtained from such Customer's meter read or on usage estimates determined in accordance with applicable Commission Regulations) at least once each Billing Period and shall determine therefrom the amount of the Transition Charges to be included on such Customer's Bill in accordance with the Restructuring Resolution and this Agreement.

The obligations of the Servicer include adjusting the estimate of energy use of Customers for the purpose of calculating Transition Charges in a manner that (a) includes load served by net metering by adjusting customer usage to reflect gross usage (without regard to net metered credits) and (b) adjusts customer usage to include estimated distributed generation ("behind the meter") usage. To estimate "behind the meter" use, the Servicer shall [(i) exclude by subtraction for electricity generated behind the meter and delivered to the PREPA's electrical grid,] and (ii) if and to the extent the gross output of such generation is metered or otherwise measured, take such data into account in calculating total customer load.

SECTION 4. Billing.

The Servicer shall implement the Transition Charges as of the Transition Charges Effective Date and shall thereafter bill each Customer or the Applicable Third Party for the each Customer's outstanding current and past due charges relating to the Transition Charges, accruing until all payments of principal of and interest on the Bonds and all other Ongoing Financing Costs have been paid in accordance with the Trust Agreement, all in accordance with the following:

(a) Frequency of Bills; Billing Practices. In accordance with the Servicer's then-existing Servicer Policies and Practices, as such Servicer Policies and Practices may be modified from time to time, the Servicer shall generate and issue a Bill to each Customer, or, in the case of a Customer who has elected Consolidated Third Party Billing, to an Applicable Third Party, for such Customer's Rates and Transition Charges as a general practice once approximately every 30 days or such other time period as allowed by the Commission, at the same time, with the same frequency and on the same Bill as that containing Rates to such Customer or Third Party Biller, as the case may be. In the event that the Servicer makes any material modification to these practices, it shall notify the Issuer, the Trustee, the parties to the Ancillary Agreements, the Depository and the Rating Agencies as soon as practicable, and in no event later than 60 Business Days after such modification goes into effect; provided, however, that the Servicer may not make any modification that will adversely affect the Bondholders.

(b) Format.

(i) Pursuant to the Restructuring Resolution, each Bill will identify the Transition Charges included in such Bill as a separate line item, and will include a statement, by means of a footnote or otherwise, to the effect that the Transition Charges belong to the Issuer.

(ii) In the case of each Customer that has elected Consolidated Third Party Billing, the Servicer shall deliver to the Applicable Third Party itemized charges for such Customer including the amount of such Customer's Rates and text identifying the Issuer as the owner of such Charge.

(c) Delivery. The Servicer shall deliver all Bills to Customers

(i) by United States mail in such class or classes as are consistent with the Servicer Policies and Practices followed by the Servicer with respect to the Rates or

(ii) by any other means, whether electronic or otherwise, that the Servicer may from time to time uses to bill the Rates to Customers. In the case of Customers that have elected Consolidated Third Party Billing, the Servicer shall deliver all Bills to the applicable Third Party Billers by such means as are prescribed by applicable Commission Regulations, or if not prescribed by applicable Commission Regulations, by such means as are mutually agreed upon by the Servicer and the Applicable Third Party and are consistent with Commission Regulations. The Servicer or a Third Party Biller, as applicable, shall pay from its own funds all costs of issuance and delivery of all Bills, including but not limited to printing and postage costs as the same may increase or decrease from time to time.

SECTION 5. Customer Service Functions.

The Servicer shall handle all Customer inquiries and other Customer service matters according to the same procedures it uses to service Customers with respect to the Rates.

SECTION 6. Collections; Payment Processing; Remittances.

(a) Collection Efforts, Policies, Procedures.

(i) The Servicer shall use Best Efforts to collect all Billed Charges from Customers and Third Party Billers as and when the same become due and shall follow such collection procedures as it follows with respect to the Rates, including, as follows:

(A) The Servicer shall prepare and deliver overdue notices to Customers and Third Party Billers in accordance with applicable Commission Regulations and the Servicer Policies and Practices.

(B) The Servicer shall apply late payment charges to outstanding Customer and Third Party Biller balances on the same basis as it applies late charges on its Rates.

(C) The Servicer shall deliver verbal and written final call notices in accordance with [applicable Commission Regulations and] Servicer Policies and Practices.

(D) The Servicer shall adhere to and carry out disconnection policies in accordance with the Act, other applicable law and Commission Regulations and Servicer Policies and Practices.

(E) The Servicer may employ the assistance of collections agents in accordance with [applicable Commission Regulations and] Servicer Policies and Practices.

(F) The Servicer shall apply Customer and Third Party Biller deposits, Customers' letters of credit and Customer posted surety bonds to the payment of delinquent accounts in accordance with applicable Commission Regulations and Servicer Policies and Practices and according to the priorities set forth in Section 6(b)(ii), (iii) and (iv) of this Annex 3.

(G) The Servicer shall promptly take all necessary action in accordance with applicable Commission Regulations to terminate billing of Rates by Third Party Billers whose payments are delinquent and to collect the Billed Charges directly from the applicable Customers.

(H) The Servicer shall make use of any intercept provisions for non-payment of electric or other rates by any public agency, municipality, public corporation or other governmental entity or Governmental Authority that is applicable to non-payment of electric or other rates charged by the Servicer, to the extent such intercept provisions are permitted under applicable laws, orders and regulations.

(ii) The Servicer shall impose late charges for any Transition Charges on the same basis as it imposes late charges for its Rates. The Servicer shall not waive any late payment

charge or any other fee or charge relating to delinquent payments, if any, or waive, vary or modify any terms of payment of any amounts payable by a Customer, in each case unless such waiver or action:

(A) would be in accordance with the Servicer's customary practices or those of any successor Servicer with respect to other Customer Charges that it services for itself and for others;

(B) would not materially adversely affect the rights of the Bondholders; and

(C) would comply with applicable law; provided, however, that notwithstanding anything in the Servicing Agreement, including this Annex 3, to the contrary, the Servicer is authorized to write off any Billed Charges in accordance with its Servicer Policies and Practices that remain outstanding for more than 120 days and shall for the purpose of any True-Up Adjustment calculation, assume that any delinquency after 120 days is written off and uncollectible.

(iii) The Servicer shall accept payment from Customers in respect of Billed Charges in such forms, by such methods and at such times and places as it accepts payment of the Rates. The Servicer shall accept payment from Third Party Billers in respect of Billed Charges in such forms, by such methods and at such times and places as the Servicer and each Third Party Biller shall mutually agree in accordance with applicable Commission Regulations.

(iv) The Servicer shall terminate service to non-paying Customers on the same basis as termination of service is permitted for nonpayment of electric or other rates by PREPA.

(b) Payment Processing; Allocation; Priority of Payments.

(i) The Servicer shall post all payments received to Customer accounts as promptly as practicable, and, in any event, substantially all payments shall be posted no later than two Business Days after receipt.

(ii) Subject to clause (iii) below, the Servicer shall apply payments received to each Customer's or Third Party Biller's account in the same proportion that the Transition Charges contained in the outstanding Bill to such Customer or Third Party Biller bears to any other charges contained in such Bill.

(iii) Any amounts collected by the Servicer that represent partial payments of the total Bill to a Customer or Third Party Biller shall be allocated *pro rata* in accordance with Section 3.02(b) of the Servicing Agreement.

(iv) The Servicer shall cause all over-payments to be deposited into the Allocation Account and shall allocate such funds in accordance with clauses (ii) and (iii).

(v) [For Customers on a Budget Payment Plan, the Servicer shall treat Transition Charge Collections received from such Customers as if such Customers had been billed for the Transition Charges in the absence of the Budget Payment Plan. Partial payment of a Budget

Payment Plan payment shall be allocated according to clause (iii) above, and overpayment of a Budget Payment Plan payment shall be allocated according to clause (iv) above.]

(c) Accounts; Records.

(i) The Servicer shall maintain accounts and records as to the Restructuring Property accurately and in accordance with its standard accounting procedures and in sufficient detail to permit reconciliation between payments or recoveries with respect to the Restructuring Property and the amounts from time to time remitted to the Collection Account in respect of the Restructuring Property.

(ii) The Servicer shall maintain accounts and records as to Third Party Billers performing Consolidated Third Party Billing for Customers accurately and in accordance with its standard accounting procedures and in sufficient detail to permit reconciliation between payments or recoveries with respect to the Restructuring Property and amounts owed by such Customers in respect of the Transition Charges.

(d) Calculation of Daily Remittances, Excess Remittances and Remittance Shortfalls.

1. For purposes of calculating the Daily Remittance, (i) all Billed Charges shall be estimated to be collected the same number of days after billing as is equal to the Days Sales Outstanding then in effect (or, if such day is not a Business Day, on the next Business Day) and (ii) the Servicer will, on each Business Day, cause the Depository to remit to the Trustee for deposit into the Collection Account an amount equal to the product of the Billed Charges estimated to be collected on such Business Day multiplied by the difference of one hundred percent and [the percentage of projected uncollectibles used by the Servicer to calculate the most recent True-Up Adjustment pursuant to Annex 1 of the Servicing Agreement [and in the case of the first calculation, the percentage of projected uncollectibles identified in the initial True-Up Letter or Designee Certificate]. Such product shall constitute the amount of Estimated Transition Charge Collections for such Business Day.

2. Pursuant to Section 3.03(f) of the Servicing Agreement, not later than fifteen days following each calendar quarter, commencing [xx 15, xxxx], the Servicer (a) shall calculate the amount, if any, by which Estimated Transition Charge Collections were less than or exceeded Actual Transition Charge Collections deposited into the Allocation Account, and (b) shall file with the Depository, the Trustee, the Calculation Agent and the Issuer a Quarterly Reconciliation Certificate, substantially in the form attached as Exhibit B to the Servicing Agreement. The calculations made in the Quarterly Reconciliation Certificate shall be confirmed to the Depository by the Calculation Agent prior to delivery to the parties, as evidenced by the signature of the Calculation Agent. Actual Transition Charge Collections will be calculated using actual data, including actual electricity consumption, actual uncollectibles and actual lags in collection

for the Reconciliation Period. If Third Party Billers are authorized to bill, collect and remit Rates and Transition Charges, the Servicer shall be allowed to use the reimbursement or credit of any Excess Remittance to reimburse or credit any Third Party Billers for the excess of their remittances over actual Transition Charge Collections received by such Third Party Billers in accordance with the terms of Commission Regulations.

3. Prior to the filing for any Quarterly True-Up Adjustment, the Servicer shall update the Days Sales Outstanding, the projected lags in collection of Billed Charges and the projected uncollectibles to more accurately calculate such True-Up Adjustment and the Daily Remittances for the next Reconciliation Period.

4. The Servicer's calculations of collections, updates of the Days Sales Outstanding, the projected lags in collection of billed Transition Charges, the projected uncollectibles and any changes in procedures used to calculate the Estimated Transition Charge Collections pursuant to this Section 6(d) shall be made in good faith, and in the case of any update pursuant to Section 6(d)(3) above, in a manner reasonably intended to provide estimates and calculations that are at least as accurate as those that were provided on the Closing Date utilizing the initial procedures for calculation Estimated Transition Charge Collections and reconciling such collections with actual receipts.

(e) Remittances.

1. The Servicer shall make or cause payments to be made to the Collection Account or the Allocation Account in accordance with Section 3.03 and this Annex 3 of the Servicing Agreement.

2. In the event of any change of account or change of the Depository or the Trustee or any other institution affecting the remittances of Transition Charges, the Issuer shall provide written notice thereof to the Servicer by the earlier of:

   (A) five Business Days from the effective date of such change, and

   (B) five Business Days prior to the next applicable Deposit Date.

EXHIBIT A

FORM OF DAILY REMITTANCE CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer (the "Servicer"), and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer of the Bonds (the "Issuer"), the undersigned on behalf of the Servicer does hereby certify, for _____, 20___ (the "Business Day"), as follows:

Any capitalized terms not defined in this Certificate shall have the respective meanings ascribed to them in the Servicing Agreement.

(a) Total Customer Revenues on deposit in the Allocation Account: $

(b) Estimated Transition Charge Collections to be remitted to the Collection Account: $

(Billed Charges estimated to be collected on such Business Day x (100% - the projected percentage of uncollectibles used by Servicer to calculate most recent adjustment pursuant to the Adjustment Mechanism))

(c) Remaining Customer Revenues to be remitted to PREPA : $

(d) [Other Proceeds of Collateral (if any) to be remitted to the Collection Account: $]

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Daily Remittance Certificate this _____ day of _____, 20____.

[Name of Entity]

By _____
Name:
Title:

EXHIBIT B

FORM OF QUARTERLY RECONCILIATION CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify, for the quarter ended _____, 20__, as follows:

Any capitalized terms not defined in this Certificate shall have the respective meanings ascribed to them in the Servicing Agreement.

(a) Actual Transition Charge Collections deposited into Allocation Account during the preceding calendar quarter: $

(b) Estimated Transition Charge Collections remitted to Collection Account during the preceding calendar quarter: $

(c) Difference between (a) – (b): $

(d) Total Excess Remittance: $

(e) Total Remittance Shortfall: $

The calculations made herein were confirmed by the Calculation Agent prior to delivery of this Quarterly Reconciliation Certificate.

[Add instructions to Trustee and Depository regarding how Excess Remittance or Remittance or shortfall will be remedied.]

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Quarterly Reconciliation Certificate this _____ day of _____, 20_____.

[Name of Entity]

By _____
Name:
Title:

Confirmed by

[Name of Calculation Agent]

By _____
Name:
Title:

EXHIBIT C

FORM OF MONTHLY SERVICER CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Servicer: Puerto Rico Electric Power Authority

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify to the Issuer, the Commission and the Trustee as follows, in each case with respect to the preceding calendar month ([MONTH], 20___):

Capitalized terms used herein shall have the respective meanings given to them in the Servicing Agreement, or if not defined in the Servicing Agreement, in the Trust Agreement. References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Trust Agreement, as the context indicates.

Current Collection Period: [_____] through [_____]

Next Bond Payment Date: [_____]

Date of Certification [_____]

Cut-Off Date (not more than ten days prior to the Date of Certification): [_____]

(a) Deposits of Customer Revenues in Allocation Account

- through Month: $_____

-through Collection Period: $_____

(b) Estimated Transition Charge Collections transferred into the Collection Account:

- through Month: $_____

-through Collection Period: $_____

(c) PREPA Charge remitted to PREPA:

- through Month: $_____

-through Collection Period: $_____

(d) Any Excess Remittances or Remittance Shortfalls during Collection Period:

-Total Remittance Shortfall instructed to be transferred to Collection Account during Collection Period: $

-Total Excess Remittance instructed to be deducted from future Daily Remittances during Collection Period: $

-Total Excess Remittance to be paid or transferred from the Collection Account or Excess Funds Subaccount during Collection Period: $

(i) [To the undersigned's knowledge, the Servicer has fulfilled its obligations in all material respects under Section 3.03 of the Servicing Agreement throughout the current Collection Period [, except _____].]

In WITNESS WHEREOF, the undersigned has duly executed and delivered this Monthly Servicer Certificate this _____ day of _____, 20____.

[Name of Entity]

By _____
Name:
Title:

EXHIBIT D

FORM OF SEMIANNUAL SERVICER CERTIFICATE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify, for the _____, 20__ Payment Date (the "Current Payment Date"), as follows:

Capitalized terms used herein shall have the respective meanings given to them in the Servicing Agreement, or if not defined in the Servicing Agreement, in the Trust Agreement. References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Trust Agreement, as the context indicates.

Current Payment Date: [_____]

Date of Certificate: [_____]

Cut-Off Date (not more than three days prior to the date hereof): [_____]:

(a) Available Amounts on Deposit in Collection Account (including Excess Funds Subaccount) as of Cut-Off Date: $

(b) Actual or Estimated Remittances from the [Cut-Off Date?] through the Servicer Business Day preceding Current Payment Date: $

(c) Total Amounts Available to Trustee for Payment of Bonds and Other Ongoing Financing Costs: $

(d) Allocation of Available Amounts as of Current Payment Date allocable to payment of principal and interest on Bonds on Current Payment Date:

Principal

Aggregate

Total

Interest

Aggregate

Total

(e) Outstanding Amount of Bonds prior to, and after giving effect to the payment on the Current Payment Date and the difference, if any, between the Outstanding Amount

specified in the Expected Amortization Schedule (after giving effect to payments to be made on such Payment Date set forth above) and the Principal Balance to be Outstanding (following payment on Current Payment Date):

Principal Balance Outstanding (as of the date of this certification):

Total

Principal Balance to be Outstanding (following payment on Current Payment Date):

Total

(f) Difference between (e) above and Outstanding Amount specified in the Expected Amortization Schedule:

Total

(g) All other transfers to be made on the Current Payment Date, including amounts to be paid to the Trustee and to the Servicer pursuant to [Section 8.02(e)] of the Trust Agreement:

Ongoing Financing Costs:

Trustee Fees and Expenses:
Servicer Fees and Expenses:
Calculation Agent Fees and Expenses:
Depository Fees and Expenses:
Administration Fees and Expenses:
Rating Agency Fees:
Accounting Fees:
Legal Fees
Surety Bond Issuers Fees and Expenses
Directors Liability Insurance
Miscellaneous/Other
Funding of Reserve Subaccount (to required amount):

Total:

(h) Estimated amounts on deposit in the Reserve Subaccount and Excess Funds Subaccount after giving effect to the foregoing payments:

Reserve Subaccount

Total:

Excess Funds Subaccount

Total:

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Semiannual Servicer Certificate this ___ day of _____, 20__.

[Name of Entity]

By _____
Name:
Title:

EXHIBIT E

CERTIFICATE OF COMPLIANCE

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer, and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer, the undersigned does hereby certify, for the _____, 20_ Payment Date (the "Current Payment Date"), as follows:

The undersigned is the duly elected and acting [_____] of [_____] and:

1. A review of the activities of the Servicer and any of its subcontractors and of its performance under the Servicing Agreement during the twelve months ended [_____], [20__] has been made under the supervision of the undersigned pursuant to Section 3.06 of the Servicing Agreement; and

2. To the undersigned's knowledge, based on such review, the Servicer has fulfilled its obligations in all material respects under the Servicing Agreement throughout the twelve months ended [_____], [20__], except _____.

Executed as of this _____ day of _____, 20__.

_____
Name:
Title:

EXHIBIT F

TRUE-UP LETTER

[name and address of Commission]

Pursuant to Article 6.25A of Act 57-2014, enacted May 27, 2014, as amended ("Article 6.25A"), the Restructuring Resolution adopted by PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION (the "Issuer") on XX, 20XX (the "Restructuring Resolution"), and the Restructuring Property Servicing Agreement, dated as of [_____, 2016] (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY ("PREPA"), as Servicer, and the Issuer, the undersigned, as Servicer, does hereby provide notice of an adjustment to the Transition Charges to take effect on the True-Up Adjustment Date specified below (which is more than 30-days from the date of this True-Up Letter). Capitalized terms used herein, unless otherwise defined herein, shall have the respective meanings given to them in the Servicing Agreement.

True-Up Adjustment Date:

Pursuant to the Article 6.25A and the Restructuring Resolution, the review by the Puerto Rico Energy Commission (the "Commission") of the Transition Charges is limited to verifying the mathematical accuracy of the calculation of the Transition Charges resulting from the application of the Adjustment Mechanism. If the Commission determines that the calculation of the adjustment to the Transition Charges is mathematically inaccurate, the Commission will notify the Issuer and PREPA in writing not later than [__ Business Days after the date of this letter] of any adjustment necessary to correct such mathematical inaccuracy, and such correction ordered by the Commission shall be made by the Issuer not later than the next succeeding application of the Adjustment Mechanism.

The table below shows the current assumptions for variables used in the adjustment to the Transition Charge.

Input Values For Transition Charge
First Collection period: from _____, _____ to _____, _____
Second Collection period: from _____, _____ to _____, _____

Recoverable kWh Billed to all Customers during twelve month period ending: -Recoverable kWh Billed to Residential Customers: -Recoverable kWh Billed to Non-Residential and Government Customers Residential Customer Allocation (%): Non-Residential and Government Customer Allocation (%): (See Schedule 1)	
Net Revenue Requirements for: -- Residential Customers: -- Non-Residential and Government Customers (See Schedule 2)	
Residential Charge-Off Factor: Non-Residential Charge-Off Factor: Governmental Charge-Off Factor: (See Schedule 3)	
Forecasted Non-Residential and Government Customers kWh Usage --First Collection Period: --Second Collection Period: (See Schedule 4)	
Forecasted Residential Service Agreement Count: (See Schedule 5)	
Transition Charge per kWh (Non-Residential and Government Customers): Transition Charge per service agreement (Residential Customers): (See Schedule 6)	

The work papers showing the calculation of the Transition Charges are attached as Exhibit A.

Executed as of this _____ day of _____, 20__

By:_____
Name:
Title:

EXHIBIT G

FORM OF ANNUAL REPORT TO COMMISSION

Puerto Rico Electric Power Authority Revitalization Corporation Restructuring Bonds

Pursuant to the Restructuring Property Servicing Agreement, dated as of [_____, 2016], (the "Servicing Agreement"), between PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer (the "Servicer"), and PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer of the Bonds (the "Issuer"), and Restructuring Resolution No. _____ adopted by the Issuer on _____, 2016 (the "Restructuring Resolution"), the undersigned on behalf of the Issuer and the Servicer do hereby certify, as follows:

Any capitalized terms not defined in this Certificate shall have the respective meanings ascribed to them in the Servicing Agreement and the Restructuring Resolution, as the case may be.

They are the duly elected and acting [____] of the Issuer and [_____] of the Servicer, respectively, and further, with respect to the prior calendar year:

1. The outstanding principal amount of the Bonds is as follows:

Exchange Offer Bonds: $

Mirror Bonds: $

Cash Offer Bonds: $

New Money Bonds: $

Lender Bonds: $

Post Closing Date Bonds: $

All Bonds: $

2. The amount paid on the Bonds in such calendar year is as follows:

Exchange Offer Bonds: $

Mirror Bonds: $

Cash Offer Bonds: $

New Money Bonds: $

Lender Bonds: $

Post Closing Date Bonds: $

All Bonds: $

3. The remaining Ongoing Financing Costs payable in such calendar year is as follows [see attached schedule]:

Executed as of this _____ day of _____, __.

PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, as Issuer

By: _____
Name:
Title:

PUERTO RICO ELECTRIC POWER AUTHORITY, as Servicer

By: _____
Name:
Title:

SCHEDULE 1

EXPECTED AMORTIZATION SCHEDULE

OUTSTANDING PRINCIPAL BALANCE PER TRANCHE

APPENDIX A

DEFINITIONS

Whenever used in this Agreement, the following words and phrases shall have the following meanings:

"Act" means the Revitalization Act, Law No. 4-2016, enacted on February 16, 2016, as amended to the date hereof.

"Actual Transition Charge Collections" means the Transition Charge Collections that have been collected from Customers and deposited into the Allocation Account (whether directly by Customers or by the Servicer) during the applicable period.

"Adjustment Mechanism" means the formulaic adjustment mechanism applied to Transition Charges contained in a Restructuring Resolution, as approved in a Restructuring Order pursuant to Article 35 of the Act and Section 6.25A of Act 57-2014, enacted May 27, 2014, as amended, to be applied by the Servicer, on behalf of the Issuer, periodically, but not less often than quarterly, to ensure the collection of Transition Charge Revenues sufficient to provide for the timely payment of Ongoing Financing Costs. The establishment and adjustment of the Transition Charges made by the Servicer, on behalf of the Issuer, in relation to the Adjustment Mechanism shall not be subject to legislative or any other governmental review or approval, except as provided in Article 34 of the Act regarding the review by the Commission to correct mathematical errors made by the Issuer, and Article 6.25A of Act 57-2014, enacted May 27, 2014, as amended, and Article 35(b) of the Act with respect to the approval of the Adjustment Mechanism in the Restructuring Resolution through the issuance of the Restructuring Order. The Adjustment Mechanism is attached as Annex 1 hereto.

"Administration Agreement" means the administration agreement, dated as of _____, 20__, by and between _____ and the Issuer relating to the provisions of administration services by PREPA to the Issuer.

"Administrator" means _____, as administrator under the Administration Agreement, or any successor thereto.

"Allocation Account" means the deposit account or accounts designated by the Issuer from time to time and controlled by a Depository, into which [all] Customer Revenues are required to be deposited pursuant to Section 3.03 of the Servicing Agreement. Initially, the Allocation Account shall refer to the clearing account that has been established by the Issuer with [DEPOSITORY].

"Ancillary Agreement" means any bond insurance agreement or policy, letter of credit, reserve account, surety bond, swap arrangement, hedging arrangement, liquidity or credit support arrangement or other arrangement designed to promote the credit quality and marketability of Bonds or to mitigate the risk of a change in interest rates.

"Ancillary Agreement Event" means, with respect to any Ancillary Agreement that was entered into in order to satisfy all or part of any Required Debt Service Reserve Level with

respect to any Debt Service Reserve Subaccount, that either (i) the Corporation has failed to reimburse or otherwise pay within any applicable grace period for the occurrence of an Ancillary Agreement Event resulting from this clause (i) that is set forth in such Ancillary Agreement a party to such Ancillary Agreement when due, or (ii) the Corporation has failed to fund with cash the applicable Debt Service Reserve Subaccount in accordance with the schedule for the replacement of such Ancillary Agreement that is set forth in such Ancillary Agreement.

"Annual Accountant's Report" has the meaning set forth in Section 3.07 of the Servicing Agreement.

"Annual Calculation Period" means the 12-month period beginning on (but not including) a True-Up Adjustment Date and ending on (and including) a date which is 12 months later.

"Basic Documents" means the Basic Documents as defined in the Restructuring Resolution.

"Best Efforts" means [reasonable best efforts consistent with customary electric utility practices in the United States.]

"Billing Month" means a calendar month during which the Transition Charges are billed to Customers.

"Billing Period" means the period during which the electric transmission and distribution services reflected on a Customer's Bill were received by such Customer. [Note: Needs to be updated for Puerto Rico to reflect full service.]

"Bills" means each of the regular monthly bills, summary bills and other bills issued to Customers for Rates provided by the Servicer or by a Third Party Biller.

"Board" means the board of directors of the Issuer established pursuant to the Act.

"Bondholder" or "Holder" means any Person in whose name a Bond is registered on the registration books maintained by the Issuer or the Trustee under the Trust Agreement or, if the Person in whose name a Bond is registered on such registration books is a securities depository, the beneficial owner.

"Bond Balance" means, as of any date, the aggregate Outstanding Amount of all Bonds on such date.

"Bond Counsel" means a firm of attorneys with nationally recognized expertise regarding the issuance of bonds the interest on which is excluded from gross income for federal income tax purposes, which counsel shall be reasonably acceptable to the party receiving such opinion(s) of counsel.

"Bonds" means, to the extent issued, the Closing Date Bonds and Post Closing Date Bonds, as defined in the Restructuring Resolution.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies in New York, New York or in San Juan, Puerto Rico, are authorized or obligated by law, regulation or executive order to remain closed.

"Calculation Agent" means a third-party calculation agent appointed and retained by or with the approval of the Trustee to confirm the Servicer's calculation of the Transition Charges and the application of the Adjustment Mechanism. The initial Calculation Agent shall be _____.

"Certificate of Compliance" means the certificate referred to in Section 3.06 of this Agreement.

"CILT" means Contributions In Lieu of Taxes determined in accordance with the Act.

"Closing Date" means [_____, 2016].

"Collateral" has the meaning specified in Section [1.01] of the Trust Agreement.

"Collection Account" means the account established and maintained by the Trustee in accordance with Section [8.02(a)] of the Trust Agreement and any subaccounts contained therein.

"Collection Period" means the period from and including the first day of a calendar month to but excluding the first day of the next calendar month.

"Commission" means the Puerto Rico Energy Commission established by Act No. 57 of the Legislative Assembly of Puerto Rico, approved on May 27, 2014, as amended, or any successor thereto.

"Commission Regulations" means all regulations, rules, tariffs and laws applicable to Rates and promulgated by the Commission.

"Commonwealth" means Commonwealth of Puerto Rico.

"Continuing Disclosure Agreement" means _____.

"Court" has the meaning given to it in Article 32 of the Act.

"Customer" means any Person that is connected to or takes or receives electric service within the Commonwealth by means of the electric generation, transmission or distribution facilities constituting part of Electric System Assets, whether or not those electric generation, transmission or distribution facilities are owned by PREPA. PREPA shall not be a Customer. Each municipality in the Commonwealth shall be a Customer to the extent that the dollar value of its usage of electric service (including in determining such dollar value of Transition Charges which would otherwise be imposed on such municipality and PREPA Charges) in any fiscal year exceeds the dollar value owed by PREPA to such municipality as a CILT for such fiscal year.

"Customer Revenues" means all payments made by or on behalf of Customers, including, without limitation, all Rates and all Transition Charges.

"Daily Remittance" means each remittance of Estimated Transition Charge Collections or Actual Transition Charge Collections required to be remitted by the Depository to the Trustee pursuant to Section 3.03 of the Servicing Agreement.

"Daily Remittance Certificate" means the daily remittance certificate, substantially in the form attached as Exhibit A to this Agreement.

"Days Sales Outstanding" shall have the meaning set forth in Annex 3.

"Debt Service Payment Default" means that an event of default has occurred with respect to the Bonds as a result of the failure of the Corporation to pay interest on or principal of the Bonds when due.

"Deposit Commencement Date" has the meaning set forth in Section 3.03 of the Servicing Agreement.

"Deposit Date" has the meaning set forth in Section 3.03 of the Servicing Agreement.

"Depository" means a third-party collection agent and financial institution reasonably acceptable to the Servicer and the Issuer that is (i) organized under and subject to the regulations and laws of the United States or any state and licensed to operate in the Commonwealth, (ii) neither affiliated with PREPA, the Commonwealth or its instrumentalities, public corporations, or municipalities, nor located in the Commonwealth, and (iii) holds its accounts, including the Allocation Account, in New York, New York pursuant to the Trust Agreement and the Depository Agreement. PREPA is expressly prohibited from acting as Depository. Initially, the Depository shall be _____.

"Depository Agreement" means the depository agreement by and among [TO COME].

"Designee Certificate" has the meaning set forth in the Restructuring Resolution.

"Electric System Assets" means the electric generation, transmission and distribution facilities (and other general property and equipment used in connection therewith), whether now existing or hereafter acquired, used or acquired for use by PREPA as of the effective date of the Act or thereafter used or acquired for use by it, including any successor electric utility, in providing electric service to Customers, including any transmission and distribution service.

"EMMA" has the meaning specified in Section 8.12 of the Servicing Agreement.

"Estimated Transition Charge Collections" means the estimated Transition Charge Collections calculated as provided in Annex 3 of this Agreement and required to be remitted on a daily basis to the Trustee pursuant to Section 3.03(b) of this Agreement.

"Estimated PREPA Collections" means estimated PREPA Charges required to be remitted on a daily basis to the PREPA Trustee pursuant to Section 3.03(b) of this Agreement.

"Excess Remittance" means the amount, if any, calculated for a particular Reconciliation Period, by which Estimated Transition Charge Collections remitted to the Collection Account during such Reconciliation Period exceed Actual Transition Charge Collections received during such Reconciliation Period.

"Excess Funds Subaccount" means any residual or excess funds subaccount of the Collection Account other than the Reserve Subaccount.

"Expected Amortization Schedule" means the Expected Amortization Schedule attached to this Agreement.

"Expected Final Payment Date" means the Payment Date on which all of the Bonds are scheduled to be paid in full.

"Final Maturity Date" means, with respect to any Tranche of Bonds, the date by which all principal and interest on that Tranche is required to be paid, as specified in the Trust Agreement.

"Financing Costs" has the meaning assigned to that term in the Restructuring Resolution and the Act; provided, however, that Financing Costs shall not include any amount, if any, that may be required to be paid by the Servicer (i) in settlement of, or as the result of a judgment against the Servicer arising from, any action with respect to the matters set forth in Section 5.02(b)(i), (ii), (iii) or (iv) hereof, or (ii) in the case of any judgment against the Servicer arising from any such action, any attorneys' fees or other expenses of the Servicer in connection therewith.

"Fitch" means Fitch, Inc. or its successor.

"Governmental Authority" means any nation or government, any federal, state, local or other political subdivision thereof and any court, administrative agency, or other instrumentality or entity exercising executive, legislative, judicial, regulatory or administrative function of government.

"Independent" has the meaning specified in Section [1.01] of the Trust Agreement.

"Independent Registered Public Accountants" means [TO COME].

"Initial Restructuring Resolution" means the Restructuring Resolution adopted by the Issuer on _____, 2016.

"Insolvency Event" means, with respect to a specified Person, (a) the filing of a decree or order for relief by a court having jurisdiction in the premises in respect of such Person or any substantial part of its property in an involuntary case under any applicable federal, Commonwealth or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of such Person's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (b) the commencement by such Person of a voluntary case under any applicable federal, Commonwealth or state bankruptcy, insolvency or other similar law now or

hereafter in effect, or the consent by such Person to the entry of an order for relief in an involuntary case under any such law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for such Person or for any substantial part of its property, or the making by such Person of any general assignment for the benefit of creditors, or the failure by such Person generally to pay its debts as such debts become due.

"Interested Person" means (a) the trustee representing the holders of PREPA's outstanding bonds, (b) the securities depositary, if any, at which any of such bonds shall be deposited, (c) any holders of PREPA's outstanding debt obligations or any Person that provides credit or liquidity support, including financial guaranty insurance, to any or all of such obligations, (d) any financial institution to which PREPA is indebted (other than through the securities depositary) or is otherwise obligated, (e) the Secretary of Justice of the Commonwealth of Puerto Rico, (f) any Customer, (g) any vendor of PREPA that is not a Customer of PREPA as defined in this law, (h) any Person who has filed with the secretary of the Board and PREPA a request to receive the notice set forth in Article 35 of the Act, (i) any Person who would otherwise be entitled to receive notice with respect to the adjustment of PREPA rates and charges and (j) any other Person interested in the matters raised in the proceedings provided for in Article 35 of the Act.

"Investment Company Act" means the Investment Company Act of 1940, as amended.

"Issuer" means Puerto Rico Electric Power Authority Revitalization Corporation, a special purpose public corporation and a governmental instrumentality of the Commonwealth, created pursuant to Article 30 of the Act.

"Lien" has the meaning specified in Section [1.01] of the Trust Agreement.

"Losses" means collectively, any and all liabilities, obligations, losses, damages, payments, costs or expenses of any kind whatsoever.

"Monthly Servicer Certificate" has the meaning assigned to that term in Annex 2 of this Agreement.

"Moody's" means Moody's Investors Service Inc. or its successor.

"Officer's Certificate" means a certificate of the Servicer signed by a Responsible Officer.

"Ongoing Financing Costs" has the meaning assigned to that term in Restructuring Resolution and the Act; provided, however, that Ongoing Financing Costs shall not include any amount, if any, that may be required to be paid by the Servicer in settlement of, or as the result of a judgment against the Servicer arising from, any action with respect to the matters set forth in Section 5.02(b)(i), (ii), (iii) or (iv) hereof, or, in the case of any judgment against the Servicer arising from any such action, any attorneys' fees or other expenses of the Servicer in connection therewith.

"Opinion of Counsel" means one or more written opinions of Bond Counsel, which counsel shall be reasonably acceptable to the party receiving such opinion(s) of counsel.

"Optional True-up" has the meaning assigned to that term in Annex 1.

"Outstanding" has the meaning specified in Section [1.01] of the Trust Agreement.

"Outstanding Amount" has the meaning specified in Section [1.01] of the Trust Agreement.

"Payment Date" means, with respect to any Tranche of Bonds, each dates specified in the Trust Agreement for the payment of interest on the Bonds; or if any such date is not a Business Day, the next Business Day.

"Person" means any natural or juridical person, including any local agency, or any individual, firm, partnership, joint venture, trust, joint stock company, association or public or private corporation, municipality, organized or existing under the laws of the Commonwealth, the United States of America or any state, any agency or instrumentality of the United States, or any combination of the above.

"PREPA" means Puerto Rico Electric Power Authority, a public corporation and governmental instrumentality established and existing by virtue of Act No. 83 of the Legislative Assembly of Puerto Rico, approved May 2, 1941, as amended, and any successor or successors thereto, including successors referred to in Article 35 of the Act.

"PREPA Charges" means all charges on a Customer Bill other than Transition Charges.

"PREPA Bond Trustee" means U.S. Bank National Association, as trustee with respect to the PREPA Bonds (together with any successors and assigns), under the PREPA Trust Agreement.

"PREPA Trust Agreement" means the Trust Agreement, dated as of January 1, 1974, as amended, between PREPA and the PREPA Bond Trustee.

"Principal Balance" means, as of any Payment Date, the sum of the respective outstanding principal amounts of the Bonds.

"Proceeding" means any suit in equity, action at law or other judicial or administrative proceeding.

"Projected Principal Balance" means, as of any Payment Date, the sum of the respective projected outstanding principal amounts of the Bonds for such Payment Date set forth in the Expected Amortization Schedule.

"Quarterly Reconciliation Certificate" has the meaning specified in Section 3.03 of this Agreement.

"Rates" means the rates and charges for electric generation, transmission and distribution services in the Service Area. "Rates" do not include Transition Charges.

"Rating Agency" means, [as of any date,] any rating agency rating at the time of issuance thereof at the request of the Issuer, any Tranche of Bonds. If no such organization or successor is any longer in existence, "Rating Agency" shall be a nationally recognized statistical rating organization [or other comparable Person designated by the Issuer], notice of which designation shall be given to the Trustee, the Commission and the Servicer.

"Rating Agency Condition" means, with respect to any action, not less than ten Business Days' prior written notification by the Issuer to each Rating Agency of such action, and written confirmation from each of [Standard & Poor's and Moody's] to the Servicer, the Trustee and the Issuer that such action will not result in a suspension, reduction or withdrawal of the then current rating by such Rating Agency of any Tranche of Bonds and that prior to the taking of the proposed action no other Rating Agency shall have provided written notice to the Issuer that such action has resulted or would result in the suspension, reduction or withdrawal of the then current rating of any Tranche of Bonds; provided, however, that if prior to the relevant action, any of the Bonds [are not rated by a Rating Agency or] have a rating from a Rating Agency below the rating assigned by such Rating Agency as of the date of the issuance of such Bonds, then the Rating Agency Condition shall only be deemed satisfied with respect to such Rating Agency with the written consent of the Requisite Bondholders. If within such ten Business Day period, any Rating Agency (other than Standard & Poor's) has neither replied to such notification nor responded in a manner that indicates that such Rating Agency is reviewing and considering the notification, then (i) the Issuer shall be required to obtain confirmation [in writing] that such Rating Agency has received the Rating Agency Condition notification as provided above in this definition, and if it has, promptly request the related Rating Agency Condition written confirmation and (ii) if the Rating Agency neither replies to such notification nor responds in a manner that indicates it is reviewing and considering the notification within five Business Days following such Issuer request in clause (i) above, the applicable Rating Agency Condition requirement shall not be deemed to apply to such Rating Agency if waived in writing by the Requisite Bondholders. For the purposes of this definition, any confirmation, request, acknowledgment or approval that is required to be in writing may be in the form of electronic mail or a press release (which may contain a general waiver of a Rating Agency's right to review or consent). If the [any] ratings on the Bonds are below investment-grade [(or if the Bonds are not rated by any Rating Agency)], the Rating Agency Condition requirement shall also include the written consent of the Trustee to the relevant action in the manner provided in the Trust Agreement.

"Reconciliation Period" means the twelve-month period ending the last day of the Collection Period preceding the calculation of Remittance Shortfalls or Excess Remittances under Section 3.03(f) this Agreement. The initial Reconciliation Period shall commence on the Closing Date and may be less than twelve months.

"Remittance" means each transfer hereunder of Estimated Transition Charge Collections or Remittance Shortfalls from the Allocation Account to the Collection Account.

"Remittance Shortfall" means the amount, if any, calculated for a particular Reconciliation Period, by which Actual Transition Charge Collections during such Reconciliation Period exceed all Estimated Transition Charge Collections remitted to the Collection Account during such Reconciliation Period.

"Required Debt Service Reserve Level" has the meaning specified in Section [1.01] of the Trust Agreement.

"Required Reserve Level" has the meaning specified in Section [1.01] of the Trust Agreement.

"Requisite Bondholders" means Bondholders who, legally or beneficially own at least the percentage of the aggregate principal amount (and/or of the aggregate accreted value, in the case of Bonds on which, by their terms, interest is to be paid, if at all, less frequently than semiannually) of Bonds necessary to approve or consent, to give direction or to take action under the Trust Agreement, as such percentage is specified in the Trust Agreement.

"Reserve Subaccount" has the meaning specified in Section [1.01] of the Trust Agreement.

"Responsible Officer" means the chief executive officer, the president, any vice president, the treasurer, any assistant treasurer, the secretary, any assistant secretary, the controller or the director of finance or any equivalent position of the Servicer.

"Restructuring Order" means the Restructuring Order approving the calculation methodology for the Transition Charges and the Adjustment Mechanism related thereto, as provided in the Act. The "Restructuring Order" shall be irrevocable and will not be subject to further review or amendment by the Commission.

"Restructuring Property" means the Restructuring Property as defined in the Restructuring Resolution.

"Restructuring Property Documentation" means all documents relating to Restructuring Property, including copies of the Restructuring Resolution, Restructuring Order and all documents filed with the Commission in connection with any True-Up Letter.

"Restructuring Resolution" means an Issuer resolution adopted in accordance with the Act, which resolution creates Restructuring Property, approves the imposition and collection of Transition Charges and the financing of Approved Restructuring Costs through the issuance of Bonds and which resolution contains the related Adjustment Mechanism, all as provided in Articles 34 and 35 of the Act.

"Retirement of the Bonds" means the day on which the final payment is made to the Trustee in respect of the last outstanding Bond.

"Rule 15c2-12" or the "Rule" means Rule 15c2-12 of the SEC under the Securities Exchange Act of 1934, as amended.

"Scheduled Maturity Date" has the meaning specified in Section [1.01] of the Trust Agreement.

"SEC" means the U.S. Securities and Exchange Commission.

"Semiannual Servicer Certificate" has the meaning assigned to that term in Annex 2 to this Agreement.

"Service Area" means the geographical area within which PREPA provided electric delivery services as of _____, 20___.

"Servicer" means PREPA, as the servicer of the Restructuring Property, or each successor (in the same capacity) pursuant to Section 5.03 or 6.04 of this Agreement.

"Servicer Default" means an event specified in Section 6.01 of this Agreement.

"Servicing Agreement" means this Agreement between the Issuer and the Servicer providing for the administering and servicing of Restructuring Property, as the same may be amended from time to time by the parties hereto in a manner not prohibited by the Act.

"Servicing Fee" has the meaning set forth in Section 5.07 of this Agreement.

"17g-5 Website" has the meaning specified in Section [1.01] of the Trust Agreement.

"Standard & Poor's" means Standard & Poor's, a division of Standard & Poor's Financial Services LLC or its successor.

"Termination Notice" has the meaning assigned to that term in Section 6.01 of this Agreement.

"Third Party Biller" means any Person authorized to bill or collect Transition Charges other than the Issuer, PREPA or, if different, a Servicer.

"Tranche" or "Tranche of Bonds" has the meaning specified in Section [1.01] of the Trust Agreement.

"Transition Charge Collections" means the payments of the Transition Charges by or on behalf of Customers.

"Transition Charge Revenues" means all money received or to be received, directly or indirectly, on account of the Transition Charges, and all proceeds of the investment thereof.

"Transition Charges" means those rates and charges that are separate from rates and charges of PREPA and that are imposed pursuant to a Restructuring Resolution on Customers to recover the Ongoing Financing Costs, and shall include a *pro rata* share of any late payment fee imposed in respect of any past-due bill for electric service.

"True-Up Adjustment" means each adjustment to the Transition Charges made in accordance with Annex 1 of this Agreement.

"True-Up Adjustment Date" means the date specified in a True-Up Letter on which the adjusted Transition Charge described in such True-Up Letter shall take effect.

"True-Up Letter" means the filing to be made with the Commission by the Servicer on behalf of the Issuer to set or adjust the Transition Charges, including the Designee Certificate. The form of the True-Up Letter is attached as Exhibit F hereto.

"Trust Agreement" means the Trust Agreement, dated as of [_____, 2016], between the Issuer and the Trustee, as the same may be amended and supplemented from time to time as provided therein, establishing the rights and responsibilities of the Issuer and of the beneficial owners of Bonds issued thereunder and secured thereby.

"Trustee" has the meaning specified in Section [___] of the Trust Agreement.

"Upfront Financing Costs" has the meaning assigned to that term in the Restructuring Resolution and the Act.

"Written Notice", "written notice" or "notice in writing" means notice in writing which may be delivered by hand or first-class mail or other recognized method of delivery and also means electronic transmission.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Customer Class Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

RESIDENTIAL CUSTOMER ALLOCATION

Line No	Item	From	To	CILT	Units	Amount	Reference
1	Actual kWh Usage (Residential Only)	7/1/2014	6/30/2015	kWh - NO CILT	kWh	6,263,381,094	Historical Data (see Timeline workpaper)
2	Aggregated Actual kWh Usage (Residential + Non-Residential)	7/1/2014	6/30/2015	kWh - NO CILT	kWh	16,578,694,755	Historical Data (see Timeline workpaper)
3	Residential Customer Allocation					37.78%	[1] / [2]
4							
5							

CALCULATION METHODOLOGY STEP 1

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 1 of the process is described below and is calculated in this tab (Tab 1). This model uses FY 2015 data since the actual first filing date is unknown and therefore the actual historical data time period and data that would be used for the first filing is unknown. When an actual filing is made it should use actuals for the 12 month period ending with the end of the most recently completed calendar quarter for which data are available.

6

(1) Divide the Aggregated Actual kWh Usage for the previous 12-month period ending with the end of the most recently completed calendar quarter for which data are available into the Actual kWh Usage for all Residential Customers during that same 12-month period. The resulting percentage is the “Residential Customer Allocation.”

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Customer Class Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

NON-RESIDENTIAL CUSTOMER ALLOCATION

Line No	Item	From	To	CILT	Units	Amount	Reference
1	Actual Non-Residential kWh Usage (Non-Residential Only)	7/1/2014	6/30/2015	kWh - NO CILT	kWh	10,315,313,661	Historical Data (see Timeline workpaper)
2	Aggregated kWh Usage (Residential + Non-Residential)	7/1/2014	6/30/2015	kWh - NO CILT	kWh	16,578,694,755	Historical Data (see Timeline workpaper)
3	Non-Residential Customer Allocation					62.22%	[1] / [2]
4							

CALCULATION METHODOLOGY STEP 2

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 2 of the process is described below and is calculated in this tab (Tab 2). This model uses FY 2015 data since the actual first filing date is unknown and therefore the actual historical data time period and data that would be used for the first filing is unknown. When an actual filing is made it should use actuals for the 12 month period ending with the end of the most recently completed calendar quarter for which data are available."

5

(2) Divide the Aggregated Actual kWh Usage for the previous 12-month period ending with the end of the most recently completed calendar quarter for which data are available into the Actual kWh Usage for all Non-Residential Customers and Government Customers during the same 12-month period. The resulting percentage is the "Non-Residential and Government Customer Allocation."

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Customer Class Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

TRUSTEE BALANCE AND COLLECTIONS FROM PREVIOUS RATES

Line No	Item	From	To	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	Collections Data Cutoff Date		4/30/2016					
2								
3	**Projected Trustee Balance at 07/01/16**							
4	Trustee Balance at Collections cutoff Date in Previous TUA Filing		4/30/2016	$ -	$ -	$ -	$ -	1
5	Actual Collections between Previous Trustee Balance Date and Collections Cutoff Date	4/30/2016	4/30/2016	$ -	$ -	$ -	$ -	1
6	Actual Interest Earned between Previous Trustee Balance Date and Collections Cutoff Date	4/30/2016	4/30/2016	$ -	$ -	$ -	$ -	1
7	Projected Collections Between Collections Cutoff and TUA Rate Effective Date	5/1/2016	6/30/2016	$ -	$ -	$ -	$ -	1
8	Projected Interest on Collections Between Collections Cutoff and TUA Rate Effective Date	5/1/2016	6/30/2016	$ -	$ -	$ -	$ -	1
9	Payment of Ongoing Finance Costs prior to TUA Rate Effective Date	4/30/2016	6/30/2016	$ -	$ -	$ -	$ -	1
10	Payment of Bond Interest and Principal Costs prior to TUA Rate Effective Date	4/30/2016	6/30/2016	$ -	$ -	$ -	$ -	1
11	Projected Trustee Balance		7/1/2016	$ -	$ -	$ -	$ -	[4]+[5]+[6]+[7]+[8]-[9]-[10]
12								
13	Projected Collections During Collection Periods From Rates in Effect Prior to 07/01/16	7/1/2016	Collection Period End (2)	$ -	$ -	$ -	$ -	1
14	Projected Interest on Collections During Collection Periods From Rates in Effect Prior to 07/01/16	7/1/2016	Collection Period End (2)	$ -	$ -	$ -	$ -	1
15								
16	Trustee Balance Available For Payments of Ongoing Finance Costs and Bonds			$ -	$ -	$ -	$ -	[11]+[13]+[14]
17								
18	1) Calculated during TUA filing preparation, all values are zero for the initial filing because there is no prior period							
19	2) Collection Period End Dates:							
20	Rate 1 = 09/23/16							
21	Rate 2 = 12/26/16							
22	Rate 3 = 03/24/17							
23	Rate 4 = 06/23/17							
24								

CALCULATION METHODOLOGY STEP 3

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 3 of the process is described below and is calculated in this tab (Tab 3).

25 (3) Project the Transition Charge Revenues (including any interest earnings on such amounts) expected to be held by the Trustee on the proposed True-Up Adjustment Date after payment of Ongoing Financing Costs due on or prior to such date (but excluding amounts held or to be held on such date by the Trustee in any debt service reserve fund or account, or in any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund), and add to that amount the Transition Charge Revenues expected to be received by the Trustee after the True-Up Adjustment Date and during the First Collection Period from bills rendered prior to the True-Up Adjustment Date based on the Transition Charges then or previously in effect, including projected interest earnings on such amounts.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Customer Class Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

PAYMENTS

Line No	Item	Date	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	**Payments During Rate Effective Periods (2)**						
2	Payment 1 (Bond + Ongoing Financing Costs)	9/30/2016	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	Debt Service Schedule Workpaper
3	Payment 2 (Bond + Ongoing Financing Costs)	12/31/2016		$ 1,250,000	$ 1,250,000	$ 1,250,000	Debt Service Schedule Workpaper
4	Payment 3 (Bond + Ongoing Financing Costs)	3/31/2017			$ 1,250,000	$ 1,250,000	Debt Service Schedule Workpaper
5	Payment 4 (Bond + Ongoing Financing Costs)	6/30/2017				$ 390,487,206	Debt Service Schedule Workpaper
6	Total Bond and Ongoing Financing Payments		$ 1,250,000	$ 2,500,000	$ 3,750,000	$ 394,237,206	Sum of Lines 2 - 5
7							
8	Payments to Fund or Replenish Debt Service Reserve Fund Prior to First Bond Payment Date		$ -	$ -	$ -	$ -	1
9	Total Payments Required		$ 1,250,000	$ 2,500,000	$ 3,750,000	$ 394,237,206	[6] + [8]
10							

11 1) Calculated during TUA filing preparation, all values are zero for the initial filing because there is no prior period.

12 2) As shown on this tab, the first TUA filing may have 12 months between the TUA rate effective date and the first bond payment date. Subsequent TUA filings may have different timing between a TUA rate effective date and the first bond payment date. When the ultimate timing of bond payments is finalized, bond payments may occur as frequently as every quarter.

13

CALCULATION METHODOLOGY STEP 4

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 4 of the process is described below and is calculated in this tab (Tab 4).

14 (4) Calculate the sum of (a) principal of (in accordance with the scheduled maturity date or dates (including scheduled mandatory sinking fund redemption dates)) and interest on the Bonds when due and as accruing through and including the First Bond Payment Date, (b) any amount necessary or expected to be necessary to fund or replenish any debt service reserve fund or account, or any other restricted accounts or subaccounts required to be established by the Trust Agreement or any Ancillary Agreement as an additional reserve fund, to their required level, as and to the extent such funding or replenishment is required by the Trust Agreement or any Ancillary Agreement (as the case may be) on or prior to the First Bond Payment Date, and (c) all other Ongoing Financing Costs required to be paid or deposited on or prior to the First Bond Payment Date.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Customer Class Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

NET REVENUE REQUIREMENT

Line No	Item	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	Total Payments Required During Rate Effective Periods	$ 1,250,000	$ 2,500,000	$ 3,750,000	$ 394,237,206	Tab 4
2	Trustee Balance Available For Payments	$ -	$ -	$ -	$ -	Tab 3
3	Net Revenue Requirement	$ 1,250,000	$ 2,500,000	$ 3,750,000	$ 394,237,206	[1] - [2]
4						

CALCULATION METHODOLOGY STEP 5

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 5 of the process is described below and is calculated in this tab (Tab 5).

5

(5) Subtract the amount in clause (3) from the amount in clause (4) to determine the “Net Revenue Requirement” for the First Collection Period.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Total Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

GROSS REVENUE REQUIREMENT

Line No	Item	Units	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	Net Revenue Requirement		$ 1,250,000	$ 2,500,000	$ 3,750,000	$ 394,237,206	Tab 5
2	Collection Lag Factor	%	51.34%	23.77%	15.89%	13.60%	Tab 6.2
3	Revenue Requirement Adjusted For Collection Lag		$ 2,569,041	$ 3,279,659	$ 4,458,513	$ 456,305,526	[1] / (1 - [2])
4	Uncollectible Factor	%	9.83%	9.83%	9.83%	9.83%	Tab 6.1a
5	Gross Billing Requirement		$ 2,849,180	$ 3,637,286	$ 4,944,687	$ 506,062,980	[3] / (1 - [4])
6							
7	Collection Lag Adjustment		$ 1,319,041	$ 779,659	$ 708,513	$ 62,068,320	[3] x [2]
8	Uncollectible Adjustment		$ 280,139	$ 357,628	$ 486,175	$ 49,757,454	[5] x [4]
9	Uncollectible and Collection Lag Adjustment		$ 1,599,180	$ 1,137,286	$ 1,194,687	$ 111,825,774	[7] + [8]
10							
11							

12 The uncollectible factor includes all customers excluding CILT that do not pay within 120 days. Embedded in the uncollectibles factor is the government uncollectibles.

13 For FY 2015, the percentage of government customers that did not pay within 120 days was 58.63%

14

CALCULATION METHODOLOGY STEP 6

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 6 of the process is described below and is calculated in this tab (Tab 6.0).

15 (6) Adjust (or gross up) the Net Revenue Requirement to give effect to the number of billing cycles, the Composite Collection Curve and the write-off assumption, to ensure that the Transition Charge Revenues expected to be remitted to the Trustee during the First Collection Period will satisfy the Net Revenue Requirement for the First Collection Period on a timely basis and will result in the Excess Funds Account held under the Trust Agreement to be zero by the First Bond Payment Date. The result will be the “Gross Billing Requirement” for the First Collection Period.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Total Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

RESIDENTIAL GROSS BILLING REQUIREMENT

Line No	Item	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	Gross Billing Requirement	$ 2,849,180	$ 3,637,286	$ 4,944,687	$ 506,062,980	Tab 6
2	Residential Customer Allocation	37.78%	37.78%	37.78%	37.78%	Tab 1
3	Residential Gross Billing Requirement	$ 1,076,412	$ 1,374,156	$ 1,868,088	$ 191,189,074	[1] x [2]
4						

CALCULATION METHODOLOGY STEP 7

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 7 of the process is described below and is calculated in this tab (Tab 7).

5

(7) Multiply the Gross Billing Requirement for the First Collection Period by the Residential Customer Allocation. The result will be the “Residential Gross Billing Requirement” for the First Collection Period.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Total Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

NON-RESIDENTIAL GROSS BILLING REQUIREMENT

Line No	Item	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	Gross Billing Requirement	$ 2,849,180	$ 3,637,286	$ 4,944,687	$ 506,062,980	Tab 6.0
2	Non-Residential Customer Allocation	62.22%	62.22%	62.22%	62.22%	Tab 2
3	Non-Residential Gross Billing Requirement	$ 1,772,768	$ 2,263,130	$ 3,076,599	$ 314,873,906	[1] x [2]
4						

CALCULATION METHODOLOGY STEP 8

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 8 of the process is described below and is calculated in this tab (Tab 8).

5

(8) Multiply the Gross Billing Requirement for the First Collection Period by the Non-Residential and Government Customer Allocation. The result will be the “Non-Residential and Government Gross Billing Requirement” for the First Collection Period.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Total Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

INITIAL RESIDENTIAL TRANSITION CHARGE

Line No	Item	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	Residential Gross Billing Requirement	$ 1,076,412	$ 1,374,156	$ 1,868,088	$ 191,189,074	Tab 7
2	Eligible Residential kWh Usage	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694	Corresponding Historical Data (See Timeline workpaper)
3	Initial Residential Transition Charge	$ 0.00065	$ 0.00051	$ 0.00041	$ 0.03166	[1] / [2]
4						

CALCULATION METHODOLOGY STEP 9

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 9 of the process is described below and is calculated in this tab (Tab 9).

5 (9) Divide the Residential Billing Requirement by the Eligible Residential kWh Usage in the prior 12-month period for which data are available (i.e., the calendar dates one year prior to the calendar dates in the First Collection Period) , to produce a $/kWh Transition Charge. Subject to clause (12) below, the result will be the first possible Transition Charge to be imposed upon all Eligible Residential kWh Usage commencing on the True-Up Adjustment Date.

(12)Compare the revenues produced by each set of Transition Charges resulting from the calculations above (i.e., one set for each Collection Period). The set of Transition Charges for any Collection Period which is expected to produce the greatest amount of revenue by the end of the First Collection Period will be the set of Transition Charges to be effective on the True-Up Adjustment Date.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Total Revenue Requirement
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

INITIAL NON-RESIDENTIAL TRANSITION CHARGES

Line No	Item	CILT	Rate 1 From 07/01/16 to 09/30/16	Rate 2 From 07/01/16 to 12/31/16	Rate 3 From 07/01/16 to 03/31/17	Rate 4 From 07/01/16 to 06/30/17	Reference
1	Non-Residential Gross Billing Requirement		$ 1,772,768	$ 2,263,130	$ 3,076,599	$ 314,873,906	Tab 8
2	Eligible Non-Residential kWh Usage	kWh - NO CILT	2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	Corresponding Historical Data (See Timeline workpaper)
3	Initial Non-Residential Transition Charge		$ 0.00066	$ 0.00042	$ 0.00040	$ 0.03066	[1] / [2]
4							

CALCULATION METHODOLOGY STEP 10

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 10 of the process is described below and is calculated in this tab (Tab 10).

5 (10) Divide the Non-Residential and Governmental Billing Requirement by the Eligible Non-Residential and Governmental kWh Usage in the prior 12-month period for which data are available (i.e., the calendar dates one year prior to the calendar dates in the First Collection Period), to produce a $/kWh Transition Charge. Subject to clause (12) below, the result will be the first possible Transition Charge to be imposed upon all Eligible Non-Residential and Governmental kWh Usage commencing on the True-Up Adjustment Date.

(12)Compare the revenues produced by each set of Transition Charges resulting from the calculations above (i.e., one set for each Collection Period). The set of Transition Charges for any Collection Period which is expected to produce the greatest amount of revenue by the end of the First Collection Period will be the set of Transition Charges to be effective on the True-Up Adjustment Date.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Transition Charge for Securitized Debt Service
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

Repeat Calculations

Line No	
	CALCULATION METHODOLOGY STEP 11
	The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 1 of the process is described below and is calculated in tabs 1-10 under Rate 1, Rate 2, Rate 3, and Rate 4. The results of the repeated calculations are in Tabs 3 through 10.
1	(11)Repeat the calculations described in clauses (3) through (10), inclusive, to determine the Transition Charges necessary to satisfy the revenue requirement for each consecutive Collection Period which ends during the Annual Calculation Period, replacing “First Bond Payment Date” with “Second Bond Payment Date” and “First Collection Period” with “Second Collection Period,” etc. through the Third and Fourth Collection Periods (if any), respectively.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Transition Charge for Securitized Debt Service
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

RATE COMPARISON

Line No	Item	Unit					Reference
1	**Highest Revenue Rate Pair**						
2	Residential Rate					$ 0.03166	[26]
3	Non-Residential Rate					$ 0.03066	[27]
4							
5	**Rate Comparison**						
6							
7	**Residential**		**RATE 1**	**RATE 2**	**RATE 3**	**RATE 4**	
8	Rate 1 Eligible Residential kWh Usage		1,644,772,689	1,644,772,689	1,644,772,689	1,644,772,689	Corresponding Historical Data (See Timeline workpaper)
9	Uncollectible Factor		9.83%	9.83%	9.83%	9.83%	Tab 6.1a
10	Adjusted kWhs		1,483,054,277	1,483,054,277	1,483,054,277	1,483,054,277	[8] x (1 - [9])
11	Collection Lag Factor for Rate 1 Period		51.34%	51.34%	51.34%	51.34%	Tab 6.2
12	Total Adjusted kWhs		721,599,149	721,599,149	721,599,149	721,599,149	[10] x (1 - [11])
13	Initial Residential Rate	$/kWh	$ 0.00065	$ 0.00051	$ 0.00041	$ 0.03166	Tab 9
14	Total Residential Revenues for Rate 1 Period		$ 472,246	$ 370,795	$ 299,436	$ 22,848,263	[12] x [13]
15							
16	**Non Residential**						
17	Rate 1 Eligible Non-Residential kWh Usage		2,703,034,293	2,703,034,293	2,703,034,293	2,703,034,293	Corresponding Historical Data (See Timeline workpaper)
18	Uncollectible Factor		9.83%	9.83%	9.83%	9.83%	Tab 6.1a
19	Adjusted kWhs		2,437,264,794	2,437,264,794	2,437,264,794	2,437,264,794	[17] x (1 - [18])
20	Collection Lag Factor For Rate 1 Period		51.82%	51.82%	51.82%	51.82%	Tab 6.2
21	Total Adjusted kWhs		1,174,254,624	1,174,254,624	1,174,254,624	1,174,254,624	[19] x (1 - [20])
22	Non Residential Rate	$/kWh	$ 0.00066	$ 0.00042	$ 0.00040	$ 0.03066	Tab 10
23	Total Non-Residential Revenues for Rate 1 Period		$ 770,128	$ 499,007	$ 468,993	$ 36,001,317	[21] x [22]
24							
25	Total Revenues by Rate Pair		$ 1,242,374	$ 869,802	$ 768,429	$ 58,849,580	[14] + [23]
26	Residential Rate		$ 0.00065	$ 0.00051	$ 0.00041	$ 0.03166	[13]
27	Non-Residential Rate		$ 0.00066	$ 0.00042	$ 0.00040	$ 0.03066	[22]
28							

CALCULATION METHODOLOGY STEP 12

The calculation methodology and adjustment mechanism to establish and adjust the Transition Charges includes a 12 step process. Step 12 of the process is described below and is calculated in this tab (Tab 12).

29 (12) Compare the revenues produced by each set of Transition Charges resulting from the calculations above (i.e., one set for each Collection Period). The set of Transition Charges which is expected to produce the greatest revenue by the end of the First Collection Period will be the set of Transition Charges to be effective on the True-Up Adjustment Date.

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Transition Charge for Securitized Debt Service
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

Line No	Item	Units	Amount	Reference
1				
2	Proposed Residential Charge	$/kWh	$ 0.03166	Tab 12
3	Proposed Non-Residential Charge	$/kWh	$ 0.03066	Tab 12
4				
5	Prior Residential Charge	$/kWh	$ -	
6	Prior Non-Residential Charge	$/kWh	$ -	
7				
8	Increase/(Decrease) in Residential Charge		$ 0.03166	[2] - [5]
9	Increase/(Decrerase) in Non-Residential Charge		$ 0.03066	[3] - [6]
10				
11	Increase/(Decrease) in Residential Charge	%	NA	([2] / [5]) -1
12	Increase/Decrease) in Non-Residential Charge	%	NA	([3] / [6]) -1

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Transition Charge for Securitized Debt Service
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

Transition Charge and Total Bill Comparison

Line No.	Item		Amount	Reference
1	**Residential Customers**			
2	Average Revenue per kWh - FY 2014	$	0.25460	
3	Proposed Transition Charge - $/kWh	$	0.03166	Tab 12
4	Transition Charge as a Percentage of 2014 Average Revenues per kWh		12.4%	[3] / [2]
5				
6	**Non-Residential Customers**			
7	Average Revenue per KWH - FY 2014	$	0.26418	
8	Proposed Transition Charge - $/KWH	$	0.03066	Tab 12
9	Transition Charge as a Percentage of 2014 Average Revenue per KWH		11.6%	[8] / [7]

Note: Based on data from the most recent year with audited financials

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Calculation of Transition Charge for Securitized Debt Service
Proposed for Period July 2016 to September 2016
True Up Adjustment Period #1

MONTHLY RECONCILIATION

Line No						
1	**Service Agreements and kWh For Future Monthly Reconciliation**					
2						
3	**Residential**	7/31/2016	8/31/2016	9/30/2016	Total	Reference
4	Estimated kWh Billed (from this TUA filing)	571,071,215	555,250,744	518,450,730	1,644,772,689	Timeline Workpaper
5	Uncollectible Factor	9.83%	9.83%	9.83%	9.83%	Tab 6.1a
6	Adjusted kWhs	514,921,979	500,657,018	467,475,280	1,483,054,277	[4] x (1 - [5])
7	Collection Lag Factor for Rate 1 Period	51.34%	51.34%	51.34%	51.34%	Tab 6.2
8	Estimated kWh to be Collected	250,541,917	243,601,117	227,456,115	721,599,149	[6] x (1 - [7])
9						
10	**Non Residential**	7/31/2016	8/31/2016	9/30/2016	Total	Reference
11	Estimated kWh Billed (from this TUA filing)	901,304,874	899,272,479	902,456,940	2,703,034,293	Timeline Workpaper
12	Uncollectible Factor	9.83%	9.83%	9.83%	9.83%	Tab 6.1a
13	Adjusted kWhs	812,686,189	810,853,624	813,724,981	2,437,264,794	[11] x (1 - [12])
14	Collection Lag Factor For Rate 1	51.82%	51.82%	51.82%	51.82%	Tab 6.2
15	Estimated kWh to be Collected	391,545,686	390,662,771	392,046,167	1,174,254,624	[13] x (1 - [14])
16						
17						
18	**Reconciliation of Previous Actual and Estimated Service Agreements and kWhs**					
19						
20	**Residential**	2/29/2016	3/31/2016	4/30/2016	Total	Reference
21	Actual kWhs Collected	-	-	-	-	PREPA Billing System
22	Estimated kWs to be Collected (Previous TUA filing)	-	-	-	-	Previous TUA Filings
23	Difference	-	-	-	-	[21] - [22]
24						
25	Actual Residential Charge	$ -	$ -	$ -		Previous TUA Filings
26						
27	Over / (Under) Recovery	$ -	$ -	$ -	$ -	[23] x [25]
28						
29	**Non-Residential**	2/29/2016	3/31/2016	4/30/2016	Total	Reference
30	Actual kWhs Collected	-	-	-	-	PREPA Billing System
31	Estimated kWs to be Collected (Previous TUA filing)	-	-	-	-	Previous TUA Filings
32	Difference	-	-	-	-	[30] - [31]
33						
34	Actual Non-Residential Charge	$ -	$ -	$ -		Previous TUA Filings
35						
36	Over / (Under) Recovery	$ -	$ -	$ -	$ -	[32] x [34]
37						
38	Total Over / (Under) Recovery	$ -	$ -	$ -	$ -	[27] + [36]

THE PUERTO RICO ELECTRIC POWER AUTHORITY REVITALITZATION CORPORATION

Timeline and Assumptions for Calculating and Adjusting
Transition Charge for Securitized Debt Service
True Up Adjustment Period #1

This tab is used to establish certain dates and historical inputs for the TC calculation. Green shaded cells with blue text represent cells where input information is entered.

NOTE: This model uses FY 2015 data since the actual first filing date is unknown and therefore the actual historical data time period and data that would be used for the first filing is unknown. When an actual filing is made it should use actuals for the 12 month period ending with the end of the most recently completed calendar quarter for which data are available.

Calculated Rates		
Residential (¢/kWh)	$	0.09166
Non Residential (¢/kWh)	$	0.09066

TUA Filing Number/Date Inputs		
TUA Filing		1
TUA 1 Rate Effective Start Date		7/1/2016
TUA Skate Effective End Date		6/30/2017
12-month period ending with the end of the most recently completed calendar quarter for which data are available		6/30/2015
Collections Cutoff Date		6/30/2016
Precious Residential Rate	$	-
Previous Non Residential Rate	$	-
Collections Cutt-off date From Previous TUA Filing		6/30/2016

Payment Dates For Each Rate In Annual Collection Period

Rate In Annual Collection Period	Payment Dates	Payment Dates	Payment Dates	Payment Dates
Rate 1	6/30/2016			
Rate 2	6/30/2016	12/31/2016		
Rate 3	6/30/2016	12/31/2016	3/31/2017	
Rate 4	6/30/2016	12/31/2016	3/31/2017	6/30/2017

Payment Amounts For Each Rate In Annual Collection Period

Rate In Annual Collection Period	Payment Amounts	Payment Amounts	Payment Amounts	Payment Amounts	Total Payments
Rate 1	$ (1,250,000)	$ -	$ -	$ -	$ (1,250,000)
Rate 2	$ (1,250,000)	$ (1,250,000)	$ -	$ -	$ (2,500,000)
Rate 3	$ (1,250,000)	$ (1,250,000)	$ (1,250,000)	$ -	$ (3,750,000)
Rate 4	$ (1,250,000)	$ (1,250,000)	$ (1,250,000)	$ (380,487,206)	$ (384,237,206)

Rate Dates

Rate In Annual Collection Period	TUA 1 Rate Effective Date	Rate Effective Periods From	Rate Effective Periods To	5 Business Days Prior to Bond Payment Date	Bond or Fees Payments
Rate 1	7/1/2016	7/1/2016	9/30/2016	9/21/2016	9/30/2016
Rate 2	7/1/2016	7/1/2016	12/31/2016	12/26/2016	12/31/2016
Rate 3	7/1/2016	7/1/2016	3/31/2017	3/24/2017	3/31/2017
Rate 4	7/1/2016	7/1/2016	6/30/2017	6/21/2017	6/30/2017

Period, kWh, to Use in Model For Rate Denominator
(Select CILT treatment using drop down in green shaded box)

Rate Effective Period From	Rate Effective Period To	Corresponding Historical Month For Which Data is Available From	Corresponding Historical Month For Which Data is Available To	Time Period For Rate Denominator From	Time Period For Rate Denominator To	kWh - NO CILT Residential	kWh - NO CILT Non Residential
						kWh - NO CILT	kWh - NO CILT
7/1/2016	9/30/2016	7/1/2014	9/30/2014	7/1/2016	6/30/2016	#####	2,750,034,293
7/1/2016	12/31/2016	7/1/2014	12/31/2014	7/1/2016	12/31/2016	#####	5,325,556,195
7/1/2016	3/31/2017	7/1/2014	3/31/2015	7/1/2016	3/31/2017	#####	7,759,129,267
7/1/2016	6/30/2017	7/1/2014	6/30/2015	7/1/2016	6/30/2017	#####	10,270,239,212

Matching of Historical Month to Collection Month

Most Recent 12 Mo Period Ending With Most Recent Quarter End: Historical Month	Historical Month Date	Historical Month Corresponding to Collection Month: Collection Month Date	Collection Month	Corresponding Historical Month
6	6/30/2015	7/1/2016	7	7/1/2014
5	5/31/2015	8/31/2016	8	8/31/2014
4	4/30/2015	9/30/2016	9	9/30/2014
3	3/31/2015	10/31/2016	10	10/31/2014
2	2/28/2015	11/30/2016	11	11/30/2014
1	1/31/2015	12/31/2016	12	12/31/2014
12	12/31/2014	1/31/2017	1	1/31/2015
11	11/30/2014	2/28/2017	2	2/28/2015
10	10/31/2014	3/31/2017	3	3/31/2015
9	9/30/2014	4/30/2017	4	4/30/2015
8	8/31/2014	5/31/2017	5	5/31/2015
7	7/31/2014	6/30/2017	6	6/30/2015

kWhs

Collection Month	Residential kWh With CILT	Residential kWh - NO CILT	Non-Residential kWh With CILT	Non-Residential kWh - NO CILT
7/31/2016	591,492,591	591,487,928	966,850,714	901,304,874
8/31/2016	574,783,603	574,779,398	962,928,897	899,272,679
9/30/2016	536,784,135	536,779,629	968,709,797	902,456,940
10/31/2016	560,250,700	560,246,376	978,778,954	913,849,305
11/30/2016	526,862,131	526,858,127	941,690,673	876,293,957
12/31/2016	484,717,908	484,714,673	894,611,676	832,378,640
1/31/2017	483,930,656	483,927,903	834,711,919	770,927,458
2/28/2017	426,690,256	426,687,032	798,558,025	738,783,577
3/31/2017	478,734,009	478,730,811	927,916,484	867,862,137
4/30/2017	473,855,171	473,851,600	862,308,939	800,998,086
5/31/2017	548,664,573	548,660,514	965,266,435	898,847,471
6/30/2017	542,821,716	542,817,685	932,154,684	867,264,288
Total (kWh)	6,249,587,656	6,249,541,676	11,030,685,217	10,270,239,212

kWhs For Payment Lags and Monthly Reconciliation
kWh For Customer Allocation

Collection Month	Corresponding Historical Month	Residential kWh - NO CILT	Non-Residential kWh - NO CILT
7/31/2016	7/31/2014	591,487,928	901,304,874
8/31/2016	8/31/2014	574,779,398	899,272,679
9/30/2016	9/30/2014	536,779,629	902,456,940
10/31/2016	10/31/2014	560,246,376	913,849,305
11/30/2016	11/30/2014	526,858,127	876,293,957
12/31/2016	12/31/2014	484,714,673	832,378,640
1/31/2017	1/31/2015	483,927,903	770,927,458
2/28/2017	2/28/2015	426,687,032	738,783,577
3/31/2017	3/31/2015	478,730,811	867,862,137
4/30/2017	4/30/2015	473,851,600	800,998,086
5/31/2017	5/31/2015	548,660,514	898,847,471
6/30/2017	6/30/2015	542,817,685	867,264,288
		6,249,541,676	10,270,239,212

UNCOLLECTIBLE ASSUMPTIONS

	Historical
Start (first day of month):	7/1/2014
End (last day of month):	6/30/2015
Customer Type: (use drop down)	Total Excl Mun
	All Clients
	Total Excl Mun
	Total Excl Govt
Uncollectible %	9.63%

Checks

FY 2015 Excl Mun	9.83	90.17
FY 2015 All	14.81	85.19
FY 2015Excl Govt	3.08	96.92

GERS-REPORTS SCHEDULE

This schedule provides information that is useful to fund accounts.

Data provided by Lehman Brothers.

| Date | 02/28/2006 | 03/31/2006 | 04/30/2006 | 05/31/2006 | 06/30/2006 | 07/31/2006 | 08/31/2006 | 09/30/2006 | 10/31/2006 | 11/30/2006 | 12/31/2006 | 01/31/2007 | 02/28/2007 | 03/31/2007 | 04/30/2007 | 05/31/2007 | 06/30/2007 | 07/31/2007 | 08/31/2007 | 09/30/2007 | 10/31/2007 | 11/30/2007 | 12/31/2007 | 01/31/2008 | 02/29/2008 | 03/31/2008 | 04/30/2008 | 05/31/2008 | 06/30/2008 | 07/31/2008 | 08/31/2008 | 09/30/2008 | 10/31/2008 | 11/30/2008 | 12/31/2008 | 01/31/2009 | 02/28/2009 | 03/31/2009 | 04/30/2009 | 05/31/2009 | 06/30/2009 | 07/31/2009 | 08/31/2009 | 09/30/2009 | 10/31/2009 | 11/30/2009 | 12/31/2009 | 01/31/2010 | 02/28/2010 | 03/31/2010 | 04/30/2010 | 05/31/2010 | 06/30/2010 | 07/31/2010 | 08/31/2010 | 09/30/2010 | 10/31/2010 | 11/30/2010 | 12/31/2010 | 01/31/2011 | 02/28/2011 | 03/31/2011 | 04/30/2011 | 05/31/2011 | 06/30/2011 | 07/31/2011 | 08/31/2011 | 09/30/2011 | 10/31/2011 | 11/30/2011 | 12/31/2011 | 01/31/2012 | 02/29/2012 | 03/31/2012 | 04/30/2012 | 05/31/2012 | 06/30/2012 | 07/31/2012 | 08/31/2012 | 09/30/2012 | 10/31/2012 | 11/30/2012 | 12/31/2012 | 01/31/2013 | 02/28/2013 | 03/31/2013 | 04/30/2013 | 05/31/2013 | 06/30/2013 | 07/31/2013 | 08/31/2013 | 09/30/2013 | 10/31/2013 | 11/30/2013 | 12/31/2013 | 01/31/2014 | 02/28/2014 | 03/31/2014 | 04/30/2014 | 05/31/2014 | 06/30/2014 | 07/31/2014 | 08/31/2014 | 09/30/2014 | 10/31/2014 | 11/30/2014 | 12/31/2014 |
|---|---|---

| | | |

Total KWh DATA

Data Source: Electric Quarterly Reports (EQR) and Transmission Service Request Information (TSR). "NA" means no EPMI entries were assigned to this field.

Data Source: Electric Quarterly Reports (EQR) and Transmission Service Request Information (TSR). "NA" means no EPMI entries were assigned to this field.

Data Source: Electric Quarterly Reports (EQR) and Transmission Service Request Information (TSR). "NA" means no EPMI entries were assigned to this field.

Q1 2001: Electric Quarterly Reports (EQR) Source: "EQR Value - CTS - 2001.xls". Filed

UNCOLLECTIBLES

This tab essentially performs the same calculation as the PREPA calculation shown in Tab 6.1b and 6.1c but is focused to just the historical period being used in the model. The inputs into this tab (Tab 6.1a) are drawn from Tab 6.1b.

Tab 6.1b in conjunction with Tab 6.1c represents the Composite Collection Curve (curve reflecting payment history for all customers) and associated calculations reflecting the timing of payments of outstanding bills during a 12-month period, adjusted to assume that any charges which are not collected within 120 days of billing are written off. Each month's billings are divided into aging buckets based on the number of days for which such billings have been outstanding (e.g., 0 to 29 days, 30 to 59 days, 60 to 89 days, and 90 to 119 days outstanding). The aging buckets are then used to estimate the dollar amount of each month's billings collected within 30, 60, 90 and 120 days, as well as the dollar amount not collected within 120 days (amount written off) for the 12-month period. For such 12-month period, the collection curve is calculated by dividing each of the total dollar amount of billings collected within 30, 60, 90, and 120 days by the total dollar amount of billings collected within 120 days.

Tab 6.1c is the summary of the collection curve calculations in Tab 6.1b.

UNCOLLECTED				PAID				
Est Payments and Billed $ Used in Model				Total Excl Muni - 29 days less	Total Excl Muni - 30-59 days	Total Excl Muni - 60-89 days	Total Excl Muni - 90-119 days	
Historical Month	Billed $	Est Payments		Est Payments	Est Payments	Est Payments	Est Payments	
Month	Total Excl Muni	Total Excl Muni		Total Excl Muni	Total Excl Muni	Total Excl Muni	Total Excl Muni	
7/31/2014	397,091,374	370,820,664	5	136,785,541	169,076,299	47,089,012	17,869,813	
8/31/2014	398,922,138	371,162,055	6	137,206,546	173,459,008	46,481,312	14,015,188	
9/30/2014	396,896,885	366,525,687	7	110,357,420	188,121,821	50,464,882	17,581,564	
10/31/2014	399,546,185	367,229,598	8	133,847,268	162,492,225	51,574,537	19,315,568	
11/30/2014	351,251,046	311,921,916	9	83,855,806	170,757,090	39,926,607	17,382,412	
12/31/2014	297,528,105	271,480,690	10	98,158,780	125,968,142	42,970,539	4,383,230	
1/31/2015	295,101,142	266,511,208	11	86,040,677	128,515,068	40,939,278	11,016,185	
2/28/2015	290,418,338	263,160,758	12	58,111,007	164,014,797	34,106,620	6,928,334	
3/31/2015	279,219,768	248,893,673	13	79,007,480	125,222,472	32,302,432	12,361,288	
4/30/2015	280,889,591	250,587,635	14	80,523,046	125,986,623	32,657,193	11,420,773	
5/31/2015	288,053,411	229,210,818	15	72,772,701	138,908,663	28,413,934	(10,884,479)	
6/30/2015	285,895,511	253,871,103	16	79,185,810	130,567,713	1,617,661	42,499,920	
	-	-	17	-	-	-	-	
	-	-	18	-	-	-	-	
	-	-	19	-	-	-	-	
	-	-	20	-	-	-	-	
	-	-	21	-	-	-	-	
	-	-	22	-	-	-	-	
	-	-	23	-	-	-	-	
	-	-	24	-	-	-	-	
	-	-	25	-	-	-	-	
Total	3,960,813,492	3,571,375,807		1,155,852,083	1,803,089,920	448,544,006	163,889,798	
Uncollectible %		9.83%		29%	46%	11%	4%	100.00%
Uncollectible % FY 2015 From PREPA File		9.83%						
% of Paid within 120 day customers in each bucket				32.36%	50.49%	12.56%	4.59%	

Billed Information From PREPA's Collection Curve File			Estimated Payment Information From PREPA's "Coll Curve Sheet 1" File														
Billed $	Billed $	Billed $	All Clients - 29 days less	All Clients - 30-59 days	All Clients - 60-89 days	All Clients - 90-119 days	All Clients - Total	Total Excl Muni - 29 days less	Total Excl Muni - 30-59 days	Total Excl Muni - 60-89 days	Total Excl Muni - 90-119 days	Total Excl Muni - Total	Total Excl Govt - 29 days less	Total Excl Govt - 30-59 days	Total Excl Govt - 60-89 days	Total Excl Govt - 90-119 days	Total Excl Govt - Total
All Clients	Total Excl Muni	Total Excl Govt	29 days less Est Payments All Clients	30-59 days Est Payments All Clients	60-89 days Est Payments All Clients	90-119 days Est Payments All Clients	Total Est Payments All Clients	29 days less Est Payments Total Excl Muni	30-59 days Est Payments Total Excl Muni	60-89 days Est Payments Total Excl Muni	90-119 days Est Payments Total Excl Muni	Total Est Payments Total Excl Muni	29 days less Est Payments Total Excl Govt	30-59 days Est Payments Total Excl Govt	60-89 days Est Payments Total Excl Govt	90-119 days Est Payments Total Excl Govt	Total Est Payments Total Excl Govt
417,241,471	397,091,374	340,976,155	117,289,243	170,910,380	57,232,097	20,481,942	365,913,662	136,785,541	169,076,299	47,089,012	17,869,813	370,820,664	113,933,775	162,905,113	42,919,389	10,097,073	329,855,349
421,655,283	398,922,138	344,268,367	109,353,896	188,049,353	53,751,154	16,822,140	367,976,543	137,206,546	173,459,008	46,481,312	14,015,188	371,162,055	113,494,165	171,368,817	38,496,657	8,333,266	331,692,906
419,398,586	396,896,885	345,953,510	94,465,115	190,112,651	59,188,894	18,822,266	362,588,926	110,357,420	188,121,821	50,464,882	17,581,564	366,525,687	105,508,241	172,873,974	45,412,805	9,761,713	333,556,734
422,576,593	399,546,185	348,779,922	108,806,189	169,913,319	68,464,176	14,796,094	361,979,778	133,847,268	162,492,225	51,574,537	19,315,568	367,229,598	119,064,399	162,000,976	45,738,362	9,583,027	336,386,764
372,430,975	351,251,046	311,493,481	58,798,335	170,081,708	66,623,794	16,351,147	311,854,985	83,855,806	170,757,090	39,926,607	17,382,412	311,921,916	71,614,791	172,395,971	44,688,270	8,354,257	297,053,288
315,280,702	297,528,105	257,266,609	1,939,466	207,063,325	34,202,003	23,735,732	266,940,526	98,158,780	125,968,142	42,970,539	4,383,230	271,480,690	17,671,863	194,462,878	39,591,678	(2,727,537)	248,998,882
314,510,274	295,101,142	256,432,476	68,907,586	128,959,429	56,347,753	15,617,892	269,832,661	86,040,677	128,515,068	40,939,278	11,016,185	266,511,208	84,367,039	141,143,991	15,367,799	8,954,639	249,833,468
308,793,279	290,418,338	252,541,967	62,419,843	152,292,385	38,350,723	9,096,867	262,159,818	58,111,007	164,014,797	34,106,620	6,928,334	263,160,758	79,442,033	134,465,544	26,577,081	6,878,753	247,363,411
296,648,041	279,219,768	237,435,485	58,792,012	134,604,913	37,288,301	15,483,479	246,168,704	79,007,480	125,222,472	32,302,432	12,361,288	248,893,673	72,379,868	124,908,952	18,889,216	15,644,528	231,822,565
297,699,247	280,889,591	249,076,833	65,381,900	136,438,407	33,817,863	12,384,247	248,022,417	80,523,046	125,986,623	32,657,193	11,420,773	250,587,635	81,180,337	121,560,061	35,330,946	6,101,467	244,172,811
305,567,282	288,053,411	248,584,337	55,056,679	150,844,050	33,024,672	16,061,085	254,986,486	72,772,701	138,908,663	28,413,934	(10,884,479)	229,210,818	58,249,370	154,140,906	25,946,900	5,230,033	243,567,208
304,240,853	285,895,511	254,399,493	71,076,684	137,739,945	33,019,722	14,447,952	256,284,303	79,185,810	130,567,713	1,617,661	42,499,920	253,871,103	82,063,386	132,268,623	27,148,712	5,124,851	246,605,572
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4,196,042,587	3,960,813,492	3,447,208,635	872,286,947	1,937,009,866	571,311,152	194,100,844	3,574,708,809	1,155,852,083	1,803,089,920	448,544,006	163,889,798	3,571,375,807	998,969,267	1,844,495,805	406,107,816	91,336,071	3,340,908,959

month/year	Consumption (kWh)			Billed $ (millions)			Percentage payments (119 days or less)		
	All clients Billed kWh	Government	Total Exc. Gov.	All Clients	Total exc. Mun	Total Exc. Gov.	All Cients	Total Exc. mun	Total Exc. Gov.
Jul-12	1,530.6	271.8	1,258.8	421.2	399.6	345.8	85.0	93.1	95.4
Aug-12	1,481.6	250.8	1,230.8	432.1	409.6	355.5	85.1	92.9	94.1
Sep-12	1,636.6	267.9	1,368.7	411.7	387.6	332.3	82.4	92.7	93.3
Oct-12	1,589.2	269.2	1,319.9	421.3	398.0	342.9	83.4	92.1	92.8
Nov-12	1,502.6	263.3	1,239.3	390.6	370.8	317.4	82.7	91.9	91.6
Dec-12	1,367.9	257.8	1,110.1	399.9	377.8	323.4	83.1	91.4	92.7
Jan-13	1,364.6	235.7	1,128.9	352.2	333.7	287.3	87.1	95.0	94.1
Feb-13	1,338.9	234.8	1,104.1	413.0	390.0	336.6	81.4	90.0	93.8
Mar-13	1,389.9	264.7	1,125.3	421.7	398.5	342.0	79.7	89.2	93.3
Apr-13	1,373.8	247.4	1,126.4	451.2	427.1	370.1	82.5	89.8	94.4
May-13	1,413.8	249.9	1,163.9	381.7	363.0	309.8	86.9	93.3	95.3
Jun-13	1,493.2	250.0	1,243.2	386.6	365.6	319.9	86.1	91.2	94.5
Jul-13	1,530.6	257.9	1,272.7	401.2	379.2	327.1	85.7	92.7	95.1
Aug-13	1,481.6	248.5	1,233.1	374.2	354.5	304.5	86.1	92.4	95.4
Sep-13	1,636.6	289.4	1,347.2	421.2	399.6	342.9	82.9	90.4	94.9
Oct-13	1,589.2	264.5	1,324.7	426.2	404.9	349.5	79.3	91.0	89.0
Nov-13	1,502.6	257.8	1,244.8	389.3	368.4	316.5	84.0	90.8	95.2
Dec-13	1,367.9	235.3	1,132.5	332.3	314.3	270.5	84.7	87.8	95.8
Jan-14	1,364.6	243.5	1,121.2	353.8	332.3	288.0	89.9	93.8	96.0
Feb-14	1,338.9	239.8	1,099.0	350.2	330.4	280.8	88.3	93.8	96.2
Mar-14	1,389.9	235.6	1,154.4	375.6	355.5	309.0	89.2	92.6	96.0
Apr-14	1,373.8	247.4	1,126.5	371.1	350.7	301.6	89.1	92.4	95.9
May-14	1,413.8	241.4	1,172.4	366.7	343.8	306.0	86.1	92.7	95.7
Jun-14	1,493.2	250.1	1,243.1	383.8	361.5	322.9	87.1	91.7	96.4
Jul-14	1,500.4	243.8	1,256.6	417.2	397.1	341.0	87.7	93.4	96.7
Aug-14	1,537.5	258.1	1,279.4	421.7	398.9	344.3	87.3	93.0	96.3
Sep-14	1,543.1	258.1	1,285.0	419.4	396.9	346.0	86.5	92.3	96.4
Oct-14	1,530.3	262.2	1,268.0	422.6	399.5	348.8	85.7	91.9	96.4
Nov-14	1,475.0	244.4	1,230.6	372.4	351.3	311.5	83.7	88.8	95.4
Dec-14	1,319.0	230.4	1,088.7	315.3	297.5	257.3	84.7	91.2	96.8
Jan-15	1,361.7	236.3	1,125.4	314.5	295.1	256.4	85.8	90.3	97.4
Feb-15	1,365.1	234.5	1,130.6	308.8	290.4	252.5	84.9	90.6	97.9
Mar-15	1,321.0	238.2	1,082.9	296.6	279.2	237.4	83.0	89.1	97.6
Apr-15	1,353.2	216.8	1,136.3	297.7	280.9	249.1	83.3	89.2	98.0
May-15	1,455.6	250.4	1,205.2	305.6	288.1	248.6	83.4	79.6	98.0
Jun-15	1,464.2	222.5	1,241.7	304.2	285.9	254.4	84.2	88.8	96.9
Jul-15	1,489.2	241.1	1,248.1	285.8	269.4	236.1	85.4	90.2	97.8

COMPOSITE COLLECTION CURVE SUMMARY

Source: This sheet and the associated linked Tab 6.1b is from PREPA's "Collection Curve (Total)" excel file. At each TUA filing this summary sheet will need to be updated
Please note, the FY 2016 line item below only inlcudes part of FY 2016.

Total Excluding Municipalities

Effectiveness in Collecting (%)

Class	29 or less	59 or less	89 or less	119 or less
FY 2013	37.1	75.8	86.5	91.8
FY 2014	30.4	72.9	85.7	91.8
FY 2015	29.2	74.7	86.0	90.2
FY 2016	29.7	72.6	84.6	88.4

Total - All Clients

Effectiveness in Collecting (%)

Class	29 or less	59 or less	89 or less	119 or less
FY 2013	18.8	61.1	76.0	83.7
FY 2014	19.6	64.3	78.7	85.9
FY 2015	20.8	67.0	80.6	85.2
FY 2016	29.1	71.0	81.1	84.6

Total, Excluding Government

Effectiveness in Collecting (%)

Class	29 or less	59 or less	89 or less	119 or less
FY 2013	26.1	74.2	88.6	93.8
FY 2014	28.2	78.3	91.3	95.0
FY 2015	29.0	82.5	94.3	96.9
FY 2016	36.3	86.2	95.9	98.0

to reflect the actual historical period being used for the TUA filing.

Weighted Average Payment Lag

On Tab 6.0 The total net revenue requirement is grossed-up to reflect the fact that payments of bills are received at varying times, some of which may be after when a bond payment is due. This gross-up applies to the combined total of residential and non-residential revenue requirement. As such, a weighted average gross-up factor was developed that takes both the residential and non-residential payment lags into consideration.

Customer Allocation	Rate 1	Rate 2	Rate 3	Rate 4
Residential	37.78%	37.78%	37.78%	37.78%
Non Residential	62.22%	62.22%	62.22%	62.22%
Total	100.00%	100.00%	100.00%	100.00%
Payment Lags				
Residential: % of kWh paid that are paid after collection period	50.54%	23.19%	15.89%	13.82%
Non-Residential: % of kWh paid that are paid after collection period	51.82%	24.12%	17.00%	13.47%
Weighted Average Payment Lag	51.344%	23.773%	16.583%	13.602%

SUITE 3 RESIDENTIAL PAYMENT LIST

Suite 3 Residential Lease

The Flat Fee: The Flat Fee is a fixed amount agreed upon by either Party for the Flat payment for the Services, as defined in Section 2, which may be offset when consideration is due. This gross consideration is the combined total of residential and non-residential lease rents, plus the Flat Fee, which is the total amount payable by the Tenant to the Landlord for the provision of the Services.

Unit 3 Flat Fee is fixed as per, to be determined, the operator's lease contracts with letting agency Lionel. Site Rent Rate: Unit 3 Rent is a fixed rate of £ 200,000 per annum (the "Unit 3 Rent Rate") which shall be payable by the Tenant on demand to the Flat Fee Landlord Bank Account (as defined in Section 2). Site Rent Rate Shall Within Site Rent, Unit 3 Rent Rate, Unit 3 Flat Fee, Site Rent Rate Increase Date and Site Rent Rate Increase Percentage Shall Be Subject to Review Every Five Years (Each a "Review Date") Such Review Shall Be Carried Out by Reference to the Prevailing Market Rent Rate Of Similar Premises Let Or Offered for Let in Unit 3 Or Similar Buildings Within Within Site Rent, Unit 3 Rent Rate, Unit 3 Flat Fee, Site Rent Rate Increase Date and Site Rent Rate Increase Percentage Shall Be Subject to Review Every Five Years (Each a "Review Date") Such Review Shall Be Carried Out by Reference to the Prevailing Market Rent Rate Of Similar Premises Let Or Offered for Let in Unit 3 Or Similar Buildings (Any "Market Rate Review Date") Including Any Interim Review Date Which Shall Be Deemed to Be Or Include a Review Date Under Any Provision Of This Lease. The Landlord Shall Give The Tenant Not Less Than Six Months' Prior Notice Of Any Review Date Under Any Provision Of This Lease.

Lease Start: Within 14 days of the Date of Completion of Unit 3 Residential Lease between Unit 3 Flat Fee Ltd

Site Rent Rate	**£ 200,000.00**
Unit 3 Rent Rate	**£ 200,000.00**
Unit 3 Flat Fee	**£ 200,000.00**

Month	**Monthly Instalment**
01/01/2024	£ 16,666.67
01/02/2024	£ 16,666.67
01/03/2024	£ 16,666.67
01/04/2024	£ 16,666.67
01/05/2024	£ 16,666.67
01/06/2024	£ 16,666.67
01/07/2024	£ 16,666.67
01/08/2024	£ 16,666.67
01/09/2024	£ 16,666.67
01/10/2024	£ 16,666.67
01/11/2024	£ 16,666.67
01/12/2024	£ 16,666.67
Total Unit 3 Flat Fee Payable Annually	**£ 200,000.00**
Site Rent	**£ 200,000.00**
Site Rent Increase Date (Every Five Years)	01/01/2029
Site Rent Increase Percentage (Subject to Review)	10.00%
Unit 3 Rent Rate Increase Date (Every Five Years)	01/01/2029
Unit 3 Rent Rate Increase Percentage (Subject to Review)	10.00%

← up to 3 Months's delay period to avoid 28 Month

Main Table

Calculated Period Rental Amount	Calculated Period Rent Date	Rent Adjustment Method Applied	Days in Calculation	Rent Amount Paid	Rent Paid Date	Cumulative Rent Arrears Balance	Cumulative Rent Arrears Balance Date	Rent Arrears Status
17/01/2024	18/1.1/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.2/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.3/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.4/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.5/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.6/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.7/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.8/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.9/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.10/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.11/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/1.12/2024 00:00:00	17/01/2024	14	16,666.67	17/01/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.1/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.2/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.3/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.4/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.5/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.6/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.7/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.8/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.9/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.10/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.11/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/2.12/2024 00:00:00	17/01/2024	14	16,666.67	17/02/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.1/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.2/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.3/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.4/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.5/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.6/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.7/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.8/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.9/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.10/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.11/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/3.12/2024 00:00:00	17/01/2024	14	16,666.67	17/03/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.1/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.2/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.3/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.4/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.5/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.6/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.7/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.8/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.9/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.10/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.11/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/4.12/2024 00:00:00	17/01/2024	14	16,666.67	17/04/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.1/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.2/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.3/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.4/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.5/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.6/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.7/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.8/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.9/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.10/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.11/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/5.12/2024 00:00:00	17/01/2024	14	16,666.67	17/05/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.1/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.2/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.3/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.4/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.5/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.6/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.7/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.8/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.9/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.10/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.11/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/6.12/2024 00:00:00	17/01/2024	14	16,666.67	17/06/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.1/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.2/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.3/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.4/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.5/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.6/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.7/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.8/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.9/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.10/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.11/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/7.12/2024 00:00:00	17/01/2024	14	16,666.67	17/07/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.1/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.2/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.3/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.4/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.5/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.6/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.7/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.8/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.9/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.10/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.11/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/8.12/2024 00:00:00	17/01/2024	14	16,666.67	17/08/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.1/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.2/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.3/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.4/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.5/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.6/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.7/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.8/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.9/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.10/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.11/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/9.12/2024 00:00:00	17/01/2024	14	16,666.67	17/09/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.1/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.2/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.3/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.4/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.5/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.6/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.7/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.8/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.9/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.10/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.11/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/10.12/2024 00:00:00	17/01/2024	14	16,666.67	17/10/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.1/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.2/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.3/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.4/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.5/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.6/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.7/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.8/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.9/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.10/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.11/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/11.12/2024 00:00:00	17/01/2024	14	16,666.67	17/11/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.1/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.2/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.3/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.4/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.5/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.6/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.7/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.8/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.9/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.10/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.11/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled
17/01/2024	18/12.12/2024 00:00:00	17/01/2024	14	16,666.67	17/12/2024	0.00	17/01/2024	Settled

Calculation Table

Calculated Period Rental Amount	Calculated Period Rent Date	Rent Adjustment Method Applied	Days in Calculation	Rent Amount Paid	Rent Paid Date	Cumulative Rent Arrears Balance	Cumulative Rent Arrears Balance Date	Rent Arrears Status
16.67	18/1.1/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.2/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.3/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.4/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.5/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.6/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.7/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.8/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.9/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.10/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.11/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/1.12/2024	16.67	14.00	16.67	16/01/2024	0.00	16/01/2024	Settled
16.67	18/2.1/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.2/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.3/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.4/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.5/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.6/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.7/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.8/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.9/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.10/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.11/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/2.12/2024	16.67	14.00	16.67	16/02/2024	0.00	16/01/2024	Settled
16.67	18/3.1/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.2/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.3/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.4/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.5/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.6/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.7/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.8/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.9/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.10/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.11/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/3.12/2024	16.67	14.00	16.67	16/03/2024	0.00	16/01/2024	Settled
16.67	18/4.1/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.2/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.3/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.4/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.5/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.6/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.7/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.8/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.9/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.10/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.11/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/4.12/2024	16.67	14.00	16.67	16/04/2024	0.00	16/01/2024	Settled
16.67	18/5.1/2024	16.67	14.00	16.67	16/05/2024	0.00	16/01/2024	Settled
16.67	18/5.2/2024	16.67	14.00	16.67	16/05/2024	0.00	16/01/2

| | | |

DATE 2 RESIDENTIAL PAYMENT LAP

Date: 2 Residential Payment Lap Version: 1.0 Last Edit: 2/5

Dr. Fish Ltd. This Date 2 Residential Payment Lap is provided by the Office of the Fish Chief Operations Officer and Consumer Energy Services, Series of which Stay Warm which is the only product in its class. This group is eligible for the Guaranteed Value of Customer Fish Lost. Accordingly,

| | | |

DATE 3 RESIDENTIAL PAYMENT LAP

Date: 01/01/2024 Time: 00:00:00

Dr. Yuki Ito¹, Mr. Kaito Ito², Assistant Superintendent Engineering Jan Miller¹, Dr. Ryo Ito¹, Engineering Geologist Ms. Ellen Ito¹, Dr. Ryo Ito¹, Mr. Kaito Ito², Mr. Ryo Ito¹, Mr. Ryo Ito¹, Mr. Ryo Ito¹,

| | | |

DATE A RESIDENTIAL PAYMENT LAP

Loan Number: 0000000000
Loan Origination Date: 01/01/2000 Loan Maturity Date: 12/01/2100

Dr. Yale Ian Ellis is an American Hyperthymestic Hypergraphia Ego Inflated Pie Rule Shell (pseudonym of Michael Ian Kompanez) living in Tempe, Arizona, USA. Author of Jesus: Gay Brother, author of Mental Hospital in a Box. Phone: (480) 429-9418 Email: Yale@Yale-Ellis.com Website: www.Yale-Ellis.com Twitter: @YaleIanEllis Facebook: Yale Ian Ellis Instagram: @YaleIanEllis

Let's Pretend that I am a bank and I am lending this person a long residential mortgage. Although I am not a Mortgage Lender, I think I know enough about Mortgage Underwriting and Mortgage Servicing to be a decent person at assigning the loan, and assigned a Value. I think that calculation is about 0.0000 Value, and assigned a Value of 0.0000 and based on data from the Homeownership Mortgage Loan Offers in the nine (9) mile radius Metro Area (MSA) given, I assigned a Interest Rate of 0.0000 %. The calculation for the Monthly Payment is given based on Amortizing the number of days in the month in question by the number of days in the month in question for a minimum of 0.0000 calculated on a Fixed Rate Mortgage Loan Amortizing Monthly Compounding Mortgage Loan with Balloon.

Disclaimer: I AM DEFINITELY NOT A LICENSED Underwriter or Servicer. Whatever I wrote here, I think I know it is wrong.

Loan Amount	$ 0.0000
Annual Interest Rate	0.0000 %
Number of Days in Month (Leap Year Adjusted)	31

Date	Monthly Payment
01/01/2000	$0.0000
02/01/2000	$0.0000
03/01/2000	$0.0000
04/01/2000	$0.0000
05/01/2000	$0.0000
06/01/2000	$0.0000
07/01/2000	$0.0000
08/01/2000	$0.0000
09/01/2000	$0.0000
10/01/2000	$0.0000
11/01/2000	$0.0000
12/01/2000	$0.0000
01/01/2001	$0.0000
02/01/2001	$0.0000
03/01/2001	$0.0000
04/01/2001	$0.0000
05/01/2001	$0.0000
06/01/2001	$0.0000
07/01/2001	$0.0000
08/01/2001	$0.0000
09/01/2001	$0.0000
10/01/2001	$0.0000
11/01/2001	$0.0000
12/01/2001	$0.0000
Total Payments	$0.0000
Total Principal Paid	$0.0000
Total Interest Paid	$0.0000
Ending Balance	$0.0000

>>Go to Summary Page<<

Payment Number	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Total Payment	Principal	Interest	Ending Balance	Cumulative Principal	Cumulative Interest
1	01/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2	02/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
3	03/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
4	04/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
5	05/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
6	06/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
7	07/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
8	08/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
9	09/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
10	10/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
11	11/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
12	12/01/2000	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
13	01/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
14	02/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
15	03/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
16	04/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
17	05/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
18	06/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
19	07/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
20	08/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
21	09/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
22	10/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
23	11/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
24	12/01/2001	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Totals						$0.00	$0.00			

| | | |

SAMPLE NON-RESIDENTIAL PAYMENT CARD

Date of Issue: 01/01/2010
Expiry: 31/12/2010

Dr. Tala Gul Tha ashkar ta'aqulun ta'qilunahu'a'qilunaha ta'qilunaha ta'qilunaha ta

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GUEST & CHEMA RESIDENTIAL PAYMENTS CARD

Date of Issue: 01/06/2022 Expiry: 01/06/2027

Dr. Nidal Ali Fikri Ashkar is a Jordanian Co-operative Co-operative Co-operative

BANK A NON-RESIDENTIAL MORTGAGE LOAN

Prepared by Andrew Lipman on 2/15/2022

DC Title 64 Plus Series 64 Liquidation Agreement (Liquidation Agreement) (Non-Residential Mortgage Loan) (Non-Residential Mortgage Loan) Pledge, collectively with Pledge Agreement, collectively, the "Pledge Agreements") (Pledge Agreements, collectively, the "Pledge Agreements") (Pledge Agreements, collectively, the "Pledge Agreements") (Pledge Agreements

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NOTE 4: NON-RESIDENTIAL PAYMENTS CARD

Date of Issuance: 2/15/2023

Dr. Nikki Ann Tan, Medical Center Manila Medical Director

Dr. Nikki Ann Tan, Medical Center Manila Medical Director

Dear Sir/Madam:

Greetings!

Kindly find attached herewith the payment card issued by Medical Center Manila (Manila) and Medical Center Makati (Makati) for the following Non-Residential Physicians:

Physician	Total Amount Payable
Dr. Ace Ong	1,400,000.00
Dr. Ace Ong	1,400,000.00
Dr. Ace Ong	1,400,000.00

| | | |

Alternative Scenario - Transition Charge Projection Summary

#	TUA Period	Period Starting	TUA Period Ending	Collection Period Ending	Transition Charge: Residential Customer TC ($/kWh)	Transition Charge: Non-Residential Customer TC ($/kWh)	Debt Schedule: Total SPV Debt Service, Surety, and Fees Due TUA Period End
1	TUA Period 1	6/30/16	9/30/16	6/30/17	$ 0.03166	$ 0.03066	$ 1,250,000
2	TUA Period 2	9/30/16	12/31/16	9/30/17	$ 0.03033	$ 0.02919	$ 1,250,000
3	TUA Period 3	12/31/16	3/31/17	12/31/17	$ 0.03282	$ 0.02714	$ 1,250,000
4	TUA Period 4	3/31/17	6/30/17	3/31/18	$ 0.03161	$ 0.03168	$ 390,487,206
5	TUA Period 5	6/30/17	9/30/17	6/30/18	$ 0.02986	$ 0.02892	$ 3,829,325
6	TUA Period 6	9/30/17	12/31/17	9/30/18	$ 0.02850	$ 0.02743	$ 174,987,803
7	TUA Period 7	12/31/17	3/31/18	12/31/18	$ 0.03084	$ 0.02551	$ 2,579,325
8	TUA Period 8	3/31/18	6/30/18	3/31/19	$ 0.02970	$ 0.02976	$ 248,445,525
9	TUA Period 9	6/30/18	9/30/18	6/30/19	$ 0.04370	$ 0.04232	$ 2,579,325
10	TUA Period 10	9/30/18	12/31/18	9/30/19	$ 0.04176	$ 0.04019	$ 137,953,673
11	TUA Period 11	12/31/18	3/31/19	12/31/19	$ 0.04519	$ 0.03737	$ 2,579,325
12	TUA Period 12	3/31/19	6/30/19	3/31/20	$ 0.04353	$ 0.04362	$ 455,505,076
13	TUA Period 13	6/30/19	9/30/19	6/30/20	$ 0.03460	$ 0.03351	$ 2,579,325
14	TUA Period 14	9/30/19	12/31/19	9/30/20	$ 0.03300	$ 0.03176	$ 167,343,089
15	TUA Period 15	12/31/19	3/31/20	12/31/20	$ 0.03571	$ 0.02953	$ 2,579,325
16	TUA Period 16	3/31/20	6/30/20	3/31/21	$ 0.03440	$ 0.03447	$ 338,197,823
17	TUA Period 17	6/30/20	9/30/20	6/30/21	$ 0.03464	$ 0.03354	$ 2,579,325
18	TUA Period 18	9/30/20	12/31/20	9/30/21	$ 0.03306	$ 0.03182	$ 157,104,273
19	TUA Period 19	12/31/20	3/31/21	12/31/21	$ 0.03578	$ 0.02959	$ 2,579,325
20	TUA Period 20	3/31/21	6/30/21	3/31/22	$ 0.03446	$ 0.03454	$ 332,118,149
21	TUA Period 21	6/30/21	9/30/21	6/30/22	$ 0.04639	$ 0.04492	$ 2,579,325
22	TUA Period 22	9/30/21	12/31/21	9/30/22	$ 0.04432	$ 0.04266	$ 227,567,661
23	TUA Period 23	12/31/21	3/31/22	12/31/22	$ 0.04795	$ 0.03966	$ 2,579,325
24	TUA Period 24	3/31/22	6/30/22	3/31/23	$ 0.04619	$ 0.04629	$ 408,093,486
25	TUA Period 25	6/30/22	9/30/22	6/30/23	$ 0.04727	$ 0.04577	$ 2,579,325
26	TUA Period 26	9/30/22	12/31/22	9/30/23	$ 0.04512	$ 0.04343	$ 208,952,728
27	TUA Period 27	12/31/22	3/31/23	12/31/23	$ 0.04883	$ 0.04038	$ 2,579,325
28	TUA Period 28	3/31/23	6/30/23	3/31/24	$ 0.04703	$ 0.04713	$ 459,184,379
29	TUA Period 29	6/30/23	9/30/23	6/30/24	$ 0.04634	$ 0.04487	$ 2,579,325
30	TUA Period 30	9/30/23	12/31/23	9/30/24	$ 0.04423	$ 0.04257	$ 204,258,096
31	TUA Period 31	12/31/23	3/31/24	12/31/24	$ 0.04786	$ 0.03958	$ 2,579,325
32	TUA Period 32	3/31/24	6/30/24	3/31/25	$ 0.04610	$ 0.04620	$ 453,838,328
33	TUA Period 33	6/30/24	9/30/24	6/30/25	$ 0.04167	$ 0.04034	$ 2,579,325
34	TUA Period 34	9/30/24	12/31/24	9/30/25	$ 0.03976	$ 0.03827	$ 199,504,421
35	TUA Period 35	12/31/24	3/31/25	12/31/25	$ 0.04302	$ 0.03558	$ 2,579,325
36	TUA Period 36	3/31/25	6/30/25	3/31/26	$ 0.04143	$ 0.04152	$ 398,688,234
37	TUA Period 37	6/30/25	9/30/25	6/30/26	$ 0.04103	$ 0.03973	$ 1,873,944
38	TUA Period 38	9/30/25	12/31/25	9/30/26	$ 0.03916	$ 0.03769	$ 196,836,991
39	TUA Period 39	12/31/25	3/31/26	12/31/26	$ 0.04238	$ 0.03505	$ 1,873,944
40	TUA Period 40	3/31/26	6/30/26	3/31/27	$ 0.04081	$ 0.04090	$ 386,264,384
41	TUA Period 41	6/30/26	9/30/26	6/30/27	$ 0.03794	$ 0.03674	$ 1,139,850
42	TUA Period 42	9/30/26	12/31/26	9/30/27	$ 0.03621	$ 0.03485	$ 194,424,970
43	TUA Period 43	12/31/26	3/31/27	12/31/27	$ 0.03918	$ 0.03240	$ 1,139,850
44	TUA Period 44	3/31/27	6/30/27	3/31/28	$ 0.03774	$ 0.03782	$ 350,595,943
45	TUA Period 45	6/30/27	9/30/27	6/30/28	$ 0.03110	$ 0.03011	$ 774,996
46	TUA Period 46	9/30/27	12/31/27	9/30/28	$ 0.02967	$ 0.02856	$ 192,399,093
47	TUA Period 47	12/31/27	3/31/28	12/31/28	$ 0.03210	$ 0.02655	$ 774,996
48	TUA Period 48	3/31/28	6/30/28	3/31/29	$ 0.03092	$ 0.03098	$ 262,535,062
49	TUA Period 49	6/30/28	9/30/28	6/30/29	$ 0.03498	$ 0.03387	$ 395,250
50	TUA Period 50	9/30/28	12/31/28	9/30/29	$ 0.03340	$ 0.03215	$ 191,237,438
51	TUA Period 51	12/31/28	3/31/29	12/31/29	$ 0.03615	$ 0.02989	$ 395,250
52	TUA Period 52	3/31/29	6/30/29	3/31/30	$ 0.03482	$ 0.03489	$ 300,227,100
53	TUA Period 53	6/30/29	9/30/29	6/30/30	$ 0.03877	$ 0.03754	$ -
54	TUA Period 54	9/30/29	12/31/29	9/30/30	$ 0.03702	$ 0.03563	$ 217,578,769
55	TUA Period 55	12/31/29	3/31/30	12/31/30	$ 0.04006	$ 0.03313	$ -
56	TUA Period 56	3/31/30	6/30/30	3/31/31	$ 0.03859	$ 0.03867	$ 329,013,280
57	TUA Period 57	6/30/30	9/30/30	6/30/31	$ 0.03505	$ 0.03394	$ -
58	TUA Period 58	9/30/30	12/31/30	9/30/31	$ 0.03345	$ 0.03220	$ 214,760,909
59	TUA Period 59	12/31/30	3/31/31	12/31/31	$ 0.03619	$ 0.02993	$ -
60	TUA Period 60	3/31/31	6/30/31	3/31/32	$ 0.03486	$ 0.03494	$ 292,488,744
61	TUA Period 61	6/30/31	9/30/31	6/30/32	$ 0.03561	$ 0.03448	$ -
62	TUA Period 62	9/30/31	12/31/31	9/30/32	$ 0.03400	$ 0.03272	$ 212,767,402
63	TUA Period 63	12/31/31	3/31/32	12/31/32	$ 0.03679	$ 0.03043	$ -
64	TUA Period 64	3/31/32	6/30/32	3/31/33	$ 0.03543	$ 0.03551	$ 294,622,478
65	TUA Period 65	6/30/32	9/30/32	6/30/33	$ 0.03545	$ 0.03432	$ -
66	TUA Period 66	9/30/32	12/31/32	9/30/33	$ 0.03384	$ 0.03257	$ 210,668,794
67	TUA Period 67	12/31/32	3/31/33	12/31/33	$ 0.03661	$ 0.03028	$ -
68	TUA Period 68	3/31/33	6/30/33	3/31/34	$ 0.03526	$ 0.03534	$ 295,680,983
69	TUA Period 69	6/30/33	9/30/33	6/30/34	$ 0.03160	$ 0.03060	$ -
70	TUA Period 70	9/30/33	12/31/33	9/30/34	$ 0.03015	$ 0.02902	$ 208,602,020
71	TUA Period 71	12/31/33	3/31/34	12/31/34	$ 0.03262	$ 0.02698	$ -
72	TUA Period 72	3/31/34	6/30/34	3/31/35	$ 0.03142	$ 0.03149	$ 249,519,525
73	TUA Period 73	6/30/34	9/30/34	6/30/35	$ 0.03218	$ 0.03116	$ -
74	TUA Period 74	9/30/34	12/31/34	9/30/35	$ 0.03071	$ 0.02956	$ 207,579,262
75	TUA Period 75	12/31/34	3/31/35	12/31/35	$ 0.03324	$ 0.02749	$ -
76	TUA Period 76	3/31/35	6/30/35	3/31/36	$ 0.03201	$ 0.03208	$ 250,694,144
77	TUA Period 77	6/30/35	9/30/35	6/30/36	$ 0.02846	$ 0.02755	$ -
78	TUA Period 78	9/30/35	12/31/35	9/30/36	$ 0.02715	$ 0.02614	$ 206,499,158
79	TUA Period 79	12/31/35	3/31/36	12/31/36	$ 0.02807	$ 0.02718	$ -
80	TUA Period 80	3/31/36	6/30/36	3/31/37	$ 0.02857	$ 0.02750	$ 206,551,533
81	TUA Period 81	6/30/36	9/30/36	6/30/37	$ 0.02878	$ 0.02786	$ -
82	TUA Period 82	9/30/36	12/31/36	9/30/37	$ 0.02747	$ 0.02644	$ 206,550,841
83	TUA Period 83	12/31/36	3/31/37	12/31/37	$ 0.02821	$ 0.02731	$ -
84	TUA Period 84	3/31/37	6/30/37	3/31/38	$ 0.02872	$ 0.02764	$ 206,605,835
85	TUA Period 85	6/30/37	9/30/37	6/30/38	$ 0.02884	$ 0.02792	$ -
86	TUA Period 86	9/30/37	12/31/37	9/30/38	$ 0.02753	$ 0.02650	$ 206,604,021
87	TUA Period 87	12/31/37	3/31/38	12/31/38	$ 0.02824	$ 0.02734	$ -
88	TUA Period 88	3/31/38	6/30/38	3/31/39	$ 0.02874	$ 0.02767	$ 206,604,021
89	TUA Period 89	6/30/38	9/30/38	6/30/39	$ 0.02885	$ 0.02794	$ -
90	TUA Period 90	9/30/38	12/31/38	9/30/39	$ 0.02754	$ 0.02651	$ 206,660,830
91	TUA Period 91	12/31/38	3/31/39	12/31/39	$ 0.02825	$ 0.02735	$ -
92	TUA Period 92	3/31/39	6/30/39	3/31/40	$ 0.02876	$ 0.02768	$ 206,660,830
93	TUA Period 93	6/30/39	9/30/39	6/30/40	$ 0.02886	$ 0.02795	$ -
94	TUA Period 94	9/30/39	12/31/39	9/30/40	$ 0.02755	$ 0.02652	$ 206,720,996
95	TUA Period 95	12/31/39	3/31/40	12/31/40	$ 0.02826	$ 0.02736	$ -
96	TUA Period 96	3/31/40	6/30/40	3/31/41	$ 0.02876	$ 0.02769	$ 206,720,996
97	TUA Period 97	6/30/40	9/30/40	6/30/41	$ 0.02887	$ 0.02795	$ -
98	TUA Period 98	9/30/40	12/31/40	9/30/41	$ 0.02756	$ 0.02653	$ 206,785,171
99	TUA Period 99	12/31/40	3/31/41	12/31/41	$ 0.02982	$ 0.02466	$ -
100	TUA Period 100	3/31/41	6/30/41	3/31/42	$ 0.02873	$ 0.02879	$ 206,785,171

	Residential Customer TC ($/kWh)	Total SPV Debt Service, Surety, and Fees Due TUA Period End	Non-Residential Customer TC ($/kWh)	Total SPV Debt Service, Surety, and Fees Due TUA Period End		Total SPV Debt Service, Surety, and Fees Due TUA Period End	Adjustment for Collections Lag and Uncollectible Revenue	Total Billed Transition Charge	Avg. Blended Rate per kWh
FY17	$ 0.03	$ 394,237,206	$ 0.02967	$ 394,237,206	6/30/2017	$ 394,237,206	$ 101,286,778	$ 495,523,984	$ 0.03038
FY18	$ 0.03	$ 429,841,978	$ 0.02791	$ 429,841,978	6/30/2018	$ 429,841,978	$ 36,244,336	$ 466,086,315	$ 0.02858
FY19	$ 0.04	$ 598,617,399	$ 0.04088	$ 598,617,399	6/30/2019	$ 598,617,399	$ 84,118,893	$ 682,736,292	$ 0.04186
FY20	$ 0.03	$ 510,699,562	$ 0.03232	$ 510,699,562	6/30/2020	$ 510,699,562	$ 29,090,433	$ 539,789,994	$ 0.03310
FY21	$ 0.03	$ 494,381,072	$ 0.03237	$ 494,381,072	6/30/2021	$ 494,381,072	$ 46,327,866	$ 540,708,938	$ 0.03316
FY22	$ 0.05	$ 640,819,797	$ 0.04338	$ 640,819,797	6/30/2022	$ 640,819,797	$ 83,768,826	$ 724,588,623	$ 0.04443
FY23	$ 0.05	$ 673,295,757	$ 0.04418	$ 673,295,757	6/30/2023	$ 673,295,757	$ 64,600,678	$ 737,896,435	$ 0.04525
FY24	$ 0.05	$ 663,255,075	$ 0.04331	$ 663,255,075	6/30/2024	$ 663,255,075	$ 60,066,302	$ 723,321,377	$ 0.04435
FY25	$ 0.04	$ 603,351,305	$ 0.03893	$ 603,351,305	6/30/2025	$ 603,351,305	$ 46,841,297	$ 650,192,602	$ 0.03987
FY26	$ 0.04	$ 586,849,263	$ 0.03834	$ 586,849,263	6/30/2026	$ 586,849,263	$ 53,561,783	$ 640,411,047	$ 0.03927
FY27	$ 0.04	$ 547,300,613	$ 0.03545	$ 547,300,613	6/30/2027	$ 547,300,613	$ 44,856,642	$ 592,157,256	$ 0.03631
FY28	$ 0.03	$ 456,484,148	$ 0.02905	$ 456,484,148	6/30/2028	$ 456,484,148	$ 28,726,559	$ 485,210,707	$ 0.02975
FY29	$ 0.03	$ 492,255,039	$ 0.03270	$ 492,255,039	6/30/2029	$ 492,255,039	$ 53,937,517	$ 546,192,556	$ 0.03349
FY30	$ 0.04	$ 546,592,049	$ 0.03624	$ 546,592,049	6/30/2030	$ 546,592,049	$ 58,754,511	$ 605,346,559	$ 0.03712
FY31	$ 0.03	$ 507,249,654	$ 0.03275	$ 507,249,654	6/30/2031	$ 507,249,654	$ 39,795,415	$ 547,045,069	$ 0.03354
FY32	$ 0.04	$ 507,389,880	$ 0.03329	$ 507,389,880	6/30/2032	$ 507,389,880	$ 48,559,716	$ 555,949,596	$ 0.03409
FY33	$ 0.04	$ 506,349,778	$ 0.03313	$ 506,349,778	6/30/2033	$ 506,349,778	$ 46,955,739	$ 553,305,516	$ 0.03393
FY34	$ 0.03	$ 458,121,544	$ 0.02952	$ 458,121,544	6/30/2034	$ 458,121,544	$ 34,961,620	$ 493,083,164	$ 0.03023
FY35	$ 0.03	$ 458,273,406	$ 0.03007	$ 458,273,406	6/30/2035	$ 458,273,406	$ 44,008,938	$ 502,282,344	$ 0.03080
FY36	$ 0.03	$ 413,050,692	$ 0.02709	$ 413,050,692	6/30/2036	$ 413,050,692	$ 34,648,859	$ 447,699,551	$ 0.02745
FY37	$ 0.03	$ 413,156,677	$ 0.02731	$ 413,156,677	6/30/2037	$ 413,156,677	$ 38,189,014	$ 451,345,690	$ 0.02768
FY38	$ 0.03	$ 413,208,041	$ 0.02736	$ 413,208,041	6/30/2038	$ 413,208,041	$ 38,859,932	$ 452,067,974	$ 0.02772
FY39	$ 0.03	$ 413,321,660	$ 0.02737	$ 413,321,660	6/30/2039	$ 413,321,660	$ 38,952,257	$ 452,273,917	$ 0.02773
FY40	$ 0.03	$ 413,441,992	$ 0.02738	$ 413,441,992	6/30/2040	$ 413,441,992	$ 38,990,173	$ 452,432,165	$ 0.02774
FY41	$ 0.03	$ 413,570,342	$ 0.02698	$ 413,570,342	6/30/2041	$ 413,570,342	$ 37,116,093	$ 450,686,435	$ 0.02764
					6/30/2042				

Alternative Scenario - Transition Charge Calculation and Projection

					Debt Schedule	Transition Charge		Eligible Consumption		Customer Allocation				Net Revenue Requirement				Weighted Avg Collection Curve			
																	Period 1 Input	51.3%	23.8%	16.6%	13.6%
#	TUA Period	Period Starting	TUA Period Ending	Collection Period Ending	Total SPV Debt Service, Surety, and Fees Due TUA Period End	Residential Customer TC ($/kWh)	Non-Residential Customer TC ($/kWh)	Residential Consumption FY15 ex-CILT (kWh)	Non-Residential Sales FY 15 ex-CILT (kWh)	Residential Consumption FY 15 inc'l CILT (kWh)	Non-Residential Consumption FY 15 inc'l CILT (kWh)	RES	NRES	Collection Period 1	Collection Period 2	Collection Period 3	Collection Period 4	3 Month	6 Month	9 Month	12 Month
1	TUA Period 1	6/30/16	9/30/16	6/30/17	$ 1,250,000	$ 0.03166	$ 0.03066	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 1,250,000	$ 2,500,000	$ 3,750,000	$ 394,237,206	51.3%	23.8%	16.6%	13.6%
2	TUA Period 2	9/30/16	12/31/16	9/30/17	$ 1,250,000	$ 0.03033	$ 0.02919	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 271,812,509	$ 275,641,834	51.3%	23.8%	16.6%	13.6%
3	TUA Period 3	12/31/16	3/31/17	12/31/17	$ 1,250,000	$ 0.03282	$ 0.02714	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 159,662,281	$ 163,491,606	$ 338,479,409	51.3%	23.8%	16.6%	13.6%
4	TUA Period 4	3/31/17	6/30/17	3/31/18	$ 390,487,206	$ 0.03161	$ 0.03168	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 60,373,441	$ 64,202,766	$ 239,190,569	$ 241,769,894	51.3%	23.8%	16.6%	13.6%
5	TUA Period 5	6/30/17	9/30/17	6/30/18	$ 3,829,325	$ 0.02986	$ 0.02892	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 120,814,562	$ 123,393,887	$ 371,839,412	51.3%	23.8%	16.6%	13.6%
6	TUA Period 6	9/30/17	12/31/17	9/30/18	$ 174,987,803	$ 0.02850	$ 0.02743	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 4,417,213	$ 6,996,538	$ 255,442,064	$ 258,021,389	51.3%	23.8%	16.6%	13.6%
7	TUA Period 7	12/31/17	3/31/18	12/31/18	$ 2,579,325	$ 0.03084	$ 0.02551	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 150,047,750	$ 152,627,075	$ 290,580,748	51.3%	23.8%	16.6%	13.6%
8	TUA Period 8	3/31/18	6/30/18	3/31/19	$ 248,445,525	$ 0.02970	$ 0.02976	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 56,728,744	$ 59,308,069	$ 197,261,742	$ 199,841,067	51.3%	23.8%	16.6%	13.6%
9	TUA Period 9	6/30/18	9/30/18	6/30/19	$ 2,579,325	$ 0.04370	$ 0.04232	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 86,049,041	$ 88,628,366	$ 544,133,442	51.3%	23.8%	16.6%	13.6%
10	TUA Period 10	9/30/18	12/31/18	9/30/19	$ 137,953,673	$ 0.04176	$ 0.04019	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 374,287,045	$ 376,866,370	51.3%	23.8%	16.6%	13.6%
11	TUA Period 11	12/31/18	3/31/19	12/31/19	$ 2,579,325	$ 0.04519	$ 0.03737	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 219,863,839	$ 222,443,164	$ 389,786,253	51.3%	23.8%	16.6%	13.6%
12	TUA Period 12	3/31/19	6/30/19	3/31/20	$ 455,505,076	$ 0.04353	$ 0.04362	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 83,144,699	$ 85,724,024	$ 253,067,113	$ 255,646,438	51.3%	23.8%	16.6%	13.6%
13	TUA Period 13	6/30/19	9/30/19	6/30/20	$ 2,579,325	$ 0.03460	$ 0.03351	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 90,063,307	$ 92,642,632	$ 430,840,454	51.3%	23.8%	16.6%	13.6%
14	TUA Period 14	9/30/19	12/31/19	9/30/20	$ 167,343,089	$ 0.03300	$ 0.03176	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 295,769,517	$ 298,348,842	51.3%	23.8%	16.6%	13.6%
15	TUA Period 15	12/31/19	3/31/20	12/31/20	$ 2,579,325	$ 0.03571	$ 0.02953	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 173,736,632	$ 176,315,957	$ 333,420,230	51.3%	23.8%	16.6%	13.6%
16	TUA Period 16	3/31/20	6/30/20	3/31/21	$ 338,197,823	$ 0.03440	$ 0.03447	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 65,700,590	$ 68,279,915	$ 225,384,188	$ 227,963,513	51.3%	23.8%	16.6%	13.6%
17	TUA Period 17	6/30/20	9/30/20	6/30/21	$ 2,579,325	$ 0.03464	$ 0.03354	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 96,575,447	$ 99,154,772	$ 431,272,921	51.3%	23.8%	16.6%	13.6%
18	TUA Period 18	9/30/20	12/31/20	9/30/21	$ 157,104,273	$ 0.03306	$ 0.03182	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 296,343,216	$ 298,922,541	51.3%	23.8%	16.6%	13.6%
19	TUA Period 19	12/31/20	3/31/21	12/31/21	$ 2,579,325	$ 0.03578	$ 0.02959	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 174,078,406	$ 176,657,731	$ 404,225,392	51.3%	23.8%	16.6%	13.6%
20	TUA Period 20	3/31/21	6/30/21	3/31/22	$ 332,118,149	$ 0.03446	$ 0.03454	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 65,825,827	$ 68,405,152	$ 295,972,813	$ 298,552,138	51.3%	23.8%	16.6%	13.6%
21	TUA Period 21	6/30/21	9/30/21	6/30/22	$ 2,579,325	$ 0.04639	$ 0.04492	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 166,908,592	$ 169,487,917	$ 577,581,403	51.3%	23.8%	16.6%	13.6%
22	TUA Period 22	9/30/21	12/31/21	9/30/22	$ 227,567,661	$ 0.04432	$ 0.04266	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 397,212,021	$ 399,791,346	51.3%	23.8%	16.6%	13.6%
23	TUA Period 23	12/31/21	3/31/22	12/31/22	$ 2,579,325	$ 0.04795	$ 0.03966	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 233,310,521	$ 235,889,846	$ 444,842,574	51.3%	23.8%	16.6%	13.6%
24	TUA Period 24	3/31/22	6/30/22	3/31/23	$ 408,093,486	$ 0.04619	$ 0.04629	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 88,219,987	$ 90,799,312	$ 299,752,040	$ 302,331,365	51.3%	23.8%	16.6%	13.6%
25	TUA Period 25	6/30/22	9/30/22	6/30/23	$ 2,579,325	$ 0.04727	$ 0.04577	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 126,781,097	$ 129,360,422	$ 588,544,801	51.3%	23.8%	16.6%	13.6%
26	TUA Period 26	9/30/22	12/31/22	9/30/23	$ 208,952,728	$ 0.04512	$ 0.04343	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 404,434,753	$ 407,014,078	51.3%	23.8%	16.6%	13.6%
27	TUA Period 27	12/31/22	3/31/23	12/31/23	$ 2,579,325	$ 0.04883	$ 0.04038	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 237,565,317	$ 240,144,642	$ 444,402,738	51.3%	23.8%	16.6%	13.6%
28	TUA Period 28	3/31/23	6/30/23	3/31/24	$ 459,184,379	$ 0.04703	$ 0.04713	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 89,835,919	$ 92,415,244	$ 296,673,340	$ 299,252,665	51.3%	23.8%	16.6%	13.6%
29	TUA Period 29	6/30/23	9/30/23	6/30/24	$ 2,579,325	$ 0.04634	$ 0.04487	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 120,552,363	$ 123,131,688	$ 576,970,017	51.3%	23.8%	16.6%	13.6%
30	TUA Period 30	9/30/23	12/31/23	9/30/24	$ 204,258,096	$ 0.04423	$ 0.04257	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 396,429,352	$ 399,008,677	51.3%	23.8%	16.6%	13.6%
31	TUA Period 31	12/31/23	3/31/24	12/31/24	$ 2,579,325	$ 0.04786	$ 0.03958	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 232,863,569	$ 235,442,894	$ 434,947,315	51.3%	23.8%	16.6%	13.6%
32	TUA Period 32	3/31/24	6/30/24	3/31/25	$ 453,838,328	$ 0.04610	$ 0.04620	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 88,059,701	$ 90,639,026	$ 290,143,447	$ 292,722,772	51.3%	23.8%	16.6%	13.6%
33	TUA Period 33	6/30/24	9/30/24	6/30/25	$ 2,579,325	$ 0.04167	$ 0.04034	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 117,500,499	$ 120,079,824	$ 518,768,058	51.3%	23.8%	16.6%	13.6%
34	TUA Period 34	9/30/24	12/31/24	9/30/25	$ 199,504,421	$ 0.03976	$ 0.03827	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 356,337,032	$ 358,210,976	51.3%	23.8%	16.6%	13.6%
35	TUA Period 35	12/31/24	3/31/25	12/31/25	$ 2,579,325	$ 0.04302	$ 0.03558	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 209,300,620	$ 211,174,564	$ 408,011,555	51.3%	23.8%	16.6%	13.6%
36	TUA Period 36	3/31/25	6/30/25	3/31/26	$ 398,688,234	$ 0.04143	$ 0.04152	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 79,138,327	$ 81,012,271	$ 277,849,262	$ 279,723,206	51.3%	23.8%	16.6%	13.6%
37	TUA Period 37	6/30/25	9/30/25	6/30/26	$ 1,873,944	$ 0.04103	$ 0.03973	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 122,695,379	$ 124,569,323	$ 510,833,707	51.3%	23.8%	16.6%	13.6%
38	TUA Period 38	9/30/25	12/31/25	9/30/26	$ 196,836,991	$ 0.03916	$ 0.03769	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 350,985,936	$ 352,125,786	51.3%	23.8%	16.6%	13.6%
39	TUA Period 39	12/31/25	3/31/26	12/31/26	$ 1,873,944	$ 0.04238	$ 0.03505	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 206,170,217	$ 207,310,067	$ 401,735,037	51.3%	23.8%	16.6%	13.6%
40	TUA Period 40	3/31/26	6/30/26	3/31/27	$ 386,264,384	$ 0.04081	$ 0.04090	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 77,950,270	$ 79,090,120	$ 273,515,090	$ 274,654,940	51.3%	23.8%	16.6%	13.6%
41	TUA Period 41	6/30/26	9/30/26	6/30/27	$ 1,139,850	$ 0.03794	$ 0.03674	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 120,682,731	$ 121,822,581	$ 472,418,524	51.3%	23.8%	16.6%	13.6%
42	TUA Period 42	9/30/26	12/31/26	9/30/27	$ 194,424,970	$ 0.03621	$ 0.03485	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 324,524,034	$ 325,299,030	51.3%	23.8%	16.6%	13.6%
43	TUA Period 43	12/31/26	3/31/27	12/31/27	$ 1,139,850	$ 0.03918	$ 0.03240	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 190,622,554	$ 191,397,550	$ 383,796,644	51.3%	23.8%	16.6%	13.6%
44	TUA Period 44	3/31/27	6/30/27	3/31/28	$ 350,595,943	$ 0.03774	$ 0.03782	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 72,086,352	$ 72,861,348	$ 265,260,442	$ 266,035,438	51.3%	23.8%	16.6%	13.6%
45	TUA Period 45	6/30/27	9/30/27	6/30/28	$ 774,996	$ 0.03110	$ 0.03011	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 123,932,859	$ 124,707,855	$ 387,242,917	51.3%	23.8%	16.6%	13.6%
46	TUA Period 46	9/30/27	12/31/27	9/30/28	$ 192,399,093	$ 0.02967	$ 0.02856	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 2,592,334	$ 3,367,330	$ 265,902,392	$ 266,297,642	51.3%	23.8%	16.6%	13.6%
47	TUA Period 47	12/31/27	3/31/28	12/31/28	$ 774,996	$ 0.03210	$ 0.02655	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 156,176,092	$ 156,571,342	$ 347,808,780	51.3%	23.8%	16.6%	13.6%
48	TUA Period 48	3/31/28	6/30/28	3/31/29	$ 262,535,062	$ 0.03092	$ 0.03098	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 59,049,532	$ 59,444,782	$ 250,682,220	$ 251,077,470	51.3%	23.8%	16.6%	13.6%
49	TUA Period 49	6/30/28	9/30/28	6/30/29	$ 395,250	$ 0.03498	$ 0.03387	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 134,914,095	$ 135,309,345	$ 435,536,445	51.3%	23.8%	16.6%	13.6%
50	TUA Period 50	9/30/28	12/31/28	9/30/29	$ 191,237,438	$ 0.03340	$ 0.03215	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ -	$ 299,388,303	$ 299,388,303	51.3%	23.8%	16.6%	13.6%
51	TUA Period 51	12/31/28	3/31/29	12/31/29	$ 395,250	$ 0.03615	$ 0.02989	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 175,860,459	$ 175,860,459	$ 393,439,228	51.3%	23.8%	16.6%	13.6%
52	TUA Period 52	3/31/29	6/30/29	3/31/30	$ 300,227,100	$ 0.03482	$ 0.03489	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 66,505,806	$ 66,505,806	$ 284,084,575	$ 284,084,575	51.3%	23.8%	16.6%	13.6%
53	TUA Period 53	6/30/29	9/30/29	6/30/30	$ -	$ 0.03877	$ 0.03754	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 153,702,865	$ 153,702,865	$ 482,716,145	51.3%	23.8%	16.6%	13.6%
54	TUA Period 54	9/30/29	12/31/29	9/30/30	$ 217,578,769	$ 0.03702	$ 0.03563	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 2,787,780	$ 2,787,780	$ 331,801,060	$ 331,801,060	51.3%	23.8%	16.6%	13.6%
55	TUA Period 55	12/31/29	3/31/30	12/31/30	$ -	$ 0.04006	$ 0.03313	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 194,901,165	$ 194,901,165	$ 409,662,074	51.3%	23.8%	16.6%	13.6%
56	TUA Period 56	3/31/30	6/30/30	3/31/31	$ 329,013,280	$ 0.03859	$ 0.03867	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 73,698,524	$ 73,698,524	$ 288,459,433	$ 288,459,433	51.3%	23.8%	16.6%	13.6%
57	TUA Period 57	6/30/30	9/30/30	6/30/31	$ -	$ 0.03505	$ 0.03394	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 143,961,421	$ 143,961,421	$ 436,450,165	51.3%	23.8%	16.6%	13.6%
58	TUA Period 58	9/30/30	12/31/30	9/30/31	$ 214,760,909	$ 0.03345	$ 0.03220	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 7,307,989	$ 7,307,989	$ 299,796,734	$ 299,796,734	51.3%	23.8%	16.6%	13.6%
59	TUA Period 59	12/31/30	3/31/31	12/31/31	$ -	$ 0.03619	$ 0.02993	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 176,085,224	$ 176,085,224	$ 388,852,626	51.3%	23.8%	16.6%	13.6%
60	TUA Period 60	3/31/31	6/30/31	3/31/32	$ 292,488,744	$ 0.03486	$ 0.03494	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 66,586,807	$ 66,586,807	$ 279,354,208	$ 279,354,208	51.3%	23.8%	16.6%	13.6%
61	TUA Period 61	6/30/31	9/30/31	6/30/32	$ -	$ 0.03561	$ 0.03448	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 148,796,378	$ 148,796,378	$ 443,418,857	51.3%	23.8%	16.6%	13.6%
62	TUA Period 62	9/30/31	12/31/31	9/30/32	$ 212,767,402	$ 0.03400	$ 0.03272	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 10,092,397	$ 10,092,397	$ 304,714,876	$ 304,714,876	51.3%	23.8%	16.6%	13.6%
63	TUA Period 63	12/31/31	3/31/32	12/31/32	$ -	$ 0.03679	$ 0.03043	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 178,993,716	$ 178,993,716	$ 389,662,510	51.3%	23.8%	16.6%	13.6%
64	TUA Period 64	3/31/32	6/30/32	3/31/33	$ 294,622,478	$ 0.03543	$ 0.03551	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 67,674,917	$ 67,674,917	$ 278,343,711	$ 278,343,711	51.3%	23.8%	16.6%	13.6%

65	TUA Period 65	6/30/32	9/30/32	6/30/33	$ -	$ 0.03545	$ 0.03432	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 145,654,366	$ 145,654,366	$ 441,335,349	51.3%	23.8%	16.6%	13.6%
66	TUA Period 66	9/30/32	12/31/32	9/30/33	$ 210,668,794	$ 0.03384	$ 0.03257	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 7,575,841	$ 7,575,841	$ 303,256,824	$ 303,256,824	51.3%	23.8%	16.6%	13.6%
67	TUA Period 67	12/31/32	3/31/33	12/31/33	$ -	$ 0.03661	$ 0.03028	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 178,121,697	$ 178,121,697	$ 386,723,716	51.3%	23.8%	16.6%	13.6%
68	TUA Period 68	3/31/33	6/30/33	3/31/34	$ 295,680,983	$ 0.03526	$ 0.03534	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 67,348,758	$ 67,348,758	$ 275,950,778	$ 275,950,778	51.3%	23.8%	16.6%	13.6%
69	TUA Period 69	6/30/33	9/30/33	6/30/34	$ -	$ 0.03160	$ 0.03060	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 143,898,386	$ 143,898,386	$ 393,417,911	51.3%	23.8%	16.6%	13.6%
70	TUA Period 70	9/30/33	12/31/33	9/30/34	$ 208,602,020	$ 0.03015	$ 0.02902	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 20,689,034	$ 20,689,034	$ 270,208,558	$ 270,208,558	51.3%	23.8%	16.6%	13.6%
71	TUA Period 71	12/31/33	3/31/34	12/31/34	$ -	$ 0.03262	$ 0.02698	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 158,711,241	$ 158,711,241	$ 366,290,502	51.3%	23.8%	16.6%	13.6%
72	TUA Period 72	3/31/34	6/30/34	3/31/35	$ 249,519,525	$ 0.03142	$ 0.03149	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 60,010,209	$ 60,010,209	$ 267,589,470	$ 267,589,470	51.3%	23.8%	16.6%	13.6%
73	TUA Period 73	6/30/34	9/30/34	6/30/35	$ -	$ 0.03218	$ 0.03116	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 149,924,209	$ 149,924,209	$ 400,618,353	51.3%	23.8%	16.6%	13.6%
74	TUA Period 74	9/30/34	12/31/34	9/30/35	$ 207,579,262	$ 0.03071	$ 0.02956	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 24,591,046	$ 24,591,046	$ 275,285,190	$ 275,285,190	51.3%	23.8%	16.6%	13.6%
75	TUA Period 75	12/31/34	3/31/35	12/31/35	$ -	$ 0.03324	$ 0.02749	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 161,705,792	$ 161,705,792	$ 368,204,950	51.3%	23.8%	16.6%	13.6%
76	TUA Period 76	3/31/35	6/30/35	3/31/36	$ 250,694,144	$ 0.03201	$ 0.03208	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 61,140,619	$ 61,140,619	$ 267,639,778	$ 267,639,778	51.3%	23.8%	16.6%	13.6%
77	TUA Period 77	6/30/35	9/30/35	6/30/36	$ -	$ 0.02846	$ 0.02755	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 147,765,313	$ 147,765,313	$ 354,316,847	51.3%	23.8%	16.6%	13.6%
78	TUA Period 78	9/30/35	12/31/35	9/30/36	$ 206,499,158	$ 0.02715	$ 0.02614	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 36,815,222	$ 36,815,222	$ 243,366,756	$ 243,366,756	51.3%	23.8%	16.6%	13.6%
79	TUA Period 79	12/31/35	3/31/36	12/31/36	$ -	$ 0.02807	$ 0.02718	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 142,938,992	$ 142,938,992	$ 349,489,833	51.3%	23.8%	16.6%	13.6%
80	TUA Period 80	3/31/36	6/30/36	3/31/37	$ 206,551,533	$ 0.02857	$ 0.02750	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 49,548,785	$ 49,548,785	$ 256,099,626	$ 256,099,626	51.3%	23.8%	16.6%	13.6%
81	TUA Period 81	6/30/36	9/30/36	6/30/37	$ -	$ 0.02878	$ 0.02786	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 151,672,603	$ 151,672,603	$ 358,278,438	51.3%	23.8%	16.6%	13.6%
82	TUA Period 82	9/30/36	12/31/36	9/30/37	$ 206,550,841	$ 0.02747	$ 0.02644	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 39,608,456	$ 39,608,456	$ 246,214,292	$ 246,214,292	51.3%	23.8%	16.6%	13.6%
83	TUA Period 83	12/31/36	3/31/37	12/31/37	$ -	$ 0.02821	$ 0.02731	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 144,625,602	$ 144,625,602	$ 351,229,623	51.3%	23.8%	16.6%	13.6%
84	TUA Period 84	3/31/37	6/30/37	3/31/38	$ 206,605,835	$ 0.02872	$ 0.02764	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 50,777,168	$ 50,777,168	$ 257,381,188	$ 257,381,188	51.3%	23.8%	16.6%	13.6%
85	TUA Period 85	6/30/37	9/30/37	6/30/38	$ -	$ 0.02884	$ 0.02792	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 152,426,228	$ 152,426,228	$ 359,030,249	51.3%	23.8%	16.6%	13.6%
86	TUA Period 86	9/30/37	12/31/37	9/30/38	$ 206,604,021	$ 0.02753	$ 0.02650	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 40,120,796	$ 40,120,796	$ 246,724,816	$ 246,724,816	51.3%	23.8%	16.6%	13.6%
87	TUA Period 87	12/31/37	3/31/38	12/31/38	$ -	$ 0.02824	$ 0.02734	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 144,913,279	$ 144,913,279	$ 351,574,109	51.3%	23.8%	16.6%	13.6%
88	TUA Period 88	3/31/38	6/30/38	3/31/39	$ 206,604,021	$ 0.02874	$ 0.02767	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 50,965,103	$ 50,965,103	$ 257,625,933	$ 257,625,933	51.3%	23.8%	16.6%	13.6%
89	TUA Period 89	6/30/38	9/30/38	6/30/39	$ -	$ 0.02885	$ 0.02794	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 152,562,556	$ 152,562,556	$ 359,223,386	51.3%	23.8%	16.6%	13.6%
90	TUA Period 90	9/30/38	12/31/38	9/30/39	$ 206,660,830	$ 0.02754	$ 0.02651	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 40,184,259	$ 40,184,259	$ 246,845,089	$ 246,845,089	51.3%	23.8%	16.6%	13.6%
91	TUA Period 91	12/31/38	3/31/39	12/31/39	$ -	$ 0.02825	$ 0.02735	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 144,990,637	$ 144,990,637	$ 351,711,633	51.3%	23.8%	16.6%	13.6%
92	TUA Period 92	3/31/39	6/30/39	3/31/40	$ 206,660,830	$ 0.02876	$ 0.02768	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 51,007,169	$ 51,007,169	$ 257,728,165	$ 257,728,165	51.3%	23.8%	16.6%	13.6%
93	TUA Period 93	6/30/39	9/30/39	6/30/40	$ -	$ 0.02886	$ 0.02795	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 152,625,363	$ 152,625,363	$ 359,346,359	51.3%	23.8%	16.6%	13.6%
94	TUA Period 94	9/30/39	12/31/39	9/30/40	$ 206,720,996	$ 0.02755	$ 0.02652	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 40,207,516	$ 40,207,516	$ 246,928,512	$ 246,928,512	51.3%	23.8%	16.6%	13.6%
95	TUA Period 95	12/31/39	3/31/40	12/31/40	$ -	$ 0.02826	$ 0.02736	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 145,037,182	$ 145,037,182	$ 351,822,353	51.3%	23.8%	16.6%	13.6%
96	TUA Period 96	3/31/40	6/30/40	3/31/41	$ 206,720,996	$ 0.02876	$ 0.02769	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 51,021,138	$ 51,021,138	$ 257,806,309	$ 257,806,309	51.3%	23.8%	16.6%	13.6%
97	TUA Period 97	6/30/40	9/30/40	6/30/41	$ -	$ 0.02887	$ 0.02795	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 152,667,915	$ 152,667,915	$ 359,453,087	51.3%	23.8%	16.6%	13.6%
98	TUA Period 98	9/30/40	12/31/40	9/30/41	$ 206,785,171	$ 0.02756	$ 0.02653	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 40,236,723	$ 40,236,723	$ 247,021,894	$ 247,021,894	51.3%	23.8%	16.6%	13.6%
99	TUA Period 99	12/31/40	3/31/41	12/31/41	$ -	$ 0.02982	$ 0.02466	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ -	$ 145,092,323	$ 145,092,323	$ 145,092,323	51.3%	23.8%	16.6%	13.6%
100	TUA Period 100	3/31/41	6/30/41	3/31/42	$ 206,785,171	$ 0.02873	$ 0.02879	6,038,177,694	10,270,239,212	6,263,381,094	10,315,313,661	38%	62%	$ 54,871,104	$ 54,871,104	$ 54,871,104	$ 54,871,104	51.3%	23.8%	16.6%	13.6%

Gross Residential Revenue Requirement				Residential Rate Calculation				Gross Non-Residential Revenue Requirement				Non-Residential Rate Calculation				Residential Service Agreements Billed			
Collection Period 1	Collection Period 2	Collection Period 3	Collection Period 4	CP1 Rate	CP2 Rate	CP3 Rate	CP4 Rate	Collection Period 1	Collection Period 2	Collection Period 3	Collection Period 4	CP1 Rate	CP2 Rate	CP3 Rate	CP4 Rate	3 Month	6 Month	9 Month	12 Month
$ 1,076,412	$ 1,374,156	$ 1,883,590	$ 191,189,074	$ 0.0007	$ 0.0005	$ 0.0004	$ 0.0317	$ 1,772,768	$ 2,263,130	$ 3,102,130	$ 314,873,906	$ 0.00066	$ 0.00042	$ 0.00040	$ 0.03066	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 136,528,904	$ 133,675,123	$ -	$ -	$ 0.0303	$ 0.0221	$ -	$ -	$ 224,852,750	$ 220,152,790	$ -	$ -	$ 0.02919	$ 0.02144	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 87,760,344	$ 82,120,318	$ 164,148,801	$ -	$ 0.0328	$ 0.0182	$ 0.0272	$ -	$ 144,534,631	$ 135,245,936	$ 270,340,627	$ -	$ 0.02714	$ 0.01756	$ 0.02632	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 51,989,340	$ 35,289,843	$ 120,143,206	$ 117,248,605	$ 0.0316	$ 0.0132	$ 0.0267	$ 0.0194	$ 85,622,501	$ 58,119,695	$ 197,866,748	$ 193,099,560	$ 0.03168	$ 0.01091	$ 0.02569	$ 0.01880	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 66,407,216	$ 61,979,606	$ 180,327,052	$ -	$ 0.0248	$ 0.0138	$ 0.0299	$ -	$ 109,367,648	$ 102,075,710	$ 296,984,978	$ -	$ 0.02054	$ 0.01325	$ 0.02892	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 3,803,792	$ 3,845,734	$ 128,306,180	$ 125,129,921	$ 0.0023	$ 0.0014	$ 0.0285	$ 0.0207	$ 6,264,557	$ 6,333,632	$ 211,310,549	$ 206,079,490	$ 0.00232	$ 0.00119	$ 0.02743	$ 0.02007	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 82,475,598	$ 76,663,165	$ 140,919,891	$ -	$ 0.0308	$ 0.0170	$ 0.0233	$ -	$ 135,831,056	$ 126,258,419	$ 232,084,374	$ -	$ 0.02551	$ 0.01639	$ 0.02260	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 48,850,785	$ 32,599,412	$ 99,082,744	$ 96,914,822	$ 0.0297	$ 0.0122	$ 0.0220	$ 0.0161	$ 80,453,538	$ 53,688,760	$ 163,181,766	$ 159,611,362	$ 0.02976	$ 0.01008	$ 0.02118	$ 0.01554	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 47,297,918	$ 44,517,206	$ 263,882,676	$ -	$ 0.0177	$ 0.0099	$ 0.0437	$ -	$ 77,896,083	$ 73,316,463	$ 434,594,756	$ -	$ 0.01463	$ 0.00952	$ 0.04232	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 188,000,913	$ 182,764,922	$ -	$ -	$ 0.0418	$ 0.0303	$ -	$ -	$ 309,623,246	$ 300,999,966	$ -	$ -	$ 0.04019	$ 0.02931	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 120,850,873	$ 111,731,139	$ 189,030,542	$ -	$ 0.0452	$ 0.0248	$ 0.0313	$ -	$ 199,032,223	$ 184,012,712	$ 311,318,967	$ -	$ 0.03737	$ 0.02389	$ 0.03031	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 71,598,338	$ 47,119,268	$ 127,113,265	$ 123,978,166	$ 0.0435	$ 0.0176	$ 0.0282	$ 0.0205	$ 117,917,033	$ 77,601,861	$ 209,345,907	$ 204,182,637	$ 0.04362	$ 0.01457	$ 0.02718	$ 0.01988	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 49,504,409	$ 46,533,535	$ 208,940,167	$ -	$ 0.0185	$ 0.0103	$ 0.0346	$ -	$ 81,530,007	$ 76,637,203	$ 344,108,609	$ -	$ 0.01531	$ 0.00995	$ 0.03351	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 148,562,287	$ 144,687,102	$ -	$ -	$ 0.0330	$ 0.0240	$ -	$ -	$ 244,670,819	$ 238,288,685	$ -	$ -	$ 0.03176	$ 0.02320	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 95,496,485	$ 88,561,871	$ 161,695,305	$ -	$ 0.0357	$ 0.0197	$ 0.0268	$ -	$ 157,275,468	$ 145,854,685	$ 266,299,904	$ -	$ 0.02953	$ 0.01893	$ 0.02593	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 56,576,704	$ 37,530,898	$ 113,208,388	$ 110,553,069	$ 0.0344	$ 0.0140	$ 0.0251	$ 0.0183	$ 93,177,541	$ 61,810,543	$ 186,445,630	$ 182,072,521	$ 0.03447	$ 0.01161	$ 0.02420	$ 0.01773	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 53,083,887	$ 49,804,523	$ 209,149,896	$ -	$ 0.0199	$ 0.0111	$ 0.0346	$ -	$ 87,425,136	$ 82,024,272	$ 344,454,016	$ -	$ 0.01642	$ 0.01065	$ 0.03354	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 148,850,450	$ 144,965,323	$ -	$ -	$ 0.0331	$ 0.0240	$ -	$ -	$ 245,145,403	$ 238,746,893	$ -	$ -	$ 0.03182	$ 0.02325	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 95,684,345	$ 88,733,541	$ 196,032,940	$ -	$ 0.0358	$ 0.0197	$ 0.0325	$ -	$ 157,584,860	$ 146,137,412	$ 322,851,385	$ -	$ 0.02959	$ 0.01897	$ 0.03144	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 56,684,550	$ 37,599,737	$ 148,664,400	$ 144,785,693	$ 0.0345	$ 0.0141	$ 0.0330	$ 0.0240	$ 93,355,155	$ 61,923,915	$ 244,838,993	$ 238,451,056	$ 0.03454	$ 0.01163	$ 0.03178	$ 0.02322	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 91,743,368	$ 85,132,209	$ 280,103,582	$ -	$ 0.0343	$ 0.0189	$ 0.0464	$ -	$ 151,094,370	$ 140,206,293	$ 461,309,358	$ -	$ 0.02837	$ 0.01820	$ 0.04492	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 199,515,916	$ 193,882,607	$ -	$ -	$ 0.0443	$ 0.0321	$ -	$ -	$ 328,587,583	$ 319,309,951	$ -	$ -	$ 0.04266	$ 0.03109	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 128,242,008	$ 118,485,283	$ 215,730,628	$ -	$ 0.0480	$ 0.0263	$ 0.0357	$ -	$ 211,204,862	$ 195,136,275	$ 355,291,983	$ -	$ 0.03966	$ 0.02533	$ 0.03459	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 75,968,817	$ 49,908,963	$ 150,562,671	$ 146,618,464	$ 0.0462	$ 0.0187	$ 0.0334	$ 0.0243	$ 125,114,881	$ 82,196,277	$ 247,965,301	$ 241,469,492	$ 0.04629	$ 0.01543	$ 0.03219	$ 0.02351	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 69,686,795	$ 64,976,541	$ 285,420,386	$ -	$ 0.0261	$ 0.0144	$ 0.0473	$ -	$ 114,768,867	$ 107,011,435	$ 470,065,731	$ -	$ 0.02155	$ 0.01389	$ 0.04577	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 203,143,827	$ 197,385,339	$ -	$ -	$ 0.0451	$ 0.0327	$ -	$ -	$ 334,562,477	$ 325,078,685	$ -	$ -	$ 0.04343	$ 0.03165	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 130,580,710	$ 120,622,427	$ 215,517,325	$ -	$ 0.0488	$ 0.0268	$ 0.0357	$ -	$ 215,056,526	$ 198,655,990	$ 354,940,690	$ -	$ 0.04038	$ 0.02579	$ 0.03456	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 77,360,344	$ 50,797,180	$ 149,016,269	$ 145,125,420	$ 0.0470	$ 0.0190	$ 0.0331	$ 0.0240	$ 127,406,619	$ 83,659,103	$ 245,418,493	$ 239,010,561	$ 0.04713	$ 0.01571	$ 0.03186	$ 0.02327	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 66,263,095	$ 61,847,906	$ 279,807,085	$ -	$ 0.0248	$ 0.0137	$ 0.0463	$ -	$ 109,130,292	$ 101,858,810	$ 460,821,049	$ -	$ 0.02049	$ 0.01322	$ 0.04487	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 199,122,789	$ 193,503,044	$ -	$ -	$ 0.0442	$ 0.0320	$ -	$ -	$ 327,940,132	$ 318,684,839	$ -	$ -	$ 0.04257	$ 0.03103	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 127,996,335	$ 118,260,783	$ 210,931,828	$ -	$ 0.0479	$ 0.0263	$ 0.0349	$ -	$ 210,800,258	$ 194,766,541	$ 347,388,724	$ -	$ 0.03958	$ 0.02528	$ 0.03382	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 75,830,790	$ 49,820,860	$ 145,736,364	$ 141,958,686	$ 0.0461	$ 0.0186	$ 0.0324	$ 0.0235	$ 124,887,561	$ 82,051,178	$ 240,016,739	$ 233,795,191	$ 0.04620	$ 0.01541	$ 0.03116	$ 0.02276	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 64,585,600	$ 60,314,982	$ 251,581,492	$ -	$ 0.0242	$ 0.0134	$ 0.0417	$ -	$ 106,367,585	$ 99,334,202	$ 414,335,639	$ -	$ 0.01997	$ 0.01290	$ 0.04034	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 178,984,788	$ 173,717,812	$ -	$ -	$ 0.0398	$ 0.0288	$ -	$ -	$ 294,774,372	$ 286,100,062	$ -	$ -	$ 0.03827	$ 0.02786	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 115,044,670	$ 106,071,026	$ 197,869,075	$ -	$ 0.0430	$ 0.0236	$ 0.0328	$ -	$ 189,469,846	$ 174,690,935	$ 325,875,361	$ -	$ 0.03558	$ 0.02268	$ 0.03173	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 68,148,333	$ 44,529,395	$ 139,561,108	$ 135,654,423	$ 0.0414	$ 0.0167	$ 0.0310	$ 0.0225	$ 112,235,137	$ 73,336,536	$ 229,846,562	$ 223,412,547	$ 0.04152	$ 0.01377	$ 0.02984	$ 0.02175	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 67,441,030	$ 62,570,016	$ 247,733,654	$ -	$ 0.0252	$ 0.0139	$ 0.0410	$ -	$ 111,070,262	$ 103,048,071	$ 407,998,540	$ -	$ 0.02086	$ 0.01338	$ 0.03973	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 176,296,982	$ 170,766,742	$ -	$ -	$ 0.0392	$ 0.0283	$ -	$ -	$ 290,347,760	$ 281,239,873	$ -	$ -	$ 0.03769	$ 0.02738	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 113,324,005	$ 104,129,925	$ 194,825,219	$ -	$ 0.0424	$ 0.0231	$ 0.0323	$ -	$ 186,636,043	$ 171,494,089	$ 320,862,360	$ -	$ 0.03505	$ 0.02226	$ 0.03124	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 67,125,263	$ 43,472,861	$ 137,384,094	$ 133,196,519	$ 0.0408	$ 0.0163	$ 0.0305	$ 0.0221	$ 110,550,217	$ 71,596,505	$ 226,261,184	$ 219,364,566	$ 0.04090	$ 0.01344	$ 0.02937	$ 0.02136	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 66,334,753	$ 61,190,353	$ 229,103,846	$ -	$ 0.0248	$ 0.0136	$ 0.0379	$ -	$ 109,248,308	$ 100,775,871	$ 377,316,660	$ -	$ 0.02051	$ 0.01308	$ 0.03674	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 163,005,414	$ 157,756,852	$ -	$ -	$ 0.0362	$ 0.0261	$ -	$ -	$ 268,457,555	$ 259,813,571	$ -	$ -	$ 0.03485	$ 0.02530	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 104,778,040	$ 96,137,215	$ 186,125,824	$ -	$ 0.0392	$ 0.0214	$ 0.0308	$ -	$ 172,561,486	$ 158,330,702	$ 306,535,117	$ -	$ 0.03240	$ 0.02055	$ 0.02985	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 62,075,671	$ 40,049,140	$ 133,237,861	$ 129,016,410	$ 0.0377	$ 0.0150	$ 0.0296	$ 0.0214	$ 102,233,923	$ 65,957,896	$ 219,432,652	$ 212,480,243	$ 0.03782	$ 0.01239	$ 0.02849	$ 0.02069	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 68,121,226	$ 62,639,600	$ 187,797,128	$ -	$ 0.0255	$ 0.0139	$ 0.0311	$ -	$ 112,190,493	$ 103,162,670	$ 309,287,627	$ -	$ 0.02107	$ 0.01339	$ 0.03011	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 2,232,335	$ 1,850,894	$ 133,560,306	$ 129,143,569	$ 0.0014	$ 0.0007	$ 0.0297	$ 0.0214	$ 3,676,486	$ 3,048,283	$ 219,963,696	$ 212,689,663	$ 0.00136	$ 0.00057	$ 0.02856	$ 0.02071	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 85,844,117	$ 78,644,334	$ 168,673,168	$ -	$ 0.0321	$ 0.0175	$ 0.0279	$ -	$ 141,378,751	$ 129,521,253	$ 277,791,917	$ -	$ 0.02655	$ 0.01681	$ 0.02705	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 50,849,283	$ 32,674,558	$ 125,915,355	$ 121,762,402	$ 0.0309	$ 0.0122	$ 0.0280	$ 0.0202	$ 83,744,914	$ 53,812,520	$ 207,373,041	$ 200,533,442	$ 0.03098	$ 0.01010	$ 0.02692	$ 0.01953	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 74,157,198	$ 67,964,629	$ 211,217,532	$ -	$ 0.0277	$ 0.0151	$ 0.0350	$ -	$ 122,131,281	$ 111,932,590	$ 347,859,257	$ -	$ 0.02293	$ 0.01453	$ 0.03387	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ -	$ 150,379,969	$ 145,191,199	$ -	$ -	$ 0.0334	$ 0.0240	$ -	$ -	$ 247,664,405	$ 239,118,893	$ -	$ -	$ 0.03215	$ 0.02328	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 96,663,873	$ 88,333,078	$ 190,802,087	$ -	$ 0.0361	$ 0.0196	$ 0.0316	$ -	$ 159,198,067	$ 145,477,881	$ 314,236,568	$ -	$ 0.02989	$ 0.01889	$ 0.03060	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 57,270,099	$ 36,555,737	$ 142,693,048	$ 137,769,510	$ 0.0348	$ 0.0137	$ 0.0317	$ 0.0228	$ 94,319,510	$ 60,204,527	$ 235,004,629	$ 226,895,935	$ 0.03489	$ 0.01130	$ 0.03051	$ 0.02209	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 84,484,678	$ 77,203,524	$ 234,097,775	$ -	$ 0.0316	$ 0.0171	$ 0.0388	$ -	$ 139,139,857	$ 127,148,350	$ 385,541,283	$ -	$ 0.02613	$ 0.01651	$ 0.03754	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 2,400,639	$ 1,532,338	$ 166,660,596	$ 160,910,073	$ 0.0015	$ 0.0006	$ 0.0370	$ 0.0266	$ 3,953,671	$ 2,523,644	$ 274,477,363	$ 265,006,687	$ 0.00146	$ 0.00047	$ 0.03563	$ 0.02580	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 107,129,832	$ 97,897,048	$ 198,669,510	$ -	$ 0.0401	$ 0.0217	$ 0.0329	$ -	$ 176,434,708	$ 161,229,014	$ 327,193,617	$ -	$ 0.03313	$ 0.02093	$ 0.03186	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 63,463,960	$ 40,509,304	$ 144,890,499	$ 139,891,140	$ 0.0386	$ 0.0151	$ 0.0322	$ 0.0232	$ 104,520,329	$ 66,715,751	$ 238,623,664	$ 230,390,098	$ 0.03867	$ 0.01253	$ 0.03098	$ 0.02243	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 79,130,172	$ 72,310,487	$ 211,660,649	$ -	$ 0.0296	$ 0.0161	$ 0.0351	$ -	$ 130,321,393	$ 119,089,888	$ 348,589,037	$ -	$ 0.02447	$ 0.01546	$ 0.03394	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 6,293,124	$ 4,016,927	$ 150,585,120	$ 145,389,271	$ 0.0038	$ 0.0015	$ 0.0334	$ 0.0241	$ 10,364,298	$ 6,615,573	$ 248,002,273	$ 239,445,103	$ 0.00383	$ 0.00124	$ 0.03220	$ 0.02331	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 96,787,418	$ 88,445,976	$ 188,577,771	$ -	$ 0.0362	$ 0.0196	$ 0.0312	$ -	$ 159,401,537	$ 145,663,814	$ 310,573,287	$ -	$ 0.02993	$ 0.01891	$ 0.03024	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 57,339,851	$ 36,600,260	$ 140,317,029	$ 135,475,474	$ 0.0349	$ 0.0137	$ 0.0312	$ 0.0224	$ 94,434,387	$ 60,277,853	$ 231,091,505	$ 223,117,832	$ 0.03494	$ 0.01132	$ 0.03000	$ 0.02172	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 81,787,766	$ 74,739,041	$ 215,040,182	$ -	$ 0.0306	$ 0.0166	$ 0.0356	$ -	$ 134,698,249	$ 123,089,533	$ 354,154,872	$ -	$ 0.02529	$ 0.01598	$ 0.03448	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 8,690,859	$ 5,547,411	$ 153,055,457	$ 147,774,371	$ 0.0053	$ 0.0021	$ 0.0340	$ 0.0245	$ 14,313,186	$ 9,136,165	$ 252,070,731	$ 243,273,142	$ 0.00530	$ 0.00172	$ 0.03272	$ 0.02370	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 98,386,106	$ 89,906,884	$ 188,970,532	$ -	$ 0.0368	$ 0.0200	$ 0.0313	$ -	$ 162,034,455	$ 148,069,820	$ 311,220,135	$ -	$ 0.03043	$ 0.01922	$ 0.03030	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 58,276,855	$ 37,198,354	$ 139,809,466	$ 134,985,424	$ 0.0354	$ 0.0139	$ 0.0311	$ 0.0224	$ 95,977,561	$ 61,262,868	$ 230,255,588	$ 222,310,757	$ 0.03551	$ 0.01150	$ 0.02989	$ 0.02165	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694

$ -	$ 80,060,721	$ 73,160,838	$ 214,029,766	$ -	$ 0.0299	$ 0.0163	$ 0.0354	$ -	$ 131,853,935	$ 120,490,351	$ 352,490,793	$ -	$ 0.02476	$ 0.01564	$ 0.03432	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 6,523,778	$ 4,164,154	$ 152,323,091	$ 147,067,275	$ 0.0040	$ 0.0016	$ 0.0338	$ 0.0244	$ 10,744,168	$ 6,858,046	$ 250,864,580	$ 242,208,648	$ 0.00397	$ 0.00129	$ 0.03257	$ 0.02358	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 97,906,790	$ 89,468,877	$ 187,545,336	$ -	$ 0.0366	$ 0.0199	$ 0.0311	$ -	$ 161,245,058	$ 147,348,455	$ 308,872,946	$ -	$ 0.03028	$ 0.01913	$ 0.03007	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 57,995,990	$ 37,019,077	$ 138,607,518	$ 133,824,948	$ 0.0353	$ 0.0138	$ 0.0308	$ 0.0222	$ 95,514,998	$ 60,967,612	$ 228,276,070	$ 220,399,541	$ 0.03534	$ 0.01145	$ 0.02963	$ 0.02146	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 79,095,524	$ 72,278,825	$ 190,791,749	$ -	$ 0.0296	$ 0.0161	$ 0.0316	$ -	$ 130,264,330	$ 119,037,744	$ 314,219,542	$ -	$ 0.02446	$ 0.01545	$ 0.03060	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 17,815,933	$ 11,371,983	$ 135,723,254	$ 131,040,205	$ 0.0108	$ 0.0043	$ 0.0301	$ 0.0217	$ 29,341,491	$ 18,728,793	$ 223,525,906	$ 215,813,279	$ 0.01086	$ 0.00352	$ 0.02902	$ 0.02101	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 87,237,593	$ 79,719,185	$ 177,636,055	$ -	$ 0.0326	$ 0.0177	$ 0.0294	$ -	$ 143,673,700	$ 131,291,452	$ 292,553,111	$ -	$ 0.02698	$ 0.01704	$ 0.02849	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 51,676,550	$ 32,985,352	$ 134,407,710	$ 129,770,053	$ 0.0314	$ 0.0123	$ 0.0299	$ 0.0215	$ 85,107,359	$ 54,324,373	$ 221,359,306	$ 213,721,436	$ 0.03149	$ 0.01020	$ 0.02874	$ 0.02081	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 82,407,692	$ 75,305,540	$ 194,283,672	$ -	$ 0.0308	$ 0.0167	$ 0.0322	$ -	$ 135,719,220	$ 124,022,514	$ 319,970,474	$ -	$ 0.02548	$ 0.01610	$ 0.03116	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 21,176,071	$ 13,516,772	$ 138,273,199	$ 133,502,165	$ 0.0129	$ 0.0051	$ 0.0307	$ 0.0221	$ 34,875,383	$ 22,261,099	$ 227,725,473	$ 219,867,942	$ 0.01290	$ 0.00418	$ 0.02956	$ 0.02141	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 88,883,585	$ 81,223,320	$ 178,564,485	$ -	$ 0.0332	$ 0.0180	$ 0.0296	$ -	$ 146,384,524	$ 133,768,649	$ 294,082,164	$ -	$ 0.02749	$ 0.01737	$ 0.02863	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 52,649,980	$ 33,606,696	$ 134,432,979	$ 129,794,450	$ 0.0320	$ 0.0126	$ 0.0299	$ 0.0215	$ 86,710,524	$ 55,347,680	$ 221,400,922	$ 213,761,616	$ 0.03208	$ 0.01039	$ 0.02874	$ 0.02081	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 81,221,029	$ 74,221,147	$ 171,829,317	$ -	$ 0.0304	$ 0.0165	$ 0.0285	$ -	$ 133,764,875	$ 122,236,600	$ 282,989,854	$ -	$ 0.02512	$ 0.01587	$ 0.02755	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 31,702,667	$ 20,235,942	$ 122,240,865	$ 118,023,018	$ 0.0193	$ 0.0076	$ 0.0272	$ 0.0195	$ 52,211,889	$ 33,327,061	$ 201,321,435	$ 194,374,960	$ 0.01932	$ 0.00626	$ 0.02614	$ 0.01893	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 78,568,182	$ 71,796,931	$ 169,488,411	$ -	$ 0.0294	$ 0.0159	$ 0.0281	$ -	$ 129,395,837	$ 118,244,100	$ 279,134,560	$ -	$ 0.02430	$ 0.01535	$ 0.02718	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 42,667,911	$ 27,235,101	$ 128,636,468	$ 124,197,944	$ 0.0259	$ 0.0102	$ 0.0286	$ 0.0206	$ 70,270,814	$ 44,854,147	$ 211,854,507	$ 204,544,595	$ 0.02600	$ 0.00842	$ 0.02750	$ 0.01992	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 83,368,719	$ 76,183,742	$ 173,750,529	$ -	$ 0.0312	$ 0.0169	$ 0.0288	$ -	$ 137,301,957	$ 125,468,846	$ 286,153,944	$ -	$ 0.02578	$ 0.01629	$ 0.02786	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 34,108,003	$ 21,771,277	$ 123,671,156	$ 119,403,957	$ 0.0207	$ 0.0081	$ 0.0275	$ 0.0198	$ 56,173,294	$ 35,855,642	$ 203,677,015	$ 196,649,262	$ 0.02078	$ 0.00673	$ 0.02644	$ 0.01915	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 79,495,248	$ 72,644,099	$ 170,332,139	$ -	$ 0.0297	$ 0.0161	$ 0.0282	$ -	$ 130,922,644	$ 119,639,322	$ 280,524,115	$ -	$ 0.02458	$ 0.01553	$ 0.02731	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 43,725,708	$ 27,910,297	$ 129,280,185	$ 124,819,450	$ 0.0266	$ 0.0104	$ 0.0287	$ 0.0207	$ 72,012,924	$ 45,966,143	$ 212,914,660	$ 205,568,168	$ 0.02664	$ 0.00863	$ 0.02764	$ 0.02002	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 83,782,958	$ 76,562,281	$ 174,115,126	$ -	$ 0.0313	$ 0.0170	$ 0.0288	$ -	$ 137,984,178	$ 126,092,271	$ 286,754,408	$ -	$ 0.02591	$ 0.01637	$ 0.02792	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 34,549,193	$ 22,052,891	$ 123,927,588	$ 119,651,541	$ 0.0210	$ 0.0082	$ 0.0275	$ 0.0198	$ 56,899,901	$ 36,319,439	$ 204,099,339	$ 197,057,014	$ 0.02105	$ 0.00682	$ 0.02650	$ 0.01919	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 79,653,373	$ 72,788,596	$ 170,499,200	$ -	$ 0.0298	$ 0.0162	$ 0.0282	$ -	$ 131,183,064	$ 119,877,298	$ 280,799,253	$ -	$ 0.02463	$ 0.01556	$ 0.02734	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 43,887,545	$ 28,013,598	$ 129,403,118	$ 124,938,141	$ 0.0267	$ 0.0105	$ 0.0287	$ 0.0207	$ 72,279,458	$ 46,136,272	$ 213,117,122	$ 205,763,644	$ 0.02674	$ 0.00866	$ 0.02767	$ 0.02003	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 83,857,892	$ 76,630,757	$ 174,208,790	$ -	$ 0.0314	$ 0.0170	$ 0.0289	$ -	$ 138,107,589	$ 126,205,046	$ 286,908,665	$ -	$ 0.02593	$ 0.01638	$ 0.02794	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 34,603,843	$ 22,087,774	$ 123,988,000	$ 119,709,868	$ 0.0210	$ 0.0083	$ 0.0275	$ 0.0198	$ 56,989,906	$ 36,376,889	$ 204,198,833	$ 197,153,075	$ 0.02108	$ 0.00683	$ 0.02651	$ 0.01920	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 79,695,894	$ 72,827,453	$ 170,565,894	$ -	$ 0.0298	$ 0.0162	$ 0.0282	$ -	$ 131,253,093	$ 119,941,292	$ 280,909,092	$ -	$ 0.02465	$ 0.01557	$ 0.02735	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 43,923,769	$ 28,036,720	$ 129,454,468	$ 124,987,719	$ 0.0267	$ 0.0105	$ 0.0288	$ 0.0207	$ 72,339,116	$ 46,174,352	$ 213,201,691	$ 205,845,295	$ 0.02676	$ 0.00867	$ 0.02768	$ 0.02004	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 83,892,415	$ 76,662,305	$ 174,268,427	$ -	$ 0.0314	$ 0.0170	$ 0.0289	$ -	$ 138,164,446	$ 126,257,002	$ 287,006,883	$ -	$ 0.02594	$ 0.01639	$ 0.02795	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 34,623,871	$ 22,100,558	$ 124,029,902	$ 119,750,325	$ 0.0211	$ 0.0083	$ 0.0276	$ 0.0198	$ 57,022,889	$ 36,397,942	$ 204,267,843	$ 197,219,704	$ 0.02110	$ 0.00683	$ 0.02652	$ 0.01920	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 79,721,478	$ 72,850,832	$ 170,619,589	$ -	$ 0.0298	$ 0.0162	$ 0.0283	$ -	$ 131,295,228	$ 119,979,795	$ 280,997,523	$ -	$ 0.02465	$ 0.01558	$ 0.02736	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 43,935,798	$ 28,044,398	$ 129,493,719	$ 125,025,616	$ 0.0267	$ 0.0105	$ 0.0288	$ 0.0207	$ 72,358,927	$ 46,186,997	$ 213,266,335	$ 205,907,708	$ 0.02677	$ 0.00867	$ 0.02769	$ 0.02005	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 83,915,805	$ 76,683,679	$ 174,320,185	$ -	$ 0.0314	$ 0.0170	$ 0.0289	$ -	$ 138,202,966	$ 126,292,203	$ 287,092,125	$ -	$ 0.02595	$ 0.01639	$ 0.02795	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 34,649,022	$ 22,116,612	$ 124,076,807	$ 119,795,612	$ 0.0211	$ 0.0083	$ 0.0276	$ 0.0198	$ 57,064,311	$ 36,424,382	$ 204,345,092	$ 197,294,288	$ 0.02111	$ 0.00684	$ 0.02653	$ 0.01921	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ -	$ 79,751,787	$ 72,878,529	$ 70,363,899	$ -	$ 0.0298	$ 0.0162	$ 0.0117	$ -	$ 131,345,145	$ 120,025,410	$ 115,884,005	$ -	$ 0.02466	$ 0.01558	$ 0.01128	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694
$ 47,251,117	$ 30,160,580	$ 27,561,247	$ 26,610,263	$ 0.0287	$ 0.0113	$ 0.0061	$ 0.0044	$ 77,819,006	$ 49,672,188	$ 45,391,284	$ 43,825,085	$ 0.02879	$ 0.00933	$ 0.00589	$ 0.00427	1,644,772,689	2,674,225,838	4,501,830,579	6,038,177,694

Non-Residential kWh Consumption Billed				Total Billed Revenue											
3 Month kWh	6 Month kWh	9 Month kWh	12 Month kWh	Collection Period 1	Collection Period 2	Collection Period 3	Collection Period 4	Cumulative Collections less Outflow	Expected Future Collections from Past Billings	Total Sales ex-CILT (kWh)	Residential Billed Transition Charge	Non-Residential Billed Transition Charge	Total Billed Transition Charge	All Customer Overall Rate
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 2,860,414	$ 1,980,444	$ 1,769,395	$ 134,954,083			16,308,416,906	$ 191,189,074	$ 314,885,534	$ 506,074,608	$ 0.03103
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 128,783,282	$ 94,365,563	$ 66,723,702	$ 54,450,994	16,308,416,906	$ 183,122,347	$ 299,788,283	$ 482,910,629	$ 0.02961
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 127,337,025	$ 77,468,467	$ 115,857,264	$ 182,557,984	$ 49,516,942	16,308,416,906	$ 198,155,497	$ 278,734,292	$ 476,889,789	$ 0.02924
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 137,621,467	$ 51,194,991	$ 113,336,042	$ 82,755,042	$ 284,073,179	$ 46,040,585	16,308,416,906	$ 190,859,732	$ 325,361,178	$ 516,220,910	$ 0.03165
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 96,363,836	$ 58,459,851	$ 127,292,037	$ 3,039,199	$ 54,963,367	16,308,416,906	$ 180,327,052	$ 297,015,318	$ 477,342,370	$ 0.02927
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 10,074,831	$ 5,581,915	$ 121,021,717	$ 88,334,731	$ 118,287,666	$ 52,282,924	16,308,416,906	$ 172,093,441	$ 281,712,662	$ 453,806,103	$ 0.02783
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 119,680,716	$ 72,312,111	$ 99,474,525	$ 54,441,260	$ 46,535,839	16,308,416,906	$ 186,222,985	$ 261,993,802	$ 448,216,788	$ 0.02748
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 129,293,085	$ 47,296,733	$ 93,450,783	$ 68,404,318	$ 148,444,429	$ 43,272,352	16,308,416,906	$ 179,337,680	$ 305,642,319	$ 484,979,999	$ 0.02974
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 68,635,801	$ 41,997,533	$ 186,272,876	$ 2,846,393	$ 51,637,565	16,308,416,906	$ 263,882,676	$ 434,636,523	$ 698,519,200	$ 0.04283
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 177,322,288	$ 129,010,285	$ 145,726,520	$ 76,024,509	16,308,416,906	$ 252,160,293	$ 412,760,914	$ 664,921,207	$ 0.04077
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 175,341,273	$ 105,397,178	$ 133,420,046	$ 170,037,406	$ 68,183,157	16,308,416,906	$ 272,871,138	$ 383,798,839	$ 656,669,978	$ 0.04027
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 189,504,694	$ 68,363,741	$ 119,910,119	$ 87,507,422	$ 308,963,310	$ 63,397,067	16,308,416,906	$ 262,846,951	$ 447,987,834	$ 710,834,786	$ 0.04359
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 71,830,958	$ 43,896,517	$ 147,493,049	$ 4,174,492	$ 75,684,615	16,308,416,906	$ 208,940,167	$ 344,155,716	$ 553,095,883	$ 0.03391
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 140,126,554	$ 102,122,517	$ 151,569,013	$ 60,781,706	16,308,416,906	$ 199,262,382	$ 326,182,797	$ 525,445,180	$ 0.03222
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 138,555,362	$ 83,525,087	$ 114,134,759	$ 113,157,671	$ 53,882,844	16,308,416,906	$ 215,623,055	$ 303,280,164	$ 518,903,219	$ 0.03182
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 149,750,296	$ 54,465,468	$ 106,774,841	$ 78,038,961	$ 222,400,580	$ 50,096,652	16,308,416,906	$ 207,700,551	$ 354,015,146	$ 561,715,696	$ 0.03444
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 77,032,871	$ 46,983,717	$ 147,631,269	$ 3,300,731	$ 59,807,420	16,308,416,906	$ 209,149,896	$ 344,463,823	$ 553,613,719	$ 0.03395
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 140,394,018	$ 102,333,455	$ 134,887,785	$ 60,570,745	16,308,416,906	$ 199,648,888	$ 326,799,012	$ 526,447,900	$ 0.03228
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 138,833,087	$ 83,695,929	$ 138,381,897	$ 106,634,376	$ 53,984,692	16,308,416,906	$ 216,047,228	$ 303,896,378	$ 519,943,606	$ 0.03188
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 150,047,354	$ 54,561,867	$ 140,217,922	$ 102,203,434	$ 216,095,278	$ 50,197,044	16,308,416,906	$ 208,096,466	$ 354,734,062	$ 562,830,528	$ 0.03451
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 133,111,501	$ 80,298,823	$ 197,719,268	$ 3,312,363	$ 59,926,031	16,308,416,906	$ 280,103,582	$ 461,339,145	$ 741,442,728	$ 0.04546
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 188,205,863	$ 136,850,094	$ 160,246,316	$ 80,782,134	16,308,416,906	$ 267,605,040	$ 438,128,405	$ 705,733,445	$ 0.04327
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 186,077,112	$ 111,757,217	$ 152,262,018	$ 104,994,043	$ 72,368,247	16,308,416,906	$ 289,559,701	$ 407,317,687	$ 696,877,388	$ 0.04273
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 201,092,275	$ 72,404,142	$ 142,019,712	$ 103,486,552	$ 252,594,442	$ 67,279,057	16,308,416,906	$ 278,891,558	$ 475,409,373	$ 754,300,931	$ 0.04625
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 101,110,994	$ 61,284,742	$ 201,465,121	$ 4,438,469	$ 80,312,487	16,308,416,906	$ 285,420,386	$ 470,068,849	$ 755,489,235	$ 0.04633
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 191,612,680	$ 139,317,922	$ 183,645,669	$ 82,636,010	16,308,416,906	$ 272,471,055	$ 446,036,489	$ 718,507,544	$ 0.04406
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 189,461,706	$ 113,781,432	$ 152,122,824	$ 150,519,086	$ 73,679,301	16,308,416,906	$ 294,840,292	$ 414,712,259	$ 709,552,552	$ 0.04351
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 204,754,350	$ 73,707,286	$ 140,562,722	$ 102,431,125	$ 300,845,851	$ 68,502,609	16,308,416,906	$ 284,000,035	$ 484,036,374	$ 768,036,409	$ 0.04709
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 96,140,044	$ 58,330,643	$ 197,503,351	$ 4,509,946	$ 81,775,112	16,308,416,906	$ 279,807,085	$ 460,825,633	$ 740,632,718	$ 0.04541
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 187,818,958	$ 136,584,521	$ 183,184,301	$ 81,062,096	16,308,416,906	$ 267,077,750	$ 437,204,083	$ 704,281,833	$ 0.04319
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 185,709,769	$ 111,540,043	$ 148,873,509	$ 151,333,372	$ 72,220,713	16,308,416,906	$ 289,004,992	$ 406,496,068	$ 695,501,060	$ 0.04265
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 200,710,975	$ 72,295,894	$ 137,472,264	$ 100,189,974	$ 298,632,605	$ 67,146,022	16,308,416,906	$ 278,384,843	$ 474,485,052	$ 752,869,895	$ 0.04616
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 93,702,729	$ 56,905,608	$ 177,570,081	$ 4,423,071	$ 80,160,176	16,308,416,906	$ 251,581,492	$ 414,301,450	$ 665,882,942	$ 0.04083
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 168,838,363	$ 122,626,493	$ 171,442,604	$ 72,992,343	16,308,416,906	$ 240,067,220	$ 393,042,055	$ 633,109,275	$ 0.03882
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 166,931,758	$ 100,058,548	$ 139,665,932	$ 127,044,465	$ 64,922,474	16,308,416,906	$ 259,761,217	$ 365,415,111	$ 625,176,328	$ 0.03833
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 180,378,317	$ 64,608,421	$ 131,648,090	$ 95,742,656	$ 259,193,126	$ 60,356,781	16,308,416,906	$ 250,181,529	$ 426,420,332	$ 676,601,861	$ 0.04149
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 97,864,651	$ 59,026,956	$ 174,873,095	$ 3,975,647	$ 72,039,910	16,308,416,906	$ 247,733,654	$ 408,036,604	$ 655,770,258	$ 0.04021
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 166,288,596	$ 120,525,178	$ 162,221,664	$ 71,767,718	16,308,416,906	$ 236,462,143	$ 387,085,316	$ 623,547,459	$ 0.03823
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 164,440,861	$ 98,214,080	$ 137,512,312	$ 118,026,249	$ 63,941,862	16,308,416,906	$ 255,876,101	$ 359,971,884	$ 615,847,986	$ 0.03776
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 177,679,365	$ 63,066,603	$ 129,582,277	$ 94,018,951	$ 248,858,077	$ 59,456,038	16,308,416,906	$ 246,425,701	$ 420,052,784	$ 666,478,485	$ 0.04087
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 96,238,177	$ 57,711,977	$ 161,716,346	$ 3,920,086	$ 70,962,003	16,308,416,906	$ 229,103,846	$ 377,328,589	$ 606,432,435	$ 0.03719
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 153,755,819	$ 111,359,031	$ 155,195,570	$ 66,441,159	16,308,416,906	$ 218,634,539	$ 357,917,837	$ 576,552,376	$ 0.03535
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 152,021,656	$ 90,671,703	$ 131,385,419	$ 101,990,349	$ 59,122,891	16,308,416,906	$ 236,580,029	$ 332,755,750	$ 569,335,779	$ 0.03491
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 164,304,428	$ 58,122,670	$ 125,688,754	$ 91,069,275	$ 223,543,950	$ 54,965,642	16,308,416,906	$ 227,887,985	$ 388,420,447	$ 616,308,432	$ 0.03779
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 98,850,640	$ 59,079,409	$ 132,543,463	$ 3,621,162	$ 65,620,068	16,308,416,906	$ 187,797,128	$ 309,236,903	$ 497,034,030	$ 0.03048
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 5,908,461	$ 2,679,115	$ 125,995,774	$ 91,157,973	$ 135,225,937	$ 54,580,823	16,308,416,906	$ 179,140,652	$ 293,318,032	$ 472,458,684	$ 0.02897
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 124,563,666	$ 74,171,218	$ 119,062,897	$ 58,685,269	$ 48,448,698	16,308,416,906	$ 193,828,818	$ 272,674,851	$ 466,503,669	$ 0.02861
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 134,589,286	$ 47,397,012	$ 118,769,666	$ 85,957,795	$ 158,447,508	$ 45,038,021	16,308,416,906	$ 186,674,433	$ 318,172,011	$ 504,846,444	$ 0.03096
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 107,590,686	$ 64,106,402	$ 149,086,486	$ 2,965,962	$ 53,752,632	16,308,416,906	$ 211,217,532	$ 347,853,002	$ 559,070,534	$ 0.03428
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ -	$ 141,844,839	$ 102,476,074	$ 131,415,314	$ 61,056,172	16,308,416,906	$ 201,700,388	$ 330,188,191	$ 531,888,579	$ 0.03261
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 140,246,452	$ 83,333,375	$ 134,686,487	$ 70,219,773	$ 54,542,118	16,308,416,906	$ 218,258,919	$ 306,977,450	$ 525,236,369	$ 0.03221
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 151,578,966	$ 53,027,758	$ 134,603,397	$ 97,237,828	$ 183,013,186	$ 50,708,109	16,308,416,906	$ 210,246,096	$ 358,328,646	$ 568,574,742	$ 0.03486
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 122,592,274	$ 72,833,899	$ 165,239,098	$ 3,338,126	$ 60,537,778	16,308,416,906	$ 234,097,775	$ 385,544,780	$ 619,642,555	$ 0.03800
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 6,347,069	$ 2,212,885	$ 157,199,630	$ 113,569,471	$ 147,103,600	$ 67,687,389	16,308,416,906	$ 223,537,132	$ 365,928,623	$ 589,465,755	$ 0.03614
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 155,441,332	$ 92,341,823	$ 140,235,362	$ 73,665,692	$ 60,446,424	16,308,416,906	$ 241,890,176	$ 340,253,025	$ 582,143,201	$ 0.03570
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 167,990,296	$ 58,784,117	$ 136,676,676	$ 98,734,782	$ 199,112,688	$ 56,202,068	16,308,416,906	$ 232,984,575	$ 397,150,150	$ 630,134,726	$ 0.03864
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 114,811,968	$ 68,208,011	$ 149,396,401	$ 3,707,342	$ 67,092,147	16,308,416,906	$ 211,660,649	$ 348,571,919	$ 560,232,568	$ 0.03435
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 16,645,745	$ 5,822,358	$ 142,054,944	$ 102,611,119	$ 146,047,589	$ 61,405,331	16,308,416,906	$ 201,975,551	$ 330,701,703	$ 532,677,254	$ 0.03266
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 140,430,559	$ 83,428,683	$ 133,107,501	$ 61,779,933	$ 54,623,587	16,308,416,906	$ 218,537,873	$ 307,388,260	$ 525,926,132	$ 0.03225
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 151,783,870	$ 53,109,203	$ 132,356,756	$ 95,612,820	$ 175,127,062	$ 50,774,876	16,308,416,906	$ 210,502,165	$ 358,842,158	$ 569,344,323	$ 0.03491
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 118,663,000	$ 70,500,876	$ 151,776,610	$ 3,351,527	$ 60,619,496	16,308,416,906	$ 215,040,182	$ 354,117,848	$ 569,158,030	$ 0.03490
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 23,016,941	$ 8,061,133	$ 144,363,075	$ 104,314,993	$ 140,418,046	$ 62,256,958	16,308,416,906	$ 205,288,944	$ 336,042,227	$ 541,331,171	$ 0.03319
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 142,765,343	$ 84,800,376	$ 133,376,670	$ 60,118,059	$ 55,510,702	16,308,416,906	$ 222,147,577	$ 312,523,379	$ 534,670,957	$ 0.03278
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 154,261,603	$ 53,963,604	$ 131,873,980	$ 95,290,120	$ 175,328,664	$ 51,618,897	16,308,416,906	$ 213,942,030	$ 364,696,194	$ 578,638,225	$ 0.03548

2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 116,168,179	$ 69,005,238	$ 151,068,891	$ 3,405,098	$ 61,609,331	16,308,416,906	$ 214,029,766	$ 352,474,610	$ 566,504,376	$ 0.03474
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 17,254,825	$ 6,048,062	$ 143,690,046	$ 103,798,019	$ 141,104,926	$ 61,988,028	16,308,416,906	$ 204,306,643	$ 334,501,691	$ 538,808,334	$ 0.03304
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 142,065,087	$ 84,397,074	$ 132,366,755	$ 62,307,304	$ 55,251,983	16,308,416,906	$ 221,065,321	$ 310,982,843	$ 532,048,165	$ 0.03262
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 153,521,222	$ 53,718,188	$ 130,732,052	$ 94,460,435	$ 176,966,355	$ 51,365,870	16,308,416,906	$ 212,910,938	$ 362,950,254	$ 575,861,191	$ 0.03531
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 114,763,628	$ 68,169,412	$ 134,683,671	$ 3,390,105	$ 61,313,529	16,308,416,906	$ 190,791,749	$ 314,269,320	$ 505,061,069	$ 0.03097
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 47,170,886	$ 16,508,977	$ 128,029,417	$ 92,485,518	$ 132,541,023	$ 55,371,963	16,308,416,906	$ 182,041,752	$ 298,042,342	$ 480,084,094	$ 0.02944
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 126,583,023	$ 75,185,620	$ 125,396,717	$ 41,577,619	$ 49,230,666	16,308,416,906	$ 196,975,169	$ 277,091,054	$ 474,066,223	$ 0.02907
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 136,795,100	$ 47,858,468	$ 126,791,925	$ 91,598,928	$ 143,741,248	$ 45,768,068	16,308,416,906	$ 189,711,437	$ 323,409,833	$ 513,121,270	$ 0.03146
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 119,557,860	$ 71,032,214	$ 137,148,555	$ 3,021,661	$ 54,633,392	16,308,416,906	$ 194,283,672	$ 320,020,654	$ 514,304,326	$ 0.03154
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 56,045,213	$ 19,612,124	$ 130,420,694	$ 94,237,359	$ 126,733,955	$ 56,254,261	16,308,416,906	$ 185,461,921	$ 303,588,271	$ 489,050,192	$ 0.02999
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 128,973,932	$ 76,627,167	$ 126,028,042	$ 38,838,585	$ 50,149,768	16,308,416,906	$ 200,691,682	$ 282,328,876	$ 483,020,557	$ 0.02962
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 139,363,320	$ 48,754,200	$ 126,801,157	$ 91,605,573	$ 142,921,122	$ 46,632,403	16,308,416,906	$ 193,285,028	$ 329,469,274	$ 522,754,302	$ 0.03205
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 117,854,914	$ 70,014,327	$ 121,274,135	$ 3,074,629	$ 55,659,216	16,308,416,906	$ 171,829,317	$ 282,945,090	$ 454,774,407	$ 0.02789
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 83,925,290	$ 29,367,036	$ 115,318,801	$ 83,317,383	$ 119,817,390	$ 49,866,546	16,308,416,906	$ 163,958,206	$ 268,464,053	$ 432,422,259	$ 0.02652
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 114,006,802	$ 67,723,046	$ 119,636,360	$ 19,269,672	$ 44,342,869	16,308,416,906	$ 169,488,411	$ 279,145,102	$ 448,633,513	$ 0.02751
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 112,946,803	$ 39,510,397	$ 121,331,602	$ 87,675,409	$ 113,660,973	$ 43,341,775	16,308,416,906	$ 172,536,447	$ 282,431,578	$ 454,968,025	$ 0.02790
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 120,959,846	$ 71,866,648	$ 122,635,405	$ 6,359,828	$ 48,518,410	16,308,416,906	$ 173,750,529	$ 286,128,864	$ 459,879,393	$ 0.02820
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 90,277,055	$ 31,581,764	$ 116,652,277	$ 84,288,212	$ 116,647,371	$ 50,295,015	16,308,416,906	$ 165,876,615	$ 271,545,125	$ 437,421,739	$ 0.02682
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 115,333,840	$ 68,519,110	$ 120,217,582	$ 17,124,958	$ 44,855,275	16,308,416,906	$ 170,332,139	$ 280,480,233	$ 450,812,371	$ 0.02764
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 115,734,541	$ 40,493,311	$ 121,945,213	$ 88,115,008	$ 112,271,787	$ 43,556,880	16,308,416,906	$ 173,399,846	$ 283,869,412	$ 457,269,258	$ 0.02804
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 121,566,016	$ 72,221,192	$ 122,896,902	$ 5,414,188	$ 48,763,605	16,308,416,906	$ 174,115,126	$ 286,745,079	$ 460,860,205	$ 0.02826
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 91,448,065	$ 31,998,243	$ 116,908,148	$ 84,463,775	$ 116,078,590	$ 50,404,635	16,308,416,906	$ 166,220,560	$ 272,161,339	$ 438,381,899	$ 0.02688
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 115,566,246	$ 68,652,994	$ 120,344,180	$ 16,737,071	$ 44,953,671	16,308,416,906	$ 170,499,200	$ 280,788,340	$ 451,287,540	$ 0.02767
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 116,166,682	$ 40,637,937	$ 122,071,218	$ 88,174,370	$ 112,035,272	$ 43,603,645	16,308,416,906	$ 173,564,733	$ 284,177,519	$ 457,742,252	$ 0.02807
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 121,666,165	$ 72,273,241	$ 122,976,476	$ 5,284,308	$ 48,813,966	16,308,416,906	$ 174,208,790	$ 286,950,484	$ 461,159,273	$ 0.02828
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 91,583,806	$ 32,046,728	$ 116,957,250	$ 84,506,693	$ 116,039,002	$ 50,437,570	16,308,416,906	$ 166,301,588	$ 272,264,042	$ 438,565,630	$ 0.02689
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 115,646,459	$ 68,694,221	$ 120,389,377	$ 16,697,483	$ 44,972,711	16,308,416,906	$ 170,565,894	$ 280,891,042	$ 451,456,936	$ 0.02768
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 116,256,967	$ 40,679,188	$ 122,117,010	$ 88,214,905	$ 112,033,628	$ 43,620,033	16,308,416,906	$ 173,633,607	$ 284,280,221	$ 457,913,828	$ 0.02808
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 121,714,429	$ 72,311,797	$ 123,019,751	$ 5,263,344	$ 48,832,289	16,308,416,906	$ 174,268,427	$ 287,053,186	$ 461,321,613	$ 0.02829
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 91,657,894	$ 32,054,590	$ 116,999,590	$ 84,517,713	$ 116,058,144	$ 50,455,336	16,308,416,906	$ 166,357,791	$ 272,366,744	$ 438,724,535	$ 0.02690
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 115,662,195	$ 68,729,793	$ 120,431,034	$ 16,694,820	$ 44,988,995	16,308,416,906	$ 170,619,589	$ 280,993,745	$ 451,613,333	$ 0.02769
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 116,296,026	$ 40,683,911	$ 122,158,381	$ 88,252,258	$ 112,064,682	$ 43,635,176	16,308,416,906	$ 173,686,253	$ 284,382,924	$ 458,069,177	$ 0.02809
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 121,755,844	$ 72,319,606	$ 123,033,850	$ 5,268,436	$ 48,848,820	16,308,416,906	$ 174,320,185	$ 287,053,186	$ 461,373,371	$ 0.02829
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 91,710,076	$ 32,091,495	$ 117,043,758	$ 84,557,079	$ 116,087,118	$ 50,461,331	16,308,416,906	$ 166,420,703	$ 272,469,446	$ 438,890,150	$ 0.02691
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ -	$ 115,707,866	$ 68,739,912	$ 49,657,039	$ 16,687,093	$ 45,005,755	16,308,416,906	$ 180,072,847	$ 253,264,099	$ 433,336,946	$ 0.02657
2,703,034,293	5,325,556,195	7,703,129,367	10,270,239,212	$ 125,071,474	$ 43,769,463	$ 25,990,550	$ 18,790,473	$ 110,078,145	$ 41,835,922	16,308,416,906	$ 173,465,088	$ 295,680,187	$ 469,145,275	$ 0.02877

COMMONWEALTH OF PUERTO RICO

PUERTO RICO ENERGY COMMISSION

IN RE: PUERTO RICO ELECTRIC POWER AUTHORITY REVITALIZATION CORPORATION, Petitioner.	NO. CEPR-AP-2016-0001 **SUBJECT:** Response in Compliance with Commission Order and 5th Clarification Request

DOCUMENTARY APPENDIX

Appendix I	1. Draft Restructuring Order 2. Restructuring Resolution 3. Calculation Methodology 4. Servicing Agreement
Appendix II	5. Alternative version of Exhibit 9.01
Appendix VI	6. Transition Charge Projection