

T&D P3 Project – Request for Clarification ("RFC") Log

April 2019



Strictly Private and Confidential

T&D P3 Project RFC Log - 4/12/19

#	Topic	Dataroom Reference	Question	Response	Date Answered
1	Integrated Resource Plan	1.5.3	The Integrated Resource Plan includes T&D portions that are redacted due to it being CEII. Are we able to see the redacted T&D information?	Yes. The unredacted versions of the IRP are available in the Independent Engineer and Technical folder in the dataroom, under sub-folder 2018-19 IRP (Index 1.5.3). Also, please note that we have posted additional workpapers in Index 1.5.3.6.	4/12/2018
2	Finance		What is the 2018 deferred balance of the Contributions in Lieu of Taxes (CILT) account that is due to municipalities. Who bears this responsibility after the concession is complete?	The deferred balance of CILT payable to municipalities is offset by receivables from municipalities. The balances are recorded per requirement of the Trust Agreement, and any legacy payables or receivables will not be carried over to the concession except where agreed upon. The primary responsibility of the concessionaire / operator will be calculating and billing the CILT and Subsidy rate riders, and collecting billed sales from customers.	4/12/2018
3	Legal	1.12.2	What is the total employee count for the T&D concession? Please break down current employee count by office and also contract or full time employee.	All non-generation directorate employees would be considered for the T&D concession, approximately 4,500 regular employees. The active employee roster of positions by directorate and office can be found in the Human Resources folder, Staffing sub-folder (Index 1.12.2).	4/12/2018
4	Legal		Does the new cooperative law require the concessionaire to sell distribution systems in order to help locals form cooperatives?	SB1121 (signed into law on April 11th) provides that electric service companies and microgrids (which may include energy cooperatives) shall have the right to demand interconnection to the transmission and / or distribution network under conditions that are non-discriminatory, when it is technically feasible, consistent with the Integrated Resource Plan and the regulations of the Energy Bureau. PREPA or the T&D Concessionaire / Operator will also be required to develop a microgrid interconnection regulation. The T&D Concessionaire / Operator shall evaluate interconnection requests pursuant to the regulation. If the T&D Concessionaire / Operator denies the interconnection of a microgrid or determines that additional technical requirements or improvements to the distribution system are required, the party requesting interconnection may seek the review of the Energy Bureau.	4/12/2018
5	Federal Funding		It is our understanding that the FEMA 428 program requires an estimate to be delivered by October 2018. Can we have access to the preliminary 428 estimate?	The FEMA 428 program currently requires an estimate to be delivered by October 2019. Determining the preliminary estimate is an active and ongoing process in close coordination with FEMA, and the current discussion still focuses on cost-estimate procedures. However, the latest Grid Modernization Plan assess the cumulative cost estimate for Transmission and Distribution to be \$12.21 billion from 2019 through 2028.	4/12/2018
6	Legal		Have the four collective bargaining agreements been translated into English?	The CBA's have not been translated in English.	4/12/2018
7	Finance	1.5.4	Are there any more recent annual reports on electric property completed by Consulting Engineers/URS. The most recent available is 2013.	To date, there are no more recent reports on the T&D system. However, an Independent Engineer report is currently in progress. Please find select draft releases of this ongoing report in dataroom folder Index 1.5.4.	4/12/2018

T&D P3 Project RFC Log - 4/12/19

#	Topic	Dataroom Reference	Question	Response	Date Answered
8	Title III		In PREPA's Title III case, do you know if a Restructuring Support Agreement was reached on or before February 12, 2019? If not, has the date been extended, and if so, until when?	On April 9, AAFAF, the Oversight Board, Assured Guaranty and the Ad Hoc Group of PREPA bondholders (the "Moving Parties") announced they have reached an agreement in principal with regards to a Definitive Restructuring Support Agreement ("RSA") to restructure PREPA's existing debt obligations, which provides that certain PREPA debt must remain tax-exempt. Assured Guaranty and the Ad Hoc Group represent holders of approximately 50% of outstanding PREPA bonds. Despite negotiations with National and Syncora (the two other Monoline insurers of PREPA's bonds that collectively hold less than 15% of outstanding PREPA bonds), no agreement has been reached with these parties. The Moving Parties are currently in the final stages of documenting and executing the agreement and are seeking to extend various deadlines until April 26 in order to finalize and execute the Definitive RSA and prepare various motions for the courts approval for the debt restructuring.	4/12/2018