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# Monthly Report

Report #: RPT-P3A-004

For the period ending September 2020

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# 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 September 30, 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 three months, LUMA has continued to adjust aspects of our Front-End Transition Plan based on accessibility to PREPA information and employees that was further exacerbated by COVID-19. Through our on-going due diligence across this period, it is clear that the state of the PREPA system is more challenging than originally understood. This is evidenced in LUMA's initial baseline performance metrics work, for example. LUMA continues to incorporate our findings into the System Remediation Plan and Initial Budgets.

Despite the issues above, 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 September 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 September:

- Finalized and placed contracts for employee health & wellness programs as well as the employee defined contribution plan (401k) retirement plan
- Setup job applications support events across the island.
- Created and distributed the monthly newsletter to PREPA employees to keep them updated on upcoming career postings and engaged with LUMA.
- Developed detailed recruiting strategies, including interview guides and processes, and completed review of company-wide job descriptions.
- Continued to progress the implementation of the Human Capital Management system.

##### Critical Regulatory Matters – requiring P3 review and/or approvals 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. The significant deliverables important to note in this overview section include:

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

The System Remediation Plan outline and methodology has been completed and reviewed with key agencies and the System Remediation Planning team (formed as per 4.1 (d) (ii)). A significant effort and focus by the LUMA Team have resulted in the identification of the vast majority of initiatives and associated costs to be incorporated in the SRP and/or the Initial Budgets.

Similarly, the Performance Metrics team is progressing with the development of deliverables necessary to validate and/or develop performance metrics baselines and targets. And finally, the Initial Budgets team has prepared the initial budget template and rolled out to the LUMA teams for development and input of the Initial Budgets.

Key achievements to note related to these areas are:

- Significant effort on defining projects scopes and budgets for the SRP/Initial Budgets including projects related to all T&D work areas (e.g. safety and reliability priorities, distribution automation, T&D system operations & maintenance, IT/OT programs, tools and equipment, etc.).
- Focused on coordinating work with all departments to ensure consistency in input to SRP / Initial Budgets, including focused roadmap workshops for each of the IT/OT programs of work with the appropriate LUMA departments.
- Continued multi-departmental work to establish appropriate baselines for the Performance Metrics. This work included the continued review and interpretation of PREPA information and developing options where issues were identified with PREPA's data and/or calculation practices. These baselines are proving to be materially worse than previously understood.

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. While some progress has been made related to access of information, the overall progress continues to be frustrated by a lack of clarity between LUMA and PREPA on the coordination of work between LUMA's SRP/Initial Budgets obligations and the PREPA led requirements of FEMA for a more defined project execution plan for federally funded projects. LUMA and PREPA continue to work on clarifying the overall plan to ensure the resulting work is a cohesive approach. Some key focuses related to the FEMA related work for September included:

- FEMA approved \$9.5 billion of FEMA Public Assistance permanent work funding for the reconstruction of the PREPA energy infrastructure as a result of Hurricane Maria. It is expected that approximately \$1 billion in matching funds from HUD will be added to the FEMA monies for permanent work. LUMA's review of this approval will be ongoing throughout October.
- Monitoring PREPA's preparation of a 10-year plan for submittal to FEMA for use of the Section 428 funds; and inserting where necessary the impacts of the SRP/Initial Budgets work to ensure consistency.
- Review of potential additional federal funding for permanent work is ongoing including FEMA Section 406 mitigation measures, Hazard Mitigation Grant Program under Section 404, and HUD's Community Development Block Grant.

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 Budgets, the development of the Shared Services Agreement and the PPOAs (to be renamed “Operating Agreement” given the intended form of contract). As previously reported work in this area has been slower than expected; however, has benefited with a more focused approach in September. LUMA has continued working with stakeholders to progress the file including:

Shared Services

- Further defined and clarified objectives of the GenCo Shared Services Agreement.
- Proceeded with the development of shared services with its PREPA counterparts with a focus on the clarity of services to be administered, minimizing costs, and improving processes and ability to transition to a third-party operator.
- Held discussions with P3 to further define the intent of the PPOAs (to be renamed “Operating Agreement”).

System Operations Principles (SOP)

- Visited the key PREPA generation plants and Transmission Centers to understand current operating practices to meet demand and maintain system stability.
- Assessed existing conditions in order to proceed with developing the SOP as described in the OMA

GenCo-GridCo PPOAs (to be renamed “Operating Agreement”)

Note: The SOP development will go hand-in-hand with and evolve with greater specificity of the PPOA. The two documents must be consistent with actual operating conditions to achieve the goal of economic dispatch and stable system supply.

- As part of LUMA’s work, we began capturing key issues and recommendations on how to address these in the PPOA and SOP.

Generation Budgets

- Reviewed initial GenCo-GridCo structure and services to be provided to GenCo under Shared Services Agreement and requirements for GenCo budgets.
- Supporting PREPA in the development of a three-year budget to support the Initial Budgets.

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 September are as follows:

a. Safety

- Continued work on gathering supporting data (i.e. incident reports, FONDO data, etc.) to verify the accuracy of PREPA’s health and safety incident rates.
- Completed the Gap Assessment on PREPA’s Public Safety Program.
- Completed multiple facility observations and multiple field work observations.
- Met with PREPA leadership to clarify COVID-19 protocols and rules to follow when working or visiting a PREPA site.

- b. Human Resources (in addition to the commentary noted above)
  - Went to market and implemented a confidential Employee Assistance Program through a qualified vendor.
  - Developed and consolidated post commencement Training Plans for all departments.
- c. Internal & Stakeholder Communications:
  - Continued to communicate our key messages through external channels such as social media and advertising such as digital mediums, billboards, print and radio. A summary of our social media posts are also and distributed internally.
  - Drafted an orientation brochure for the LUMA Facilities team for employee onboarding purposes.
  - Further developed the Careers, FAQ, and LUMA College pages and supporting materials for the external website, as well as reviewed the HR job postings.
  - Developed signage and protocols for COVID-19 in office spaces.
  - 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/Initial Budgets, focus continues to be on departmental transition plans. Key achievements in these areas include:

- Team meetings with the majority of PREPA Supervisors from Carolina, Caguas, San Juan, Bayamon and Ponce. This required significant effort from LUMA leadership to establish and facilitate these valuable sessions.
- Work Observations on Substation technicians to obtain a better understanding of work allocation, and, availability of work methods and standards.
- Continued to work with PREPA leadership to gain access to UTIER employees to observe executions of field processes/procedures.
- Ongoing work on T&D and Customer Service integration; in particular, preliminary work on potential work locations and work volumes.
- Initial review of Telecom Technicians, the status of the telecom system, capabilities of employees, existing processes, and available material.
- Created first drafts of core Vegetation Management (VM) process flows and process maps. Also assessed several advanced technology applications for potential use in the LUMA Vegetation Management effort.
- Completed several site visits of substations, warehouses, offices and other facilities to identify trends and physical security risks.
- Commenced drafting of the Fleet Management Plan for Operations which includes input from LUMA's ongoing review of capabilities of existing 3rd party vendor/contractors to meet upcoming Fleet demands.
- Began visits with current material vendors to evaluate on-island supply base and the relationships with PREPA.
- Began assessment of Generation Warehousing support to start the development of the scope of Shared Services that Materials Management will provide to GenCo.



- Meeting with PREPA for a deeper dive in Generation Dispatch.
  - Worked on the takeover plan of control centers including a plan to modernize the facilities, started reviewing the Operator training plan and the outages planning procedures.
  - Continued development of PMO and Project control processes, template and procedures.
- e. Customer Services - Voice of the customer
- Completed analysis of all PREPA owned facilities excluding Culebra and Vieques.
  - Developed the business case for the cloud-based contact center technology.
  - Assessed the legal and regulatory impacts on customer service processes and organizational design (e.g. Law 38 and the requirements to maintain a vertically integrated ICEE team).
  - Continued to work with PREPA leadership to gain access to UTIER employees to observe executions of processes/procedures and customer interactions.
  - Established a Service Start/Shut-off plan including developing the scope of work
  - Technology requirements for Customer Services were finalized in collaboration with IT/OT department leads.
- f. Finance and Accounting
- Reviewed and reconciled PREPA's Budgeting process and GL and Budget Online data details. Also completed the walkthroughs for Revenue and Capital Assets.
  - Continued collaboration and meeting with Oracle EBS stakeholders from both LUMA and PREPA to understand system requirements and current configuration.
  - Decision completed on Oracle EBS System Structure for LUMA & T&D Operations. Configuration in development environment is underway.
  - Completed set-up and performed first Shadow payroll (for tax purposes) and two LUMA ManageCo payrolls.
  - Developed working models of the new finance organizational structure.
  - Substantially completed the walkthroughs for Procurement and Record to Report including the review of interfaces between the budgeting process and regulatory requirements.
  - Held deep dive sessions with PREPA Procurement to walk through detailed vendor prequalification and pre-award processes.
  - Completed testing and training materials for the eRequisition system.
  - Began development work on the Non-federally funded procurement manual.
  - Performed commercial real estate building assessments
- g. Information and Operational Technology
- EBS: Began system configuration on GridCo Separation, defined, documented system requirements to begin system testing.
  - Workday HCM: Completed the Architect stage with Foundation Alignment Sessions
  - Kronos: Initiated application usability assessment.
  - Integrations: Validating, documenting PREPA Current state integrations.
  - LUMA Website: Planning and Scoping for LUMA Website and transition from Mi Cuenta.

- Began development of Cybersecurity Project roadmap.
- Date Security Plan: Created draft Data Security Plan.
- h. Other Regulatory matters (in addition to those noted above)
  - Received input from P3 and completed the list of Governmental Approvals.
  - Completed the review of these Government Approvals to determine which PREPA permits require modification, adding LUMA as operator, and additional permits that LUMA should obtain prior to Service Commencement Date.
  - Based on PREB Resolution and Order, began developing a competitive solicitation process to procure renewable resources.
- i. Legal Matters
  - 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 as required by Sections 4.4 and 4.5 of OMA.

## II. Key Focus Areas in upcoming month

The Front-End Transition is an on-going evolution of all efforts noted in Section I and outlined in Appendix A. In October, LUMA will continue to progress its efforts in all areas noted in Section I, so these are not 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 LUMA's recruitment effort focused on existing PREPA employees including supporting employees with application forms & resumes, beginning to systematically post jobs.
- Continue providing PREPA employees with information available
- Continue working with PREPA management to develop and respond to employee questions to be answered by PREPA (i.e. related to items such as pension and employment options).
- Continue implementation of LUMA's pension (401k) and benefits programs

### Significant Regulatory Matters – requiring P3 review and/or approvals and PREB approvals

- a. System Remediation Plan (SRP), Performance Metrics and Initial Budgets
  - Focus on further evolving initiatives, programs and projects for improvement and input into the SRP / Initial Budgets; and coordinating this effort with the Performance Metrics work as LUMA develops its overall fully integrated regulatory filing.
  - The above will involve a significant effort from all LUMA Departments as they work to prioritize and allocate projects/programs for inclusion in the Initial Budgets with said projects/programs appropriately captured in the SRP and also the PREPA-led FEMA-requested federal funding plan.
- b. FEMA funding
  - Support the PREPA-led FEMA-requested federal funding plan with an aim to ensure alignment with the LUMA SRP/Initial Budgets.



- Continue gathering and evaluating PREPA's existing procurement plans, procedures, and protocols. Begin developing and updating such procedures based on best practices and applicable requirements of funding agencies, grant recipients, and applicable Puerto Rico and PREPA requirements.
  - Continue the risk assessment and begin formulating solutions for financial management, grants management, and internal controls for the administration of all funding sources.
  - Continue coordination with PREPA's Disaster Financial Management Office related to outstanding project application and project formulation requirements, including the FEMA Public Assistance 406 Mitigation opportunities.
  - Begin developing a strategic recovery plan and planned use of available funding addressing the "lifelines" per the overall Puerto Rico recovery framework and planning priorities.
- c. PREPA Reorganization
- Continue efforts to develop the Shared Services to GenCo; and continue discussions with stakeholders on stages of GenCo-GridCo separation.
  - Continue efforts on the development of the System Operations Principles.
  - Continue to support in the development of the GenCo-GridCo PPOA (to be renamed "Operating Agreement")
  - Continue supporting PREPA in the development of the GenCo 3-year budget for inclusion in the Initial Budgets

#### Preparing LUMA for operations

- a. Health, Safety and Environment
- Continue with observations and inspections and review of existing written safety programs.
  - Begin environmental site assessments (PREPA w/ Stantec and LUMA w/ ERM) to support completion of the Baseline Environmental Study and the Environmental Exposure Management Plan
  - Continue efforts towards the development of LUMA's Crisis Management plan including the emergency response and business continuity plans.
- b. Human Resources (in addition the commentary noted above)
- As noted above, a significant effort will be focused on recruitment. The LUMA team will also be continuing its work on the development of employee policies and procedures.
- c. Internal & Stakeholder Communications:
- Launch the Careers and FAQ pages and Job Postings on LUMAPR.com, and continue to develop other areas of the website (e.g. LUMA College for Technical Training).
  - Continue our advertising and social media campaigns and engage with news/media outlets to increase our media presence.
- d. Operational
- Continue development of the commencement O&M budget for the Operations Department for inclusion in the Initial Budgets.

- Begin work on the initial outline of the Materials Management and Warehousing Plan for Operations.
- Begin auditing existing and potential waste management contractors on-island for commencement
- Continue drafting the Fleet Management Plan & Vegetation Management Plan for commencement.
- Ongoing development of Back-End Transition plan.
- e. Customer Services - Voice of the customer
  - Complete LUMA/PREPA Townhall meetings across all PREPA Customer Service Directorate leaders.
  - Initiate the Service Start / Shut-off process discovery, documentation, and redesign, i.e. “Dunning” process and “Initiate Service” process.
  - Begin work on the Meter Read Annual schedule for 2021 including building the schedule, integration with CC&B and reviewing the Manual Read plan.
- f. Finance and Accounting
  - Going live with the e-Requisition system and the banking module.
  - Complete walkthroughs of internal control processes and continue to identify gaps.
  - Focus on the coordination & integration of Initial Budgets
- 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).
- h. Other Regulatory/Legal matters (in addition to those noted above)
  - Support as required PREPA, FOMB and P3 with respect to PREPA's Motion for Administrative Expense Treatment.

### III. Handover Checklist

In accordance with Section 4.2(b) of the OMA, LUMA has provided an update to the Handover Checklist in Appendix A. Appendix A supplements the above report and captures additional detail of work performed by LUMA in September.

As noted last month, LUMA modified its reporting of the Handover Checklist based on feedback from the P3 in late August. During September, LUMA undertook a significant effort to complete the necessary internal changes required to facilitate reporting.

## 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
	No completed items this month		

### I. 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
4.3(e)	Notices with respect to System Contracts and Generation Supply Contracts. Owner shall (i) notify each counterparty to a System Contract and Generation Supply Contract in writing of Owner's delegation of authority to Operator with respect to such System Contract in the manner contemplated by Section 5.2(a) (System Contracts – Generally) and with respect to such Generation Supply Contract in the manner contemplated by Section 5.13(a) (Generation-Related Services – Power Supply Dispatch and Management) and (ii) have obtained all required consents from such counterparties as may be required thereby in connection with such delegation of authority and (iii) take all such other actions as may be necessary for Operator to be able to comply with its obligations under Section 5.2(a) (System Contracts – Generally) and Section 5.13 (Generation-Related Services).	PREPA (Owner)	Ongoing
4.4(a)	ManagementCo, Administrator and Owner shall coordinate identifying the Governmental Approvals required for the commencement of operations on the Service Commencement Date. Once the Parties have identified the Commencement Date Governmental Approvals: (i)(A) ManagementCo shall coordinate with Owner and Administrator to prepare for and support Owner's efforts related to the transfer and assignment or the reissuance of the Commencement Date Governmental Approvals; (B)	LUMA (Operator) P3A (Administrator) PREPA (Owner)	Ongoing

Section	Description	Responsible Party	Status
	Owner, with Operator's assistance, shall submit complete applications and take all other steps necessary to obtain and maintain all required Commencement Date Governmental Approvals; and ... (ii) ManagementCo and Administrator shall cooperate with Owner in identifying, preparing, applying for, obtaining and maintaining the Commencement Date Governmental Approvals.		
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-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.	PREPA (Owner)	Confirmed - August
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

## II. Overdue OMA Obligations

Section	Description	Responsible Party	Status
4.3 (d) (i)	Additional System Contracts and Generation Supply Contracts Between Effective Date and Service Commencement Date. During the Front-End Transition Period, the Parties agree that it is the intent that Owner and Administrator shall not amend or enter into any new System Contracts or Generation Supply Contracts; provided, however, that: <ul style="list-style-type: none"> <li>(i) prior to the date ManagementCo submits the Initial Budgets to PREB for its approval, if Owner and Administrator identify a need to do so, then Administrator shall notify ManagementCo of such need and work with ManagementCo to implement any such amendment or new System Contract or Generation Supply Contract. Following such consultation process, Administrator shall ultimately determine if such amendment or new System Contract or Generation Supply Contract is required.</li> </ul>	Administrator Owner	Currently the parties are generally aware of System Contracts work being undertaken; however, there is no systematic process ensuring that all parties are clear of all FET System Contracts activities.
4.1 (b) (i)	<u>Owner and Administrator Cooperation</u> Each of Owner and Administrator shall take all such actions as may be reasonably necessary to enable or assist ManagementCo in providing the Front-End Transition Services, including (i) providing ManagementCo's Representatives with a designated space and facilities at Owner's principal offices for their use throughout the Front-End Transition Period.	PREPA (Owner)	In progress. Current plan is for designated space and facilities is to be in place by late November/early December

Section	Description	Responsible Party	Status
4.1 (b) (iii)	<p><u>Owner and Administrator Cooperation</u></p> <p>Each of Owner and Administrator shall take all such actions as may be reasonably necessary to enable or assist ManagementCo in providing the Front-End Transition Services, including...</p> <p>(ii) cooperating with and assisting, and causing its Representatives to cooperate with and assist, ManagementCo in its performance of the Front-End Transition Services and its efforts to timely satisfy the ManagementCo Service Commencement Date Conditions.</p>	PREPA (Owner)	In progress. Several RFIs submitted by LUMA remain outstanding (63 of 147 with some up to 82 days) RFI status provided to PREPA weekly.

### III. OMA Obligations in Progress

Section	Description	Responsible Party	Status
2.2(b)(x)	Receipt by ManagementCo of (A) a list of the project worksheets related to the T&D System prepared by FEMA pursuant to Section 428 of the Stafford Act as of such date or (B) a summary of the costs estimates, or preliminary costs estimates for Federally Funded Capital Improvements established as of such date.	P3A (Administrator)	Assessments in progress
4.1(c)(i)	(a) Owner to file a motion with the Title III Court seeking administrative expense treatment for any accrued and unpaid amounts required to be paid by Owner under this Agreement during the Front-End Transition Period, including the Front-End Transition Service Fee.	PREPA (Owner)	<ul style="list-style-type: none"> <li>▪ Filing of motion is complete.</li> <li>▪ P3 extended the deadline an additional 45 days (as per S. 4.1 (c) (ii))</li> <li>▪ Awaiting a decision from the Title III court</li> </ul>
4.3(k)	Owner shall prepare and provide Operator a description and demarcation of the T&D System. The Parties will jointly consider any amendments, adjustments and refinements to Annex XII (Insurance Specifications) in light of the description and demarcation of the T&D System.	PREPA (Owner)	In progress
4.4(b)	From and after the Effective Date, the Parties agree that: Operator shall seek a Tax Assurance and (ii) at Operator's expense, Owner and Administrator shall cooperate with Operator and use their commercially reasonable efforts to support and assist Operator in securing such Tax Assurance.	LUMA (Operator)	In progress
4.5 (t)(i)	Operator and the Secretary of the Puerto Rico Treasury Department shall have entered into a closing agreement or Operator shall have received a private letter ruling from the Puerto Rico Treasury Department in form and substance satisfactory to Operator, acting reasonably, 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	LUMA (Operator)	In progress



Section	Description	Responsible Party	Status
	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		

#### IV. Upcoming OMA Obligations

Section	Description	Responsible Party	Status
	There are new Obligations for October		

## C. RISK AND ISSUE MANAGEMENT REPORT

### I. Risks with Potential to Materially Impact Project Success

Risk	Description and Current Status (as of 09-30-20)
<p>PREPA Reorganization (s. 4.5(q))</p>	<p>As further described below, this risk element relates to LUMA’s concern of: (i) the need for a cohesive approach and understanding between P3, PREPA and LUMA of the PREPA re-organization; (ii) a clear understanding of generation resource adequacy expectations; and (iii) the development of appropriate and timely GenCo budget – a key input to the Initial Budgets to be approved by PREB, a condition precedent to Service Commencement.</p> <p>As previously described, the PREPA Reorganization has implications into various areas of related work. Specifically:</p> <ol style="list-style-type: none"> <li>a. The governance structure of post re-organization and its implications on the current roles remains unclear and is impacting the development of PREPA-led FEMA-requested detail workplan for the recent approved federally funded work. (refer to FEMA funding risk noted below)</li> <li>b. As part of the PREPA Reorganization, the GenCo-GridCo PPOAs (to be renamed “Operating Agreement”) shall have become effective. This work is progressing; however, is not clear how the Operating Agreement will incorporate the current state of the generation to ensure resource adequacy – LUMA’s primary concern.</li> <li>c. Work on the System Operation Principles, to be approved by PREB, is progressing. This work is closely tied to PREPA’s current operating and dispatch practices – which are outside of Prudent Utility Practice and present resource adequacy risk.</li> <li>d. Items b &amp; c above (and LUMA diligence) lead to the development of GenCo’s budgets for incorporation into the Initial Budgets to be provided to PREB in early 2021 for approval. This work is progressing with LUMA supporting PREPA as required with demarcation and budget development work; however, the approach to deal with the resource adequacy concerns noted above is not clear, which could significantly impact the GenCo budget. LUMA’s primary concerns is on the quality and timing of the GenCo Budget, and whether it will adequately address resource adequacy risk.</li> <li>e. Also impacted is the development of the Shared Services Agreement and associated budget development. This work is progressing.</li> </ol>

FEMA Funding	<p>LUMA continues to lead the P3, PREPA and COR3 Planning Team obliged under the OMA to review the current status of the Federal Funding, the estimated timing and schedules of Federal Funding to implement the SRP and develop a plan (taking into account the SRP) to utilize Federal Funding in the most efficient and cost-effective way to enable Operator to perform the O&amp;M Services.</p> <p>On September 18, 2020, FEMA approved \$9.5 billion of FEMA Public Assistance permanent work funding (Section 428 of the Stafford Act). It is expected that approximately \$1 billion in matching funds from HUD will be added to the FEMA monies for permanent work. As a next step in the process to release 428 funding, FEMA-has requested PREPA submit a detailed federal funding project plan within 90 days. This PREPA-led effort is under development; however, while attempts to ensure coordination with the above noted Planning Team effort continues, there is concern that there will be conflicting priorities, responsibilities and differing expectations about work product to be submitted and then carried out – all potentially leading to rework and delays in funding.</p>
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 less productive.</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 and PREPA Management. LUMA continues to work with PREPA management including proposing alternate approaches to engage with employees. This continues to be a significant issue that will impact LUMA’s ability to formulate comprehensive budgets and workplan to cutover upon commencement.</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 &amp; offsite conference rooms leading to inefficiencies and increased cost. PREPA is executing on a recent plan to provide the necessary furnished workspace which will be implemented over the next few months.</p>
Response to RFIs	<p>LUMA has issued 147 Requests for Information (RFIs) of PREPA since June 22<sup>nd</sup>. LUMA is concerned that several RFIs remain outstanding (currently 63 RFIs in some cases up to 82 days since being issued). This continues to be an issue that will impact LUMA’s ability to formulate comprehensive budgets and workplan to cutover upon commencement.</p>

## II. Active Issues with Potential to Materially Impact Project Success

Issue	Description, Current Status and Mitigation
LUMA Recruitment Effort	<p>LUMA has now begun recruitment. The intent is to provide PREPA employees a complete picture of employment options and this requires information regarding the PREPA Pension Plan and understanding of the pension situation. (Note these issues represent the majority of the questions that LUMA &amp; PREPA are hearing from PREPA employees since Effective Date).</p> <p>While LUMA appreciates that this is a complicated involving multiple parties, LUMA is concerned that the relevant information will not be available from PREPA and will impact employees decision thereby limiting the recruitment effort.</p>
Pre-existing Environmental Conditions (s.4.5 (f))	<p>Work on this front is just now progressing. PREPA has approved the contract to undertake the environmental assessment. The overall timeline is very tight given the amount of work to be undertaken. As we enter the execution phase, LUMA will work closely with PREPA to ensure the timely and thorough completion of this Condition Precedent to Commencement work.</p>
Administrative Expenses Motion (s. 4.1 (c))	<p>The hearing on the motion regarding Administrative Expense treatment took place on September 16<sup>th</sup>. The judge in the Title III Court is in deliberation and has yet to render a decision on the Administrative Expense Motion. As a result, the P3 has elected to extend the waiting period for approval by the Title III Court of Owner's Administrative Expense Motion by an additional forty-five (45) days as allowed under the OMA.</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 September 2020. A summary of the invoice amounts is included below.

### I. Monthly invoice summary

FET COSTS	
Department	Amount
Executives	\$111,800.00
Capital Programs	\$123,900.00
Communications	\$129,075.00
Customer Service	\$180,690.00
Financial Mgmt.	\$627,675.00
HSE & Quality	\$366,030.00
Human Resources	\$317,677.50
Integration Mgmt. Office	\$283,572.50
IT / OT	\$298,760.00
Legal	\$ 78,820.00
Operations	\$487,415.00
Regulatory	\$264,205.00
Utility Transformation	\$ 1,014,415.00
<b>TOTAL</b>	<b>\$ 4,284,035.00</b>

	Front End Transition Hourly Costs	Additional Costs & Expenses	Sub-Total	Front End Transition Fixed Fee	Total
Previously invoiced	\$8,959,740.00	\$5,245,368.33	\$14,205,108.33	\$ 11,500,000.00	\$ 25,705,108.33
Current invoice	\$4,284,035.00	\$5,189,724.68	\$9,473,759.68	\$5,000,000.00	\$ 14,473,759.68
Total invoiced to date	\$13,243,775.00	\$ 10,435,093.01	\$23,678,868.01	\$ 16,500,000.00	\$ 40,178,868.01
Forecast to complete			\$52,673,062.95	\$43,500,000.00	\$96,173,062.95
Proposal			\$76,351,930.96	\$60,000,000.00	\$136,351,930.96
Variance			\$-	\$-	\$-



## E. SUBMISSIONS

### I. Transmittals – Current Month September 2020

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted
LUMA-P3A-T-00028	ACH Wire Transfer Form	LUMA	P3A	IMO	1-Sep-20
LUMA-P3A-TGC-00029	P3A / LUMA August 25, 2020 Meeting Notes	LUMA	P3A	IMO	4-Sep-20
LUMA-P3A-TGC-00030	Front-End Service Fee	LUMA	P3A	IMO	4-Sep-20
LUMA-P3A-T-00031	August Invoice & Monthly Report Extension	LUMA	P3A	IMO	9-Sep-20
LUMA-P3A-TGC-00032	P3A / LUMA September 14, 2020 Meeting Agenda	LUMA	P3A	IMO	12-Sep-20
LUMA-P3A-T-00033	August 2020 Invoice & Monthly Report	LUMA	P3A	IMO	14-Sep-20
LUMA-P3A-T-00034	August 2020 Monthly Status Report	LUMA	P3A	IMO	14-Sep-20
LUMA-P3A-T-00035	Anti-Corruption Certificate, September 10, 2020	LUMA	P3A	IMO	15-Sep-20
LUMA-P3A-T-00036	August 2020 Renewed Certificates	LUMA	P3A	IMO	22-Sep-20
LUMA-P3A-TGC-00037	P3A / LUMA September 14, 2020 Meeting Notes	LUMA	P3A	IMO	25-Sep-20
LUMA-P3A-TGC-00038	P3A / LUMA September 25, 2020 Meeting Agenda	LUMA	P3A	IMO	25-Sep-20
LUMA-P3A-T-00039	4.5 Months of FETS Estimate September 2020	LUMA	P3A	IMO	30-Sep-20
LUMA-PREB-T-00016	August 2020 Monthly Status Report	LUMA	PREB	IMO	14-Sep-20
LUMA-PREP-TGC-00012	PREPA / LUMA August 25, 2020 Meeting Notes	LUMA	PREPA	IMO	3-Sep-20
LUMA-PREP-TGC-00013	Facilities Update	LUMA	PREPA	IMO	4-Sep-20
LUMA-PREP-TGC-00014	Invoice Payment	LUMA	PREPA	IMO	4-Sep-20
LUMA-PREP-TGC-00015	COVID & AAR	LUMA	PREPA	IMO	4-Sep-20
LUMA-PREP-TGC-00016	Employee Communications	LUMA	PREPA	IMO	4-Sep-20
LUMA-PREP-TGC-00017	PREPA / LUMA September 09, 2020 Meeting Agenda	LUMA	PREPA	IMO	4-Sep-20
LUMA-PREP-TGC-00018	PREPA / LUMA September 09, 2020 Meeting Agenda REVISED	LUMA	PREPA	IMO	8-Sep-20
LUMA-PREP-T-00019	Outstanding RFIs as of September 08, 2020	LUMA	PREPA	IMO	8-Sep-20
LUMA-PREP-TGC-00020	PREPA / LUMA September 09, 2020 Meeting Notes	LUMA	PREPA	IMO	12-Sep-20
LUMA-PREP-TGC-00021	Employee Communications Meeting September 10, 2020	LUMA	PREPA	IMO	15-Sep-20

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted
LUMA-PREP-T-00022	August 2020 Monthly Report	LUMA	PREPA	IMO	15-Sep-20
LUMA-PREP-T-00023	Outstanding RFIs as of September 15, 2020	LUMA	PREPA	IMO	16-Sep-20
LUMA-PREP-TGC-00024	PREPA / LUMA September 21, 2020 Meeting Agenda	LUMA	PREPA	IMO	18-Sep-20
LUMA-PREP-T-00025	Outstanding RFIs as of September 25, 2020	LUMA	PREPA	IMO	25-Sep-20
LUMA-PREP-TGC-00026	PREPA / LUMA September 21, 2020 Meeting Notes (RETRACTED)	LUMA	PREPA	IMO	28-Sep-20

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

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00094	Finance Period Close Checklist and Current Banking Process	LUMA	PREPA	Financial Management	1-Sep-20	1-Sep-20	3-Sep-20	Closed
LUMA-PREP-RFI-00095	Configuration of the Oracle Account Generator	LUMA	PREPA	Financial Management	1-Sep-20	8-Sep-20		Open
LUMA-PREP-RFI-00096	Period End Adjustments in ABB Asset Suite	LUMA	PREPA	Financial Management	1-Sep-20	8-Sep-20		Open
LUMA-PREP-RFI-00097	Warehouse Staffing Organizational Charts and Certifications	LUMA	PREPA	Financial Management	1-Sep-20	8-Sep-20		Open
LUMA-PREP-RFI-00098	STORMS Reporting and Process	LUMA	PREPA	Financial Management	1-Sep-20	8-Sep-20	13-Sep-20	Closed
LUMA-PREP-RFI-00099	Metrics Data	LUMA	PREPA	IT/OT	1-Sep-20	8-Sep-20	21-Sep-20	Closed
LUMA-PREP-RFI-00100	PREPA On-Line Budget Application Access	LUMA	PREPA	IT/OT	1-Sep-20	8-Sep-20	21-Sep-20	Closed

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00101	Install meter list/Non metered service list/service agreement with no meter list	LUMA	PREPA	Customer Service	2-Sep-20	9-Sep-20		Open
LUMA-PREP-RFI-00102	PREPA Data Mapping: Pay Group code to GL Responsibility code	LUMA	PREPA	Financial Management	3-Sep-20	4-Sep-20		Open
LUMA-PREP-RFI-00103	Integration Mind Map	LUMA	PREPA	IT/OT	3-Sep-20	4-Sep-20	21-Sep-20	Closed
LUMA-PREP-RFI-00104	Non-production Kronos System	LUMA	PREPA	IT/OT	4-Sep-20	9-Sep-20		Open
LUMA-PREP-RFI-00105	N/A (not assigned)	LUMA	PREPA	TBD	TBD	TBD		TBD
LUMA-PREP-RFI-00106	Earthquake Claim Narrative & Chart (item 22)	LUMA	PREPA	Financial Management	4-Sep-20	4-Sep-20	4-Sep-20	Closed
LUMA-PREP-RFI-00107	System access request for Grants Portal and COR3's DRS	LUMA	PREPA	Regulatory	17-Sep-20	17-Sep-20		Open
LUMA-PREP-RFI-00108	IBM team access request	LUMA	PREPA	IT/OT	17-Sep-20	17-Sep-20		Open
LUMA-PREP-RFI-00109	DocOne Overview Presentation and Customer Bill document examples	LUMA	PREPA	IT/OT	18-Sep-20	25-Sep-20		Open
LUMA-PREP-RFI-00110	Data/process request	LUMA	PREPA	Regulatory	18-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00111	Payment processing contracts	LUMA	PREPA	Customer Service	18-Sep-20	25-Sep-20	18-Sep-20	Closed
LUMA-PREP-RFI-00112	Document request related to Payment Processing RFP	LUMA	PREPA	Customer Service	18-Sep-20	25-Sep-20		Open
LUMA-PREP-RFI-00113	Bill Scanners for Commercial Offices	LUMA	PREPA	Customer Service	9-Sep-20	17-Sep-20		Open

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00114	Mi Cuenta Information (additional info RFI-00091)	LUMA	PREPA	IT/OT	9-Sep-20	11-Sep-20		Open
LUMA-PREP-RFI-00115	Technology and Infrastructure Vehicle List	LUMA	PREPA	Operations	10-Sep-20	18-Sep-20		Open
LUMA-PREP-RFI-00116	Technology and Infrastructure Department Organizational Chart	LUMA	PREPA	Operations	18-Sep-20	18-Sep-20	18-Sep-20	Closed
LUMA-PREP-RFI-00117	Telecom Tools and Test Equipment	LUMA	PREPA	Operations	10-Sep-20	18-Sep-20	28-Sep-20	Closed
LUMA-PREP-RFI-00118	Substation Maintenance Tools and Test Equipment	LUMA	PREPA	Operations	10-Sep-20	18-Sep-20	11-Sep-20	Closed
LUMA-PREP-RFI-00119	Substation Maintenance Tools and Test Equipment	LUMA	PREPA	Operations	10-Sep-20	18-Sep-20	16-Sep-20	Closed
LUMA-PREP-RFI-00120	CC&B/DocOne Customer Letters	LUMA	PREPA	IT/OT	25-Sep-20	14-Sep-20		Open
LUMA-PREP-RFI-00121	CC&B bill print extracts to DocOne (Doc 1)	LUMA	PREPA	IT/OT	25-Sep-20	14-Sep-20		Open
LUMA-PREP-RFI-00122	PREPAnet Master Services Agreement	LUMA	PREPA	IT/OT	17-Sep-20	14-Sep-20		Open
LUMA-PREP-RFI-00123	Utility Transformation / Asset Management	LUMA	PREPA	Utility Transformation	14-Sep-20	18-Sep-20		Open
LUMA-PREP-RFI-00124	System Access Request	LUMA	PREPA	Regulatory	15-Sep-20	17-Sep-20	16-Sep-20	Closed
LUMA-PREP-RFI-00125	G/Electric unique Feature ID inquiry	LUMA	PREPA	Utility Transformation	15-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00126	Data Lake Demo	LUMA	PREPA	IT/OT	18-Sep-20	23-Sep-20		Open

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00127	Overview of Metering Information Managed in Oracle CC&B	LUMA	PREPA	IT/OT	18-Sep-20	23-Sep-20		Open
LUMA-PREP-RFI-00128	Asset Suite Access Reports	LUMA	PREPA	IT/OT	18-Sep-20	23-Sep-20		Open
LUMA-PREP-RFI-00129	STORMS or PD STORMS	LUMA	PREPA	Financial Management	18-Sep-20	22-Sep-20		Open
LUMA-PREP-RFI-00130	Oracle Financial System Test Scripts	LUMA	PREPA	Financial Management	21-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00131	Forecast/supporting detail - utility ops (Fiscal Years 2022/2023/2024)	LUMA	PREPA	Regulatory	21-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00132	Forecast/supporting detail -utility ops (Fiscal Years 2022/2023/2024)	LUMA	PREPA	Regulatory	21-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00133	Forecast/supporting detail -load/generation (Fiscal Years 2022/2023/2024)	LUMA	PREPA	Regulatory	21-Sep-20	30-Sep-20	25-Sep-20	Closed
LUMA-PREP-RFI-00134	FEMA PA funding relative to PREPA's PW using 428 Alternative Procedures	LUMA	PREPA	Regulatory	21-Sep-20	22-Sep-20	21-Sep-20	Closed
LUMA-PREP-RFI-00135	Substation Relay Tools and Test Equipment	LUMA	PREPA	Operations	21-Sep-20	30-Sep-20	28-Sep-20	Closed
LUMA-PREP-RFI-00136	System Access to resolve Fixed Asset and PA account generator	LUMA	PREPA	IT/OT	22-Sep-20	22-Sep-20		Open
LUMA-PREP-RFI-00137	Follow up on meeting with Internal Audit	LUMA	PREPA	Financial Management	22-Sep-20	23-Sep-20		Open



Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00138	System file access request related to all FEMA activity	LUMA	PREPA	Regulatory	22-Sep-20	22-Sep-20	23-Sep-20	Closed
LUMA-PREP-RFI-00139	Net Metering process	LUMA	PREPA	Customer Service	24-Sep-20	1-Oct-20		Open
LUMA-PREP-RFI-00140	Geocodes (Rafael Diaz)	LUMA	PREPA	Regulatory	25-Sep-20	25-Sep-20		Open
LUMA-PREP-RFI-00141	Provide one month or 30 days of bank reports	LUMA	PREPA	Customer Service	25-Sep-20	2-Oct-20	28-Sep-20	Closed
LUMA-PREP-RFI-00142	Provide System Admin Access to Custom Schema	LUMA	PREPA	IT/OT	25-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00143	Functional Requirements Document (v 6.2)	LUMA	PREPA	IT/OT	25-Sep-20	28-Sep-20		Open
LUMA-PREP-RFI-00144	Provide Access to Custom Files to resolve Oracle SR	LUMA	PREPA	IT/OT	25-Sep-20	29-Sep-20		Open
LUMA-PREP-RFI-00145	DocOne Overview Presentation	LUMA	PREPA	IT/OT	25-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00146	SOA Access Suite Interface Documentation	LUMA	PREPA	IT/OT	28-Sep-20	30-Sep-20		Open
LUMA-PREP-RFI-00147	Overflow Call Counts to Outsourcers	LUMA	PREPA	Customer Service	29-Sep-20	1-Oct-20		Open
LUMA-PREP-RFI-00148	Training Documents for Listed CAOC Courses	LUMA	PREPA	Customer Service	29-Sep-20	6-Oct-20	30-Sep-20	Closed
LUMA-PREP-RFI-00149	Assets Suites Demo and any documentation including process flows	LUMA	PREPA	IT/OT	29-Sep-20	7-Oct-20		Open
LUMA-PREP-RFI-00150	Provide all proponents' responses for Electronic Payment Services	LUMA	PREPA	Customer Service	30-Sep-20	6-Oct-20		Open

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00151	Overflow Call Counts to Outsourcers	LUMA	PREPA	Customer Service	30-Sep-20	2-Oct-20		Open
LUMA-PREP-RFI-00152	Employee report request	LUMA	PREPA	Human Resources	30-Sep-20	9-Oct-20		Open
LUMA-PREP-RFI-00153	Infrastructure Assessment	LUMA	PREPA	IT/OT	30-Sep-20	2-Oct-20		Open

## APPENDIX A – HANDOVER CHECKLIST

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
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>	21-30%	<p>The work in September 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.</p> <p>- In addition to the general management efforts noted above, there are more specific activities that were completed in September:</p> <ul style="list-style-type: none"> <li>+ Administrative and logistics work required to continue the mobilization of LUMA.</li> <li>+ Overall project management including efforts such as document controls (RFI &amp; transmittal) and the preparation of the required invoicing &amp; reporting, forecasts.</li> <li>+ 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.</li> <li>+ Collaborated with PREPA to obtain and setup access to PREPA offices.</li> <li>+ Of note, there are also additional</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>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 &amp; facilities from PREPA which has since improved.</p> <ul style="list-style-type: none"> <li>+ Undertook interfaces with the LUMA office systems (WIFI, etc.) within PREPA's facilities where possible.</li> <li>+ Substantially completed the readjustment of reporting and recording practices in response to P3 reporting requests. This was a significant effort that involved third party support.</li> </ul>
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.	21-30%	<ul style="list-style-type: none"> <li>- Received input from P3 and completed the list of Governmental Approvals.</li> <li>- Completed the review of these Government Approvals to determine which PREPA permits require modification, adding LUMA as operator, and additional permits that LUMA should obtain prior to Service Commencement Date.</li> </ul>
1.02	Plan to Address Gaps in Assets, Technology,	This deliverable captures the general oversight of the gap	91-99%	<ul style="list-style-type: none"> <li>- Continued the determination of gaps and prepared associated initiatives</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
	Processes, etc. (plan to include cost estimates)	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.		<ul style="list-style-type: none"> <li>- Continued to manage the Request for Information (RFI) process. A number of RFIs are overdue from PREPA and a weekly report is being issued to track the RFIs to closure.</li> <li>- Consolidation efforts by departments of gap assessments findings into the System Remediation Plan (SRP) / Initial Budgets worksheets as required by the overall effort continued. The teams also began the process of evaluating the gaps in an attempt to confirm consistency among departments, to evaluate interdependencies (e.g. IT implications), to determine prioritization and SRP vs. Initial Budget components.</li> </ul> <p>Note: refer to 3.02 &amp; 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>
1.03	PREB Rate Order Filing (Initial Budgets and Liability Waiver approvals)	Activities to gain P3A and regulatory (PREB) approvals for Initial Budgets.	21-30%	<ul style="list-style-type: none"> <li>- LUMA's Regulatory team worked with LUMA Finance to kick off LUMA's process on Initial Budgets including creation and review of templates and user guide.</li> <li>- Regulatory reviewed the PREPA financial model for fiscal plan, current budgeting and macro input processes .</li> <li>- Prepared internal regulatory rates forecast model structure consistent with our review.</li> </ul> <p>Initial budgets process captured in HOC 6.02</p>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				and will provide the inputs into the regulatory rates forecast model.
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.	21-30%	- Efforts focused on defining project scopes and budgets for the SRP/Initial budget including reliability focused projects.
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.	21-30%	- Continued effort on defining projects scopes and budgets for the SRP/Initial Budget including projects related to distribution automation, distribution system maintenance, safety and reliability priorities.
2.03	Development and Implementation of Additional Takeover plans			
2.0301	Transition Plan for T&D Control Centers	This deliverable includes delivering an Operations Control Center Transition Plan that	21-30%	- Efforts focused on defining System Operations project scopes and budgets for the SRP/Initial budget.

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		<p>includes an evaluation of the control center physical condition, T&amp;D outage planning and operation procedures, T&amp;D restoration plan, and energy management system.</p>		<ul style="list-style-type: none"> <li>- Meeting with PREPA for a deeper dive in Generation Dispatch. This is supporting the efforts regarding the System Operation Principles.</li> <li>- Developed outline for System Operating principle and presented to the P3/FTI.</li> <li>- Worked with the Reliability metrics team to support effort.</li> <li>- Completed plan for the posting and hiring of shift personnel at the Control Centers.</li> <li>- Worked on the takeover plan of control centers including a plan to modernize the facilities, start reviewing the Operator training plan and the outages planning procedures.</li> </ul>
2.0302	Transition Plan for Operations and Maintenance (O&M) Activities	<p>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.</p>	11-20%	<ul style="list-style-type: none"> <li>- Team meetings with the majority of PREPA Supervisors from Carolina, Caguas, San Juan, Bayamon and Ponce.</li> <li>- Met with V2A to understand additional information on HR Assessments</li> <li>- Team meeting with LUMA T&amp;D leadership to develop a plan for access to union employees work. Action plan was developed to be implemented in October.</li> <li>- Continued development of Job Descriptions for the upcoming Recruitment initiative</li> <li>- Circulated initial draft of Future-State Org Chart with LUMA T&amp;D leadership to receive feedback.</li> <li>- Continued work on initial Recruitment Strategy, assigned hiring managers for all</li> </ul>



ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>positions. Developed initial screening interview questions.</p> <ul style="list-style-type: none"> <li>- Delivered input for SRP/Initial Budget initiatives owned in the SHEQ domain; including: work methods, electrical operations, grounding practices, lockout/tagout, tools and equipment, and inspections.</li> <li>- Delivered input for SRP/Initial Budget initiatives owned in the Utility Transformation domain.</li> </ul>
2.0303	Emergency Response/Disaster Recovery/Business Continuity Plans	<p>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.</p>	0-10%	<ul style="list-style-type: none"> <li>- Delivered input for SRP/Initial Budget initiatives associated with emergency data collection.</li> </ul> <p>(Work on this deliverable is conducted in conjunction with the Handover Checklist items 2.04 and 9.02).</p>
2.0304	Fleet Management Plan	This deliverable identifies gaps within the Fleet Management	11-20%	- Finalized the first draft of the commencement budget for the Fleet

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		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.		function of Operations. <ul style="list-style-type: none"> <li>- Delivered input to SRP/Initial Budget initiatives aimed at addressing deficiencies in the existing Fleet function of PREPA.</li> <li>- Revised Headcount and Job Postings for the upcoming Recruitment initiative.</li> <li>- Continued reviewing capabilities of existing 3rd party vendor/contractors to meet upcoming Fleet demands.</li> <li>- Commenced drafting of the Fleet Management Plan for Operations.</li> </ul>
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.	21-30%	<ul style="list-style-type: none"> <li>- Efforts focused on defining project scopes and budgets for the SRP/Initial budget including projects to collect and update Geospatial Information System (GIS) data for existing assets, initiatives to develop GIS Standards, and to select and implement Computerized Maintenance Management System (CMMS); and projects to harden and rebuild flood prone substations.</li> </ul>
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.	31-40%	<ul style="list-style-type: none"> <li>- Gap Assessment is over 80% complete.</li> <li>- Completed the SRP/Initial Budget cost assessments and benefits including for Technical Training.</li> <li>- Continued meetings with the PREPA Training CADE.</li> <li>- Completed the initial assessment of</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>PREPA's skilled labor training curriculum including the Vegetation Management assessment proposal developed by Ops.</p> <ul style="list-style-type: none"> <li>- Identified two sites for Skilled Labor Assessments. Real Estate working with landlord on lease terms -</li> <li>- Knowledge assessment platform allowing for written, multiple choice screening tests is finalized and LUMA branded.</li> <li>- Ongoing discussions with HR and Ops to refine the "Application to job offer" process flow.</li> <li>- The Training Cadre Assessment to evaluate the quality of technical training instructors in PREPA has been scheduled for mid-October</li> <li>- The assessment of PREPA's lineworker curriculum has been finalized.</li> </ul> <p>(Work on this deliverable is conducted in conjunction with the Handover Checklist item 8.07)</p>
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.	31-40%	<ul style="list-style-type: none"> <li>- Continued work to identify any activities currently being performed as part of PREPA's Public Safety Program.</li> <li>- Meetings with PREPA leadership to clarify COVID-19 protocols and rules to follow when working or visiting a PREPA site. LUMA developed and distributed additional COVID-19 guidance and sent to all employees. This will be an ongoing effort</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>based on situations as they evolve.</p> <ul style="list-style-type: none"> <li>- Continued work on gathering supporting data (i.e. incident reports, FONDO data, etc.) to verify the accuracy of PREPA's health and safety incident rates. Significant gaps have been identified.</li> <li>- Completed the Health and Safety Gap Analysis documentation and assessments.</li> <li>- Completed the Gap Assessment on PREPA's Public Safety Program.</li> <li>- Presented proposed baseline values for the Health and Safety performance metrics to PREPA and the P3.</li> <li>- Completed multiple facility observations and multiple field work observations.</li> <li>- Finalized budgets and org charts for Safety Department.</li> </ul>
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"> <li>- Performed internal reviews of the Protection/Control/Automation, Substation and TL Design Criteria</li> <li>- Started the development of the Design Standards for Protection/Control/Automation, Substations, Transmission Lines</li> <li>- Supported the Asset Management Team in developing high level estimates for the SRP/Initial Budget.</li> <li>- Finalized the Wind Load Design Criteria Recommendations for Substation and Transmission Lines Structures design.</li> <li>- Worked on recommendations of the implementation of the IEC 61850 standard</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>in the Transmission and Distribution systems.</p> <ul style="list-style-type: none"> <li>- Continue to participate in the “Design Documents PREPA-Sargent &amp; Lundy Steering Committee”.</li> <li>- Participated and provide guidance on the PREPA 2021FY projects Cataño. (38/13.8 kV) Substation Pilot Project and the San Juan 115 kV GIS Substation project.</li> </ul>
2.0309	Identification of Real Estate	<p>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..</p>	81-90%	<ul style="list-style-type: none"> <li>- Determined relationships of PREPA owned real estate where they are the landlord.</li> <li>- Translating and reviewing lease documents to better understand commercial obligations.</li> <li>- Based on assessments to date, began providing recommendations for spatial changes to internal LUMA departments.</li> <li>- Completed approximately 75% Health pre-assessments and creating summary sheets.</li> </ul>
2.031	Materials Management & Warehouse Plan	<p>This deliverable identifies gaps within Materials Management &amp; Warehousing resourcing, facilities, equipment, functions, processes and procedures, and develop a prioritized plan for closing identified gaps.</p>	0-10%	<ul style="list-style-type: none"> <li>- Began visits with current material vendors to evaluate on-island supply base and the relationship with PREPA.</li> <li>- Received first draft of the completed Gap Analysis of the in-bound freight process and Port of San Juan from consultant and completed a review meeting where more</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>detail was requested in certain areas.</p> <ul style="list-style-type: none"> <li>- Began assessment of Generation Warehousing support to start the development of the scope of Shared Services that Materials Management will provide to GenCo.</li> <li>- Delivered input to SRP/Initial Budget initiatives aimed at addressing deficiencies in the existing Materials Management function of PREPA.</li> <li>- Began work on the first draft 2022-2024 budget for Materials Management O&amp;M.</li> <li>- Revised headcount, job postings, organizational structure, and, finalized 1st round interview questions for the upcoming Recruitment initiative.</li> </ul>
2.0311	System Operations Plan	This deliverable consist 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"> <li>- Ongoing work on T&amp;D and Customer Service integration; in particular, preliminary work on potential work locations and work volumes.</li> <li>- Work Observations on Substation technicians to obtain a better understanding of work allocation, and, availability of work methods and standards.</li> <li>- Initial review of Telecom Technicians, the status of the telecom system, capabilities of employees, existing processes, and available material.</li> </ul>
2.0312	Vegetation Management Plan	This deliverable assesses the existing vegetation management practices to identify needs and develop prioritized plans within	21-30%	<ul style="list-style-type: none"> <li>- Created first drafts of core Vegetation Management (VM) process flows and process maps.</li> <li>- Completed “boots on the ground”</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		<p>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.</p>		<p>verification of 350 survey transects previously established via photo interpretation.</p> <ul style="list-style-type: none"> <li>- Spatial analysis first completed in July 2000 was re-run and a new dataset completed.</li> <li>- Developed final drafts of job descriptions for several key positions within the Vegetation Management (VM) organization in support of the upcoming recruitment initiative.</li> <li>- Assessed several advanced technology applications for potential use in the LUMA Vegetation Management effort.</li> </ul>
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	Refer to 2.0303 + Work on this deliverable is conducted in conjunction with the Handover Checklist items 2.0303 and 9.02.
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.	51-60%	<ul style="list-style-type: none"> <li>- Completed the environmental gap analysis. We will continue to refine and expand on conclusions throughout transition period and with conclusions from PREPA-led Baseline Environmental Study.</li> <li>- Refined facility listing from 460 to just over 400 unique sites using PREPA data.</li> <li>- Began consolidating major findings from environmental gap analysis into SRP and/or Initial Budget items.</li> <li>- Worked with Regulatory on generalized approach to ensure local permits are administered by LUMA.</li> </ul>



ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<ul style="list-style-type: none"> <li>- Finalized draft Subcontract with a vendor to support the Environmental Exposure Management Plan.</li> <li>- Refinement of SRP / Initial Budget items, coordinated with functional teams to remove duplication (e.g. site clean-up vs. right-of-way clean-up).</li> <li>- Provided a recommendation to exclude generation assets from scope of Shared Services agreement.</li> <li>- Conducted field visits to verify details of SRP/Initial Budget items; finalized and submitted internally.</li> <li>- Work on the Baseline Environmental Study has not started, but on Sept 30, PREPA's Governing Board approved the agreement.</li> </ul>
3	System Remediation Plan Milestones			
3.01	Remediation Plan Proposal	This deliverable consists of developing a remediation plan outline and methodology.	1	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)).
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.	81-90%	<ul style="list-style-type: none"> <li>- A significant effort and focus by the LUMA Teams resulting in the identification the vast majority of initiatives and associated costs to be incorporated in the SRP and/or the Initial Budget. This effort include capturing and documenting the associated benefits.</li> </ul> <p>Note: refer to 1.02 &amp; 3.04 which capture the evolution from gap assessments (1.02), to initiative development (3.02); and to</p>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				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.	11-20%	- Consolidation of initiatives has begun using the initiatives template. This will be a step towards selection of projects.
3.04	Development of System Remediation Plan	This deliverable includes the development the System Remediation Plan comprising of the consolidated of a T&D current state gap analysis & improvement initiatives	21-30%	<p>- Focused on coordinating work with all departments to ensure consistency in input to SRP / Initial Budget.</p> <p>Note: refer to 1.02 &amp; 3.02 which capture the evolution from gap assessments (1.02), to initiative development (3.02); and to System Remediation Plan development (3.04)</p>
3.05	Approval of System Remediation Plan	Activities to gain P3A and regulatory (PREB) approvals for System Remediation Plan	21-30%	<ul style="list-style-type: none"> <li>- Worked on gap assessment of regulatory areas based on PREPA current practices and procedures.</li> <li>- Regulatory review of prioritization template and tool.</li> <li>- Prepared SRP process update</li> <li>- Detailed review of preliminary distribution guidelines from PREB consultants</li> <li>- Coordinated grid modernization strategy in line with reliability and resiliency requirements under regulations and federal funding requirements.</li> <li>- Worked on with Federal Funding and Utility Transformation teams in reviewing funding requirements for planned capital investments in T&amp;D System</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
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.	71-80%	<p>Regional Customer Experience:</p> <ul style="list-style-type: none"> <li>- Completed analysis of all PREPA owned facilities excluding Culebra and Vieques.</li> <li>- Select facilities are being re-examined to determine which locations are best candidates for centralized back-office billing and call centre. This is happening in tandem with facilities to determine the timing and validity of candidate building in future remediation work.</li> </ul> <p>Contact Centre:</p> <ul style="list-style-type: none"> <li>- Provided Facilities with headcount and building requirements for the main call center location and four additional regional sites.</li> <li>- Five locations have been earmarked as top candidates for Call Centre to be brought back in house. Each location is being re-examined for cost and required remediation work in tandem with the facilities group.</li> </ul> <p>Billing:</p> <ul style="list-style-type: none"> <li>- Established desired location for centralizing back office. Currently working with facilities to determine if this location is the right fit and has enough space to accommodate Employees.</li> <li>- The top five Credit &amp; Collections Contact Centre candidates are also being evaluated as potential fits for centralizing the Billing back-office teams.</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
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 ServeCo. 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.	21-30%	<ul style="list-style-type: none"> <li>- Progress has been made translating and reviewing 154 PREPA Process documents from RFI and PREPA Intranet. The documents have been categorized by functional area, age of document, type of document (i.e. Form, Policy, Process, Map).</li> <li>- Gap Analysis has been completed to identify policies and processes that PREPA has not provided but LUMA will require to operate full utility business.</li> <li>- A Policies &amp; Procedures sub team has been created and has established weekly touch point meetings to ensure alignment of approach across the Customer Experience functional area.</li> <li>- Contact Center has continued process of reviewing RFI documentation and obtaining and cataloging existing PREPA policy and process documentation.</li> <li>- Reviewed workforce management processes for the contact center, with limited information available. Most forecasts for volumes and staffing is being done by outsourcers, not the internal PREPA contact center.</li> <li>- Coordinating with training team to help scope work for developing training materials based on processes including acquired 40 PREPA training documents through outsource call center lead trainer and RFI 148, in addition to 27 previously acquired through initial RFI process. All documents</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				require translation and assessment for use in role-based curricula.
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.	41-50%	<ul style="list-style-type: none"> <li>- Efforts focused on defining metering related project scopes and budgets for the SRP/Initial budget.</li> <li>- Conducted multiple vendor meetings to support the development of the metering plan and associated cost estimates. These were focused on AMI, MDM, ADMS.</li> <li>- Conducted internal IRP review meeting regarding PREB decision</li> <li>- Met with Telecom Planning regarding AMI to ensure alignment and understanding.</li> <li>- Assessed PREPA's smart meter pilot project to understand the status and future plan.</li> </ul>
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.	31-40%	<p>Billing Services:</p> <ul style="list-style-type: none"> <li>- Continued to identify gaps while developing a deeper understanding of operations by fostering relationships and continuing conversations between LUMA and PREPA.</li> <li>- Completed a reconciliation between gap analysis items and identified projects (SRP and/or Initial Budget) to ensure alignment and accurate capture of all initiatives.</li> </ul> <p>Regional Customer Experience:</p> <ul style="list-style-type: none"> <li>- Continuing to translate and review PREPA documentation. The process supports a better understanding of operations and emphasizes process gaps.</li> <li>- Continued relationship development and</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>communication with PREPA employees with the intent to gain further information on processes that are lacking detail or not fully documented.</p> <ul style="list-style-type: none"><li>- Began working with other functional teams within LUMA (e.g. Facilities, Regulatory, Warehousing and Waste Management, Security and others) to support alignment within the transition plan.</li></ul> <p>Contact Centre:</p> <ul style="list-style-type: none"><li>- Used information regarding current PREPA salaries and guidelines from HR to develop the first draft of the new LUMA labor budget.</li><li>- Identified major programs, initiatives and projects for SRP and/or Initial Budget as well as likely FEMA candidate projects</li><li>- Documented expected performance metric improvements and non-performance benefits, and estimated Capex and Opex program costs. This work included coordinating with IT, HR, and other teams to ensure projects and costs were captured and not duplicated.</li><li>- Developed call volume forecast and staffing model to confirm estimated headcount and costs.</li><li>- Developed first draft of high-level transition schedule including timing for new contact center technology implementation, facilities buildout, outsource vendor</li></ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<p>considerations, and new employee hiring/training.</p> <ul style="list-style-type: none"> <li>- Completed site visits with two third-party outsourcers for the contact center. These visits included a review of processes, staffing &amp; training processes, performance, and their current plans.</li> </ul>
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"> <li>- Established a Service Start/Shut-off plan including developing the scope of work</li> <li>- Conducted ongoing efforts to strategize the approach to amend existing processes.</li> </ul>
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	31-40%	<ul style="list-style-type: none"> <li>- Assessed current meter shop facility to determine if current facility meets business requirements.</li> <li>- Continued to assess gaps in the information and work procedures.</li> </ul>



ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		management quality controls, as well as develop a meter asset management remediation plan, and meter asset tracking and sampling procedures.		- Began to develop an implementation plan of a new MAM systems.
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"> <li>- Finished contact center platform vendor evaluation, selected vendor-of-choice, worked with LUMA legal team to determine contracting approach, and initiated implementation planning with vendor.</li> <li>- Developed first draft of implementation of Contact Center Platform plan including scope, approach, and timing.</li> <li>- Developed first draft of automated call center telephone system technology, Interactive Voice Response (IVR), and routing plans for LUMA, with preparation for a workshop across the broader Customer Experience team to standardize and confirm approach.</li> <li>- Determined that PREPA is best suited to issue the Bill Print &amp; Delivery (BP&amp;D) RFP to outsource the current in-house BP&amp;D function; a proposal to do so is under consideration by PREPA and P3 as this is a new System Contract; the RFP documents have been provided to PREPA customer service and PREPA procurement to begin the RFP process once approved.</li> <li>- Technology requirements for Customer Experience were finalized in collaboration with IT/OT department leads.</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				<ul style="list-style-type: none"> <li>- Review of technology contract, a customer appointment booking system, was completed.</li> </ul>
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%	<ul style="list-style-type: none"> <li>- Continued early work on development of Non-technical Loss Reduction Plan with focus resource planning.</li> </ul>
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.	21-30%	<ul style="list-style-type: none"> <li>- As part of on-going efforts, identified and documented additional integrated and dependent work processes between Customer Service and T&amp;D Operations.</li> <li>- Finalized identification of SRP and/or Initial Budget initiatives in collaboration with IT, Asset Management and Utility Transformation regarding metering, billing audits, new connection processes.</li> <li>- Completed identification of SRP and/or Initial Budget initiatives for Business Continuity Plan and Street Light audit to review billing components.</li> <li>- Developed standard service metrics for fieldwork.</li> <li>- Established a structured approach of questions for work observations to be completed in October focused on service delivery, work order volumes, finalization of gap analysis.</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
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 activity 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.	61-70%	<ul style="list-style-type: none"> <li>- Identified process and technology improvement initiatives for each Program of Work.</li> <li>- Developed effort, duration and cost estimation of improvement initiatives.</li> <li>- Created Roadmap for implementation of improvement initiatives for each Program of Work.</li> <li>- Completed deliverables for SRP/Initial Budget to enable the integration of initiatives across various workstreams.</li> <li>- Developed plan to conduct a deep dive analysis on the IT infrastructure during October.</li> </ul> <p>NOTE: % Complete has decreased due to confirmation over the past month of remaining scope. Our findings on IT infrastructure are that it will require additional analysis that had not been previously anticipated.</p>
5.03	Evaluating IT/OT Applications and Infrastructure	This deliverable includes gathering information and evaluating PREPA's IT/OT applications and infrastructure.	90-99%	<ul style="list-style-type: none"> <li>- Workstream completed. Drafting HOC deliverable documentation</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
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)	51-60%	<ul style="list-style-type: none"> <li>- Continued reviewing and building elements of the Cybersecurity Plan.</li> <li>- Established timelines for missing governance artifacts in Cybersecurity Plan.</li> <li>- Initiated planning to engage business leads to develop the BCP plan</li> </ul> <p>(Work on this deliverable is conducted in conjunction with the Handover Checklist items 9.05).</p>
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
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.	90-99%	- Workstream completed. Drafting HOC deliverable documentation
5.07	Commencement Cutover Planning	This deliverable includes activities to prepare for Commencement Cutover during Transition.	11-20%	<ul style="list-style-type: none"> <li>- Finalized IT/OT Post Commencement Org Chart</li> <li>- Created and assigned salary bands to LUMA IT/OT Organization</li> <li>- Established team and plan to review PREPA IT outstanding contract list</li> </ul>
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 activities to report
6	Financial Management			

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
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"> <li>- Reviewed and reconciled PREPA's Budgeting process and GL and Budget Online data details. This work included ongoing and continued engagement of PREPA to understand their budgeting process. Significant gaps in process have been identified to date.</li> <li>- Progressed work on the Initial Budget for LUMA.</li> </ul> <p>(Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.02 and 6.05).</p>
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"> <li>- Continued work on initial draft of the budget templates. The template will continue to evolve through the budgeting process, but as reported in 6.0500, first drafts of the Initial Budget process are almost complete for evaluation. This will be an evolving and iterative process until the filing date.</li> </ul> <p>(Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.01 and 6.05).</p>
6.03	Formalizing/Approach to Changes Control Processes	This deliverable includes the reporting any significant deficiency, material weakness, improvement opportunities and any other matter considered relevant for the FET identified as a	0	<ul style="list-style-type: none"> <li>- No activity to report.</li> <li>- 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</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		result of the review of PREPA's Internal Controls Framework.		
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 ServeCo; design, configure and test LUMA ServeCo's financial systems; gain approval of LUMA ServeCo's Chart of Accounts; and design and implement processes for finance actuals and reporting.	21-30%	<ul style="list-style-type: none"> <li>- Decision completed on Oracle EBS System Structure for LUMA &amp; T&amp;D Operations.</li> <li>- Oracle EBS configuration in development environment is underway.</li> <li>- Project is moving to detailed design of system items and processes.</li> <li>- Continued collaboration and meeting with Oracle EBS stakeholders from both LUMA and PREPA to understand system requirements and current configuration.</li> <li>- Planning and scheduling underway for Oracle EBS demo sessions to take place in late October to mid-November.</li> </ul>
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	41-50%	<ul style="list-style-type: none"> <li>- Prepared the initial budget template and rolled out to the LUMA teams for development &amp; input of the Initial Budget.</li> <li>- First draft of Operating Initial Budget is almost complete to analyze and review. As noted in 6.01 and 6.02, this is an evolving and iterative process through to filling.</li> </ul> <p>(Work on this deliverable was conducted in</p>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		template, actuals and forecast/revisions will be updated on a monthly basis in order to compare Monthly, YTD and FYF balances.		conjunction with the Handover Checklist items 6.01 and 6.02).
6.06	Establishing Bank Accounts	This deliverable includes establishing all necessary bank accounts for LUMA ServeCo and work with PREPA to set up the service bank accounts required for Commencement, as described in the OMA agreement.	0	No Activity to date
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%	<ul style="list-style-type: none"> <li>- On-going gathering of planning and data requirements.</li> <li>- Supported in Workday test environment configuration.</li> <li>- Time entry/keeping assessment began</li> </ul>
6.08	Establishing a Delegation of Authority Matrix and Process	This deliverable establishes a Delegation of Authority Matrix and Process for LUMA ServeCo. Delegation of Authority to set Requisition (financial approval) and Purchase Order approval limits in the ERP System.	0-10%	- Began review of PREPA's existing approval matrixes.
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, management directives pertaining to the entire entity are carried	61-70%	<ul style="list-style-type: none"> <li>- Completed the walkthroughs for Revenue and Capital Assets</li> <li>- Substantially completed the walkthroughs for Procurement and Record to Report including the review of interfaces between the budgeting process and regulatory requirements.</li> </ul>



ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		out, and Transaction Level Controls (i.e. walkthroughs on key business processes).		
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%	- Established a risk assessment and solutions team to evaluate the financial management, grants management, fiscal controls, and other internal controls associated with the administration of federal funding programs, Puerto Rico funding sources, PREPA's own funding, and other funding associated with the reconstruction of the energy infrastructure. The results of this assessment and solutions team will lead to the development and implementation of policies, procedures, and protocols to ensure successful, accountable, compliant, and transparent utilization of all available funding sources.
7.02	Policies and Procedures	This deliverable includes the development of policies and procedures in line with governance framework.	11-20%	- Continued request, obtained, and reviewed PREPA's policies and procedures for grants and financial management and establish a governance structure per HOC 7.01.
7.03	Staffing Plan	This deliverable includes developing the staffing plan for federal funding group consistent with DRFFMG.	91-99%	- Finalized initial staffing plan and will update and tailor to meet operational and program management requirements.
7.04	Surge Staffing	This deliverable includes establishing options for surge	Refer to 9.02	- Work associated with 7.04 is included in HOC 9.02

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		staffing to be implemented as part of emergency response and recovery.		
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%	<p>Note: On September 18, 2020, FEMA approved \$9.6 B of FEMA Public Assistance permanent work funding (Section 428 of the Stafford Act including section 20601 of the 2018 Bipartisan Budget Act (BBA)) for the reconstruction of the PREPA energy infrastructure as a result of Hurricane Maria. It is expected that approximately \$900 million in matching funds from HUD will be added to the FEMA monies for permanent work.</p> <ul style="list-style-type: none"> <li>- The review of this approval is ongoing.</li> <li>- Monitoring PREPA's preparation of a 10-Year Plan for submittal to FEMA for use of the 428 funds.</li> <li>- LUMA's team began evaluation of 428 program and possible applicability to funding portions of the LUMA System Remediation Plan and other capital investments to be included in the Initial Budgets required during the Front-End Transition.</li> <li>- Review of potential addition federal funding for permanent work is on-going including: (i) FEMA Section 406 mitigation measures; (ii) Hazard Mitigation Grant Program (HMGP) under Section 404; and (iii) HUD's Community Development Block Grant (CDBG).</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				- Review of emergency work funding (FEMA Public Assistance Category B) resulting from Hurricanes Irma, Maria, and the 2020 earthquakes continue as well as federal funding associated with the 2020 earthquakes.
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.	Refer to 7.05	- Work associated with 7.06 is included in HOC 7.05
7.07	Project Procurement Planning	Assess and identify gaps in the PREPA procurement process for federally funded activities.	Refer to 7.05	- Work associated with 7.06 is included in HOC 7.05
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%	- Continued to gather and evaluate PREPA's existing procurement plans, procedures and protocols and will update, as needed, to comply with Title 2 CFR requirements, PREPA and Puerto Rico requirements, COR3 requirements as the Recipient of FEMA's Public Assistance and HMGP programs, and Vivienda's requirements as the Recipient of HUD's CDBG program.
8	Staffing for Front-End Transition Period			
8.01	Draft, Revise and Finalize Operator Employment Requirements	This deliverable consists of determining the minimum employment requirements for LUMA employees by position.	1	- 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.	11-20%	- Efforts for talent acquisition (i.e. searches, interviews, selections) of several positions.

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		<p>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.</p>		<p>- Onboarded new LUMA hires.</p> <p>(The effort for this activity was also captured under item 8.04 Proposed Recruitment and Staffing Plan).</p>
8.03	Redesign and Staff New Organization	<p>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.</p>	81-90%	<p>- Continued to refine LUMA's Organizational Structure including compiling and reviewing with Senior Leadership and Department Heads.</p> <p>- Continued to refine 400+ job descriptions, translate into Spanish, and load into iCIMS recruiting software.</p> <p>- Continued working with departments on budgets for employee salaries.</p>
8.04	Proposed Recruitment and Staffing Plan	<p>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</p>	51-60%	<p>- Developed and sent PREPA communications regarding upcoming recruiting events and timelines.</p> <p>- Worked with each department to develop detailed recruiting strategies, including interview guides and processes, screening questions, and completed review of company wide job descriptions.</p>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		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.		<ul style="list-style-type: none"> <li>- Worked to setup job applications support events across the island.</li> <li>- Worked to establish recruiting locations across island for interview space.</li> <li>- Collaborated with other departments to determine overall labor needs and identifying commercial and legal issues as related to existing PREPA labor force.</li> </ul> <p>(The effort for this activity was also captured under item 8.02 Recruitment and Staffing).</p>
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.	31-40%	<ul style="list-style-type: none"> <li>- Completed WorkDay foundation alignment week long sessions to walk through employee life cycle.</li> <li>- LUMA team completing various online training courses following Workday's prescribed training plan</li> <li>- Received demo of Workday Onboarding functionality to compare to iCIMS Onboarding functionality</li> <li>- Conducted kick-off and continued integration with benefits vendors: (i) for health plans (med, drugs, dental, etc.); (ii) for administration; and (iii) for life and disability plans.</li> </ul>
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	21-30%	<ul style="list-style-type: none"> <li>- Created and distributed the monthly newsletter to PREPA employees to keep them updated on upcoming career postings and engaged with LUMA.</li> <li>- Continued to communicate our key messages in English and Spanish through</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		<p>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.</p>		<p>external channels such as social media and advertising such as digital mediums, billboards, print and radio. A summary of our social media posts is also developed and distributed internally to keep the LUMA team informed.</p> <ul style="list-style-type: none"> <li>- Drafted an orientation brochure for the LUMA Facilities team for employee onboarding purposes.</li> <li>- Developed an editorial calendar to track publications, deadlines, and milestones.</li> <li>- Further developed the Careers, FAQ, and LUMA College pages and supporting materials for the LUMA website, as well as reviewed the HR job postings.</li> <li>- Created and distributed appointment announcements internally for new LUMA executives.</li> <li>- Developed signage and protocols in English and Spanish for COVID-19 in office spaces.</li> </ul>
8.07	Training (Workforce Development) Plan	<p>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</p>	21-30%	<ul style="list-style-type: none"> <li>- Developed and consolidated post commencement Training Plans for all departments.</li> <li>- Worked on the development of action plans and estimates as input into the SRP/Initial Budget.</li> </ul> <p>(Work on this deliverable is conducted in conjunction with the Handover Checklist item 2.0306)</p>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		continuity of quality education and training.		
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.	41-50%	<ul style="list-style-type: none"> <li>- Defined and implemented the health plan funding process with vendor and started implementation process with HCM.</li> <li>- Reviewed vendor proposals on voluntary benefit offerings.</li> <li>- Reviewed and gained approval from leadership on the welfare plans.</li> <li>- Working with third party service provider to execute contract for employee retirement plan.</li> <li>- Created benefit communication packets for new hire employees.</li> </ul>
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"> <li>- Went to market and implemented a confidential employee assistance program through selected vendor.</li> <li>- Continued assessment of the Occupation Health clinic.</li> </ul>
8.1	Compliance Plan	This deliverable consists of the Core HR transition team to review and evaluate current employee policies, procedures and any applicable handbooks.	11-20%	<ul style="list-style-type: none"> <li>- Completed the Gap Analysis and developed Action Plans, Improvements and estimates for the SRP/Initial Budget.</li> </ul>
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	11-20%	<ul style="list-style-type: none"> <li>- Developed initial Employee communication materials for current and future LUMA hires.</li> <li>- Continued refinement of LUMA employee messaging based on feedback from PREPA employees.</li> <li>- Worked on the development of Employee</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		will provide opportunities for employee engagement with employee events such as family picnics and volunteer opportunities in the community.		Engagement action plans and estimates as inputs into the SRP/Initial Budget.
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.	21-30%	<ul style="list-style-type: none"> <li>- Researched options for community engagement and charitable giving initiatives to determine areas that are under-represented and vetted charities LUMA is interested in supporting.</li> <li>- Met with multiple local organizations.</li> </ul>
9	Additional Front-End Transition Period Activities			
9.01	Genco Shared Services Agreement Approval	This deliverable consists of developing a plan for delivery of shared services as well as negotiating and executing a Shared Services Agreement.	21-30%	<ul style="list-style-type: none"> <li>- Further defined and clarified objectives of the GenCo Shared Services Agreement.</li> <li>- Proceeded with the development of shared services with its PREPA counterparts and now working through the plan for each potential service. Focus is on clarity of services to be administered, minimizing costs, improving processes and ability to transition to a third party operator.</li> </ul>
9.02	Emergency Response Plan Approval	This deliverable consists of obtaining internal approval of the Emergency Response Plan (ERP)	0-10%	<ul style="list-style-type: none"> <li>- Preliminary preparations for the drafting of an initial emergency response plan.</li> </ul>



ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		prior to providing the plan to Administrator and PREB.		(Work on this deliverable is conducted in conjunction with the Handover Checklist items 2.0303 and 2.04)
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.	31-40%	<ul style="list-style-type: none"> <li>- Continued deep dive discussions with PREPA constituents to identify current practices and reviewed internal policies and procedures for lifting of best practices.</li> <li>- Drafted introductory section to Non Federal Funding Procurement Manual (NFFPM) team and shared with core team (LUMA, PREPA, P3, AAFAF).</li> <li>- Led discussions between Federal Funding Procurement Manual (FFPM) team to establish coordination and determine a communication strategy. Set up monthly status update meetings with FFPM team.</li> </ul>
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"> <li>- Completed several site visits of substations, warehouses, offices and other facilities to identify trends and physical security risks.</li> <li>- Identified and documented major deficiencies through RFIs, interviews and above noted site observations.</li> <li>- Consolidated and organized the information to be utilized in physical security plan.</li> <li>- Began work on defining minimum standards based on findings</li> <li>- Developed physical security related project scopes and budgets for the SRP/Initial budget.</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
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.	61-70%	<ul style="list-style-type: none"> <li>- Draft Data Security Plan created. Began initial review of the Data Security Plan with key stakeholders and in conjunction with Cybersecurity Plan</li> </ul> <p>(Work on this deliverable is conducted in conjunction with the Handover Checklist items 5.04).</p>
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"> <li>- No activity to report</li> </ul>
9.07	System Operation Principles Regulatory Approval	This deliverable consists of activities to gain P3A and regulatory (PREB) approvals for System Operation Principles	21-30%	<ul style="list-style-type: none"> <li>- Reviewed initial Genco-Gridco structure and services to be provided to Genco under Shared Services Agreement and requirements for Genco budgets .</li> </ul>
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 ManageCo contracts.	31-40%	<ul style="list-style-type: none"> <li>- Held deep dive sessions with PREPA Procurement to walk through detailed vendor prequalification and pre-award processes.</li> <li>- Continued to develop the gap analysis between existing processes and procedures and best practices.</li> </ul>
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	21-30%	<ul style="list-style-type: none"> <li>- Facilities assessment services agreement executed including establishing reporting requirements for assessments.</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		<p>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.</p>		<ul style="list-style-type: none"> <li>- Facility Pre-Assessments and Assessments have commenced. Weekly reports generated and reviewed.</li> <li>- Initial discussions with LUMA departments on determination of regional locations has commenced. Customer Service is evaluating current CS locations and assessing if consolidations/relocations are needed.</li> </ul>
10.03	Assuming Existing Subcontracts	<p>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&amp;M of the T&amp;D System, and develop processes and procedures for assuming the existing subcontracts.</p>	11-20%	<ul style="list-style-type: none"> <li>- Continued working with PREPA to identify and analyze subcontracts. Turnaround time on RFI's from PREPA IT have been slower than expected.</li> <li>- Established approach for assuming existing system contracts, started working on first integrated PREPA/LUMA procurement effort (i.e. Bill Printing &amp; Delivery RFP).</li> </ul>
11	Back-End Transition Plan			
11.01	Develop Back-End Transition Plan	<p>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</p>	11-20%	<ul style="list-style-type: none"> <li>- Continue to formulate framework for the Back End Transition Plan including segregated departmental scopes to allow clear responsibilities.</li> <li>- Liaisons assigned be each department to work with the Capital Programs team in development the Back End Transition Plan.</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		T&D System Status and plans to support operational and commercial transfer. (Refer also to Handover Checklist item 12.04)		- Received Initial comments from legal department.
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%	- Discussed approach with the broker and creating anticipated timeline. Note: the implementation of this item will occur upon Commencement.
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	41-50%	Assisted LUMA departments with Performance Metrics progress and support development of options for identified issues with PREPA's data and/or calculation practices. - Continued investigating PREPA reliability metrics and prepared list of high-level issues to LUMA leadership. - Prepared for & presented at two LUMA/PREPA/P3 Performance Metrics Planning Team meetings

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
		annual target metric and improvement trajectory.		<ul style="list-style-type: none"> <li>- Based on high-level findings, developed and tested validation of PREPA's reliability indices calculations.</li> <li>- Facilitated multiple working meetings with PREPA in continuing effort to validate their calculation of reliability indices.</li> <li>- Reviewed the PREB consultant's distribution guidelines draft document, conducted industry research on several items, and prepared comments for internal LUMA discussion.</li> </ul>
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
12.07	Section 4.3: Owner and Administrator Responsibilities	PREPA's and P3A's conditions precedent to Service Commencement	11-20%	- Worked with LUMA Procurement, IMO and Accounting on handling of new System Contracts required during Front-End

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				Transition Period and collaboration with PREPA regarding same.
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. (This is work performed by the Owner).
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	11-20%	- 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.
12.1	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.	21-30%	<p>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</p> <ul style="list-style-type: none"> <li>- Work with Human Resources on various labor issues.</li> <li>- Work with LUMA Generation and Regulatory team on System Operation Principles, P3A's request to utilize an Operating Agreement instead of GenCo-GridCo PPOA.</li> <li>- Work with outside counsel on liability</li> </ul>

ID	Full description	Deliverable Description	Status % Complete	Summary of key work performed in September
				waiver. - Work with LUMA departments and executive management on PREPA Reorganization and discuss with the P3A and its counsel and FTI. - Continue discussions regarding Shared Services Agreement with 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.