

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

October 2020



**Puerto Rico Electric
Power Authority**

Strictly Private and Confidential



T&D P3 Project RFC Log - 10/14/20

#	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.	4/12/2019
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.	4/12/2019
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).	4/12/2019
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.	4/12/2019
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.	4/12/2019
6	Legal		Have the four collective bargaining agreements been translated into English?	The CBA's have not been translated in English.	4/12/2019

T&D P3 Project RFC Log - 10/14/20

#	Topic	Dataroom Reference	Question	Response	Date Answered
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.	4/12/2019
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.	4/12/2019
9	Information Technology		Please provide maps overviewing the microwave network used by PREPA	Please find the maps of the microwave network posted to dataroom folder index 1.11.5	4/15/2019
10	Environmental		According to the Environmental Compliance whitepaper, PREPA has 250 transformers that are not in compliance with the Toxic Substances Control Act. How many of these 250 transformers have been replaced?	The statement in the Environmental Compliance Whitepaper regarding the 250 transformers that remain to be disposed of was intended to provide a rough estimate of the number of PCB Contaminated Transformers that PREPA estimated to still be in service at the time of drafting to the best of PREPA's knowledge; however, the number of such transformers that are still in service could be more or less. Note that for the PCB Contaminated Transformers that are still in service, the Toxic Substances Control Act does not require that they be removed from service provided that certain use conditions are met (e.g., the transformers cannot be leaking oil or in bad condition). Thus, these transformers are not necessarily in noncompliance.	4/23/2019
11	Customer Service		What percentage of the customer's bill is fixed?	This varies broadly by tariff and customer class. For general residential, there is a \$4 per month fixed charge, which comprises approximately 20% of basic residential revenue and 5% of total revenue.	5/9/2019

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12	Customer Service		What percentage of revenues come from government entities?	Revenues from government entities that are considered "collectible" or "non-excluded" are approximately 12% of revenues. Municipal consumption called contributions in lieu of taxes ("CILT"), municipal public lighting, and government mandated subsidies (e.g. low income public housing) is not included in this amount.	5/9/2019
13	Customer Service		What percentage of revenues are subsidies?	Municipal contributions in lieu of taxes ("CILT") is estimated to be approximately 2.5% of total revenues, public lighting approximately 3% of total revenues, and subsidies for low income and other special customers is approximately 3.5% of total revenues, for a total of approximately 9% of total.	5/9/2019
14	Generation		Please provide generation dispatch information	For additional information on generation dispatch please refer to the Fuel and Purchase Power summary file in the data room at Index (1.3.6.7).	5/9/2019
15	Human Resources & Labor		What happens to PREPA employees that go to government and are licensed without pay - would the private partner be obligated to retain them? How many of such employees are there right now?	<p>There are twenty-three (23) cases, detailed below, of PREPA employees that are licensed without pay, and assigned to other government agencies / public corporations. These employees normally return to PREPA once their appointment to these governmental agencies ends. As the below data suggests, there are only 10 employees that are directly related to T&D functions (T&D and Customer Service). All PREPA employees are engaged either in operations or as a support to operations.</p> <p>License without Pay</p> <ul style="list-style-type: none"> - Customer Service – 6 employees - Generation – 7 employees - Finance – 2 employees - Transmission and Distribution – 4 employees - Legal Affairs – 1 employee - Executive – 1 - Human Resources – 1 - Planning – 1 	5/9/2019
16	Human Resources & Labor		Do unions comply with NLRB?	The unions are certified by state law and comply with the Puerto Rico Labor Relations Board. With regards to PREPA, they are not certified by the NLRB.	5/9/2019
17	Human Resources & Labor		What is a typical lineman's marginal tax bracket? What is their take-home pay?	Puerto Rico income tax brackets can be found in the PWC summary in folder 1.12 Human Resources. Average PREPA employee take home pay (salary) is approximately \$40k per year. Average tax rate on \$40k is approximately 8%, and marginal tax rate above \$41.5k is 25%, and 33% above \$61.5k.	5/9/2019

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18	Legal		How many arbitration / grievances are there on an annual basis? What is the nature of these cases?	<p>Arbitration Department (Natural Years):</p> <ul style="list-style-type: none"> - 714 claims in 2016 - 453 claims in 2017 - 526 claims in 2018 <p>Nature: Risk Bonus, Christmas Bonus, Job Postings, Traveling Time, Overtime, Reemployment, Health Care Plan</p> <p>Special Procedures Subdivision (Natural Years):</p> <p>Cases before the Puerto Rico Labor Relations Board:</p> <ul style="list-style-type: none"> - 20 cases in 2014 - 176 cases in 2015 - 1000 cases in 2016 - 165 cases in 2017 - 271 cases in 2018 - 385 cases in 2019 <p>Cases before the Conciliation and Arbitration Bureau:</p> <ul style="list-style-type: none"> - 321 Subcontracts – 11 Extraordinary Improvements in 2015 - 118 Subcontracts – 5 Extraordinary Improvements in 2016 - 591 Subcontracts – 2 Extraordinary Improvements in 2017 - 204 Subcontracts in 2018 - 40 Subcontracts in 2019 <p>*Subcontracts:</p> <ul style="list-style-type: none"> - Unions’ claims under Article IV of the respective Collective Bargaining Agreements. This Article forbids PREPA from subcontracting any company to perform duties belonging to the unions except under specific circumstances delineated in each of the Collective Bargaining Agreements. <p>**Extraordinary improvements to property:</p>	5/9/2019
19	Regulatory		Would document retention policy change if run by private operator? And broadly which rules that currently apply to PREPA as a government entity, would continue to apply to the private partner?	<p>The Operator will only have such obligations with respect to document storage as are established under the O&M Agreement.</p>	5/9/2019
20	Regulatory		How does Act 120 impact employee retention?	<p>Act 120 does not require that Operator employ any PREPA employees. The O&M Agreement will require that the Operator interview PREPA employees. The requirements of Act 120 will only apply to PREPA employees that the Operator decides to hire.</p>	5/9/2019
21	Title III		How do CBAs fit into the Title III discussion?	<p>This is still subject to discussion and analysis. We are open to receiving suggestions.</p>	5/9/2019

T&D P3 Project RFC Log - 10/14/20

#	Topic	Dataroom Reference	Question	Response	Date Answered
22	Financial Model		Please provide status of process to file Form 428/PW documents. Include the elements on the forms which are being calculated and how PREPA is creating these estimates (e.g. how are escalation, risk factors and other parameters developed, what schedule assumptions are built into estimates). Please provide any draft forms that PREPA has completed if that is available.	The FEMA 428 program currently requires an estimate to be delivered by PREPA by October 2019. Determining the preliminary estimate is an active and ongoing process in close coordination with FEMA, and the current discussion focuses on cost-estimate procedures. PREPA, under the MOU with COR3, has secured additional resources from Navigant and other professionals that are helping to develop these estimates. Documentation to be submitted includes, but is not limited to: Scope of work, DDD, detailed cost estimate and architectural estimates. PREPA is generally approaching the process to prepare cost estimates on a district by district basis. The initial district for which a cost estimate is being prepared is Humacao. The cost estimate for the Humacao district is currently in progress. Draft forms will be provided available after completion.	5/9/2019
23	Generation		Why is production at the hydro facilities so low? Is it because of the actual generation units, or is it a problem with silt build-up in the reservoirs? What is the recorded generation they have operated at for the past 5-10 years?	ae_ meta file (folder 1.2.2.4) has historic hydro generation. Our general understanding is that the issue with hydro generation is related to silt build-up, and restoration would require significant dredging at high cost.	5/9/2019
24	Integrated Resource Plan		Please provide analysis and any internal studies used to estimate potential of rooftop and utility-scale solar generation (other than the IRP). This could include PREPA's existing load profile (8760 hour data if possible), assessment of installed rooftop capacity and future adoption rates by customer segment, any data on existing housing stock and available roof area inside Puerto Rico.	The IRP has adopted PREPA internal studies as the baseline estimate for existing and potential DG expansion. These forecasts are available in the IRP workpaper folder 1.5.3.6.7 titled CONFIDENTIAL-DG_Totals Forecast_V10	5/9/2019
25	Legal		What will happen with the existing pension liability? Does that stay with PREPA?	The PREPA Fiscal Plan contemplates keeping the existing pension liability at the successor entity and implementation of a transition charge as a dedicated funding source to resolve underfunding and fund the pension on a go-forward basis.	5/9/2019
26	Planning / Contracts		Please identify all self-generation that is known to exist. If available, break this out by class of customer (R,C, and I) or to any detail available (e.g. by technology, PURPA unit or not, Cogen, solar, storage)	The PREPA Planning IRP and Siemens team has prepared an estimate of this in the file called "DG Allocation by Customer Class_v1" available in the IRP workpaper folder 1.5.3.6.7	5/9/2019

T&D P3 Project RFC Log - 10/14/20

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27	Regulatory		Please provide any studies or analysis performed that provide an overview of the ROW acquisition process. This might include selected case studies from prior projects, process maps or flow charts describing existing process. What we are trying to do is develop a perspective on potential for land acquisitions to slow the transformation process.	The process for the acquisition by PREPA of properties and rights of way is established by PREPA regulation. The applicable regulations are Regulation No. 6955 of 2004, Regulation No. 7282 of 2005 and Regulation No. 7302 of 2006 (Data Room Index #1.4.7). We do not expect land acquisitions to delay the transaction or the transformation process. After the closing, we expect PREPA to retain responsibility in either proving, managing or acquiring rights of way or other real property rights, as necessary, with respect to the system. Furthermore, we have diligence PREPA's real property rights with respect to certain of the transmission lines and it appears that PREPA has documentation evidencing its title or other rights with respect to such lines. We have not been able to diligence any of the distribution lines because such documents have not been available for review.	5/9/2019
28	Regulatory		With respect to document storage, there were 35mm docs – does Act 5 define how PREPA must maintain documents?	Act 5 applies to PREPA, but the Operator will only have such obligations with respect to document storage as are established under the O&M Agreement.	5/9/2019
29	Regulatory		Will the agreed-upon partnership contract take precedent over existing legislation and regulations after being reviewed and approved up to an including the Governor? This was stated to us in the regulatory workshop in San Juan on April 9th. On the past P3 projects (toll roads, airport), have there been any regulatory issues related to interpreting regulatory commitments or legislation that were resolved?	<p>Pursuant to Section 6 of Act No. 120-2018, as amended, the Partnership Contract may provide exemptions or alternate procedures with respect to the following statutory provisions (and any related regulatory provision or related action), subject to approval by PREB through the issuance of the Energy Compliance Certificate:</p> <ol style="list-style-type: none"> 1. any requirement of Act No. 109 of June 28, 1962, as amended, known as the Puerto Rico Public Service Act; 2. any requirement of the Integrated Resources Plan, as defined in Act No. 57-2014, as amended; and 3. any statutory provision applicable to PREPA, including, among others, those imposed by PREPA's enabling act. <p>Therefore, in such cases, the Partnership Contract may take precedent over such statutory provisions. However, it may not take precedent over any other statutory provisions.</p> <p>In the prior P3 projects, there have not been regulatory issues related to interpreting regulatory commitments or legislation</p>	5/9/2019

T&D P3 Project RFC Log - 10/14/20

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30	Human Resources & Labor		Please provide a translated English version of the employee spreadsheet currently in the data room (FS-665 Active Employee Positions as of 17-Dec-2018.xls)	An English version of the referenced employee spreadsheet is not available. Please note that an updated version of the referenced file (now as of 5/2/19) has been uploaded to the data room at Index 1.12.2.3.	5/9/2019
31	Information Technology		Please provide a copy of the last cybersecurity audit report with the full audit findings.	Due to security concerns, PREPA will provide the cybersecurity reports as part of the transition process.	5/9/2019
32	Information Technology		Who is the 3rd party managed security contract provider (referenced on p. 128 of CIM)? Can we get a copy of contract?	PREPA contracted GM Security Technologies professional services with the PREPA Network and PREPA Master Service Agreement. The managed security service contract is still in the processes of being signed.	5/9/2019
33	Customer Service		Please provide the number of customers, revenue and energy sales for each tariff class. If the count of customers in each tariff changed between the "Electric Service Rates" document in the data room and the proposed new rate classes, please provide the customer count for each set of existing and proposed rates.	In folder 1.4.3.4 see Exhibit C for the current tariff book containing new PREB approved rates implemented by PREPA on May 1, 2019, and Exhibit D for tariff level detail on revenues and billing determinants from the 2016 rate case. Updated data will be provided if available.	5/21/2019
34	Customer Service		How much of total generation output is lost to theft? Please provide any overview or relevant data on non-technical loss trends for past 3-5 years if available plus any analysis on where the theft is occurring from (e.g. which customer segments, most common methods of theft).	According to analysis performed by PREPA Planning, in FY 2017 there were approximately 12% losses from Net Generation (after auxiliary power). Approximately 8% is attributed to technical losses (line and substation losses) and 4% attributable to non-technical losses, which includes theft and measurement or metering error. It is unclear what amount of non-technical losses is directly attributable to theft vs. metering error.	5/21/2019
35	Human Resources & Labor		Please provide data for employees by age for each directorate. What is going to happen over the next 10 years from a labor perspective?	Many key employees are nearing retirement eligibility, and will need to be replaced with new trained personnel. Headcount has declined nearly 40% from a decade ago, due to a combination of financial constraints, demographic trends, and competition. The fiscal plan envisions no further decline in headcount, and some level of new hiring to staff understaffed areas. The new system operator may propose increasing or decreasing staffing levels above the fiscal plan projection to meet financial or operational reliability targets.	5/21/2019
36	Regulatory		Please describe existing and proposed framework of how storage projects will be executed. How will output of storage be priced? Which ancillary service products will have a dollar value itemized? Will customers with storage be eligible for a new tariff? Has that tariff been designed and approved yet? Is there any storage planned as part of the T&D system?	The least complicated conceivable route at present is to structure battery storage PPA's as fixed / ancillary service payments that would be included in the Purchased Power Adjustment Clause as a pass-through expense. Battery storage is a major component of the proposed IRP.	5/21/2019
37	Finance		Please provide a translated English version of a General Ledger spreadsheet currently in the data room (PREPA_GL_FY2018.xls)	A translated English version of the General Ledger is not available at this time.	5/21/2019

T&D P3 Project RFC Log - 10/14/20

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38	Generation		<p>Please clarify how the New Fortress Energy project in San Juan will relate to PREPA? Who is the counterparty on the LNG supply?</p> <p>What is the plan for conversion of existing units to burn natural gas?</p> <p>What is the plan for the addition of new generation capacity (who are the counterparties, what is the technical configuration, what is the timeline)?</p>	<p>PREPA is contracting directly with NFE as an offtaker of LNG for the San Juan 5 & 6 combined cycle power plant. San Juan 5 & 6 are scheduled to be converted to burn natural gas between September 2019 and June 2020, the timing of which is largely dependent on environmental permitting. Additional gas-fired generation in the metro area, either at San Juan or Palo Seco, is included in the IRP and will use the NFE import facility in the San Juan harbor.</p>	5/21/2019
39	Planning / Contracts		<p>Please provide a complete list of contractors that currently provide services to PREPA as well as the value of the annual of their contracts as well as the nature of the work covered or performed under the contract.</p>	<p>File no. 1.8 in the data room includes the relevant commercial contracts entered into by PREPA. For ease of reference we further include a key vendors' list that was prepared by PREPA for due diligence efforts in January 2019 (index 1.2.6). For additional reference and informational purposes only, we performed a query in the Puerto Rico Comptroller's website for all contracts entered into by PREPA during the current fiscal year, and included it in the dataroom in file 1.8.7. Please note that PREPA is required under law to register every contract but we cannot guarantee that the query is accurate.</p>	5/21/2019
40	Financial Model		<p>Is there a cash forecast available covering the period 2019-2028 showing a detailed sources and uses of funds for each year?</p>	<p>The Financial Model released to Proponents is the most recent long-term forecast through 2028. As part of its PROMESA requirements, PREPA is developing an updated fiscal plan and short term cash flow projections based on the FY 2020 annual budget. These will be made available to proponents when finalized.</p>	5/21/2019
41	Title III		<p>Provide an update on the bankruptcy/debt restructuring.</p>	<p>Please see folder 10.1.3 for the PREPA RSA published May 3, 2019.</p>	5/21/2019
42	Finance		<p>What access does PREPA have to short term funding sources to meet working capital requirements? (DIP financing, other credit facilities)</p>	<p>Since the beginning of forbearance, PREPA has had to use various financing avenues to meet short term working capital needs. In general, PREPA relies on cash working capital, and has a stated requirement of one-sixth of budget operating expenses provided for in the Trust Agreement (governing document of legacy bonded debt). Since filing for Title 3 bankruptcy protection in July 2017, PREPA obtained access to short term working capital through a revolving loan from the Government of Puerto Rico.</p>	5/21/2019

T&D P3 Project RFC Log - 10/14/20

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43	Generation		<p>1. What is the status of your generation divestiture process:</p> <p>a. Current status / expected completion date</p> <p>b. Are you still expecting to divest all currently owned generation</p> <p>c. Who will be responsible for fuel supply with these divested assets</p> <p>d. What is the term of the contracts you may be contemplating for power for these assets</p> <p>e. Do you have a contemplated list of bidders and potential asset valuations</p>	<p>a. The RFP for generation divestiture is currently being drafted and will allow for either the purchased or operation of the generation facilities, in a similar arrangement to the T&D agreement.</p> <p>B. yes, divest ownership or operating responsibility</p> <p>c. possibly the T&D system operator or successor entity, to-be-determined</p> <p>d. TBD</p> <p>e. not yet, TBD</p>	5/21/2019
44	Generation		<p>What is the current status of renegotiating the two large PPOA's (AES and EcoElectrica) as well as the fifteen solar and WTE contracts.</p>	<p>One of the two large PPOA renegotiations is in advanced stages. The other PPOA's are still in negotiation and must be accepted, rejected or renegotiated before the Plan of Adjustment is finalized and submitted to the Title 3 Court</p>	5/21/2019
45	Generation		<p>What is the current status of the natural gas conversion projects for San Juan as well as the incremental land / sea based LNG projects? Do you see these fuel supply responsibilities shifting to the new owners of the to-be divested assets?</p>	<p>PREPA is contracting with New Fortress Energy for LNG at the San Juan 5 & 6 combined cycle power plant. San Juan 5 & 6 are scheduled to be converted and back online burning natural gas between September 2019 and June 2020, the timing of which is largely dependent on environmental permitting. Additional gas-fired generation in the metro area, either at San Juan or Palo Seco, is included in the IRP and could use the NFE import facility in the San Juan harbor. Sea based LNG and other import projects around the island are subject to the findings of the IRP.</p>	5/21/2019
46	Generation		<p>Do you have an estimate of the current level of self-supply / customer owned generation in Puerto Rico?</p>	<p>The PREPA Planning IRP and Siemens team has prepared an estimate of this in the file called "DG Allocation by Customer Class_v1" available in the IRP workpaper folder 1.5.3.6.7</p>	5/21/2019
47	Human Resources & Labor		<p>The workforce (e.g., allocations to T&D, definition and role of "trust" positions, use of contractors, staffing shortfall, outside consultant assessment)</p>	<p>Please see the Confidential Information Memorandum in the dataroom, the Management Presentation from April, and folder 1.12 of the dataroom for an overview of PREPA's workforce</p>	5/21/2019
48	Human Resources & Labor		<p>Collective bargaining agreements, arbitration awards, bargaining history, bargaining obligations, and union activity</p>	<p>Please see folder 1.12.3 of the dataroom for PREPA's CBAs.</p>	5/21/2019
49	Generation		<p>What organization does the dispatch function currently reside in?</p>	<p>The energy control center was previously housed in the Generation directorate, but was separated as its own division at the beginning of FY19. The T&D service provider is intended to be responsible for system dispatch operations.</p>	5/21/2019
50	Human Resources & Labor		<p>Do you foresee any issue transferring employee records post transaction?</p>	<p>No issues are expected.</p>	5/21/2019

T&D P3 Project RFC Log - 10/14/20

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51	Federal Funding		<p>FEMA funding request: Provide full FEMA request and the list of projects and associated cost estimates Follow-up discussions on specific timeline (i.e., October complete and final approval)</p>	<p>Please find uploaded to the data room at index #1.1.2.3.3 an internal project management document, which contains the "priority section 428 (permanent work) projects". This list is broken down into Tier 1 and Tier 2 projects. Work associated with the Tier 1 projects is underway, but only the DFMO #001 Vieques & Culebra and #005 Humacao District have been officially submitted to FEMA.</p> <p>DFMO #001 has undergone significant revision and modification, and a cost estimate for this project is not available. DFMO #005 has a cost estimate of approximately \$0.3 billion (only repair damage) and \$1.3 billion (repair and upgrade damage to new codes and standards).</p> <p>In general, FEMA, COR3 and PREPA are engaged in a collaborative process and meetings, discussions and follow-up occurs daily. However, there is no specific timeline.</p>	5/21/2019
52	Title III		<p>Bankruptcy update – PREPA agreed on a call in the next month or so as they expect meaningful positive development on approving the settlement</p>	<p>Please see folder 10.1.3 for the PREPA RSA published May 3, 2019.</p>	5/21/2019
53	Financial Model		<p>Rates – provide a forecast from current rates over the next ten years and the underlying assumptions (i.e., increases due to the Restructuring Support Agreements reached with bondholders, increases to address the underfunded budget, increases for mgmt. fee, increases for veg mgmt. and other operating costs, changes for new generation to replace existing generation (up for capacity cost, down for lower fuel and more efficient units), and changes due to higher or lower volume to customers, etc.)</p>	<p>Please see the Financial Model released to Proponents. Note that this model does not incorporate any compensation to T&D Operator; Proponent will have to add that information in the relevant field. Proponent should take their own views on operating costs, generation costs, vegetation management, etc.</p>	5/21/2019
54	Federal Funding		<p>Confirm whether the October 2019 deadline is for the submission of funding requests or the date that FEMA will confirm the funding awards.</p>	<p>The October deadline is for the submission of section 428 (permanent work) projects to FEMA with cost estimates, not the date that FEMA will confirm awards. FEMA has advised PREPA, in writing, that the deadline may be extended on a case by case basis at FEMA's discretion.</p>	5/21/2019
55	Customer Service		<p>What percentage of payments are received via mail?</p>	<p>According to analysis prepared by PREPA, mail/check transactions received by PREPA between January 2019 and March 2019 represent 1.07% of the total number of transactions and 4.42% of the total amounts received.</p>	5/21/2019
56	Federal Funding		<p>Please post the August 8, 2018 Economic Disaster and Recovery Plan to the data room</p>	<p>Economic disaster and recovery plan has been uploaded to the data room at index # 1.1.2.3.1</p>	5/21/2019

T&D P3 Project RFC Log - 10/14/20

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57	Federal Funding		Please provide the CDBG Action Plan - September 2018	Approved CDBG action plan has been uploaded to the data room at index # 1.1.2.3.2	5/21/2019
58	Federal Funding		Has FEMA been receptive to the funding of smart meters? Are they supportive of the ability to use such meters for remote shutoff?	Smart Meters have been included in the Humacao District project formulation that has been submitted to FEMA. No feedback has been provided by FEMA at this time.	5/21/2019
59	Human Resources & Labor		Is employment in Puerto Rico "at will"?	Employment in Puerto Rico is NOT "at will" due to the provisions of Act No. 80 of May 30, 1976, as amended ("Act 80"). As a result, although an employer can dismiss an employee without just cause, Act 80 would require the employer to pay certain amounts to such employee. The payment due to an employee dismissed without just cause is based on a formula included in Act 80 and varies based on the amount of time the employee worked for the employer.	5/21/2019
60	Human Resources & Labor		Can the four existing unions represent private sector employees?	The four PREPA unions are not legally prohibited from representing private sector employees. Notwithstanding the foregoing, to the extent a PREPA union represents private sector employees, it would have to comply with certain federal law requirements, such as the provisions of the Landum Griffin Act.	5/21/2019
61	Customer Service		Please provide number of meters by metering type and by vendor. How many are electromechanical, electronic and smart meters? How many are capable of meter J49diagnostics, interval, TOU and remote disconnects. How many are bi-directional and net metering?	<p>Details on (1) number of meters by type and (2) number by interval, TOU and remote disconnect capability are included in the data room at #1.3.7.10. Details by vendor are not available at this time.</p> <p>Bi-directional Meters</p> <ul style="list-style-type: none"> - 1,475,535 meaning they receive and send data - 623,835 meaning they have forward and reverse energy registers that can be read at once <p>Net Metering</p> <ul style="list-style-type: none"> - 623,835 are capable - approximately 6,500 by an CCB Report created by IT personnel I July 2017 - TWACS quantity it's not accurate because we are waiting IT updates in the TNS Data Base with CCB <p>Please clarify what is meant by J49 diagnostics.</p>	5/24/2019

T&D P3 Project RFC Log - 10/14/20

#	Topic	Dataroom Reference	Question	Response	Date Answered
62	Customer Service		Please describe the process of meter testing and meter asset management in your Meter Shop. What systems are used for meter life-cycle management, inventory, testing and quality assurance? What type of meter for wholesale measurement?	<p>i. - A sample of the new meters is determine to be tested by type and ANSI standards. After the testing findings are reported to the procurement dept</p> <ul style="list-style-type: none"> - Verify the sample for visual damages - Install the meter in the tester machine and do tests - AMR tested (read the meter by TWACS system if applicable) - Disconnect mechanism tested (if applicable) <p>ii. Meter life-cycle management: PREPA's economic condition and hurricane Maria doesn't allowed PREPA to replace meters to do meter life-cycle management. We received small quantities of meter to use with the districts operations. This question should be answered by Customer Service Regions (AOC). For inventory, PREPA uses the procurement division for inventory. Districts requests meter from the central warehouse and place them at their local inventory. The same with Metering offices</p> <p>iii. Types of meters for wholesale measurement are: 3S, 5s, 9s and 16s polyphase meters with auxiliary metering equipment's</p>	5/24/2019
63	Customer Service		Please decribe the process for installation and field testing of metering equipment.	This process it's done by Metering Testers I and II joined by a Metering Testers Specialist or lineman I, always in teams. They complete a visual inspection and then do a procedure to verify the metering efficiency ("cotejo"), billing constant "k", CTs and PTs. This procedure is verified by the Engineer and notified to wholesale department.	5/24/2019
64	Customer Service		What is the pilot AMI's communication infrastructure? Is it mesh RF or PLC?	This is non existent at the moment but there are plans to issue a pilot. RFP has been drafted and is currently under review.	5/24/2019
65	Customer Service		How many meters are actively used for remote disconnect and revenue protection?	<p>In total the number of meters that can be disconnected remotely are approximately:</p> <ul style="list-style-type: none"> Echelon: 18,221 AMR: 313,320 <p>Please clarify what is meant by revenue protection.</p>	5/24/2019
66	Planning / Contracts		Please send a copy of the recently issued Vegetation Management RFP.	For a copy of the vegetation management RFP please refer to folder #1.6.29 in the data room.	5/24/2019
67	Customer Service		What is the credit and collections process (30, 60, 90 days)?	<p>Detailed procedures for processing overdue bills have been uploaded to the data room at #1.3.7.8.</p> <p>Generally, PREPA begins the internal process of shutting off service when bills are 55-60 days overdue and officially cuts off service after day 60.</p>	5/24/2019

T&D P3 Project RFC Log - 10/14/20

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68	Customer Service		Does the call center respond to email inquiries?	Yes, the call center responds to email inquiries.	5/24/2019
69	Customer Service		Can customers be set up on pre-authorized credit card payment?	Not currently. However, customers can set up payments from preauthorized bank/debit accounts.	5/24/2019
70	Customer Service		When do the district offices log into the call center phone queues to begin taking calls? How is this accounted for in forecasting? How many calls do the district offices take?	Currently, district offices do not accept any calls and are only used for in-person visits and other administrative work.	5/24/2019
71	Customer Service		What social funding is available for low income customers that cannot afford their bill payments?	Social funding is not available to customers however, PREPA does receive subsidies that are applied to preselected customers bills once they provide the necessary documentation.	5/24/2019
72	Customer Service		Is the Customer Services Directorate report for July and December 2018 available? Are there any reports available for 2019?	Please clarify which Customer Services Directorate report this is in reference to. KPI reports for January - April 2019 have been uploaded to the data room at folder 1.3.7.12.	5/24/2019
73	Customer Service		Is there available data from the call center to show average call volumes by interval throughout the day?	Details on call volume in half hour increments during the first week of April 2019 has been uploaded to the data room at #1.3.7.11.	5/24/2019
74	Customer Service		How many seats are available in the call center?	Approximately 70 are available in the call center. Approximately 100 additional seats will be added pursuant to a currently ongoing RFP process.	5/24/2019
75	Customer Service		Is there an outbound call process for collections?	Not currently. An outbound call process would be put in place once the new call center is finalized.	5/24/2019
76	Customer Service		Who closes the service tickets completed by the field ops workers?	Customer Service related service tickets are closed by Customer Service Representatives. For emergency and outage related tickets, customer service may generate service tickets for the T&D directorate. Those tickets would be closed by T&D representatives.	5/24/2019
77	Customer Service		What shifts do the call center run?	The call center operates and is staffed 24/7. For a detailed current shift schedule please refer to data room index #1.3.7.6. District Offices, Theft Division and Metering Division Offices are typically open Monday thru Friday (7:30am - 5pm). First shift runs 7:30am - 4:00pm and second shift runs 8:00am - 5:00pm. Several district offices have extended hours and run a third shift from 10:00am - 6:30pm.	5/24/2019
78	Customer Service		What shifts are run in the district offices? For what positions? How many people per shift?	District Offices, Theft Division and Metering Division Offices are typically open Monday thru Friday (7:30am - 5pm). First shift runs 7:30am - 4:00pm and second shift runs 8:00am - 5:00pm. Several district offices have extended hours and run a third shift from 10:00am - 6:30pm.	5/24/2019

T&D P3 Project RFC Log - 10/14/20

#	Topic	Dataroom Reference	Question	Response	Date Answered
79	Customer Service		Are call center agents bilingual (Spanish/English)?	Yes, call center agents are required to take and pass an oral language exam to ensure they have bilingual capabilities.	5/24/2019
80	Customer Service		How is mertering data entered into the billing system? What causes the discrepancy between meter read completion (97%) and monthly billing completion (sometimes as low as 37%)	AMR and manual reads were used and entered after the hurricane. Occasionally there is a disconnect between the AMR system and CC&B often caused by substation outages and communication breaks. These differences would be reconciled in the next month. Please clarify what the 97% and 37% figures are in reference to.	5/24/2019
81	Customer Service		Are there any customer service staff assigned to back office billing functions like bill QA, hi/lo meter reads, other To Dos?	Yes, customer service staff rotate between customer facing "front office" positions and back office functions.	5/24/2019
82	Customer Service		Other than receiving an electronic bill, are there any other functions that customers can perform online?	A variety of functions are available to customers on the PREPA website. A recently distributed email to customers (included in the data room at #1.3.7.7) provides the following examples: <ul style="list-style-type: none"> - Access previous invoices - Make payments - Report areas without service throughout the Island - View consumption history - Request Certificates of Debt or Balance and Active Service - Service Transfers - Service Disconnection - Report Energy Theft 	5/24/2019
83	Customer Service		Does the call center have a training facility? How are customer service reps trained? Is there a training environment for Oracle CC&B? How long is customer service training? Do customer service reps receive ongoing training?	The center commercial operations training center ("CAOC") is now housed under the human resources directorate. This facility has areas specifically for customer service related training. A 6 month training course is provided at the onset of each employee's tenure within the customer service directorate. Ongoing training is provided periodically.	5/24/2019
84	Customer Service		Are call center scripts available for review?	Yes, a copy of the call center script has been uploaded to the data room at #1.3.7.9.	5/24/2019
85	Customer Service		What is the average call center labour shrinkage used for schedule forecasting?	PREPA does not change schedules depending on forecast calls.	5/24/2019
86	Customer Service	1.3.7.4	How many call is the call center receiving monthly? (an August status report showed 170K, is that a normal month?)	The 170K figure reflected in the August status report is a typo and is overstated. For updated data on monthly call figures please refer to the KPIs uploaded to the data room in folder 1.3.7.12.	5/24/2019
87	Customer Service	1.3.7.4	How many customer offices do they have? Why are some closed?	PREPA currently has 21 district commercial offices and 6 local offices which are operational. 7 of the customer service offices did not reopen after sustaining damage during Hurricane Maria.	5/24/2019

T&D P3 Project RFC Log - 10/14/20

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88	Customer Service	1.12.15	Is there employee training around customer satisfaction?	Customer service employees receive a 6 month training course at the onset of their tenure within the Customer Service directorate. There is not additional employee training related to customer satisfaction at this time.	5/24/2019
89	Customer Service		How are they currently marketing their products and services? i. Messaging around reliability, safety, customer service ii. Messaging around products (paperless billing, budget billing, customer portal, etc.) iii. What channels are they using to get their messages out? (TV? Radio? E-mail? Bill inserts? etc.)	Currently PREPA markets products and services through the use of TV interviews (unpaid), social media, and inserts included with Customer's bills.	5/24/2019
90	Safety		What specific actions have been taken to improve workplace safety since the Dupont study? Any outstanding recommendations?	PREPA has implemented all safety recommendations per the Dupont report including the establishment of an operational risk management system, near miss-tracking, monthly incident detailed reporting, union-leadership engagement, incident investigation and training. PREPA has yet to implement the disciplinary protocol recommendation for safety related incidents as recommended by the Dupont study.	5/24/2019
91	Safety		Provide by job classification the Total Recordable Incident Rate for 2017	Please refer to the 2017 Total Recordable Incident index, found in the data room as 1.12.4.10. Please note that due to the hurricane, these statistics are not representative of a typical year.	5/24/2019
92	Customer Service		What IT funding has been provided to support Modernizing of Call Center? There will need to be funds for IVR overhaul, new agent desktop, real time recording of calls, QA capabilities, chat, call back functionality, new paper bill, new customer portal, theft detection analytics software. robust reporting package. etc.	None currently. IVR is subcontracted with oriental bank. The call center RFP which is in process will modernize the call center facilities.	5/24/2019
93	Customer Service		What O&M funding has been provided for employee training and development?	No O&M funding has been budgeted for any additional training or development.	5/24/2019
94	Federal Funding		Please upload one sample FEMA filing to data room	The Humacao District project formulation documentation has been uploaded to the data room at folder #1.4.11. This is the draft plan for 428 work in the Humacao District. Please let us know if there is a different type of filing you are looking for.	5/24/2019
95	Transmission		Provide a Ten year history of Transmission and Distribution CAIDI prior to Hurricane Maria.	Data is not reliable prior to FY2013. Please note that the T&D condition assessment prepared by S&L has relevant data in the appendix.	5/24/2019
96	Safety		Please provide the safety metrics by directorate / operational category. In particular, please provide a detailed breakdown for the T&D directorate	Please refer to safety metric dataset for the month of April, which provides directorate and job classification for incidents, as per event recording recommendations in the Dupont study. This can be found in the data room as 1.12.4.9	5/24/2019

T&D P3 Project RFC Log - 10/14/20

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97	Safety		What are the "other" OSHA recordable events? Why are there so many of them / why haven't they been classified into one of the other incident categories?	PREPA classifies OSHA recordable events per OSHA classification standards as either injuries, skin disorders, respiratory conditions, poisoning, hearing loss, or other. Recordable events that do not fall within the definition of the first five categories are categorized by default as "other".	5/24/2019