



GOVERNMENT OF PUERTO RICO  
PUERTO RICO PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY

March 18, 2022

**LUMA Energy, LLC**

644 Fernández Juncos Ave., Suite 301  
San Juan, PR 00907  
Email: p3a@lumamc.com

with copy to:

**LUMA Energy, LLC**

644 Fernández Juncos Ave., Suite 301  
San Juan, PR 00907  
Attention: Mario Hurtado  
Email: mario.hurtado@lumapr.com

Re: Request for Information

Ladies and Gentlemen:

Reference is made to the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement dated as of June 22, 2020 “O&M Agreement” among (a) the Puerto Rico Electric Power Authority (“PREPA”), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by Act No. 83 of the Legislative Assembly of Puerto Rico, enacted on May 2, 1941, (b) the Puerto Rico Public-Private Partnerships Authority (“P3 Authority”), a public corporation of the Commonwealth of Puerto Rico, created by Act No. 29 of the Legislative Assembly of Puerto Rico, enacted on June 8, 2009, (c) LUMA Energy, LLC (“ManagementCo”), a limited liability company organized under the laws of Puerto

Rico and (d) LUMA Energy ServCo, LLC (“ServCo” and, together with ManagementCo, “LUMA”), a limited liability company organized under the laws of Puerto Rico.

On February 14, 2022, LUMA submitted the FY2022 Q2 Quarterly Report (“Q2FY2022 Report”) to the P3 Authority. After a careful review of the Q2FY2022 Report, the P3 Authority has questions that require LUMA’s attention. Please provide detailed information related to the items included in the table below by no later than April 8, 2022.

Sincerely,



Sheila Torres-Sterling  
Senior Legal Advisor  
Puerto Rico Public-Private Partnerships Authority

1.	Sec / Pg.	Topic	Issue / Clarification Request
1.	1.0 / pg. 7	Summary of Activities - Training	LUMA reported that on average, each day 31 employees attended courses at the LUMA College during the second quarter. Please explain how this compares to the budget and number of FTEs in the plan to be trained.
2.	1.0 / pg. 7	Summary of Activities - Training	The Report states there were more than 16,000 hours of skills training during the second quarter. Please explain how this compares to the budget and number of hours in the plan.
3.	1.0 / pg. 8	Summary of Activities – Customer Call Wait Time	LUMA reported reducing the average speed of answer for customer calls from September to December by 95%. In December, customers who called LUMA experienced on average a less than 30 second wait time. Please explain the definition of wait time and confirm if the caller reached a live voice in all cases.
4.	1.0 / pg. 8	Summary of Activities – Federally Funded Capital Project/Program List	Please provide the detailed project and program list, including budget and timing by program, outlining the 46 projects.
5.	1.0 / pg. 8	Summary of Activities – Federally Funded Capital Project/Program List	Please provide the detailed list, including budget and timing by program, outlining the 132 projects.
6.	1.0 / pg. 9	Summary of Activities – Federally Funded Capital Project/Program List	Please provide the detailed list, including budget and timing by program, outlining the 66 FAAST projects.
7.	1.0 / pg. 9	Summary of Activities – Delay of Federally Funded Programs and Impact	LUMA reported that FY2022 federally funded expenditures will be substantially lower than the original budget. Please quantify how much below budget LUMA anticipates, and whether there will be an impact on the programs overall (spend, timing, other). Also please provide an explanation of what LUMA is doing to remedy the situation.
8.	1.0 / pg. 9	Summary of Activities – Count of Outage Events	LUMA reported that they responded to 11,470 outage events. Please explain how LUMA defines “outage event,” understanding that this count is significantly lower than the number of actual customer (meter) outages reported.
9.	1.0 / pg. 10	Summary of Activities – Assessments	LUMA outlined the number of assessments that were performed as 191 feeders, 116 transmission lines, and 103 substations. Please explain the scope of these assessments, what the results and planned actions will be, and for each group indicate the number of assessments that were planned vs. the 191, 116 and 103 actual completions. Please identify any subcontractors or consultants that assisted LUMA in this work.

Sec / Pg.	Topic	Issue / Clarification Request
10. 1.0 / pg. 10	Summary of Activities – Pole Replacements	The report states that LUMA replaced 861 poles in Q2. Please provide the number of poles that were planned to be replaced (vs. 861 actual) and confirm whether the 861 pole replacement costs were as budgeted.
11. 2.2 / pg. 11	Transmission and Distribution Opex – Line worker Overtime	The report mentioned “line worker overtime”. Please quantify the amount of overtime (hours) and the associated budget overage and explain LUMA’s process for authorizing overtime.
12. 2.2.1 / pg. 14	Customer Experience – Service Order Backlog	The report states that over 83,000 service orders were completed from backlog. Please provide the current (end December 2021) remaining backlog, plans and timing to clear all outstanding backlog, and explain LUMA’s process for prioritizing backlog versus new requests.
13. 2.2.1 / pg. 14	Customer Experience – Customer Care and Billing (CC&B)	The report highlighted eliminating 200,000 obsolete alerts/errors, billing 52,900 more service agreements in Q2 than in Q1, and reducing the unbilled accounts to 15,896. Please explain the remaining number of obsolete alerts/errors and unbilled accounts. Also, please provide the timeframe expected to eliminate these issues.
14. 2.2.2 / pg. 15	Operations – Safety Performance	During the second quarter LUMA reported the recordable injury rate of 2.23, a Days Away Restricted Duty (DART) rate of 0.85, and a Severity Rate of 2.67. Please explain how these results relate to targets.
15. 2.2.2 / pg. 15	Operations – Feeder Repair	The Report outlines that LUMA started work on six of the 37 worst performing feeders. What is the scope of work for the six, timing for completion, and plans to initiate work on the remaining 31 feeders? Please provide the list of the 37 worst performing feeders.
16. 2.2.2 / pg. 16	Operations – Vegetation Management	The Report states that LUMA is working approximately 450 full time workers. Please explain how this number of FTEs compares to the budgeted plan and outline the improvements LUMA has introduced as differentiators compared with the prior PREPA approach.
17. 2.2.3 / pg. 18	Utility Transformation – Grid Reliability	The Report states that as of December 31, 2021, 974 items were identified as negatively impacting reliability under the umbrella of grid reinforcement initiatives and further states that 6% of this population was repaired / replaced. Please outline how this compares versus plan/budget.

Sec / Pg.	Topic	Issue / Clarification Request
18. 2.2.4 / pg. 20	Support Services - Training	The Report states that 50 safety and technical training classes were completed and that 21 apprentice line workers graduated. Please explain how these accomplishments compare to plan.
19. 3.1.6 / pg. 47	Enabling – Vegetation Management	The Report states that spending variance is mainly due to more intensive, and an increased number of, rapid response activities to address unplanned outages versus originally contemplated. Please outline how many of these activities were planned versus actual.
20. 3.1.6 / pg. 48	Enabling – Fleet	The Report states that spend variance is mainly due to the procurement process taking longer than anticipated. Please explain why the process is taking longer than expected and when this will be addressed. Please explain whether systematic improvements have been made to avoid the same delays in the future.
21. Multiple	Metrics	Performance on a number of metrics is mentioned throughout the report. Please include a metrics table listing the metrics, the internal baseline (which may be PREPA's past performance), what was achieved and any additional commentary.

Quarterly Schedules	
Item	Issue / Clarification Request
1.	Please provide more specific & detailed variance for each line item over \$500,000.00 in a comments section next to each table, including actual vs. planned factors. For example: Labor Spend should detail the variance of actual v. planned: (i) number of FTEs; (ii) salaries and wages; etc. Transportation Spend should detail the variance of actual v. planned: (i) number of fleet vehicles utilized; (ii) mileage; (iii) fuel costs; etc. Vegetation Management Spend should detail the variance of actual v. planned: (i) number of areas cleared; (ii) crew counts; etc.
2.	Please provide a quarterly, YTD and forecast for the year.
3.	Please provide a headcount chart by department and include subcontractors supporting each department.
4.	Please include a table similar to the PREB table on the federally funded projects by category. Include what projects, how much was approved, how much was spent and how much cash was received.