

Monthly Reports



FETS 0002

August 2020

Fixed Fee and Labor



Puerto Rico Public-Private Partnerships Authority

Administrator of the Puerto Rico Transmission and Distribution
System Operation and Maintenance Agreement
PO Box 42001
San Juan, Puerto Rico 00940-2001

INVOICE

Invoice No. FETS-0002
Date: October 8, 2020

To:

Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267

To be paid to:

LUMA Energy, LLC
644 Ave. Manuel Fernández Juncos, Suite 301
San Juan, Puerto Rico 00907

Tax Registration No. 66-0940278

Contract Ref: Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement

DESCRIPTION	AMOUNT
Front-End Transition Service Fixed Fee August 2020	\$5,000,000.00
Partial Front-End Transition Service Labor August 2020	\$3,911,730.00
	\$8,911,730.00

Remittance Information:

Wire to: Bank of America, NA, 222 Broadway, New York, NY 10038

Account #: 488074008867 **Wire Routing #:** 026009593 **ACH Routing #:** 111000025



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

October 8, 2020

Puerto Rico Electric Power Authority

Attention: Efran Paredes Maisonet
Executive Director
PO BOX 364267
San Juan, Puerto Rico 00936-4267

Re: LUMA Invoices – Disbursement of Funds – August 2020

Dear Mr. Paredes:

We refer to the Operations and Maintenance Agreement dated as of June 22, 2020 (the “**O&M Agreement**”), among LUMA Energy, LLC (“**LUMA**”), LUMA Energy ServCo, LLC (a wholly-owned subsidiary of LUMA), the Public-Private Partnerships Authority (“**P3 Authority**”), and the Puerto Rico Electric Power Authority (“**PREPA**”). Except as provided herein, capitalized terms used but not otherwise defined in this letter have the meaning ascribed to them in the O&M Agreement.

Section 4.6(d) (*Front-End Transition Period Compensation – Invoices*) of the O&M Agreement provides the following:

(i) On or prior to the tenth (10th) day of each month during which Operator is performing the Front-End Transition Services, Operator shall provide Administrator with a monthly invoice describing in reasonable detail the prior calendar month’s Front-End Transition Services and the corresponding Front-End Transition Service Fee for such prior calendar month. All invoices shall comply with the requirements set forth in Section 9.2(c) (Anti- Corruption and Sanctions Laws – Policies and Procedures).





GOVERNMENT OF PUERTO RICO

Puerto Rico Public-Private Partnerships Authority

(ii) Operator shall provide promptly to Administrator such additional supporting documentation evidencing the provision of the Front-End Transition Services, if any, and the calculation of the Front-End Transition Service Fee related thereto as Administrator may reasonably request and as may be required by Applicable Law. Administrator shall promptly advise Operator of any disputed invoice amounts, and all such disputes which Operator and Administrator are unable to resolve shall be subject to resolution as a Technical Dispute in accordance with Article 15 (Dispute Resolution) (any such Dispute, a “Front-End Transition Service Fee Dispute”).

(iii) Payments of undisputed amounts under any invoice shall be due within thirty (30) days of Administrator’s receipt of such invoice.

Pursuant to this section of the O&M Agreement, LUMA provided the P3 Authority with invoices describing the Front-End Transition Services and the corresponding Front-End Transition Service Fee for August 2020 (the “**August Invoice**”).

As part of its review of the Front-End Transition Services invoices, the P3 Authority hired Eclipse Management to evaluate the invoices submitted to it by LUMA. Please find attached as Annex A Eclipse Management’s assessments of the August Invoice (the “**August Invoice Validation Report**”).

Based on both the review of the P3 Authority and Eclipse Management of the August Invoice, and pursuant to Section 4.6(d)(ii) of the O&M Agreement, the P3 Authority requested from LUMA additional documentation supporting LUMA’s provision of the Front-End Transition Services in August 2020 (the “**August Supporting Documentation**”). The P3 Authority received the requested August Supporting Documentation from LUMA on October 6, 2020.

Accordingly, the P3 Authority has approved payment to LUMA of the Front-End Transition Service Fixed Fee component of the August Invoice. The P3 Authority has also approved a partial payment to LUMA of the Front-End Transition Labor component of the August Invoice. To this end, we kindly ask that PREPA disburse funds in the amount of US \$8,911,730 to be paid to LUMA for the work described





GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

in the August Invoice. The balance of the August Invoice will be paid to LUMA once the P3 Authority conducts its review of the August Supporting Documentation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fermín E. Fontanés Gómez", written over a horizontal line.

Fermín E. Fontanés Gómez, Esq.
Executive Director
Puerto Rico Public-Private Partnership Authority





GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

ANNEX A





DATE: 10.02.2020

PROJECT: Puerto Rico Transmission and Distribution System
Operation and Maintenance

P3 REPORT:
August 2020
LUMA Invoice Validation

CLIENT: Puerto Rico Public-Private Partnership Authority (P3A)

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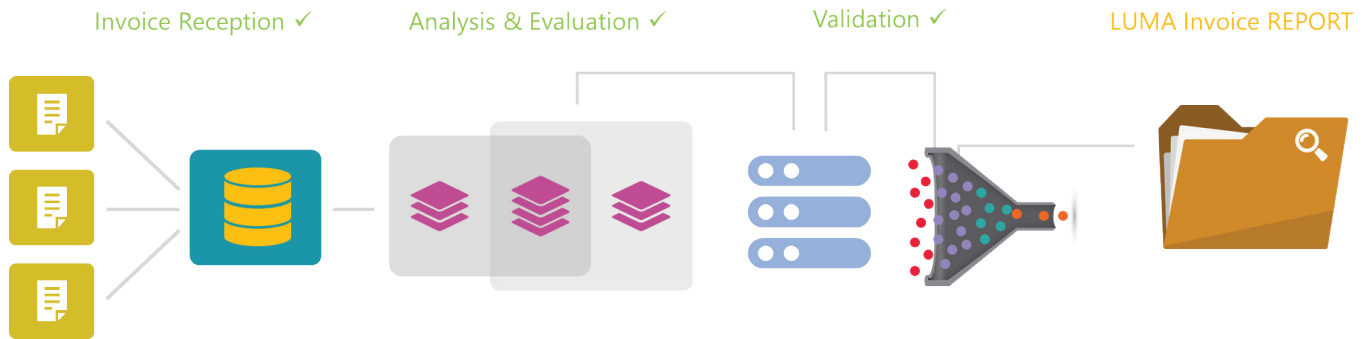
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Version Control

Date	Author	Description	Approved
10.02.20	Eclipse	1.0 - Initial Version	C.LLACER

1. INTRODUCTION

Pursuant to Section 4.6 of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“O&M Agreement”) the Puerto Rico Public-Private Partnership Authority as Contract Administrator (“P3A” or “Administrator”) has the responsibility and obligation to evaluate in detail the invoices submitted by LUMA on a monthly basis, prior to authorizing the disbursement by the Puerto Rico Electric Power Authority (“PREPA” or “Owner”). The LUMA Invoice Validation Report (“Report”) contains P3A’ evaluation of the LUMA August 2020 Invoice. The steps taken to evaluate the invoice are shown on the following picture.



Note that this process starts as soon as the invoice from LUMA is received. All the documents submitted by LUMA are stored in a centralized repository, to ease access and use.

2. INVOICE VALIDATION APPROACH

The Administrator evaluates the following 5 areas:

- Format
- Administrative Documents
- Fees
- Supporting Documents
- Compliance with the O&M Agreement

The validation results of each area are contained in the next sections of this report.

This report is shared with the Owner and LUMA. Any additional information or document submitted after this report is issued, shall be incorporated in the next report.



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2.1. VALIDATION RESULTS

The outcome of the evaluation may have several different results. That being said, “Format” or “Administrative Document” findings, have the effect of paralyzing the disbursement of the whole invoice.

The validation results are the following:

- Approved Invoice;
- Not Approved Invoice
- Partially Approved Invoice pending Administrative Document(s);
- Partially Approved Invoice pending Supporting Document(s);
- Partially Approved Invoice pending fee adjustment / review;

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3. FORMAT VALIDATION

The following items evaluated as part of the Format Validation:

- Bill To
- Date
- Invoice Number
- Terms
- Non-interest clause

The following table contains the findings (if any) for each of the items mentioned above.

FORMAT VALIDATION		
Item	Validation	Comments
BILL TO	✓	Submitted to P3 and to be PAID by PREPA
DATE	✓	September 10th 2020
INVOICE NUMBER	✓	FETS-0820-01
TERMS	✓	Net 30
NON INTEREST CLAUSE	✓	Non-interest certification clause included

August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 8 / 13
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4. ADMINISTRATIVE DOCUMENTS

There are several administrative documents that LUMA, as an organization shall provide on a regular basis to the Administrator. The following table contains the list of all the documents together with their status.

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Comment
DEPARTMENT OF TREASURY OF THE COMMONWEALTH					
1	Income Tax Filing Certificate (Model SC 6088)	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	8/19/2020	2/15/2021	LUMA Energy ServCo
2	Certification of No Debt (Model SC 6096)	✓	9/16/2020	10/16/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo
3	Operator's Merchant's Registration Certificate (Form SC 2918)	✓	3/30/2020	8/31/2021	LUMA Energy
		✓	4/14/2020	7/31/2021	LUMA Energy ServCo
4	Puerto Rico Sales and Use Tax returns filing Certification for the last sixty (60) tax periods (Form SC 2942)	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo
5	Puerto Rico Sale and Use Tax (IVU) Debt Certificate (Model SC 2927)	N/A	N/A	N/A	Non retaining Agent
6	Withholding Exemption "Relevo Hacienda"	✓	7/2/2020	12/31/2020	LUMA Energy

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Comment
DEPARTMENT OF LABOUR AND HUMAN RESOURCES					
1	Employer Registration Certificate and debt certificate for unemployment insurance and temporary disability (workmen's compensation)	✓	8/3/2020	11/1/2020	LUMA Energy
		✓	8/3/2020	11/1/2020	LUMA Energy ServCo
2	Employer Registration Certificate and chauffeur's social security debt certification	✓	8/3/2020	11/1/2020	LUMA Energy
		✓	8/3/2020	11/1/2020	LUMA Energy ServCo

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Comment
CFSE & ASUME					
1	State Insurance Fund Policy Certification (CFSE)	✓	8/6/2020	6/30/2021	LUMA Energy
		✓	8/20/2020	6/30/2021	LUMA Energy ServCo
2	ASUME Withholding Compliance Statement Certificate	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo

All the required Administrative Documents were submitted by LUMA and previously validated by **Eclipse Management**. The validation of all the Administrative Documents, enables the release of the August 2020 FET Fixed Fee.

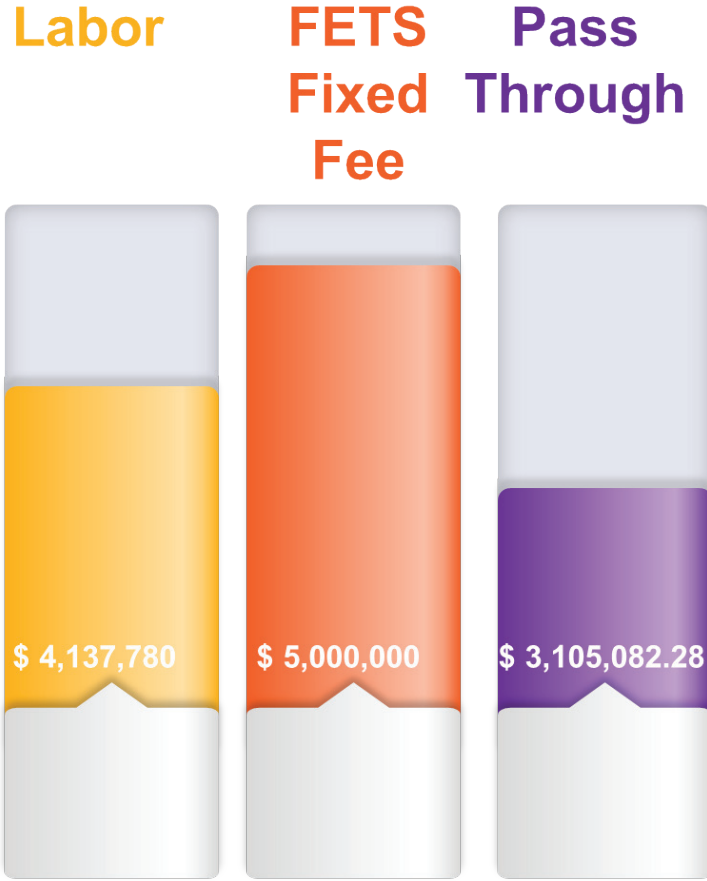
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5. FEES & SUPPORTING DOCUMENTS

The fees of LUMA’s August invoice is composed of the following concepts:

- Labor
- Front-End Transition Service (FETS) Fixed Fee
- Pass-Through Costs and Expenses

The amounts for each of these concepts are illustrated in the following picture:



5.1. LABOR

Eclipse Management validated the fees per profile. LUMA correctly applied the fees per profile, as established in Appendix 5 of the O&M Agreement.

LUMA uses a “Web Based Tool” that registers the employees Timesheets. Eclipse Management validated the labor hours on the LUMA “Web Based Tool” and with additional details provided by LUMA, Eclipse Management matched the assigned hours with the activity that was performed.

The validation carried out took into account employees, positions and hours dedicated to each department or task in order to verify that there were no duplicate tasks or hours worked. Eclipse Management created a validation method that demonstrates the advancement of the FET and enables a month to month comparison. This facilitates the advancement and progress tracking of the FET on a percentage basis.

The following table contains the global summary of Labor costs, showing:

- the number of hours per position;
- the associated hourly rates;
- the overall cost per position;

FETS LABOR COSTS - LUMA AUGUST INVOICE				
Position	Hours Validated	Hours August Invoice	* Rate per Position	Amount
ADMINISTRATIVE SUPPORT	734.0	734.0	\$ 50.00	\$ 36,700.00
ANALYST	2,038.0	2,038.0	\$ 125.00	\$ 254,750.00
DIRECTORS	2,883.0	2,883.0	\$ 275.00	\$ 792,825.00
ENGINEERS	1,020.0	1,020.0	\$ 160.00	\$ 163,200.00
FIELD SUPERVISOR	2,016.5	2,016.5	\$ 160.00	\$ 322,640.00
FIELD TECH	305.0	305.0	\$ 195.00	\$ 59,475.00
TRAINERS	128.0	128.0	\$ 200.00	\$ 25,600.00
MANAGER	4,852.0	4,852.0	\$ 200.00	\$ 970,400.00
SENIOR ANALYST	1,725.0	1,725.0	\$ 160.00	\$ 276,000.00
SENIOR DIRECTOR	829.5	829.5	\$ 300.00	\$ 248,850.00
SENIOR MANAGER	1,106.5	1,106.5	\$ 210.00	\$ 232,365.00
VICE PRESIDENT	2,381.0	2,323.0	\$ 325.00	\$ 754,975.00
			TOTAL	\$ 4,137,780.00

* Rates Validated as the Annex V from O&M Agreement

August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 11 / 13
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5.2. FETS FIXED FEE

As per Section 4.6 of the O&M Agreement, the Fixed Fee included in this invoice is a complete monthly fee for the month of August. The following table contains the evaluation of the FETS Fixed Fee.

FEES & SUPPORTING DOCUMENTS VALIDATION					
Year	Total Amount	Month Rate	Complete Month	Amount	Comments
FIXED FEE					
1	\$ 60,000,000	\$ 5,000,000.00	31 days	\$ 5,000,000.00	OK

Based on our calculation, this amount is correct and is ready to be disbursed to LUMA.

5.3. PASS THROUGH COST

As per Section 7.2 of the O&M Agreement, the Pass-Through Costs and Expenses were included in the August invoice.

The Pass-Through Costs and Expenses were validated and with the data provided by LUMA, Eclipse Management was able to verify the invoices submitted. In order to confirm that the Pass-Through Costs and Expenses complied with the O&M Agreement, Eclipse Management evaluated dates, invoice numbers, invoice amounts, contracts from third party contractors, scope of works, and work orders. That being said, Eclipse Management requested from LUMA additional information, clarifications and documentation regarding LUMA's Pass-Through Costs and Expenses. Once Eclipse Management has had time to conduct its review of the additional information requested, Eclipse Management will update the Report accordingly.

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6. O&M AGREEMENT COMPLIANCE

In line with the Labor part of the invoice, LUMA detailed the advancement with the project schedule, handover checklist and tasks, all in compliance with the O&M Agreement.

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7. CONCLUSIONS & NEXT STEPS

Based on the findings identified in the previous sections, LUMA's August 2020 Invoice is Partially approved, pending Labor fee and Pass-Through Costs and Expenses review.

Recommendations:

- Release the payment of the August 2020 FETS Fixed Fee (\$5,000,000);
- Release a partial August 2020 Labor payment (\$3,911,730.00).

INVOICE VALIDATION				
Concept	Labor	FETS	Pass-Through Costs & Expenses	Total
Inv. FETS-0820-01	\$ 4,137,780.00	\$ 5,000,000	\$ 3,105,082.28	\$ 12,242,862.28
RECOMMENDED DISBURSEMENT				
Recommended Disbursement 10/02/2020	\$ 3,911,730.00	\$ 5,000,000	\$ -	\$ 8,911,730.00
AMOUNT UNDER REVIEW				
Amount under review related to Overtime	\$ (226,050.00)	\$ -	\$ -	\$ (226,050.00)
PENDING BALANCE				
Validation Process in Progress with LUMA	\$ -	\$ -	\$ 3,105,082.28	\$ 3,105,082.28



Puerto Rico Public-Private Partnerships Authority

Administrator of the Puerto Rico Transmission and Distribution
System Operation and Maintenance Agreement
PO Box 42001
San Juan, Puerto Rico 00940-2001

INVOICE

Invoice No. FETS-0011
Date: January 4, 2021

To:

Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267

To be paid to:

LUMA Energy, LLC
644 Ave. Manuel Fernández Juncos, Suite 301
San Juan, Puerto Rico 00907

Tax Registration No. 66-0940278

Contract Ref: Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement

DESCRIPTION	AMOUNT
Front-End Transition Services Labor August 2020	\$226,050.00
	\$226,050.00

Remittance Information:

Wire to: Bank of America, NA, 222 Broadway, New York, NY 10038

Account #: 488074008867 **Wire Routing #:** 026009593 **ACH Routing #:** 111000025



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

January 4, 2021

Puerto Rico Electric Power Authority

Attention: Efran Paredes Maisonet
Executive Director
PO BOX 364267
San Juan, Puerto Rico 00936-4267

Re: LUMA Invoice – Disbursement of Funds – August 2020

Dear Mr. Paredes:

We refer to the Operations and Maintenance Agreement dated as of June 22, 2020 (the “**O&M Agreement**”), among LUMA Energy, LLC (“**LUMA**”), LUMA Energy ServCo, LLC (a wholly-owned subsidiary of LUMA), the Public-Private Partnerships Authority (“**P3 Authority**”), and the Puerto Rico Electric Power Authority (“**PREPA**”). Except as provided herein, capitalized terms used but not otherwise defined in this letter have the meaning ascribed to them in the O&M Agreement.

Section 4.6(d) (*Front-End Transition Period Compensation – Invoices*) of the O&M Agreement provides the following:

(i) On or prior to the tenth (10th) day of each month during which Operator is performing the Front-End Transition Services, Operator shall provide Administrator with a monthly invoice describing in reasonable detail the prior calendar month’s Front-End Transition Services and the corresponding Front-End Transition Service Fee for such prior calendar month. All invoices shall comply with the requirements set forth in Section 9.2(c) (Anti- Corruption and Sanctions Laws – Policies and Procedures).





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(ii) Operator shall provide promptly to Administrator such additional supporting documentation evidencing the provision of the Front-End Transition Services, if any, and the calculation of the Front-End Transition Service Fee related thereto as Administrator may reasonably request and as may be required by Applicable Law. Administrator shall promptly advise Operator of any disputed invoice amounts, and all such disputes which Operator and Administrator are unable to resolve shall be subject to resolution as a Technical Dispute in accordance with Article 15 (Dispute Resolution) (any such Dispute, a “Front-End Transition Service Fee Dispute”).

(iii) Payments of undisputed amounts under any invoice shall be due within thirty (30) days of Administrator’s receipt of such invoice.

Pursuant to this section of the O&M Agreement, LUMA provided the P3 Authority with an invoice describing the Front-End Transition Services and the corresponding Front-End Transition Service Fee for August 2020 (the “**August Invoice**”).

As part of its review of the Front-End Transition Services invoices, the P3 Authority hired Eclipse Management to evaluate the invoices submitted to it by LUMA. Please find attached as Annex A Eclipse Management’s assessments of the August Invoice (the “**August Invoice Validation Report**”).

Based on both the review of the P3 Authority and Eclipse Management of the August Invoice, and pursuant to Section 4.6(d)(iii) of the O&M Agreement, the P3 Authority has approved payment to LUMA of the remaining Labor component of the August Invoice. To this end, we kindly ask that PREPA disburse funds in the





GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

amount of US \$226,050.00 to be paid to LUMA for the work described in the August Invoice.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fermín E. Fontanés Gómez".

Fermín E. Fontanés Gómez, Esq.
Executive Director
Puerto Rico Public-Private Partnership Authority





GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

ANNEX A





DATE: 11.23.2020

PROJECT: Puerto Rico Transmission and Distribution System
Operation and Maintenance

P3 REPORT:
August 2020
LUMA Invoice Validation

CLIENT: Puerto Rico Public-Private Partnership Authority (P3A)

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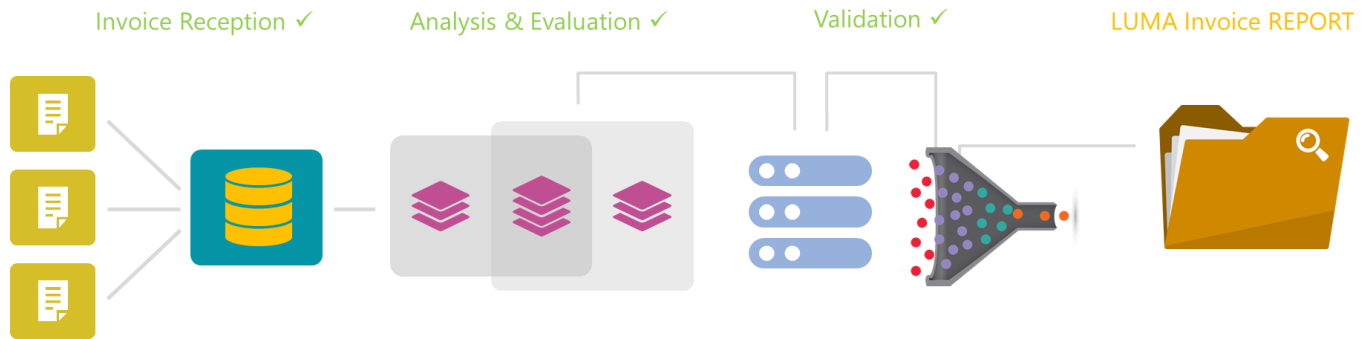
Version Control

Date	Author	Description	Approved
10.02.20	Eclipse	1.0 - Initial Version with Labor & Fixed Fee Validation	C.LLACER
10.23.20	Eclipse	2.0 - Second Version with Pass-Through Costs & Expenses Validation	C.LLACER
11.23.20	Eclipse	3.0 – Initial Version with Labor Pending Amount for Validation	C.LLACER

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1. INTRODUCTION

Pursuant to Section 4.6 of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“O&M Agreement”) the Puerto Rico Public-Private Partnership Authority as Contract Administrator (“P3A” or “Administrator”) has the responsibility and obligation to evaluate in detail the invoices submitted by LUMA on a monthly basis, prior to authorizing the disbursement by the Puerto Rico Electric Power Authority (“PREPA” or “Owner”). The LUMA Invoice Validation Report (“Report”) contains P3A’ evaluation of the LUMA August 2020 Invoice. The steps taken to evaluate the invoice are shown on the following picture.



Note that this process starts as soon as the invoice from LUMA is received. All the documents submitted by LUMA are stored in a centralized repository, to ease access and use.

2. INVOICE VALIDATION APPROACH

The Administrator evaluates the following 5 areas:

- Format
- Administrative Documents
- Fees
- Supporting Documents
- Compliance with the O&M Agreement

The validation results of each area are contained in the next sections of this report.

This report is shared with LUMA and Owner. Any additional information or document submitted after this report is issued, shall be incorporated in the next report.



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2.1. VALIDATION RESULTS

The outcome of the evaluation may have several different results. That being said, "Format" or "Administrative Document" findings, have the effect of paralyzing the disbursement of the whole invoice.

The validation results are the following:

- Approved Invoice
- Not Approved Invoice
- Partially Approved Invoice pending Administrative Document(s)
- Partially Approved Invoice pending Supporting Document(s)
- Partially Approved Invoice pending Fee Adjustment/Review

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3. FORMAT VALIDATION

The following items evaluated as part of the Format Validation:

- Bill To
- Date
- Invoice Number
- Terms
- Non-interest clause

The following table contains the findings (if any) for each of the items mentioned above.

FORMAT VALIDATION		
Item	Validation	Comments
BILL TO	✓	Submitted to P3 and to be PAID by PREPA
DATE	✓	September 10, 2020
INVOICE NUMBER	✓	FETS-0820-01
TERMS	✓	Net 30
NON-INTEREST CLAUSE	✓	Non-interest certification clause included

August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 8 / 16
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4. ADMINISTRATIVE DOCUMENTS

There are several administrative documents that LUMA, as an organization shall provide on a regular basis to the Administrator. The following table contains the list of all the documents together with their status.

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Item	Document	Validation	Date	Expiration	Entity
DEPARTMENT OF TREASURY OF THE COMMONWEALTH					
1	Income Tax Filing Certificate (Model SC 6088)	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	8/19/2020	2/15/2021	LUMA Energy ServCo
2	Certification of No Debt (Model SC 6096)	✓	9/16/2020	10/16/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo
3	Operator's Merchant's Registration Certificate (Form SC 2918)	✓	3/30/2020	8/31/2021	LUMA Energy
		✓	4/14/2020	7/31/2021	LUMA Energy ServCo
4	Puerto Rico Sales and Use Tax returns filing Certification for the last sixty (60) tax periods (Form SC 2942)	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo
5	Puerto Rico Sale and Use Tax (IVU) Debt Certificate (Model SC 2927)	N/A	N/A	N/A	Non retaining Agent
6	Withholding Exemption "Relevo Hacienda"	✓	7/2/2020	12/31/2020	LUMA Energy

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
CRIM					
1	Property Tax Filing Certificate (Propiedad Mueble)	✓	8/10/2020	11/8/2020	LUMA Energy
		✓	8/10/2020	11/8/2020	LUMA Energy ServCo
2	All Concepts Debt Certification	✓	8/18/2020	11/16/2020	LUMA Energy
		✓	8/18/2020	11/16/2020	LUMA Energy ServCo

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
DEPARTMENT OF LABOUR AND HUMAN RESOURCES					
1	Employer Registration Certificate and debt certificate for unemployment insurance and temporary disability (workmen's compensation)	✓	8/3/2020	11/1/2020	LUMA Energy
		✓	8/3/2020	11/1/2020	LUMA Energy ServCo
2	Employer Registration Certificate and chauffeur's social security debt certification	✓	8/3/2020	11/1/2020	LUMA Energy
		✓	8/3/2020	11/1/2020	LUMA Energy ServCo

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ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
CFSE & ASUME					
1	State Insurance Fund Policy Certification (CFSE)	✓	8/6/2020	6/30/2021	LUMA Energy
		✓	8/20/2020	6/30/2021	LUMA Energy ServCo
2	ASUME Withholding Compliance Statement Certificate	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
DEPARTMENT OF STATE					
1	Certificate of Good Standing	✓	6/18/2020	4/15/2021	LUMA Energy
		✓	6/18/2020	4/15/2021	LUMA Energy ServCo
2	Certificate of Existence or to do Business in Puerto Rico or Incorporation Certificate	✓	1/17/2020	✓	LUMA Energy
		✓	1/17/2020	✓	LUMA Energy ServCo

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
OTHER					
1	No Conviction Sworn Statement (Law 8 – 2017)	✓	6/19/2020	6/19/2021	LUMA Energy
		✓	6/19/2020	6/19/2021	LUMA Energy ServCo
2	Sworn Statement - Law 2 - 2018	✓	6/19/2020	6/19/2021	LUMA Energy
		✓	6/19/2020	6/19/2021	LUMA Energy ServCo
3	Guarantees	✓	6/22/2020	✓	Quanta
		✓	6/22/2020	✓	CUL

All the required Administrative Documents were submitted by LUMA and previously validated by **Eclipse Management**. The validation of all the Administrative Documents enabled the release of the August 2020 FETS Fixed Fee which was approved by P3A on October 8, 2020.

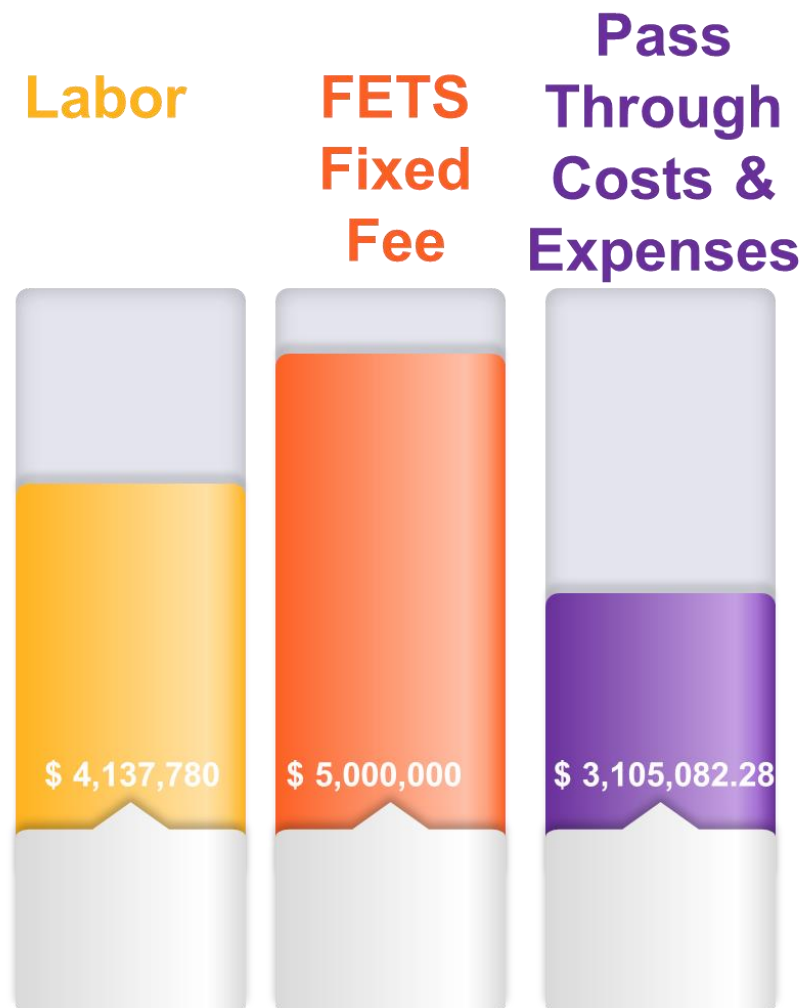
August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 10 / 16
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5. FEES & SUPPORTING DOCUMENTS

The fees section of LUMA's August invoice is composed of the following concepts:

- Labor
- Front-End Transition Service (FETS) Fixed Fee
- Pass-Through Costs & Expenses

The amounts for each of these concepts are illustrated in the following picture:



August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 11 / 16
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5.1. LABOR

Eclipse Management validated the fees per profile. The fees associated with the Upper Management positions (President & CEO, Senior Vice-President, CFO, etc.) were blended and captured as a single rate under the title Vice-President on the O&M Agreement Annex V rate sheet. LUMA correctly applied the fees per profile, as established in Annex 5 of the O&M Agreement.

LUMA uses a "Web Based Tool" that registers the employees time sheets. On September 28, 2020 Eclipse Management validated the labor hours on the LUMA "Web Based Tool" and with additional details provided by LUMA, Eclipse Management matched the assigned hours with the activity that was performed.

The validation carried took into account employees, positions and hours dedicated to each department or task in order to verify that there were no duplicate tasks or hours worked. Eclipse Management's validation method demonstrates the advancement of the FET and enables a month to month comparison, thus facilitating the advancement and progress tracking of the FET on a percentage basis.

The following table contains the global summary of Labor costs, showing:

- the number of hours per position
- the associated hourly rates
- the overall cost per position

FETS LABOR COSTS - LUMA AUGUST INVOICE									
Position	Hours Invoiced	Hours Validated	Difference Identified	* Rate per Position	Amount Invoiced	Overtime Identified	Difference related to Overtime	Amount Recommended for Disbursement	Comments
ADMINISTRATIVE SUPPORT	734.0	734.0	-	\$ 50.00	\$ 36,700.00	-	\$ -	\$ 36,700.00	The O&M Agreement does not establish a maximum amount of hours to be worked by each employee. Therefore, as established in the October 2, 2020 Report, Eclipse was able to correctly validate the total of August labor hours by employee categories and their respective rates.
ANALYST	2,038.0	2,038.0	-	\$ 125.00	\$ 254,750.00	-	\$ -	\$ 254,750.00	
DIRECTORS	2,883.0	2,883.0	-	\$ 275.00	\$ 792,825.00	(137.5)	\$ (37,812.50)	\$ 755,012.50	
ENGINEERS	1,020.0	1,020.0	-	\$ 160.00	\$ 163,200.00	(54.5)	\$ (8,720.00)	\$ 154,480.00	
FIELD SUPERVISOR	2,016.5	2,016.5	-	\$ 160.00	\$ 322,640.00	(78.0)	\$ (12,480.00)	\$ 310,160.00	
FIELD TECH	305.0	305.0	-	\$ 195.00	\$ 59,475.00	-	\$ -	\$ 59,475.00	
TRAINERS	128.0	128.0	-	\$ 200.00	\$ 25,600.00	-	\$ -	\$ 25,600.00	
MANAGER	4,852.0	4,852.0	-	\$ 200.00	\$ 970,400.00	(258.0)	\$ (51,600.00)	\$ 918,800.00	
SENIOR ANALYST	1,725.0	1,725.0	-	\$ 160.00	\$ 276,000.00	(121.5)	\$ (19,440.00)	\$ 256,560.00	
SENIOR DIRECTOR	829.5	829.5	-	\$ 300.00	\$ 248,850.00	-	\$ -	\$ 248,850.00	
SENIOR MANAGER	1,106.5	1,106.5	-	\$ 210.00	\$ 232,365.00	(71.0)	\$ (14,910.00)	\$ 217,455.00	
VICE PRESIDENT	2,323.0	2,381.0	58.0	\$ 325.00	\$ 754,975.00	(249.5)	\$ (81,087.50)	\$ 673,887.50	
* Rates confirmed and validated as per Annex V of the O&M Agreement					TOTAL	\$ 4,137,780.00	(970.0)	\$ (226,050.00)	

August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 12 / 16
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5.2. FETS FIXED FEE

As per Section 4.6 of the O&M Agreement, the Fixed Fee included in this invoice is a complete monthly fee for the month of August. The following table contains the evaluation of the FETS Fixed Fee.

FEES & SUPPORTING DOCUMENTS VALIDATION					
Year	Total Amount	Month Rate	Complete Month	Amount	Comments
FETS FIXED FEE					
1	\$ 60,000,000.00	\$ 5,000,000.00	31 days	\$ 5,000,000	OK

Based on Eclipse Management's calculation, this amount is correct and was approved for disbursement on October 8, 2020.

5.3. PASS-THROUGH COSTS & EXPENSES

As per Section 4.6 (b) (iv) of the O&M Agreement, the Pass-Through Costs & Expenses were included in the August invoice.

The Pass-Through Cost & Expenses were validated with data provided by LUMA. On September 25 and 28, 2020, Eclipse Management verified the submitted invoices. Eclipse Management evaluated dates, invoice numbers, invoice amounts, contracts from third party contractors, scope of works, and work orders.

August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 13 / 16
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6. O&M AGREEMENT COMPLIANCE

In line with the Labor part of the invoice, LUMA detailed was provided by LUMA to be incorporated in the monthly report, such as advancement with the project schedule, handover checklist and tasks, all in compliance with the O&M Agreement.

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7. PREVIOUS RECOMMENDATIONS

7.1. OCTOBER 2, 2020 RECOMMENDATIONS

Based on the findings identified in the previous sections, LUMA's August 2020 Invoice is partially Approved, pending Pass-Through Costs & Expenses review:

Recommendations:

- Release the payment of the August 2020 FETS Fixed Fee (\$5,000,000)
- Release the payment of the August 2020 Labor (\$3,911,730.00)
- **Eclipse Management** recommends confirming if overtime is contemplated in the O&M Agreement
- Pending Labor balance (\$226,050.00) is under P3A review
- Pass-Through Costs & Expenses pending balance (\$3.1MM) are work in progress between LUMA and **Eclipse Management**.

AUGUST INVOICE VALIDATION rev.10.02.2020				
Concept	Labor	FETS Fixed Fee	Expenses	Total
Inv. FETS-0820-01	\$ 4,137,780.00	\$ 5,000,000	\$ 3,105,082.28	\$ 12,242,862.28
RECOMMENDED DISBURSEMENT				
Recommended Disbursement 10/02/2020	\$ 3,911,730.00	\$ 5,000,000	\$ -	\$ 8,911,730.00
AMOUNT UNDER REVIEW				
Amount under review related to Overtime	\$ (226,050.00)	\$ -	\$ -	\$ (226,050.00)
PENDING BALANCE				
Validation Process in Progress with LUMA	\$ -	\$ -	\$ 3,105,082.28	\$ 3,105,082.28

August 2020 LUMA Invoice Validation	Project PR T&D System O&M	Page 15 / 16
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7.2. OCTOBER 23, 2020 RECOMMENDATIONS

Based on the findings identified in the previous sections, LUMA's August 2020 Invoice is partially Approved, pending Pass-Through Costs & Expenses review:

Recommendations:

- Release a partial payment of the August 2020 Pass-Through Cost & Expenses (\$2,922,885.25)
- Pending Pass-Through Costs & Expenses (\$85,583.47) is under review.

AUGUST INVOICE VALIDATION rev.10.23.2020				
Concept	Labor	FETS Fixed Fee	Pass-Through Costs & Expenses	Total
Inv. FETS-0820-01	\$ 4,137,780.00	\$ 5,000,000	\$ 3,105,082.28	\$ 12,242,862.28
RECOMMENDED DISBURSEMENT				
Recommended Disbursement 10/02/2020	\$ 3,911,730.00	\$ 5,000,000	\$ -	\$ 8,911,730.00
New Recommended Disbursement 10/23/2020		\$ -	\$ 2,922,885.25	\$ 2,922,885.25
AMOUNT UNDER REVIEW or REJECTED				
Amount under review	\$ (226,050.00)	\$ -	\$ (85,583.47)	\$ (311,633.47)
Amount rejected	\$ -	\$ -	\$ (96,613.56)	\$ (96,613.56)

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8. CONCLUSIONS AND RECOMMENDATIONS

8.1. NOVEMBER 23, 2020 RECOMMENDATIONS

Based on the findings identified in the previous sections, and the fact that the O&M Agreement does not establish a maximum amount of hours to be worked by each employee, LUMA's August 2020 Invoice is Approved.

Recommendations:

- Release a final August 2020 Labor payment of (\$226,050.00).

AUGUST INVOICE VALIDATION rev.11.23.2020				
Concept	Labor	FETS Fixed Fee	Pass-Through Costs & Expenses	Total
Inv. FETS-0820-01	\$ 4,137,780.00	\$ 5,000,000	\$ 3,105,082.28	\$ 12,242,862.28
RECOMMENDED DISBURSEMENT				
Recommended Disbursement 10/02/2020	\$ 3,911,730.00	\$ 5,000,000	\$ -	\$ 8,911,730.00
Recommended Disbursement 10/23/2020		\$ -	\$ 2,922,885.25	\$ 2,922,885.25
New Recommended Disbursement 12/28/2020	\$ 226,050.00	\$ -	\$ -	\$ 226,050.00
AMOUNT UNDER REVIEW or REJECTED				
Amount under review	\$ -	\$ -	\$ (85,583.47)	\$ (85,583.47)
Amount rejected	\$ -	\$ -	\$ (96,613.56)	\$ (96,613.56)

FETS 0005

August 2020 Pass Through Costs and Expenses



Puerto Rico Public-Private Partnerships Authority

Administrator of the Puerto Rico Transmission and Distribution
System Operation and Maintenance Agreement
PO Box 42001
San Juan, Puerto Rico 00940-2001

INVOICE

Invoice No. FETS-0005
Date: October 30, 2020

To:

Puerto Rico Electric Power Authority
PO Box 364267
San Juan, Puerto Rico 00936-4267

To be paid to:

LUMA Energy, LLC
644 Ave. Manuel Fernández Juncos, Suite 301
San Juan, Puerto Rico 00907

Tax Registration No. 66-0940278

Contract Ref: Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement

DESCRIPTION	AMOUNT
Front-End Transition Service Pass-Through Costs & Expenses August 2020	\$2,922,885.25
	\$2,922,885.25

Remittance Information:

Wire to: Bank of America, NA, 222 Broadway, New York, NY 10038

Account #: 488074008867 **Wire Routing #:** 026009593 **ACH Routing #:** 111000025



GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

October 28, 2020

Puerto Rico Electric Power Authority

Attention: Efran Paredes Maisonet
Executive Director
PO BOX 364267
San Juan, Puerto Rico 00936-4267

Re: LUMA Invoice – Disbursement of Funds – August 2020

Dear Mr. Paredes:

We refer to the Operations and Maintenance Agreement dated as of June 22, 2020 (the “**O&M Agreement**”), among LUMA Energy, LLC (“**LUMA**”), LUMA Energy ServCo, LLC (a wholly-owned subsidiary of LUMA), the Public-Private Partnerships Authority (“**P3 Authority**”), and the Puerto Rico Electric Power Authority (“**PREPA**”). Except as provided herein, capitalized terms used but not otherwise defined in this letter have the meaning ascribed to them in the O&M Agreement.

Section 4.6(d) (*Front-End Transition Period Compensation – Invoices*) of the O&M Agreement provides the following:

(i) On or prior to the tenth (10th) day of each month during which Operator is performing the Front-End Transition Services, Operator shall provide Administrator with a monthly invoice describing in reasonable detail the prior calendar month’s Front-End Transition Services and the corresponding Front-End Transition Service Fee for such prior calendar month. All invoices shall comply with the requirements set forth in Section 9.2(c) (Anti- Corruption and Sanctions Laws – Policies and Procedures).





GOVERNMENT OF PUERTO RICO

Puerto Rico Public-Private Partnerships Authority

(ii) Operator shall provide promptly to Administrator such additional supporting documentation evidencing the provision of the Front-End Transition Services, if any, and the calculation of the Front-End Transition Service Fee related thereto as Administrator may reasonably request and as may be required by Applicable Law. Administrator shall promptly advise Operator of any disputed invoice amounts, and all such disputes which Operator and Administrator are unable to resolve shall be subject to resolution as a Technical Dispute in accordance with Article 15 (Dispute Resolution) (any such Dispute, a “Front-End Transition Service Fee Dispute”).

(iii) Payments of undisputed amounts under any invoice shall be due within thirty (30) days of Administrator’s receipt of such invoice.

Pursuant to this section of the O&M Agreement, LUMA provided the P3 Authority with an invoice describing the Front-End Transition Services and the corresponding Front-End Transition Service Fee for August 2020 (the “**August Invoice**”).

As part of its review of the Front-End Transition Services invoices, the P3 Authority hired Eclipse Management to evaluate the invoices submitted to it by LUMA. Please find attached as Annex A Eclipse Management’s assessments of the August Invoice (the “**August Invoice Validation Report**”).

Based on both the review of the P3 Authority and Eclipse Management of the August Invoice, and pursuant to Section 4.6(d)(iii) of the O&M Agreement, the P3 Authority has approved payment to LUMA of the Pass-Through Costs and Expenses component of the August Invoice. To this end, we kindly ask that PREPA





GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

disburse funds in the amount of US \$2,922,885.25 to be paid to LUMA for the work described in the August Invoice.

Sincerely,

A handwritten signature in blue ink, appearing to read "Fermín E. Fontanés Gómez".

Fermín E. Fontanés Gómez, Esq.
Executive Director
Puerto Rico Public-Private Partnership Authority





GOVERNMENT OF PUERTO RICO
Puerto Rico Public-Private Partnerships Authority

ANNEX A





DATE: 10.23.2020

PROJECT: Puerto Rico Transmission and Distribution System
Operation and Maintenance

P3 REPORT:
August 2020
LUMA Invoice Validation

CLIENT: Puerto Rico Public-Private Partnership Authority (P3A)

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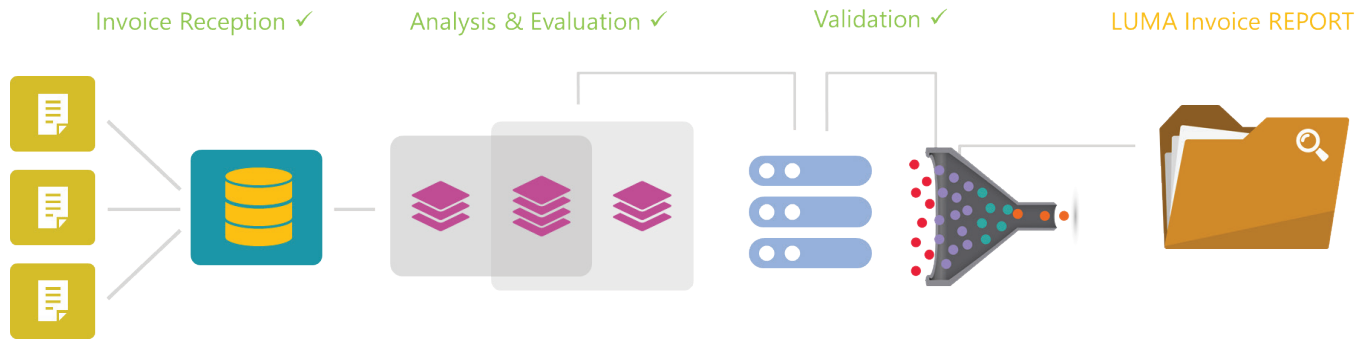
Version Control

Date	Author	Description	Approved
10.02.20	Eclipse	1.0 - Initial Version	C.LLACER
10.19.20	Eclipse	2.0 - Initial Version with P3A comments	C.LLACER
10.21.20	Eclipse	2.0 – Initial Version with Pass-Through Costs & Expenses Validation	C.LLACER
10.23.20	Eclipse	2.1 – Initial Version with Pass-Through Costs & Expenses Validation	C.LLACER

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1. INTRODUCTION

Pursuant to Section 4.6 of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“O&M Agreement”) the Puerto Rico Public-Private Partnership Authority as Contract Administrator (“P3A” or “Administrator”) has the responsibility and obligation to evaluate in detail the invoices submitted by LUMA on a monthly basis, prior to authorizing the disbursement by the Puerto Rico Electric Power Authority (“PREPA” or “Owner”). The LUMA Invoice Validation Report (“Report”) contains P3A’ evaluation of the LUMA August 2020 Invoice. The steps taken to evaluate the invoice are shown on the following picture.



Note that this process starts as soon as the invoice from LUMA is received. All the documents submitted by LUMA are stored in a centralized repository, to ease access and use.

2. INVOICE VALIDATION APPROACH

The Administrator evaluates the following 5 areas:

- Format
- Administrative Documents
- Fees
- Supporting Documents
- Compliance with the O&M Agreement

The validation results of each area are contained in the next sections of this report.

This report is shared with LUMA and Owner. Any additional information or document submitted after this report is issued, shall be incorporated in the next report.



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2.1. VALIDATION RESULTS

The outcome of the evaluation may have several different results. That being said, "Format" or "Administrative Document" findings, have the effect of paralyzing the disbursement of the whole invoice.

The validation results are the following:

- Approved Invoice
- Not Approved Invoice
- Partially Approved Invoice pending Administrative Document(s)
- Partially Approved Invoice pending Supporting Document(s)
- Partially Approved Invoice pending Fee Adjustment/Review

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3. FORMAT VALIDATION

The following items evaluated as part of the Format Validation:

- Bill To
- Date
- Invoice Number
- Terms
- Non-interest clause

The following table contains the findings (if any) for each of the items mentioned above.

FORMAT VALIDATION		
Item	Validation	Comments
BILL TO	✓	Submitted to P3 and to be PAID by PREPA
DATE	✓	September 10, 2020
INVOICE NUMBER	✓	FETS-0820-01
TERMS	✓	Net 30
NON-INTEREST CLAUSE	✓	Non-interest certification clause included

4. ADMINISTRATIVE DOCUMENTS

There are several administrative documents that LUMA, as an organization shall provide on a regular basis to the Administrator. The following table contains the list of all the documents together with their status.

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
DEPARTMENT OF TREASURY OF THE COMMONWEALTH					
1	Income Tax Filing Certificate (Model SC 6088)	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	8/19/2020	2/15/2021	LUMA Energy ServCo
2	Certification of No Debt (Model SC 6096)	✓	9/16/2020	10/16/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo
3	Operator's Merchant's Registration Certificate (Form SC 2918)	✓	3/30/2020	8/31/2021	LUMA Energy
		✓	4/14/2020	7/31/2021	LUMA Energy ServCo
4	Puerto Rico Sales and Use Tax returns filling Certification for the last sixty (60) tax periods (Form SC 2942)	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo
5	Puerto Rico Sale and Use Tax (IVU) Debt Certificate (Model SC 2927)	N/A	N/A	N/A	Non retaining Agent
6	Withholding Exemption "Relevo Hacienda"	✓	7/2/2020	12/31/2020	LUMA Energy

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
CRIM					
1	Property Tax Filing Certificate (Propiedad Mueble)	✓	8/10/2020	11/8/2020	LUMA Energy
		✓	8/10/2020	11/8/2020	LUMA Energy ServCo
2	All Concepts Debt Certification	✓	8/18/2020	11/16/2020	LUMA Energy
		✓	8/18/2020	11/16/2020	LUMA Energy ServCo

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
DEPARTMENT OF LABOUR AND HUMAN RESOURCES					
1	Employer Registration Certificate and debt certificate for unemployment insurance and temporary disability (workmen's compensation)	✓	8/3/2020	11/1/2020	LUMA Energy
		✓	8/3/2020	11/1/2020	LUMA Energy ServCo
2	Employer Registration Certificate and chauffeur's social security debt certification	✓	8/3/2020	11/1/2020	LUMA Energy
		✓	8/3/2020	11/1/2020	LUMA Energy ServCo

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ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
CFSE & ASUME					
1	State Insurance Fund Policy Certification (CFSE)	✓	8/6/2020	6/30/2021	LUMA Energy
		✓	8/20/2020	6/30/2021	LUMA Energy ServCo
2	ASUME Withholding Compliance Statement Certificate	✓	9/21/2020	10/21/2020	LUMA Energy
		✓	9/21/2020	10/21/2020	LUMA Energy ServCo

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
DEPARTMENT OF STATE					
1	Certificate of Good Standing	✓	6/18/2020	4/15/2021	LUMA Energy
		✓	6/18/2020	4/15/2021	LUMA Energy ServCo
2	Certificate of Existence or to do Business in Puerto Rico or Incorporation Certificate	✓	1/17/2020	✓	LUMA Energy
		✓	1/17/2020	✓	LUMA Energy ServCo

ADMINISTRATIVE DOCUMENTS VALIDATION					
Item	Document	Validation	Date	Expiration	Entity
OTHER					
1	No Conviction Sworn Statement (Law 8 – 2017)	✓	6/19/2020	6/19/2021	LUMA Energy
		✓	6/19/2020	6/19/2021	LUMA Energy ServCo
2	Sworn Statement - Law 2 - 2018	✓	6/19/2020	6/19/2021	LUMA Energy
		✓	6/19/2020	6/19/2021	LUMA Energy ServCo
3	Guarantees	✓	6/22/2020	✓	Quanta
		✓	6/22/2020	✓	CUL

All the required Administrative Documents were submitted by LUMA and previously validated by **Eclipse Management**. The validation of all the Administrative Documents enabled the release of the August 2020 FETS Fixed Fee which was approved by P3A on October 8, 2020.

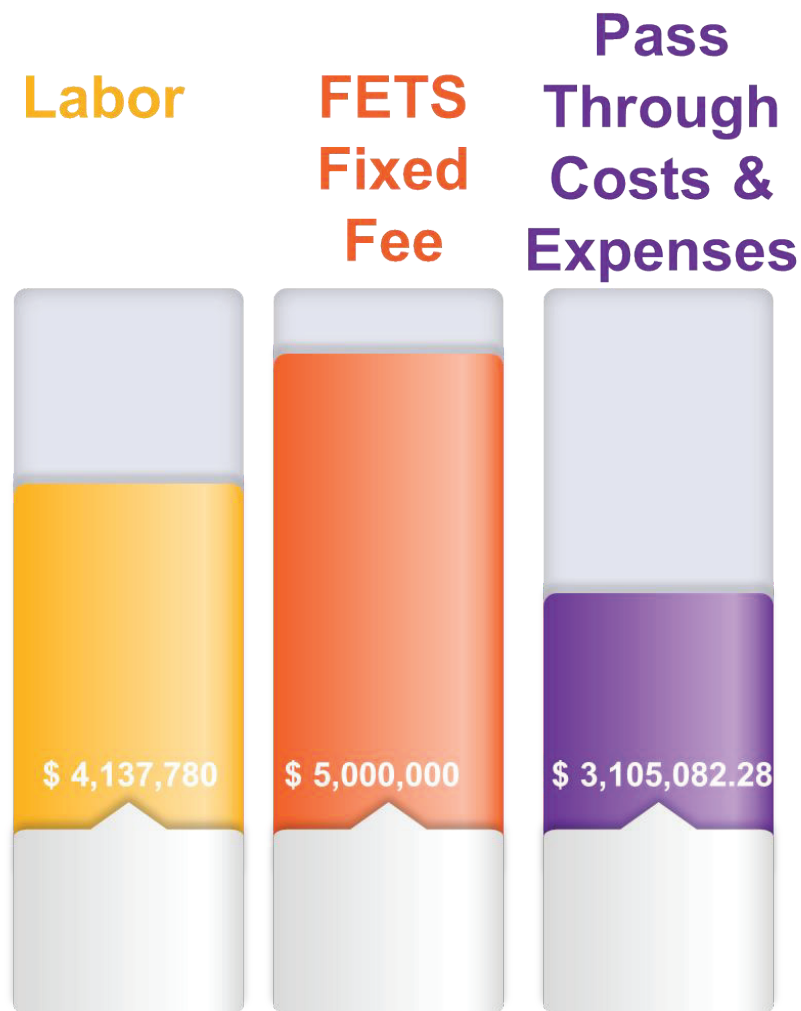
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5. FEES & SUPPORTING DOCUMENTS

The fees section of LUMA's August invoice is composed of the following concepts:

- Labor
- Front-End Transition Service (FETS) Fixed Fee
- Pass-Through Costs & Expenses

The amounts for each of these concepts are illustrated in the following picture:



5.1. LABOR

Eclipse Management validated the fees per profile. LUMA correctly applied the fees per profile, as established in Appendix 5 of the O&M Agreement.

LUMA uses a “Web Based Tool” that registers the employees Timesheets. On September 28, 2020 Eclipse Management validated the labor hours on the LUMA “Web Based Tool” and with additional details provided by LUMA, Eclipse Management matched the assigned hours with the activity that was performed.

The validation carried took into account employees, positions and hours dedicated to each department or task in order to verify that there were no duplicate tasks or hours worked. Eclipse Management’s validation method demonstrates the advancement of the FET and enables a month to month comparison, thus facilitating the advancement and progress tracking of the FET on a percentage basis.

The following table contains the global summary of Labor costs, showing:

- the number of hours per position
- the associated hourly rates
- the overall cost per position

FETS LABOR COSTS - LUMA AUGUST INVOICE									
Position	Hours Invoiced	Hours Validated	Difference Identified	* Rate per Position	Amount Invoiced	Overtime Identified	Difference related to Overtime	Amount Recommended for Disbursement	Comments
ADMINISTRATIVE SUPPORT	734.0	734.0	-	\$ 50.00	\$ 36,700.00	-	\$ -	\$ 36,700.00	Eclipse was able to correctly validate the total of August labor hours by employee categories and their respective rates. Notwithstanding, Eclipse is still reviewing approximately 970 Labor hours.
ANALYST	2,038.0	2,038.0	-	\$ 125.00	\$ 254,750.00	-	\$ -	\$ 254,750.00	
DIRECTORS	2,883.0	2,883.0	-	\$ 275.00	\$ 792,825.00	(137.5)	\$ (37,812.50)	\$ 755,012.50	
ENGINEERS	1,020.0	1,020.0	-	\$ 160.00	\$ 163,200.00	(54.5)	\$ (8,720.00)	\$ 154,480.00	
FIELD SUPERVISOR	2,016.5	2,016.5	-	\$ 160.00	\$ 322,640.00	(78.0)	\$ (12,480.00)	\$ 310,160.00	
FIELD TECH	305.0	305.0	-	\$ 195.00	\$ 59,475.00	-	\$ -	\$ 59,475.00	
TRAINERS	128.0	128.0	-	\$ 200.00	\$ 25,600.00	-	\$ -	\$ 25,600.00	
MANAGER	4,852.0	4,852.0	-	\$ 200.00	\$ 970,400.00	(258.0)	\$ (51,600.00)	\$ 918,800.00	
SENIOR ANALYST	1,725.0	1,725.0	-	\$ 160.00	\$ 276,000.00	(121.5)	\$ (19,440.00)	\$ 256,560.00	
SENIOR DIRECTOR	829.5	829.5	-	\$ 300.00	\$ 248,850.00	-	\$ -	\$ 248,850.00	
SENIOR MANAGER	1,106.5	1,106.5	-	\$ 210.00	\$ 232,365.00	(71.0)	\$ (14,910.00)	\$ 217,455.00	
VICE PRESIDENT	2,323.0	2,381.0	58.0	\$ 325.00	\$ 754,975.00	(249.5)	\$ (81,087.50)	\$ 673,887.50	
TOTAL					\$ 4,137,780.00	(970.0)	\$ (226,050.00)	\$ 3,911,730.00	

* Rates confirmed and validated as per Annex V of the O&M Agreement

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5.2. FETS FIXED FEE

As per Section 4.6 of the O&M Agreement, the Fixed Fee included in this invoice is a complete monthly fee for the month of August. The following table contains the evaluation of the FETS Fixed Fee.

FEES & SUPPORTING DOCUMENTS VALIDATION					
Year	Total Amount	Month Rate	Complete Month	Amount	Comments
FETS FIXED FEE					
1	\$ 60,000,000.00	\$ 5,000,000.00	31 days	\$ 5,000,000	OK

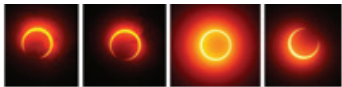
Based on Eclipse Management's calculation, this amount is correct and was approved for disbursement on October 8, 2020.

5.3. PASS-THROUGH COSTS & EXPENSES

As per Section 7.2 of the O&M Agreement, the Pass-Through Costs & Expenses were included in the August invoice.

The Pass-Through Cost & Expenses were validated with data provided by LUMA. On September 25 and 28, 2020, Eclipse Management verified the submitted invoices. Eclipse Management evaluated dates, invoice numbers, invoice amounts, contracts from third party contractors, scope of works, and work orders.

Eclipse Management is in the process of clarifying doubts, reviewing documents, and discussing them with LUMA. It is necessary for LUMA provide the needed clarifications requests by Eclipse Management. Once LUMA finishes the clarification process, Eclipse Management would be rendering and updated report with the Pass-Through Cost & Expenses section findings (if any) and recommendations.



Eclipse Management



6. O&M AGREEMENT COMPLIANCE

In line with the Labor part of the invoice, LUMA detailed was provided by LUMA to be incorporated in the monthly report, such as advancement with the project schedule, handover checklist and tasks, all in compliance with the O&M Agreement.

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7. PREVIOUS RECOMMENDATIONS

7.1. OCTOBER 2, 2020 RECOMMENDATIONS

Based on the findings identified in the previous sections, LUMA's August 2020 Invoice is Partially Approved, pending Pass-Through Costs & Expenses review:

Recommendations:

- Release the payment of the August 2020 FETS Fixed Fee (\$5,000,000)
- Release the payment of the August 2020 Labor (\$3,911,730.00)

AUGUST INVOICE VALIDATION rev.10.02.2020				
Concept	Labor	FETS Fixed Fee	Expenses	Total
Inv. FETS-0820-01	\$ 4,137,780.00	\$ 5,000,000	\$ 3,105,082.28	\$ 12,242,862.28
RECOMMENDED DISBURSEMENT				
Recommended Disbursement 10/02/2020	\$ 3,911,730.00	\$ 5,000,000	\$ -	\$ 8,911,730.00
AMOUNT UNDER REVIEW				
Amount under review related to Overtime	\$ (226,050.00)	\$ -	\$ -	\$ (226,050.00)
PENDING BALANCE				
Validation Process in Progress with LUMA	\$ -	\$ -	\$ 3,105,082.28	\$ 3,105,082.28

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8. CONCLUSIONS & RECOMMENDATIONS

8.1. OCTOBER 23, 2020 RECOMMENDATIONS

Based on the findings identified in the previous sections, LUMA's August 2020 Invoice is Partially Approved, pending Pass-Through Costs & Expenses review:

Recommendations:

- Release a partial payment of the August 2020 Pass-Through Cost & Expenses (\$2,922,885.25)

AUGUST INVOICE VALIDATION rev.10.23.2020				
Concept	Labor	FETS Fixed Fee	Pass-Through Costs & Expenses	Total
Inv. FETS-0820-01	\$ 4,137,780.00	\$ 5,000,000	\$ 3,105,082.28	\$ 12,242,862.28
RECOMMENDED DISBURSEMENT				
Recommended Disbursement 10/02/2020	\$ 3,911,730.00	\$ 5,000,000	\$ -	\$ 8,911,730.00
New Recommended Disbursement 10/23/2020		\$ -	\$ 2,922,885.25	\$ 2,922,885.25
AMOUNT UNDER REVIEW or REJECTED				
Amount under review	\$ (226,050.00)	\$ -	\$ (85,583.47)	\$ (311,633.47)
Amount rejected	\$ -	\$ -	\$ (96,613.56)	\$ (96,613.56)