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Monthly Report

Report #: RPT-P3A-008

For the period ending January 2021

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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 January 31, 2021. 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

During the month of January, LUMA progressed work in all work areas toward a mid-year commencement date. Our work involved advancing key regulatory matters; progressing our recruitment efforts; and further developing our transition plans.

As noted in previous reports, there are on-going challenges that are impacting the effectiveness of the Front-End Transition. These challenges showed marginal progress in January; however, most continue to persist with no clear resolution and are becoming a serious concern given the time remaining to achieve a June 1, 2021 Service Commencement. For further detail, please refer to Part B, III and Part C of this report

Given LUMA's understanding of progress of the broader PREPA bankruptcy process, LUMA is assuming that entry into service commencement will occur via the Supplemental Terms Agreement (STA) for an Interim Period. As such, all requirements and condition precedent for this to occur have been captured in the relevant sections of this reports.

The following is a summary of the key achievements for the month of January 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.

Key Regulatory Matters

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 progressed well in January as noted in Appendix A. The more significant achievements are as follows:

- a. LUMA began incorporating comments on the first drafts of the Initial Budgets, System Remediation Plan (SRP), Performance Metrics and System Operation Principles including engaging as required to establish a clear understanding of comments. As planned, these documents including the Terms of Service will be submitted to PREB in February for its review and approval according to PREB's regulatory process.
- b. LUMA engaged in several PREB technical conferences directly related to the OMA as well as industry matters such as the Distribution Guidelines and PREPA's Performance Metrics.

c. PREPA Reorganization

The LUMA team continued to support with the PREPA reorganization work including the Governance structure, GridCo-GenCo PPOAs and the Shared Services Agreement. As previously noted, concern remains on the timeliness of concluding this work, specifically on obtaining the necessary Governmental approvals of the PREPA Reorganization as a condition precedent to Service Commencement. Clarity of these approval requirements and the required timeline for said approvals remains undefined.

Human Resources

We continued our recruitment efforts of our new workforce which included the following:

- Posted nearly 1,100 positions and have received over 17,000 applications (from ~7,500 applicants) covering all required positions. The effort includes our on-going effort to reach employees despite COVID-19 and general inaccessibility
- Focused on interviewing PREPA applicants; which will continue into February at which time interviews with external applicants will begin
- Continued to implore clear and concise communication of Pension information to PREPA employees to help support recruitment. This remains the most significant issue for current employees as they consider career options
- The Human Capital Management System went live mid-January

Preparing LUMA for Operations

LUMA continued 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 key highlights for January are as follows:

a. Health, Safety, Environment & Quality

- Continued vigilance on our COVID protocol
- Continued development of key HSE policies and procedures for commencement as part of the Safety Management Plan
- Completion of 2nd draft of Emergency Response Plan for internal review and identification of LUMA's Crisis Management Framework to finalize additional appendices (i.e. Risk Management Plan, Business Continuity Plans, etc.)
- Work continued on the pre-existing environmental baseline studies being undertaken by PREPA. LUMA has requested PREPA to advance the schedule given the concerns with the current timetable to allow sufficient time to complete diligence prior to Service Commencement
- Completed vendor evaluation for the Integrated Management System for HSE data capture and reporting

b. Capital Program (incl. FEMA Funded and non-FEMA projects)

Worked closely with PREPA to better understand the PREPA project management structure, project controls and project details for near-term work identified in the 10-year plan with intent to work through any discrepancies such that work on FEMA funded and non-FEMA funded projects being performed prior to commencement align with LUMA's expectations.

- c. Internal & Stakeholder Communications:
 - Developed employee communication strategy and framework leading up to commencement including engaging strategic communications agency to support external communications (social media, press and advertising) through commencement
 - Began internal discussions to model a Public Safety Plan
 - Uploaded Spanish content to website and continued developing functionality of mobile app.
- d. Operational and Customer Experience
 - Began assessment of available PREPA service contracts and advanced work in the preparation for critical post-commencement contracts.
 - Continued the drafting of the transition plans for T&D Control Centers, Operations & Customer Experience
 - Initiated vendor kick-off, discovery meetings and project management process with the selected vendor for Bill Print and Delivery function
 - Kicked off project for Cloud-Based Contact Centre platform
 - Finalized draft of Physical Security Plan
 - Drafts of Vegetation Management Plan and Materials Management & Warehouse Plan provided for internal reviews
- e. Finance and Accounting
 - Circulated draft of Non-Federal Funding Manual for internal review and comment.
 - Worked on identifying insurance and certificates needed to be in place for Commencement.
 - Finalized specifications and interfaces for Customer Labor Cost Distribution from LUMA's payroll application into LUMA's Oracle EBS
- f. Information and Operational Technology
 - Began detailed joint planning sessions with PREPA based on information gathered to date towards a comprehensive commencement cutover plan (i.e. people, processes & technology) c/w scenario planning
 - Completed initial system configuration for payroll time entry system (Kronos) and finalized system integration functional specifications
 - Commenced contracting with implementation partner for our Cloud Based Call Center. Held project kick off and identified required integrations to support application.
 - Data Security Plan is complete and undergoing peer review for approval
- g. Other Regulatory matters (in addition to those noted above)
 - Progressed on obtaining Governmental Approvals from the Department of Natural Resources and the Oficina General de Permisos (OGPE)
 - Continued drafting the LUMA Federal Funding Procurement policy and procedure including aligning policies with Non-Federally Funded Procurement Manual in progress.

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 February, 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:

- a. Key Regulatory Matters
 - Work towards finalizing the Initial Budgets, System Remediation Plan, Performance Metrics and System Operating Principles for submission to P3A and PREB.
 - Continued involvement in industry related PREB dockets as required
- b. Human Resources
 - Finalization of interviews of PREPA employees who have applied for positions and begin recruitment activities of external applicants. Note, LUMA will continue to accept PREPA applications and will consider such applicants accordingly.
 - Begin conducting skilled labor assessments for trade positions
 - Completion of the Occupational Health and Wellness Plan
- c. Operational and Customer Experience
 - Began detailed transition planning work based on information gathered to date towards a comprehensive commencement cutover plan
 - Complete draft of integration plan between Customer Experience and T&D Operations.
 - Begin implementation of Cloud-Based Contact Center Platform.
 - Submit redesigned LUMA bill for external approvals.
 - Continue development of the Emergency Response, Materials Management, Warehouse and Vegetation Management Plans.
 - Undertake a LUMA Technical Workshop and tabletop ERP exercise with senior leadership.
- d. Finance and Accounting
 - Begin development of the FOMB Fiscal Plan in conjunction with PREPA.
 - Incorporate feedback from internal and external reviews of Non-Federal Funding Procurement Manual and refine processes and procedures documentation.
 - Work with current PREPA brokers to ensure Certificates of Insurance are naming LUMA.
 - Begin System Integration Testing (i.e. verification of interactions between systems) of critical financial systems.
- e. Information and Operational Technology
 - Progress commencement cutover activities; alignment on PREPA/LUMA projects, engage vendor partners and continued development of IT OT departmental capabilities
 - Finalize implementation partner contract Cloud Based Call Center and begin configuration
 - Progress the development of draft Cyber Security and Business Continuity Plan

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 January.

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 items to report		

II. Ongoing OMA Obligations

Section	Description	Responsible Party	Status
4.2(b)	ManagementCo shall provide Administrator (with copy to PREB) written monthly reports with respect to ManagementCo's performance of the Front-End Transition Services, including a copy of the Handover Checklist updated to reflect the progress of each item listed therein. From time to time during the Front-End Transition Period, in light of experience developed up to such point in the Front-End Transition Period, the Handover Checklist shall be adjusted, updated or otherwise modified by ManagementCo and Administrator, each acting reasonably, as necessary to reflect such experience.	LUMA (Operator)	Submitted - December
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 - December
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 – December
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 – December

III. Overdue OMA Obligations

Section	Description	Responsible Party	Status
4.1(b)(i)	Each of Owner and Administrator shall take all such actions as may 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), P3A (Administrator)	Substantially overdue (Refer to Part C.5)
4.1(b)(iii)	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) 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.	PREPA (Owner)	Substantially overdue (Refer to Part C.5)
4.3(c)	From and after the Effective Date, but in any event by the date that is one hundred eighty (180) days following the Effective Date, ManagementCo, Administrator and Owner shall together (i) identify all material existing System Contracts and all Generation Supply Contracts and provide ManagementCo and Administrator with copies thereof and (ii) identify which of the material existing System Contracts and Generation Supply Contracts do not comply with the Federal Funding Requirements and provide ManagementCo and Administrator with a list thereof.	LUMA (Operator), PREPA (Owner), P3A (Administrator)	Overdue (Refer to Part C.4)
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: 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.	P3A (Administrator) PREPA (Owner)	This provision has not been adhered to.

IV. OMA Obligations in Progress

Section	Description	Responsible Party	Status
4.2(j)	As soon as reasonably practicable following the Effective Date but not less than ninety (90) days prior to the Target Service Commencement Date (the "Interview Deadline"), ManagementCo shall use commercially reasonable efforts to interview and evaluate as candidates for employment at ServCo, effective as of the Service Commencement Date, the regular employees of Owner and its Affiliates (other than Owner's generation employees, including certain administrative and plant operations personnel) who (i) are currently and	LUMA (Operator)	In progress

Section	Description	Responsible Party	Status
	remain employed by Owner and its Affiliates (other than Owner or its Affiliates generation station employees) as of the Interview Deadline or are hired by Owner or its Affiliates on or after the Effective Date in the ordinary course of business consistent with the past practices of Owner and its Affiliates to replace any existing employee of Owner, and (ii) apply to ServCo in a job category ServCo wishes to fill (collectively, the "Owner Employees").		
4.3(e) STA s. 2.3(d)	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). Owner shall have provided Operator with written notice of the System Contracts and Generation Supply Contracts that have been assumed and those that have been rejected as at the Interim Period Service Commencement Date;	PREPA (Owner)	This activity has not begun (Refer to Part C.4)
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(a)	ManagementCo, Administrator and Owner shall coordinate identifying the Governmental Approvals required for the commencement 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) 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.	LUMA (Operator) P3A (Administrator) PREPA (Owner)	In progress
4.4(b)	From and after the Effective Date, the Parties agree that (i) 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. (refer to 4.5 (t) below)	LUMA (Operator)	In progress

Section	Description	Responsible Party	Status
4.5 (t)	The Puerto Rico Treasury Department shall have either (i) entered into a closing agreement with the Operator, or (ii) shall have issued a private letter ruling to Operator, in each case that (A) incorporates all matters set forth in administrative determination No. 20-06 issued by the Secretary of the Puerto Rico Treasury Department (the "Administrative Determination") that are applicable to Operator and the Equity Participants and (B) provides that (x) the Front-End Transition Service Fixed Fee, the Service Fee and 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, (each a "Tax Assurance").	LUMA (Operator)	In progress
4.5 (s)	The Parties shall mutually develop and negotiate in good faith a shared services agreement consistent with the provisions set forth in Annex VI (GenCo Shared Services) (the "Shared Services Agreement"), which agreement shall provide the terms and conditions pursuant to which Operator, as agent of Owner, shall provide the GenCo Shared Services to GenCo until the Legacy Generation Assets are retired or until certain of GenCo's operations, including the operating, administrative and/or maintenance functions related to the Legacy Generation Assets, are transferred to one or more private partners, the term of which agreement not to exceed three (3) years from its effective date (unless otherwise extended with the consent of Operator).	LUMA (Operator) P3A (Administrator) PREPA (Owner)	In progress
STA s. 2.3(b)	The Title III Court shall have entered, on a final and non-appealable basis, an order or orders (i) to the extent required by Applicable Law, authorizing Owner's entry into and performance of this Supplemental Agreement, and (ii) granting administrative expense treatment for any amounts required to be paid by Owner under this Supplemental Agreement and the O&M Agreement during the Interim Period, and in the case of each of (i) and (ii), such approvals and orders shall be reasonably acceptable to Operator;	P3A (Administrator) PREPA (Owner)	Refer to Part C.3
STA s. 2.3(c)	A number of Owner Employees and Other Employees necessary for Operator to perform the Interim Period Services shall have accepted offers to commence employment as ServCo Employees beginning on the Interim Period Service Commencement Date;	LUMA (Operator)	In progress
STA s. 2.3(c)	Owner shall have provided communications to all Owner Employees regarding Owner's pension obligations going forward reasonably acceptable to Owner and Operator	PREPA (Owner)	Refer to Part C.2
STA s. 2.3(f)	Owner shall have received a Supplemental Agreement Tax Opinion and ManagementCo shall have received a Supplemental Agreement Reliance Letter, at the expense of Owner or Administrator;	PREPA (Owner)	LUMA has informed PREPA of this requirement

V. Upcoming OMA Obligations

Section	Description	Responsible Party	Status
4.1(d)(iii)	System Remediation Plan: ...Operator shall submit for PREB's review the proposed System Remediation Plan, incorporating or rejecting any of the modifications or changes suggested by Administrator, together with an explanation of any of Administrator's comments, as ManagementCo shall reasonably deem appropriate in its sole discretion.	LUMA (Operator)	Planned for submission in February
4.1(g)	Parties to apply for Liability Waiver with Rate Order in connection with submission of Initial Budgets.	LUMA (Operator)	Planned for submission in February
4.1(h)	System Operation Principles: ...Operator shall submit for PREB's review the proposed System Operation Principles, incorporating or rejecting any of the modifications or changes suggested by Administrator, together with an explanation of any of Administrator's comments, as ManagementCo shall reasonably deem appropriate in its sole discretion.	LUMA (Operator)	Planned for submission in February
4.2 (e)	Initial Budgets: ...Operator shall submit for PREB's review the revised Initial Budgets, incorporating or rejecting any of the modifications or changes suggested by Administrator, together with an explanation of any of Administrator's comments, as ManagementCo shall reasonably deem appropriate in its sole discretion.	LUMA (Operator)	Planned for submission in February
4.2(f)	Performance Metrics: ...Operator shall submit for PREB's review the proposed revised Annex IX (Performance Metrics), incorporating or rejecting any of the modifications or changes suggested by Administrator, together with an explanation of any of Administrator's comments, as ManagementCo shall reasonably deem appropriate in its sole discretion.	LUMA (Operator)	Planned for submission in February

C. RISK AND ISSUE MANAGEMENT REPORT

Risks/Issues with Potential to Materially Impact Project Success

	Risk	Description and Current Status (as of 01-31-21)
1	<p>PREPA Reorganization (s. 4.5(q))</p> <p><i>Lead Party: P3A (Administrator)</i></p>	<p>The OMA states as a Condition Precedent to Commencement that <i>“A final plan for the reorganization of PREPA into GenCo and GridCo shall have been approved by the applicable Governmental Bodies, and the GridCo-GenCo PPOA shall have become effective.”</i></p> <p>LUMA notes that there remains a considerable effort to complete the reorganization of PREPA involving multiple parties. It is also not clear which <i>“Governmental Bodies”</i> are required to approve the final plan for the PREPA Reorganization and therefore the timeline for said approval(s) remains unclear.</p>
2	<p>Communication of Pension Obligations (s. 2.3 (c) of the STA)</p> <p><i>Lead Party: PREPA (Owner)</i></p>	<p>The Supplemental Terms Agreement to the OMA states as a Condition Precedent to Commencement <i>“Owner shall have provided communications to all Owner Employees regarding Owner’s pension obligations going forward reasonably acceptable to Owner and Operator”.</i></p> <p>LUMA notes that this has not occurred to date and remains the most significant issue raised by current PREPA employees. LUMA remains concerned that the relevant information will not be available from PREPA and will impact employee’s decision to apply with LUMA thereby limiting LUMA’s recruitment effort.</p>
3	<p>Title III Court Order (s. 2.3 (b) of the STA)</p> <p><i>Lead Parties: PREPA (Owner); P3A (Administrator)</i></p>	<p>The Supplemental Terms Agreement to the OMA states as a Condition Precedent to Commencement <i>“the Title III Court shall have entered, on a final and non-appealable basis, an order or orders (i) to the extent required by Applicable Law, authorizing Owner’s entry into and performance of this Supplemental Agreement, and (ii) granting administrative expense treatment for any amounts required to be paid by Owner under this Supplemental Agreement and the O&M Agreement during the Interim Period, and in the case of each of (i) and (ii), such approvals and orders shall be reasonably acceptable to Operator”.</i></p>

		LUMA notes that while work on this front has begun, the exact requirements and associated timelines remain unclear.
4	<p>Systems Contracts</p> <p>(s. 4.3 (c); s. 4.3 (d)(i); 4.3 (e); STA s. 2.3(d)</p> <p>Lead Party: PREPA (Owner)</p>	<p>The OMA and STA states as a Condition Precedents to Commencement that:</p> <ul style="list-style-type: none"> - <i>Material Existing System Contracts and all Generation Supply Contracts and provide ManagementCo and Administrator with copies thereof and (ii) identify which of the material existing System Contracts and Generation Supply Contracts do not comply with the Federal Funding Requirements and provide ManagementCo and Administrator with a list thereof. S. 4.3 (c)</i> <p>LUMA notes that while we have recently received copies of some System Contracts and Generation Supply Contracts, these were overdue as of December 22 as required under the OMA. LUMA remains unclear whether all Material System Contracts and Generation Supply Contracts have been received. This delay has impacted and continues to impact LUMA's ability to fully understanding its obligations post commencement.</p> <ul style="list-style-type: none"> - <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:</i> <ul style="list-style-type: none"> <i>(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;</i> <p>LUMA notes that this provision has not been complied with resulting in additional regulatory proceedings.</p> <ul style="list-style-type: none"> - <i>Notices with respect to System Contracts and Generation Supply Contracts. Owner shall (i) notify each counterparty to a System Contract and Generation Supply</i>

		<p><i>Contract in writing of Owner’s delegation of authority to Operator with respect to such System Contract; ... (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. (s. 4.3 (e))</i></p> <ul style="list-style-type: none"> - <i>Owner shall have provided Operator with written notice of the System Contracts and Generation Supply Contracts that have been assumed and those that have been rejected as at the Interim Period Service Commencement Date. (STA s. 2.3(d))</i> <p>LUMA further notes that work to provide Notice to contractors stipulated in the OMA and STA has not begun.</p>
5	<p>Owner Cooperation (s. 4.1 (b))</p> <p><i>Lead Party: PREPA (Owner)</i></p>	<p>LUMA notes several areas as previously reported that have been and continue to be problematic and have and continue to impact the effectiveness of the Front-End Transition. Key areas of note include:</p> <ul style="list-style-type: none"> - <u>Field Access</u>: Limitations on being able to access field employees to create relationships, observe work, inquire about issues has created a challenge for LUMA and PREPA Management. In many cases PREPA employees have been unwilling to cooperate with any requests from LUMA. Minimal action has been taken to rectify the situation. - <u>Designated Space & Facilities</u>: LUMA remains without a concrete plan to deal with significant shortcomings for workspace, furniture and parking. This has led to inefficiencies and increased cost. - <u>Response to RFIs</u>: The lack of and untimely response to RFIs continues to be an issue impacting LUMA’s ability to form a complete understanding of operations, formulate comprehensive budgets and establish seamless cutover workplans. - <u>FEMA Funding Management</u>: LUMA notes that collaboration in January has improved in this area; however, we remain early in the implementation of capital works. This item is noted here given its criticality. As previously noted, it is imperative that significant focus by PREPA and LUMA be expended on ensuring complete transparency of all work activities to ensure a seamless transition to LUMA upon Commencement

6	COVID-19 Pandemic	The COVID-19 pandemic continues to create challenges for LUMA. LUMA is following an appropriate COVID Protocol and using virtual tools including Microsoft Teams for meetings helps communications but consumes significantly more time and is less productive.
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D. FINANCIAL PROGRESS REPORT

In accordance with s.4.6(d), LUMA has submitted the invoice for the FET Service Fee for the month of January 2021. A summary of the invoice amounts is included below.

I. Monthly invoice summary

FET COSTS	
Department	Amount
Capital Programs	95,975
Communications	41,850
Corporate Services	111,055
Customer Service	142,275
Executives	66,950
Financial Mgmt.	321,343
HSE & Quality	227,325
Human Resources	253,360
Integration Mgmt. Office	171,810
IT / OT	284,318
Legal	37,512
Operations	407,025
Regulatory	75,920
Utility Transformation	815,120
TOTAL	\$3,051,838

	FET Hourly Costs	Additional Costs & Expenses	Sub-Total	FET Fixed Fee	Total
Previously invoiced	\$24,257,765	\$22,732,688	\$46,990,453	\$31,500,000	\$78,490,453
Current invoice	\$3,051,838	\$2,303,812	\$5,355,649	\$5,000,000	\$10,355,649
Total invoiced to date	\$27,309,603	\$25,036,499	\$52,346,102	\$36,500,000	\$88,846,102
Forecast to complete			\$24,005,829	\$23,500,000	\$47,505,829
Proposal			\$76,351,931	\$60,000,000	\$136,351,931
Variance			-	-	-

E. SUBMISSIONS

I. Transmittals–Current Month January 2021

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Created
LUMA-P3A-TGC-00081	P3A / LUMA December 21, 2020 Meeting Notes	LUMA	P3A	IMO	3-Jan-21
LUMA-P3A-TGC-00082	P3A / LUMA January 4, 2021 Meeting Agenda	LUMA	P3A	IMO	3-Jan-21
LUMA-P3A-TGC-00083	P3A / LUMA January 4, 2021 Meeting Notes	LUMA	P3A	IMO	5-Jan-21
LUMA-P3A-T-00084	2021 SURI Certificate	LUMA	P3A	IMO	5-Jan-21
LUMA-P3A-T-00085	List of Material Contractors 2021-01-15	LUMA	P3A	IMO	13-Jan-21
LUMA-P3A-TGC-00086	P3A / LUMA January 18, 2021 Meeting Agenda	LUMA	P3A	IMO	13-Jan-21
LUMA-P3A-T-00087	December 2020 Monthly Invoice & Report	LUMA	P3A	IMO	13-Jan-21
LUMA-P3A-T-00088	December 2020 Monthly Status Report	LUMA	P3A	IMO	13-Jan-21
LUMA-P3A-T-00089	December 2020 Renewed Certificates	LUMA	P3A	IMO	13-Jan-21
LUMA-P3A-T-00090	4.5 Month FETS Estimate December 2020 (w Actuals)	LUMA	P3A	IMO	13-Jan-21
LUMA-P3A-TGC-00091	P3A / LUMA January 19, 2021 Meeting Notes	LUMA	P3A	IMO	21-Jan-21
LUMA-P3A-T-00092	4.5 Month FETS Estimate January 2021	LUMA	P3A	IMO	27-Jan-21
LUMA-P3A-TGC-00093	P3A / LUMA February 1, 2020 Meeting Agenda	LUMA	P3A	IMO	29-Jan-21
LUMA-PREB-T-00022	December 2020 Monthly Status Report	LUMA	PREB	IMO	13-Jan-21
LUMA-PREP-T-00072	Telecom Design Criteria Issue December 2020	LUMA	PREPA	Utility Transformation	3-Jan-21
LUMA-PREP-T-00073	2021 SURI Certificate	LUMA	PREPA	IMO	5-Jan-21
LUMA-PREP-TGC-00074	PREPA / LUMA Biweekly Meeting Agenda 2021-01-11	LUMA	PREPA	IMO	5-Jan-21
LUMA-PREP-T-00075	Outstanding RFIs as of January 8, 2021	LUMA	PREPA	IMO	5-Jan-21
LUMA-PREP-T-00076	DCD Review Meeting Dec 2020 Comments	LUMA	PREPA	Utility Transformation	7-Jan-21
LUMA-PREP-T-00077	December 2020 Monthly Status Report	LUMA	PREPA	IMO	13-Jan-21
LUMA-PREP-TGC-00078	PREPA / LUMA Biweekly Meeting Notes 2021-01-11	LUMA	PREPA	IMO	13-Jan-21
LUMA-PREP-T-00079	Outstanding RFIs as of January 15, 2021	LUMA	PREPA	IMO	15-Jan-21
LUMA-PREP-T-00080	December 11, 2020 S&L Codes and Standards - LUMA Comments	LUMA	PREPA	Utility Transformation	19-Jan-21

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Created
LUMA-PREP-T-00081	November 20, 2020 S&L Codes and Standards - LUMA Comments	LUMA	PREPA	Utility Transformation	20-Jan-21
LUMA-PREP-T-00082	December 18, 2020 S&L Codes and Standards - LUMA Comments	LUMA	PREPA	Utility Transformation	20-Jan-21
LUMA-PREP-TGC-00083	PREPA / LUMA Biweekly Meeting Agenda 2021-01-25	LUMA	PREPA	IMO	21-Jan-21
LUMA-PREP-T-00084	Outstanding RFIs as of 2021-01-22	LUMA	PREPA	IMO	22-Jan-21
LUMA-PREP-T-00085	December 4, 2020 S&L Codes and Standards - LUMA Comments	LUMA	PREPA	Utility Transformation	27-Jan-21
LUMA-PREP-T-00086	Outstanding RFIs as of January 29, 2021	LUMA	PREPA	IMO	29-Jan-21

II. Requests for Information (RFIs)–Current Month January 2021

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00329	Call Center Express environment	LUMA	PREPA	IT/OT	4-Jan-21	8-Jan-21		Open
LUMA-PREP-RFI-00330	Sangamo meters	LUMA	PREPA	Customer Service	5-Jan-21	15-Jan-21	15-Jan-21	Closed
LUMA-PREP-RFI-00331	Data maps/info on outage management systems connected to Mi Cuenta	LUMA	PREPA	IT/OT	7-Jan-21	14-Jan-21		Open
LUMA-PREP-RFI-00332	Written description of each service type (Follow up to RFI-00231)	LUMA	PREPA	Customer Service	7-Jan-21	15-Jan-21	15-Jan-21	Closed
LUMA-PREP-RFI-00333	Existing Kronos Test Scripts	LUMA	PREPA	IT/OT	7-Jan-21	15-Jan-21	14-Jan-21	Closed
LUMA-PREP-RFI-00334	New/Updated JD Power Data Extract for COM and GOV accounts	LUMA	PREPA	IT/OT	11-Jan-21	8-Jan-21		Open
LUMA-PREP-RFI-00335	Onboarding an ATCO person	LUMA	PREPA	Financial Management	11-Jan-21	18-Jan-21		Open
LUMA-PREP-RFI-00336	Stand up of Kronos Test Environment	LUMA	PREPA	IT/OT	12-Jan-21	15-Jan-21	1-Feb-21	Closed
LUMA-PREP-RFI-00337	IT Contracts	LUMA	PREPA	IT/OT	12-Jan-21	20-Jan-21		Open

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00338	Request FEMA Grants Portal Access for Richard Wong	LUMA	PREPA	IT/OT	14-Jan-21	22-Jan-21		Open
LUMA-PREP-RFI-00339	60,000 TWACS Meters that were damaged during Maria	LUMA	PREPA	Utility Transformation	15-Jan-21	15-Jan-21		Open
LUMA-PREP-RFI-00340	CUCOH work volumes	LUMA	PREPA	Customer Service	15-Jan-21	25-Jan-21	20-Jan-21	Closed
LUMA-PREP-RFI-00341	Assessment for CSR's	LUMA	PREPA	Customer Service	15-Jan-21	25-Jan-21		Open
LUMA-PREP-RFI-00342	PWs submitted to FEMA - Cat B	LUMA	PREPA	Regulatory	18-Jan-21	27-Jan-21		Open
LUMA-PREP-RFI-00343	COR3 and HORNE Observations Summary	LUMA	PREPA	Regulatory	18-Jan-21	27-Jan-21		Open
LUMA-PREP-RFI-00344	System user access - Joseph Bazil	LUMA	PREPA	IT/OT	18-Jan-21	20-Jan-21		Open
LUMA-PREP-RFI-00345	S&L Renewable Energy Integration Study	LUMA	PREPA	Regulatory	18-Jan-21	29-Jan-21		Open
LUMA-PREP-RFI-00346	2020 System Studies	LUMA	PREPA	Utility Transformation	18-Jan-21	29-Jan-21		Open
LUMA-PREP-RFI-00347	2021 System Studies	LUMA	PREPA	Utility Transformation	18-Jan-21	29-Jan-21		Open
LUMA-PREP-RFI-00348	Customer Service Data Lake Reports	LUMA	PREPA	IT/OT	19-Jan-21	22-Jan-21		Open
LUMA-PREP-RFI-00349	Mi Cuenta technical documents	LUMA	PREPA	IT/OT	19-Jan-21	22-Jan-21		Open
LUMA-PREP-RFI-00350	ODI & OTA Access - Test EBS to Kronos Interface	LUMA	PREPA	IT/OT	19-Jan-21	26-Jan-21		Open
LUMA-PREP-RFI-00351	CC&B Web Services & SOA Payments	LUMA	PREPA	IT/OT	20-Jan-21	22-Jan-21		Open
LUMA-PREP-RFI-00352	Design Criteria Documents	LUMA	PREPA	Utility Transformation	20-Jan-21	29-Jan-21		Open
LUMA-PREP-RFI-00353	Request Access Lydmarie	LUMA	PREPA	IT/OT	20-Jan-21	20-Jan-21		Open
LUMA-PREP-RFI-00354	TWACS DB Extracts v2	LUMA	PREPA	IT/OT	20-Jan-21	28-Jan-21		Open
LUMA-PREP-RFI-00355	Documents for Call Center Express/Customer Service Portal	LUMA	PREPA	IT/OT	21-Jan-21	27-Jan-21		Open

Name	Description	Sending Organization	Receiving Organization	LUMA Department	Date Submitted	Requested Response Date	Actual Response Date	Status
LUMA-PREP-RFI-00356	EBS & Kronos System Access for Justin Handel	LUMA	PREPA	IT/OT	25-Jan-21	29-Jan-21	1-Feb-21	Closed
LUMA-PREP-RFI-00357	LIDAR Services Request for Proposals	LUMA	PREPA	Utility Transformation	25-Jan-21	29-Jan-21		Open
LUMA-PREP-RFI-00358	Relocation of Flooded Substations	LUMA	PREPA	Utility Transformation	25-Jan-21	26-Jan-21		Open
LUMA-PREP-RFI-00359	Monthly Journal Requests	LUMA	PREPA	Financial Management	25-Jan-21	28-Jan-21	28-Jan-21	Closed
LUMA-PREP-RFI-00360	VPN access	LUMA	PREPA	IT/OT	27-Jan-21	27-Jan-21		Open
LUMA-PREP-RFI-00361	PREPA Contract Renewal Confirmation	LUMA	PREPA	IT/OT	28-Jan-21	5-Feb-21		Open
LUMA-PREP-RFI-00362	PREPA IT OT Vendor Contact Information	LUMA	PREPA	IT/OT	28-Jan-21	5-Feb-21		Open
LUMA-PREP-RFI-00363	PD Storms Questions	LUMA	PREPA	Financial Management	28-Jan-21	28-Jan-21	1-Feb-21	Closed
LUMA-PREP-RFI-00364	Integrate PREPA Physical Time Clock to the LUMA Kronos Test and Dev instances	LUMA	PREPA	IT/OT	29-Jan-21	12-Feb-21		Open

APPENDIX A – HANDOVER CHECKLIST

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
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>	61-70%	<p>The work in January 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> <ul style="list-style-type: none"> - In addition to the general management efforts noted above, there are more specific activities that were completed: <ul style="list-style-type: none"> - Supported in the development of the development of the Initial Budgets, System Remediation Plan (and Program Briefs), Performance Metrics and System Operation Principles for submission including necessary internal approvals. - Administrative and logistics work required to support the ongoing work of LUMA. - Overall project management including efforts such as document controls (RFI & transmittal) and the preparation of the required invoicing & reporting. - Worked with PREPA and the P3A to coordinate the Front End Transition Services including regular meetings with the PREPA leadership, the PREPA Governing Board and the Administrator leadership team. - On-going collaborated with PREPA to obtain and setup access to PREPA offices. - Continued efforts expended to manage areas related to the requirements of the COVID 19 pandemic.
1.01	Government Approvals	<p>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.</p>	51-60%	<ul style="list-style-type: none"> - Follow up continues with PREPA and P3A relating to the document submitted to the Department of Natural Resources with respect to permits under its authority. - Completed contact with all other permitting agencies. - Prepared the final draft of the submission to the Oficina General de Permisos (OGPE) in preparation for applications in February for required permits that are not under the jurisdiction of the Department of Natural Resources. - Reviewed information and requirements with P3A and PREPA has been completed.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
1.02	Plan to Address Gaps in Assets, Technology, Processes, etc. (plan to include cost estimates)	This deliverable captures the general oversight of the gap assessments to be conducted early during the Front-End Transition and captures efforts not specifically attributable to Handover Checklist deliverables including the overall development of methodology and management of progress.	91-99%	- Continued to manage the Requests for Information & responses related to gap assessments. These will be utilized to further develop LUMA's cutover plans.
1.03	PREB Rate Order Filing (Initial Budgets and Liability Waiver approvals)	Activities to gain P3A and regulatory (PREB) approvals for Initial Budgets.	41-50%	- Reviewed comments on drafts of Initial Budgets, and Terms of Service and worked on consistency with other deliverables.
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.	61-70%	<ul style="list-style-type: none"> - Supported LUMA's Initial Budgets and SRP reviews of submission. - In the process of updating substation inspection checklist and processes. - Worked with Operations to develop Maintenance plan that considers PREPA's 2019 and 2020 maintenance completion rates. - Progressed draft takeover plan.
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 streetlight operations and repair strategy.	61-70%	<ul style="list-style-type: none"> - Supported response to PREB Distribution Planning Guidelines docket. - Supported LUMA's Initial Budgets and SRP reviews of submission. - Worked with Engineering on streetlight inspection and maintenance checklist and strategies. - Progressed draft takeover plan.
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 includes an evaluation of the control center physical condition, T&D outage planning and operation procedures, T&D restoration plan, and energy management system.	61-70%	<ul style="list-style-type: none"> - Continued recruitment effort for Control Centers. Interviews completed at 90% for the shift personnel positions. All positions are posted and interviews for Managers and Supervisors started. - Continued to support the ongoing efforts in developing the System Operating Principles in collaboration with LUMA's Regulatory team. - Continued drafting of the Transition plan.
2.0302	Transition Plan for Operations and Maintenance (O&M) Activities	This deliverable consists of developing and implementing an operation take-over plan for transmission and sub transmission assets outside and inside of legacy PREPA power plants and substations, and for the electric distribution system; developing a new structure for the commencement organization with new job descriptions; and the process of interviewing, assessing, and hiring employees.	41-50%	<ul style="list-style-type: none"> - Worked on initiative to define interdepartmental Operational Policies between Operations and Others. - Continued working through a joint initiative with the Procurement team to identify, prioritize, and compile supporting documentation, for key contracts/contractors. - Continued work on refinement of Initial Budgets for LUMA Operations. - Provided support for the configuration and planning of Kronos timekeeping system. - Kicked-off initiative to determine shift schedules for LUMA personnel post commencement. - Completed modifications to postings for positions within the

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
				Operational Excellence function of LUMA Operations. <ul style="list-style-type: none"> - Performed initial interviews for various functions within LUMA Operations. - Performed secondary interviews for some supervisory and managerial positions within LUMA Operations.
2.0303	Emergency Response/Disaster Recovery/Business Continuity Plans	This deliverable involves updating the emergency response/disaster recovery and business continuity plans. Activities include working with existing PREPA operational teams to review existing operations manual, comparing it against industry best practices, LUMA's existing operations manuals, and PREPA's current plan, to identify gaps and opportunities; developing an operating manual that meets high quality standards while incorporating Puerto Rico's unique operating needs. Fundamental principles include safety, customer centricity, affordability, reliability, resilience and sustainability.	41-50%	<ul style="list-style-type: none"> - Second draft of the ERP (Base Plan and Restoration Annex) was distributed for review and feedback. Inputs received and recommendations are being incorporated in the next draft. - Held several meetings with functional departments to align the development of processes associated with the ERP. - Participated in the pre-conference Technical Hearing held by the PREB regarding the ERP. - Planning LUMA Technical Workshop with leadership team scheduled for mid-February. The workshop will include a tabletop exercise. - Planning of drill exercise for April timeframe to obtain feedback and alignment with FEMA to enhance LUMA Emergency Response Plan. - Progressed the Crisis Management Framework that aligns the ERP, Business Continuity, Risk Management, Communications, and Health and Safety. <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 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.	51-60%	<ul style="list-style-type: none"> - Continued revisions to the Fleet Management Plan. - Continued work on the Fleet Standard Operating Procedures. - Continue progressing the recruitment initiative for Fleet Management. - Continue assessment of existing 3rd party parts and labor suppliers within Puerto Rico.
2.0305	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.	71-80%	<ul style="list-style-type: none"> - Conducted interviews for Asset Management manager positions. - Progressed initial draft of Asset Management plan including working with stakeholders. - Continued the development of the LUMA processes, conducted internal workshops and collected stakeholder feedback. - Collaborated with Regulatory and other stakeholders to determine a strategy for managing FEMA funded assets. - Review of draft of interconnection process underway.
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.	71-80%	<ul style="list-style-type: none"> - Skilled Labor Assessment yard built in Canovanas and ready for operation. - Location for Knowledge Assessment selected and engagement agreement was executed. - Scheduled first week of candidates (~ 115 people). - All people, tools, and processes in place to begin Skilled Labor Assessments.

ID	Full description	Deliverable Description	Status % Complete2	Summary of key work performed in January
				(Work on this deliverable is conducted in conjunction with the Handover Checklist item 8.07)
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.	51-60%	<ul style="list-style-type: none"> - Initiated the narrative for the completion of the Safety Management Plan. - Advanced the prioritized Health and Safety Policies (Personal Protective Equipment, Confined Space Entry, Fall Protection, Hearing Conservation, and Lockout/Tagout). - Advanced the Integrated Management System IT software procurement process. - The majority of the Health and Safety interviews conducted with PREPA candidates. - Advanced the framework for employee onboarding orientation and content in collaboration with the Operations department. - Participated in discussions with HR as it relates to the third-party vendor for occupational drug and alcohol testing. - Advanced the Public Safety Plan in conjunction with the Communications team. - Significant time spent on COVID 19 related matters: administering and responding to the COVID 19 protocol requirements.
2.0308	Engineering and Asset Management	This item includes delivering an Engineering Plan that includes standards for the distribution system, protection & controls, as well as transmission system and substation engineering standards, and generation and renewables interconnection standards.	51-60%	<ul style="list-style-type: none"> - Started the development of the maintenance practices standards. - PREPA Specifications: Continued the review, provided comments and recommendations to S&L and PREPA for incorporation on the standards and specifications. - PREPA 2021FY Project Oversight: Continued to provide guidance and input to the Cataño. (38/13.8 kV) Substation Pilot and the San Juan 115 kV GIS Substation projects. - Renewable Interconnection Process: Continued the development of the LUMA Processes, conducted internal workshops. - Street Light Program: Continued the development of the new Implementation plan recommendations. - New Customer Services: Continued to review the existing PREPA processes and identifying improvements for an updated process. - Started participating in the PREPA's 10-Year Plan Transmission and Substations Working Groups.
2.0309	Identification of Real Estate	This deliverable includes evaluating the current portfolio management and facility management processes including a health assessment of all facilities; creating a PREPA property summary sheet for each property and selection of facilities LUMA intends to use; reviewing the real estate portfolio; reviewing vendor and maintenance services for properties; creating space delineation and property disposition plans; and performing other real estate activities as required..	81-90%	<ul style="list-style-type: none"> - Completed Health Assessment on high-priority facilities. - Medium priority facilities health assessments underway. - Reviewed completed high-priority Health Assessment reports, utilizing information to create property summary sheets. <p>(Work on this deliverable is conducted in conjunction with the Handover Checklist items 10.02).</p>
2.031	Materials Management & Warehouse Plan	This deliverable identifies gaps within Materials Management & Warehousing resourcing, facilities, equipment, functions, processes	51-60%	<ul style="list-style-type: none"> - Submitted first draft of MM&W Plan to LUMA Operations management for review. - Continued interviewing PREPA internal applicants.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
		and procedures, and develop a prioritized plan for closing identified gaps.		<ul style="list-style-type: none"> - Began submission of requisition for critical contracts to Procurement. - Began assessment of existing key PREPA service contracts.
2.0311	System Operations Plan	This deliverable consists of developing a plan to ensure LUMA is positioned to operate the T&D system upon Commencement. This will include the review of equipment to ensure safe operations and assess the resources responsible.	41-50%	<ul style="list-style-type: none"> - Continued development of the Standard Operating Procedure document for LUMA Operations. - Continue to work on IT program workflows and processes for execution of field work.
2.0312	Vegetation Management Plan	This deliverable assesses the existing vegetation management practices to identify needs and develop prioritized plans within the areas of: vegetation condition on critical sites and assets, widening or reclaiming existing rights-of-way, planning for steady-state vegetation maintenance, vegetation management support for capital expenditure projects, and contracting for specialized integrated vegetation management services.	51-60%	<ul style="list-style-type: none"> - Onboarding of Director for the LUMA Vegetation Management Group. - Editing & formatting of the Vegetation Management Plan (VMP). - Currently conducting a review of Independent Best Practices. - VMP submitted to LUMA Management for compliance/quality review. - Continued development of contract technical specifications for vegetation maintenance services. - Continued drafting contract requisition for vegetation maintenance services: Distribution preventive maintenance, Transmission IVM, Corrective Maintenance. - Continued to work on outsourcing strategy for specialized vegetation maintenance services. - Continued development of work procedures for vegetation managements with the participation of PREPA staff.
2.04	Update Emergency Operations Manual and Business Continuity/Disaster Recovery Plan	This deliverable is the same as Handover Checklist item 2.0303	Refer to 2.0303	<ul style="list-style-type: none"> - 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"> - Met with PREPA and Burns and McDonnell to discuss environmental screening, assessment, and permitting processes for restoration (existing and future years projects). - Reviewed and updated PREPA waste documentation; validated waste service providers and initiated contact for process review and permit verification. - Conducted interviews with PREPA employees for environmental positions post commencement. - Work continued on PREPA Baseline Environmental Study. 39 field assessments were completed, and the first draft report was received in late January. LUMA is working with PREPA and STANTEC to accelerate this work.
3	System Remediation Plan Milestones			
3.01	Remediation Plan Proposal	This deliverable consists of developing a remediation plan outline and methodology.	100%	<ul style="list-style-type: none"> - No Activity to report.
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.	100%	<ul style="list-style-type: none"> - Supported in the development of the initial drafts of the Initial Budgets and System Remediation Plan (and Program Briefs) for submission. <p>Note: refer to 1.02, 3.04 & 3.05 which capture the evolution from gap assessments (1.02), to initiative development (3.02); to System</p>

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
				Remediation Plan development (3.04); and to the Approval of System Remediation Plan (3.05).
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.	100%	- Supported in the development of the initial drafts of the Initial Budgets and System Remediation Plan (and Program Briefs) for submission.
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	91-99%	- Reviewed feedback/comments and updated the Initial Budgets and System Remediation Plan (and Program Briefs), and worked on final reviews and finalization for submission. Note: refer to 1.02, 3.02 & 3.05 which capture the evolution from gap assessments (1.02), to initiative development (3.02); to System Remediation Plan development (3.04); and to the Approval of System Remediation Plan (3.05)
3.05	Approval of System Remediation Plan	Activities to gain P3A and regulatory (PREB) approvals for System Remediation Plan	51-60%	- Reviewed feedback/comments and updated the Initial Budgets and System Remediation Plan (and Program Briefs) and worked on final reviews and finalization for submission. Activities included documentation of process, description of method and association with other deliverables. Note: refer to 1.02, 3.02 & 3.04 which capture the evolution from gap assessments (1.02), to initiative development (3.02); to System Remediation Plan development (3.04); and to the Approval of System Remediation Plan (3.05)
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%	- Work to finalizing business case for CIM building for short term lease to set up workforce area for Contact Center and Revenue Protection. - Met with Real Estate and Facilities to discuss locations to be considered for exiting leases at Regional Customer Experience buildings and locations for Regional Contact centers. - Began planning for space needs, COVID restrictions, and furniture. - Provided list of IT needs for staff and facilities.
4.02	Evaluating and Updating Customer Service Policies and Procedures	This deliverable involves a review and evaluation of PREPA customer service policies, processes, and procedures to confirm they meet regulatory compliance to Laws, Acts and Policy. Activities include a review of policies against ServCo. policies, processes, procedures; developing updated policy and procedure documentation in coordination with transition operating requirements including quality control measures; and developing Customer Service training program to instruct policies and procedures and maintain a high level of service.	51-60%	- Identified ~90 LUMA Customer Experience processes required for Payments, Customer Requests, Operations Integration, Billing Service, Revenue Protection, Contact Center, Theft, Social Media, Voice of the Customer, Performance Reporting, etc. - All work lists and processes were reviewed with PREPA Customer Service directorate representatives in the functional areas of Commercial, Billing and Contact center for gaps and accuracy. - Processes and updates were prioritized by adherence to regulatory requirements, financial controls, and customer experience. - Developed several high priority processes in the LUMA Visio BPMN (Business Process Mapping) format. - Performed review of initial process maps to create benchmark standard levels of detail and content. - Attended training with LUMA Health Safety Environment and Quality for process documentation standards.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
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.	61-70%	<ul style="list-style-type: none"> - Reviewed feedback/comments and updated the Initial Budgets and System Remediation Plan (and Program Briefs). - Began work on the high-level AMI business case. - Worked on feeder level AMI pilot Plan using TNS TWACS feeder data since meter specific data available from CC&B is inadequate for planning. - Prepared RFI for existing metering procedures and processes.
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.	61-70%	<ul style="list-style-type: none"> - Completed first English draft of the Transition Plan for Customer Experience in all functional areas of Contact Center, Billing Services, Revenue Protection (Collections), Regional Offices, Voice of the Customer Program, Training. - Worked with LUMA finance team on plan to transition customer experience contracts from PREPA to LUMA. - Maintained weekly meetings with Human Resource recruiters for interview and hiring strategy and timelines. Interviews have begun for senior leader Director and Manager roles. - Reviewed feedback and updated all Customer Experience Initial Budgets, SRP and Performance Metrics documentation. - Received J.D. Power Residential 2020 customer audio wave files and results. - J.D. Power 2021 Wave 2 (Residential and Commercial) survey is underway. - Employee Survey for Customer Experience feedback is finalized and ready for PREPA to send to all Customer Service Directorate employees anticipated in February. - Maintained meetings with True North and reviewed their monthly reports and KPIs for PREPA's performance on billing errors, service orders and response to customer calls or visits. This data is being used to identify process improvements and work volumes for workforce structure and size.
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.	51-60%	<ul style="list-style-type: none"> - Documented key start shut off processes. - Identified opportunities for operational improvement within start shut off related processes. - Confirmed scope of start shut off plan with Customer Experience Leadership.
4.06	Development of a Meter Asset Management (MAM) Plan	This deliverable includes developing a Meter Asset Management Plan that includes the assessment of the meter shop facility, and meter asset management quality controls, as well as develop a meter asset management remediation plan, and meter asset tracking and sampling procedures.	51-60%	<ul style="list-style-type: none"> - Reviewed feedback/comments and updated the Initial Budgets and System Remediation Plan (and Program Briefs). - Worked on metering organization.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
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.	31-40%	<ul style="list-style-type: none"> - Executed contract with implementation partner of new cloud-based contact center platform. - Kicked off implementation efforts and held initial requirements gathering meetings with implementation partner for cloud-based contact center platform. - Investigated technical feasibility for selecting payment processing vendor; decision to be made in early February. - Began working with IT through detailed list of requirements for commencement (e.g. laptops, user provisioning). - Completed draft design of e-bill notification and letters templates as well as envelope design approved. - Worked with PREPA to develop draft rebranded bill, customer letters and e-bill notification for bill contingency plan. - Started project to integrate Oracle CC&B with Oracle EBS. Business requirements were reviewed with finance. - Business requirements are near completion for the Mi Cuenta customer portal and the page designs are in progress. The main website is also under construction. - LUMA smartphone app designs are underway. Coordination between the website team and the app team is in place to ensure backend processes are synchronized.
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.	21-30%	<ul style="list-style-type: none"> - Reviewed and incorporated comments on Initials Budgets and related Program Briefs.
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.	41-50%	<ul style="list-style-type: none"> - First draft outline and content was documented for Integration Plan. - Focused on mapping current state of order dispatch and completion with PREPA Commercial Office Director. Detailed analysis included current state of ICEE Orders and customer service work orders dispatched in Customer Care and Billing System and T&D Storms software. - Completed analysis with PREPA Commercial Office Director of Electrical Certification requirements. Documented current state PREPA requirements in this process. - Completed further detailed review of service order work volumes to share with Operations for workload planning. - Worked with Utility Transformation establishing process and documentation of the New Connection and Solar Connection processes for future state. - Provided Customer Experience goals, expectations and plans in response to Major Outages in the LUMA Emergency Response Annex; focusing on Communications to our customers, employees and stakeholders.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
				- Completed weekly meetings with PREPA Customer Billing teams to identify work processes that require any updates in Customer Care and Billing software that impact billing and revenue.
5	IT			
5.01	Development of IT/OT Communication Plan and Acceptance Criteria	This deliverable includes the identification of Key Stakeholders, Setting up governance and resourcing for communications team.	100%	Workstream and HOC deliverable documentation complete.
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.	100%	Completed and finalizing documentation.
5.03	Evaluating IT/OT Applications and Infrastructure	This deliverable includes gathering information and evaluating PREPA's IT/OT applications and infrastructure.	100%	Completed. No activity to report.
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)	91-99%	- Reviewed and finalized contributing components/artifacts of Cybersecurity Plan - Completed BCP methodology. The detailed response plan is underway with contributing departments and requirements to develop as per critical assets (systems). - Clarification from PREB on expectations and requirements for Cybersecurity, BCP, and data Security Plan in Technical Conference.
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.	91-99%	- Continued the refinement and consolidation of the data collection forms for each of the IT OT Asset Classifications as information becomes available from PREPA. - Completed the draft IT OT Asset Management Plan.
5.06	Development of an IT/OT Transition Plan and Schedule	This deliverable includes the identification of a Stand-up transition team and develop the Front-End Transition Mobilization plan.	100%	Completed. No activity to report.
5.07	Commencement Cutover Planning	This deliverable includes activities to prepare for Commencement Cutover during Transition.	41-50%	- Began holding joint PREPA/LUMA recurring meetings in preparation for Commencement Cutover. - Initiated Vendor Contract Renewal Plan. - Completed our Assessment on the IT OT Minimum Required Capabilities Required for Commencement using our Component Business Model (CBM). - Reviewed and socialized our IT OT Commencement approach with LUMA leadership.
5.08	Training and Communication Plan	This deliverable includes activities to plan and communicate IT/OT Training opportunities to current and future LUMA employees.	31-40%	- Completed draft of our IT OT communication strategy and plan. - Completed our initial vendor communication to start gathering information on existing contracts and what is included. - Met with the LUMA Communications team to review and anchor the IT OT communication plan to LUMA Corporate strategy and approach.
6	Financial Management			
6.01	Detailed Description of Approach to	This deliverable involves a review of current budgeting and forecasting processes; identify PREPA's business activities, including	61-70%	- Prepared and supported LUMA's Initial Budgets, SRP and Performance Metrics reviews, approvals and finalization for submission.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
	Budgeting and Reporting	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.		<ul style="list-style-type: none"> - Continued coordination efforts with Financial Accounting Systems Setup - EBS & Job Costs (HOC item: 6.04) around budget level of detail and account structure requirements by departments to support operational reporting. <p>(Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.02 and 6.05) and time allocated accordingly).</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).	91-99%	<ul style="list-style-type: none"> - Prepared and supported LUMA Initial Budget reviews and approvals. - Continued coordination efforts with Financial Accounting Systems Setup EBS & Job Costs (see HOC item 6.04) around budget level of detail and account structure requirements by departments to support operational reporting. <p>(Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.01 and 6.05) and time allocated accordingly).</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 result of the review of PREPA's Internal Controls Framework.	91-99%	<ul style="list-style-type: none"> - Completed final edits on the gaps and opportunities list presented to PREPA's CFO, so it can be presented to the specific control's owners within the PREPA Finance team.
6.04	Establishing a Financial Accounting System and Account Structure	This deliverable establishes a financial accounting system and account structure. Activities include a review of PREPA's current Chart of Accounts for alignment with FERC requirements, and determine what changes, if any, are required; review PREPA's current financial and work management systems, and determine if any additional packages should be considered; determine the organizational structure required for LUMA ServCo; design, configure and test LUMA ServCo's financial systems; gain approval of LUMA ServCo's Chart of Accounts; and design and implement processes for finance actuals and reporting.	61-70%	<ul style="list-style-type: none"> - Finalized specifications and interfaces for custom labor cost distribution application, started draft of Commencement cutover plan, met with PREPA superusers that will assist LUMA with Oracle EBS configuration and testing.
6.05	Preparing Initial Budgets and Other Financial Forecasts	This deliverable consists of preparing initial budgets and financial forecasts. Finance will discuss any potential changes on assumptions and priorities, agree to the overall approved budget and consolidate all departmental budgets to be reviewed and included in a Master Budget Template. From the Master template, actuals and forecast/revisions will be updated on a monthly basis in order to compare Monthly, YTD and FYF balances.	91-99%	<ul style="list-style-type: none"> - Prepared and supported LUMA's Initial Budgets, SRP and Performance Metrics reviews, approvals and finalization for submission. - Continued coordination efforts with Financial Accounting Systems Setup - EBS & Job Costs (see HOC item 6.04) around budget level of detail and account structure requirements by departments to support operational reporting. <p>(Work on this deliverable was conducted in conjunction with the Handover Checklist items 6.01 and 6.02) and time allocated accordingly).</p>
6.06	Establishing Bank Accounts	This deliverable includes establishing all necessary bank accounts for LUMA ServCo and work with PREPA to set up the service bank accounts required for Commencement, as described in the OMA agreement.	51-60%	<ul style="list-style-type: none"> - On going weekly meetings with PREPA treasury to monitor account set-up status. - PREPA board approved accounts for set-up January 27.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
6.07	Evaluating and Updating Payroll and Labor Cost Reporting systems	This deliverable involves Workday stand-up including activities associated with processes and interfaces involving Kronos, EBS and ADP including evaluating labor cost reporting.	41-50%	<ul style="list-style-type: none"> - Unit Testing Complete. End-to-end test preparation complete. <u>Workday HCM</u> - LUMA has gone live with Workday HCM, Benefits and Learning on Jan 18. - Training content, translations, SOPs are currently being worked on. <u>Workday Payroll</u> - Completed unit testing of absence and payroll modules. - Prepare worker data for 1,400 employees for E2E testing. - Created end-to-end test strategy and scenarios. <u>Kronos</u> - Completed initial system configuration. - Reviewed & approved Integration functional specs. - Timecard & Time Off accrual integration build. - Conducted Cybersecurity assessment.
6.08	Establishing a Delegation of Authority Matrix and Process	This deliverable establishes a Delegation of Authority Matrix and Process for LUMA ServCo. Delegation of Authority to set Requisition (financial approval) and Purchase Order approval limits in the ERP System.	71-80%	<ul style="list-style-type: none"> - Reviewed draft Limits of Authority (embedded into the Non-Federal Funding Procurement Manual) with internal Steering Committee.
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 out, and Transaction Level Controls (i.e. walkthroughs on key business processes).	91-99%	<ul style="list-style-type: none"> - Final editing and wrap-up of loose ends related to this HOC item. Scheduled reviews with PREPA planned for February.
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.	21-30%	<ul style="list-style-type: none"> - No activity to report.
7.02	Policies and Procedures	This deliverable includes the development of policies and procedures in line with governance framework.	31-40%	<ul style="list-style-type: none"> - Continued drafting of the LUMA federal funds policies and procedures ensuring to address identified gaps, shortfalls, and risks noted in the PREPA existing policies and procedures. - Continued to work with PREPA to gain an understanding of their internal control and other monitoring observations (e.g., COR3 monitoring visit, HORNE procurement risk assessment observations). - Continued to provide technical assistance on FEMA summary forms and underlying supporting documentation for the FEMA cost categories (e.g., Force Account Labor, Force Account Materials, Contract Work, Equipment, Rental Equipment, etc.)
7.03	Staffing Plan	This deliverable includes developing the staffing plan for federal funding group consistent with DRFFMG.	91-99%	<ul style="list-style-type: none"> - No activity to report.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
7.04	Surge Staffing	This deliverable includes establishing options for surge staffing to be implemented as part of emergency response and recovery.	Refer to 9.02	- Work associated with 7.04 is included in HOC 9.02
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.	61-70%	<ul style="list-style-type: none"> - Supported in the development of the Initial Budgets and System Remediation Plan (and Program Briefs) from a FEMA funded projects perspective for submission. - Participation in PREPA-LUMA 10-Year Planning meetings and commenced review of the 10-Year Plan. - Continued to provide technical assistance related to codes and standards by asset. - Continued PW Assessment on Emergency and Permanent work primarily focused on understanding the underlying internal control framework.
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.	51-60%	<ul style="list-style-type: none"> -Continued drafting the LUMA federal fund Procurement policy and Procedure including aligning polices with Non-Federally Funded Procurement Manual in progress. Drafting includes review of regulatory requirements (e.g., 2 CFR regulation changes), identification of COR3 required and recommended procurement policies and practices from COR3's Disaster Recovery Federal Funds Guide, Chapter 3 Procurement. Prepared Procurement abstract including table of contents and timeline. -Commenced first review of LUMA's current draft of the non-federal fund procurement process. -Continued to work with PREPA to gain an understanding of their internal control and other monitoring observations specifically related to procurement (e.g., OIG reports, HORNE Risk Assessment observations).
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.	100%	- The effort for this activity is captured under item 8.02 Recruitment and Staffing. This specific deliverable has been completed.
8.02	Recruiting and Staffing	This deliverable involves recruitment and staffing. Activities include the HR transition team coordinating with each department and completing interviews of all PREPA employees and external candidates; tracking of applicants; assisting with PREPA employee applications, coordinating interviews, and communicating status of applications; and Identifying staffing vacancies due to gaps and	61-70%	<ul style="list-style-type: none"> - Completed the majority of LUMA job postings (1,055 positions). - Approximately 2,500 applications moved past first round interviews. - Implemented 'Connects' software for increased job application resources for PREPA employees. - HR Team and recruiters engaged with PREPA employees to guide them through hiring process and general questions including face-to-face meetings held with PREPA employees.

ID	Full description	Deliverable Description	Status % Complete2	Summary of key work performed in January
		search for resources externally to fill out the proposed LUMA Organization including pre-employment screening.		- Completed site visit at Caguas, Mayaguez and Palo Saco for recruitment support. Pending PREPA support to setup additional visits.
8.03	Redesign and Staff New Organization	The core HR transition team will coordinate with each department to develop a comprehensive department specific People Strategy/Staffing plan that compliments overall business strategy. It will include getting a finalized number of roles needed in each department, finalizing job descriptions, selecting and implementing pre-hiring recruitment, assessment and evaluation criteria tools, as well as standing up these tools.	91-99%	<ul style="list-style-type: none"> - Completed review of LUMA's Organizational Structure with Senior Leadership. - Completed translating and loading the majority of Job Descriptions into iCIMS recruiting software. - Continued working with departments on budgets as it relates to salaries and benefits. - Finalizing terms and conditions for each employee job profile.
8.04	Proposed Recruitment and Staffing Plan	This deliverable consists of the core HR transition team coordinating with each department to develop a comprehensive department specific People Strategy/Staffing plan that compliments overall business strategy. This includes a list of positions needed by department, finalizing job descriptions, selecting and implementing pre-hiring recruitment, assessment and evaluation criteria tools, as well as standing up these tools.	Refer to 8.02	<ul style="list-style-type: none"> - Reporting has been consolidated under 8.02 Recruiting and Staffing
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.	71-80%	<ul style="list-style-type: none"> - Completed Cutover/Go-Live tasks as part final production build. Phase 1a Go Live was on January 18th. Included feeds to LUMA Benefits providers and onboarding capabilities for new hires. - Created ~1,400 test scenarios for Phase 1b end-to-end testing. Testing to commence in February. - Continued partnership with Payroll for payroll workstream, EBS and Kronos integrations. - Completed review process for uploading data translations and started translation process (Spanish translations for job titles, location names, misc. instructional text in Employee Self-Service, etc.). - Continued Workday Operational Readiness Planning.
8.06	Communication Plan	This deliverable consists of establishing and implementing internal and external communications plans. On the internal side, the focus will be on continuously informing PREPA and LUMA employees through multiple avenues (e.g., one-on-one meetings, group sessions, town halls, newsletters, intranet updates, etc.) to answer employee questions and keep them updated on progress. On the external side, LUMA will strategically use media coverage, social media and advertising including digital, billboards, print and radio to introduce LUMA to the people of Puerto Rico.	61-70%	<ul style="list-style-type: none"> - Updated draft for communications Plan. - Developed employee communication strategy and framework leading up to commencement. - Supported Health & Safety and Human Resources internal messaging. - Engaged in discussion with Operations to model a public Safety Plan. - Continued monitoring media messages and delivering summaries to key LUMA employees. - Continued developing proactive and reactive materials for press. - Engaged strategic communications agency to support external communications (social media, press and advertising) through commencement. - Continued planning and meetings for brand roll out. - Uploaded Spanish content to website. - Continued developing functionality of mobile app.
8.07	Training (Workforce Development) Plan	This deliverable involves creating a training development program for employees which involves establishing LUMA training policies, standards, practices, curriculum and facilities; onboarding and providing foundational awareness and training to all new and	61-70%	<ul style="list-style-type: none"> - Worked with each department to develop list training content list and prioritization. - Continued developing training content. - Continued translation of training materials such as job aids and videos

ID	Full description	Deliverable Description	Status % Complete2	Summary of key work performed in January
		existing employees; and developing a defined career path with continuity of quality education and training.		specific to Workday into Spanish. (Work on this deliverable is conducted in conjunction with the Handover Checklist item 2.0306)
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.	100%	Completed and finalizing documentation.
8.09	Occupational Health and Wellness	This deliverable involves implementing a confidential Employee Assistance Program through our medical provider.	81-90%	- Continued development of the Occupational Health and Wellness Plan document.
8.10	Compliance Plan	This deliverable consists of the Core HR transition team to review and evaluate current employee policies, procedures and any applicable handbooks.	61-70%	- Completed compliance review of all new job descriptions for new Organization. - Completed first legal review and obtained Senior Leadership approval of LUMA Core Policies.
8.11	Engagement Plan	Implement an overall Employee Engagement Plan so employees can adjust to the new leadership and direction. We will define the company's culture, mission and core values, and ensure that employees understand they will have opportunities at LUMA. We will provide opportunities for employee engagement with employee events such as family picnics and volunteer opportunities in the community.	51-60%	- Continued development of employee communication materials, including Total Rewards for Onboarding, for current and future LUMA hires. - Continued refinement of LUMA Employee messaging based on feedback from PREPA employees. (Work on this deliverable is conducted in conjunction with the Handover Checklist item 8.02)
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.	61-70%	- Community Investment Plan approved. - Launched plan and partner contracts under way.
9	Additional Front-End Transition Period Activities			
9.01	Genco Shared Services Agreement Approval	This deliverable consists developing a plan for delivery of shared services as well as negotiating and executing a Shared Services Agreement.	91-99%	- Completed design of Shared Services model, subject to finalization of Shared Services Agreement discussions. - Held initial meetings with PREPA with expected future meetings to incorporate PREPA into implementation planning.
9.02	Emergency Response Plan Approval	This deliverable consists of obtaining internal approval of the Emergency Response Plan (ERP) prior to providing the plan to Administrator and PREB.	Refer to 2.0303	- 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.	71-80%	- Received, iterated, and finalized drafts of several contract templates (currently have 6 substantially completed drafts, 3 are in draft/review between LUMA and Legal, and 4 still under development).

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
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.	81-90%	<ul style="list-style-type: none"> - Finalized draft of Physical Security Plan. - Continued the consolidation and organization of the information collected to be utilized in Physical Security Plan. - Continued work on final site report assessments (~75% complete). - Developing inspection forms to systematically assess physical security on transmission and substation substations.
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.	91-99%	<ul style="list-style-type: none"> - Completed Data Security Plan for peer review for approval. - Clarification from PREB on expectations and requirement for Cybersecurity, BCP, and Data Security Plan in Technical Conference. <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.	Refer to 2.0312	<ul style="list-style-type: none"> - Reporting has been consolidated under VM plan 2.0312
9.07	System Operation Principles Regulatory Approval	This deliverable consists of activities to gain P3A and regulatory (PREB) approvals for System Operation Principles	51-60%	<ul style="list-style-type: none"> - Reviewed and incorporated comments on draft of System Operation Principles in preparation for submission to PREB.
10	Asset Acquisition (Supply Chain)			
10.01	Evaluating Existing Procurement and Subcontracting Policies, Procedures and Systems	This deliverable includes evaluating existing procurement and subcontracting policies, procedures and systems; identify system contracts and generation supply contracts; review vendor services to facilities; sourcing and procurement work for LUMA ManagementCo contracts.	71-80%	<ul style="list-style-type: none"> - Worked with Legal to ensure proper incorporation of most current interpretation of all applicable legislation and regulation.
10.02	Assuming Responsibility for Securing Use of Assets, Facilities, IT / OT, etc.	This deliverable involves performing facility assessments on PREPA's leased and owned properties and determine continued use and occupancy of current facilities. Activities include reviewing occupancy information, reviewing the assets collected, determination of asset management system moving forward, performing asset studies, and the development of processes and procedures related to asset management moving into commencement.	51-60%	<ul style="list-style-type: none"> - Developed lease optimization strategy. - Reviewed current asset replacement value against the 1, 5, and 10-year improvements required per property. - Developed department co-location and real estate optimization plan. <p>(Work on this deliverable is conducted in conjunction with the Handover Checklist items 2.0309)</p>
10.03	Assuming Existing Subcontracts	This deliverable includes compiling a listing of all existing subcontracts, including executed copies of subcontract, and complete a gap analysis (expired, missing etc.) of subcontracts being assumed against the immediate needs of O&M of the T&D System, and develop processes and procedures for assuming the existing subcontracts.	51-60%	<ul style="list-style-type: none"> - Copies of System Contracts are starting to come in; although substantially delayed. - Reviewed existing PREPA contracts with LUMA departments. Starting with critical priorities and moving through the full list.
11	Back-End Transition Plan			
11.01	Develop Back-End Transition Plan	This deliverable includes developing a plan that will guide the process for LUMA transferring operations back to PREPA at the end of the contract term. This includes the development of departmental scopes, timelines and documentation to provide T&D	Refer to 12.04	<ul style="list-style-type: none"> - Reporting has been consolidate under 12.04 Back End Transition Plan.

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
		System status and plans to support operational and commercial transfer. (Refer also to Handover Checklist item 12.04)		
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.	0-10%	- This will occur just prior to commencement.
12.02	Required Insurance	This deliverable ensures placement of insurance program and business process reviews as required in the O&M agreement for ServCo, 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.	21-30%	- Continuing to establish look-forward dates for actioning insurance and certificates needed to be in place.
12.03	Baseline Performance Levels	This deliverable involves the development of a methodology for accessing the quality of existing measurement data, a gap analysis of the assessment results against industry best practices with a plan to fill the identified gaps, as well as a plan for an interim performance metrics process to utilize at commencement, and a proposed annual target metric and improvement trajectory.	91-99%	- Reviewed and incorporated comments received including meetings on the Performance Metrics document. - Prepared for and attended a PREB Technical Conferences on Performance Metrics. - Restructured Performance Metrics document into two documents. Completed the first (of two) document for filing in PREB Case NEPR-MI-2019-0007 which was filed on January 29.
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.	91-99%	- Back End Transition Plan under review by Senior Leadership.
12.05	Representations	Section Heading for Owner and Operator Representations set forth in Sections 12.06 and 12.08 of Handover Checklist	-	- Heading only. No activity required.
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 action required at this time
12.07	Section 4.3: Owner and Administrator Responsibilities	PREPA's and P3A's conditions precedent to Service Commencement	-	- No activity to report. (This is work performed by Administrator and/or Owner).
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.	-	- 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	Refer to 1.01	- Reporting has been consolidate to 1.01 Government Approvals
12.10	Section 4.5: Conditions Precedent	Legal work to fulfill and satisfy all conditions precedent to Service Commencement Date outlined in Section 4.5 of the OMA.	51-60%	Continued to work on and provide legal support for numerous condition precedent activities within LUMA including the following: - Worked with LUMA Regulatory Team on the Shared Services and

ID	Full description	Deliverable Description	Status % Complete ²	Summary of key work performed in January
	to Service Commencement Date			<p>revised and commented on the Shared Services Agreement.</p> <ul style="list-style-type: none"> - Worked with Regulatory Counsel and LUMA Regulatory Team to revise and address and incorporate issues raised by and comments made by the P3A's Counsel on the Initial Budgets, System Remediation Plan (including all Program Briefs), Performance Metrics, and System Operation Principles. - Revised the Terms of Service to address comments of P3A's Counsel. - Received and reviewed Department of Treasury's final comments to Tax Assurance. - Considered and advised re. LUMA as co-permittee or operator under existing PREPA permits
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.