

REQUEST FOR PROPOSAL

1.0 GENERAL

1.1 Introduction

Pursuant to its statutory regulatory responsibilities contained in the Official Code of Georgia Annotated (O.C.G.A.), Section 46, the Public Service Commission (PSC) is required to act on a variety of issues. From time to time, the Commission utilizes the services of consultants to assist in these tasks. To assist in the determination of the consultants or consulting firms to be retained for this purpose, the Commission shall accept competitive sealed proposals from interested and available consultants. All proposals submitted pursuant to this request shall be made in accordance with the provisions of these instructions. The proposals shall be evaluated in accordance with the evaluation criteria set forth in this Request for Proposals (RFP). Subsequent to the opening of the sealed proposals, discussions may be conducted by the Public Service Commission with responsible offerors who submit proposals determined to be potentially acceptable for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals.

In conducting any such discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors. All such discussions shall be conducted by the PSC Issuing Officer named below:

Ms. Pandora Epps
Director, Internal Consultants
Georgia Public Service Commission
244 Washington Street
Atlanta, Georgia 30334-5701
Telephone: 404.656.0947
Fax: 404.463.7630
Email: Pandorae@psc.state.ga.us

Contract awards shall be made to the responsible offerors whose proposals are determined to be the most advantageous for the State, taking into account all of the evaluation factors set forth in the RFP. No other factors or criteria shall be used in the evaluation. The PSC reserves the right to reject any and all proposals submitted in response to this request.

1.2 Background

The Commission plans to utilize appropriate, qualified consultants to assist the Commission Staff in performing the tasks described in Section 2.0 (Scope of Services) of this RFP.

1.3 Procurement Timetable

The following timetable is anticipated for this RFP.

February 10, 2009	RFP issued
March 10, 2009 (4:00 p.m.)	Deadline for receipt of proposals by the Commission- NO PROPOSALS WILL BE ACCEPTED FOR ANY REASON AFTER THIS TIME
April 7, 2009	Proposal award

Proposals will be delivered to the below location:

Executive Secretary's Office
Attn: Pandora Epps
Georgia Public Service Commission
244 Washington Street
Atlanta, Georgia 30334-5701

1.4 Restrictions on Communications with Commission Staff

From the issue date of this RFP, until a consultant is selected and the selection is announced, offerors are not allowed to communicate for any reason with any Commission Staff member concerning this RFP except through the Issuing Officer named herein, or as provided by existing work agreement(s). For violation of this provision, the State shall reserve the right to reject the proposal of the offending offeror.

1.5 RFP Amendments

The Commission reserves the right to amend this RFP prior to the date of proposal submission. Amendments will be sent to all offerors who originally received a copy of the RFP.

1.6 Proposal Withdrawal

Prior to the proposal due date, a submitted proposal may be withdrawn by the offeror by submitting a written request to the Issuing Officer named herein. Any such request must be signed by a person authorized to sign for the offeror.

1.7 Cost for Preparing Proposals

The cost of developing the proposal is the sole responsibility of the offeror. The State will not provide reimbursement for such costs.

1.8 Contract Term

The contract will be a two-party contract between the consultant (consulting firm) and the Commission. The term of the contract shall be subject to negotiation. Additional contract information is contained in Sections 1.9 and 3.4 of this RFP.

1.9 Contract

A sample contract issued by the Commission in an unrelated matter is attached to this RFP as Attachment 1. Articles II, III, IV, V, and VI of this contract are germane to the consulting services which are contemplated by this RFP. Article I, Scope of Services, of the contract will mirror Section 2.0 of this RFP. Submission of a proposal constitutes acceptance of the terms contained in Sections II through VI of the sample contract by the submitting party. Each proposal shall contain the name, title, and hourly rate of every consultant and support person employed by the offeror, as well as any subcontractor expected to be engaged in work on the tasks contained in this RFP. Any subsequent request by the consultant to add any other personnel may be denied. If no clerical/administrative personnel are listed in the consultant's proposal, the costs for this type of work will be assumed to have been otherwise covered in the bid price. Also, the offeror's federal tax identification number or social security number (for an individual consultant) shall also be included in the proposal. The Public Service Commission reserves the right to negotiate with the successful offeror other additions to, deletions from and/or changes in the language in the contract, provided that no such addition, deletion or change in contract language would, in the sole discretion of the Public Service Commission, affect the evaluation criteria set forth herein, or give the successful offeror a competitive advantage.

1.10 Format for Responses

Proposals should correspond with and satisfy the requirements set forth in this RFP. The offeror must submit **FIFTEEN** copies of its final proposal to the Commission. Only **ONE** copy of reference documents should be submitted. In addition to the hardcopies, bidders should also submit an electronic copy of the proposal and

reference documents in electronic format, in either an Adobe or Microsoft Word file on compact disc.

Proposals should indicate whether or not there are any deviations from the specified requirements.

1.11 Information Required from Bidders

Bidder's proposal must be submitted in the format outlined below, preparing consecutively numbered pages with index tabs for each section.

- A. STATEMENT OF THE REQUIREMENTS.** State in succinct terms the bidder's understanding of the requirements presented by this RFP.
- B. MANAGEMENT SUMMARY.** Include a narrative description of the proposed effort and a list of the products that will be delivered, and a proposed timeline for task completion. There should be a separate narrative description for each of the work tasks.
- C. WORK PLAN.** Task descriptions are to be the guide in describing the bidder's technical plan for accomplishing the work. The task descriptions should be very detailed in order to afford the Commission a thorough understanding of the work plan. Bidders are cautioned that their proposal may be rejected if their work plan does not include specific recommendations of how each of the task descriptions will be accomplished.
- D. PRIOR EXPERIENCE.** Submit a statement of **similar work conducted** in the previous five years. Studies or projects referred to should be identified and the name of the client shown, including the name, address, and phone number of the responsible official of the client company or agency who may be contacted. Also, highlight any experience in the state of Georgia.
- E. PERSONNEL.** The name of the individual proposed as project leader for each work task, together with a detailed resume of their experience in conducting similar efforts, should be provided. Also, provide a detailed resume for each individual—executive, professional, management analyst, systems analyst, auditor, staff consultant, etc.—who will be engaged in the work, describing the qualifications applicable to the performance of the tasks. Please include an organizational chart showing reporting relationships of team personnel. These individuals may not be removed from the project without prior consent of the Commission. See Section 1.9 regarding personnel changes.
- F. STATEMENT ON POTENTIAL CONFLICTS OF INTEREST.** The bidder shall identify any relationships between itself or its employees and the

companies under the jurisdiction of the Commission, or any subsidiaries or affiliates of such companies. The extent, nature and time aspects must be identified. If there have been no such relationships, a statement to that effect shall be included in the proposal. Failure to provide the statement on potential conflicts of interest will automatically disqualify the offeror.

- G. TIME ESTIMATES.** Estimate the time required for completion of each work task as outlined in Section 2.0, Scope of Services. Indicate the number of employee hours, by individual employee rate, allocated to each task. Submit this data on a cost analysis chart. Include a project schedule display, highlighting each task with estimated start and completion time.

1.12 Additional Information

An offeror that submits a proposal that meets the requirements set forth in this RFP may be requested to provide additional information.

1.13 Retention of Proposals

All material submitted in response to this RFP will become the property of the Commission and may be returned to the offeror at the option of the Commission. One copy shall be retained by the Commission for official files.

1.14 Questions regarding this RFP

Questions regarding the requirements set forth in this RFP should be directed to the individual listed below:

Ms. Pandora Epps
Director, Internal Consultants
Georgia Public Service Commission
244 Washington Street
Atlanta, Georgia 30334-5701
Telephone: 404.656.0947
Fax: 404.463.7630
Email: Pandorae@psc.state.ga.us

1.15 Bidder Oral Presentations

No oral presentations are contemplated. Bidders will be contacted regarding any questions by Commission Staff concerning their proposals.

1.16 Note to Offerors

In the recent past, the Commission has received a number of proposals from offerors that have been unresponsive to the specific RFPs. Problems have included:

- A. Unsigned Proposal Signature and Certificate page.
- B. Bid format not corresponding to RFP requirements (excessive use of “boilerplate” language/insufficient focus on service requirements).
- C. No price quote for services to be provided (only hourly rate stated).
- D. Little information concerning deliverables to be provided by offeror.
- E. Submission of voluminous reference materials not relevant to the services requested.
- F. Proposal not stating acceptance of provisions of sample contract attached to the RFP.

A careful reading of the RFP by offerors will prevent these problems.

2.0 SCOPE OF SERVICES

2.1 Background

This RFP contains four (4) services for which consulting assistance is requested. These services are described in Sections 2.2, 2.3, 2.4 and 2.5 of this RFP. Offerors may bid for any one, or all, of these services. Offerors may also bid for any one, or all, of the lettered tasks under each service. Offerors planning to combine with other consultants in a common effort should provide all the requested information for all consultants/consulting firms involved.

2.2 Review and evaluation of Georgia Power Company 2010 Integrated Resource Plan filing

Georgia law O.C.G.A. §46-3A-2 requires the utilities whose rates are set by the Commission to file at least every three years an integrated resource plan (IRP) with the Commission by January 31st. The Companies’ next IRP filing is due in January 2010. Additionally, O.C.G.A. §46-3A-3 requires the Company to seek a certificate of convenience and necessity from the Commission prior to: the construction or sale of an electric plant (or any portion of the plant that has been previously certified or included in retail rate base); entering into a long-term power purchase, or making

expenditures for a demand-side capacity option for serving the utility's Georgia retail customers.

The consultant shall include within the proposal the cost of providing each of the following services:

- A. Integrated Resource Plan: Evaluate the filed integrated resource plan, in terms of (a) the validity of the long range load forecast; (b) existing supply-side and demand-side resources; (c) the selection and screening of demand-side measures to ensure that potentially viable measures have been included; (d) the selection and screening of supply-side resources to ensure potentially viable resources have been included; (e) the analysis used to develop the fuel price forecast for reasonableness; (f) comparison of alternative IRPs and preferred IRP to ensure best possible IRP selection; (g) assumptions used to develop Companies' clean air act compliance strategies; (h) the four year action plan to implement the preferred IRP for reasonableness (bid should not exceed 800 hours).
- B. Application for a supply-side resource certificate and/or amendment(s): evaluate resource option certificate applications and resource option certificate amendment applications, developing, if necessary, alternatives to capacity resources in the proposed certificate.
- C. Monitoring a supply-side resource construction project: monitor the construction of any approved supply-side capacity resource for which certificate application or amendment is made (bid should not exceed 400 hours).
- D. Application for a demand-side resource certificate and/or amendment(s): evaluate resource option certificate applications and resource option certificate amendment applications for cost effectiveness, developing, if necessary, alternatives/modifications to the demand-side management (DSM) programs in proposed certificates.
- E. Monitoring a demand-side resource implementation program: monitor the implementation and cost effectiveness of any approved demand-side capacity resource for which application or amendment is made (bid should not exceed 400 hours).

The consultant's proposal shall include separate cost breakdowns for each work task as described above.

The maximum number of hours requested in the bid assumes that each task and project is being bid separately. The bidder may incorporate economies of scale, as deemed appropriate by the consultant, if the consultant is bidding on more than one

task and/or project. Each consultant's proposal may be for any or all of the above tasks.

The Commission reserves the right to award separate contracts for each task. Further, the Commission expects to designate one consultant as lead consultant with the responsibility to coordinate the orderly completion of all work tasks within the allowed time limits. This consultant will be responsible for the unified work product (primarily testimony, exhibits, briefs, proposed orders) required by the above task. The final work product should reflect unity between witnesses and consistency of consultants' work products with timely completion. Consultants that submit a "package" bid (bid on all tasks), and any other consultant who desires to bid on the lead consultant task, should allow sufficient hours in their bid to cover this item. The lead consultant will work very closely with the Commission Staff and the Commission's attorneys and will require significant coordination and a designated point of contact for speedy resolution of problems. Your proposal should indicate that you are bidding on the lead consultant task and should indicate the hours and expenses you expect to devote to this task. Strong preference will be given to the consultant who demonstrates experience and knowledge of the Ventyx Strategist models, as well as other models utilized by the utilities, such as McFRED, PROVAL, PRICEM and METRIX ND.

The consultant shall provide the following services for any work task(s) for which the consultant submits a bid:

- A. The consultant shall utilize applicable Commission rules, procedures and minimum filing requirements to assist in the effective enforcement and administration of O.C.G.A. Title 46, Chapter 3A;
- B. The consultant shall provide analysis and testimony on the relevant issues in public hearings, as deemed necessary by Staff and consultant;
- C. The consultant shall review and analyze the Company's filings pursuant to O.C.G.A Title 46, Chapter 3A and propose modifications or alternatives, if appropriate, to filed integrated resource plans, supply-side resource certificates and/or amendments and demand-side certificates and/or amendments. The consultant shall also propose a plan for (1) monitoring the construction of the approved supply-side option and, (2) monitoring the implementation of approved demand-side options. The consultant shall accomplish the above within the time constraints of the appropriate Commission rules;
- D. The consultant shall meet with Company officials and representatives of all parties of record, as deemed necessary and appropriate by the Staff and consultant, to supplement and complete discovery and investigation of the issues. Such activities shall include, but not be limited to, the taking of interviews and depositions of Company personnel;

- E. The consultant, under the direction of the Staff, shall prepare and file such written testimony, proposed orders, positions papers and other matters as the Staff shall deem appropriate, or assist the Staff in the preparation and filing of such materials, including the preparation of any materials deemed necessary by the Staff to support or defend any appeal resulting from the Commission's decision;
- F. The consultant shall stand cross-examination on all testimony filed by the consultant. The consultant shall also assist the Staff in developing cross-examination of the prefiled testimony and comments of all parties of record, as well as rebuttal testimony. Upon request of the Staff, the consultant shall be present at any Commission hearing at which cross-examination of any party of record takes place;
- G. The consultant shall provide assistance, as deemed necessary by the Staff, to any other consultant who may be retained by the Commission for application of the appropriate Commission rules for procedures and minimum filing requirements for the enforcement and administration of O.C.G.A. Title 46, Chapter 3A;
- H. The consultant shall provide such services relating to the issues as may be deemed necessary by the Staff including, if appropriate, the duties of the lead consultant discussed above; and
- I. The Consultant shall provide general consulting services to the Commission Staff, as requested by the Commission staff, with respect to any matter within the consultant's area(s) of expertise.

2.3 Construction Monitoring of Proposed Nuclear Units at Plant Vogtle

Pending certification of Georgia Power's share of two nuclear units proposed for Plant Vogtle (Vogtle 3 & 4) in Docket 27800 specialized assistance to the PSC Staff will be needed to monitor the construction of these units. Tasks shall include, but not be limited to :

- A. Review and Analysis of Construction Monitoring Filing - A primary task in the construction monitoring program is to perform a thorough review and analysis of the Company's construction monitoring filing. This filing will contain the status of many key elements of the construction project and will provide the fundamental data for the construction project monitoring effort.
- B. Construction Site Inspection and Management Meeting – Facilitate meetings and perform regular onsite visits to inspect the project, evaluate the progress and discuss the project status and problems with the key individuals involved

in the project. These meetings may take place at the Southern Nuclear offices in Alabama during the development phase.

- C. Ongoing Project Monitoring - A construction project can change rapidly in a short time period as problems are identified, solved and then are replaced by new problems. Events with major schedule and budget significance occur throughout the year. An effective construction monitoring program must stay in close touch with the project to ensure that significant events and problems are identified and understood as they are happening. While a thorough project review once per quarter provides the foundation of the construction monitoring program, more frequent and active oversight is necessary to ensure that the Commission is aware of all significant events and problems that could impact the project.
- D. Results Reporting - Results of the construction project monitoring program will be reported to the Commission on a regular periodic basis – monthly, quarterly, etc., following the review of the utility’s construction monitoring filing and the site inspection and management meetings. Additional discovery requests will be developed to gather supplemental information as required following review of the construction monitoring filing.
- E. Testimony - A bi-annual project report and/or testimony will be developed that will present the reasonable project costs-to-date and will identify any unreasonable or imprudent costs incurred. Unreasonable and imprudent costs identified will be supported by documentation and analysis. Recommendations for Commission action on unreasonable or imprudent costs are to be presented in the annual report/testimony.

2.4 Prospective Rate Case to be filed by Georgia Power Company

Consultants will be required to assist the Commission Staff and counsel for the Staff in the evaluation of the Company’s rate case to be filed in July 2010. The following lettered tasks shall be addressed by individual consultants or by consultants who are qualified to, and wish to, provide consulting assistance on multiple lettered tasks:

- A. Lead Consultant who shall be responsible for the coordination and internal consistency of the whole consulting effort and who shall also provide analysis and recommendations in the areas of: Capital Structure; Operations and Maintenance Expenses; and Revenue Forecast and Revenue Requirement (in conjunction with updated load forecast)
- B. Depreciation Analysis, including nuclear units
- C. Revenue Allocation and Rate Design

- D. Load Forecast
- E. Clean Air Act Issues
- F. Nuclear Unit Decommissioning, Re-licensing and Life Extension. Performance
- G. Transmission System Costs
- H. Cost of Capital and Return on Equity

The Consultant shall also, for each lettered task above:

1. Assist the Staff in the development of data requests relating to the issues to be presented to the Company. In conjunction with the performance of this task, the consultant will provide the data requests to the Staff on a timely basis, to be forwarded by the Staff to the Company;
2. Review and analyze the Company's responses to data requests relating to the issues and prepare additional data requests as deemed necessary by the Staff and consultant;
3. Meet with Company officials and representatives of all parties of record, as deemed necessary and appropriate by the Staff and consultant, to supplement and complete discovery and investigation of the issues, including, but not limited to, the taking of interviews and depositions of Company personnel;
4. Under the direction of the Staff, prepare and file such testimony, proposed orders, position papers and other matters as the Staff shall deem appropriate, or assist the Staff in the preparation and filing of such materials, including the preparation of any materials deemed necessary by the Staff to support or defend any appeal resulting from the rate case. (This will involve a number of on-site meetings in Atlanta.);
5. Stand cross-examination on all testimony filed by the consultant. The consultant shall also assist the Staff in developing cross-examination of the pre-filed testimony of the Company and any intervenors in the rate case, as well as the pre-filed rebuttal testimony. Upon request of the Staff, the consultant shall be present at any Commission hearing at which cross-examination of the Company or an Intervenor takes place;

6. Provide assistance, as deemed necessary by the Staff, to any other consultant who may be retained by the Commission for the preparation of the Staff's case;
7. Provide such other services relating to the issues as may be deemed necessary by the Staff including, if appropriate, the duties of the lead consultant discussed above; and
8. Provide general consulting assistance as requested by the Staff.

2.5 Review of Georgia Power's 2009 Annual Surveillance Filing

Georgia Power is scheduled to make its 2009 Annual Surveillance Report filing in February 2010. Assistance will be needed in the review and evaluation of the filing to ensure compliance with Commission orders concerning ratemaking adjustments and earnings, specifically to: (1) ensure all ratemaking adjustments have been made and are properly included and reflected, (2) determine whether the quantification of the adjustment was reasonable and proper, (3) to ensure the Company's financial statements reflect all tax and or accounting changes that occurred during the 2009 calendar year.

Additionally, consultant is to develop discovery and provide a report of its findings and recommendations on the filing.

2.6 Consultant Responsibilities

The consultant agrees that, for a period of one year following the completion of any project described in this RFP, as well as during the time within which such duties are being performed, the consultant shall not enter into any employment with the companies under the jurisdiction of the Commission, or any subsidiary or affiliate of those companies. Additionally, the consultant must, on his or her own action, disclose to the attorneys for the Staff the fact and substance of any unauthorized contacts or representations made to the consultant outside the physical presence of attorneys representing the Staff or a Commission Staff member by persons known, or who reasonably should be known, by the consultant to be associated, directly or indirectly, with the companies referenced in this paragraph. The Commission shall inform the consultant of the Commission's policies and regulations with respect to such unauthorized contact, and the consultant shall affirm in writing that no unauthorized contacts were made or that such contacts were reported as required. Non-compliance with this requirement may result in immediate cancellation of the related contract and the institution of any additional proceeding deemed necessary or appropriate by the attorneys representing the Commission. The attorneys representing the Commission are authorized to use any reasonable method to ensure strict compliance with this requirement.

2.7 Time of Performance

The period of performance of the related contract shall be from the date of its execution through the completion of the tasks as described in Sections 2.2 and 2.3 of this RFP or until the Commission shall determine that further performance should cease and shall instruct the consultant to suspend performance, provided, however, that nothing shall prohibit the consultant from making appropriate fee and expense applications for work performed between the Beginning Date and the Execution Date. In the event that performance shall be suspended upon instruction of the Commission, the consultant shall be compensated for all work completed prior to said suspension according to allowed expenses and labor at the rates as stated in the contract.

3.0 INSTRUCTIONS TO PROPOSERS

3.1 Bidder Qualifications

Each proposal should contain documents and other information necessary to enable the Commission to evaluate the bidder's ability to provide the required consulting services. These documents and information should include, but are not limited to, the following:

- A. Examples of the bidder's work products related to similar issues.
- B. Resumes of (a) the principals in the bidder's consulting firm and (b) those consultants retained by the firm who would provide services as a part of the bidder's proposal, including any subcontractors proposed.
- C. A listing of which of the bidder's consultants would be providing services under the proposal and the specific services provided by each.
- D. References for the consultant(s) who would be providing services to the Commission under the proposal.
- E. A listing of all clients served by the bidder and the consulting firm within the period February 2007 to February 2009 inclusive.

3.2 Compensation and Payment

The bidder shall be paid a sum agreed upon for professional services and related expenses rendered under the contract. Bidder expenses are to include support for professional services including, but not limited to, reasonable and necessary (as defined by the Commission) actual expenses incurred by the consultant for travel, lodging, meals, telephone, express mail delivery, computer charges and copying costs.

Maximum reimbursement amounts for daily meals for the bidder shall be the following, the total of which is not meant to be a per diem amount:

Breakfast	\$ 7.50
Lunch	12.50
Dinner	30.00

Payments shall be made on a monthly basis as monthly invoices are received by the Commission from the bidder, provided, however, that prior to each monthly payment, the bidder must in compliance with as much of the contract as is applicable at the time, and, prior to final payment, the consultant shall have completed all obligations under the contract. Invoices shall be submitted based on actual expenses and time expended on the contract work, with labor rates for consultant personnel as agreed upon. Upon execution of a contract, the Administration Division's Property and Facilities Coordinator will send instructions (GPSC Guidelines for Consultant Billing of Direct Reimbursable Charges to Contracts) to the consultant to explain how the billings should be prepared, itemized and supported to effect payment. Additionally, the Commission and the consultant will agree that the contract amount shall be subject to modification by agreement between them to accommodate changes in workload required of the consultant due to subsequent changes in the scope and level of the consultant's responsibilities, not otherwise properly compensated by the amount originally stated in the contract. The necessity of modifying the contract amount shall be determined by agreement of the consultant and the Staff, subject to Commission approval.

3.3 Retention of Records

The consultant shall keep and maintain all records and other documents pertaining to the performance of the contract until the final payment of funds paid to the consultant by the Commission pursuant to the contract is made. At such time, the physical custody of the records and documents shall be returned to the Commission.

3.4 Contract

The proposal shall state acceptance by the submitting party of Articles II through VI of the attached sample contract (Attachment I). Payment under this contract shall be made in accordance with the provisions of Section 3.2 of this RFP.

4.0 PROPOSAL EVALUATION

4.1 Selection Process

The Commission Staff shall evaluate each proposal submitted by utilizing the evaluation criteria below. On April 7, 2009 the Commission shall select offerors to

provide the consulting services described in this RFP. In awarding the contracts for these services, the Commission shall make written awards of contracts to the offerors whose proposals are the most advantageous to the State considering price, demonstrated previous experience and competence of the bidders in performing similar tasks and the ability of the bidders to provide effective consulting services in the matters under consideration. The Commission's evaluation of proposals shall utilize the criteria listed below in items A through C:

- A. The cost of the consulting services requested.
- B. Demonstrated experience and competence of the bidder in performing tasks similar to those contained in this RFP.
- C. The ability of the bidder to provide effective consulting services concerning the tasks being bid on.

The Commission shall consider each proposal in a manner that does not disclose the contents of the proposal to competing offerors. The Commission reserves the right to reject any and all proposals made pursuant to this RFP, to request submission of a best and final offer, and to amend or supplement this RFP at any time. There is no assurance, expressed or implied, that an award will necessarily be made pursuant to this RFP. This RFP shall not give any right to any respondent for any indemnification claims.