New York Department of State, Consumer Protection Division,
Utility Intervention Unit
REQUEST FOR QUOTATION (RFQ) # 15-UIU-04

GENERAL INFORMATION

The New York Department of State (DOS), Consumer Protection Division, Utility Intervention Unit (UIU), through this competitive Request for Quotation (RFQ), is seeking economics and rate design Consultant, experienced in investor-owned electric public utility regulatory ratemaking, to assist the UIU in analyzing and commenting on the Consolidated Edison Company of New York, Inc. (the Company) rate case (15-E-0050) as filed with the New York Department of Public Service (DPS) on January 30, 2015. The UIU's foremost objective in this case is ensuring the protection of New York residential and small commercial consumers' interests. Successful bidders will need to review the Company's rate case in preparation for submitting a Proposal. Strategy proposed as part of the Work Plan will also be considered as part of the award process

Submissions responsive to this RFQ must include (i) a completed Proposal; (ii) a Work Plan; and (iii) completed Quotation Sheets, the forms for which is attached to this RFQ. The content required in each document is described below. The failure of the Consultant to provide any required document(s) will result in rejection of the Consultant's submission from consideration for this RFQ.

SCOPE OF WORK

The Consultant will agree to review a select number of electric Company panels, witness testimony, and/or exhibits and will submit to the UIU its own independent analysis and review of the appropriateness of the Company's claims in the rate case. The panels and witnesses of interest to the UIU include at a minimum: (1) Demand Analysis and Cost of Service Panel; and (2) Electric Rate Panel (as related to the Electric ECOS study and revenue allocation methodologies), particularly with respect to rate design and cost allocation from the perspective of residential and small commercial customers. Based on this analysis, the Consultant will prepare discovery information requests, provide written initial testimony and rebuttal testimony, and may be required to provide testimony in evidentiary hearings and/or participate in settlement negotiations pertaining to the Company's cost of service studies and rate design proposals as well as the rate design proposals of other parties in the proceeding.

The Consultant is expected to focus on specific cost drivers that carry the highest potential impact on rates, with the primary focus on rate increases to residential consumers and small (non-residential) commercial consumers.

The Consultant will be expected to monitor the Company's rate case activities and the activities of other parties, and prepare a filing response, in the form of written initial and rebuttal testimony and which may include cross examination in evidentiary hearings and/or participate in settlement negotiations. The Consultant should be prepared to devote sufficient resources necessary to meet any procedural schedule, timelines, or deadlines directed by the UIU Director, the DPS Administrative Law Judges or the Public Service Commission.

PROPOSAL

The Proposal must include the items described below. The combined length of items #1, #2, and #3 may be no more than ten (10) pages; the length of item #4 may be no more than eight (8) pages.

1. A description of the Consultant's background and expertise in investor-owned electric public utility rate cases. A general understanding of the Company's rate case with an emphasis on specific cost drivers that carry the highest potential impact on rates, particularly rate increases to residential consumers and small (non-residential) commercial customers.
2. An overview of the work to be performed by the Consultant on the Company's rate case, and the identification of any DPS proceedings that could potentially conflict with the Consultant's ability to work with the UIU on the Company's rate case.
3. The Consultant and the individual(s) who would be assigned to work on the Company's rate case, including their name(s), position(s), function(s), and role(s). Include resumes listing total years of experience with electric public utility case work.

4. A three (3) year listing of the Consultant's electric utility rate case work. In this list, please demonstrate whether and how the Consultant met each client's needs and expectations in each rate case. This list must also highlight and explain any instances where the client's needs and/or expectations, and the Consultant's work on the client's behalf, may have been in tension with the UIU's primary objective of protecting residential and small commercial consumers. Please also include the names and phone numbers of three (3) references from this list of past clients who the UIU Director can contact for feedback regarding the Consultant's performance and final work products. Please provide this list as a separate attachment, no longer than eight (8) pages, to the Proposal.

WORK PLAN

The Consultant, will submit a Work Plan along with the Proposal that describes the work products to be produced for each task including (1) initial and rebuttal testimony, including discovery as necessary; (2) settlement negotiations; and (3) evidentiary hearings. The Work Plan shall be no more than 5 pages.

The Work Plan should provide a description, with a reasonable level of detail, of how the Consultant will determine the degree to which the Company's cost of service studies are appropriate to allocate costs among customer classes. It should also consider other parties' interests and demonstrate a strategy to counter the possible positions concerning revenue distribution, rate design, and related issues that are not consistent with the public interests and/or are contrary to UIU goals. The Work Plan should identify the Company panels, expert witness testimony, and/or exhibits deemed necessary to develop the Consultant's work products and provide clearly delineated assumptions associated with the Company's rate case in relation to the UIU's scope of work.

QUOTATION SHEETS

Each task requires a Quotation Sheet and will describe the Consultant's estimated (1) number of work hours multiplied by the Consultant's contract rate; plus (2) optional Per

Diem rates, though they are not anticipated by the UIU; and (3) total cost for that task. The Work Plan will cover the contract period beginning with the execution of the contract, anticipated to be March 10, 2015, and continuing through October 31, 2015; and will include the individuals to be assigned, the hourly rate and total cost of each individual, and a Total Cost per the Quotation Sheet per task. Hours listed are estimates for bidding purposes only, and the actual distribution of work hours among individuals is subject to discussions between the UIU and the Consultant; however, the Total Cost per the Quotation Sheet is final. In the event of need for on-site expert or rebuttal testimony (though such need is not anticipated), the costs of transportation (including air or ground, as necessary), lodging (including meals), and any Per Diem rates should be shown separately on the Quotation Sheet. The State of New York's Per Diem rates can be found at http://osc.state.ny.us/agencies/travel/travel.htm.

The Consultant should have a minimum of ten (10) years of experience testifying on electric public utility rate case matters. The Consultant should also have a degree in engineering, economics, finance, and statistics. The Consultant must be able to coordinate and incorporate recommendations from multiple witnesses testifying on behalf of consumers' groups, small commercial (non-residential) consumers, and others as needed to build advocacy consensus around the Company's rate case.

STANDARDS OF PERFORMANCE OF CONTRACTED SERVICES

The Consultant will be expected to produce work products that are a direct result of its coordination and collaboration with UIU Staff. The Consultant's work products as specified in the Work Plan are to be completed in a timely and expeditions manner. As stated under the scope of work and reiterated again here, the Consultant should be prepared to devote resources sufficient to meet any procedural schedules, timelines, or deadlines as directed by either the UIU Director, the DPS Administrative Law Judge, or DPS Staff with respect to the Company's rate case. The UIU Director will monitor the progress and results of the Consultant's work products through direct communications with the Consultant.

Monitoring by the UIU Director will include the following performance standards:

1. Project management effectiveness, including planning and timeliness of work products.
2. Thoroughness of issue identification, development, and recommendations, including the accuracy of analyses and associated supporting evidence.
3. Thoroughness and persuasiveness of written and oral communications to the UIU Director and Staff.

QUANTITATIVE FACTOR FOR NYS CERTIFIED MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES

Pursuant to State Finance Law section 163(1)(j), a quantitative factor for certified Minority or Women-owned Business Enterprises (MWBEs), as defined in subdivision one section three hundred ten of the NYS Executive Law, will be included in the total evaluation scale. A percentage of the total evaluation scale will be awarded to a responsive Consultant who is listed as an MWBE firm in the directory of New York State Certified MWBEs ("Directory") or who enters into a partnership with a certified MWBE firm found in the Directory in response to this RFQ. The Directory of New York State Certified MWBEs can be found at: https://ny.newnycontracts.com/frontend/diversityusers.asp.

PUBLIC DISCLOSURE

The Consultant may not make media releases (written or oral) or other public disclosures related to this RFQ or the work to be performed without receiving prior written consent from the UIU Director.

TERMINATION

The UIU Director reserves the right to terminate the contract with the Consultant for any or no cause upon fifteen (15) calendar days' written notice. In the event of termination other than as a result of default by the Consultant, the UIU shall make payment for the services rendered prior to the effective date of termination, provided the UIU Director has received proper and accurate invoices for those services rendered.

TYPE OF CONTRACT

Payment to the Consultant under a contract executed as a result of this RFQ will be based upon the hours actually worked by each individual based on authorized itemized expenses. Payments will be made for each individual at the quoted, contracted rated for that individual. Total payments to the Consultant shall be limited to the Total Cost per the Quotation Sheet.

INCURRING COSTS

Any Consultant shall bear all costs it incurs prior to the receipt of a fully executed contract, including costs associated with preparing the Firm's response to this RFQ.

RESERVATION OF RIGHTS

The Department of State reserves all rights described in the attached Appendix, "Reservation of Rights," with respect to this RFQ and responsive submissions.

ISSUING PARTY AND CONTRACT EXECUTION

The UIU is the issuing party for this RFQ. The UIU Director will make the final selection of the Consultant based on the highest scoring bid. The Total Cost per the Quotation Sheet of each Proposal will receive significant weight, but will not be the sole determining factor in the selection process. Factors for selection include qualifications of staff (15 points), costs (10 points), demonstrated approach in the Work Plan (10 points), positions in past testimony (5 points), quality of proposal (5 points), and MWBE certification or teaming (5 points). At this time, the UIU anticipates to make a final selection of a Consultant no later than March 5, 2015. Within five (5) days of selection, the UIU and the Consultant will execute a contract setting forth each party's responsibilities. This contract will incorporate this RFQ, the Consultant's Proposal, Quotation Sheet, and referenced attachment(s). The Consultant must be prepared to start work immediately upon contract execution.

If you are made an award, you will be required to provide a current Workers Compensation Form and Disability Certification Form, or Exemption from Worker's Compensation and Disability Form. **The Department of State must be listed as certification holder in box 2 on the forms.** The only acceptable forms are listed below and are to be obtained by contacting your insurance carrier. Please note that **ACORD** Forms are **NOT** acceptable proof of insurance coverages.

- Workers Compensation Form - C-105.2 or SI-12 or U-26.3
- Disability Form - DB-120.1 or DB-155
- Exemption from Workers Compensation & Disability - CE-200

RESPONSE DATE AND CONTACT INFORMATION

Submissions are due no later than March 3, 2015 at 4:00 p.m. Submissions received after this time will not be considered. Submit Proposals and all associated required documents to Erin Hogan, UIU Director via email, with a read receipt request and "RFQ: 15-UIU-04" in the subject line, to erin.hogan@dos.ny.gov; and submit three (3) physical copies to the address below.

RFQ: 15-UIU-04

Erin Hogan
NYS Department of State
Utility Intervention Unit
1 Commerce Plaza
99 Washington Avenue, Suite 1020
Albany, NY 12231

Please direct any questions regarding this RFQ to Erin Hogan, UIU Director at erin.hogan@dos.ny.gov, and include "RFQ: 15-UIU-04" in the subject line.

Utility Intervention Unity RFQ # 15-UIU-04
Task 1 - Initial and Rebuttal Testimony
Quotation Sheet

Function	Total Hours	Hourly Rate	A Hours x Rate ($)	B Optional: NYS Per Diem Transportation Rate ($)[1]	C Optional: NYS Per Diem On-Site Rate ($)	Total Cost (A+B+C) ($)
Consultant						
Analyst						
Support						
Task Total						

[1] http://osc.state.ny.us/agencies/travel/travel.htm.

Utility Intervention Unity RFQ # 15-UIU-04
Task 2 – Settlement Negotiations
Quotation Sheet

Function	Total Hours	Hourly Rate	A Hours x Rate ($)	B Optional: NYS Per Diem Transportation Rate ($)[2]	C Optional: NYS Per Diem On-Site Rate ($)	Total Cost (A+B+C) ($)
Consultant						
Analyst						
Support						
Task Total						

[2] http://osc.state.ny.us/agencies/travel/travel.htm.

Utility Intervention Unity RFQ # 15-UIU-04
Task 3 – Evidentiary Hearing Testimony
Quotation Sheet

Function	Total Hours	Hourly Rate	A Hours x Rate ($)	B Optional: NYS Per Diem Transportation Rate ($)[3]	C Optional: NYS Per Diem On-Site Rate ($)	Total Cost (A+B+C) ($)
Consultant						
Analyst						
Support						
Task Total						

[3] http://osc.state.ny.us/agencies/travel/travel.htm.

New York Department of State, Consumer Protection Division,
Utility Intervention Unit
REQUEST FOR QUOTATION (RFQ) # 15-UIU-04

Vendor Information

Name:
_____

Address:
_____

Phone Number:
_____

Email Address:
_____

Vendor Contact (if different from Vendor Information)

Name:
_____

Address:
_____

Phone Number: _____ **Cell:**
_____

Email Address:
_____

Appendix
Reservation of Rights

In addition to all rights described in the elsewhere in the Request for Quotations, the Department of State reserves the rights to:

1. Reject any or all proposals received in response to the RFQ;
2. Withdraw the RFQ at any time, at the agency's sole discretion;
3. Make an award under the RFQ in whole or in part;
4. Disqualify any bidder whose conduct and/or proposal fails to conform to the requirements of the RFQ;
5. Seek clarifications and revisions of proposals;
6. Use proposal information obtained through site visits, management interviews and the state's investigation of a bidder's qualifications, experience, ability or financial standing, and any material or information submitted by the bidder in response to the agency's request for clarifying information in the course of evaluation and/or selection under the RFQ;
7. Prior to the bid opening, amend the RFQ specifications to correct errors or oversights, or to supply additional information, as it becomes available;
8. Prior to the bid opening, direct bidders to submit proposal modifications addressing subsequent RFQ amendments;
9. Change any of the scheduled dates;
10. Eliminate any mandatory, non-material specifications that cannot be complied with by all of the prospective bidders;
11. Waive any requirements that are not material;
12. Negotiate with the successful bidder within the scope of the RFQ in the best interests of the state;
13. If unsuccessful in negotiating a state contract with the selected applicant within an acceptable time frame, the Department may begin state contract negotiations with the next ranked qualified applicant(s) in order to serve and realize the best interests of the state;
14. Utilize any and all ideas submitted in the proposals received;
15. Unless otherwise specified in the solicitation, every offer is firm and not revocable for a period of 60 days from the bid opening;
16. Require clarification at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and

complete understanding of a bidder's proposal and/or to determine a bidder's compliance with the requirements of the solicitation;

17. Waive or modify minor irregularities (such as typographical errors) in applications received;
18. Not fund an application that fails to submit a clear and concise work plan or budget;
19. Adjust or correct cost figures with the concurrence of the applicant if errors exist and can be documented to the satisfaction of the Department of State and the State Comptroller;
20. Award more than one contract resulting from this RFQ;
21. In its sole discretion, determine the total number of awards to be granted pursuant to this RFQ; and
22. In the event that a Work Plan submitted following award during contract negotiations is substantially different from the application submitted through the procurement process, DOS reserves the right to require modifications to the Work Plan to bring it into conformance with the application. If no such modifications are made and approved within a reasonable time period, DOS may rescind the award and make funding available to the next highest scoring application.