



NEPR

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To: **Puerto Rico Public Private Partnerships Authority ("Administrator")**  
PO BOX 42001  
San Juan, Puerto Rico 00940-2001  
Attention: Executive Director – Fermín E. Fontanés Gómez  
By Email: Fermin.Fontanes@p3.pr.gov and Administrator@p3.pr.gov

Dear Sirs:

Re: **Submission of Handover Checklist item**  
**XII. Front-End Transition Plan (Additional Requirements) - 4. Back-End Transition Plan**  
Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the "Agreement") among the Puerto Rico Electric Power Authority ("Owner"), Administrator, LUMA Energy, LLC ("ManagementCo") and LUMA Energy ServCo, LLC ("ServCo" and, together with ManagementCo, "Operator") dated June 22, 2020.

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Unless otherwise defined herein, defined terms appearing in this letter shall have the meaning ascribed to them in the Agreement.

LUMA is hereby submitting the Back-End Transition Plan pursuant to § 4.2(i) of the Agreement which has been reviewed and approved by the Administrator as per its letter of May 24, 2021.

We look forward to receiving your approval of said plan. As always, LUMA is available to discuss any questions/comments you may have.

Yours truly,

**LUMA ENERGY, LLC**By: Paul GoguenName: Paul GoguenTitle: SVP, Integration Management Office



# Back-End Transition Plan

Revised Submission to P3A

Version 1.1, May 24, 2021

# Back-End Transition Plan

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## Back-End Transition Plan

### 1.0 Document Purpose & Interpretation

The Back-End Transition Plan (this "Plan") provides for the transition and handover of the management of the T&D System and O&M Services, either back to the Owner or Administrator (or their designee) or to a successor operator at the expiration of the Agreement (as defined below) or, under certain conditions, an earlier time.

Capitalized terms not otherwise defined in this Plan shall have the meaning ascribed to them in the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the "Agreement") made and entered into as of June 22, 2020, by and among: (i) the Puerto Rico Electric Power Authority ("Owner"); (ii) the Puerto Rico Public-Private Partnership Authority ("Administrator"); (iii) LUMA Energy, LLC; and (iv) LUMA Energy ServCo, LLC (collectively with LUMA Energy, "LUMA" or the "Operator"). In case of discrepancy between this Plan and the Agreement, the Agreement shall prevail, unless expressly indicated in this Plan.

The provision of O&M Services and Back-End Transition Services from the Back-End Transition Commencement Date through the end of the Term will not conflict with each other and shall be coherent but separate obligations.

# Back-End Transition Plan

## 2.0 Executive Summary

As the Operator for the Front-End Transition, LUMA has experience and an understanding of what it takes to transfer the knowledge within one operator unto another. During the Back-End Transition, ("BET"), LUMA will work collaboratively with PREPA or its designee to utilize and incorporate existing processes, procedures, and resources allowing for a smooth transition. The BET team will consist of leaders that are familiar with the operations and structure of LUMA; this will ensure continuity in the transition and closure of current activities. The LUMA team will have regular meetings and deliver a monthly report to the Administrator allowing for transparency in the ongoing activities. The length of the BET will be dynamic and depend on the activities the Operator is currently undertaking. Accordingly, the BET will be revisited annually and updated as necessary or appropriate.

The Back-End Transition plan provides clear rights and responsibilities between Owner and Operator. These rights and responsibilities are listed in the table of contents of this document. The responsibilities of the Operator encompass most aspects of the electric utility including Health & Safety, T&D Operations, Regulatory, Customer Service, Human Resources, Capital Projects, Information Technology, Finance, Risk Management, Environmental, Legal, Supply Chain, Administrative and Document Retention.

## 3.0 Assumptions

The following is a list of assumptions LUMA has made in developing this Back-End Transition Plan:

- LUMA will actively engage in and assist with the transfer of operations during the BET as to maintain the continuity of service to customers. However, unlike the Front-End Transition Plan, these activities will not include development of a multi-year System Remediation Plan.
- The Back-End Transition Plan may require different resources from year-to-year due to the then current state of operations and projects within LUMA; the Back-End Transition Plan will be updated accordingly with respect to resources and schedule.

## 4.0 Owner Rights

### 4.1 Audit

#### 4.1.1 Audits

At any time and from time to time during and until the expiration of six (6) years following the end of the period during which Operator performs the Back-End Transition Services, Administrator may Audit (or cause to be Audited) the books and records of Operator or any Subcontractor in connection with any requests for payment of the Back-End Transition Service Fee, together with the supporting vouchers and statements, and the calculation of the Back-End Transition Service Fee ("Back-End Transition Payments Audit").

#### 4.1.2 Procedure

- A. Back-End Transition Payments Audits by Administrator shall be performed (i) at reasonable times during normal business hours; (ii) with prior written request and notice of at least fifteen (15) business

## Back-End Transition Plan

days before the day requested to perform the Back-End Transition Payments Audit; and (ii) at Owner's or Administrator's sole cost and expense.

- B. Operator shall make available or cause to be made available to Administrator or its authorized representative for these purposes, the books and records of Operator or any Subcontractor, supporting vouchers and statements, as may be specified in the request and notice and as those shall be in the possession or control of Operator or Subcontractors; and otherwise provide such cooperation as may reasonably be required, in connection with any such Audit. Provided that Operator Confidential Information is protected, Owner/Administrator shall be entitled to make copies of the information related to the conduct of such Audit and to take extracts therefrom at such Owner's or Administrator's sole cost and expense.
- C. Absent good cause or as may be required by Applicable Law, audits shall occur no more than once during a twelve (12) month period during the Back-End Transition Services.
- D. This Plan does not provide any Governmental Body any rights to undertake any Audit other than those stated herein pursuant to the Agreement.

### 4.2 Engagement of Subcontractors

Owner may observe and evaluate any Subcontractors utilized by Operator during Back-End Transition, but Owner shall not direct any of Operator's Subcontractors during this period.

## 5.0 Operator Rights

### 5.1 Baseline Environmental Study

Operator may update the Baseline Environmental Study to support the condition in which the T&D System Sites are delivered back to Owner or to a successor Operator.

The cost of updating the Baseline Environmental Study, if required, shall be paid to Operator as part of the Back-End Transition Service Fee. Operator will distribute the updated study findings to Administrator and Owner. Any dispute about environmental matters shall be considered by the parties as a Technical Dispute.

### 5.2 Engagement of Subcontractors

Subject to obtaining Administrator's prior written approval, Operator may engage and enter into additional agreements with Subcontractors during the Back-End Transition.

### 5.3 Use of Affiliate Personnel

Operator will utilize its own employees, Affiliate personnel, and, subject to 5.2 above, Subcontractors to perform and implement this Plan.

## Back-End Transition Plan

### 6.0 Owner Responsibilities

#### 6.1 Access to Office Space, Facilities; Access to Confidential information

Nothing in this Plan shall be deemed to constitute a waiver by Operator of the confidentiality of Operator Confidential Information otherwise protected under the Agreement. No Operator Confidential Information shall be shared or disclosed in contravention of the protections afforded to it under the Agreement. Any Operator Confidential Information received by Owner or Administrator as part of the implementation of this Plan or as part of the O&M Services shall be protected by Owner and Administrator, and shall not be disclosed to any third parties (unless otherwise provided in the Agreement), including any successor operator, without the prior written consent of Operator, which may be granted in Operator's sole discretion, and subject to any third-party executing a separate confidentiality agreement.

#### 6.2 Operator and Successor Procurement Process

No tasks required to be performed as part of the implementation of this Plan shall conflict with Operator's participation in the procurement process for the selection of a successor operator/agreement, if Operator elects to participate in such process. Should Operator or Owner/Administrator consider at any time during the implementation of this Plan, that a Back-End Transition Services task expected to be provided by Operator may provide a competitive advantage that would disqualify Operator from participating in the procurement process, Owner/Administrator shall agree on an alternative course of action for Owner/Administrator to receive the services required (including, from third parties) to allow Operator or its Affiliates to continue participating in the procurement process.

#### 6.3 Establishment of New Bank Accounts

Owner shall establish one or more accounts from which Owner shall draw funds from time to time to pay Operator the Back-End Transition Service Fee (collectively, the "Back-End Transition Account").

#### 6.4 Notification of Customers to New Payment Accounts

Owner shall notify customers of new payment accounts, if new payment accounts are required.

#### 6.5 Timely Payment of Back-End Transition Fees

As compensation for the Back-End Transition Services provided by Operator, Owner shall pay Operator the Back-End Transition Service Fee. The Parties acknowledge and agree that Federal Funding shall not be used to pay the Back-End Transition Service Fee.

Promptly after the Back-End Transition Commencement Date (and in any event within five (5) Business Days), Operator shall deliver to Administrator an estimate of the anticipated Back-End Transition Service Fee for the following four and a half (4.5) months, subject to Section 7.8 of the Agreement (Owner Credit Rating). Within ten (10) days of delivery of such estimate, and prior to and as a condition to the commencement of any Back-End Transition Services, Administrator shall provide Operator evidence reasonably satisfactory to Operator that an amount equal to the sum of the anticipated Back-End Transition Service Fee for the following four and a half (4.5) months, subject to Section 7.8 (Owner Credit Rating), of the Agreement has been funded in the Back-End Transition Account by Owner. Prior to the end of each month during the period in which Operator performs the Back-End Transition Services,

## Back-End Transition Plan

Operator shall deliver to Administrator an estimate of the anticipated Back-End Transition Service Fee for the following four and a half (4.5) months, subject to Section 7.8 (Owner Credit Rating). No later than the tenth (10th) Business Day of each month during the period in which Operator performs the Back-End Transition Services, Owner shall replenish the Back-End Transition Account so as to maintain a balance in the Back-End Transition Account at the end of each calendar month equal to the sum of the anticipated Back-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 Back-End Transition Services conclude.

Payment of undisputed amounts of the Back-End Transition Service Fee under any invoice shall be due and payable within thirty (30) days from Administrator's receipt of such invoice. The Back-End Transition Service Fee shall not be subject to any abatement, deduction, counterclaim or set-off of any kind or nature.

Without limiting Operator's termination rights under the Agreement, to the extent sufficient funds are not available for withdrawal by Operator from the Back-End Transition Account, Operator may cease the provision of Back-End Transition Services immediately, even if it continues providing O&M Services, as provided pursuant to Section 7.7 of the Agreement.

### 6.6 Taxes

Owner and Administrator will agree that all tasks listed or contemplated in this Plan and the payment thereof as Back-End Transition Service Fee, are consistent with and shall be treated the same way that management fees are treated under Section III(A) of the Administrative Determination.

## 7.0 Operator Responsibilities

### GENERAL

The Operator will collect all documentation and materials in Operator's care, custody or control associated with work in progress and provide a reasonably detailed status report on each such item to Administrator.

The Operator will provide Owner, Administrator and, at Administrator's discretion, successor operator with copies of and access to all System Information, Customer Databases and other Work Product or tangible embodiments of Intellectual Property of Owner in Operator's care, custody or control in a form and medium that is reasonably acceptable to the successor operator and in a manner that such information and material may be accessed and used on the same basis by the successor operator as it was used and accessed by Operator

The Operator will take such other actions, and execute such other documents as may be necessary to effectuate and confirm the foregoing matters, or as may be otherwise necessary or desirable to provide for a safe, effective and efficient transition of the O&M Services to Owner or a successor operator, minimize Owner's costs, and shall take no action which increases any amount payable to Owner under the Agreement.

## Back-End Transition Plan

### 7.1 Safety

#### 7.1.1 Review of Overall Safety Program

Operator will provide overall safety program, including OSHA audits, findings, reports, etc. for review.

### 7.2 T&D Operations

#### 7.2.1 Review of Current State of System

Operator will provide current state of system for review.

#### 7.2.2 Review of System Operator Principles and Emergency Response Plans

Operator will provide latest System Operator Principles and Emergency Response Plans for review.

#### 7.2.3 Review of Vegetation Management Plan and Physical Security Plan

Operator will provide latest Vegetation Management Plan and Physical Security Plan for review.

#### 7.2.4 Review of Integrated Resource Plan

Operator will provide latest Integrated Resource Plan for review.

#### 7.2.5 Delivery of List of Fleet Vehicles

Operator will provide a latest list of fleet vehicles for review.

#### 7.2.6 Review of System Remediation Plan (if Applicable)

Operator will provide a copy of the System Remediation Plan for review, if such a plan is in existence and effect at that time.

#### 7.2.7 Sale of Materials and Supplies

Operator will sell to Owner or the successor operator, as Administrator shall direct, at fair market value all existing materials and supplies utilized and owned by Operator in the operation and maintenance of the T&D System (to the extent not owned by Owner at the time of the sale or to the extent not already paid for by Owner as Pass-through Expenditure), if any.

#### 7.2.8 Preservation of Materials, Tools and Equipment

Operator will in accordance with Prudent Utility Practice, promptly take all action as reasonably necessary to protect and preserve all materials, equipment, tools, facilities and other property at the T&D System Sites.

#### 7.2.9 Removal of Equipment and Tools from T&D System Sites

Operator will remove from the T&D System Sites all equipment, implements, machinery, tools, temporary facilities of any kind and other property owned or leased by Operator, if any, which are not to be transferred to Owner or any successor operator, and reasonably repair any damage caused by such removal.

## Back-End Transition Plan

### 7.2.10 Maintenance of Consumable and Spare Part Inventory at Sites

Operator will leave the T&D System Sites with consumables and spare parts in quantities consistent with Prudent Utility Practice and return to Owner any non-fixed assets in good working order and condition, subject to reasonable wear and tear.

### 7.2.11 Removal of Operator Employees from T&D Sites upon Exit

Operator will remove all employees of ManagementCo or its Affiliates (excluding ServCo) and any Subcontractors from the T&D System Sites upon exit, except to the extent Administrator requests certain senior management employees to be available on-site.

### 7.2.12 Condition of T&D Sites Upon Exit

Operator will, in accordance with Prudent Utility Practice, leave the T&D System Sites in a neat, safe, orderly and fully operational condition, subject to reasonable wear and tear, upon exit.

### 7.2.13 Delivery of Current Maps of the T&D System

Operator will deliver to Administrator copies of current maps of the T&D System in the custody of Operator.

### 7.2.14 Provision of Technological and Design Support

Operator will provide reasonable technological and design advice and support, for up to six (6) months following expiration or earlier termination of the Agreement, and deliver any plans, drawings, renderings, blueprints, operating and training manuals, computer programs, spare parts or other information in ManagementCo's care, custody or control useful or necessary for Owner or any successor operator to perform the O&M Services.

### 7.2.15 Review of Subsidies; CILT (contribution In lieu of taxes)

Operator will provide a report of CILT, including public lighting, per municipality, and other subsidies. Operator will report on any contesting, and status, of CILT calculation determinations/assessments.

## 7.3 Regulatory

### 7.3.1 Review of any Regulatory Reporting and Compliance Requirements

Operator will collect all information and materials in Operator's care, custody or control associated with the Operator's compliance with regulatory reporting and other regulatory compliance matters reasonably available pursuant to the applicable regulatory/legal retention period and make them available to the Administrator and the Owner. Operator will provide a list and a status of these regulatory compliance matters, including findings by any Governmental Authorities, to Owner and Administrator.

Operator will identify and provide copies to Administrator of all Governmental Approvals held by Owner and/or Operator in connection with the O&M Services. Operator will coordinate with Owner and Administrator to prepare for and support the efforts for Owner or a successor operator to have any Governmental Authorizations held by Operator transferred or assigned to Owner or the successor operator, as determined by Administrator as well as provide any information necessary for Owner to authorize the successor operator to operate under Owner-held Governmental Authorizations. Operator shall cooperate with Administrator and Owner in identifying any other Governmental Authorizations that

## Back-End Transition Plan

may be applicable for the continuation of the O&M Services by the Owner or successor operator after the expiration or early termination of the Agreement.

Operator will participate in any discussions with PREB and other Governmental Authorities necessary for a complete review and understanding of the of the regulatory matters and Governmental Authorizations described above.

### 7.3.2 Review of Regulatory Filing Priorities and Timeline

Based on the information developed as per Section 7.3.1, Operator shall cooperate with Administrator and Owner in developing an action plan and timeline for a smooth takeover by Owner or successor operator of the regulatory matters described above and the transfer or other action related to the Governmental Authorizations described above. Operator will participate in any discussions with PREB and other Governmental Authorities necessary to assist in the takeover of these matters by the Owner or successor operator or transfer or other action related to the Governmental Authorizations described above to the Owner or a successor operator, as well as make any filings or notifications necessary for such purposes.

## 7.4 Customer Service

### 7.4.1 Review of Policies, Processes and Procedures Captured Under the Document and Record Control Register

Operator will maintain a Document and Record Register and deliver the following documents:

- a list of claims/disputes representing an amount above an agreed dollar figure, including any other Governmental Bodies;
- a list of in progress complaint cases with the PREB and the Owner; and
- a report of all accounts not in good standing.

Operator will also hand over the document repository including customer service policies, processes, procedures, and training modules.

## 7.5 Human Resources

### 7.5.1 Delivery of Information Regarding Staffing, Benefits and Labor Contracts

#### A. EMPLOYEES GENERAL DOCUMENTS

Operator will provide the latest list of employees by title/job classification including their length of service, date of hire and expiration date if applicable, current salary or hourly rate, whether union-represented and which bargaining unit, benefits in which employee participates, municipality/geographic location of employees, and produce all personnel, investigatory, FMLA and ADA-related materials, etc.

#### B. EMPLOYER'S EMPLOYMENT DOCUMENTS

Operator will provide employment applications, applicant selection documents (interview questions and answers; tests, etc.), recruitment sources, disciplinary documents, and job descriptions. Operator will also provide all salary and hourly rate schedules, including bonus plans and terms of employment/compensation. Operator will provide all employee handbook(s), training program and

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materials, obligations upon termination, and other employee agreements (confidentiality, non-compete, etc.).

### C. BENEFITS

Operator will provide a complete list of all benefit plans (life, retirement, medical, vision, dental, prescription drug, long and short-term disability, etc.) and any contracts with brokers, providers, along with their contact information. Operator will provide employer and employee contributions to retirement plans and employee medical plans, etc.

### D. LABOR RELATIONS

Operator will provide any and all Collective Bargaining Agreements (“CBAs”); proposals, etc.; grievance resolutions, settlement agreements, arbitration decisions; and schedule for future meetings; Union representative contact information.

### E. MEDICARE PAYROLL CONTRIBUTIONS

Operator will provide contributions made, so that the tax year obligations can be transferred.

### F. NOTICE TO EMPLOYEES

After the Back-End Transition Date, Operator will endeavor to timely provide to ServCo Employees all notices required under applicable law as a result of Operator’s obligation to transfer its ownership interests in ServCo to Owner or a successor operator.

#### 7.5.2 Retention of Senior Management for Six Month Period

The Operator will, to the extent requested by Administrator, and at the sole cost and expense of Owner, retain any or all senior management employees and make them available, for up to six (6) months following expiration or earlier termination of the Term, to provide on-site, real time consulting advice to a successor operator for the T&D System or Owner.

#### 7.5.3 Stability of ServCo Employees

Operator will treat ServCo employees fairly and appropriately during the Back-End Transition, including during the potential sale or transfer of ServCo. Operator will evaluate circumstances and consider other appropriate options to maintain employee stability during the transition, if necessary.

#### 7.5.4 ServCo Employee Severance

Operator shall reasonably cooperate with Owner to prepare for an orderly transition and to facilitate ServCo Employees applying and interviewing with a successor Operator during the Back-End Transition. In no event shall any severance costs associated with any ServCo Employee not hired by Owner or successor operator be for the account of the Operator.

### 7.6 Capital Projects

#### 7.6.1 Delivery of List of Materials and Equipment Delivered to Work Sites

Operator will deliver lists of materials and equipment delivered to or located at work sites.

## Back-End Transition Plan

### 7.6.2 Status of Federally Funded Projects and New Funding Procurement

The Operator will deliver to Administrator a list of all material supplies, materials, machinery, equipment, property and special-order items previously delivered or fabricated by Operator or any Contractor or Subcontractor but not yet incorporated in the T&D System Sites. Operator will report on record and a status of any ongoing procurement or application submitted for new Federal Funds.

### 7.6.3 Status of Non-Federally Funded Projects

Operator will deliver to Administrator a list of all material supplies, materials, machinery, equipment, property and special-order items previously delivered or fabricated by Operator or any Contractor or Subcontractor but not yet incorporated in the T&D System Sites. Operator will report on record and a status of any ongoing procurement or application submitted for non-Federally Funded Projects.

## 7.7 Information Technology

### 7.7.1 Review of the Data Security Plan

Operator will provide a Data Security Plan for review.

### 7.7.2 Delivery of all Computer Programs used at T&D Sites

The Operator will deliver to Administrator all computer programs used at the T&D System Sites in the performance of O&M Services under the care, custody or control of Operator, including all revisions and updates.

### 7.7.3 List of Files, Access and Security Codes

The Operator will provide Administrator with a list of all files, and access and security codes under Operator's care, custody or control with instructions and demonstrations which show how to open and change such codes.

### 7.7.4 Delivery of System Information and Customer Databases

The Operator will deliver to Administrator a list of all books, records, customer lists, account information, personnel information, drawings, reports, plans and other data in Operator's possession or control relating to the performance of the O&M Services and copies thereof.

### 7.7.5 Delivery of a Document Management Program

Operator will deliver the current Document Management Program, if any or share the process used to track and manage documents.

## 7.8 Finance

### 7.8.1 Estimate of Back-End Transition Service Fee for 4.5 Months

Promptly after the Back-End Transition Commencement Date, Operator will provide an estimate of the anticipated Back-End Transition Service Fee for the estimated duration of the BET undertaking and will update same at the end of each month during the Back-End Transition.

## Back-End Transition Plan

### 7.8.2 Monthly Invoice for Back-End Transition Services

On or prior to the tenth (10th) day of each month during which Operator is performing the Back End Transition Services, Operator shall provide Administrator with a monthly invoice (i) describing in reasonable detail the prior calendar month's Back End Transition Services and the corresponding Back-End Transition Service Fee for such prior calendar month; and (ii) such additional supporting documentation evidencing the provision of the Back End Transition Services, if any, and the calculation of the Back-End Transition Service Fee related thereto, as Administrator may reasonably request and as may be required by Applicable Law.

All invoices shall comply with the requirements set forth in Section 9.2(c) (Anti-Corruption and Sanctions Laws – Policies and Procedures) of the Agreement.

Within each invoice, Operator will include a summary of all labor. Operator will also include all pass-through costs and expenses, including invoices from contractors. For a sample invoice, please see Section 9. Monthly Invoice.

Administrator shall promptly advise Operator of any disputed invoice amounts, and all such disputes which Operator and Administrator are unable to resolve shall be subject to resolution as a Technical Dispute in accordance with Article 15 (Dispute Resolution) of the agreement (any such Dispute, a "Back-End Transition Service Fee Dispute").

Payment of undisputed amounts under any invoice shall be due and payable within thirty (30) days from Administrator's receipt of such Invoice.

### 7.8.3 Review of Current Budgets

Prior to the end of each month during the period in which Operator performs the Back-End Transition Services, Operator shall deliver to Administrator an estimate of the anticipated Back-End Transition Service Fee for the following four and a half (4.5) months, subject to Owner Credit Rating - Section 7.8 of the OMA.

## 7.9 Risk Management

### 7.9.1 Notice of Termination of Insurance Policies

The Operator as directed by Administrator, shall provide written notice of termination, effective as of the date of termination of the Agreement, under each policy of Required Insurance (with a copy of each such notice to Owner and Administrator); provided that if Administrator elects to continue such policies in force thereafter for Owner and at Owner's expense, Operator shall use its commercially reasonable efforts to ensure that Administrator is able to do so.

### 7.9.2 Insurance Claims

The Operator shall provide list and status of filed, pending, and disputed claims presented under insurance policies.

## Back-End Transition Plan

### 7.10 Environmental

#### 7.10.1 Review of Status of Environmental Work

Operator will collect all information and materials in Operator's care, custody or control associated with any environmental work in progress by Operator and make them available to the Administrator and the Owner. Operator will provide a list and a status of this environmental work, including findings by any Governmental Authorities, to Owner and Administrator. Operator will participate in any discussions with PREB and other Governmental Authorities necessary for a complete review and understanding of this pending environmental work. Operator shall cooperate with Administrator and Owner in developing an action plan and timeline for a smooth takeover by Owner or successor operator of this environmental work.

#### 7.10.2 Pending Permitting and Reporting

Pending environmental reporting and permitting matters will be addressed as part of the regulatory matters described in Section 7.3 Regulatory.

### 7.11 Legal

#### 7.11.1 List of Legal Proceedings Involving Contractors or Subcontractors

The Operator will notify Administrator in writing of any legal proceedings against Operator by any Contractor, Subcontractor or other third-parties relating to the termination of the O&M Services or any Contracts or Subcontracts.

In addition, Operator will provide Administrator with:

- Report of legal proceedings before the PREB, including under IRP and rate case proceedings, customers claims, non-compliance findings by PREB, etc.
- Report of any cases before other agencies or administrative proceedings within PREPA.
- Report of legislative and other investigations or requests of information/subpoenas.
- Report of all cases and legal proceedings before Puerto Rico and U.S. Federal Courts.

#### 7.11.2 Provision of Work Product and Owner Intellectual Property

Operator will adhere to the Agreement with regards to Provision of Work Product and Owner Intellectual Property.

#### 7.11.3 Transfer of Ownership

Upon the expiration or earlier termination of the Agreement, at Administrator's election, in its sole discretion, and with prior notification to Operator, ManagementCo will transfer all the ownership interests in ServCo and all ServCo corporate books and records to Owner or, at Administrator's direction, its designee free and clear of all liens. Administrator shall accept such transfer at no cost to Owner, Administrator or their designees.

If Administrator elects such a transfer, the Parties shall mutually agree upon such instruments, agreements and other documents as may be reasonably necessary to affect such transfer.

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Following such transfer of the ServCo ownership interests, ManagementCo shall have no further legal or financial responsibility with respect to the performance of any contracts, leases or licenses held by or in the name of ServCo, or in relation to any retirement “other post-employment benefits” and other employee and vendor obligations, other than for liabilities or obligations which ManagementCo (distinguished from ServCo) may have specifically assumed for periods prior to such transfer of ownership that remain outstanding.

In addition to and notwithstanding anything to the contrary in the foregoing, the Parties shall, immediately upon the expiration or earlier termination of the Agreement, implement arrangements contemplated in Section 7.5 hereto relating to (i) the possible hiring of ServCo Employees by a successor operator and (ii) the treatment of severance costs associated with any ServCo Employees not hired by a successor operator.

For the avoidance of doubt, any properly incurred and ordinary course costs related to ServCo Employees that are (x) incurred up to the date of early termination or expiration of the Agreement and (y) reflected in then-currently approved Budget shall be T&D Pass-Through Expenditures in accordance with Section 7.2 (Pass-Through Expenditures) and Section 7.3 (Budgets) of the Agreement.

### 7.12 Supply Chain

#### 7.12.1 Review of Procurement Manuals

Operator will provide Procurement Manuals for review.

#### 7.12.2 Delivery of Copies of All Contracts and Subcontracts

The Operator will promptly deliver to Administrator copies of all Contracts and Subcontracts, together with a statement of (A) the items ordered and not yet delivered pursuant to each such Contract or Subcontract, (B) the expected delivery date of all such items, (C) the total cost of each agreement and the terms of payment, and (D) the estimated cost of canceling each Contract or Subcontract.

#### 7.12.3 Termination or Assignment of Contracts and Subcontracts

The Operator will direct, terminate or assign to Owner all Contracts and Subcontracts and make no additional agreements with Contractors or Subcontractors with respect to the T&D System without the prior written approval of Administrator.

The Operator will advise Administrator promptly of any special circumstances that might limit or prohibit cancellation or assignment of any System Contract, Contract or Subcontract.

#### 7.12.4 Cessation of Entering into New Contracts

Operator will not enter into new contracts or subcontracts after the Back-End Transition Commencement Date without the prior written approval of Administrator.

#### 7.12.5 Transfer of Title to Special Order items

The Operator as reasonably directed by Administrator, will transfer to Owner by appropriate instruments of title, and deliver to the T&D System Sites (or such other place as Administrator may specify), all special-order items pursuant to the Agreement for which Owner has made or is obligated to make payment.

## Back-End Transition Plan

### 7.12.6 Transfer of Warranties

The Operator as directed by Administrator, shall transfer or assign to Owner all warranties given by any manufacturer, Contractor or Subcontractor to Operator and still effective with respect to particular components of the O&M Services.

## 7.13 Administrative

### 7.13.1 Removal of Branding

Operator will remove branding and complete same by end of the Back-End Transition Plan.

### 7.13.2 Termination of Shared Service Agreements (if Applicable)

Operator will develop agreements for the termination of Shared Services to the extent any Shared Services are then in effect.

### 7.13.3 Milestone Reporting

Operator will report on agreed milestones.

### 7.13.4 Delivery of all Books, Records, Customer Lists and Other Information

Operator will deliver all books, records, customer lists, and other related administrative information pertaining to the operation of the T&D System.

### 7.13.5 Delivery of List of all Facilities

Operator will provide a list of all facilities.

### 7.13.6 Develop and Execute a Handover Checklist

Operator will develop a Handover Checklist that will be used to close-out the Back-End Transition Plan.

## 8.0 Other

### 8.1 Document Retention

Operator may keep one set of duplicates or copies (in any medium convenient) of all documents, reports, studies and other information provided to Owner or Administrator as part of the implementation of the Back-End Transition Plan and of the files generated during the Term, subject only to confidentiality limitations and obligations with respect to Confidential Information of Owner, as provided in the Agreement.

# Back-End Transition Plan

## 9.0 Monthly Invoice

Submitted To: <b>Puerto Rico Public-Private Partnerships Authority</b> PO Box 42001 San Juan, Puerto Rico 00940-2001		Address: <b>LUMA Energy, LLC</b> 644 Av. Manuel Fernández Juncos, Suite 301 San Juan, Puerto Rico 00907		
To Be Paid By: <b>Puerto Rico Electric Power Authority</b> PO Box 364267 San Juan, Puerto Rico 00936-4267		<b>Tax Registration No. XX-XXXXXXX</b>		
Invoice Date: <b>January 31, 2045</b>		Invoice #: <b>BETS-0145-01</b>		
Contract Ref: <b>Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (OMA)</b>			TERMS: <b>Net 30</b>	
(i) Hours and (ii) rates to determine labor (Please see attached breakdowns for further detail) <b>Sub-total labor for the month of January 2045</b>			AMOUNT <b>\$ #,###,###.00</b>	
(iii) 10% of the product of (i) and (ii) as per 16.4(b) of the OMA <b>Sub- total of markup for the month of January 2045</b>			<b>\$ #,###,###.00</b>	
(iv) Pass-through costs and expenses ABC Services – # Invoices XYZ, LLC – # Invoices 123, LLC – # Invoices A1, LLC – # Invoices B2, Ltd. – # Invoices C3, LLC – # Invoices			\$ ###,###.00 \$ ###,###.00 \$ ###,###.00 \$ ###,###.00 \$ ###,###.00 \$ ###,###.00	
<b>Sub-total of pass-through costs and expenses for the month of January 2045</b>			<b>\$ #,###,###.00</b>	
<b>Total</b>			<b>\$ ##,###,###.00</b>	
	BETS labor	BETS markup	Additional C&E	Total
Previously invoiced	\$ #,###,###.00	\$ #,###,###.00	\$ #,###,###.00	\$ #,###,###.00
Current invoice	\$ #,###,###.00	\$ #,###,###.00	\$ #,###,###.00	\$ #,###,###.00
<b>Total invoiced to date</b>	<b>\$ ##,###,###.00</b>	<b>\$ ##,###,###.00</b>	<b>\$ ##,###,###.00</b>	<b>\$ ##,###,###.00</b>
<b>Remittance Information:</b> Wire to: XXXXX XX XXXXXX XXX XXXX, XXXXX  Account #: ##### Wire Routing #: ##### ACH Routing #: #####				