

**P3A T&D TRANSFORMATION –  
CLARIFICATIONS TO LUMA DEFINITIVE PROPOSAL**

1. Please estimate the annual cost of your management team (and direct support staff) that will be a T&D Pass-Through Expenditure incurred by ServCo (i.e., not absorbed by ManagementCo or its shareholders or paid out of the Fixed Fee). The annual cost should be the fully loaded cost, including all benefits and corporate overhead allocated to ServCo.
2. For the members of the management team, please indicate (i) the percentage of time allocated to Puerto Rico (versus other Quanta/ATCO Consortium businesses) over the 15 year term of the O&M Agreement and (ii) whether you expect the composition and allocation of time of the management team to evolve over the term in terms of participation of local residents. At the end of the term, please indicate whether you would expect a replacement ManagementCo to be necessary to operate the T&D System.
3. Please estimate the annual cost of any Quanta or ATCO employees who will be seconded to ServCo (excluding the management team estimated costs addressed in the prior question) that will be a T&D Pass-Through Expenditure at ServCo. The annual cost should be the fully loaded cost, including all benefits and corporate overhead allocated to ServCo.
4. Please clarify if IEM will be subcontracted by ManagementCo or ServCo, and whether its fees will be paid out of the Fixed Fee paid to ManagementCo or as a T&D Pass-Through Expenditure incurred by ServCo. If IEM's fees will be a T&D Pass-Through Expenditure incurred by ServCo, please estimate the expected annual costs.
5. Please provide details of any work that you have done with respect to projected Operating Budgets and Capital Budgets (including vegetation management) over the term of the O&M Agreement in order to provide the Authority information regarding what will be required to satisfy your concerns regarding the adequacy of funding for these Budgets. Please indicate how your views on these matters may impact rates.
6. Assuming the level of funding is available for the projected Operating Budgets and Capital Budgets, please indicate how long it would take for the T&D System to operate at a steady state.