GOVERNMENT OF PUERTO RICO
PUERTO RICO PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU

IN RE: PERFORMANCE METRICS TARGETS FOR LUMA ENERGY SERVCO, LLC	**CASE NO. NEPR-AP-2020-0025** **SUBJECT: Submission of Amended Exhibit to the Revised Request for Approval of the Revised Annex IX to the OMA**

MOTION SUBMITTING AMENDED EXHIBIT TO THE REVISED REQUEST FOR APPROVAL OF THE REVISED ANNEX IX TO THE OMA

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME now **LUMA Energy, LLC** ("ManagementCo"), and **LUMA Energy ServCo, LLC** ("ServCo"), (jointly referred to as the "Operator" or "LUMA"), and respectfully state and request the following:

1. On August 18, 2021, LUMA filed a revised version of the Request for Approval of the Revised Annex IX to the OMA ("Revised Request for Approval of the Revised Annex IX to the OMA"). LUMA petitioned this Energy Bureau to accept and approve the Revised Annex IX to the OMA and the Revised Performance Metrics Targets, included as Exhibit 1, set the Performance Metrics and targets to apply for an initial period of three years of operations, and allow periodic review of the performance baselines, metrics and targets.

2. The version of the Revised Annex IX to the OMA attached as Exhibit 1 of the Revised Request for Approval of the Revised Annex IX to the OMA filed on August 18, 2021, included an Appendix B in the last page of the document. Therein, LUMA enumerated its primary witnesses, the metrics to be covered by the testimony of each of them and the number of associated

exhibits to each one of the witnesses. However, the original filed version omitted to include the number of associated exhibits of some of LUMA's primary witnesses.

3. LUMA hereby submits an amended version of the Revised Annex IX to the OMA, Exhibit 1 of the August 18th filing, that reflects the number of associated exhibits of all of LUMA's primary witnesses, as Exhibit of this present motion. The only difference between the original version of the Revised Annex IX to the OMA submitted in the August 18th filing and the amended version submitted today, is in Appendix B (the last page of the document), which now states the number of associated exhibits for each one of LUMA's primary witnesses. No other amendments or changes were made.

4. In view of the above, LUMA respectfully requests that this Energy Bureau receive and accept the amended version of the Revised Annex IX to the OMA included as Exhibit 1 to this motion as the correct version that shall be considered by the Energy Bureau and intervenors. LUMA also requests that this Energy Bureau substitute Exhibit 1 of the Revised Request for Approval of the Revised Annex IX to the OMA filed on August 18, 2021, with the Exhibit 1 included with this motion.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **receive and accept** the amended version of the Revised Annex IX to the OMA included as Exhibit 1 to this motion and **substitute** it for the Exhibit 1 that was included with the Revised Request for Approval of the Revised Annex IX to the OMA filed on August 18, 2021.

RESPECTFULLY SUBMITTED.

We hereby certify that we filed this motion using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this motion to the attorneys for PREPA, Joannely

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In San Juan, Puerto Rico, this 23rd day of August 2021.

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EXHIBIT 1

(Revising Appendix B to the Revised Annex IX to the OMA filed on August 18, 2021)

LUMA's Revised Performance Metrics Targets

August 18, 2021

Contents

Tables & Figures

1.0 Introduction & Overview

1.1 Executive Summary

Today, August 18, 2021, LUMA respectfully requests the Energy Bureau review, approve, deny or propose modifications to the revised Annex IX included in this filing; specifically, the proposed baseline, target and minimum performance metrics.

On June 1, 2021, LUMA assumed management of the T&D System and commenced operations. After eight months of the Front-End Transition period on February 25, 2021, LUMA submitted an initial filing proposing Performance Targets for LUMA Energy Servco, LLC. [1] The Energy Bureau determined in a Resolution and Order issued on December 23, 2020 in Case No.NEPR-MI-2019-0007, that it would there consider performance baselines and benchmarks for the Puerto Rico Electric Power Authority ("PREPA") that would subsequently be used to develop the corresponding targets to be applied to certified electric service companies such as LUMA. The Energy Bureau opened a separate proceeding to consider LUMA's Performance Targets and directed that it would consider targets for LUMA after setting baselines and benchmarks for PREPA in Case NEPR-MI-2019-0007. *See* Resolution and Order of December 23, 2020, Case No. NEPR-AP-2020-0025.

In accordance with the OMA, LUMA assumed operation and maintenance of the T&D System on June 1, 2021 and now has the opportunity to submit a revised filing, approximately 11 weeks after beginning operations. Post-commencement, LUMA has had the opportunity to analyze data, systems, and processes first-hand, and consequently, LUMA is revising the Performance Metrics filing for your consideration. LUMA also considered the Resolutions and Orders issued by the Energy Bureau on April 8, 2021, May 21, 2021, and July 2, 2021, in Case No. NEPR-MI-2019-0007 on the performance of PREPA. Below, you will find details of our data analysis and where LUMA has a concern on the validity or accuracy of the data previously provided by PREPA.

LUMA believes that the performance metrics detailed in this filing are strong indicators of performance for a utility and the collection and reporting methodologies LUMA is utilizing are in line with industry standards. In determining these targets, LUMA has considered its efforts to remediate the utility's performance, as well as the prioritization of specific programs and the expected pace of progress in making improvements.

Most of this filing remains unchanged from the original filing submitted on February 25, 2021, in particular with regards to the selection of metrics and the associated targets. However, the last two months of operations have highlighted key issues that LUMA previously raised as concerns as to the validity of data provided by PREPA and, as a result, as to the validity of the resulting baseline values. To that end, a number of metrics below still show variances in the Energy Bureau's published baselines (based on PREPA's submitted data) in Case No. NEPR-MI-2019-0007 and those proposed by LUMA in this revised filing. In these cases, details around data collection, calculation, and reporting have been provided in Section 2 – Calculation for each Metric.

LUMA respectfully asks for special consideration in these cases, primarily those for Safety and Customer Service. Fiscal Year 2020 proved to be an unprecedented year in terms of data collection and reporting

[1] See LUMA's Submittal and Request for Approval of Revised Annex IX to the OMA in Docket NEPR-AP-2020-0025

by PREPA. LUMA considers that these factors, as later detailed in this exhibit and in the testimony of the relevant subject matter experts, should be taken into account by the Energy Bureau.

1.2 Introduction

On June 22, 2020, LUMA Energy, LLC as ManagementCo, LUMA Energy ServCo, LLC as ServCo (collectively, LUMA), the Puerto Rico Electric Power Authority (PREPA) and the Puerto Rico Public-Private Partnerships Authority (P3A), entered into an Operation and Maintenance Agreement (OMA) under which LUMA will operate and manage PREPA's transmission and distribution system (T&D System).

Before assuming management of the T&D System, LUMA undertook transition and planning activities as part of the Front-End Transition Services. As part of these Front-End Transition Services, and in compliance with LUMA's obligations under Section 4.2(f) of the OMA, LUMA reviewed PREPA's processes, data and baseline performance with respect to certain Performance Metrics. LUMA filed this analysis and recommended additional Performance Metrics for consideration as part of NEPR-MI-2019-0007 on January 29, 2021, (LUMA's Comments on Performance Metrics Baselines, resubmitted February 5, 2021) to establish metrics and performance baselines. As stated in that filing:

> The current performance of PREPA is well below industry standards. Establishing a robust set of Performance Metrics will begin to enable transparency, reverse negative performance trends and will further align LUMA with public policy – critical upon LUMA's commencement of T&D Services. This will advance LUMA's key goals: Prioritize Safety; Improve Customer Satisfaction; System Rebuild and Resiliency; Operational Excellence; and Sustainable Energy Transformation. The Puerto Rico Energy Bureau ("PREB") has also promulgated regulation concerning Performance Metrics, including NEPR-MI-2019-0014 and NEPR-MI-2019-0007. In the latter docket, PREB, through its order issued December 23, 2020, ordered that LUMA take part in the proceedings.

The Energy Bureau determined that it would consider LUMA's performance metrics subsequent to setting performance baselines and benchmarks for PREPA in Case No. NEPR-MI-2019-0007. This submission presents the LUMA's Revised Performance Metrics' baselines, minimum performance levels and targets and complies with LUMA's obligations under Section 4.2(f) of the OMA. A revised Annex IX of the OMA (hereafter referred to as Annex IX) is also presented. This work was primarily performed as part of the Front-End Transition Services delivered by LUMA under the OMA. It has now been supplemented with additional work since LUMA began operation of the T&D System on June 1, 2021.

In accordance with the Front-End Transition Plan (Annex II of the OMA), LUMA's major work in developing Performance Metrics took place before December 2020 and included dedicated teams focused on this specific effort and the active participation of experts from each functional department in the organization. The process also included discussions with key stakeholders, who provided feedback on process, regulations and other context that informed this proposal. Please refer to Case No. NEPR-MI-2019-0007, LUMA's Comments on Performance Baselines and Metrics, dated February 5, 2021, and in particular Exhibit 2, LUMA's Comments on Performance Metrics Baselines, for additional details. LUMA's February 5, 2021, filing in NEPR-MI-2019-0007 is provided for reference as Appendix A.

As discussed in Exhibit 2 of LUMA's February 5, 2021, filing in NEPR-MI-2019-0007, LUMA found significant gaps in both PREPA's processes and data. This makes determining baseline performance to enable the setting of realistic performance targets for the proposed Performance Metrics a challenge.

Consequently, LUMA proposes that reporting of certain metrics and their use in Annex IX be deferred until such time as LUMA is able to provide reliable data for those metrics. In order to provide a full set of metrics, LUMA also proposes the addition of some Performance Metrics in Annex IX that were not present in the OMA at the time of execution.

The proposed Performance Metrics are presented in this submission with details related to each, including objectives, descriptions, calculations, performance baselines and targets. A timeframe is also presented for each Performance Metric.

LUMA respectfully requests that the Puerto Rico Energy Bureau approve the revised Annex IX as presented in Section 2 of this document.

Lastly, plans for achieving proposed targeted performance are presented with specified time frames. It must be noted that the design of LUMA's plans is affected in several cases by the lack of quality data. Implementation plans were developed based on the expertise of various subject matter experts, professional judgement, and knowledge of industry standards. LUMA expects in the future to revise and update these plans to reflect additional information and improvements in data collection and the calculation of relevant metrics. LUMA's plans for improvement in the proposed Performance Metrics is reflected in our prioritization of programs, and ultimately in our Initial Budgets. Unforeseen events outside of LUMA's control may affect LUMA's ability to meet the proposed Performance Metrics.

1.3 Performance Metrics Overview

1.3.1 Purpose & Requirements of the OMA

Pursuant to Section 4.2(f) of the OMA, LUMA proposes a set of metrics, defined in this document, for measuring and reporting LUMA's performance as the Operator of the T&D System and for determining the incentive fee that LUMA is eligible to receive each applicable Contract Year as specified in Section 7.1(c) of the OMA. LUMA will be entitled to earn the incentive fee (set forth in Annex VIII of the OMA and calculated as set forth in Annex X of the OMA) for any given Contract Year in accordance with results for these Performance Metrics.

According to Section 4.2(f) of the OMA, the Performance Metrics must include (i) the proposed baseline, target and minimum performance levels for certain Performance Metrics; (ii) Key Performance Metrics; (iii) Major Outage Event Performance Metrics; and (iv) an explanation of the basis for each of the foregoing, all as defined in Annex IX.

As described in Section 3 of LUMA's Reply to Comments on PREPA's performance baselines, performance metrics and compliance benchmarks in Case No. NEPR-MI-2019-0007, dated February 19, 2021, "the process for the establishment of Performance Metrics allows for an annual review of the Performance Metrics and revisions to the metrics if required." Due to the significant gaps identified in data collection, data quality, record-keeping and processes as currently applied, LUMA proposes that this set of Performance Metrics apply for an initial period of three years of operation. On an annual basis, LUMA and the PREB will evaluate the effectiveness and appropriateness of each metric for measuring the desired performance (including the remote possibility of outperforming a benchmark) and will propose resetting targets, minimum performance levels and metric timelines to be applied to subsequent Contract Years. LUMA may also propose replacing one or more metrics.

1.3.2 Summary of Performance Metrics

As stated in Section 2.1 of LUMA's Reply to Comments on PREPA's performance baselines, performance metrics, as well as compliance benchmarks in Case No. NEPR-MI-2019-0007, dated February 19, 2021:

> As part of our planning work and based on Puerto Rico energy public policy, LUMA established a mission and goals to help guide improvement programs and prioritize activities. LUMA used the mission and goals as part of its strategic planning framework to ensure alignment with Puerto Rico's broader public policy objectives and customer needs. As part of this alignment, LUMA recognizes that Performance Metrics associated with the mission and goals will further earlier compliance with public policy and drive benefits for the people of Puerto Rico.

The proposed performance metrics are listed in Table 1-1. These are grouped into three major performance categories in accordance with Annex IX: Customer Service; Technical, Safety & Regulatory; and Financial Performance. The second column, "OMA Description," has the text used in Annex IX of the OMA at its Effective Date. The third column indicates, in summary form, LUMA's description including any clarification, addition or deferral to Annex IX.

Table 1-1. Performance Metrics Summary

Performance Metric	OMA Description	LUMA Description
Customer Service		
J.D. Power Customer Satisfaction Survey (Residential Customers)	3rd party measure of customer satisfaction	3rd party measure of customer satisfaction
J.D. Power Customer Satisfaction Survey (Business Customers)	3rd party measure of customer satisfaction	3rd party measure of customer satisfaction
Average Speed of Answer (minutes)[1]	Time it takes on phone to reach an agent	The average wait time from the moment the customer enters the Automated Call Distribution (ACD) queue to the time the call is answered by an agent
Customer Complaint Rate	Total monthly complaints registered with PREB	Total annual complaints registered with PREB divided by the total number of customers and then multiplied by 100,000
First Call Resolution (FCR)[1] (deferred)	% of calls with issues that are escalated	The percentage of calls where the customer was able to resolve their issue/need on the first attempt PREPA's systems do not have the ability to track and report FCR. LUMA proposes deferring the calculation and reporting of this metric until a new cloud-based Contact Center platform is implemented and FCR performance tracking can be established. This is currently targeted for Year 2.
Abandonment Rate[1]	# of abandoned calls per calls received	The percentage of callers who hang up (abandon) while the call is still in the Automated Call Distribution (ACD) queue.

LUMA's Revised Performance Metrics Targets

Performance Metric	OMA Description	LUMA Description
Technical, Safety & Regulatory		
Occupational Safety and Health (OSHA) Recordable Incident Rate	# of work-related OSHA recordable injury cases	Total number of OSHA recordable incidents as a result of work-related injury
OSHA Fatalities[1]	# of work-related fatalities	All work-related fatalities
OSHA Severity Rate[1]	OSHA Severe Injuries # of total work-related injury cases with severity days	Total number of restricted and lost-time days incurred as a result of a work-related injury
OSHA Days Away Restricted or Transferred (DART) Rate	# of work-related injury	Total number of OSHA recordable cases with lost-time days (away, restricted or transferred)
System Average Interruption Frequency Index (SAIFI)[1]	Measures avg. outage frequency	Indicates how often the average customer experiences a sustained interruption over a predefined period of time[2]
System Average Interruption Duration Index (SAIDI)[1]	Measures avg. restoration time	Indicates the total duration of interruption for the average customer during a predefined period of time[2]
Customer Average Interruption Duration Index (CAIDI)[1] (eliminated)	Measures avg. outage duration	Represents the average time required to restore service[2] Based on growing industry concerns that CAIDI is very limited as a performance metric, LUMA proposes eliminating CAIDI. Since CAIDI is the ratio between SAIDI and SAIFI, CAIDI can be misleading because it can remain the same even when the SAIDI and SAIFI values decrease.
Customers Experiencing Multiple Interruptions ($CEMI_N$) (deferred)	Measures multiple outages in a given period	Indicates the ratio of individual customers experiencing N or more sustained interruptions to the total number of customers served.[2] Due to data quality issues, including lack of accurate customer information and lack of customer connectivity in the Outage Management System, LUMA proposes deferring $CEMI_N$ until after the information can be corrected and a baseline determined, currently expected to be Year 4.
Momentary Average Interruption Frequency Index (MAIFI) (deferred)	Measures avg. # of momentary interruptions	Indicates the average frequency of momentary interruptions. Due to data availability and quality issues, LUMA recommends deferring the MAIFI metric until it can be accurately measured. This requires replacing the Energy Manage System which is currently targeted for year 4 or 5.
Distribution Line Inspections & Targeted Corrections[1]	N/A	The number of distribution line inspections completed, with data recorded in a database for analysis. Category 0 and Category 1 findings shall be incorporated in a plan to be addressed within 60 days of identification.
Transmission Line Inspections & Targeted Corrections	N/A	The number of transmission line inspections completed, with data recorded in a database for analysis. Category 0 and Category 1 findings shall be incorporated in a plan to be addressed within 60 days of identification.
T&D Substation Inspections & Targeted Corrections	N/A	The number of distribution and transmission substation inspections completed with data recorded in a database for analysis. Category 0 and Category 1 findings shall be incorporated in a plan to be addressed within 60 days of identification.

Performance Metric	OMA Description	LUMA Description
Financial Performance		
Operating Budget[1]	Measures ability to stay within budget	Measures ability to stay within budget
Capital Budget: Federally Funded[1]	Measures ability to stay within budget	Measures ability to stay within budget
Capital Budget: Non-Federally Funded[1]	Measures ability to stay within budget	Measures ability to stay within budget
Days Sales Outstanding (DSO) (bifurcated – see below)	Measures ability to collect bills	Measures ability to collect customer bills
Reduction in Network Line Losses (deferred)	Measures ability to reduce electric losses	Measures ability to reduce electric losses PREPA does not currently allocate losses to the components of the system. Such allocation requires the development of an appropriate model, as well as additional metering and other measures. This is currently targeted for Year 2.
Overtime	Measures ability to manage salary expense	Measures ability to manage overtime costs under normal operations (excluding emergency events)
Days Sales Outstanding – General Customers	N/A	Measures ability to collect bills from general customers
Days Sales Outstanding – Government Customers	N/A	Measures ability to collect bills from government customers

[1] These Performance Metrics are also Key Performance Metrics as defined in Annex IX of the OMA.

[2] These descriptions are from the Institute of Electrical and Electronics Engineers ("IEEE") Guide for Electric Power Distribution Reliability Indices IEEE Std. 1366™-2012.

1.3.3 Summary of Major Outage Event Performance Metrics

The OMA outlines technical metrics to establish targets for acceptable performance in providing reliable electric service during normal conditions. These metrics expressly characterize Major Outage Events (MOE) as abnormal and exclude utility performance during these major outage events. As such, they are not intended to, cannot and do not provide any quantitative measurement of utility performance during a major outage event. Finally, technical metrics measure the utility's overall reliability on an annual basis. In contrast, the Major Outage Event Scorecard (MOE Scorecard) will be used as a tool to specifically measure utility performance (including preparation and communication activities) during each MOE.

1.3.4 Application of Performance Metrics

The Performance Metrics outlined in Section 2.4 and 2.5 of this submission apply during normal operations of the T&D System (i.e., when Major Outage Event Performance Metrics do not apply). For the purposes of this proposal, including Section 2, Revised Annex IX — Performance Metrics, Major Outage Event Performance Metrics apply during Major Outage Events defined as:

> an event as a result of which (i) at least two hundred and five thousand (205,000) T&D Customers are interrupted for more than 15 minutes or (ii) at any point in time during the event, there are one thousand five hundred or more (≥1,500) active outage events for the T&D System, which are tracked in the Outage Management System (OMS). The major outage event is deemed ongoing so long as the interruptions/outages continue to remain above the stated cumulative amounts, in each case for a period of twenty-four hours or longer (≥24) and are

> caused by an act of God. If such an act of God is a storm, the storm must be designated as a named storm by the U.S. National Weather Service or a State of Emergency declared by the Government of Puerto Rico. The major outage event shall be deemed to have ended when the cumulative number of T&D customers remaining interrupted falls below ten thousand (10,000) for a continuous period of eight (8) hours.

This definition was altered from that in the OMA to further define expectations and measurable targets. The MOE Scorecard is a tool to specifically track utility performance (including preparation and communication activities) after each Major Outage Event. The use of the MOE Scorecard is consistent with the OMA's intent to provide transparency on the utility's performance during emergencies and to assist in learning from emergency events and improving emergency response.

2.0 Revised Annex IX — Performance Metrics

This section provides a revised Annex IX of the OMA for PREB's consideration and approval.

2.1 General

For each Contract Year, LUMA shall be eligible to receive financial incentive compensation (Incentive Fee) based on the LUMA's performance during the Contract Year. LUMA's performance will be measured against the performance goals set forth by the Performance Metrics as described in this revised Annex IX (Performance Metrics). Section 3 of this document provides an updated view of the illustrative table provided in the OMA.

2.2 Performance Categories

The proposed Performance Metrics are listed in Table 2-1. These are grouped in three major Performance Categories in accordance with Annex IX of the OMA: Customer Service; Technical, Safety & Regulatory; and Financial Performance. Likewise, the Incentive Compensation Pool will be allocated across the Performance Categories to align LUMA's incentive compensation with the performance goals.

Table 2-1. Summary of Performance Categories

Performance Category	Performance Goal	Allocation of Incentive Compensation Period
1. Customer Satisfaction	Achieve a high-level of customer satisfaction across all customer classes.	25%
2. Technical, Safety & Regulatory	Operate a safe and reliable electric grid while remaining compliant with applicable safety regulations.	50%
3. Financial Performance	Meet the approved Operating Budget, Capital Budget: Federally Funded and Capital Budget: Non-Federally Funded.	25%

2.3 In Compliance with Energy Bureau Regulation 9137, Docket NEPR-MI-2019-0014[2]

A. For each Contract Year, the level of performance in each Performance Category shall be measured based on actual results achieved for the Contract Year. Levels of performance and achievement of results will be adjusted proportionately during the initial Contract Year beginning on the Service Commencement Date and ending on the following June 30. For this purpose, one or more Performance Metrics shall be associated with each Performance Category.

B. For all Performance Categories LUMA's performance shall be determined by the level of achievement of the Performance Objective for each Performance Metric under a Performance Category as described in Section 2.5 of this document. Such level of achievement will determine the portion of the allocated Incentive Compensation Pool earned by LUMA as described in Annex X (Calculation of Incentive Fee).

C. Each Performance Metric has an assigned point weighting (Base Points). For all Performance Metrics except for the Binary Metrics as described in Section D below, a baseline performance level has been established prior to the beginning of the first Contract Year (the Baseline Performance Level). The proposed Baseline Performance Level is based on either historical operating data confirmed during the Front-End Transition Period, performance during the Front-End Transition Period or through independent analysis. The initial baseline levels are proposed by LUMA then reviewed, modified and/or approved by PREB in the manner set forth in the main body of the OMA. The Baseline Performance Level sets the starting point for each metric relative to the target performance level to be achieved in the third Contract Year (the "Target Performance Level"). The annual target performance level for each performance metric over the initial three-year period is determined by the following: first, consideration of data and process information gathered from PREPA about past performance, second, discovered during the first two months of LUMA operations, and third, the consideration of effort and practical resources required (including human capital, processes and IT systems) to achieve improvements in performance and consideration of available budgets. The annual Minimum Performance Level set for each Performance Metric establishes the value that must be exceeded to qualify for Base Points and is established as one level lower performance than the 25% level in the Performance Metric Schedule. In Contract Years where the Minimum Performance Level is exceeded, LUMA has the ability of earning 25%, 50%, 100%, 125% or 150% (the Base Point Multipliers) of the Base Points depending on the metric result relative to the established baseline for the Contract Year. That is, for a result between the Minimum Performance Level and the 25% tier, LUMA would receive points equal to 25% of the Base Points and, for a result between the 25% threshold and the 50% threshold, LUMA would receive points equal to 50% of the Base Points, etc.

   Performance ranges for determination of Base Points earned shall be based on achieving performance improvement from the Baseline Performance Level to the Target Performance Level over the initial three-year period. They shall be aligned with principles beneficial to the public interest including going above and beyond the minimum required compliance level; positively impacting or addressing areas of unsatisfactory performance with a direct impact to the electric service user; and tied to difficult tasks rather than easy to fix areas.

[2] PREB Regulation for Performance Incentive Mechanisms, Regulation 9137, approved on December 2, 2019 in matter number NEPR – MI – 2019 – 0014.

D. Several Performance Metrics will be evaluated differently than the mechanism outlined above because the baseline is independent year to year (the Binary Metric). For the Occupational Safety and Health Administration (OSHA) Fatalities metrics, a value of zero results in full Base Points and a value other than zero results in no points. For the three approved budget-related metrics, Operating Budget, Capital Budget: Federally Funded and Capital Budget: Non-Federally Funded, exceeding 102% of the applicable budget results in no points while spending less than or equal to 100% of the applicable budget results in awarding full Base Points. The Operator can earn full Base Points by spending up to 100% of the Budget, pending Administrator approval. As defined in Section 7.3(b) of the OMA, the Budgets include 2% Excess Expenditures. Budget amendments, as defined in (i) through (iv) in Section 7.4 and 14.5(e) of the OMA, shall be deemed to be included in the initially approved Budgets (denominator) for purposes of this calculation. Further, any funds drawn from the Outage Event Reserve Account and the Contingency Reserve Account, as they have specific requirements, do not contribute to this metric.

2.4 Summary of Performance Metrics

The Performance Metrics that will form the basis for the Incentive Compensation Pool and their descriptions, baseline derivations, base points, and effective weights are summarized in Table 2-2.

Table 2-2. Summary of Performance Metrics

Performance Metric	Description	Baseline Performance Level Derivation	Base Points	Effective Weight
A. Customer Service				
1. J.D. Power Customer Satisfaction Survey (Residential Customers)	3rd party measure of customer satisfaction	Baseline has been set off initial survey. Reporting will begin in year 1	7.0	5.83%
2. J.D. Power Customer Satisfaction Survey (Business Customers)	3rd party measure of customer satisfaction	Baseline has been set off initial survey. Reporting will begin in year 1	7.0	5.83%
3. Average Speed of Answer (minutes)[1]	The average wait time from the moment the customer enters the Automated Call Distribution (ACD) queue to the time the call is answered by an agent	Based on past PREPA performance and LUMA experience	7.0	5.83%
4. Customer Complaint Rate	Total annual complaints registered with PREB (NEPR-QR) per 100,000 customers	Based on the total number of complaints received by the PREB (NEPR-QR) from May 2019 to February 2020, annualized, as the baseline as it is the most normal period of operations for PREPA in the last 4 years	2.0	1.67%
5. Abandonment Rate[1]	The percentage of callers who hang up (abandon) while the call is still in the ACD queue	Based on past PREPA performance and LUMA experience	7.0	5.83%
A. Customer Service[2]			**30.0**	**25.0%**

LUMA's Revised Performance Metrics Targets

Performance Metric	Description	Baseline Performance Level Derivation	Base Points	Effective Weight
B. Technical, Safety & Regulatory				
1. OSHA Recordable Incident Rate	Total number of OSHA recordable incidents as a result of work-related injury	Evaluation of PREPA historical data	5.0	5.56%
2. OSHA Fatalities[1]	All work-related fatalities	Evaluation of PREPA historical data	5.0	5.56%
3. OSHA Severity Rate[1,4]	Total number of restricted and lost-time days incurred as a result of a work-related injury	Evaluation of PREPA historical data	5.0	5.56%
4. OSHA DART Rate	Total number of OSHA recordable cases with lost-time days (away, restricted or transferred)	Evaluation of PREPA historical data	5.0	5.56%
5. System Average Interruption Frequency Index (SAIFI)[1]	Indicates how often the average customer experiences a sustained interruption over a predefined period of time.[3]	Calculated from PREPA historical data during the Front-End Transition Period	5.0	5.56%
6. System Average Interruption Duration Index (SAIDI)[1]	Indicates the total duration of interruption for the average customer during a predefined period of time[3]	Calculated from PREPA historical data during the Front-End Transition Period	5.0	5.56%
7. Distribution Line Inspections & Targeted Corrections[1]	The number of distribution line inspections completed, with data recorded in a database for analysis. Inspections of all 13.2 kV, 8.3 kV and 4.16 kV mainline, 3 phase, overhead circuits to assess the physical integrity of the poles, structures, components and equipment to be completed. LUMA will identify serious safety issues to either the public or workers, which will result in immediate priorities for the remediation process. Category 0 and Category 1 findings shall be incorporated in a plan to address within 60 days of identification.	Not applicable. PREPA has not been performing routine inspections.	5.0	5.56%
8. Transmission Line Inspections & Targeted Corrections	The number of transmission line inspections completed, with data recorded in a database for analysis. Inspections of all 230 kV, 115 kV and 38 kV transmission circuits to assess the physical integrity of the poles, structures, components and equipment to be completed. LUMA will identify serious safety issues to either the public or workers, which will result in immediate priorities for the remediation process. Category 0 and Category 1 findings shall be incorporated in a plan to address within 60 days of identification.	Not applicable. PREPA has not been performing routine inspections.	5.0	5.56%

LUMA's Revised Performance Metrics Targets

Performance Metric	Description	Baseline Performance Level Derivation	Base Points	Effective Weight
9. T&D Substation Inspections & Targeted Corrections	The number of distribution and transmission substation inspections completed with data recorded in a database for analysis. Inspections of all distribution and transmission substations to assess the physical integrity of the substation structures, components and equipment to be completed. LUMA will identify serious safety issues to either the public or workers, which will result in immediate priorities for the remediation process. Category 0 and Category 1 findings shall be incorporated in a plan to address within 60 days of identification.	Not applicable. PREPA has not been performing routine inspections.	5.0	5.56%
B. Technical, Safety & Regulatory			**45.0**	**50.0%**
C. Financial Performance				
1. Operating Budget[1]	Measures ability to stay within budget	Budget approved by PREB	7.5	5.68%
2. Capital Budget: Federally Funded[1]	Measures ability to stay within budget	Budget approved by PREB	7.5	5.68%
3. Capital Budget: Non-Federally Funded[1]	Measures ability to stay within budget	Budget approved by PREB	7.5	5.68%
4a) Days Sales Outstanding: General Customers	Measures ability to collect bills from general customers	Based on analysis of data over the last 36 months and consideration of impact of external factors such as Hurricane Maria and the COVID cut-off moratorium, the timeframe of May 2019 – February 2020 represents the most current stable and unimpaired period of collections activity for general customers	4.0	3.03%
4b) Days Sales Outstanding: Government Customers	Measures ability to collect bills from government customers	PREPA historical data from the timeframe of January – July 2020 is the most appropriate period for establishing a Government DSO baseline	1.5	1.14%
5. Overtime	Measures ability to manage overtime costs	23% of Total Base Compensation for Non-Exempt Employees based on PREPA historical data	5	3.79%
C. Financial Performance[5]			**33.0**	**25.0%**

[1] These Performance Metrics are also Key Performance Metrics (as defined in Section 2.6 LUMA Event of Default and in the OMA Section 14.1 (k)).

[2] Note that the Base Points for the individual Customer Service Performance Metrics vary from those in OMA Annex IX. The base points for Customer Complaint Rate were reduced and the ones for the other Customer Service metrics were increased. This modification recognizes the uncertainty of the data for historical customer complaints registered with PREB. PREPA did not review complaints with PREB and consequently there is no information on what portion of total complaints are justifiable. The total Customer Service Base Points shown remains the same as in the OMA Annex IX.

[3] These descriptions are from the IEEE Guide for Electric Power Distribution Reliability Indices, IEEE Std. 1366™-2012.

[4] As part of this revision to OMA Annex IX, use of the term Severe Injuries, which is not an OSHA metric, has been replaced, as appropriate, with the consistent use of the term Severity Rate herein, which is an OSHA metric.

[5] Note that the Base Points for the individual Financial Performance Metrics vary from those in OMA Annex IX. The Days Sales Outstanding Performance Metric has been bifurcated and the Reduction in Network Line Losses Performance Metric has been deferred. The total Financial Performance base points shown is 33 instead of the 38 in the OMA Annex IX and as a result the effective weightings are slightly higher for each of the individual finance metrics. The total effective weight for the sum of the Financial Performance Metrics remains the same as in the OMA Annex IX.

2.5 Performance Metrics

Table 2-3 below summarizes baseline performance levels and annual targets for the Performance Metrics, with related details following the table.

Table 2-3. Summary of Performance Metrics Baselines and Annual Targets

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
A. Customer Service							
1. J.D. Power Customer Satisfaction Survey (Residential Customers)							
PREB Order	N/A						
Baseline	398						
Year 1	427	398	450	439	427	415	405
Year 2	455	427	480	468	455	440	430
Year 3	484	455	500	492	484	470	460
2. J.D. Power Customer Satisfaction Survey (Business Customers)							
PREB Order	N/A						
Baseline	345						
Year 1	380	345	415	400	380	370	355
Year 2	414	380	450	432	414	400	390
Year 3	449	414	475	462	449	435	425
3. Average Speed of Answer (minutes)[1]							
PREB Order	8.3						
Baseline	10.0						
Year 1	9.0	9.7	4.5	6.8	9.0	9.3	9.6
Year 2	6.4	7.1	3.2	4.8	6.4	6.7	7.0
Year 3	5.8	6.4	2.9	4.4	5.8	6.1	6.3
4. Customer Complaint Rate							
PREB Order	841						
Baseline	11.10						
Year 1	10.80	11.55	10.30	10.55	10.80	11.05	11.30
Year 2	10.60	11.35	10.1	10.35	10.60	10.85	11.10
Year 3	10.10	10.85	9.60	9.85	10.10	10.35	10.60

LUMA's Revised Performance Metrics Targets

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
5. Abandonment Rate[1]							
PREB Order	N/A						
Baseline	50.0%						
Year 1	40.0%	45.0%	20.0%	30.0%	40.0%	41.0%	42.0%
Year 2	32.0%	35.0%	16.0%	24.0%	32.0%	33.0%	34.0%
Year 3	29.0%	34.0%	14.5%	22.0%	29.0%	31.0%	33.0%
B. Technical, Safety & Regulatory							
1. OSHA Recordable Incident Rate							
PREB Order	6.9						
Baseline	8.75						
Year 1	6.56	7.88	5.68	6.12	6.56	7.00	7.44
Year 2	5.25	7.25	3.99	4.59	5.25	5.95	6.69
Year 3	4.20	6.67	2.79	3.45	4.20	5.06	6.02
2. OSHA Fatalities[1]							
PREB Order	0						
Baseline	0						
Year 1	0	0	N/A	N/A	0	N/A	N/A
Year 2	0	0	N/A	N/A	0	N/A	N/A
Year 3	0	0	N/A	N/A	0	N/A	N/A
3. OSHA Severity Rate[1]							
PREB Order	31.00						
Baseline	58.03						
Year 1	49.32	53.38	43.52	46.42	49.32	52.23	53.38
Year 2	41.92	49.12	32.64	37.14	41.92	44.39	48.05
Year 3	35.64	45.19	24.48	29.71	35.64	37.74	43.25
4. OSHA DART Rate							
PREB Order	4.80						
Baseline	6.85						
Year 1	5.14	6.17	4.45	4.80	5.13	5.48	5.82
Year 2	4.11	5.67	3.12	3.60	4.11	4.66	5.24
Year 3	3.29	5.22	2.18	2.7	3.29	3.96	4.72

LUMA's Revised Performance Metrics Targets

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
5. System Average Interruption Frequency Index (SAIFI)[1,2]							
PREB Order	10.6						
Baseline	10.6						
Year 1	9.8	10.4	8.2	8.9	9.8	10.0	10.2
Year 2	8.5	10.1	6.8	7.5	8.5	8.9	9.5
Year 3	7.4	9.8	5.8	6.6	7.4	8.2	9.0
6. System Average Interruption Duration Index (SAIDI)[1,2]							
PREB Order	1,243						
Baseline	1,243						
Year 1	1,119	1,212	870	994	1,119	1,150	1,181
Year 2	932	1,155	684	808	932	1,007	1,081
Year 3	746	1,118	497	622	746	870	994
7. Distribution Line Inspections & Targeted Corrections[1]							
PREB Order	N/A						
Baseline	N/A						
Year 1	106	16	159	133	106	53	27
Year 2	370	56	555	463	370	185	93
Year 3	687	103	1,031	859	687	344	172
8. Transmission Line Inspections & Targeted Corrections							
PREB Order	N/A						
Baseline	N/A						
Year 1	26	4	39	33	26	13	7
Year 2	91	14	137	114	91	46	23
Year 3	169	25	254	211	169	85	43
9. T&D Substation Inspections & Targeted Corrections							
PREB Order	N/A						
Baseline	N/A						
Year 1	39	6	59	49	39	20	10
Year 2	137	21	206	171	137	69	34
Year 3	255	38	383	319	255	128	64

LUMA's Revised Performance Metrics Targets

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
C. Financial Performance							
1. Operating Budget[1]							
PREB Order	80.4%						
Baseline	100% of Operating Budget						
Year 1	100% of T&D Approved Operating Budget	100% of T&D Approved Operating Budget	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 2	100% of T&D Approved Operating Budget	100% of T&D Approved Operating Budget	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 3	100% of T&D Approved Operating Budget	100% of T&D Approved Operating Budget	N/A	N/A	Less than or Equal to 100%	N/A	N/A
2. Capital Budget: Federally Funded[1]							
PREB Order	N/A						
Baseline	N/A						
Year 1	100% of FY22 Approved Capital Spend	100% of FY22 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 2	100% of FY23 Approved Capital Spend	100% of FY23 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 3	100% of FY24 Approved Capital Spend	100% of FY24 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
3. Capital Budget: Non-Federally Funded[1]							
PREB Order	6.6%						
Baseline	100% of Capital Budget: Non-Federally Funded Approved for Fiscal 2022						
Year 1	<100% of FY22 Approved Capital Spend	100% of FY22 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 2	<100% of FY23 Approved Capital Spend	100% of FY23 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 3	<100% of FY24 Approved Capital Spend	100% of FY24 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
4a) Days Sales Outstanding: General Customers							
PREB Order	132						
Baseline	131						
Year 1	128	148	119	122	128	135	138
Year 2	126	145	116	120	126	132	135
Year 3	123	142	114	117	123	129	132
4b) Days Sales Outstanding: Government Customers							
PREB Order	619						
Baseline	754						
Year 1	739	850	684	702	739	776	794
Year 2	724	833	670	688	724	760	778
Year 3	709	815	656	674	709	745	762
5. Overtime							
PREB Order	N/A						
Baseline	23% of Total Base Compensation for Non-Exempt Employees						
Year 1	20% of Total Non-Exempt Base Compensation	23% of Total Non-Exempt Base Compensation	Less than or Equal to 18%	19%	20%	21%	22%
Year 2	19% of Total Non-Exempt Base Compensation[3]	22% of Total Non-Exempt Base Compensation	Less than or Equal to 17%	18%	19%	20%	21%
Year 3	18% of Total Non-Exempt Base Compensation	21% of Total Non-Exempt Base Compensation	Less than or Equal to 16%	17%	18%	19%	20%

[1] These Performance Metrics are also Key Performance Metrics (as defined in the Revised Annex IX Performance Metrics Section 4.6 LUMA Event of Default and in the OMA Section 14.1 (k).

[2] These metrics are based on the IEEE Guide for Electric Power Distribution Reliability Indices, IEEE Std. 1366-2012 and baselined by annualizing the 2020 performance through August 2020 (dataset provided covered the period of January 2020 through August 2020) to account for 2020 degraded performance over 2019.

[3] A 1% Metric Improvement Target can equate to a 22% Cost Improvement. See Sample Overtime Savings Calculation below.

2.5.1 Customer Satisfaction

1. J.D. POWER CUSTOMER SATISFACTION SURVEY (RESIDENTIAL CUSTOMERS)

Performance Objective: To incentivize sufficient customer service.

Description: Third-party customer survey.

Calculation: The J.D. Power Customer Satisfaction metric examines six factors: power quality and reliability, price, billing and payment, corporate citizenship, communications and customer service. Customer Satisfaction will be measured by following up with surveys in four phases per year for residential, and in two phases per year for commercial. Initial survey was completed and a baseline was set prior to commencement with reporting beginning in FY 2022.

Table 2-4. J.D. Power Customer Satisfaction Survey (Residential Customers)

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	398						
Year 1	427	398	450	439	427	415	405
Year 2	455	427	480	468	455	440	430
Year 3	484	455	500	492	484	470	460

2. J.D. POWER CUSTOMER SATISFACTION SURVEY (BUSINESS CUSTOMERS)

Performance Objective: To incentivize sufficient customer service.

Description: Third party customer survey.

Calculation: The J.D. Power Customer Satisfaction metric examines six factors: power quality and reliability, price, billing and payment, corporate citizenship, communications and customer service. Customer Satisfaction will be measured by following up with surveys in four phases per year for residential, and in two phases per year for commercial. Initial survey was completed and a baseline was set prior to commencement with reporting beginning in FY2022

Table 2-5. J.D. Power Customer Satisfaction Survey (Business Customers)

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	345						
Year 1	380	345	415	400	380	370	355
Year 2	414	380	450	432	414	400	390
Year 3	449	414	475	462	449	435	425

3. AVERAGE SPEED OF ANSWER (MINUTES)

Performance Objective: To incentivize efficient call center service.

Description: The Average Speed of Answer (ASA) metric measures the average wait time from the moment the customer enters the queue to the time the call is answered by an agent.

Calculation: Total Automatic Call Distributor (ACD) wait seconds / total answered calls.

An ACD is a telephony system that automatically distributes incoming phone calls to available agents, based on data entered by the caller into an Interactive Voice Response (IVR) and skills-based routing, using skills associated with agents.

LUMA's baseline data derives from FY2019 – March 2020. When assessing whether to use FY2019 or FY2020 data, we determined that the FY2020 does not support a reliable baseline for the following reasons:

- Current data is only available for a period of 6 months
- Reported ASA varies significantly from month to month due to COVID and onboarding new outsource vendors
- There is a lack of visibility into three separate call routing systems and overflow which prevents LUMA from accurately calculating baseline ASA

Table 2-6. Average Speed of Answer (minutes)

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	8.3						
Baseline	10.0						
Year 1	9.0	9.7	4.5	6.8	9.0	9.3	9.6
Year 2	6.4	7.1	3.2	4.8	6.4	6.7	7.0
Year 3	5.8	6.4	2.9	4.4	5.8	6.1	6.3

4. CUSTOMER COMPLAINT RATE

Performance Objective: To incentivize effective customer service.

Description: This metric measures the total number of initial customer complaints registered with PREB under an NEPR-QR docket. The Baseline Performance Level was set based on PREPA historical data.

Calculation: The annual value is calculated by taking the total number of initial complaints divided by the total utility customer population and then multiplying by 100,000.

LUMA's baseline was calculated from FY2019 – March 2020 data. Upon further investigation, LUMA determined that FY2020 does not support a reliable baseline due to:

- Current data is not available
- The lack of visibility into response rate prevents us from accurately calculating baseline service level

Table 2-7. Customer Complaint Rate

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	841						
Baseline	11.10						
Year 1	10.80	11.55	10.30	10.55	10.80	11.05	11.30
Year 2	10.60	11.35	10.10	10.35	10.60	10.85	11.10
Year 3	10.10	10.85	9.60	9.85	10.10	10.35	10.60

Note that the Minimum Performance Level in the early years are worse than the baseline to account for the possible scenario of a temporary increase in customer complaints due to the strong possibility of bill consumption actually increasing as metering, meter data, and billing accuracy improves (meters typically under register when not working properly).

5. ABANDONMENT RATE

Performance Objective: To incentivize efficient call center service.

Description: The Abandonment Rate (ABD) metric measures the percentage of callers who hang up (abandon) while the call is still in the Automated Call Distribution (ACD) queue.

Calculation: Total calls that abandoned in queue / total calls offered to the queue.

LUMA's baseline was calculated using FY2019 to March 2020 data. Upon further analysis, LUMA determined that using FY2020 data would not support a reliable baseline due to the following:

- Current data is only available for a period of 6 months
- Reported ABD varies significantly from month to month due to COVID and onboarding new outsource vendors
- There is a lack of visibility into three separate call routing systems and overflow presents us from accurately calculating baseline ABD

Table 2-8. Abandonment Rate

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	50.0%						
Year 1	40.0%	45.0%	20.0%	30.0%	40.0%	41.0%	42.0%
Year 2	32.0%	35.0%	16.0%	24.0%	32.0%	33.0%	34.0%
Year 3	29.0%	34.0%	14.5%	22.0%	29.0%	31.0%	33.0%

2.5.2 Technical, Safety & Regulatory

The System Reliability Technical Performance Metrics will be measured and calculated in accordance with IEEE 1366-2012, including the terms as defined therein. The calculation of Technical Performance Metrics excludes (i) interruptions associated with Outage Event days using the IEEE 2.5 Beta Method, (ii) planned interruptions and (iii) interruptions caused by generation events.

Regarding Metrics 1, 3, and 4 below:

LUMA analyzed the benchmarks in the PREB Order and determined that the PREB Order does not adequately represent recent results for the following reasons:

- The PREB order is based on PREPA submissions to quarterly performance metrics filings. The quarterly performance metrics are an aggregation of data related to transmission, distribution, and generation activities and are not representative of LUMA's activities (only transmission and distribution).

- Beginning in January 2020, PREPA began excluding certain incidents from the OSHA recordable incident register and instead included them in an internal report known as 'Casi-Casi.' According to the information provided by PREPA to LUMA, several of the incidents on the 'Casi-Casi' report resulted in days away from work or medical treatment beyond first aid. LUMA was unable to receive confirmation from PREPA as to why these incidents were excluded from the OSHA recordable incident register.

By excluding the 'Casi-Casi' incidents and including generation operations, all Technical, Safety & Regulatory benchmarks in the PREB Order decreased significantly (from between 19-31%). Excluding incidents from generation operations and including the 'Casi-Casi' results in no changes to significant increases in the benchmarks (from 0 to +15%). As a result, LUMA's proposes to maintain FY2021 benchmarks with adjustments to exclude incidents from generation operations and to include relevant 'Casi-Casi' incidents in accordance with industry practice and OSHA guidelines. LUMA proposed benchmarks and targets are included in the tables below.

1. OSHA RECORDABLE INCIDENT RATE (OSHA IR)[3]

Performance Objective: To incentivize employee safety.

Description: OSHA requires Recordable Incident Rate be reported to OSHA on a yearly basis. An OSHA recordable incident is a work-related injury or illness that results in one of more of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, loss of consciousness or a significant injury or illness diagnosed by a physician or other licensed health care professional. The baseline performance level has been set using PREPA historical data in addition to an internal report named Casi Casi.

Calculation: The metric is calculated as the total number of recordable incident cases over a set time period multiplied by the OSHA scaling factor[4] and divided by the total number of labor hours the company recorded during that time period.

Table 2-9. OSHA Recordable Incident Rate

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	6.9						
Baseline	8.75						
Year 1	6.56	7.88	5.68	6.12	6.56	7.00	7.44
Year 2	5.25	7.25	3.99	4.59	5.25	5.95	6.69
Year 3	4.20	6.67	2.79	3.45	4.20	5.06	6.02

2. OSHA FATALITIES[5]

Performance Objective: To incentivize employee safety.

Description: OSHA requires all work-related fatalities be reported to OSHA within eight (8) hours. The industry standard target is 0 fatalities, which has determined the Baseline and Target Performance Levels.

Calculation: This metric measures the number of OSHA-reportable fatalities (i.e., employee fatalities that occur on the job within OSHA jurisdictions).

[3] As defined by OSHA.
[4] The OSHA scaling factor is 200,000 and equates to equates to one hundred (100) employees working forty (40) hours per week, fifty (50) weeks of the year).
[5] As defined by OSHA.

Table 2-10. OSHA Fatalities

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	0						
Baseline	0						
Year 1	0	0	N/A	N/A	0	N/A	N/A
Year 2	0	0	N/A	N/A	0	N/A	N/A
Year 3	0	0	N/A	N/A	0	N/A	N/A

3. OSHA SEVERITY RATE[6]

Performance Objective: To incentivize employee safety

Description: Used as a metric to measure the severity of workplace injuries, the OSHA Severity Rate is commonly used to measure safety performance across the utility industry. The OSHA Severity Rate considers the total number of restricted and lost-time days incurred as a result of a work-related injury.

Calculation: This metric is calculated by dividing the product of the total number of severity days (both restricted and lost-time days) and the OSHA scaling factor[7] by the total number of work hours.

Table 2-11. OSHA Severity Rate

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	31.00						
Baseline	58.03						
Year 1	49.32	53.38	43.52	46.42	49.32	52.23	53.38
Year 2	41.92	49.12	32.64	37.14	41.92	44.39	48.05
Year 3	35.64	45.19	24.48	29.71	35.64	37.74	43.25

4. OSHA DAYS AWAY, RESTRICTED, AND TRANSFER RATE (DART)[8]

Performance Objective: To incentivize employee safety.

Description: Used as a metric to measure the severity of workplace injuries, the OSHA DART Rate is commonly used to measure safety performance across the utility industry. The OSHA DART Rate considers the total number of injury cases that resulted in either lost time, restricted time or a transfer from the employee's regular job.

Calculation: This metric is calculated by dividing the product of the total number of DART Cases (OSHA injury cases with either lost time days, restricted days or results in a job transfer) and the OSHA scaling factor[9] by the total number of work hours.

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6 As defined by OSHA.
7 The OSHA scaling factor is 200,000 and equates to equates to one hundred (100) employees working forty (40) hours per week, fifty (50) weeks of the year.
8 As defined by OSHA.
9 The OSHA scaling factor is 200,000 and equates to equates to one hundred (100) employees working forty (40) hours per week, fifty (50) weeks of the year.

Table 2-12. OSHA DART Rate

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	4.80						
Baseline	6.85						
Year 1	5.14	6.17	4.45	4.80	5.13	5.48	5.82
Year 2	4.11	5.67	3.12	3.60	4.11	4.66	5.24
Year 3	3.29	5.22	2.18	2.70	3.29	3.96	4.72

5. SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)[10]

Performance Objective: To incentivize system reliability.

Description: This metric indicates how often the average customer experiences a sustained interruption[11] over a predefined period of time.

Calculation: This metric is calculated by dividing the total number of customers interrupted by the total number of customers served. Each sustained interruption[12] experienced by a specific customer counts towards the total in the numerator.

Table 2-13. System Average Interruption Frequency Index (SAIFI)

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	10.6						
Baseline	10.6						
Year 1	9.8	10.4	8.2	8.9	9.8	10.0	10.2
Year 2	8.5	10.1	6.8	7.5	8.5	8.9	9.5
Year 3	7.4	9.8	5.8	6.6	7.4	8.2	9.0

6. SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)[13]

Performance Objective: To incentivize system reliability

Description: This metric indicates the total duration of interruption for the average customer during a predefined period of time.

Calculation: This metric is calculated by summing the product of the length of each interruption and the number of customers affected by that interruption for all sustained interruptions[14] during the measurement period then dividing by the total number of customers served.

[10] The Institute of Electrical and Electronics Engineers, Inc., IEEE Guide for Electric Power Distribution Reliability Indices IEEE Std. 1366™-2012, May 2012, page 5.
[11] "Any interruption not classified as a part of a momentary event. That is, any interruption that lasts more than five minutes." Ibid., page 4.
[12] Ibid.
[13] The Institute of Electrical and Electronics Engineers, Inc., IEEE Guide for Electric Power Distribution Reliability Indices IEEE Std. 1366™-2012, May 2012, page 5.
[14] "Any interruption not classified as a part of a momentary event. That is, any interruption that lasts more than five minutes." Ibid., page 4.

Table 2-14. System Average Interruption Duration Index (SAIDI)

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	1,243						
Baseline	1,243						
Year 1	1,119	1,212	870	994	1,119	1,150	1,181
Year 2	932	1,155	684	808	932	1,007	1,081
Year 3	746	1,118	497	622	746	870	994

7. DISTRIBUTION LINE INSPECTIONS & TARGETED CORRECTIONS

Performance Objective: To incentivize system safety and provide data to make decisions on effective reliability improvements, predictive maintenance, circuit hosting capacity and resiliency upgrades.

Description: The Distribution Line Inspections and Targeted Corrections metric will assess the physical integrity of the poles, structures, components and equipment, providing data to develop an overall health rating to identify serious safety issues to either the public or worker that will result in high-priority attention by LUMA.

Calculation: Number of distribution lines (circuits) inspected with results recorded in a database and Category 0 and Category 1 findings shall be incorporated in a plan within 60 days of identification to address. That plan shall consider a coordinated approach to remediation based on severity and risk according to the objectives defined in LUMA's Recovery Transformation Framework.

Table 2-15. Distribution Line Inspections & Targeted Corrections[1]

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	N/A						
Year 1	106	16	159	133	106	53	27
Year 2	370	56	555	463	370	185	93
Year 3	687	103	1,031	859	687	344	172

[1] The numbers shown are cumulative from year to year. There are currently a total of 1,057 distribution circuits.

8. TRANSMISSION LINE INSPECTIONS & TARGETED CORRECTIONS

Performance Objective: To incentivize system safety and provide data to make decisions on effective reliability improvements, predictive maintenance, circuit hosting capacity and resiliency upgrades.

Description: The Transmission Line Inspections and Targeted Corrections metric will assess the physical integrity of the poles, structures, components and equipment, providing data to develop an overall health rating to identify serious safety issues to either the public or worker that will result in high-priority attention by LUMA.

Calculation: Number of transmission lines inspected with results recorded in a database and Category 0 and Category 1 findings shall be incorporated in a plan within 60 days of identification to address. That plan shall consider a coordinated approach to remediation based on severity and risk according to the objectives defined in LUMA's Recovery Transformation Framework.

Table 2-16. Transmission Line Inspections & Targeted Corrections[1]

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	N/A						
Year 1	26	4	39	33	26	13	7
Year 2	91	14	137	114	91	46	23
Year 3	169	25	254	211	169	85	43

[1] The numbers shown are cumulative from year to year. There are currently a total of 260 transmission circuits.

9. T&D SUBSTATION INSPECTIONS & TARGETED CORRECTIONS

Performance Objective: To incentivize system safety and provide data to make decisions on effective reliability improvements, predictive maintenance, circuit hosting capacity and resiliency upgrades.

Description: The T&D Substation Inspections and Targeted Corrections metric will assess the physical integrity of the structures, components and equipment, providing data to develop an overall health rating to identify serious safety issues to either the public or worker that will result in high-priority attention by LUMA.

Calculation: Number of T&D substations inspected with results recorded in a database and Category 0 and Category 1 findings shall be incorporated in a plan within 60 days of identification to address. That plan shall consider a coordinated approach to remediation based on severity and risk according to the objectives defined in LUMA's Recovery Transformation Framework.

Table 2-17. T&D Substation Inspections & Targeted Corrections[1]

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	N/A						
Year 1	39	6	59	49	39	20	10
Year 2	137	21	206	171	137	69	34
Year 3	255	38	383	319	255	128	64

[1] The numbers shown are cumulative from year to year. There are currently a total of 392 substations.

2.5.3 Financial Performance

1. OPERATING BUDGET

Performance Objective: To incentivize effective cost management.

Description: Measures ability to stay within budget.

Calculation: This metric will be evaluated as actual operating expenses for a given Fiscal Year divided by the approved T&D operating budget for the same Fiscal Year as incurred. As defined in Section 7.3(b) of the OMA the Budgets include 2% Excess Expenditures. Budget amendments, as defined in (i) through (iv) in Section 7.4 and 14.5(e) of the OMA, shall be deemed to be included in the initially approved Budgets (denominator) for purposes of this calculation. Further, any funds drawn from the Outage Event

Reserve Account and the Contingency Reserve Account, as they have specific requirements, do not contribute to this metric. LUMA proposes that any approved budget amendment for items outside LUMA's control also adjusts the budget metric denominator by the same amount. It is also proposed that any financial adjustments or corrections made to PREPA's pre-fiscal year 2022 historical books and records be excluded from the calculation.

While the FY2020 data PREPA submitted shows an 80.4% baseline, LUMA remains at 100% of the budget. As this is funded by the rate order, it is in the customers' best interest that LUMA use the funds appropriately to build a stronger more resilient utility.

Table 2-18. Operating Budget[1]

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	80.4%						
Baseline	100% of Operating Budget						
Year 1	100% of T&D Approved Operating Budget	100% of T&D Approved Operating Budget	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 2	100% of T&D Approved Operating Budget	100% of T&D Approved Operating Budget	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 3	100% of T&D Approved Operating Budget	100% of T&D Approved Operating Budget	N/A	N/A	Less than or Equal to 100%	N/A	N/A

[1] In accordance with OMA Section 7.3(b), each Budget includes Excess Expenditures, defined as expenditures for undefined costs in an amount equal to up to two percent (2%) of the total amount of the Budget. Excess Expenditures must otherwise comply with the applicable Rate Order. Any Excess Expenditures incurred by LUMA are treated as T&D Pass-Through Expenditures and as if initially budgeted. Each reference in the OMA to a Budget or Default Budget includes Excess Expenditures to the extent these are incurred.

2. CAPITAL BUDGET: FEDERALLY FUNDED

Performance Objective: To incentivize effective cost management of federally funded projects.

Description: Measures ability to stay within budget.

Calculation: This metric will be evaluated as actual Federally Funded Capital expenses for a Fiscal Year, as incurred, divided by approved Capital Budget: Federally Funded for the same Fiscal Year. As defined in Section 7.3(b) of the OMA the Budgets include 2% Excess Expenditures. Budget amendments, as defined in (i) through (iv) in Section 7.4 and 14.5(e) of the OMA, shall be deemed to be included in the initially approved Budgets (denominator) for purposes of this calculation. Further, any funds drawn from the Outage Event Reserve Account and the Contingency Reserve Account, as they have specific requirements, do not contribute to this metric.

Table 2-19. Capital Budget: Federally Funded[1]

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	N/A						
Year 1	100% of FY22 Approved Capital Spend	100% of FY22 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 2	100% of FY23 Approved Capital Spend	100% of FY23 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 3	100% of FY24 Approved Capital Spend	100% of FY24 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A

[1] In accordance with OMA Section 7.3(b), each Budget includes Excess Expenditures, defined as expenditures for undefined costs in an amount equal to up to two percent (2%) of the total amount of the Budget. Excess Expenditures must otherwise comply with the applicable Rate Order. Any Excess Expenditures incurred by LUMA are treated as T&D Pass-Through Expenditures and as if initially budgeted. Each reference in the OMA to a Budget or Default Budget includes Excess Expenditures to the extent these are incurred.

3. CAPITAL BUDGET: NON-FEDERALLY FUNDED

Performance Objective: To incentivize effective cost management of Non-Federally Funded Capital.

Description: Measures ability to stay within budget.

Calculation: This metric will be evaluated as actual Federally Non-Funded Capital expenses for a Fiscal Year, as incurred, divided by approved Capital Budget: Non-Federally Funded for the same Fiscal Year. As defined in Section 7.3(b) of the OMA the Budgets include 2% Excess Expenditures. Budget amendments, as defined in (i) through (iv) in Section 7.4 and 14.5(e) of the OMA, shall be deemed to be included in the initially approved Budgets (denominator) for purposes of this calculation. Further, any funds drawn from the Outage Event Reserve Account and the Contingency Reserve Account, as they have specific requirements, do not contribute to this metric.

PREPA has underspent its non-federally funded capital expenditures recently which has exacerbated the deterioration of the resiliency of the T&D system. It is LUMA's intent to spend all of its budgeted amount to assist in stabilizing the T&D system and certain other capital items which support that effort., LUMA intends to fully deploy the funds financed by customers for capital expenditures be used to continue to improve the utility.

Table 2-20. Capital Budget: Non-Federally Funded[1]

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	6.6%						
Baseline	100% of Capital Budget: Non-Federally Funded Approved for Fiscal 2022						
Year 1	<100% of FY22 Approved Capital Spend	100% of FY22 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 2	<100% of FY23 Approved Capital Spend	100% of FY23 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A
Year 3	<100% of FY24 Approved Capital Spend	100% of FY24 Approved Capital Spend	N/A	N/A	Less than or Equal to 100%	N/A	N/A

[1] In accordance with OMA Section 7.3(b), each Budget includes Excess Expenditures, defined as expenditures for undefined costs in an amount equal to up to two percent (2%) of the total amount of the Budget. Excess Expenditures must otherwise comply with the applicable Rate Order. Any Excess Expenditures incurred by LUMA are treated as T&D Pass-Through Expenditures and as if initially budgeted. Each reference in the OMA to a Budget or Default Budget includes Excess Expenditures to the extent these are incurred.

4A. DAYS SALES OUTSTANDING: GENERAL CUSTOMERS

Performance Objective: To incentivize effective credit and collections efforts.

Description: This metric is a measure of the ability to collect payment for general clients' customer billings.

Calculation: General Customers' DSO is calculated by dividing the year-end amount of general customers' receivables by the total year-end value of general customers' credit sales and multiplying the result by the number of days in that year. "Un-collectibles reserve," which is currently included in the DSO calculation in the PREPA Finance monthly report (MOR) of financial statements to the PREPA Governing Board, will not be included in the LUMA DSO calculations. General customers segment represents all non-government accounts including residential, commercial and industrial accounts.

Data from August 2017 – July 2020 was analyzed to determine an appropriate baseline. Based on analysis of data from the last 36 months and consideration of impact of external factors such as hurricane Maria and the COVID restrictions, the timeframe of May 2019 – February 2020 represents the most current stable and unimpaired period of collections activity for General Customers. The proposed baseline for General Customers is the average of 131 days during this period.

Special Considerations: There are situations outside the Luma Customer Experience team's control that could negatively impact DSO performance and therefore deserve special consideration. For these or similar circumstances, the proposal is to either give relief from or reevaluate DSO baseline and performance targets:

- Non-Payment Moratorium: Relief from Moratoriums on cut off for non-pay. Government orders for collection moratoriums on cut off for non-pay negatively impact Luma's ability to execute normal collections processes and manage DSO. LUMA should be relieved of this metric during moratorium periods and for 3-6 months after the moratorium been lifted as it is a trailing indicator.

- PREPA Data: Relief from changes in PREPA finance calculations. Should PREPA Finance change any of the fundamental data or calculations involved in the M-8 or Page 12 MOR reports, baselines and performance targets may need to be adjusted accordingly (For example, in January 2020 PREPA Finance changed the way Government A/R was calculated for the MOR report. The change resulted in an increase of 572 days of Government DSO. This was an accounting change only and did not reflected a material underlying change in the business.)

- New or Incorrect Data: Relief from data inaccuracies. If material errors or differences are identified in PREPA's unaudited Accounts Receivable and DSO data or processes upon implementation of new analytics or other discoveries, all DSO calculations, baselines, and performance targets may need to be reevaluated and adjusted accordingly.

Table 2-21. Days Sales Outstanding: General Customers

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	132						
Baseline[1]	131						
Year 1	128	148	119	122	128	135	138
Year 2	126	145	116	120	126	132	135
Year 3	123	142	114	117	123	129	132

[1] LUMA's Baseline was calculated using PREPA's Financial Report (M-8) using FY 2019.

4B. DAYS SALES OUTSTANDING: GOVERNMENT CUSTOMERS

Performance Objective: To incentivize effective credit and collections efforts.

Description: This metric is a measure of the ability to collect government bills.

Calculation: Government DSO is calculated by dividing the year-end amount of Government accounts receivable by the total year-end value of government credit sales and multiplying the result by the number of days in that year. "Un-collectibles reserve," which is currently included in the DSO calculation in the PREPA Finance monthly report (MOR) of financial statements to the PREPA Governing Board, will not be included in the LUMA DSO calculations. This metric will reflect the impact of government collections, including critical service installations as defined in the Puerto Rico Energy Transformation and RELIEF Act, Act 57-2014, as amended by the Puerto Rico Energy Public Policy Act, Act 17-2019, and Contribution in Lieu of Taxes (CILT).

Data from August 2017 – July 2020 was analyzed to determine appropriate baseline. Due to a material accounting change by PREPA Finance in 2020, the timeframe of March through July 2020 is the most appropriate period for establishing a Government DSO Baseline. The proposed Government DSO Baseline is the average of 754 days during this period.

Special Considerations: There are situations outside the Luma Customer Experience team's control that could negatively impact DSO performance and therefore deserve special consideration. For these or similar circumstances, the proposal is to either give relief from or reevaluate DSO baseline and performance targets:

- Non-Payment Moratorium: Relief from Moratoriums on cut off for non-pay. Government orders for collection moratoriums on cut off for non-pay negatively impact Luma's ability to execute normal collections processes and manage DSO. LUMA should be relieved of this metric during moratorium periods and for 3-6 months after the moratorium has been lifted as it is a trailing indicator.

- PREPA Data: Relief from changes in PREPA finance calculations. Should PREPA Finance change any of the fundamental data or calculations involved in the M-8 or Page 12 MOR reports, baselines and performance targets may need to be adjusted accordingly (For example, in January 2020 PREPA Finance changed the way Government A/R was calculated for the MOR report. The change resulted in an increase of 572 days of Government DSO. This was an accounting change only and did not reflect a material underlying change in the business.)

- New or Incorrect Data: Relief from data inaccuracies. If material errors or differences are identified in PREPA's unaudited Accounts Receivable and DSO data or processes upon implementation of new analytics or other discoveries, all DSO calculations, baselines, and performance targets may need to be reevaluated and adjusted accordingly.

Table 2-22. Days Sales Outstanding: Government Customers

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	619						
Baseline[1]	754						
Year 1	739	850	684	702	739	776	794
Year 2	724	833	670	688	724	760	778
Year 3	709	815	656	674	709	745	762

[1] LUMA's Baseline was calculated using PREPA's Financial Report (M-8) using FY 2019.

5. OVERTIME

Performance Objective: To incentivize efficient payroll expense.

Description: This metric measures the utility's ability to manage labor expenses.

Calculation: The amount of overtime expenses divided by the amount of total non-exempt base compensation expenses, expressed as a percentage.

Table 2-23. Overtime

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
PREB Order	N/A						
Baseline	23% of Total Non-Exempt Base Compensation						
Year 1	20% of Total Non-Exempt Base Compensation	23% of Total Non-Exempt Base Compensation	Less than or Equal to 18%	19%	20%	21%	22%
Year 2	19% of Total Non-Exempt Base Compensation	22% of Total Non-Exempt Base Compensation	Less than or Equal to 17%	18%	19%	20%	21%
Year 3	18% of Total Non-Exempt Base Compensation	21% of Total Non-Exempt Base Compensation	Less than or Equal to 16%	17%	18%	19%	20%

2.6 LUMA Event of Default

Section 14.1(k) (Events of Default by LUMA — Failure to Meet Minimum Performance Threshold) of the OMA provides for an Operator Event of Default if, during three (3) or more consecutive Contract Years, LUMA fails to meet the Minimum Performance Level for any three (3) Key Performance Metrics and no such failure has been excused by a Force Majeure Event, Outage Event or Owner Fault. The Key Performance Metrics are the following, based on the OMA Annex IX as revised in this document as per the OMA:

> (i) Average Speed of Answer; (ii) Abandonment Rate; (iii) OSHA Fatalities; (iv) OSHA Severity Rate; (v) System Average Interruption Frequency Index (SAIFI); (vi) System Average Interruption Duration Index (SAIDI); (vii) Distribution Line Inspections & Targeted Corrections; (viii) Operating Budget; (ix) Capital Budget: Federally Funded; and (x) Capital Budget: Non-Federally Funded (each a Key Performance Metric and together the Key Performance Metrics).

OMA Section 7.1(c)(vii) (Service Fee — Incentive Fee) provides that if any Force Majeure Event (other than a Force Majeure Event that is a Major Outage Event) prevents LUMA from achieving one or more of the Performance Metrics, LUMA shall be entitled to earn the Incentive Fee for the period that such Force Majeure Event continues as long as, and to the extent that, LUMA achieves the Key Performance Metrics during such period of time.

2.7 Operating Budget Overrun Default

OMA Section 14.5(e) (Additional Termination Rights — Operating Budget Overrun) of the OMA provides Owner with an additional termination right in the event of an Operating Budget Overrun Default.

2.8 Major Outage Events (MOE) Performance Metrics

The MOE Scorecard assigns metrics and points into three categories: Preparation (Item 1 targeted at 250 points), Operational Response (Items 2 – 11 targeted at 450 points) and Communications (Items 12 – 16 targeted at 300 points). The three categories are intended to capture the key activities associated with a

Major Outage Event. The Preparation metrics focus on utility activities in anticipation of a significant outage event. The second category, Operational Response, evaluates the utility's performance as a significant outage event is occurring and during the recovery period after the event until normal service is restored. The third category, Communications, assesses the utility's ability to receive and to disseminate information about the outage event and about the recovery process. The specific metrics and point assignments under each category are set forth in the MOE Scorecard in Table 2-24.

Major Outage Event is defined as follows:

> "Major Outage Event" means an event as a result of which (i) at least two hundred and five thousand (205,000) T&D Customers are interrupted for more than 15 minutes or (ii) at any point in time during the event, there are one thousand five hundred or more (≥1,500) active outage events for the T&D System, which are tracked in the Outage Management System (OMS). The major outage event is deemed ongoing so long as the interruptions/outages continue to remain above the stated cumulative amounts, in each case for a period of twenty-four hours or longer (≥24) and are caused by an act of God. If such an act of God is a storm, the storm must be designated as a named storm by the U.S. National Weather Service, or a State of Emergency declared by the Government of Puerto Rico. The major outage event shall be deemed to have ended when the cumulative number of T&D customers remaining interrupted falls below ten thousand (10,000) for a continuous period of eight (8) hours.

The Major Outage Event should be categorized on the following:

Event categories: Events are categorized based on forecasted impact and revised post-event based on actual impact, to be measured from the start of the operational response (after the event has passed and when it is physically safe to dispatch crews) to when less than ten thousand (<10,000) T&D Customers remain interrupted for more than 8 hours as follows:

- 3 to 5 days
- 5 to 10 days
- Greater than 10 days

OMA Section 7.1(c)(vi) (Service Fee – Incentive Fee) of the Agreement provides that if any Major Outage Event (including, for the avoidance of doubt, a Major Outage Event that is a Force Majeure Event) prevents Operator from achieving one or more of the Performance Metrics, Operator shall be entitled to earn the Incentive Fee for the period that such Major Outage Event continues as long as, and to the extent that, Operator achieves the Major Outage Performance Metrics during such period of time.

LUMA proposes the Major Outage Event Performance Metrics, with the descriptions, base points and effective weight set forth in Table 2-24 below.

Table 2-24. Summary of Major Outage Event Performance Metrics

Description	Metrics	Base Points	Effective Weight	Comments
1. Preparation Phase				
Completion of steps to provide timely and accurate emergency event preparation following an alert from U.S. National Weather Service or the company's private weather service, or the government of Puerto Rico has declared a state of emergency or when an event is known to be imminent or has occurred, in accordance with the Emergency Response Plan, for an event expected to affect the company's service territory.	Completion of each step counts separately:			
	1.1 Event-level categorization based on weather forecasts, system resiliency assessment and available resources.	40	4.0%	
	1.2 Press releases issued/text messages/emails sent.	15	1.5%	
	1.3 Municipal conference calls held.	20	2.0%	
	1.4 Critical & essential customers alerted — based on established list with current information.[15]	40	4.0%	
	1.5 Point of contact for critical facilities alerted — based on established list with current information.	15	1.5%	
	1.6 Company compliance with training program as specified in the Emergency Response Plan.	40	4.0%	
	1.7 Participation in all pre-event mutual assistance group calls.	40	4.0%	
	1.8 Verify materials/stockpiles level based on forecast. If materials are not on hand, corrective steps taken in shortest reasonable time to correct the situation.	40	4.0%	
Total		**250**	**25.0%**	
2. Downed Wires				
Response to downed wires reported by municipal public officials.	Once the joint reporting and response process is established, LUMA will respond to all reported downed wires and take appropriate action within a reasonable time (per the event categorization) working in conjunction with local authorities after a Major Outage Event. Reported means that the situation is tracked in the Customer Information System (CIS) by the official contacting LUMA call centers or reported through the Municipal Emergency Operations Center (EOC) through LUMA's Municipal Emergency Operations Center (MEOC) Liaison. **Reasonable Time** **Event Categorization** — **Response Time** 3 to 5 days — 18 hours 5 to 10 days — 36 hours > 10 days — 60 hours	40	4.0%	A reporting and response process on how these are managed needs to be put in place jointly with municipal public officials. Fire and Police training on how to handle downed wires will be provided as requested.

[15] This includes critical care customers.

Description	Metrics	Base Points	Effective Weight	Comments
3. Damage Assessment				
	After the beginning of the Major Outage Event and when it is safe to do so LUMA will begin a preliminary damage assessment of the affected area(s) or T&D facilities. The preliminary damage assessment will be completed within a "reasonable time" at the beginning of the Operation Response phase. The preliminary damage assessment will be done primarily with helicopter patrol and very limited specific land patrol to address helicopter assessment questions. Concurrent with the start of the preliminary helicopter assessment, LUMA will begin a more thorough damage assessment. **Reasonable Time** **Event Categorization** — **Response Time** 3 to 5 days — 36 hours 5 to 10 days — 72 hours > 10 days — 120 hours	50	5.0%	
4. Crewing				
50% of the forecast crewing [from mutual assistance] committed to the utility.	50% of the forecast crewing [from mutual assistance] committed to the utility. Three (3) days prior to a forecasted event occurring (when the event allows that much warning time), LUMA will complete a "damage prediction" to determine crew requirements. Based on this damage prediction, the number of mutual assistance crews will be determined. LUMA will stage materials, equipment and personnel at the required location prior to the weather event striking the area. Within 24 hours of the damage prediction, 50% of indicated internal crews and qualified contract crews will be deployed. Within 48 hours of the damage prediction, 80% of the indicated internal crews and qualified contract crews will be mobilized on island.	30	3.0%	

LUMA's Revised Performance Metrics Targets

Description	Metrics	Base Points	Effective Weight	Comments
5. Estimated Time of Restoration (ETR) for 90% of Service Outages				
Estimated Time of Restoration for 90% of service outages (made available by utility on web, IVR, to Customer Service Representatives (CSRs), etc.)	Publication of regional ETRs in accordance with guidelines.	20	2.0%	
	Publication of municipal ETRs in accordance with guidelines.	20	2.0%	
	A preliminary ETR for 90% service restoration will be made available on the Internet 24 hours after the preliminary damage assessment in pdf format.	20	2.0%	
	ETRs on 90% service restoration to be made available on IVR and to CSRs by municipality or region.	20	2.0%	
	All ETRs to be updated every 24 hours.	20	2.0%	
6. ETR Accuracy for 90% Service Restoration				
Regional ETR accuracy Municipal ETR accuracy	Accuracy for 90% of service outage restoration and published in accordance with ETR requirement time. The ETRs used for this metric will be the ETRs posted after the thorough damage assessment is completed and not based on the preliminary damage assessment.	80	8.0%	
7. Municipality Coordination				
Coordination with municipalities regarding road clearing, down wires, critical customers, etc.	Through the Municipal EOC the LUMA local Incident Command Center (ICC) Municipal Liaison will attend all scheduled Situation Report (SITREP) meetings. The Liaison will be the conduit for ICC information and requests. To track, the Municipal EOC must be activated so that all requests flow through it. LUMA's ICC Municipal Liaison will attend all scheduled SITREP meetings.	20	2.0%	
8. Municipal EOC Coordination Puerto Rico Commonwealth/Federal EOC Coordination				
Coordination with municipal Puerto Rico Commonwealth and Federal EOCs.	Through the Commonwealth and Federal EOCs the LUMA Liaisons will attend all scheduled meetings. The Liaison will be the conduit for ICC information and requests. To track activity, the State and Federal EOCs must be activated and not a request from elected officials.	10	1.0%	
9. Utility Coordination				
Coordination with other utilities (communications, water, etc.)	Establish contact points between utilities.	20	2.0%	

LUMA's Revised Performance Metrics Targets

Description	Metrics	Base Points	Effective Weight	Comments
10. Safety				
Measure of any employee or contractor injured doing hazard work during storm/outage and restoration.	Record safety incidents and include in safety report per LUMA Health Safety Environment & Quality (HSE&Q) standard.	80	8.0%	
11. Mutual Assistance				
Crew requests made through all sources of mutual assistance or other pre negotiated contracts with utility service providers.	Three (3) days prior to a forecasted event occurring (when the event allows that much warning time), LUMA will complete a damage prediction to determine the requirements for on and off island mutual aid/pre-negotiated contracts with other utility service providers. LUMA will activate the required resources and place them on standby until the damage assessment is completed. After the initial damage assessment is completed, the requests for mutual assistance or other utility service provider crews will be made as follows: ▪ Within 70 hours, 40% of crews ▪ After 120 hours, 80% of committed mutual aid and other utility service provider crews will be requested.	20	2.0%	
	Total	**450**	**45.0%**	
12. Call Answer Rates				
Customer calls answered by properly staffed call centers (use of IVR and other technology is an acceptable solution).		—	—	TBD depending on size of major event.
13. Web Availability				
Company's website, specifically the section pertaining to outage impact and restoration, must be available around the clock during a major storm event and information must be updated hourly until final restoration. In the event that no new information is available, the website must display the last time and date that information was updated. The website and/or section pertaining to outage impact and restoration may be taken offline for a short period during off-peak hours to perform system maintenance.		75	7.5%	

Description	Metrics	Base Points	Effective Weight	Comments
14. PREB and Administrator (P3A) Reporting				
Provide storm event information to PREB and Administrator in accordance with LUMA's Electric Outage Management System (OMS) guideline requirements to be established in the ERP for LUMA.	Information to be updated every 24 hrs.	75	7.5%	
15. Customer Communications				
Availability of press releases, text messaging, email and social media.		100	10.0%	
16. Outgoing message on telephone line				
Recorded message providing callers with outage information is updated within two hours of communication of press releases.		50	5.0%	Available at Service Commencement Date. IVR will be managed in house.
Total		**300**	**30.0%**	
Maximum Available Points		**1,000**	**100.0%**	

Table 2-25. Major Outage Event Performance Metrics Schedule

	Target Threshold	Minimum Performance Level	150%	125%	100%	50%	25%
Baseline	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Target	675	250	1000	840	675	515	350

The MOE Scorecard has been divided into three categories summarized in Table 2-26 below.

Table 2-26. Major Outage Event Performance Metrics Scorecard

Category	Points	Metrics Descriptions
1. Preparation	250	1. Preparation Phase
2. Operational Response	450	2. Downed Wires 3. Damage Assessment 4. Crewing 5. Estimated Time of Restoration (ETR) for 90% of Service Outages 6. ETR Accuracy for 90% Service Restoration 7. Municipality Coordination 8. Municipal EOC Coordination Puerto Rico Commonwealth / Federal EOC Coordination 9. Utility Coordination 10. Safety 11. Mutual Assistance

Category	Points	Metrics Descriptions
3. Communication	300	12. Call Answer Rates 13. Web Availability 14. PREB and Administrator (P3A) Reporting 15. Customer Communications 16. Outgoing message on telephone line
Maximum Available Points	1,000	

2.9 Monitoring

The set of Performance Metrics and the Target Performance Levels for the fourth Contract Year will be evaluated during the third Contract Year to determine reasonability for subsequent years. Beginning in the fourth Contract Year, Performance Metrics and the Target Performance Levels will be reevaluated on an annual basis. At this time, it will be determined whether additional metrics should be included, base points reallocated, and Target Performance Levels modified. LUMA and PREB may also consider whether adjustments to the Performance Metrics are appropriate prior to the fourth Contract Year based on business, operational or other considerations. Any adjustments will be dealt with in accordance with OMA Section 7.1(d) (Service Fee — Amendments to Performance Metrics). Any revisions to the Performance Metrics are subject to PREB's review, modification and approval.

3.0 High-Level Plan to Achieve Performance Metrics Targets

This section presents the actual plans proposed by each team to achieve the proposed performance metric improvements. It must be noted that in general the poor availability and quality of data affects the programs' design and estimated impacts.

3.1 Customer Service

1. J.D. POWER CUSTOMER SATISFACTION SURVEY (RESIDENTIAL & BUSINESS)

Requirements to achieve performance targets:

- **People**: The new LUMA Voice of the Customer (VOC) team is be responsible for coordinating the survey waves with J.D. Power, as well as assessing and presenting the results to leadership.
- **Process**: The new CSAT survey will be coordinated with J.D. Power in four phases per year for residential customers and in two phases per year (twice annual) for business customers by the new VOC team in the Customer Service organization.
- **Technology**: The technology responsible for contacting customers is provided by J.D. Power based on customer data provided to them, including email addresses. All customer information is provided by the LUMA VOC team to J.D. Power.

2. AVERAGE SPEED OF ANSWER

Requirements to achieve performance targets:

- **People**: Using more accurate data provided by the new Contact Center platform, a new Workforce Management team will ensure the right staffing levels, scheduling the right people at the right times to answer calls, leading to a reduction in ASA. Customer Service agents in the Contact Center will be needed to answer calls based on call forecasting requirements.
- **Process**: The new Contact Center platform will provide consistent data that can be reported on across all queues and calls offered. The Workforce Management team will follow standard industry practices to forecast call volumes and schedule associates accordingly to reduce ASA.
- **Technology**: Implementation of a new Contact Center platform at Service Commencement Date will better capture call details across all segments, allowing for improved reporting of performance and improved staffing levels to ensure that calls are answered.

3. CUSTOMER COMPLAINT RATE

Requirements to achieve performance targets:

- **People**: The Billing Services team within the LUMA Customer Service organization will be responsible for managing the process, assessing results and presenting key findings to leadership. This process will be supported by billing analysts and Customer Service agents within the Customer Service department to investigate, follow up and respond to customers and the PREB.
- **Process**: The Billing Services team will track each complaint received by LUMA from PREB, including receipt and response dates, as well as other associated metrics and data. The Billing Services team will manage the process of investigation and follow up on the customer complaint.

- **Technology**: The Customer Complaint Rate will initially be tracked and reported manually but will be replaced by a software-based case management system that includes assignments, escalations, management and reporting capabilities. The Oracle Customer Care & Billing software will be the source record of truth for customer and account investigation. The Contact Center platform will also be leveraged to review call recordings and/or social media and email responses when needed.

4. FIRST CALL RESOLUTION

Requirements to achieve performance targets:

- **People**: All Customer Service associates will be trained to capture data on whether or not customers have contacted LUMA previously about the same issue. Customer Service agents in the Contact Center will be needed to answer calls based on call forecasting requirements.
- **Process**: Each caller will be asked by the answering agent if this is their first attempt to contact LUMA for this issue/need. This yes/no answer will be tracked with the call detail, providing reporting data on First Call Resolution.
- **Technology**: Implementation of a new Contact Center platform at Service Commencement Date will allow for the capture and reporting of whether this call is the customer's first attempt to contact LUMA for the given issue/need.

5. ABANDONMENT RATE

Requirements to achieve performance targets:

- **People**: A new Workforce Management team within the Contact Center team will use a workforce management system within the Contact Center platform to ensure that staffing levels are at the levels to reduce abandoned calls. Customer Service agents in the Contact Center will be needed to answer calls based on call forecasting requirements.
- **Process**: The new Contact Center platform will provide consistent data that can be reported on across all queues and calls offered. The Workforce Management team will follow standard industry practices to forecast call volumes and schedule employees accordingly, scheduling the right people at the right times to reduce abandoned calls.
- **Technology**: Implementation of a new Contact Center platform at Service Commencement Date will better capture abandoned calls across all segments, allowing for improved reporting of performance and improved staffing levels to ensure that calls are answered. The platform will also enable improved call forecasting and workforce management scheduling to meet call volume demands.

3.2 Technical, Safety & Regulatory

SAFETY

At LUMA, safety is a core value and we believe it is our job to complete every task without incident or injury. We believe that our most valuable assets are our employees, and there is nothing more important than our employees coming home safely. LUMA is committed to the safety and health of employees, customers, contractors and the communities in which we work, and it is our mission to provide and maintain a safe work environment. In order to ensure that we establish a best-in-class safety and health organization and meet the safety performance metrics established in the OMA, we will use proven industry practices to create a NO harm culture.

Based on results of the assessments and baseline gap analysis activities conducted during the Front-End Transition Period, we are prioritizing objectives to ensure that we address those that will increase the level of safety for employees immediately. These objectives will include items such as those described below.

- Establish and implement an incident management process that includes notification procedures, injury management protocol and incident investigation training and requirements. Establish formalized reporting and incident investigation procedures. This will include a mechanism to share investigation results and lessons learned across the system, as well as establishing an incident tracking and trending process.
- In accordance with the results of the initial HSE&Q gap analysis, update and implement a Safety and Health Policies and Procedures manual in accordance with regulatory requirements.
- Implement a formalized process for evaluating and managing high-hazard risks during the job planning process.
- Increase frontline employee engagement through various safety committees, task teams and other leadership-sponsored safety initiatives.
- Establish safety and health performance metrics and leadership accountability via manager performance plan and activity-based goals for supervisors.
- Create an HSE&Q integrated management system. Implement a DOT driver's compliance program that includes items such as a drug and alcohol testing policy, medical requirements, hours of service, etc.
- Establish/refine an industrial hygiene program.
- Implement a contractor safety program that includes the qualification and oversight of all contractors.
- Implement a comprehensive jobsite observation program (such as a near-miss program). Implement a system-wide safe driving campaign.
- Enhance HSE&Q training programs for employees and roll out no-harm culture training.

These initiatives are supported by our initial budget for establishing a software system for incident management, no-harm culture training and enhanced HSE&Q training programs (including DOT, lockout/tagout, electrical safety, etc.). The metrics will also be supported by operational federally funded System Remediation Plan (SRP) items.

TECHNICAL

The roadmap to achieve the Technical Performance Metrics targets includes a series of programs focused initially on the worst-performing main components of the system (distribution feeders, transmission lines, substations), which were selected after careful analysis of the current reality of PREPA's infrastructure and study of the root causes behind the frequent system failures. Current plans are based on best-available data and reasonable assumptions. The programs will be adapted and modified as LUMA acquires better data on system health.

The selected projects for implementation in each asset class are listed below. As LUMA engineers determine specific reliability improvement plans, they will incorporate these types of projects (Table 3-1 and Table 3-2) as needed to optimize the improvement. LUMA engineers will also follow the Principles Applicable to the Planning of the Distribution System as laid out in the PREB resolution NEPR-MI-2019-0011. The cost of programs for improvement affecting the technical performance metrics were included in the Initial Budgets.

Table 3-1. Selected Reliability Improvement Projects for Distribution

Pole Replacement	Vegetation Management	Recloser & FCI's	Animal Guards	Tree Wiring	Underground

Table 3-2. Selected Projects for Improvement in Each Asset Class

Breaker Replacement	Transmission Lines Rebuild 38 kV	Transmission Pole Replacement 38 kV	Transmission Line Material Replacements 38 kV	Transmission Pole Replacement 115 kV	Transmission Line Material Replacements 115 kV

The selected programs are briefly described as follows (note that the percentage shown in the items below are calculated based on 2019/2020 data and do not necessarily represent what they may be current day. This data provides the rationale behind the decision making and the direction LUMA has taken at the time to improve reliability).

1. POLE REPLACEMENT

The objective of this program is replacing poles and structures (crossarms, insulation, hardware, etc.) identified as being at risk during inspection and testing. This program is intended to reduce failure rates by addressing multiple root-causes besides defective poles. Other causes include wire down (which is the main contributor [about 16%] to total CMI), broken insulators and others. This program has also been targeted to the worst-performing feeders.

2.VEGETATION MANAGEMENT

Vegetation is the second-largest contributor to total CMI on the distribution system; it represents about 14% of total distribution CMI. The objective of this program is to implement tree trimming and other vegetation management strategies (e.g., pruning, application of herbicide, etc.) on overhead lines of the worst-performing feeders to reduce associated fault rates.

3. DISTRIBUTION CIRCUIT RELIABILITY IMPROVEMENTS

Reliability improvement of distribution circuits will be the major effort to achieve the targets since they contribute the vast majority of the current SAIDI and SAIFI index. This program is intended to address a variety of root causes, such as wire down, vegetation, weather, etc., improve the outage management and restoration process and reduce CMI, Customer Interruptions [CI], SAIDI and SAIFI.
This overall program consists of the following initiatives:

- Mid Circuit Smart Reclosers: installation of one or two mid-circuit smart reclosers (with microprocessor-based controllers and remote monitoring and control capabilities) on selected worst performing feeders, limiting the number of customers affected by faults, as well as allowing temporary faults to self-extinguish via reclosing operations.
- Fault Current Indicators: installation of FCI will improve the outage management and restoration process, specifically by decreasing the time required to detect and locate faults. The overall effect of FCI deployment is reducing CMI and SAIDI by improving response time. FCIs do not impact CI. Therefore, they do not improve SAIFI.
- Fuse installation: potential locations will be identified for field interrupting devices including fuses. This needs to consider the location of prior faults, customer allocations, and expected circuit layout. The Key Circuit Sections, with appropriate lateral fusing, allows additional focus to dramatically improve performance by reducing the number of customer interruptions per outage and helps to locate the faulted section which reduces the overall restoration time.

4. 38 KV TRANSMISSION LINE PROGRAMS

38 kV transmission lines are the second-largest contributors to system CMI and SAIDI on the transmission system. This program's intent is to improve their performance by rebuilding 38 kV lines, reconductoring, replacing poles and conducting other material replacements. Expected progress at three years into the 10-year plan is 40%.

5. 115 KV TRANSMISSION LINE PROGRAMS

115 kV transmission lines are responsible for 1.9% of SAIDI and 4.8% of SAIFI affect 115 kV transmission lines. The objective of this program is to replace poles and reconductor the worst-performing 115 kV transmission lines. The program intends to complete 24% over the first three years.

6. DISTRIBUTION & TRANSMISSION BREAKER REPLACEMENT

This program is intended to replace circuit breakers in distribution feeders as well as oil circuit breakers in transmission substations. This is done to ensure reliable operation of these devices, since breakers are responsible for 1.6% of SAIDI and 1.3% of SAIFI of the system (based on the available performance metrics).

7. ANIMAL GUARDS

Results from the historical reliability analysis show that the animal root cause contributes to about 4.3% of total distribution CMI. Therefore, the objective of this program is to help reduce respective fault rates by installing animal guards to prevent potential faults due to wildlife. This is the least expensive and one of the most cost-effective programs of the plan and is also targeted to the worst-performing feeders.

8. UNDERGROUND CABLE REPLACEMENT

This program is intended to replace selected underground cable sections in voltages of 4.16 kV up to 8.32 kV for the worst-performing feeders. This program is expected to help reduce respective fault rates by addressing root causes affecting underground assets, specifically broken cable and broken splices and terminals.

9. TARGETED UNDERGROUNDING & TREE-WIRING

The objective of this program is to underground or install tree-wire on selected overhead sections of the worst-performing feeders, especially those that serve critical customers. The worst-performing feeders have been identified and prioritized based on total contribution to Customer Minutes Interrupted (CMI). These results show that, for instance, the worst 10% performing feeders (106 feeders) contribute to approximately 40% of total CMI. Therefore, targeting investments to these feeders is expected to yield the greatest benefit-cost ratio — i.e., be most cost-effective. Undergrounding and tree-wiring have been targeted to selected worst-performing feeders. Since undergrounding is a more expensive solution, it has been reserved for feeders within this group that have the highest CMI contribution and the most critical customers (e.g., hospitals), while tree-wiring has been targeted to the remaining feeders of this group.

3.3 Financial Performance

Annex IX Performance Metrics detail performance incentive mechanisms that will align LUMA with PREPA's strategic imperatives to improve utility performance in specific areas where historical performance has been unsatisfactory.

LUMA's Finance Organization is an enabling department to support initiatives that will help LUMA to achieve its strategic objectives and meet or exceed performance targets. The Finance team's programs will help support accountability while creating a utility culture that prioritizes good stewardship of public assets and innovative approaches to best practices.

OPERATING BUDGET, CAPITAL BUDGET: FEDERALLY FUNDED, CAPITAL BUDGET: NON-FEDERALLY FUNDED, OVERTIME

Based on the results of the assessments and baseline gap analysis activities conducted during the Front-End Transition Period, LUMA is prioritizing objectives to ensure that we have a standardized process to enable each of the departments with the right tools to plan and implement remediation initiatives in a fiscally responsible manner. These objectives will include items such as:

- Establishing a firm and unbiased capital and operational program process that prioritizes initiatives based on the strategic priorities set out by the Government of Puerto Rico, PREB and LUMA
- Providing teams with tools to forecast and profile operating and capital expenditures for FY22–24
- Managing and reducing unnecessary overtime hours by recognizing their root causes and improving labor planning, setting performance expectations and implementing a new timekeeping technology for real-time visibility for work progress.

Table 3-3. Sample Overtime Savings

	FY2022 Budget	Baseline	FY222	FY23	FY24
Overtime %		23%	20%	19%	18%
Estimated Wages $	81,007,861				
Estimated Overtime $		18,631,808	16,201,572	15,391,494	14,581,415
Estimated Overtime Savings			**2,430,236**	**3,240,314**	**4,050,393**

Notes:

[1] $81M is equal to FY22 Budgeted Wages (non-exempt employees only)
[2] 23% Baseline was calculated using PREPA's FY2021 Certified Budget
[3] FY2022 Budget used as a basis for this analysis in order to accurately compare the dollar savings for various overtime percentages.

Most of these initiatives are supported by our FY22 operating initial budget and included in our labor and wage expectations for various departments. Additionally, a timekeeping system and its implementation is included in the Initial Budgets beginning in FY2022. This project will enable LUMA to improve overtime management and reporting. Implementation of this timekeeping system will also facilitate the capture of more timely and accurate labor data by project, which will greatly facilitate project tracking and accounting.

GENERAL CUSTOMER & GOVERNMENT DAYS SALES OUTSTANDING (DSO)

Requirements to achieve performance targets

Achieving Days Sales Outstanding performance targets for both government and general customers will require a comprehensive approach to lower accounts receivables across all customer segments leveraging updated credit policies, enhanced customer data, expanding dunning processes and other key program elements.

LUMA's Revised Performance Metrics Targets

- **People**: A new Revenue Protection team will enable the execution of a fulsome dunning process. Business analysts will analyze and generate the DSO report.
- **Process**: The following processes will be implemented to improve payment collections:
  - Fulsome dunning process from outbound contacts to customer disconnections and customer risk calculations
  - Customer data profiling
  - Analysis of accounts receivables
- **Technology**: Oracle Customer Care & Billing will be leveraged to execute the dunning process and data extractions required to report on the DSO metric. A data analytics platform will be required to assist in producing accurate analysis and reporting of the A/R and the DSO metric. The cloud-based Contact Center platform will enable outbound collections calls.

Appendix A: NEPR-MI-2019-0007 LUMA's Comments on Performance Baselines & Metrics filed February 5, 2021

Please refer to attachment.

Appendix B: Written Testimony

Please refer to attachment.

Written Testimony Inventory:

Appendix Item	Primary Witness	Metrics	Associated Exhibits
1	Don Cortez	SAIDI, SAIFI, Distribution Line Inspections, Transmission Line Inspections, T&D Substation Inspections	2
2	Juan Fonseca	DSO – Government, DSO – General	1
3	Esther Gonzales	OSHA Recordable Incident Rate, OSHA Fatalities, OSHA Severity Rate, OSHA DART Rate	1
4	Abner Gomez	Major Outage Events: Preparation Phase	1
5	Mario Hurtado	Major Outage Events Strategy	0
6	Melanie Jeppesen	Customer Complaint Rate	2
7	Kalen Kostyk	Operating Budget, Capital Budget - Federal, Capital Budget – Non-Federal, Overtime	5
8	Jessica Laird	JD Power Customer Satisfaction, Average Speed of Answer, Abandonment Rate, Major Outage Event: Communication	4
9	Terry Tonsi	Major Outage Events: Operational Phase	0