

To the Task Force:

This message is from Power Technologies Corporation (PTC), a Puerto Rico Corporation. We believe that our experience over the past 20 years in the Fuel Supply issues and new Generation projects with Puerto Rico Electric Power Authority (PREPA) could be very valuable to the Control Board.

The Principle Partners of Power Technologies Corp. have been involved with PREPA for well over 4 decades. We have significant experience with the existing equipment in both Transmission and Generation and have assisted PREPA to improve and maintain their existing facilities.

Starting in the late 1990's we were asked to provide proposals for new generation expansions along with other bidders. PTC teamed up with several large investors to provide those proposals. A proposal we submitted in early 2002 was evaluated by PREPA against many other International bidders and our project proposals were accepted for final negotiation of contracts in May of 2004. Normally these negotiations take a year or so to complete. Our actual experience was that we negotiated for over four years on both a Power Project and a Gas Transmission Project. Although very tedious, the potential benefits from this experience should not be lost.

A Final contract for the Power Project was completed and was fully vetted by PREPA's Bond Counsel, Sidley Austin Brown and Wood, LLP in August 2008. We had entered into a development contract for an Island wide Gas Pipeline Transmission system the year before and had completed some preliminary work before the 2008. Both of these contracts were done at very considerable cost to both PTC and PREPA.

Attached is a WORD document which describes the public references to these Projects in numerous Bond Prospectus documents from 2004 thru 2013 that were issued by PREPA.

It is unfortunate for both PREPA and its customers that these projects were not fully executed. These projects should have been in operation for several years now. Both the Power Project and the Pipeline project would be saving PREPA and its clients over \$1 million/day as compared to current costs. Total investment was expected to be just over \$1.1 Billion. This translates to over \$700 million per year of savings and likely up to well over \$1billion/year of savings if the needed decommissioning of existing facilities were undertaken by PREPA. Additionally, industrial and commercial clients would be benefiting by the availability of natural gas in place of liquid fuels. They would also have the opportunity to do Distributed Generation or Combined Heat and Power projects which would reduce costs for these businesses and provide additional stability to the PREPA T&D system which is suffering from many issues.

There was a significant investment made by both PTC and PREPA to prepare for the construction of these projects which still has significant value and should not be forgotten. Unfortunately, most of the personnel in PREPA that were involved in those negotiations and planning processes are no longer part of PREPA. For sure, almost all of the executive management has departed over the past few years.

Also attached for your review is a Caribbean Business article that was issued in May of 2007 just after over \$2 Billion of new bonds had been issued to do these projects and others. Very little of the investment discussed in that article has actually become reality.

By this submittal, PTC respectfully asks that we be consulted as a resource to the Control Board. We are very knowledgeable on the PREPA operating system and its needs. You will note on review of the attached documents that the proposals we submitted fit very well with the recently completed Integrated Resource Plan(IRP) done at considerable cost to PREPA. PTC knew the needs that are outlined in this IRP, two decades ago.

PTC believes that the work done from 2002 - 2009 and before by PREPA and PTC can serve as a critical foundation for new Project investments that are desperately needed.

We look forward to working with the Control Board as new plans are made to modernize the infrastructure of Puerto Rico.

Regards,

Richard T. Pittenger  
Executive Vice President  
Power Technologies Corporation