

MISSISSIPPI PUBLIC SERVICE COMMISSION

REQUEST FOR PROPOSALS

**TO PROVIDE TECHNICAL CONSULTING SERVICES FOR PROPOSALS BY
ENTERGY MISSISSIPPI TO JOIN AN RTO, DIVEST ITS TRANSMISSION ASSETS
AND THE RELATED EFFECTS ON THE SYSTEM AGREEMENT**

Authorized by



In order Dated January 11, 2012 in Docket 2011-UA-376

Closing Time and Date – February 13, 2012

**MPSC Docket Number
2011-UA-376**

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MISSISSIPPI PUBLIC SERVICE COMMISSION

REQUEST FOR PROPOSALS

TO PROVIDE TECHNICAL CONSULTING SERVICES

SECTION 1 – INTRODUCTION

On December 2, 2011 Entergy Mississippi (EMI) and the Midwest Independent Transmission System Independent Operator (MISO) Regional Transmission Organization (RTO), filed a joint application for transfer of functional control of Entergy's Mississippi's transmission facilities to MISO. This filing is docketed as 2011-UA-376.

On December 5, 2011, EMI announced that the company will divest and merge its electric transmission business into ITC Holdings, ultimately creating a newly formed entity, Mid South TransCo LLC (Transco).

On January 11, 2012, the Mississippi Public Service Commission (MPSC) entered an order in Docket 2011-UA-376 finding that it is in the public interest for Commission and the Staff to obtain consulting services in order to develop additional expertise with respect to the proposed actions outlined above so that they may properly balance the interests of EMI and its customers. The order further stated that the costs of the consulting services will be paid by EMI and will be accumulated and deferred for future recovery in rates.

Therefore, the MPSC is issuing a Request for Proposals (RFP) to acquire consultant services for analyzing the costs and benefits of Entergy Mississippi joining a regional transmission organization, amending the Entergy System Agreement, and divesting their transmission assets to an independent transmission company. The consultant would be expected to address the qualitative as well as the quantitative aspects of Entergy Mississippi's proposals as related to the issues above. A single firm may submit a proposal or a team of firms may partner and submit a combined proposal provided the proposal meets the requirements contained in Section 8 of this RFP. If the team approach is chosen, the team must designate a single point of contact that will communicate with the MPSC and coordinate activities among the other firms that comprise the team.

SECTION 2 – ELIGIBLE PROPOSERS

Proposers **must** have a minimum of five years' experience providing services similar to those described in the Statement of Work (SOW), Attachment A. An entity or company in existence for fewer than five years is eligible to submit a proposal if key personnel on the proposal team have the minimum required experience. Proposers who do not meet this requirement are not eligible for award.

SECTION 3 – AUTHORITY

This Request for Proposals is issued pursuant to Mississippi Code Ann. (1972) §77-3-46 and Commission order in Docket 2011-UA-376 dated January 11, 2012.

SECTION 4 – ANTICIPATED SCHEDULE OF ACTIVITIES

Deadline for submission of proposals	February 13, 2012
Post-proposal interviews or presentations, (likely telephonic), if required	February 15, 2012
Staff Recommendation for selection	February 16, 2012
Selection approved	February 16, 2012
Contract negotiations	February 17 – 22, 2012
Contract execution	February 22, 2012

Disclaimer: Dates are subject to change at the MPSC’s discretion

SECTION 5 – COMPENSATION

Compensation for the services outlined in Attachment A will be based on an hourly fee that will cover all expenses, except travel. Expenses for approved travel will be reimbursed in accordance with rules of the state of Mississippi for reimbursing employee travel expenses. Unless otherwise approved in writing by the MPSC, payments will be made based on the invoicing and payment terms of the resulting contract.

SECTION 6 – QUESTIONS

The MPSC will accept questions and requests for clarification by e-mail or telephone call to the attention of the personnel below.

Direct general questions about the RFP to:

Chad Allen
601-961-5488
Chad.Allen@psc.state.ms.us

Or

James Richardson
601-359-4066
James.Richardson@psc.state.ms.us

Legal questions may be directed to:

Shawn Shurden
601-961-5497
Shawn.Shurden@psc.state.ms.us

Please Note: Mr. Allen, Mr. Richardson and Mr. Shurden are the only permitted points of contact. Contact or attempted contact with other MPSC employees, including Commissioners and their staffs, may result in a proposer’s immediate disqualification.

The MPSC will post additional information, RFP modifications, and addenda on the MPSC website at: <http://www.psc.state.ms.us/executive/rfp.html>. Proposers should check the website often to ensure they have the most current information.

SECTION 7 – PROPOSAL REQUIREMENTS

Proposals must be filed with the MPSC before 5:00 p.m. on February 13, 2012. Proposals submitted in response to this request must meet all requirements in this RFP to be considered for selection. Please send all proposals to the address or e-mail listed below:

Mississippi Public Service Commission
501 North West Street
Suite 201A, Woolfolk Building
Jackson, Mississippi 39201

Or by e-mail at,

Chad.Allen@psc.state.ms.us

Please Note: The MPSC WILL NOT accept a U.S. Postal Service postmark, round validation stamp, mail receipt with the date of mailing stamped by the U.S. Postal Service, a dated shipping label, invoice or receipt from a commercial carrier, or any other documentation as proof of timely submission of any proposal. The MPSC assumes no responsibility, under any circumstances, for the receipt of a proposal after the deadline time and date established in this RFP.

The MPSC will accept ONLY the Agency's official date stamp as evidence of timely submission.

Appearance

The proposal submission must include an information sheet that clearly states the name of the proposer; the name, address, e-mail address and telephone number of the proposer's point of contact, and the RFP title and Docket number 2011-UA-376. The information sheet is the first page of the proposal. Upon receipt of proposals, the MPSC will date stamp and file the information sheets in Docket 2011-UA-376. All parts of the proposal after the information sheet must be submitted in an envelope or other sealed container that is marked with the proposer's name, 2011-UA-376 and CONFIDENTIAL.”

Proposals must be written only on 8 ½” x 11” white paper using double or 1.5 spacing, and 12-point or larger Times New Roman font.

Proposals must include all required attachments and certifications. The MPSC will not accept attachments and certifications submitted after the deadline. Failure to provide all required information will make the proposal non-responsive and thus disqualified from consideration.

Proposals must be free of any extrinsic items.

SECTION 8 – PROPOSAL CONTENTS

Proposals must include the contents outlined below. Mark each section with an index tab. Within each section, pages must be consecutively numbered. The MPSC may reject a proposal that fails to include required contents.

Statement of the Requirements

Each proposer must state succinctly its understanding of this RFP's requirements and describe how it would perform the tasks in the Statement of Work (Attachment A). Each proposer must demonstrate the capability to prepare testimony consistent with the procedural schedule. If a proposer believes there are additional tasks needed to accomplish the MPSC's goals, identify them, explain why they are needed, and how the proposer would perform them.

Competence and Knowledge

Each proposal must demonstrate the competence and knowledge to fulfill the requirements identified in Attachment A. The proposal should also describe any prior experience in providing similar services, especially for FERC regulated electric utilities and regional transmission organizations, or governmental organizations. The proposal should describe the processes and procedures it intends to use to provide these services and an organizational chart identifying the functions and reporting relationships of the personnel who would be assigned to this work.

Qualifications

Proposals **must** demonstrate that the firm or firms have minimum of five years' experience providing services similar to those described in the SOW. An entity or company in existence for fewer than five years is eligible to submit a proposal if key personnel on the proposal team have the minimum required experience.

For each person a proposer identifies to perform the work described in this RFP, provide a detailed resume that describes the services they would perform, their qualifications, and their experience, including testimony given or participation in matters before FERC, state utility commissions, and RTOs.

Compensation

Each proposal shall propose its fixed price or its rates to provide the services identified in Attachment A. If additional work is required to meet the MPSC's goals, the proposal should identify the additional work and the associated price to accomplish that work. The MPSC encourages, but does not require, proposers to demonstrate how elements of the price correspond to elements of the proposed work plan.

References

Each proposal must provide at least three references per firm, including contact information. The MPSC prefers references from clients for whom the proposer has performed similar work, including other state utility commissions or electric utilities. Do not use the MPSC or any individuals employed by the Commission as a reference.

Statement on Potential Conflicts of Interest and Prohibited Relationships

Proposers must be neutral and impartial, must not advocate specific positions to the MPSC, and must not have a direct financial interest in the provision of electric service in the state of Mississippi. Proposers must identify any personal or business relationships with Entergy Corporation, any affiliate of Entergy Corporation, the Southwest Power Pool, the Midwest Independent System Operator, or ITC Holdings. Proposers must also identify all engagements that they or their affiliates performed for any party within the last five years that pertain to Entergy Corporation or its affiliates. Proposers must identify the extent, nature, and length of these relationships or engagements. Entities having a conflict of interest, as determined by the MPSC, will not be eligible for contract award.

If a proposer does not have any known or potential conflict of interest, the proposal should include such a statement. Failure to provide either a statement on potential conflicts of interest or a statement that no potential conflicts exist could automatically disqualify the proposer. This statement must be signed before a notary public by the highest-ranking officer of proposer's entity having responsibility for vetting corporate conflicts of interest, e.g. a corporate Executive Vice President rather than the head of an operating or regional unit of the firm.

The MPSC will determine whether a conflict of interest or the perception of a conflict of interest exists from the perspective of a reasonable person uninvolved in the matters covered by the resulting contract. The MPSC is the sole arbiter of whether a conflict or the appearance of a conflict of interests exists. The MPSC encourages proposers to provide complete disclosure of matters that might be considered a conflict of interest. Completeness of disclosure may be a factor in evaluating proposals.

Each proposer also should address how the proposer intends to ensure that no interest arising or potentially arising as a result of its activities or those of its parent, affiliate or other related entity will conflict with proposer's duty should it be selected to provide these services.

Proposers must identify its lobbyists registered with the Mississippi Secretary of State and their compensation and must include a statement of what involvement, if any, the lobbyists will have in connection with (1) this engagement and (2) electric utility utility legislation and policy.

Required Certifications

Proposals must contain a statement certifying that the proposer:

- has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this proposal;
- the proposer has not received compensation from the MPSC, or any agent, employee, or person acting on the MPSC's behalf for participation in the preparation of this proposal);
- acknowledges that any contract may be terminated and payment withheld if this certification is inaccurate.

SECTION 9 – CONDITIONS

- All proposals and copies of proposals become the property of the MPSC upon receipt.
- The MPSC reserves the right to amend or cancel this RFP at any time.
- Neither the MPSC nor the State of Mississippi will reimburse any proposer for any costs related to preparing a response to this RFP, including traveling to the proposers' conference (if required), under any circumstances.
- The MPSC reserves the right to reject any and all proposals and to cancel the procurement at any time.
- The MPSC may request a best and final offer. The MPSC may request an oral presentation or other additional information from one or more proposers.
- The MPSC reserves the right to negotiate all or portions of any proposal tentatively selected for award, including the proposed fee.
- Proposers understand and agree that no public disclosures or news releases pertaining to this RFP, subsequent contract, or any results or findings based on information provided or obtained to fulfill the requirements of this RFP or subsequent contract shall be made without prior written approval of the MPSC.

- Proposers understand that any proposal may be withdrawn in writing before deadline for receipt of proposals. The MPSC will not return withdrawn proposals.
- Proposers further agree that any proposal that is not withdrawn shall constitute an irrevocable offer for a period of 90 days from the RFP closing date to provide the services set forth in Attachment A, or until the MPSC has made a selection.

SECTION 10 – SOLE POINT OF CONTACT

This Request for Proposals is issued by the Commission, which is the sole point of contact in the State of Mississippi for issues regarding this Request for Proposals.

SECTION 11 – SELECTION CRITERIA

The MPSC will evaluate proposals and make the contract award on the basis of the proposer's demonstrated knowledge, competence, and qualifications to provide the services outlined in Attachment A. The criteria are listed in their order of importance.

- **Understanding of the scope of work in this request for proposals**
- **Qualifications and relevant experience (experience with the Entergy System, Entergy System Agreement, RTO Markets & Transmission operators is a plus)**
- **Proposed compensation**
- **References**

SECTION 12 – REVIEW OF PROPOSALS

The MPSC will assemble an evaluation team that will begin proposal evaluation as soon as practicable after the submission deadline. The evaluation team will meet and discuss the proposals and will make a recommendation for selection or a recommendation to take further action. The evaluation team may pose clarifying questions of, or ask for best and final proposals from, the highest ranking proposals. The evaluation team may also hold discussion sessions with the highest ranked proposers. The team may rate proposals again following questions, requests for best and final proposals, or oral presentations/discussion sessions.

The team leader will assemble the final recommendation and present it to the Mississippi Public Service Commission during a scheduled Open Meeting. The Commission may (1) approve the recommended selection in whole or in part, (2) disapprove the recommendation, or (3) defer action on the selection. The MPSC will notify each proposer in writing of the final action taken. The MPSC will begin contract negotiations shortly after notification. The successful proposer may offer changes to these terms or additional terms during the negotiation process, but the MPSC may reject them. The parties will negotiate a final schedule for performance that will be incorporated into the final contract.

SECTION 13 – CONTRACT TERM

The awarded contract will have a term of about 24 months, beginning on or about February 22, 2012 and ending February 22, 2014.

ATTACHMENT A STATEMENT OF WORK

The contractor or team of contractors will provide technical consulting services related to certain proceedings before the Federal Energy Regulatory Commission (FERC) and the Mississippi Public Service Commission (MPSC) concerning the membership of Entergy Mississippi, Inc. (EMI) in a Regional Transmission Organization (RTO), the divestment of its transmission assets to an independent transmission company and the resulting relationship of EMI with the other Entergy Operating Companies through a newly formed or amended system agreement. The contractor or team of contractors will provide evaluation services and may, at the MPSC's election, provide contested case services, as described below.

Evaluation Services

Under the direction of MPSC staff, the contractor or team of contractors will evaluate the costs and benefits (quantitative and qualitative) of EMI joining a regional transmission organization and divesting its transmission assets to an independent transmission company and make findings and recommendations, as specified below:

- Analyze and evaluate the cost-benefit studies and related addendum studies performed by Charles River Associates concerning membership of Entergy Operating Companies (OpCos) in the Southwest Power Pool (SPP) or the Midwest Independent Transmission System Operator (MISO). This will include evaluation of Entergy's allocation of costs and benefits to the OpCos in accordance with the Entergy System Agreement (ESA).
- Analyze and evaluate Entergy's recommendation to join MISO, including its supporting analysis of the costs and benefits of joining SPP or MISO.
- Analyze and evaluate relevant documents such as the MISO-SPP Joint Operating Agreement and the MISO tariff waiver request for Entergy to join MISO.
- Analyze and evaluate the impact of SPP or MISO membership on EMI and its customers, including the impact of their respective market designs, transmission cost allocation methods, governance, and membership agreements.
- Analyze and evaluate the costs and benefits to EMI of continued participation in the Entergy System Agreement (ESA) if the OpCos in the Entergy System join SPP or MISO. Also review and evaluate proposed changes to the ESA and participate in the ADR process invoked at the FERC.
- Develop findings and recommendations with regard to the costs and benefits to EMI and its customers of the Entergy OpCos joining SPP or MISO.
- Analyze and evaluate Entergy's recommendation to spin off its transmission assets to an independent transmission company and merge with ITC Holdings Corp, including what impacts such divestiture might have on Entergy's request to join MISO or another RTO.

To the extent that the contractor or team of contractors rely on information obtained from outside sources, the contractor shall incorporate the information into its report so that the information could be admitted in evidence in an administrative hearing.

Hearing Services

At the MPSC’s election, the contractor or team of contractors will work with MPSC staff and attorneys in connection with FERC and MPSC proceedings related to the topics in the evaluation services scope of work. The contractor’s duties may include, but are not limited to:

- propounding and responding to discovery requests;
- reviewing and providing critical analysis of testimony submitted by other parties;
- preparing and presenting testimony at a hearing in FERC or MPSC proceedings;
- attending hearings in FERC or state proceedings;
- assisting MPSC counsel in cross-examining expert witnesses;
- assisting MPSC staff during hearings as directed; and
- assisting MPSC counsel in preparing post-hearing briefing.

The contractor or team of contractors will provide hearing services under the direction of MPSC staff who will review the contractor’s analysis, review any proposed testimony, conduct direct and re-direct examination of the contractor’s witness, if any, and generally manage the staff case before, during, and after a hearing.

TABLE 1: ONLINE RESOURCES

Ref.	Document Description	Link
1	Cost-Benefit Analysis of Entergy and Cleco Power Joining the SPP RTO, CRA 09-30-10	http://www.spp.org/publications/FERC%20SPP%20Entergy%20CBA%20Report%20Final.pdf
2	Cost-Benefit Analysis of Entergy/Cleco Power or Entergy Arkansas Joining the Midwest ISO – Addendum Study, CRA 03-10-11	http://www.spp.org/publications/MISO%20SPP%20Entergy%20CBA%20Addendum%20Report%20Final%203-10-11.pdf
3	Entergy Addendum Study Results	http://www.spp.org/section.asp?group=1936&pageID=27
4	Entergy CBA Documents	http://www.spp.org/section.asp?group=1784&pageID=27
5	Entergy’s May 12 th Proposal to Join MISO (see the APSC filing)	http://www.spp.org/section.asp?group=2159&pageID=27
6	Entergy System Agreement	http://etariff.ferc.gov/TariffBrowser.aspx?tid=2477
7	Entergy FAQ	http://entergy.com/futurepower/resources.html
8	Entergy Transco Announcement	http://www.entergy.com/news_room/newsrelease.aspx?NR_ID=2322