



Transmittal #: **LUMA-PREB-T-00016**

TRANSMITTAL

Title: Submission of monthly status report for the period ending August 2020 for Front-End Transition Services

| | | | |
|------------------------------|--|--------------------------------|--|
| Date: | 2020-09-14 | | |
| LUMA Department: | IMO | | |
| Sending Organization: | LUMA | Receiving Organization: | PREB |
| Sent from: | preb@lumamc.com legal@lumamc.com regulatory@lumamc.com | Addressed to: | eavilesdeliz@energia.pr.gov |
| LUMA CC: | imo@lumamc.com Mario Hurtado Ashley Engbloom | | |

TRANSMITTER COMMENTS:

Please see attached the LUMA invoice and monthly status report submission (Revision 1) for the period ending August 2020 for Front-End Transition Services as per section 4.6 (d) of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement.

Related RFI(s) or Transmittal(s):

LUMA-P3A-T-00034

Total Number of Documents:

1

| Document No. | Title | Rev. | File Type |
|--------------|--|------|-----------|
| 1 | LUMA Monthly Report to P3A for the Period Ending August 2020 | 1 | PDF |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |



Monthly Report

Report #: RPT-P3A-003

For the period ending August 2020

TABLE OF CONTENTS

Contents

| | |
|---|-----------|
| General Overview | 3 |
| PERFORMANCE OF FRONT-END TRANSITION (FET) PERIOD | 3 |
| A. FET PERIOD PROGRESS REPORT | 3 |
| B. COMMERCIAL REPORT | 10 |
| C. RISK AND ISSUE MANAGEMENT REPORT | 12 |
| D. FINANCIAL PROGRESS REPORT | 14 |
| E. SUBMISSIONS | 15 |
| APPENDIX A – HANDOVER CHECKLIST | 21 |

General Overview

In accordance with Section 4.2(b) of the Operations and Maintenance Agreement (OMA), LUMA hereby provides the P3A its monthly report on its performance of the Front-End Transition for the month ending August 31, 2020. A copy of the Handover Checklist and work performed has been provided in Appendix A of the report.

PERFORMANCE OF FRONT-END TRANSITION (FET) PERIOD

A. FET PERIOD PROGRESS REPORT

I. Key Achievements in reporting period

Overview

Over the past two months, LUMA has learned a tremendous amount about the operations of PREPA and has needed to adjust aspects of its plan based on accessibility to PREPA information and employees that was further exacerbated by COVID-19. Despite this, LUMA's efforts are progressing well with areas of concerns noted in the Risk Section of this report. LUMA remains confident that a Commencement Date of mid 2021 remains achievable; however, it remains critical that all parties remain vigilant in their execution and support of the transformation.

The following is a summary of the Key Achievements for the month of August and is presented based on critical areas to achieving commencement. Additional achievements and additional detail of LUMA's progress can be found in Appendix A – Handover Checklist.

Human Resources- creating a new organization

LUMA continued its work in preparation for hiring its new workforce prior to commencement. This effort included the following in August:

- Worked on refining LUMA's Organizational Structure aimed at a flatter organization
- Worked on standardize job titling and categories to create an effective and streamlined organization
- Implemented recruiting tools to facilitate the recruitment process
- Secured and on-boarded recruiting resources
- Developed detailed recruiting strategies and completed review of company-wide job descriptions
- Continued work on position posting strategy, process and related materials
- Pursuant to an RFP process, selected a third-party vendor for an employee Welfare plan (Life, AD&D, STD, LTD) and Voluntary Plans (critical illness, accident insurance).
- Continued to work with PREPA to establish full understanding of options for PREPA employees including the pension related matters

Critical Regulatory Matters – requiring P3 and PREB approvals

LUMA has numerous operational deliverables that will be presented to the P3A and/or PREB for approval during the Front-End Transition period. Work on all these deliverables is

progressing well as noted in Appendix A. This said, there are significant deliverables important to note in this overview section:

a. System Remediation Plan (SRP), Performance Metrics and Initial Budgets

The System Remediation Plan is progressing as planned with all teams deeply involved and working with PREPA on gap assessment that will lead to initiative development and a prioritization effort that will support the creation of the SRP.

Similarly, the Performance Metrics team is progressing as expected and working with each department to formulate an understanding of the state of PREPA's data in order to develop appropriate baselines. And finally, the Initial Budgets team, based on its learnings to date, has begun to develop an approach and associated templates to develop the Initial Budgets.

Key achievement to note related to these areas are:

- Gap assessment work conducted by all departments focused on key departmental matters as well as interfaces between departments. Also conducted a gap analysis of the Port of San Juan and inbound logistics process.
- Began IRP coordination into the gap assessment work.
- The assessments included several site visits of substations, warehouses, offices and other facilities to identify trends and risks in physical security.
- The SRP outline and methodology has been completed.
- Conducted several workshops with Sargent & Lundy and PREPA on their practices on Transmission, Protection & Control, Substations and Distribution.
- Developed Performance Metrics framework and began analysis of PREPA operational data and includes establishing an understanding of Distribution Feeders feeding critical loads.
- SRP and Performance Metrics planning teams comprised of representatives from P3A, PREPA and LUMA has been formed. These teams will be kept apprised of LUMA's progress throughout the Front-End Transition period.
- Working with PREPA for a better understanding the development of the Genco budget.
- LUMA also met with consultants from PREB to keep them apprised of progress.

b. FEMA funding

LUMA continued to work closely with PREPA in an attempt to obtain a full picture of the FEMA funding portfolio and the work done to date. This progress has been slow due to lack of access to information and limited transparency. Concerns have been raised with PREPA and we remain optimistic that LUMA will see improvements given recent organizational changes. Some key focuses related to the FEMA file for August included:

- Development of LUMA's organization needs for federal funding and the drafting of a preliminary organization during FET and after Service Commencement.
- Began review of PREPA policies and procedures to identify gaps from Federal and Puerto Rico rules and regulations and COR3 policies and procedures.

c. PREPA Reorganization

While the accountability for the PREPA reorganization lies with the P3A and PREPA, there are significant implications for LUMA namely the timeliness of the PREB approval of the Initial Budget, the development of the Shared Services Agreement and of the PPOAs. Work in this area has been slower than expected however is gaining some momentum. LUMA has continued working with stakeholders to progress the file including:

- Focusing on the scope and evolution of GenCo; and
- Significant progress analysing PREPA general ledger and budget detail to be able to support GenCo budget.

Preparing LUMA for operations

LUMA continues to work on key areas necessary to 'stand-up' LUMA from an operational perspective. These include the development of key plans as outlined in Appendix A. Some of the highlights for August are as follows:

a. Safety

- Continued to focus on COVID safety and established protocols.
- Completed translation of current PREPA Safety Manual, and related documentation.
- Coordinated efforts with other cross functional areas to define processes related to Injury Management and FONDO.

b. Human Resources (in addition to the commentary noted above)

- Continued to mobilize LUMA personnel into PREPA's office based on space availability.
- Continued assessment of employee training policies, standards and practices. Working to develop action plans and estimates as input into the System Remediation Plan.

c. Internal & Stakeholder Communications:

- Continued to communicate our key messages over a multitude of avenues, including newspaper, radio, billboard, digital and social media ads.
- Continued to develop the LUMA web site including new ways to get in touch with LUMA including a new intake form for requests to speak with a LUMA recruitment advisor.
- Developed and distributed monthly newsletter to PREPA employees, with the goal to keep them up-to-date on the transition period and familiarize and engage them with LUMA.
- Continued to meet with key stakeholders including legislators, majors, and non-governmental organizations to provide information regarding the OMA and LUMA.

d. Operational

While a significant effort of all departments has been on gap assessment towards the development of the SRP, focus continues to be on departmental transition plans. Key achievements in these areas include:

- Completed assessment of PREPA's existing Computerized Maintenance Management System and began to develop preventative maintenance program.
- Completed review of distribution maintenance plan.
- Reviewed critical asset life cycle and sparing plans.

- Updated prior vegetation management condition assessment data, developed validation methodology, acquired high resolution satellite images/data, established survey transects, and began photo interpretation.
 - Engaged professional networks and created a preliminary list of working arborists and related parties practicing in Puerto Rico, including meeting with the International Society of Arboriculture and Arbor Day Foundation.
 - Progressed work on the takeover plan of control centers including the assessment of the control center physical condition, the evaluation of the distribution control center, the system operating principles and the energy management system.
 - Fleet SMEs for Aviation, Maintenance Facilities, and Vehicle Condition have conducted site visits and completed an assessment of the fleet and identified improvement initiatives.
 - Completed deep dive workshops with PREPA PMO.
 - Held meetings with local contractors including the Contractors Association of Puerto Rico to assess capabilities.
 - Continued development of PMO and Project control processes, template and procedures.
- e. Customer Services - Voice of the customer
- Joint PREPA and LUMA teams examined Regional Customer Service focus areas including visiting and reviewing all major commercial office locations and their functions.
 - Initiated review of PREPA Accounts Receivables; and completed assessment of the PREPA dunning process.
 - Completed the assessment of the integration of all Customer Service technology.
 - Continued work on cloud-based contact center technology, including issuing the RFP.
 - Significant progress made in identifying the components of PREPA's real estate portfolio.
- f. Finance and Accounting
- Progress on establishing a financial system for LUMA ManageCo including setting up a general ledger, department financials, ability to pay vendors, e-requisition system, budget reporting, and payroll functions.
 - *Workday* implementation of payroll for ServCo is underway and in the initial planning stages with workbooks and the *Foundation Tenant* stand-up being complete.
 - Moving into the Architect stage, labor cost reporting systems are being evaluated as part of the *Oracle* EBS financial system implementation.
 - Reviewed and reconciled PREPA's budgeting process and GL and *Budget Online* data details.
 - Progress on the understanding and assessment of the *Entity Level* internal control framework.
 - Progress on evaluation of PREPA chart of accounts and comparison to FERC standards.

- g. Information and Operational Technology
 - Completed draft of Data Security Plan
 - Drafted risk compliance and governance framework for Cyber Security.
 - Completed testing and final preparation to execute first ManageCo payroll.
 - Completed review of the received data collection forms for Software, End User Computing, Information Technology Service Management, Data Centre, Data Network, Server, Service Desk, Storage and Voice Network.
 - Created a handover template to capture Commencement Cutover Activities.
- h. Other Regulatory matters (in addition to those noted above)
 - Finalized the identification of all of the permits and Governmental Approvals required for LUMA to begin delivering the O&M Services
 - Started developing a competitive solicitation process to procure renewable resources. Solar and Wind sources to be considered.
 - Drafted a roadmap to increase PREPA's participation in the energy efficiency program leveraging efforts done by Puerto Rico Government entities.
- i. Legal Matters
 - Worked on Closing Agreement Pursuant to Puerto Rico Internal Revenue Code of 2011 as one of two alternatives to an acceptable Tax Assurance. Completed and filed an Amendment to request for tax ruling with the Puerto Rico Treasury Department as part of LUMA's efforts to obtain a Tax Assurance.
 - Continued to support Administrative Expense Treatment process.

II. Key Focus Areas in upcoming month

Generally, the Front-End Transition is an on-going evolution of all efforts noted in Section I and outlined in Appendix A. In September, LUMA will continue to progress its efforts in all areas noted in Section I, so these will not be repeated here. Rather, the following focuses on new noteworthy activities that LUMA will be undertaking and is presented in using the same outline as in Section I:

Human Resources- creating a new organization

- Begin the recruitment process with job posting and providing further information on the interviewing process

Significant Regulatory Matters – requiring P3 Administrator and PRB approvals

- a. System Remediation Plan (SRP), Performance Metrics and Initial Budgets
 - All departments will progress their respective gap assessments and translate the work into initiatives, projects or programs to be estimated.
 - Work to set Performance Metrics baseline and targets
 - Host meetings of the SRP and Performance Metrics planning teams comprised of representatives from P3A, PREPA and LUMA
 - Meet with PREB consultants to keep them apprised of progress
- b. FEMA funding
 - Work to align FEMA projects with SRP and establish initial budgets.
 - Develop a method of workflow and framework for federal funding procurement.

- Formulate remediation or correction plans for identified gaps in funding documentation and process.
 - Host the Federal funding planning teams comprised of representatives from P3A, PREPA, COR3 and LUMA
 - Gain alignment of PREPA's efforts and LUMA's deliverables related to Federal Funding.
- c. PREPA Reorganization
- Critical activity is to confirm tasks and scope definition of Shared Services to Genco; and continue discussions with stakeholders on stages of Genco -Gridco separation.
 - Include wider participation of P3 and their advisors in System Operations Principles discussions.

Preparing LUMA for operations

- a. Safety
- Continue coordinating with PREPA Security to safely access field worksites
 - Focus on Public safety information gathering and process understanding at PREPA.
- b. Human Resources (in addition the commentary noted above)
- Secure vendors for pre-screening employment
 - Progress the LUMA employee policies and procedures.
- c. Internal & Stakeholder Communications:
- Launch "Careers" section and "FAQ" section on LUMAPR.com.
- d. Operational
- Continue to work with PREPA leadership to gain access to frontline employees to observe executions of processes/procedures and work methods.
 - Finalize the vegetation photo interpretation and conduct "boots on the ground" field validation work. Finalize projection of vegetation management workload.
 - Commence work on Back-End transition plan.
- e. Customer Services - Voice of the customer
- Begin the deep dive analysis of detailed process gaps for the gap analysis.
 - Continue to work with PREPA leadership to gain access to frontline employees to observe executions of processes/procedures and customer interactions.
- f. Finance and Accounting
- Begin detailed gap analysis of Policies and Practices, Process & Procedures
 - Complete testing of ManageCo payroll and run first payroll with payment.
- g. Information and Operational Technology
- Continue all major IT projects required for LUMA to be fully operational (e.g. EBS, *Workday* HCM, Call Center Technology). This will include conducting customer Bill Redesign workshops.
- h. Other Regulatory matters (in addition to those noted above)
- Begin work with PREPA Legal Department and LUMA Regulatory team to develop procedures for access, land acquisition and third-party attachments, based on complete initial gap assessment.
 - Engage with P3A representative(s) regarding list of required government approvals required for O&M services as currently drafted by LUMA and PREPA. Begin process

of planning for applications to agencies, where necessary, for new or modified permits.

III. Handover Checklist

In accordance with Section 4.2(b) of the OMA, LUMA has provided the Handover Checklist and work performed as part of Appendix A. This month's status captures detailed information of more significant activities undertaken by LUMA in August.

Please note that based on feedback from the P3 in late August, the Handover Checklist has been presented in its original format as in the OMA rather than by Departments (as presented in the June and July report.)

B. COMMERCIAL REPORT

I. Completed OMA Obligations

This section represents the completed OMA obligations from the past month only. All previous month completed OMA obligations are removed to minimize the length of the report.

| Section | Description | Responsible Party | Status |
|---------|--|-------------------|--|
| 4.9(a) | ManagementCo shall have the right to engage Subcontractors to perform certain Front-End Transition Services (the “Front End Subcontractors”); provided that Subcontracts related to the provision of any Front-End Transition Services that are eligible for reimbursement with Federal Funding, if any, shall comply with the Federal Funding Requirements, including any competitive bidding processes required for the award of any such Subcontracts. Operator shall provide Administrator (with copy to PREB) with a list of Front-End Subcontractors that Operator has engaged or intends to engage for the performance of any of the Front-End Transition Services in excess of US\$250,000 (each, a “Material Front-End Subcontractor”). Administrator shall have the right to approve any Material Front-End Subcontractor engaged by ManagementCo, which approval shall not be unreasonably withheld, delayed or conditioned. If Administrator does not respond to Operator within ten (10) Business Days after being notified of Operator’s engagement or intention to engage a Front-End Subcontractor, Administrator shall be deemed to have no objection to the engagement of such Front-End Subcontractor. | LUMA, P3A | Initial submission on Material Front-End Subcontractors is closed. |

II. Ongoing OMA Obligations

| Section | Description | Responsible Party | Status |
|-----------|---|-------------------|--------------------|
| 4.2(b) | ManagementCo shall provide Administrator (with copy to PREB) written monthly reports with respect to ManagementCo’s performance of the Front-End Transition Services, including a copy of the Handover Checklist updated to reflect the progress of each item listed therein. From time to time during the Front-End Transition Period, in light of experience developed up to such point in the Front-End Transition Period, the Handover Checklist shall be adjusted, updated or otherwise modified by ManagementCo and Administrator, each acting reasonably, as necessary to reflect such experience. | LUMA (Operator) | Submitted – August |
| 4.6(c)(i) | (c) Operator shall deliver to Administrator an estimate of the anticipated Front-End Transition Service Fee for the following four and a half (4.5) months, subject to Section 7.8 (Owner Credit Rating). | LUMA (Operator) | Submitted - August |
| 4.6(c)(i) | (d) Owner shall replenish the Front-End Transition Account so as to maintain a balance in the Front-End Transition Account at the end of each calendar month equal to the sum of the anticipated Front- | PREPA (Owner) | Confirmed - August |

| Section | Description | Responsible Party | Status |
|-----------|--|-------------------|--------------------|
| | End Transition Service Fee for the subsequent four and a half (4.5) months, subject to Section 7.8 (Owner Credit Rating), and so on subsequently until the Front-End Transition Services conclude. | | |
| 4.6(d)(i) | Operator shall provide Administrator with a monthly invoice describing in reasonable detail the prior calendar month's Front-End Transition Services and the corresponding Front-End Transition Service Fee for such prior calendar month. All invoices shall comply with the requirements set forth in Section 9.2(c) (Anti-Corruption and Sanctions Laws – Policies and Procedures). | LUMA (Operator) | Submitted – August |

III. Overdue OMA Obligations

| Section | Description | Responsible Party | Status |
|---------|----------------------------|-------------------|--------|
| | There are no overdue items | | |

IV. OMA Obligations in Progress

| Section | Description | Responsible Party | Status |
|------------|--|-------------------|-------------|
| 4.5 (t)(i) | Operator and the Secretary of the Puerto Rico Treasury Department shall have entered into a closing agreement in form and substance satisfactory to Operator, acting reasonably, executed pursuant to Section 6051.07 of the PRIRC among Operator, the Equity Participants and the Puerto Rico Treasury Department that (A) incorporates all matters set forth in administrative determination No. 20-06 issued by the Secretary of the Puerto Rico Treasury Department (the “ <u>Administrative Determination</u> ”) that are applicable to Operator and the Equity Participants and (B) provides that (x) the Front-End Transition Service Fixed Fee, the Service Fee and the Back-End Transition Service Fee are treated in the same manner as management fees are treated under Section III(A) of the Administrative Determination and (y) the Operator Termination Fee is treated in the same manner as termination payments are treated under Section III(A) of the Administrative Determination; or | LUMA (Operator) | In progress |

V. Upcoming OMA Obligations

| Section | Description | Responsible Party | Status |
|---------|---|-------------------|--------|
| | There are no upcoming OMA Obligations to note | | |

C. RISK AND ISSUE MANAGEMENT REPORT

I. Risks with Potential to Materially Impact Project Success

| Risk | Description and Current Status (as of 08-31-20) |
|---|---|
| PREPA Reorganization (s. 4.5(q)) | Accountability for the development & approval of the final PREPA Reorganization (including the GenCo / GridCo split) is not clear. The structure has implications related to demarcation of physical assets, operational responsibilities, the establishment of the Shared Services Agreement, PPOAs development and Budget development. Without clear accountabilities including individuals assigned there is a risk that these critical activities will be delayed, thereby, as a Condition Precedent to Commencement, would cause an overall delay in Commencement. |
| FEMA Funding | Access to information has been a concern since Effective Date. There has been positive improvement after PREPA intervention by senior executive & the Governing Board including recent organization change; however, this file is generally considered behind expectations at this time. Additionally, it has been challenging to gain alignment of work that PREPA has underway with LUMA deliverables. The risk is the delay in obtaining Federal Funding creating a delay in achieving operational improvements to the system and achieving the transformation objectives |
| LUMA Recruitment Effort- PREPA involvement | LUMA will be starting recruitment effort in Late September / Early October. The intent has been to provide PREPA employees a complete picture of employment options and an understanding of the pension situation. (Note these issues represent the majority of the questions that LUMA is hearing from PREPA employees since Effective Date). LUMA is concerned that the relevant information will not be available from PREPA. LUMA was advised that the central government was only recently informed (reminded), and we were advised that the placement process will take up to 6-months once the individual need is identified. Act 120 further provides the opportunity for current employees to remain in PREPA. The pension question remains complex and not well understood by PREPA employees. |
| Pre-existing Environmental Conditions (s.4.5 (f)) | LUMA is concerned with the timeliness of the PREPA RFP process and execution of this work to the agreed upon scope. |

| | |
|--|---|
| | PREPA's RFP is anticipated to be awarded by mid-September. The overall timeline is very tight given the amount of work to be undertaken. The acceptable conclusion of this work is a Condition Precedent to Commencement. |
|--|---|

II. Active Issues with Potential to Materially Impact Project Success

| Issue | Description, Current Status and Mitigation |
|--|---|
| COVID-19 Pandemic | <p>The COVID-19 pandemic continues to create challenges for LUMA from immigration, mobilization, office space and engagement perspectives.</p> <p>LUMA is following an appropriate COVID Protocol and using virtual tools including Microsoft Teams for meetings helps communications but consumes significantly more time and is less productive.</p> <p>No anticipated change in the near future.</p> |
| Field Access | <p>Limitations on being able to access field employees to create relationships, observe work, inquire about issues due to union actions has created a challenge for LUMA. LUMA continues to work with PREPA management including proposing alternate approaches to engage with employees. This continues to be a significant issue.</p> |
| <p>Administrative Expenses Motion (s. 4.1 (c))</p> <p>(This motion requests administrative expense treatment for PREPA's payments to LUMA)</p> | <p>The Unsecured Creditors Committee, UTIER and the fuel line lenders were not agreeable to the timing of the administrative expense motion and requested that the hearing on same be delayed. The federal judge granted this request and extended the hearing until September 16-17, 2020.</p> <p>Have worked with FOMB to provide support documentation for defense.</p> |
| Designated Space & Facilities (s. 4.1 (b)) | <p>Establishing furnished workspace continues to be a concern. LUMA staff continues to work from hotel rooms & offsite conference rooms leading to inefficiencies and increased cost.</p> |

D. FINANCIAL PROGRESS REPORT

In accordance with s.4.6(d), LUMA has submitted the invoice for the Front-End Transition Service Fee for the month of August 2020. A summary of the invoice amounts is included below.

I. Monthly invoice summary

| FET COSTS | |
|-------------------------|-----------------------|
| Department | Amount |
| Executives | \$84,750.00 |
| Capital Programs | \$130,250.00 |
| Communications | \$76,137.50 |
| Customer Service | \$190,182.50 |
| Financial Mgmt. | \$581,325.00 |
| HSE & Quality | \$325,910.00 |
| Human Resources | \$308,852.50 |
| Integration Mgmt Office | \$200,242.50 |
| IT / OT | \$258,055.00 |
| Legal | \$136,810.00 |
| Operations | \$650,702.50 |
| Regulatory | \$300,527.50 |
| Utility Transformation | \$894,035.00 |
| TOTAL | \$4,137,780.00 |

| | Front End Transition Hourly Costs | Additional Costs & Expenses | Sub-Total | Front End Transition Fixed Fee | Total |
|------------------------|-----------------------------------|-----------------------------|-----------------|--------------------------------|------------------|
| Previously invoiced | \$4,821,960.00 | \$2,781,181.56 | \$7,603,141.56 | \$6,500,000.00 | \$14,103,141.56 |
| Current invoice | \$4,137,780.00 | \$3,105,082.28 | \$7,242,862.28 | \$5,000,000.00 | \$12,242,862.28 |
| Total invoiced to date | \$8,959,740.00 | \$5,886,263.84 | \$14,846,003.84 | \$11,500,000.00 | \$26,346,003.84 |
| Forecast to complete | | | \$61,505,927.12 | \$48,500,000.00 | \$110,005,927.12 |
| Proposal | | | \$76,351,930.96 | \$60,000,000.00 | \$136,351,930.96 |
| Variance | | | \$- | \$- | \$- |

E. SUBMISSIONS

I. Transmittals – Current Month August 2020

| Name | Description | Sending Organization | Receiving Organization | LUMA Department | Date Submitted |
|--------------------|--|----------------------|------------------------|-----------------|----------------|
| LUMA-P3A-T-00012 | P3A requested Certificates | LUMA | P3A | IMO | 7-Aug-20 |
| LUMA-P3A-T-00013 | Revised June Invoice re: address correction | LUMA | P3A | IMO | 7-Aug-20 |
| LUMA-P3A-T-00014 | July 2020 Monthly Invoice & Report | LUMA | P3A | IMO | 10-Aug-20 |
| LUMA-P3A-T-00015 | Revised July 2020 Monthly Invoice & Report | LUMA | P3A | IMO | 12-Aug-20 |
| LUMA-P3A-T-00018 | Submitting clarification regarding the LUMA monthly invoice. | LUMA | P3A | IMO | 14-Aug-20 |
| LUMA-P3A-T-00019 | Submission of sworn statements for CRIM All Concepts Debt Certification | LUMA | P3A | IMO | 18-Aug-20 |
| LUMA-P3A-T-00020 | Submitting LUMA ServCo's State Insurance Fund Policy Certification (CFSE) and associated Sworn Statement to the P3A. | LUMA | P3A | IMO | 20-Aug-20 |
| LUMA-P3A-T-00021 | Establishing Governmental Approvals Liaisons as per Section 4.4 of the O&M Agreement. | LUMA | P3A | IMO | 24-Aug-20 |
| LUMA-P3A-T-00023 | Submission of the revised OMA Planning Team to the P3A. | LUMA | P3A | IMO | 25-Aug-20 |
| LUMA-P3A-T-00024 | Submission of required certifications as per the P3A / LUMA August 11, 2020 email. | LUMA | P3A | IMO | 25-Aug-20 |
| LUMA-P3A-T-00027 | 4.5 Months of FETS Estimate Submission August 2020 | LUMA | P3A | IMO | 31-Aug-20 |
| LUMA-P3A-TGC-00011 | Submission of August 03, 2020 Meeting Notes | LUMA | P3A | IMO | 5-Aug-20 |
| LUMA-P3A-TGC-00017 | August 17, 2020 agenda and revised August 03, 2020 notes for review and comments. | LUMA | P3A | IMO | 14-Aug-20 |
| LUMA-P3A-TGC-00022 | Submission of final version of Communications Protocol document for P3A / LUMA records. | LUMA | P3A | IMO | 25-Aug-20 |
| LUMA-P3A-TGC-00025 | Submission of the monthly notes for the August 17, 2020 P3A / LUMA Meeting | LUMA | P3A | IMO | 28-Aug-20 |
| LUMA-P3A-TGC-00026 | Submission of August 31, 2020 P3A / LUMA biweekly meeting agenda. | LUMA | P3A | IMO | 28-Aug-20 |
| LUMA-PREB-T-00007 | July 2020 Monthly Report | LUMA | PREB | IMO | 10-Aug-20 |

| Name | Description | Sending Organization | Receiving Organization | LUMA Department | Date Submitted |
|---------------------|---|----------------------|------------------------|-----------------|----------------|
| LUMA-PREB-T-00008 | Revised July 2020 Monthly Report | LUMA | PREB | IMO | 12-Aug-20 |
| LUMA-PREB-T-00009 | Slide deck from Introductory Meeting | LUMA | PREB | Regulatory | 12-Aug-20 |
| LUMA-PREB-T-00010 | Providing the Governmental Approvals Liaisons as per Section 4.4 of the O&M Agreement | LUMA | PREB | IMO | 24-Aug-20 |
| LUMA-PREB-T-00011 | Submission of the revised OMA Planning Team to PREB. | LUMA | PREB | IMO | 25-Aug-20 |
| LUMA-PREB-T-00012 | Providing PREB with LUMA Energy's Structure and Descriptions for Electric Service Company Certification | LUMA | PREB | Regulatory | 25-Aug-20 |
| LUMA-PREB-T-00013 | Submission of communication requirements between PREB and LUMA. | LUMA | PREB | Regulatory | 25-Aug-20 |
| LUMA-PREB-T-00014 | AP-2018-0001 IRP Final Resolution and Order | LUMA | PREPA | Regulatory | 27-Aug-20 |
| LUMA-PREP-T-00004 | 2020-08-10 Meeting Agenda & Communication Protocol | LUMA | PREPA | IMO | 7-Aug-20 |
| LUMA-PREP-T-00005 | UTIER Walkouts | LUMA | PREPA | IMO | 13-Aug-20 |
| LUMA-PREP-T-00006 | Submission of the June and July 2020 Monthly Reports for PREPA's records. | PREPA | PREPA | IMO | 14-Aug-20 |
| LUMA-PREP-T-00009 | Establishing Governmental Approvals Liaisons as per Section 4.4 of the O&M Agreement. | LUMA | PREPA | IMO | 24-Aug-20 |
| LUMA-PREP-T-00011 | Submission of the revised OMA Planning Team to PREPA. | LUMA | PREPA | IMO | 25-Aug-20 |
| LUMA-PREP-TGC-00007 | PREPA LUMA Biweekly Meeting_Notes_2020-08-10_Final | LUMA | PREPA | IMO | 17-Aug-20 |
| LUMA-PREP-TGC-00008 | Submission of the draft agenda for the Tuesday, August 25th PREPA / LUMA biweekly meeting. | LUMA | PREPA | IMO | 24-Aug-20 |
| LUMA-PREP-TGC-00010 | Submission of final version of Communications Protocol document established between PREPA / LUMA. | LUMA | PREPA | IMO | 25-Aug-20 |

II. Requests for Information (RFIs) – Current Month August 2020

| Name | Description | Sending Organization | Receiving Organization | LUMA Department | Date Submitted | Requested Response Date | Actual Response Date | Status |
|---------------------|---|----------------------|------------------------|----------------------|----------------|-------------------------|----------------------|--------|
| LUMA-PREP-RFI-00048 | Finance Mgmt/Real Estate RFI - PREPA Lease | LUMA | PREPA | Financial Management | 3-Aug-20 | 7-Aug-20 | | Open |
| LUMA-PREP-RFI-00049 | IMO - PMO Tracker | LUMA | PREPA | IMO | 4-Aug-20 | 28-Jul-20 | Meeting notes only | Closed |
| LUMA-PREP-RFI-00050 | Operations - Vegetation Mgmt Contracts | LUMA | PREPA | Operations | 4-Aug-20 | 31-Jul-20 | For filing only | Closed |
| LUMA-PREP-RFI-00051 | Finance - Procurement Request | LUMA | PREPA | Financial Management | 5-Aug-20 | 14-Aug-20 | | Open |
| LUMA-PREP-RFI-00052 | IT OT RFI - Metering Data Extracts | LUMA | PREPA | IT/OT | 5-Aug-20 | 6-Aug-20 | | Open |
| LUMA-PREP-RFI-00053 | IT OT RFI - Contract Request | LUMA | PREPA | IT/OT | 6-Aug-20 | 10-Aug-20 | | Open |
| LUMA-PREP-RFI-00054 | Operations RFI - Human Resources Information Systems | LUMA | PREPA | Operations | 6-Aug-20 | 14-Aug-20 | 11-Aug-20 | Closed |
| LUMA-PREP-RFI-00055 | Operations RFI - Safety | LUMA | PREPA | Operations | 7-Aug-20 | 14-Aug-20 | | Open |
| LUMA-PREP-RFI-00056 | Operation RFI - Fleet | LUMA | PREPA | Operations | 7-Aug-20 | 14-Aug-20 | | Open |
| LUMA-PREP-RFI-00057 | IT OT RFI - Historian Workshop | LUMA | PREPA | IT/OT | 7-Aug-20 | 10-Aug-20 | | Open |
| LUMA-PREP-RFI-00058 | IT OT RFI - Kronos | LUMA | PREPA | IT/OT | 7-Aug-20 | 12-Aug-20 | 20-Aug-20 | Closed |
| LUMA-PREP-RFI-00059 | IT OT RFI - Network Diagrams | LUMA | PREPA | IT/OT | 7-Aug-20 | 10-Aug-20 | 18-Aug-20 | Closed |
| LUMA-PREP-RFI-00060 | IT OT RFI - GIS Features & Attributes | LUMA | PREPA | IT/OT | 11-Aug-20 | 13-Aug-20 | 20-Aug-20 | Closed |
| LUMA-PREP-RFI-00061 | IT OT RFI - Weather, Seismic, Water, & other 3rd Party Data | LUMA | PREPA | IT/OT | 11-Aug-20 | 13-Aug-20 | | Open |
| LUMA-PREP-RFI-00062 | IT OT RFI - Callflow and IVR Flows | LUMA | PREPA | IT/OT | 14-Aug-20 | 14-Aug-20 | 20-Aug-20 | Closed |
| LUMA-PREP-RFI-00063 | IT OT RFI - IBM EBS Toolkit | LUMA | PREPA | IT/OT | 12-Aug-20 | 13-Aug-20 | | Open |

| Name | Description | Sending Organization | Receiving Organization | LUMA Department | Date Submitted | Requested Response Date | Actual Response Date | Status |
|---------------------|---|----------------------|------------------------|----------------------|----------------|-------------------------|----------------------|--------|
| LUMA-PREP-RFI-00064 | IT OT RFI - Security Artifact Request | LUMA | PREPA | IT/OT | 13-Aug-20 | 14-Aug-20 | | Open |
| LUMA-PREP-RFI-00065 | IT OT RFI - True North Contract | LUMA | PREPA | IT/OT | 14-Aug-20 | 18-Aug-20 | | Open |
| LUMA-PREP-RFI-00066 | Operation RFI - O&M Budget | LUMA | PREPA | Operations | 17-Aug-20 | 21-Aug-20 | 20-Aug-20 | Closed |
| LUMA-PREP-RFI-00067 | Oracle SOA Suite Documentation | LUMA | PREPA | IT/OT | 17-Aug-20 | 20-Aug-20 | | Open |
| LUMA-PREP-RFI-00068 | IT OT RFI - On-Line Budget Demo and 20/21 Detailed Budget Support | LUMA | PREPA | IT/OT | 17-Aug-20 | 21-Aug-20 | | Open |
| LUMA-PREP-RFI-00069 | Finance RFI - GL data for 2020 Fiscal Year | LUMA | PREPA | Financial Management | 17-Aug-20 | 21-Aug-20 | 21-Aug-20 | Closed |
| LUMA-PREP-RFI-00070 | Finance RFI - GL Breakdown for 2021 Fiscal Year Certified Budget | LUMA | PREPA | Financial Management | 17-Aug-20 | 21-Aug-20 | 21-Aug-20 | Closed |
| LUMA-PREP-RFI-00071 | Finance RFI - FY Certified Budget - working papers and templates | LUMA | PREPA | Financial Management | 17-Aug-20 | 21-Aug-20 | | Open |
| LUMA-PREP-RFI-00072 | Regulatory RFI - FOMB's certification of PREPA's 2020 Fiscal Plan | LUMA | PREPA | Regulatory | 17-Aug-20 | 31-Aug-20 | | Open |
| LUMA-PREP-RFI-00073 | IT OT RFI - LivePerson/WhatsApp/Mi Cuenta | LUMA | PREPA | IT/OT | 18-Aug-20 | 21-Aug-20 | | Open |
| LUMA-PREP-RFI-00074 | IT OT RFI - Telecommunications Design Criteria Document (DCD) | LUMA | PREPA | IT/OT | 18-Aug-20 | 20-Aug-20 | 27-Aug-20 | Closed |
| LUMA-PREP-RFI-00075 | IT OT RFI - Asset Management System Diagram | LUMA | PREPA | IT/OT | 20-Aug-20 | 21-Aug-20 | | Open |

| Name | Description | Sending Organization | Receiving Organization | LUMA Department | Date Submitted | Requested Response Date | Actual Response Date | Status |
|----------------------|--|----------------------|------------------------|----------------------|----------------|-------------------------|----------------------|--------|
| LUMA-PREP-RFI-00076 | Regulatory Coordination #10-16 | LUMA | PREPA | Regulatory | 20-Aug-20 | 4-Sep-20 | | Open |
| LUMA-PREP-RFI-00077 | Operations RFI - Organizational Chart for T&D (follow-up) | LUMA | PREPA | Operations | 20-Aug-20 | 28-Aug-20 | 21-Aug-20 | Closed |
| LUMA-PREP-RFI-00078 | Operation RFI - Additional Employee Information | LUMA | PREPA | Operations | 21-Aug-20 | 28-Aug-20 | | Open |
| LUMA-PREP-RFI-00079 | IT OT RFI - EBS Access | LUMA | PREPA | IT/OT | 21-Aug-20 | 25-Aug-20 | | Open |
| LUMA-PREP-RFI-00080 | Operations RFI - Outage Information | LUMA | PREPA | Operations | 25-Aug-20 | 26-Aug-20 | 31-Aug-20 | Open |
| LUMA-PREP-RFI-00082 | IT OT RFI - Provide Oracle EBS R12 Custom Object Functional and Technical Specs | LUMA | PREPA | IT/OT | 26-Aug-20 | 2-Sep-20 | | Open |
| LUMA-PREP-RFI-00083 | Oracle EBS R12 "End User" Training Documentation | LUMA | PREPA | IT/OT | 26-Aug-20 | 16-Oct-20 | | Open |
| LUMA-PREP-RFI-00084 | Budget Online Data Detail | LUMA | PREPA | Financial Management | 26-Aug-20 | 28-Aug-20 | | Open |
| LUMA-PREPA-RFI-00085 | This RFI is to request PREPA provide LUMA access to Jdeveloper. Access is required as part of the analysis of interface configuration and part of the assessment of potential development required in relation to the Luma setup in EBS. " | LUMA | PREPA | IT/OT | 27-Aug-20 | 31-Aug-20 | | Open |
| LUMA-PREP-RFI-00086 | IT OT RFI - Access to PREPA SOA Suite | LUMA | PREPA | IT/OT | 27-Aug-20 | 31-Aug-20 | | Open |

| Name | Description | Sending Organization | Receiving Organization | LUMA Department | Date Submitted | Requested Response Date | Actual Response Date | Status |
|---------------------|---|----------------------|------------------------|------------------------|----------------|-------------------------|----------------------|--------|
| LUMA-PREP-RFI-00087 | IT OT RFI - Access to GitHub | LUMA | PREPA | IT/OT | 27-Aug-20 | 28-Aug-20 | | Open |
| LUMA-PREP-RFI-00088 | Demo STORMS and OD STORMS | LUMA | PREPA | IT/OT | 27-Aug-20 | 4-Sep-20 | | Open |
| LUMA-PREP-RFI-00089 | Pole identification and Site dataset | LUMA | PREPA | Utility Transformation | 27-Aug-20 | 4-Sep-20 | 4-Sep-20 | Closed |
| LUMA-PREP-RFI-00090 | Operations RFI - Contracts, MSAs, and Contractors | LUMA | PREPA | Operations | 28-Aug-20 | 4-Sep-20 | | Open |
| LUMA-PREP-RFI-00091 | IT OT RFI - Mi Cuenta Information | LUMA | PREPA | IT/OT | 31-Aug-20 | 4-Sep-20 | | Open |
| LUMA-PREP-RFI-00092 | Kronos Configuration | LUMA | PREPA | IT/OT | 31-Aug-20 | 4-Sep-20 | | Open |
| LUMA-PREP-RFI-00093 | Customer Service RFI - RFP for Payment Processing | LUMA | PREPA | Customer Service | 31-Aug-20 | 4-Sep-20 | | Open |

APPENDIX A – HANDOVER CHECKLIST

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|----|---------------------------------|---|-------------------|---|
| 1 | General & Transition Management | <p>The transition will be managed by the Chief Executive Officer (CEO) who will be accountable for the completion and execution of all workstream deliverables and key contract elements. The CEO will be supported by a Program / Integration Management office and several Department Heads accountable for specific functional work areas.</p> <p>This overall deliverable captures efforts that are not reasonably attributable to specific Handover Checklist items given the general management nature of the work.</p> | 11-20% | <ul style="list-style-type: none"> - This work in August included the general management of the requirements of the OMA including the oversight and coordination of the Handover Checklist deliverables as part of the Front-End Transition Services. This resulted in effort from all departments that cannot be reasonably attributable to specific Handover Checklist items given the general management nature of the work. - In addition to the general management efforts noted above, there are more specific activities that were completed in August: <ul style="list-style-type: none"> + Administrative and logistics work required to continue the mobilization of LUMA. + Overall project management including efforts such as document controls (RFI & transmittal) and the preparation of the required invoicing & reporting, forecasts. + Worked with PREPA and the Administrator to coordinate the Front End Transition Services which has included regular meetings with the PREPA leadership, the PREPA Governing Board and the Administrator leadership team. + Collaborated with PREPA to obtain and setup access to PREPA offices. + Of note, there are also additional efforts expended to manage areas related to the requirements of the COVID-19 pandemic; impacts from limitations of not being able to conduct field visits; and impacts of needing to work from offsite conference rooms due to a lack of designated space & facilities from PREPA which has since improved. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|--|-------------------|---|
| 1.01 | Government Approvals | Governmental Approvals shall continue to name Owner as the permittee or applicant and Operator shall only be a co-permittee, co-applicant, co-permittee or co-applicant if and to the extent required by Applicable Law. Management Co and Administrator shall cooperate with Owner in good faith in identifying, preparing, applying, for obtaining and maintaining the Commencement Date Governmental Approvals. | 11-20% | Work has begun by PREPA and LUMA identifying all permits and Governmental Approvals required for LUMA to begin delivering the O&M Services. |
| 1.02 | Plan to Address Gaps in Assets, Technology, Processes, etc. (plan to include cost estimates) | This deliverable captures the general oversight of the gap assessments to be conducted early during the Front-End Transition and captures efforts not specifically attributable to Handover Checklist deliverables including the overall development of methodology and management of progress. | 81-90% | <ul style="list-style-type: none"> - Implemented the methodology developed in July with the department teams. This involved ensuring a common understanding of the approach to gather and process data into a consistent format including the process of preparation of initiatives definition (i.e. scope, high level estimates and timelines). The implementation also included creating an understanding of the prioritization methodology for the System Remediation Plan. - Facilitated and managed data gather gathering through the Request for Information (RFI) process. - Consolidation efforts by departments of gap assessments findings into the System Remediation Plan worksheets as required by the overall effort. The teams also began the process of evaluating the gaps in an attempt to confirm consistency among departments. <p>Note: refer to 3.02 & 3.04 which capture the evolution from gap assessments (1.02), to initiative development (3.02); and to System Remediation Plan development (3.04)</p> |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|---|---|-------------------|--|
| 1.03 | PREB Rate Order Filing (Initial Budgets and Liability Waiver approvals) | Activities to gain P3A and regulatory (PREB) approvals for Initial Budgets. | 11-20% | <ul style="list-style-type: none"> - Prepared, developed and presented related information to PREB Consultants with respect to Initial Budgets strategy, workstreams and roadmap - Conducted internal alignment with Federal funds team, SRP, Performance metrics and PREPA's current budget - Analysis and review of financial data from PREPA: PREPA Budget (from Budgets Online) and Certified fiscal plan, assisted with the mapping of the financial data and identified discrepancies between the two budgets/plans. - Met with PREPA to understand annual application of current Rate Order - Discussions and meetings with P3A counsel and internal counsel regarding Liability Waiver, review of comparative utilities liability waivers and discussion of incorporation in Puerto Rico |
| 2 | T&D Services Milestones | | | |
| 2.01 | Development and Implementation of an Operations Takeover Plan for Transmission and Sub-Transmission Inside and Outside of the Plant | This deliverable includes developing an operation takeover plan for transmission and sub-transmission inside and outside of the plant. Activities include assessments of IRP Requirements, safety and reliability priorities, plans for outage and weather monitoring, and operational contingency plans. | 11-20% | <ul style="list-style-type: none"> - Completed numerous site visits to substation and line facilities to identify safety and reliability improvement opportunities - Began work to prioritize identified safety and reliability improvements and assess against Sargent & Lundy ten-year Capex plan - Completed assessment of Telecom Design Criteria Document - Obtained Transmission maintenance plans and began review |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|--------|---|--|-------------------|--|
| 2.02 | Development and Implementation of an Operational Takeover Plan for the Electric Distribution System | This deliverable involves developing and implementing an operational takeover plan for the Electric Distribution System consisting of an IRP review, distribution system reliability and safety priority assessments, critical asset life cycle plan and asset maintenance assessments, distribution automation and energy loss reduction plans, and street light operations and repair strategy. | 11-20% | <ul style="list-style-type: none"> - Significant undertaking to review PREPA distribution maintenance plan. This work was completed. - Reviewed critical asset life cycle and sparing plans - Began work with operations to identify reliability and safety issues in the distribution system. - Began work to assess identified improvement opportunities against Sargent & Lundy ten-year Capex Plan |
| 2.03 | <i>Development and Implementation of Additional Takeover plans</i> | | | |
| 2.0301 | Transition Plan for T&D Control Centers | This deliverable includes delivering an Operations Control Center Transition Plan that includes an evaluation of the control center physical condition, T&D outage planning and operation procedures, T&D restoration plan, and energy management system. | 11-20% | <ul style="list-style-type: none"> - Identified and documented major deficiencies through RFI, Interviews and On-Site observations. LUMA is waiting for responses to some RFI to finalize effort. - Began identifying initiatives for improvement. - Worked on the takeover plan of control centers including the assessment of the control center physical condition, the evaluation of the distribution control center, the system operating principles and the energy management system. |
| 2.0302 | Transition Plan for Operations and Maintenance (O&M) Activities | This deliverable consists of developing and implementing an operation take-over plan for transmission and sub transmission assets outside and inside of legacy PREPA power plants and substations, and for the electric distribution system; developing a new structure for the commencement organization with new job descriptions; and the process of interviewing, assessing, and hiring employees. | 11-20% | <ul style="list-style-type: none"> - Conducted numerous meetings/interviews with PREPA Leadership, Supervisors throughout PREPA's operations - Meetings with third party contractors to understand HR Assessments - Undertook gap assessments of the interfaces between Customer Service, System Operations, Warehouse. - Continue to develop Job Descriptions - Developed initial drafts Future State Org Chart and Recruitment Strategy - Conducted initial review of data information in STORM (PREPA's dispatch system) |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|--------|--|---|-------------------|---|
| 2.0303 | Emergency Response/Disaster Recovery/Business Continuity Plans | This deliverable involves updating the emergency response/disaster recovery and business continuity plans. Activities include working with existing PREPA operational teams to review existing operations manual, comparing it against industry best practices, LUMA's existing operations manuals, and PREPA's current plan, to identify gaps and opportunities; developing an operating manual that meets high quality standards while incorporating Puerto Rico's unique operating needs. Fundamental principles include safety, customer centricity, affordability, reliability, resilience and sustainability. | 0-10% | <ul style="list-style-type: none"> - Observed Tropical Storm Isaias PREPA EOC and completed After Action Review with PREPA team leading to a deeper understanding of existing processes - Completed interviews for Emergency Response Gap Analysis - Completed work of the Major Event Management Gap Assessment - Work on this deliverable is conducted in conjunction with the Handover Checklist items 2.04 and 9.02 |
| 2.0304 | Fleet Management Plan | This deliverable identifies gaps within the Fleet Management Information System (FMIS), Fleet Preventative Maintenance Program, Vehicle Insurance & Registration, Effectiveness of Shop Operations, Current Suppliers, GPS / Telematics, Fuel Procurement and Fuel tracking, and, develop a prioritized plan for closing identified gaps. | 11-20% | <ul style="list-style-type: none"> - Fleet SMEs for Aviation, Maintenance Facilities, and Vehicle Condition have conducted site visits and completed the Fleet Gap Assessment and identified improvement initiatives - All Maintenance Shops, with exception of the Aguirre plant, have been visited and assessed for overall function, cleanliness/maintenance, processes/record keeping, inventory, storage, and adherence to FAA, OSHA, DOT, ANSI guidelines. - Due to lack of cooperation, Fleet SMEs were unable to interact with mechanics and support staff in most maintenance shops to assess safe work practices and basic mechanics skills. - Performed initial meet-and-greets with many local 3rd party maintenance shops and Parts suppliers to obtain a better understanding of their relationship with PREPA, and, assess existing work-flows, processes, and controls. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|--------|--|--|-------------------|--|
| 2.0305 | Asset Management (included in 8. Engineering and Asset Management) | This deliverable consists of developing an Engineering Asset Management Plan that includes assessments of geospatial asset tracking, power flow process, computerized maintenance management system (CMMS), and T&D system planning criteria, as well as developing plans for preventative maintenance, substation flooding resiliency, and microgrid engagement priorities and interconnection process plans. | 11-20% | <ul style="list-style-type: none"> - Significant effort was on gap assessment work including RFIs. This work focused on completing an assessment of the GIS system in conjunction with the IT/OT team to develop plans for address gaps. - Completed assessment of PREPA's existing CMMS and began developing preventive maintenance program - Completed mapping of existing high level reliability reporting process; working to capture regional variations in the process - Held multiple meeting/workshops to review and understand power flow processes and interconnection plans with PREPA - Reviewed DG and Microgrid regulations |
| 2.0306 | Workforce Management & Training Plan | This deliverable involves a comprehensive assessment of PREPA's safe work rules, technical training facilities, curriculum, and instructors allows LUMA to develop a holistic technical training program, increasing workplace safety and efficiency while defining a career path for all skilled labor employees. | 21-30% | <ul style="list-style-type: none"> - Conducted meetings with PREPA CADE (PREPA Training Group) counterparts to assessment current state included a visit & assessment of 1 of 2 PREPA training facilities. - Build out of Skilled Labor Assessments plan including the identification of two potential sites, development of written assessments, coordination tools & equipment, assessment scheduling approach; coordinated Vegetation Management assessment, and finalized process map for job posting to hiring. - Identified programs/projects for inclusion in the System Remediation Plan including developing cost estimates - Performed initial meet and greets with PREPA counterparts to determine a set schedule for field Assessments - Work on this deliverable is conducted in conjunction with the Handover Checklist item 8.07 |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|--------|----------------------------------|---|-------------------|---|
| 2.0307 | Safety Management Plan | This deliverable includes the development of the Public Safety Program Assessment, Written Safety & Health Program Assessment, and Physical Safety & Health Assessment that will allow for the creation of LUMA's Safety Management Plan. | 11-20% | <ul style="list-style-type: none"> - Conducted Gap Assessment for the general management areas for the Health and Safety - Began working on baseline assessment of PREPAs Written Safety and Health programs to determine compliance and benchmarking. - Coordinated efforts with other cross functional areas to define processes related to Injury Management and FONDO (Worker's Compensation). - Due to inconsistencies in data provided regarding incident investigation information, and metrics, significant time had been put forth in an effort to get the information through various means (administration personal, OSHA reports, HR via FONDO reports etc.). - Began reviewing incidents to determine gaps in reporting and follow up. - Completed process mapping for Key Performance indicators regarding Health and Safety Metrics. Early stages of verifying performance metrics with information provided to assist in setting baseline targets. - Began reviewing public safety incidents and understanding trends. - Began evaluation of current IT needs and understanding of data management for HS metrics and information. - Completed initial view of future state training requirements. |
| 2.0308 | Engineering and Asset Management | This item includes delivering an Engineering Plan that includes standards for the distribution system, protection & controls, as well as transmission system and substation engineering standards, and generation and renewables interconnection standards. | 11-20% | <ul style="list-style-type: none"> - Conducted several Workshops with Sargent & Lundy and PREPA on their practices on Transmission, Protection & Control, Substations and Distribution. - Began review of the information uploaded by PREPA and S&L in response to engineering submitted RFIs. - Engineering team participated in the PREPA's fiscal year 2021 projects design review meetings. - Completed the initial drafts of the Design Criteria for the Transmission, Distribution, P&C and Automation and Transmission Line disciplines. - Began project estimates for the Transmission-Generation Delineation separation project. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|--------|---------------------------------------|---|-------------------|--|
| 2.0309 | Identification of Real Estate | This deliverable includes evaluating the current portfolio management and facility management processes including a health assessment of all facilities; creating a PREPA property summary sheet for each property and selection of facilities LUMA intends to use; reviewing the real estate portfolio; reviewing vendor and maintenance services for properties; creating space delineation and property disposition plans; and performing other real estate activities as required.. | 61-70% | <ul style="list-style-type: none"> - Significant progress has been made in identifying the components of PREPA's real estate portfolio. - Finalized 3rd party lease facility schedule (PREPA as tenant or landlord) and receiving lease documents for translation and review. - Conducted several meetings with PREPA real estate team to discuss ongoing real estate transactions, requirements, and issues within current portfolio. |
| 2.031 | Materials Management & Warehouse Plan | This deliverable identifies gaps within Materials Management & Warehousing resourcing, facilities, equipment, functions, processes and procedures, and develop a prioritized plan for closing identified gaps. | 11-20% | <ul style="list-style-type: none"> - Continued several site visits to warehouses to assess facilities and meet key personnel. - Assessed site security in a sampling of locations providing input into the Physical Security plan. - Team supported the development of initial drafts Future State Org Chart and position descriptions - Completed a gap analysis of the Port of San Juan and inbound logistics process. - Commenced deeper assessment of inventory processes at one location inclusive of: counting activities, downstream replenishment, inter-org transfers, and min-max analysis. |
| 2.0311 | System Operations Plan | This deliverable consists of developing a plan to ensure LUMA is positioned to operate the T&D system upon Commencement. This will include the review of equipment to ensure safe operations and assess the resources responsible. | 11-20% | <ul style="list-style-type: none"> - Meetings with Regional Administrators, Supervisors and some line workers to investigate work procedures. - Meetings with some District Engineers to gain a better understanding of the operational areas. Access to some locations was restricted due labor interference. - Assessed the technical construction/mechanic yards. - Assessed the available streetlight information |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|--------|---|--|-------------------|---|
| 2.0312 | Vegetation Management Plan | This deliverable assesses the existing vegetation management practices to identify needs and develop prioritized plans within the areas of: vegetation condition on critical sites and assets, widening or reclaiming existing rights-of-way, planning for steady-state vegetation maintenance, vegetation management support for capital expenditure projects, and contracting for specialized integrated vegetation management services. | 11-20% | <ul style="list-style-type: none"> - Updated prior Vegetation Management condition assessment data. - Developed validation methodology, acquired high resolution satellite images/data, established survey transects, and began photo interpretation. - Engaged professional networks and created a preliminary list of working arborists and related parties practicing in Puerto Rico, including meeting with the International Society of Arboriculture and Arbor Day Foundation. - Began preliminary discussions with potential service providers for specialty Vegetation Management services - Began evaluation of commercially available IT solutions. - Team supported the development initial drafts Future State Org Chart and position descriptions for Vegetation Management. - Developed a list of currently registered IVM herbicides within Puerto Rico and reviewed regulations for use. |
| 2.04 | Update Emergency Operations Manual and Business Continuity/Disaster Recovery Plan | This deliverable is the same as Handover Checklist item 2.0303 | Refer to 2.0303 | <ul style="list-style-type: none"> - Refer to 2.0303 - Work on this deliverable is conducted in conjunction with the Handover Checklist items 2.0303 and 9.02 |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|---|--|-------------------|---|
| 2.05 | Environmental Exposure Management Plan | This deliverable involves the development and compilation of Environmental Policies, Processes, and Procedures Assessments, Environmental Permit Compliance Review, and Waste Contractor Review to enable for the creation of LUMA's Environmental Exposure Management Plan. | 11-20% | <ul style="list-style-type: none"> - Worked closely with PREPA to understand the Scope of Work of PREPA's Baseline Environmental Study RFP to ensure it meets LUMA's expectations. - Developed scope of work, received proposal and began negotiating agreement with SME to assist with completing the written Environmental Exposure Management Plan. An initial assessment of PREPA facilities was conducted and is being refined for the scope of work. - Reviewed PREPA's existing environmental systems and conducted gap assessment to industry standard practice. This included meeting with PREPA environmental leadership to confirm environmental processes and management approach. - Began cataloging and organized PREPA's environmental records including mapping initial facility listing and indexing environmental permits to specific facilities. - Reviewed initial field assessments from the LUMA operations team to integrate into gap assessment. - Reviewed environmental commencement items with other functional teams (i.e. permit transfers, compliance, refueling, training, and HS&E system remediation plan items) to ensure coordination and alignment. |
| 3 | System Remediation Plan Milestones | | | |
| 3.01 | Remediation Plan Proposal | This deliverable consists of developing a remediation plan outline and methodology. | 100% | The SRP outline and methodology has been completed and reviewed with key agencies and the System Remediation Planning team (formed as per the 4.1 (d) (ii)). |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|---|-------------------|--|
| 3.02 | Development of Improvement Initiatives | This deliverable includes the development of Improvement Initiatives with remediation plans that includes performance metric targets and order of magnitude cost estimate, improvement initiative plans, and improvement initiative risk assessments. | 31-40% | <ul style="list-style-type: none"> - SRP Team focused the consolidation of IRP, S&L, Grid Mod, and other related reports - Completed of the Projects Template and Prioritization tool. - Led several internal LUMA meetings to coordinate and progress the development of the SRP. - Involved in informational meetings with PREB, P3, PREPA, and S&L. Note: refer to 1.02 & 3.04 which capture the evolution from gap assessments (1.02), to initiative development (3.02); and to System Remediation Plan development (3.04) |
| 3.03 | Consolidate Plans from All Areas | This deliverable includes the development of a consolidation plan including a multi-year utility capital expenditure plan for each function department. | 0% | - No activity to report. |
| 3.04 | Development of System Remediation Plan | This deliverable includes the development the System Remediation Plan comprising of a consolidated T&D current state gap analysis & improvement initiative. | 0-10% | <ul style="list-style-type: none"> - Initial work with all department to ensure consistency in input to SRP Note: refer to 1.02 & 3.02 which capture the evolution from gap assessments (1.02), to initiative development (3.02); and to System Remediation Plan development (3.04) |
| 3.05 | Approval of System Remediation Plan | Activities to gain P3A and regulatory (PREB) approvals for System Remediation Plan | 0-10% | <ul style="list-style-type: none"> - Prepared, developed and presented materials to PREB Consultants with respect to System Remediation Plan strategy. - Developed materials for follow-up PREB Consultants meeting regarding gaps identified and prioritization process. - Developed regulatory guideline for GAP Assessment as it relates to SRP. - Reviewed PREB provided Distribution System Guidelines. - Reviewed reporting structure for P3A / PREB reports and regulatory implications of current processes and requirements. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|---|-------------------|---|
| 4 | Customer Services | | | |
| 4.01 | Evaluating Customer Service Facilities and Assets | This deliverable consists of evaluating customer service facilities and assets through establishing joint teams between PREPA and LUMA liaisons to review all current locations and their functions. Activities include evaluating facilities and identifying locations that meet business requirements; developing a transition plan to operate customer facilities and identify requirements for additional facilities and/or consolidate existing facilities. | 41-50% | <ul style="list-style-type: none"> - Joint PREPA and LUMA teams examined Regional Customer Service focus areas. This involved visiting and reviewing all major commercial office locations and their functions. - Hosted workshops and interviews across PREPA management. - LUMA undertaking process and gap analysis assessments of Regional Offices including organizational structure. |
| 4.02 | Evaluating and Updating Customer Service Policies and Procedures | This deliverable involves a review and evaluation of PREPA customer service policies, processes, and procedures to confirm they meet regulatory compliance to Laws, Acts and Policy. Activities include a review of policies against ServCo. policies, processes, procedures; developing updated policy and procedure documentation in coordination with transition operating requirements including quality control measures; and developing Customer Service training program to instruct policies and procedures and maintain a high level of service. | 0-10% | <ul style="list-style-type: none"> - LUMA has received access to PREPA's customer service policies, processes & procedures. Translation services have been acquired. On initial review it appears that many processes may not be current, however, further review is needed. - LUMA has been unable to review processes 'in action' during site visits due to employees walking off the job when the LUMA team enters the premises. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|---|---|-------------------|---|
| 4.03 | Development of a Meter Reading Plan | This deliverable includes developing a Meter Reading Plan that includes assessments of automated meter data collection and management process, meter read quality controls, processes for meter shop and field meter data collection, and an evaluation of meter data and meter asset management automated systems. | 31-40% | <ul style="list-style-type: none"> - Several meetings with Sargent & Lundy to review their 10-year capex plan as it relates to the metering area. - Review with PREPA of their non-technical loss management approach. Provided input to team for the overall LUMA NTL strategy. - Review of PREPA's current meter practices and metering systems including reviewing existing TWACS AMR meter reading system to identify existing weaknesses and areas for improvement. Also reviewed current AMI pilot to identify gaps with desired process for AMI implementation. - Visited current meter shop and related facilities to identify issues/gaps. - Gathered budgetary information for SRP input for AMI and MDM. |
| 4.04 | Development of a Customer Service Transition Plan | This deliverable consists of undertaking a gap analysis of current state Customer Service organization, roles, responsibilities and operations; establishing the future state organization including ensuring alignment with the field execution teams; and developing and implementing (where appropriate) a transition plan including People, Facilities, Equipment, Training and Technology to ensure smooth transition into commencement. | 21-30% | <ul style="list-style-type: none"> - Continued the gap analysis assessment of current state of Customer Service organization, roles, responsibilities and operations. - PREPA Customer service field activities and related FTEs have been identified. LUMA Customer Services performed a deep dive into ICEE processes and requirements. Data will be used in development of efficient LUMA processes and organizational design. - Completed assessment of current Avaya Call center technology/functionality. - Further developed the future state organization and job descriptions submitted internally for review and finalization. - Third party contract for customer surveys is in the approval process; however, requires adjustments to enable LUMA access to PREPA customer data. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|---|---|-------------------|--|
| 4.05 | Development and Implementation of a Service Start and Shut-Off Plan | This deliverable involves a review of field credit and collection functions and front-line account set up to assess processes and associated timelines, and evaluating performance based on benchmarks, regulations, and targets as well as the technology, applications, and external vendors involved in the process; developing a Credit and Collections contact center and Dunning Policy including process, call out, timelines and standard communications; and create a training plan and ongoing performance goals for employees that ensures efficiency and accuracy within the Service Start and Shut-off Plan. | 0-10% | <ul style="list-style-type: none"> - Review of PREPA Accounts Receivables has been initiated. There is a discrepancy in data reporting for which the LUMA has submitted an RFI to gain clarity of numbers. There has been no response to the RFI creating a delay in this process. - Assessment of the PREPA dunning process has been complete. There is no proper dunning process in place. |
| 4.06 | Development of a Meter Asset Management (MAM) Plan | This deliverable includes developing a Meter Asset Management Plan that includes the assessment of the meter shop facility, and meter asset management quality controls, as well as develop a meter asset management remediation plan, and meter asset tracking and sampling procedures. | 21-30% | <ul style="list-style-type: none"> - Review of PREPA's current meter practices and asset management to identifying gaps. - Gathered budgetary information for SRP input for meter asset management system implementation. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|---|-------------------|--|
| 4.07 | Development and Implementation of a Customer Service Technology | This deliverable involves assessing the integrations of all Customer Service and T&D Ops technology. Activities include developing a project plan to execute Oracle CC&B transition from PREPA to LUMA; developing a modernization plan to include cloud-based contact center technology; assessing bill presentment technology to produce redesigned LUMA bill; assessing current contract for regional office customer queuing/appointment technology; and developing training and instructional materials to ensure the efficient usage of the technology to achieve targeted performance goals. | 21-30% | <ul style="list-style-type: none"> - Completed the assessment of the Integrations of all Customer Service technology. - Continued work on cloud-based contact center technology, including issuing the RFP. The potential vendors have largely been assessed with some additional follow up required. - Bill print technology has been assessed. Walk-through have been completed with three vendors. An RFP has been created and will be issued to outsource Bill Print. |
| 4.08 | Develop and Implement a Non-Technical Energy Loss Reduction Plan | This deliverable includes developing a Non-Technical Loss (NTL) Plan comprising of a high-level NTL recovery strategy, NTL system architecture, and detailed NTL recovery plan. | 0-10% | Early work started on development of Non-technical Loss Reduction Plan. |
| 4.09 | Establish Integration Between Customer Services & T&D Ops | This deliverable includes identifying integrated and dependent work processes between Customer Service and T&D Operations and move work processes, where appropriate, to Operations. Develop, document and train to new work processes; develop standard communication, meetings and timelines for regular feedback between teams; and assess the training needs and develop instructional materials to ensure alignment with processes between the two organizations to achieve targeted performance goals. | 11-20% | <ul style="list-style-type: none"> - Integrated and dependent work processes between Customer Service and T&D Operations have been identified and documented. Areas of lack of integration of T&D Ops & Customer Service Ops have been identified and documented. - Field execution processes performed by PREPA Customer Service teams have been identified and documented. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|---|---|-------------------|--|
| 5 | IT | | | |
| 5.01 | Development of IT/OT Communication Plan and Acceptance Criteria | This deliverable includes the identification of Key Stakeholders, Setting up governance and resourcing for communications team. | 0% | - No activities to report |
| 5.02 | Identification and Gap Analysis | This deliverable includes the identification of gaps between the organization's current state and expected end state; and the development of plans to remediate or close the identified gaps. | 81-90% | <ul style="list-style-type: none"> - Completed interviews with PREPA resources for Core Business and General Management focus areas - Identified and analyzed gaps - Developed heatmaps for the current maturity of the PREPA IT/OT department - Completed Gap Analysis for IT/OT General Management and Core Business focus areas. |
| 5.03 | Evaluating IT/OT Applications and Infrastructure | This deliverable includes gathering information and evaluating PREPA's IT/OT applications and infrastructure. | 81-90% | <ul style="list-style-type: none"> - Completed review of the received data collection forms for Software, End User Computing, Information Technology Service Management, Data Centre, Data Network, Server, Service Desk, Storage and Voice Network - Conducted workshops with PREPA IT OT and LUMA business resources for current state of Enterprise Resource Planning, Work and Asset Management, Customer Care & Billing and Metering, Telecom, Outage Management, GIS and SCADA. - Developed Technology Landscape Health Roadmap |
| 5.04 | Development of Cyber Security and Business Continuity Plan | This deliverable includes the development of a Cyber Security and Business Continuity Plans; and establishing a Cybersecurity Information Security Office (ISO) | 41-50% | <ul style="list-style-type: none"> - Collected requirements for Cyber and BCP - Drafted risk compliance and governance framework for Cyber Security. - Work on this deliverable is conducted in conjunction with the Handover Checklist items 9.05 |
| 5.05 | Development of an IT Asset Management Program | This deliverable includes creating inventory of PREPA's Physical and Logical assets; and developing a process for ongoing management of assets. | 0% | - No activities to report |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|--|-------------------|--|
| 5.06 | Development of an IT/OT Transition Plan and Schedule | This deliverable includes the identification of a Stand-up transition team and develop the Front-End Transition Mobilization plan. | 100% | <ul style="list-style-type: none"> - Mobilized the FET IT/OT Team and confirmed FET Workstreams and Owners - Develop Plans and Schedules - Enable Workstream update process |
| 5.07 | Commencement Cutover Planning | This deliverable includes activities to prepare for Commencement Cutover during Transition. | 0-10% | <ul style="list-style-type: none"> - Created a handover template to capture Commencement Cutover Activities - Started collecting Commencement Cutover Activities on People, Process and Technology |
| 5.08 | Training and Communication Plan | This deliverable includes activities to plan and communicate IT/OT Training opportunities to current and future LUMA employees. | 0% | - No activity to report |
| 6 | Financial Management | | | |
| 6.01 | Detailed Description of Approach to Budgeting and Reporting | This deliverable involves a review of current budgeting and forecasting processes; identify PREPA's business activities, including prior year actual and original budget, and ensure they are contemplated in the information shared for the draft initial budget; and ensure the anticipated spend from the various LUMA plans prepared during the transition period are included into the initial budgets. | 31-40% | <ul style="list-style-type: none"> - Reviewed and reconciled PREPA's Budgeting process and GL and Budget Online data details. - Continual work to understand the process and details is still ongoing. - Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.02 and 6.05. |
| 6.02 | Description of Approach to Complying with Initial Budget Obligations | As part of the budgeting process, LUMA will develop a template, based on current templates used by PREPA, to be provided to each department to implement their budgets (breakdown/prior year actuals and existing budget), including guidance on the bottom-up approach based on key operational expenses (KOE). | 61-70% | <ul style="list-style-type: none"> - Developed an initial draft of the budget templates. - Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.01 and 6.05. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|--|-------------------|--|
| 6.03 | Approach to Formalizing Changes to Control Processes | This deliverable provides the approach to formalizing control processes. Activities include reporting of financial internal controls resulting in material weaknesses or significant deficiencies and identify/assess key processes and reports to ensure an effective system of internal control is in place. | 0% | <ul style="list-style-type: none"> - No activity to report. - These activities will mostly be completed on the back end of the internal control process review. Internal control walk-throughs (Refer to 6.090) are concurrently underway to support this obligation. |
| 6.04 | Establishing a Financial Accounting System and Account Structure | This deliverable establishes a financial accounting system and account structure. Activities include a review of PREPA's current Chart of Accounts for alignment with FERC requirements, and determine what changes, if any, are required; review PREPA's current financial and work management systems, and determine if any additional packages should be considered; determine the organizational structure required for LUMA ServCo; design, configure and test LUMA ServCo's financial systems; gain approval of LUMA ServCo's Chart of Accounts; and design and implement processes for finance actuals and reporting. | 21-30% | <ul style="list-style-type: none"> - Continued advancing the Oracle EBS system implementation (from the planning to configuration phase). - Significant work has been done to identify how each type of transaction will be accounted for in the system and between Gridco and Servco. - Discovery sessions have been held with multiple departments to determine system requirements. - Decision documents have been drafted on Enterprise Structure and on Entity Recording of Transactions. - Significant effort has been put into evaluating the PREPA chart of accounts and identifying and evaluating the pros and cons of the existing chart of accounts. Also have compared the existing PREPA chart of accounts to FERC standards. |
| 6.05 | Preparing Initial Budgets and Other Financial Forecasts | This deliverable consists of preparing initial budgets and financial forecasts. Finance will discuss any potential changes on assumptions and priorities, agree to the overall approved budget and consolidate all departmental budgets to be reviewed and included in a Master Budget Template. From the Master template, actuals and forecast/revisions will be updated on a monthly basis in order to compare Monthly, YTD and FYF balances. | 31-40% | <ul style="list-style-type: none"> - Prepared for and presented the initial budget template and budgeting process to the LUMA teams for development & input. - Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.01 and 6.02. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|--|-------------------|---|
| 6.06 | Establishing Bank Accounts | This deliverable includes establishing all necessary bank accounts for LUMA ServCo and work with PREPA to set up the service bank accounts required for Commencement, as described in the OMA agreement. | 0% | - No Activity to report |
| 6.07 | Evaluating and Updating Payroll and Labor Cost Reporting systems | This deliverable involves Workday standup including activities associated with processes and interfaces involving Kronos, EBS and ADP including evaluating labor cost reporting. | 11-20% | - Began Workday implementation of payroll for ServCo and in the initial planning stages with workbooks and the Foundation Tenant stand-up being complete. - Bega evaluating the labor cost reporting systems as part of the Oracle EBS financial system implementation. |
| 6.08 | Establishing a Delegation of Authority Matrix and Process | This deliverable establishes a Delegation of Authority Matrix and Process for LUMA ServCo. Delegation of Authority to set Requisition (financial approval) and Purchase Order approval limits in the ERP System. | 0% | - No activity to report. Planned for the back-half of transition. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|---|-------------------|--|
| 6.09 | Processes & Procedures and Overall Internal Controls | This deliverable includes activities related to the understanding and assessment of PREPA's Internal Control Framework, including Entity Level Controls, which are critical to ensure that management directives pertaining to the entire entity are carried out and respective key business processes. | 21-30% | <ul style="list-style-type: none"> - Conducted assessment of the entity level internal control framework which involved: <ul style="list-style-type: none"> + Obtaining/understanding and verifying evidences of key controls used by Sr. Management to rely on to help ensure that BoD directives pertaining to the organization are carried out and tone at the top is set (Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities). + Understanding the overall role/responsibility of the Internal Audit Dept. on assessing the framework. This is a critical task due to the fact that no narratives and or flows were provided by PREPA as part of the RFI process. + Meetings with controls and process owners to build the base understanding of end-to-end processes for Procurement/Revenue/Payroll/Capital Assets/Record to Report. + Identification of key business processes and significant accounts as part of the overall assessment of internal controls over financial reporting. |
| 7 | FEMA Funds and Federal Funding Procurement Manual | | | |
| 7.01 | Set Up Governance Framework | This deliverable includes the assessment and identification of gaps in the PREPA grant governance structure. Design a governance framework consistent with the Disaster Recovery Federal Funding Management Guide. | 11-20% | - Assessed governance risks of current DFMO. Flagged absence of written policies and procedures (already noted in COR3 monitoring event). |
| 7.02 | Policies and Procedures | This deliverable includes the development of policies and procedures in line with governance framework. | 11-20% | - Reviewing PREPA's available policies and procedures for gaps from Federal and Puerto Rico rules and regulations and COR policies and procedures. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|--|-------------------|--|
| 7.03 | Staffing Plan | This deliverable includes developing the staffing plan for federal funding group consistent with DRFFMG. | 71-80% | - Developed organization needs for federal funding and drafted preliminary organization during FET and after Service Commencement. |
| 7.04 | Surge Staffing | This deliverable includes establishing options for surge staffing to be implemented as part of emergency response and recovery. | 0% | - No Activity to report |
| 7.05 | Project Worksheet Assessment (also covered under Section 4.3) | This deliverable includes the assessment of the current progress of project level details and the status of FEMA Project Worksheets (PW) and all of PREPA's federal funding activities, including all federal grants and other monies for disaster recovery. | 11-20% | - After delayed access to all worksheet data and PREPA organizational changes, were able to gain access during August. - Undertook a review of the material available. |
| 7.06 | Handoff of Project Worksheet Activity from COR3 and Vendors | This deliverable involves the transition of federal funding activities from PREPA and consultants to LUMA team, including cooperation with COR3 and all relevant agencies. | 0-10% | - Reviewed available supporting documentation from PREPA's DFMO. This documentation appeared to be missing information to support major decisions on damages and method of repair. - Discussed and requested PREPA's strategy that would provide rationale to begin A&E work as well as construction. |
| 7.07 | Project Procurement Planning | Assess and identify gaps in the PREPA procurement process for federally funded activities. | 0-10% | - Received all relevant PREPA policies and procedures related to procurement and translated them into English. For the month of September, a procurement framework similar to COR's will be created such that standardized and compliant procurement using federal funding can occur. In October, the process map will be created such that it consists of a policy and a procedure. |
| 7.08 | Drafting, Revising and Finalizing Federal Funding Procurement Manual | This deliverable involves completing Federally Funded Procurement Manual consistent with DRFFMG and as specified in OMA 4.1 e. | 11-20% | - Began review of PREPA policies and procedures to identify gaps from Federal and Puerto Rico rules and regulations and COR3 policies and procedures. Some data has been gathered based on observations during Tropical Storm Isaias. |
| 8 | Staffing for Front-End Transition Period | | | |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|---|--|-------------------|--|
| 8.01 | Draft, Revise and Finalize Operator Employment Requirements | This deliverable consists of determining the minimum employment requirements for LUMA employees by position. | 100% | The effort for this activity was captured under item 8.02 Recruitment and Staffing. This specific deliverable has been completed. |
| 8.02 | Recruiting and Staffing | This deliverable involves recruitment and staffing. Activities include the HR transition team coordinating with each department and completing interviews of all PREPA employees and external candidates; tracking of applicants; assisting with PREPA employee applications, coordinating interviews, and communicating status of applications; and Identifying staffing vacancies due to gaps and search for resources externally to fill out the proposed LUMA Organization including pre-employment screening. | 0-10% | - Recruitment efforts for LUMA leadership positions. |
| 8.03 | Redesign and Staff New Organization | Combined with Recruiting and Staffing approach (8.02), this deliverable involves a focused team dedicated to interviewing, assessing and evaluating all PREPA employees that apply for jobs posted by LUMA. | 71-80% | <ul style="list-style-type: none"> - Worked on the development of LUMA's Organizational Structure including compiling and reviewing with Department heads. - Began work to standardize job titling and categories to create an effective and streamlined organization. |
| 8.04 | Proposed Recruitment and Staffing Plan | This deliverable consists of the core HR transition team coordinating with each department to develop a comprehensive department specific People Strategy/Staffing plan that compliments overall business strategy. This includes a list of positions needed by department, finalizing job descriptions, selecting and implementing pre-hiring recruitment, assessment and evaluation criteria tools, as well as standing up these tools. | 41-50% | <ul style="list-style-type: none"> - Completed integration of recruiting tool iCIMS and of the assessment tool Traitify. - Secured recruiting resources and on-boarded these resources with iCIMS and Traitify. - Worked with each department to develop detailed recruiting strategies and complete review of companywide job descriptions. - Worked to setup job applications support events across the island. - Collaborated with other departments to determine overall labor needs and identifying commercial and legal issues as related to existing PREPA labor force |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|---|-------------------|---|
| 8.05 | Stand Up Human Capital Management (HCM) System | This deliverable consists of the Integration of a Human Capital Management (HCM) system will significantly impact business operations by Improving HR Processes, Employee Engagement, Reporting and Security. | 21-30% | <ul style="list-style-type: none"> - Continued HCM implementation with Workday. - Identified required integrations and made initial contacts with the benefits providers/vendors to gather high-level integration parameters such as format, frequency etc., for integration into the HCM.- Determined level of assistance required from the vendors for integrations and determined contracts required for the assistance.- LUMA team continued working through Workday training to prepare for upcoming Foundation Alignment Sessions. |
| 8.06 | Communication Plan | This deliverable consists of establishing and implementing internal and external communications plans. On the internal side, the focus will be on continuously informing PREPA and LUMA employees through multiple avenues (e.g., one-on-one meetings, group sessions, town halls, newsletters, intranet updates, etc.) to answer employee questions and keep them updated on progress. On the external side, LUMA will strategically use media coverage, social media and advertising including digital, billboards, print and radio to introduce LUMA to the people of Puerto Rico. | 11-20% | <ul style="list-style-type: none"> - Developed and distributed monthly newsletter to PREPA employees, with the goal to keep them up-to-date on the transition period and familiarize and engage them with LUMA. - Continued to communicate our key messages through external channels such as social media and advertising such as digital mediums, billboards, print and radio. - Continued to develop the LUMA's website including adding new ways to get in touch with LUMA. To support the upcoming recruitment efforts, we introduced an intake form for requests to speak 1-1 with a LUMA recruitment advisor. - Reached out to media to provide background/statements, offered interviews with executives and responded to inquiries from media. |
| 8.07 | Training (Workforce Development) Plan | This deliverable involves creating a training development program for employees which involves establishing LUMA training policies, standards, practices, curriculum and facilities; onboarding and providing foundational awareness and training to all new and existing employees; and developing a defined career path with continuity of quality education and training. | 11-20% | <ul style="list-style-type: none"> - Continued assessment of employee training policies, standards and practices. - Worked on the development of an action plans and estimates as input into the System Remediation Plan. - Work on this deliverable is conducted in conjunction with the Handover Checklist item 2.0306 |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|----------------------------------|--|-------------------|--|
| 8.08 | Develop Employee Retirement Plan | This deliverable consists of the core HR Transition team, working collaboratively with the current HR key personnel at PREPA, to develop a comprehensive Total Rewards strategy. This includes the development of action plans and programs regarding the LUMA's new proposed Retirement Plan, Health & Welfare Benefits Plan, and Compensation approach. | 21-30% | <ul style="list-style-type: none"> - Reviewed options and selected third party Health Benefits provider; continued working on implementation. - Working with third party service provider to execute contract for employee retirement plan. - Conducted RFP process for Welfare plan (Life, AD&D, STD, LTD) and Voluntary Plans (critical illness, accident insurance) and selected preferred vendor. |
| 8.09 | Occupational Health and Wellness | This deliverable involves implementing a confidential Employee Assistance Program through our medical provider. | 21-30% | <ul style="list-style-type: none"> - Conducted an Initial assessment of PREPA Health and Wellness clinic. |
| 8.10 | Compliance Plan | This deliverable consists of the Core HR transition team to review and evaluate current employee policies, procedures and any applicable handbooks. | 0-10% | <ul style="list-style-type: none"> - Completed compliance review of Federal and local employment laws; and noted key deficiencies. |
| 8.11 | Engagement Plan | Implement an overall Employee Engagement Plan so employees can adjust to the new leadership and direction. We will define the company's culture, mission and core values, and ensure that employees understand they will have opportunities at LUMA. We will provide opportunities for employee engagement with employee events such as family picnics and volunteer opportunities in the community. | 11-20% | <ul style="list-style-type: none"> - Continued to early work on this activity focused on gathering content, messaging and images of employees to be utilized on LUMA's website. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|--|---|-------------------|---|
| 8.12 | Develop a Community Investment Plan | This deliverable consists of the development of a multi-year community investment program enabling LUMA to be a valued part of the Puerto Rican community. This activity includes LUMA partnering with select programs and organizations to contribute to the community in Puerto Rico and will involve engaging employees in the program(s) through donations and volunteer opportunities. | 11-20% | - Began work to develop the multi-year plan with a focus on youth and economic development of Puerto Rico. |
| 9 | Additional Front-End Transition Period Activities | | | |
| 9.01 | GenCo Shared Services Agreement Approval | This deliverable consists developing a plan for delivery of shared services as well as negotiating and executing a Shared Services Agreement. | 0-10% | <ul style="list-style-type: none"> - Held several meetings with other LUMA team members to define scope of work because OMA had very limited identification of Shared Services activities, and the demarcation and end-state vision of GenCo was not complete on effective date as stated in OMA. - Held several meetings with PREPA GenCo leaders in order to define what is the exact, complete list of Shared Services under review. (The Generation Directorate Head had different list than the list in the OMA, and individual plants have their own list of services.) These different lists had to be reconciled so LUMA/GenCo team could be working from same master list. |
| 9.02 | Emergency Response Plan Approval | This deliverable consists of obtaining internal approval of the Emergency Response Plan (ERP) prior to providing the plan to Administrator and PREB. | 0% | <ul style="list-style-type: none"> - No activity to report - Work on this deliverable is conducted in conjunction with the Handover Checklist items 2.0303 and 2.04 |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|------|---|---|-------------------|--|
| 9.03 | Non-Federal Funding Procurement Manual Approval | This deliverable assesses existing reference materials from PREPA and additional requirements from LUMA to create the Non-Federal Funding Procurement Manual and submit to PREPA/P3 for review/approval. | 21-30% | <ul style="list-style-type: none"> - Developed outlines for business discussions, led discussions among PREPA constituents to identify current practices and reviewed internal policies and procedures for lifting of best practices. - Created comparison document between current PREPA practices and internal practices. Created an outline for the manual. - Established cross-functional and cross-business teams to build Non-Federal Funding Procurement Manual including procurement, legal, AAFAF, P3. |
| 9.04 | Physical Security Plan Approval | This deliverable consists of developing a Physical Security Plan that includes a list of assets that require physical security, a substation security assessment for each substation, a security gap assessment with an outline of remediation initiatives and solutions, and a comprehensive physical security plan. | 31-40% | <ul style="list-style-type: none"> - Identified and documented major deficiencies through RFIs, interviews and On-Site observations. This effort is nearly complete. - Completed several site visits of substations, warehouses, offices and other facilities to identify trends and risks in physical security. - Consolidated and organized the information to be utilized in physical security plan. - Began work on defining minimum standards based on findings |
| 9.05 | Data Security Plan Approval | This deliverable consists of developing a Data Security Plan to ensure confidentiality and integrity of organizational data and obtaining the necessary approval prior to Commencement. | 51-60% | <ul style="list-style-type: none"> - Completed compilation of Data Security Plan requirements and began draft of Data Security Plan. - Work on this deliverable is conducted in conjunction with the Handover Checklist items 5.04 |
| 9.06 | Vegetation Management Plan Approval | This deliverable includes the approval of the Vegetation Management Plan through the appropriate LUMA and PREB review and approval requirements. | 0% | <ul style="list-style-type: none"> - No Activity to report |
| 9.07 | System Operation Principles Regulatory Approval | This deliverable consists of activities to gain P3A and regulatory (PREB) approvals for System Operation Principles | 0-10% | <ul style="list-style-type: none"> - System Operating Principles (SOP) team worked closely with LUMA's System Operations team to outline and structure of SOPs and developed into a written document. - Developed material for upcoming introduction meeting with PREB Consultants |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|-------|---|--|-------------------|--|
| 10 | Asset Acquisition (Supply Chain) | | | |
| 10.01 | Evaluating Existing Procurement and Subcontracting Policies, Procedures and Systems | This deliverable includes evaluating existing procurement and subcontracting policies, procedures and systems; identify system contracts and generation supply contracts; review vendor services to facilities; sourcing and procurement work for LUMA ManagementCo contracts. | 21-30% | <ul style="list-style-type: none"> - Began reviewing all PREPA documentation with respect to purchasing policies and practices. - Held joint calls to discuss same. Established cross-functional and cross-business teams to build Non-Federal Funding Procurement Manual including procurement, legal, AAFAF, P3. |
| 10.02 | Assuming Responsibility for Securing Use of Assets, Facilities, IT / OT, etc. | This deliverable involves performing facility assessments on PREPA's leased and owned properties and determine continued use and occupancy of current facilities. Activities include reviewing occupancy information, reviewing the assets collected, determination of asset management system moving forward, performing asset studies, and the development of processes and procedures related to asset management moving into commencement. | 0% | - No Activity to report |
| 10.03 | Assuming Existing Subcontracts | This deliverable includes compiling a listing of all existing subcontracts, including executed copies of subcontract, and complete a gap analysis (expired, missing etc.) of subcontracts being assumed against the immediate needs of O&M of the T&D System, and develop processes and procedures for assuming the existing subcontracts. | 0-10% | - Working with PREPA to identify and analyze subcontracts. Turnaround time on RFI's from PREPA IT have been slower than expected. |
| 11 | Back-End Transition Plan | | | |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|-------|--|---|-------------------|---|
| 11.01 | Develop Back-End Transition Plan | This deliverable includes developing a plan that will guide the process for LUMA transferring operations back to PREPA at the end of the contract term. This includes the development of departmental scopes, timelines and documentation to provide T&D System status and plans to support operational and commercial transfer. (Refer also to Handover Checklist item 12.04) | 0-10% | - Began preliminary work to formulate framework for the Back-End Transition Plan. |
| 12 | Front-End Transition Plan (Additional Requirements) | | | |
| 12.01 | Confirmation of Acceptable Operator Security | This deliverable ensures confirmation of the requirement to confirm Operator Security prior to Commencement. | 0% | - No activity to report |
| 12.02 | Required Insurance | This deliverable ensures placement of insurance program and business process reviews as required in the O&M agreement for ServeCo, including claims reviews; prepare insurance package for LUMA Energy and deliver certificates, as required, i.e. workers' compensation (local content if applicable), employers' liability, fiduciary liability, and professional liability, according to the deliverable schedule. | 0-10% | - Planning for this event and understanding of existing process and certificate requirement was undertaken. Note: the implementation of this item will occur upon Commencement. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|-------|---|---|-------------------|---|
| 12.03 | Baseline Performance Levels | This deliverable involves the development of a methodology for accessing the quality of existing measurement data, a gap analysis of the assessment results against industry best practices with a plan to fill the identified gaps, as well as a plan for an interim performance metrics process to utilize at commencement, and a proposed annual target metric and improvement trajectory. | 31-40% | <ul style="list-style-type: none"> - Coordinated LUMA Performance Metrics team in developing deliverables necessary to validate and/or develop performance metrics baselines and targets including creating templates for team members to document completed work. - Led several Outage Management & Restoration Workshops with PREPA representatives to document existing processes for reliability metrics to use in gap analysis. - Facilitated joint meetings between the LUMA Performance Metrics team and the LUMA SRP team to coordinate and clarify SRP input requirements. - Prepared for and participated in several Performance Metrics & SRP Plans introductory and update meetings with PREB consultants and LUMA/PREPA/P3 joint planning teams. - Attended PREB's Fourth Stakeholder Workshop - Energy Efficiency Public Policy to assist with IRP work and ascertain any input or impact on performance metrics. - Developed draft outline for the Performance Metrics final deliverable to P3A / PREB. |
| 12.04 | Back-End Transition Plan | This deliverable captures the internal review and approval of the Back-End Transition Plan subsequent to the completion of Handover Checklist item 11.01 prior to submission to the Administrator for its information and approval. | 0% | - No activity to report |
| 12.05 | Representations | Section Heading for Owner and Operator Representations set forth in Sections 12.06 and 12.08 of Handover Checklist | 0% | - No activity required; This is a heading only |
| 12.06 | Operator Representations and Warranties | All representations of (i) Operator in Section 19.2 of the OMA, and (ii) Guarantors in the Guarantees will be brought forward and certified as true and correct as of the Service Commencement Date. | 0% | - No activity to report |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|-------|---|---|-------------------|---|
| 12.07 | Section 4.3: Owner and Administrator Responsibilities | PREPA's and P3A's conditions precedent to Service Commencement | 0-10% | <ul style="list-style-type: none"> - Worked with PREPA Legal leadership to identify universe of all potential System Contracts. - Work with LUMA Procurement, IMO and Accounting on handling of new System Contracts required during Front-End Transition Period and collaboration with PREPA regarding same Work with PREPA Legal to aid in LUMA's job postings and recruitment efforts with PREPA legal |
| 12.08 | Owner Representations and Warranties | All representations of Owner in Section 19.1 of the OMA will be brought forward and certified as true and correct as of the Service Commencement Date. NOTE: Responsibility of Owner and Administrator under Section 4.3 of OMA. | 0% | - No activity to report |
| 12.09 | Section 4.4 Governmental Approvals | This deliverable involves legal and regulatory work to (i) identify and transfer, assign or otherwise obtain all Governmental Approvals required to commence operations, and (ii) obtain a Tax Assurance from Puerto Rico Treasury Department | 0-10% | <ul style="list-style-type: none"> - Work on Closing Agreement Pursuant to Puerto Rico Internal Revenue Code of 2011 as one of two alternatives to an acceptable Tax Assurance. - Completed and file an Amendment to request for tax ruling with the Puerto Rico Treasury Department as part of LUMA's efforts to obtain a Tax Assurance as required by Sections 4.4 and 4.5 of OMA. |

| ID | Full description | Deliverable Description | Status % complete | Summary of key work performed |
|-------|--|---|-------------------|---|
| 12.10 | Section 4.5: Conditions Precedent to Service Commencement Date | Legal work to fulfill and satisfy all conditions precedent to Service Commencement Date outlined in Section 4.5 of the OMA. | 11-20% | <ul style="list-style-type: none"> - Provided legal support to numerous activities within LUMA including the development of Performance Metrics, Back-End Transition Plan Work, HSE's work on Pre-Existing Environmental Conditions, Federal funding Identify, the System Operation Principles, and the liability waiver. - Work with LUMA management on PREPA Reorganization and communicate to P3A and its counsel the need to promptly commence work on the PREPA Reorganization given its interaction with and effect on LUMA's deliverables for Service Commencement - Discussed preparation and drafting of Shared Services Agreement with P3A and its counsel - Completed and filed Amendment to request for tax ruling with the Puerto Rico Treasury Department as part of LUMA's efforts to obtain a Tax Assurance Discuss approach to FOMB Protocol Agreement with the P3A and its counsel. |
| 12.11 | Section 4.7: Closing the Front-End Transition Period | Work with counsel for P3A to satisfy and confirm that all conditions precedent to Service Commencement Date and deliver appropriate documentation evidencing same | 0% | - No action required at this time. |
| 12.12 | Service Commencement Begins | Satisfaction of all Service Commencement Date Conditions under Section 4.5 of the OMA | 0% | - No action required at this time. |