



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Solicitation

NUMBER
PSC13532

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
 GUY NISBET
 304-558-8802

VENDOR



LA Capra Associates
 Attn: Alex Cochis
 9th Floor
 1 Washington Mall
 Boston, MA 02108-2616

SHIP TO

PUBLIC SERVICE COMMISSION
 CONSUMER ADVOCATE DIVISION
 700 UNION BUILDING
 723 KANAWHA BOULEVARD EAST
 CHARLESTON, WV
 25301 304-558-0526

DATE PRINTED
 12/12/2012

BID OPENING DATE: 01/08/2013 BID OPENING TIME 1:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		964-63-00-001		
EXPERT UTILITY CONSULTING SERVICES REQUEST FOR SOLICITATION (RFQ) THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY THE WEST VIRGINIA PUBLIC SERVICE COMMISSION (PSC), IS SOLICITING BIDS FROM QUALIFIED VENDORS FOR A CONTRACT TO PROVIDE CONSULTING AND EXPERT TESTIMONY SERVICES PER THE ATTACHED SPECIFICATIONS. ***** THIS IS THE END OF RFQ PSC13532 ***** TOTAL:						
01/08/13 09:32:31 AM West Virginia Purchasing Division						

SIGNATURE 	Alvaro E. Pereira	TELEPHONE 617-778-5515	DATE January 7, 2013
TITLE Vice President	FEIN 04-3577380	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO SOLICITATION, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

COST PROPOSAL

La Capra Associates is pleased to submit this cost proposal to the West Virginia Public Service Division (“PSC”) for the Consumer Advocate Division (“CAD”) relating to a contract to provide consulting and expert testimony services in connection with Case No. 12-1571-E-PC. This Cost Proposal is offered separately from, but concurrent with, the companion Technical Proposal submitted by La Capra Associates.

The total not-to-exceed price for La Capra Associates’ proposed work is \$79,800. This budget assumes adequate time for discovery and preparation of testimony.

Confidential Information

La Capra Associates considers its billing rates and other financial information *proprietary and confidential*, and not for public viewing/disclosure. Based on a review of web site for the Consumer Advocate Division of the West Virginia Public Service Commission, we anticipate that the proposal may be made public at some point in the future after the CAD makes its selection. In order to protect our confidential billing rates from disclosure, we have presented our budget costs on a task and sub-task basis; as well as providing total hours of involvement estimated for individual members of our team.

La Capra Associates has used its best efforts to maintain the confidentiality of financial information and its disclosure could competitively harm our firm. We would be happy to discuss our billing rates with the CAD on a confidential basis, as well as the sub-total by person contained this proposed budget, provided the CAD and La Capra Associates are able to reach mutual agreement on the provisions for confidential treatment of La Capra Associates’ billing rates.

We have included a detailed labor budget for personnel costs below in the Consulting Bid Form; located in Appendix A. The actual allocation of labor hours may differ from those assumed in this budget.

All office expenses (telephone, mail, copying, etc.) are not billed separately, as hourly labor rates include all administrative overheads.

Appendix A

CONSULTING BID FORM

PSC13532 - CONSULTING BID FORM			
Employee/Title	Not to Exceed Number of Hours*	Hourly Rate	Extended Price
Richard Hahn, Principal Consultant (Project Manager)	100	\$ 250.00	\$ 25,000
Alvaro E. Pereira, Managing Consultant	52	\$ 225.00	\$ 11,700
Patty Richards/Doug Smith - Sr. Consults.	92	\$ 190.00	\$ 17,480
Mary Neal/Carrie Gilbert - Consultants	100	\$ 165.00	\$ 16,500
Dan Koehler/Jenny Martos - Analysts	38	\$ 120.00	\$ 4,560
	38	\$ 120.00	\$ 4,560
Total			\$ 79,800

Bidder / Vendor Information:

Name: La Capra Associates, Inc.

Address: One Washington Mall, 9th Floor
Boston, MA 02108

Phone #: 617-778-5515

Email Address: bmcDonald@lacapra.com
Bonnie McDonald, Client Services Manager, 617-778-2444

Contact Coordinator Information:

Name: Richard Hahn, Principal Consultant (La Capra Associates)

Address: One Washington Mall, 9th Floor
Boston, MA 02108

Phone #: 617-778-5515

Email Address: rhahn@lacapra.com

The Consultant will not be reimbursed for hours that exceed the total hours for each Employee/Title

La Capra Associates

January 7, 2013

Mr. Guy Nisbet, Senior Buyer
Department of Administration, Purchasing Division
2019 Washington Street East
P.O. Box 50130
Charleston, WV 25305-0130

Re: Response to RFQ PSC13532

Dear Mr. Nisbet,

La Capra Associates is pleased to offer this proposal to the West Virginia Public Utilities Commission/Consumer Advocate Division in response to the Request for Solicitation ("RFQ") for expert utility consulting services.

We hope you find that our proposal is responsive to all of the areas set forth in the RFP. We have assembled a project team that has an in-depth understanding of the tasks, and is particularly qualified to engage them in an efficient and effective manner.

In addition to this cover letter, we are providing an original Technical Proposal, and a separate Cost Proposal per the RFQ requirements:

We appreciate the opportunity to work with you and the CAD. As you review this proposal, please contact me if you require any additional information or have questions. We look forward to an opportunity to discuss any aspect of this proposal with you.

Sincerely,



Richard Hahn
Principal Consultant
La Capra Associates

Contact Information

Telephone: (617) 778-5515
E-mail: rhahn@lacapra.com

cc: *A. Pereira, La Capra Associates*

Enclosures

La Capra Associates, Inc.
One Washington Mall, 9th Floor
Boston, Massachusetts 02108
Telephone: 617.778.5515
Website: www.lacapra.com



PROPOSAL

For Consulting Services

EXPERT UTILITY CONSULTING SERVICES

*Case No 12-1571-E-PC
Solicitation No. PSC13532*

Prepared for:

**West Virginia Public Service Commission,
Consumer Advocate Division**

January 8, 2013

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ATTACHMENTS

Appendix A: Project Briefs

Appendix B: Resume

Appendix C: Required Forms

- *Addendum Acknowledgement Form*
- *Certification and Signature Page*
- *Purchasing Affidavit*

I. INTRODUCTION

On December 12, 2012, the West Virginia Purchasing Division issued a Request for Solicitation ("RFQ") on behalf of the Consumer Advocate Division ("CAD") of the West Virginia Public Service Commission ("Commission") to receive bids from qualified vendors for a contract to provide consulting and expert testimony services in connection with Case No. 12-1571-E-PC. In this proceeding, Monongahela Power Company ("MP") and the Potomac Edison Company ("PE") (collectively "the Companies") have filed a petition seeking approval from the Commission to consummate generation resource transactions and impose a surcharge in rates to recover the net costs of the transactions. This proposal represents La Capra Associates' response to the RFQ.

FIRM DESCRIPTION

La Capra Associates is an employee-owned consulting firm which has specialized in the electric and natural gas industries for over 30 years.

Throughout our history, La Capra Associates' analyses have been at the forefront of change in the industry, including areas such as integrated resource planning ("IRP"), competitive procurement of resources, demand-side management, and marginal cost pricing. Our expertise includes power resources planning, market policy and analysis (wholesale, retail, and renewable), power procurement, economic/financial analysis of energy assets and contracts, and regulatory policy.

Our firm provides services to a broad range of organizations involved with energy markets, including regulatory agencies and consumer advocates, public policy and energy research organizations, public and private utilities, energy producers and traders, financial institutions and investors, and consumers.

Our expertise in energy matters is interdisciplinary. We regularly provide services ranging from broad policy development, to analysis of rate applications, analysis of major investments, and short-term planning and operations. Our work frequently leads to presentation of expert testimony or opinion before state or federal regulatory agencies, financial institutions, and corporate management and boards, and has consistently withstood detailed scrutiny. Our firm has worked for numerous utility commissions, public advocates, and other state agencies.

We would bring strong qualifications for this project. We have a substantial practice serving public agencies and entities with implementation of complex assessment of energy plans, capital plans, and projects filed by utilities.

Project Team Expertise

Integrated resource planning, in terms of investing in assets to meet a utilities' resource needs, is a key component of the underlying work and is one of La Capra Associates' core practice areas. Our recent work includes state-wide IRPs, IRP studies for utilities, review and assessment of IRPs in regulatory proceedings, and non-transmission alternative studies. Utility planning services

have been a core part of La Capra Associates business since our founding. Our work has extended from the 1980s, when IRP for vertically integrated, regulated utilities were the norm, and throughout the intervening years as markets deregulated. Today, La Capra Associates maintains an active IRP practice with recent experience in several states, including Arkansas, Connecticut, Delaware, Georgia, Maine, Oklahoma, Vermont and Wisconsin, and in Nova Scotia.

Several of our staff members, including Richard Hahn, have led IRP initiatives for regulated, vertically integrated utilities (Central Maine Power, Northeast Utilities, and Boston Edison, respectively) in New England. In the 1980s and early 1990s, IRP was actively pursued at each of these utilities and in the New England region generally, including use of competitive procurement of both non-utility power supply and demand-side management resources.

Mr. Hahn has been selected as the principal consultant to lead this engagement. Supporting him in this effort is a team of consultants and analysts with a broad range of capabilities and experience in IRP-related specialties, such as market analytics and modeling, renewable energy projects and markets, transmission planning, energy efficiency, load forecasting, financial and economic analysis, and resource technologies.

IRP Modeling Capabilities

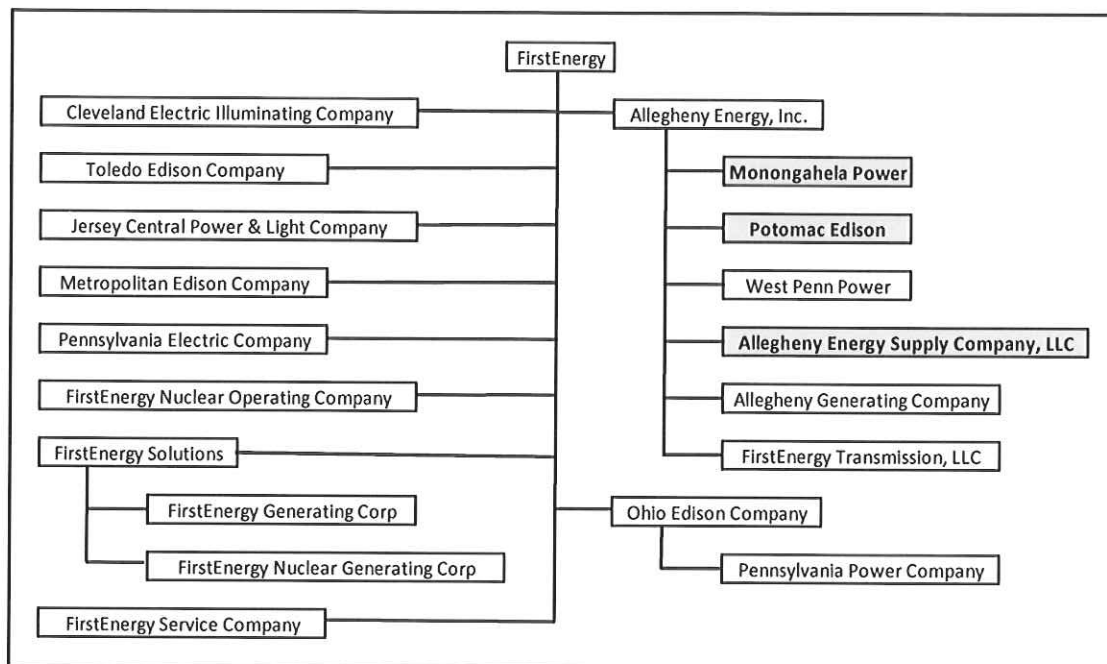
La Capra Associates conducts IRP studies using a comprehensive market simulation and optimization software system, AURORAxmp® (AURORA). This software system and our associated databases of information on key market and technology inputs provides the capabilities to conduct long-term planning studies, scenario analysis, portfolio optimization, and resource valuation assessments in markets throughout the U.S. In addition, we maintain a number of related models including Renewable Energy Credit market assessments, cost of service and merchant financial models, for analysis of costs of resource options, load forecasting, and other related models for input development.

Through our IRP practice, we maintain a current set of research, information, and costs of a wide range of resource options (*e.g.*, solar, nuclear, biomass, combined cycle, energy efficiency, distributed generation and other demand side options), market drivers such as greenhouse gas and renewable portfolio policies, and key inputs such as natural gas prices.

CASE OVERVIEW

The key corporate entities in this proceeding are the Companies and Allegheny Energy Supply Company LLC ("AE Supply"). All three entities, among others, are wholly-owned subsidiaries of Allegheny Energy, Inc. ("AE"), who in turn is a wholly-owned subsidiary of FirstEnergy Corporation ("FE"). Figure 1 below provides an organization chart for FE showing the relationships among affiliates. MP and PE are electric companies regulated by the Commission, while AE Supply is an unregulated entity.

Figure 1: FirstEnergy Org Chart



The key assets in the proceeding are the Harrison Power Station and the Pleasants Power Station, both located in West Virginia. Harrison Power Station consists of three coal-fired generating units each with a total capacity of 1,984 MW. These units were built between 1972 and 1974. Harrison Power Station is jointly owned by Companies (~20%) and AE Supply (~80%) Pleasants Power Station consists of two generating units totaling 1,300 MW that were built in 1979 and 1980. This station is also jointly-owned by the Companies (~7.7%) and AE Supply (~92.3%).

The Companies’ petition seeks approval of two specific asset transactions. The first transaction is acquisition by the Companies of AE Supply’s current ownership share of the Harrison generating facility. This will increase the Companies’ owned generating capacity by approximately 1,576 MW. If this transaction is consummated, the Companies will own 100% of Harrison Power Station. The second transaction is the sale to AE Supply of the Companies' current ownership share of the Pleasants Power Station. This transaction will decrease the Companies’ owned generating capacity by approximately 100 MW. Thus, the net result of the two transactions is to increase the Companies’ capacity by about 1,476 MW.

The Companies will pay the lower of market value or book value at closing for Harrison. An independent valuation of Harrison conducted by Navigant Capital Advisors (“Navigant”) on behalf of the Companies estimates the fair market value of AE Supply’s ownership share of the Harrison Power Station as of December 31, 2012 at \$1.333 billion, which is higher than AE Supply’s projected book value as of May 1, 2013 of \$1.164 billion. The Companies will also acquire AE Supply’s share of construction work in progress (“CWIP”) and materials, supplies, and fuel stock at the Harrison Facility at AE Supply’s actual cost as of the closing. AE Supply’s projected cost of these items as of May 1, 2013 is estimated at \$87.5 million. As part of the consideration for AE Supply’s 79.46% ownership in Harrison Facility, the Companies will assume a \$73.5 million promissory note that is secured by a lien on the solid waste disposal facilities and certain other

properties associated with Harrison, pursuant to a Security Agreement dated April 15, 1992. The Companies will assume AE Supply's obligations under the Note and will receive a credit against the purchase price of the Harrison Facility equal to the par value of the Note (\$73.5 million). The total estimated purchase price for AE Supply's share of the Harrison Power Station is \$1.251 billion. Thus, when the par value of the Note is deducted, the net payment from the Companies to AE Supply for the Harrison Power Station is estimated to be \$1.178 billion. In purchasing approximately 1,576 MW of capacity, the per-unit purchase price is about \$748 per KW.

The Companies will sell their 7.7% interest in the Pleasants Power Station to AE Supply. AE Supply will pay the Companies the higher of market value or book value at closing. An independent valuation of the Pleasants Power Station conducted by Navigant on behalf of the Companies estimates the fair market value of the Companies' interest in Pleasants as of December 31, 2012, at \$73.3 million, which is higher than the Companies' projected book value, including CWIP, as of the closing of \$48.0 million. The Companies will also sell their share of materials, supplies, and fuel stock at Pleasants Power Station at market value, which is assumed to be equal to The Companies' actual cost, as of closing. The Companies' actual cost as of closing is estimated at \$2.5 million. Therefore, the total estimated sale price for the Companies' share of the Pleasants Power Station is \$75.8 million. In selling approximately 100 MW of capacity, the per-unit sale price is \$758 per KW. The Companies' decision for the acquisition/sale is based upon its August 31, 2012 Resource Plan, which is included as part of the filing.

The net dollar amount of these transactions is \$1.102 billion. In order to undertake the transactions, the Companies claim the need for a rate mechanism by which they may immediately commence recovery of the Companies' increased expenses (net of any increase in power sales revenues) and a return on its equity investment associated with the transactions until rates from their next base rate case are implemented. To provide recovery of this investment and related expenses during this period, the Companies request that the Commission approve (i) a Temporary Transaction Surcharge ("Surcharge") to be implemented at closing and to remain in effect until new base rates reflecting the full amount of the Surcharge are placed into effect as a result of the Companies' next base rate case; and (ii) adjustments to the Companies' ENEC rates to be implemented at closing and to remain in effect until the next adjustment to ENEC rates expected to occur on January 1, 2014.

In addition to the two transactions and the surcharge described above, the Companies seek approval of several contracts. The Companies state that all elements of their request must be approved before they will proceed to implement any portion of these proposed transactions.

II. STATEMENT REGARDING CONFLICTS OF INTEREST

La Capra Associates has no known conflicts, relationships, threatened litigation or pending litigation (including bankruptcy or insolvency) that would prevent us from assisting the CAD with performing the requested work.

Please note that this includes *no known cases that could be in conflict with this case*, as mentioned on page 20 of the RFQ.

III. INTEGRATED RESOURCE PLANNING & ASSET VALUATION EXPERIENCE

La Capra Associates has evaluated electric utility integrated resource plans, particularly with regard to the issue of the desired type and timing of new capacity needed. We have performed asset valuations of power plants to be acquired or disposed.

In the section below we provide brief project descriptions (“Project Briefs”) on several client engagements related to the work in this project. As a guide to those Project Briefs, we first introduce La Capra Associates’ relevant experience, which is broken into three categories:

- A. Conducting and Reviewing Utility IRP Filings
- B. Asset Valuation
- C. Review of Capital Expenditures and Acquisitions

More details on all of these projects, summarizing our work, are located in **Appendix A**.

We also provide, below, an overview of the type of experience each of these categories represents and that we believe will be helpful to meet the West Virginia CAD’s needs as requested in the RFQ.

EXPERIENCE – ANALYZING, REVIEWING AND CRITIQUING UTILITY IRP FILINGS

La Capra Associates is regularly engaged in reviewing utility IRP’s. We have developed IRPs for the State of Connecticut, Green Mountain Power Company, Vermont Electric Cooperative, Washington Electric Cooperative, and we have reviewed IRPs prepared by many other utilities in many states across the country. Examples are provided in the table below (“Project Briefs”). Therefore, we are well positioned to conduct a technical review of the Companies’ resource plan and how it impacts the proposed transactions to identify issues and to make recommendations to the CAD.

The clients for many of La Capra Associates’ IRP engagements are consumer advocates, commission staff, government agencies or interested parties, such as environmental advocacy groups. In an IRP engagement role, both La Capra Associates principals and staff review reports and filings of the Companies in question, request information behind the IRP, and often meet with the utilities in technical sessions open to all intervening parties. The review of assumptions, analytic techniques and models, and the results used to make informed IRP decisions are all very detailed. In these projects, the utility Companies are frequently asked to make changes to their modeling or assumptions and model additional cases at the request of our team. The team has performed process verification analyses and modeling that uncovered mistakes, found areas of changes that would improve the analysis and/or additional options or strategies that should be addressed before the IRP plan was accepted, and in some cases resulted in the utility submitting a

revised Resource Plan. Most of these engagements included filing expert testimony and providing regulatory support to our client. We note that in even in IRP review engagements, several cases required that we employ our own power market and production cost modeling techniques utilizing AURORA's robust market modeling features to fully understand key issues and identify key drivers under a variety of supply and demand side resource portfolio assumptions.

EXPERIENCE – ASSET VALUATION

La Capra Associates offers specialized expertise in electric markets, planning analysis for electric generation technologies and operations, and economic analyses of the value of generation facilities in current and future market conditions. We have in-house market modeling capabilities which we use regularly for forecasts of market prices, generation operations, and other energy and environmental performance metrics of generation operations. In addition to this technical expertise, we have extensive experience offering expert testimony in regulatory and civil proceedings, including property tax proceedings, as well as providing technical support to counsel in support of litigation. We have conducted asset valuations for numerous power plants and have performed discounted cash flow analysis, and comparable sales valuation methods in a range of asset valuation contexts.

We provide additional information in the 'Project Briefs' section below.

EXPERIENCE – CAPITAL EXPENDITURES AND ACQUISITIONS

Economic Analyses

Another type of engagement frequently undertaken by La Capra Associates is the review of resource acquisitions and transactions. Our project experience in this type of engagement is directly relevant to our proposal to the CAD. La Capra Associates has been retained to review utility resource acquisitions from affiliates with the objective to analyze and critique the process used to arrive at the internal evaluation of the plant asset. These analyses addressed similar issues to resource planning in that the alternatives to plant acquisitions are usually other grid connected generation, energy efficiency, and renewable energy resources.

As examples, we have reviewed the Acquisition of the Redbud plant and the McClain plant by Oklahoma Gas & Electric, and several acquisitions by Pinnacle West. We have valued a fleet of coal plants in the Northeastern part of the United States, a large natural gas-fired combined cycle plant for potential acquisition by a private equity fund, and several assets for property tax valuation. The economic evaluation aspect of the acquisition of an existing power plant is very similar to the development and review of IRPs and in the assessment of the economic desirability of making new investments in existing generating facilities. In all of these cases, the objective is to determine if the benefits of the acquisition or continued operation of the resource is in the best interest of ratepayers. This is typically done by assessing the need, identifying alternative resource options, establishing the assumptions that will be used over the study horizon,

developing the scenarios to be studied, analyzing the benefits and costs of making the investment, and assessing the risks that could affect the net benefits over the term of the project.

In several proceedings before the Public Service Commission of Wisconsin, we have evaluated proposed investments in pollution control equipment at existing coal-fired power plants compared to early retirement. Most recently, we have evaluated the investment in a new biomass-fired cogeneration plant before the Wisconsin Commission and a wind facility before the North Dakota Commission.

Financial Analysis and Rate Impacts

We have performed financial analyses of proposed investments in generation and transmission assets, and have estimated the impacts of such investments on rates. For example, we have recently performed a financial analysis of a proposed off-shore wind project before the Rhode Island Public Utilities Commission in order to determine if the purchase rates were appropriate and would enable the project to be financed. In our evaluation of transmission projects and non-transmission alternatives in Vermont and Maine, we have estimated the near-term and long-term impact on electric rates.

Process Assessment

La Capra Associates has considerable experience in evaluating solicitations to procure capacity, energy, and Renewable Energy Certificates ("RECs"). We were a member of project teams that evaluated solicitations for wind projects in Oklahoma, Delaware, and Rhode Island. We also have conducted, reviewed and designed a number of competitive bidding processes and other mechanisms for market assessment of assets.

Review of Plant Business Practices

We have experience procuring fuel for power plants, so we are well positioned to review the target asset's fuel purchasing strategy, which is one of the highest costs that fossil power plants incur. We have personnel experienced in utility safety matters, so we are able to review safety records. Our project team also has experience in labor relations, so we are able to review the target asset's history of labor relations.

We have also included a list of regulated utility cases in section C of the following table (*'Review of Capital Expenditures and Acquisitions'*) in which we have examined capital spending and acquisition costs which impact revenue requirements, as mentioned on page 20 of the RFQ.

PROJECT BRIEFS

In addition to the above experience overview, the following table outlines recent examples of work we have performed for clients. (*Descriptions of these projects are located in Appendix A.*)

LIST OF KEY PROJECT SUMMARIES

A. CONDUCTING AND REVIEWING UTILITY IRP FILINGS

- Green Mountain Power Company: *Integrated Resource Plans 2003, 2007 and 2011 IRP*
- Oklahoma Office of Attorney General: *Oklahoma Gas & Electric Company 2010 Integrated Resource Plan Review*
- Oklahoma Office of Attorney General: *Review of OG&E Acquisition of Red Bud Natural Gas Combined Cycle Generating Facilities*
- Georgia Public Service Commission: *Georgia Power Company 2010 IRP*
- Nevada Bureau of Consumer Protection: *Review of Nevada Power Company IRP*
- Nova Scotia Power Incorporated: *Advisor on IRP Process and Methods*

B. ASSET VALUATION

- Transcanada: *Ocean State Power Valuation Market and Price and Advisory Services*
- Nova Scotia Small Business Administration: *Nova Scotia Power Annual Capital Plan Review*
- The State of Utah – Division of Public Utilities: *Review of Rocky Mountain Power 2011 Plant Acquisition*
- Oklahoma Industrial Energy Consumers: *Review of OG&E Acquisition of the McClain Generation Facility*
- American National Power: *Valuation of Generation Assets owned by New England Electric System*

C. REVIEW OF CAPITAL EXPENDITURES AND ACQUISITIONS

- Arkansas Public Service Commission General Staff: *Entergy Arkansas, Inc.'s Acquisition of the Hot Spring*
- Oklahoma Office of Attorney General: *Expert Witness in Resource Acquisition 2010*
- Oklahoma Office of Attorney General: *IRP, Expert Witness in Resource Acquisition 2009*
- Utah Division of Public Utilities: *Review and Assessment of Capital Spending Program*
- Massachusetts Attorney General: *Review and Assessment of T&D Capital Spending Program*
- Rhode Island Division of Public Utilities and Carriers: *Review and Assessment of T&D Capital Spending Program*
- North Dakota Public Service Commission: *MDU Resources Advance Determination of Prudence 88 MW CT*
- Wisconsin Citizens Utility Board: *Environmental Upgrades to the Coal Fired Plants 2007, 2008, 2009*

IV. STATEMENT OF WORK

SUMMARY OF RFQ

The RFQ seeks bids for a consultant to evaluate the Companies' Resource Plan to determine whether or not the Companies' proposed transactions are the most cost effective method of service to the Companies' customers. The selected consultant will be expected to recommend alternative demand-side and/or supply-side resources if the consultant finds that the proposed transaction is not cost effective. The consultant will also address the Companies' proposed timing for the acquisition of any resources and review the analysis and the testimonies submitted by the Companies and other parties in the proceeding. The consultant will be expected to provide expert testimony supporting the Resource Plan analysis, the consultant's recommended alternatives, and reviewing the analysis and testimonies presented by the companies and other parties. Other witnesses for the CAD will address policy and ratemaking issues.

SCOPE OF WORK

The elements of most resource decisions can be summarized by (a) the determination of a need, (b) the identification of potential resources alternatives, both supply and demand resources, that can satisfy or address that need, (c) the development of key planning assumptions that underlie the decisions, (d) the economic analysis of the identified alternatives, (e) the assessment of non-economic factors, and (f) the impact on rates. We discuss each of these considerations in the ensuing paragraphs of this proposal. If selected to perform the work envisioned by the RFQ, LaCapra Associates will analyze each issue in detail and assess the supporting basis and rationale for the Companies' proposed transactions.

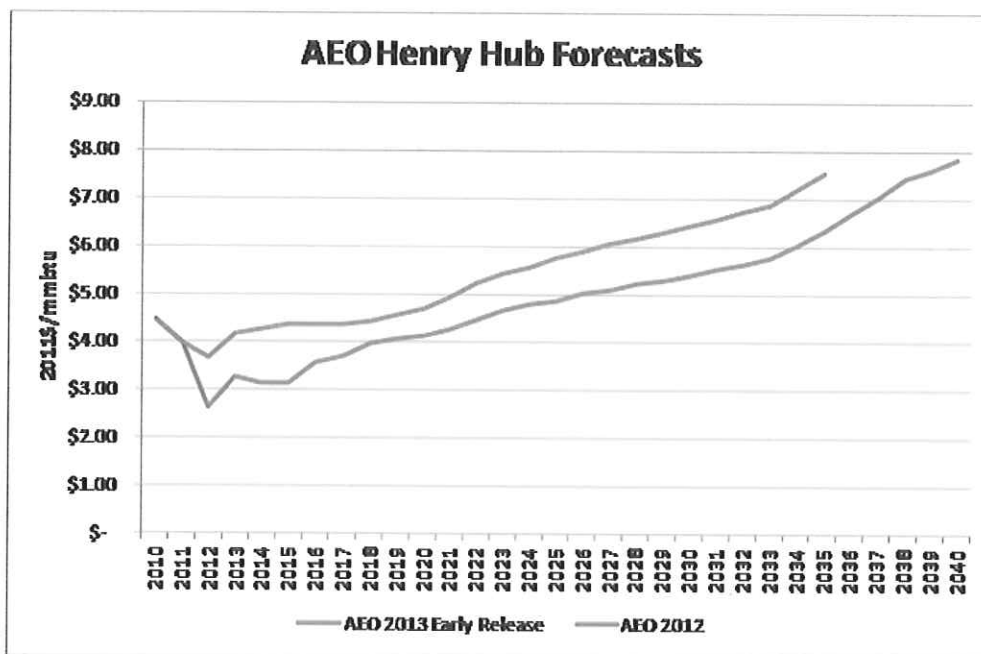
The need for the proposed transaction appears to be largely driven by the September 1, 2012 deactivation of 660 MW of existing coal-fired generating capacity at Allbright, Rivesville, and Willow Island stations, which was announced in February 2012. In 2012, the Companies state that they were expected to have, or had, a 480 MW deficiency in their capacity position. In 2013, this is expected to increase to 938 MW. Had the three coal-fired stations not been deactivated, the capacity deficiency would be 660 MW less. We understand that in case 11-1274-E-P, the Commission found it reasonable for the Companies to deactivate these units. However, we have not yet reviewed the information in that docket to understand why the deactivation was found to be reasonable. It seems peculiar to shut down needed capacity assets without having the replacement resources approved and in place. The Companies stated reason for the deactivation was compliance with Mercury and Air Toxics Standards ("MATS"). It is our understanding that such compliance would not be required until April 2015, and that these three plants could have been operated until that time without investing significantly in additional environmental equipment for the control of mercury. There may be other reasons for this deactivation, not identified in this filing. If selected, we will discuss the need issue with the CAD to establish the depth of our review, if any, on this issue.

As resource alternatives to address the expected capacity deficiency, the Companies' resource plan considers several options, including repowering Allbright station on biomass or natural gas, a new natural gas combined cycle plant at the Allbright site, and new generating units using coal, nuclear, or natural gas at other sites. The Companies did not consider, and rejected the use of, an RFP to identify resource options such as acquisitions of other existing plants. The Companies

include no incremental energy efficiency or demand response resources, nor do they consider any additional renewable energy resources. It does not appear that combinations of alternatives, such as market purchases in the short term coupled with more permanent resources added in a few years were studied by the Companies. La Capra Associates proposes to explore each of these issues further.

The assumptions used by the Companies in evaluating the identified resource alternatives will be reviewed and examined. Of particular importance will be the forecast of natural gas prices. The long term outlook for this important commodity has been steadily declining in recent years. The Annual Energy Outlook for 2013 (“AEO 2013”) forecast just released by the Energy Information Administration (“EIA”) demonstrates that trend. Figure 2 below, which compares the AEO 2013 and AEO 2012 forecasts, shows the declining trend in natural gas prices. If the Companies’ economic evaluation of the proposed transactions or the asset valuations performed by Navigant utilized an outdated forecast of natural gas prices, it is possible that the conclusions reached by those analyses may no longer be appropriate. We will review all of the key assumptions used by the Companies in their economic evaluation of the alternatives. If we believe that some alternatives that should have been studied but were not, we will ask the Companies to perform additional analyses.

Figure 2: AEO Henry Hub Forecasts



The Companies perform their economic analyses by calculating a Levelized Cost of Energy (“LCOE”). We will review these calculations to determine if they are done appropriately.

The Companies propose to acquire AE Supply’s share of the Harrison assets at the lesser of book or market value. They also propose to sell its share of the Pleasants assets at the greater of book or market value. Therefore, the book and market values of these assets must be reviewed. The Companies rely upon Navigant to estimate the market value for both assets. We will review these valuations in detail, making sure that the valuation was properly done and that the underlying

assumptions are consistent with what was or should have been used in the economic evaluations. The Companies assert that market value for AE Supply's share of the Harrison assets is greater than its book value. We find it unusual that an unregulated entity with no obligation to the Companies would agree to divest an asset whose market value is above book value. The RFQ itself also raises concerns about the book value of Harrison. It appears that the book value being used by the Companies in their filing was a \$1.2 billion value established by KPMG at the time of the merger of FirstEnergy and Allegheny Energy, which greatly exceeded the book value prior to the merger. That transaction between affiliates should be carefully reviewed to ensure that only proper costs are included in these transactions proposed in this proceeding.

If so directed by CAD, we also propose to review the proposed temporary surcharge and its method of calculation. It appears from the Companies' filing that a reduction in the 2013 ENEC will occur with or without the proposed transactions. The Companies propose deferring the implement of this reduction and couple it with the temporary surcharge, so that the net result is a slight decrease in rates. The RFQ states that other witnesses for CAD will address policy and ratemaking issues. We will coordinate our efforts here with those other witnesses

Lastly, we propose to review the transaction agreements for appropriateness.

SCHEDULE

Given the expedited nature of the procedural schedule, La Capra Associates' work will begin as soon as the contract is signed. We present a schedule below to provide the CAD with an overview of the duration of work anticipated as well as to show how various tasks overlap.

The Companies propose that the transactions be closed not later than May 1, 2013. To achieve this closing date and to allow sufficient time for the FERC to issue its order after the Commission enters its order, the Companies recommend that the Commission enter an order approving the Transaction and related relief by April 15, 2013. The Companies' petition requests approval of both the proposed acquisition/sale prices and the timing of the transactions.

In their petition, the Companies propose the following procedural schedule.

▪	Filing	November 16, 2012
▪	Staff and Intervenor Testimony	February 8, 2013
▪	Rebuttal Testimony	February 15, 2013
▪	Evidentiary Hearing	February 20-21, 2013
▪	Initial Briefs	March 7, 2013
▪	Reply Briefs	March 15, 2013
▪	Final Order	April 15, 2013

The CAD, Commission Staff, the West Virginia Energy Users Group, and the West Virginia Citizen Action Group have agreed to the following alternative procedural schedule, and proposed this to the Commission on December 17, 2012.

▪	Staff and CAD Direct Testimony	Tuesday, March 26, 2013
▪	All Party Rebuttal Testimony	Wednesday, April 10, 2013
▪	Hearing	Mon.-Tues. April 22-23, 2013
▪	Initial Briefs	Wednesday May 15, 2013
▪	Reply Briefs	Friday, May 24, 2013
▪	Order	Monday, June 24, 2013

As of the writing of this proposal, it does not appear that a procedural schedule has been established by the Commission. Regardless of whatever schedule is established, the case will likely proceed on a very aggressive schedule.

Should a procedural schedule be issued that is materially different from that already proposed by Staff and supported by the CAD, we would welcome the opportunity to review and revise this schedule accordingly.

V. STAFFING

La Capra Associates proposes a team of highly experienced professionals and analytical staff to provide the consulting services stated in this proposal.

Richard Hahn is the Project Manager for this proposal/project. He has substantial, in-depth experience with review of emissions control requests by utilities, investments in existing and new generation and transmission assets, Integrated Resource Planning, asset valuations, and use of energy efficiency in supply plans. The La Capra Associates project team will be staffed by employees with the requisite knowledge, skills, and abilities needed for this scope of work. In the following section, we provide brief biographies of each member of the project team, and describe the expected role for each as requested by the RFP.

In addition, La Capra Associates has a team of consultants and analysts with a broad range of capabilities and experience in IRP-related specialties, such as market analytics and modeling, renewable energy and renewable energy markets, transmission planning, energy efficiency, load forecasting, financial and economic analysis, and resource technologies.

Brief biographies of the members of our Consulting Team are provided below. A full resume for Mr. Hahn is located in **Appendix B**.

LA CAPRA PROJECT TEAM

Richard Hahn, Principal Consultant, and Project Manager ♦ Alvaro E. Pereira, Managing Consultant ♦ Patricia Richards, Senior Consultant ♦ Doug A. Smith, Senior Consultant ♦ Mary Neal, Consultant ♦ ♦ Mary Neal, Consultant ♦ Carolyn Gilbert, Consultant ♦ Dan Koehler, Analyst ♦ Jenny Martos, Analyst

■ RICHARD HAHN, *PRINCIPAL CONSULTANT*

PROJECT MANAGER

Richard Hahn is a senior executive in the energy industry, with diverse experience in both regulated and unregulated companies. Mr. Hahn joined La Capra Associates in 2004. He has a proven track record managing full P&Ls, integrated resource planning, analyzing energy, capacity, and ancillary services markets, valuation of energy assets, creating operational excellence, and developing start-ups. Mr. Hahn has demonstrated expertise in electricity markets, utility planning and operations, sales and marketing, engineering, business development, and R&D. He also has extensive knowledge and experience in both the energy and telecommunications industries. Mr. Hahn has testified on numerous occasions before the Massachusetts Department of Telecommunications and Energy, and also before FERC. He has an M.B.A. from Boston College, and an M.S. in Electrical Engineering from Northeastern University.

■ ALVARO E. PEREIRA, PH.D., *MANAGING CONSULTANT*

Alvaro Pereira is an accomplished energy professional with over 15 years of experience in economic, technical, and policy analysis with expertise in rate design, power markets, and climate change policy. Dr. Pereira joined La Capra Associates in 2008, following nearly a decade with the

Massachusetts Department of Energy Resources (DOER) as the head of a group responsible for economic and technical analyses of policies, programs, and regulatory filings. At La Capra Associates, he works in a variety of areas including procurement, renewable energy project analysis and pro forma development, and analyses of energy and capacity market rules, prices, and performance.

Dr. Pereira is an experienced expert witness, having testified on various occasions before regulatory commissions, and he has provided expert-witness research to support winning arguments in cases involving environmental quality and demand resources. He also has expertise in rate design and analysis, demand side management (DSM) programs, and economic impact modeling and forecasting.

Dr. Pereira has an M.S. in Transportation and a Ph.D. in Urban and Regional Economics and Studies, both from M.I.T.; and two bachelor degrees in Economics and Finance from UMass Amherst.

■ **PATRICIA H. RICHARDS, SENIOR CONSULTANT**

Patty Richards is a seasoned, proven and highly accomplished energy professional with over 20 years of experience in utility power supply optimization, risk management, and power plant asset evaluation. She has comprehensive experience related to power supply management including procurement, IRP, load and generation plant bidding, energy policy, expert testimony, economic analysis, power plant development, demand side management planning and evaluation, and ratemaking.

Ms. Richards possesses a detailed understanding of ISO-NE power market rules, and applied portfolio risk management. Prior to joining La Capra Associates in 2010, Ms. Richards was the Director of Power Supply & Transmission at the Vermont Public Power Supply Authority and headed all facets of power supply management portfolio optimization including buying and selling power on behalf of 17 municipal systems and managing generating resources in the New England Standard Market Design (SMD). From 1989 to 2006, Ms. Richards was a leader with the Burlington Electric Department and as the Director of Resource Planning she managed the utility's power supply resources and generation assets and worked with city and state officials in managing Burlington's resource costs. Ms. Richards successfully lead IRP work for both organizations including filing testimony and pursuing approval of the IRPs.

Ms. Richards has a Master of Science in Business from Saint Michaels College, and a Bachelor of Science degree in mathematics and economics from Union College. She also holds a Risk Management certification from the Insurance Institute of America.

■ **DOUGLAS A. SMITH, SENIOR CONSULTANT**

Doug Smith has more than seven years of experience in the electric industry. He brings diverse strengths to La Capra Associates' project teams, applying his extensive technical and analytical skills to his supporting role as Senior Analyst. A business professional with over twenty years of increasing responsibility as a consultant to various industries, Mr. Smith has a solid background in

analysis, finance and accounting, database and software development, quality assurance and project management.

Mr. Smith's role in this project will be to assist with discovery of MDU's filing and review power market simulation and financial models, in addition to providing input on transmission and economic matters.

■ **MARY NEAL, CONSULTANT**

Mary Neal, one of our Consultants, joined La Capra Associates in the summer of 2009, bringing energy modeling and energy policy research experience. Ms. Neal holds a B.S. degree in Mechanical Engineering from the University of California Davis and graduated with an M.A. in Energy and Environmental Analysis from Boston University in early 2010.

Her work at La Capra Associates includes research for electric and gas utility rate cases and integrated resource planning as well as analyzing power generation modeling. Prior to joining the firm, she designed gas turbine combustion systems for a gas turbine manufacturer.

Ms. Neal will provide analytical review of the financial inputs, notably the operating and capital costs of the project and possible alternatives, and the dispatch and expansion (System Optimizer) modeling assumptions and results.

■ **CAROLYN GILBERT, CONSULTANT**

Carolyn "Carrie" Gilbert joined La Capra Associates in 2007, bringing over nine years of experience in renewable energy, environmental business strategy, and engineering consulting. She is an expert in state and regional renewable development activities. Her recent work includes renewable energy certificate (REC) price forecasting, renewable energy project evaluation, and renewable energy potential studies. Specifically, she was a contributing author to the renewable energy technical paper for the Connecticut integrated resources plan; has analyzed the renewable energy potential for New England and for a southern state; and has modeled REC prices for Midwestern, New England and New York clients. She has conducted economic analyses of offshore and onshore wind farms, a landfill gas facilities and a large scale solar PV project. She has also provided guidance to NYSERDA on the cost of the customer sited renewable energy program and evaluated the financial impact of solar photovoltaic (PV) installation for commercial customers.

Prior to joining the firm, Ms. Gilbert's strategy consulting experience included work for US and European wind turbine manufacturers including a US market sizing analysis and market entry study and transportation logistical analysis for two different manufacturers. She also assessed environmental market opportunities for a Fortune 500 company. As an environmental engineer at Camp Dresser and McKee, Ms. Gilbert conducted planning and design work for municipal water and wastewater systems. This work included wastewater treatment plant facilities plans and water distribution system master plans. She holds a BE from the Thayer School of Engineering at Dartmouth College and an MBA from the University of Michigan.

■ **DAN KOEHLER, ANALYST**

Dan Koehler joined La Capra Associates as an Analyst in early 2010. He is an integral part of the firm's Renewable Energy Policy and Markets team; and is a member of our Market Analytics team responsible for maintaining and running La Capra Associates' wholesale electricity market model. Mr. Koehler also provides research and analysis support for various power markets and utility regulation projects.

Mr. Koehler has a background in economics and math, and received his Master's Degree in Public Policy & Management from the University of Southern Maine.

■ **JENNY MARTOS, ANALYST**

Jenny Martos joined La Capra Associates in 2012, bringing energy, environmental markets, and nuclear operations experience. Her work with La Capra Associates will include being an integral part of the Market Analytics team responsible for maintaining and running La Capra Associates' wholesale electricity market model. She also provides research and analysis for a variety of projects for the firm.

Ms. Martos has an M.S. and B.S. in Nuclear Engineering, and a B.S degree in Business and Management. She has also received advanced certifications in Six Sigma business management strategy which uses a set of quality management methods to reduce errors in business practices.

VI. REQUIRED FORMS

Per the RFQ, we are including the following requested forms:

- Addendum Acknowledgement Form
- Certification and Signature Page
- Purchasing Affidavit

These forms are located in **Appendix C**.

Please note, we are not seeking residency status for vendor preference consideration, and did not submit a Vendor Preference Certificate. Also, the Consulting Bid Form is located in a separate Cost Proposal.

VII. BUDGET & COST PROPOSAL

The budget for this proposal has been prepared as required by the RFQ, and is located in a separate Cost Proposal.

VIII. CONCLUSION

La Capra Associates has several decades of experience in all of the areas that are fundamental to the requested services. We would welcome the opportunity to assist the CAD in this important proceeding.

Contact Information

Mr. Hahn may be contacted about this proposal during the period of proposal evaluation.

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Boston, Massachusetts 02108
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E-mail: rhahn@lacapra.com

APPENDIX A

La Capra Associates

PROJECT BRIEFS

Project Briefs

A. Conducting and Reviewing Utility IRP Filings

CLIENT:	Green Mountain Power Company
PROJECT:	Integrated Resource Plan 2003, 2007, 2010

La Capra Associates assisted Green Mountain Power ("GMP") in 2003, 2007 and 2011 in developing a 20-year IRP for mandatory submission to the Vermont Public Service Board. Our specific services to GMP included an examination of potential power portfolios to meet GMP's needs over the next 20 years, including combinations of conventional and renewable generating units, forward energy purchase contracts, and spot market purchases. La Capra Associates used its regional electricity market simulation model to evaluate the relative performance of potential portfolios, based on a combination of scenario and sensitivity analyses. Projecting the New England ISO's power market's characteristics over 20 years entailed analyzing and projecting the underlying market drivers, including: electric load, generation supply, generation retirements, transmission expansions, and fuel prices. The uncertainty surrounding critical power market variables, such as load, fuel prices and the carrying costs of new generation were appropriately characterized. We evaluated the portfolios' relative performance based on criteria including long-term costs under reference case conditions; range of potential long-term portfolio costs; susceptibility to short-term factors (e.g., spot market price increase, natural gas fluctuations); and societal costs based on estimated air emissions.

CLIENT:	Oklahoma Office of the Attorney General
PROJECT:	Oklahoma Gas & Electric Company 2010 Integrated Resource Plan Review

La Capra Associates assisted the Attorney General with the review of the Company's Draft 2010 IRP on topics including integrated planning methodology, demand and supply-side integration, economics of wind resource expansion, retirement and control options for coal emission mitigation, and cost implications for consumers. The review was conducted within a public stakeholder process held in advance of the Company's completion of the IRP.

CLIENT:	Oklahoma Office of the Attorney General
PROJECT:	Review of OG&E Acquisition of Red Bud Natural Gas Combined Cycle Generating Facilities

La Capra Associates was retained by the OAG to support their participation and responsibilities for reviewing and commenting on the OG&E purchase of the combined cycle generation assets of Red Bud. The review analyzed the economics of the purchase regarding its consistency with the Company's IRP filings on record.

CLIENT:	Georgia Public Service Commission
PROJECT:	Georgia Power Company 2010 IRP

La Capra Associates was responsible reviewing the 2010 IRP filing by Georgia Power Company for issues related to integrated planning methodology, demand and supply side integration, treatment of the uncertainty of the HAPs MACT rules, Solar Demonstration Projects, and Renewable Portfolio Standards. Dan Peaco provided testimony on these issues in Docket 31081.

Project Briefs

CLIENT:	Nevada Bureau of Consumer Protection
PROJECT:	Review of Nevada Power Company IRP

La Capra Associates was retained by the Nevada Bureau of the Consumer Protection Nevada Power Company's Integrated Resource Plan (IRP), Our team raised concerns that the Company's plan The Company's own financial analysis of its Preferred Plan shows the plan to be very problematic. That plan, as filed, results in both very high prices for consumers and very poor financial performance for the Company. The Company's analysis of the Preferred Plan actually understates the extent of those problems, as it does not include several important cost elements. The Company's planning process has several critical shortcomings, including limitations on the treatment of power supply options, limitations on the range of scenarios considered, limited use of financial analysis, and lack of integration of supply, demand and financial analysis. The testimony of Daniel Peaco is cited below and included in Appendix D. Daniel Peaco served as lead consultant on this project.

CLIENT:	Nova Scotia Power Incorporated
PROJECT:	Advisor on IRP Process and Methods

La Capra Associates was retained in 2006-07 to advise NSPI in the preparation of an integrated resource plan and associated collaboration with its regulatory body. NSPI's system has a large proportion of coal fired generation. The primary objective of the IRP was to evaluate investments in emissions control on its coal generation relative to supply and demand-side alternative. We conducted a review and critique of NSPI's load forecasting methods and participated in stakeholder meetings to establish planning assumptions and modeling methods.

B. ASSET VALUATION

CLIENT:	TransCanada
PROJECT:	Ocean State Power Valuation Market and Price and Advisory Services

La Capra Associates has assisted TransCanada on several engagements related to the future dispatch and market revenues associated with existing generating assets in New England and New York. In 2011, La Capra Associates used its modeling of energy and capacity markets to assist TransCanada in its negotiations of gas-fired assets for property tax valuations.

In prior years, in the context of a TransCanada bid to purchase a large package of existing New England hydroelectric assets, we provided a long-term forecast of energy market revenues and capacity market revenues for the facilities in question. We also developed a forecast of net energy revenues from each plant, and provided an assessment of how each plant was operated. This analysis at that time utilized our Northeast Market Model, a proprietary dispatch simulation of the Northeastern U.S. ISOs (including NEPOOL, New York, and PJM) and neighboring Canadian provinces, based on the PROSYM® software package. We have also provided electricity market price assistance to TransCanada in the context of a property tax proceeding in New York.

Project Briefs

CLIENT:	Nova Scotia Small Business Administration
PROJECT:	Nova Scotia Power Annual Capital Plan Review

La Capra Associates reviewed the 2012 Annual Capital Expenditure Plan for Nova Scotia Power, an integrated electric utility. We examined whether the Company provided sufficient justification for both the need and timing of numerous large individual generation, transmission and distribution projects requiring commission approval. Our analysis included a determination of the Company's compliance with commission guidelines for capital planning, and recommended the rejection of certain projects that were not justified. Mary Neal submitted prefiled testimony in this case and the project was managed by Lee Smith. (2012)

CLIENT:	The State of Utah – Division of Public Utilities
PROJECT:	Review of Rocky Mountain Power 2011 Plant Acquisition

In 2011, La Capra Associates was retained by the Utah Division of Public Utilities to review Rocky Mountain Power's plant acquisition request resulting from a Three-year All Source RFP process. The winning bid was a 637 MW combined cycle gas turbine power plant (CCCT) to be constructed on the site of an existing unit by CH2M Hill E&C Inc. as an engineering, procurement, and construction (EPC) contractor. Originally Rocky Mountain Power had also placed an existing 543 MW CCCT known as the Apex Plant on its final shortlist of bids, but made no application for purchasing the asset. La Capra Associates conducted discovery and investigation on an expedited basis on issues including review of the terms in the EPC contract, the economic justification of both acquiring the new CCCT and not acquiring the Apex plant, the procurement process and its relationship to the competitive bidding rules in Utah, all modeling performed by Rocky Mountain Power in support of its application, and rate implications. La Capra Associates filed direct testimony before the Utah Public Service Commission on March 3rd (Docket No. 10-035-126). We also provided rebuttal and surrebuttal testimony.

CLIENT:	Oklahoma Industrial Energy Consumers
PROJECT:	Review of OG&E Acquisition of the McClain Generation Facility

In 2005, La Capra Associates was retained by the Oklahoma Industrial Energy Consumers to review of Oklahoma Gas & Electric Company's application for prudence and cost recovery of its acquisition of a 400 MW share of a 520 MW combined cycle unit. La Capra Associates conducted discovery and investigation on issues including review of the purchase and sale agreement, the economic justification of the asset, the procurement process and its relationship to the competitive bidding rules in Oklahoma, asset valuation based on comparable and contemporaneous transactions, market power mitigation costs, and cost recovery requirements. La Capra Associates presented expert testimony on acquisition, asset valuation, prudence, cost recovery, and integrated resource planning issues in the rate case proceeding before the Oklahoma Corporation Commission.

CLIENT:	American National Power
PROJECT:	Valuation of Generation Assets owned by New England Electric System

La Capra Associates was retained by American National Power (ANP) to conduct a valuation of the fossil and hydro-electric generation assets offered for sale by the New England Electric System and to provide advice and assistance to ANP in preparing a bid for purchase of those assets. La Capra Associates' role included assistance in the design of appropriate scenarios for study, and use of a regional market simulation to project each plant's production and market revenues under each scenario.

C. REVIEW OF CAPITAL EXPENDITURES AND ACQUISITIONS

CLIENT:	Arkansas Public Service Commission General Staff
PROJECT:	Entergy Arkansas, Inc.'s Acquisition of the Hot Spring Generation Plant from KGEN

We are assisting Staff as it considers many different complex and interrelated issues in a large purchase of an existing generating facility. Our involvement ranged from reviewing the initial IRP which identified a generating capacity need through a review of the competitive bidding and evaluation process to an evaluation of the final contract agreement that EAI was seeking approve to enact. This is an on-going proceeding expected to be complete during the first quarter of 2012. John Athas has filed initial testimony in this proceeding.

CLIENT:	Oklahoma Office of the Attorney General
PROJECT:	Expert Witness in Resource Acquisition 2010

In 2010, La Capra Associates was hired to perform analysis and provide expert testimony by the Oklahoma Attorney General and the Public Utility Division Staff regarding the approval of a proposed Renewable Energy Purchase Agreement for 99 MW of wind generation and an associated proposal for a Green Energy Choice Tariff proposed by Public Service Company of Oklahoma.

CLIENT:	Oklahoma Office of the Attorney General
PROJECT:	IRP, Expert Witness in Resource Acquisition 2009

La Capra Associates was hired by the Oklahoma Attorney General to perform analysis and provide expert testimony regarding the integrated resource planning, competitive bidding, and the prudence of a 102 MW wind farm proposed for cost pre-approval by Oklahoma Gas & Electric. 2009.

CLIENT:	Utah Division of Public Utilities
PROJECT:	Review and Assessment of Capital Spending Program

In 2012, La Capra Associates was retained by the Utah Division of Public Utilities to assist in reviewing the Application of Rocky Mountain Power ("RMP" or the "Company") seeking approval from the Public Service Commission of Utah ("Commission") to increase electric rates. The scope of our assignment was to review the proposed additions to plant in-service for generation, transmission, and distribution facilities. (Docket 11-035-200).

CLIENT:	Massachusetts Attorney General
PROJECT:	Review and Assessment of T&D Capital Spending Program (FG&E)

In 2011, La Capra Associates was retained by the Massachusetts AG to review and comment on the petition submitted by Fitchburg Gas and Electric Light Company ("FG&E" or the "Company") to the Department of Public Utilities ("Department") for approval of their proposed rate increase and new cost recovery mechanisms. (Docket 11-01) Specifically, we addressed the proposed capital plan and Cost Capital Adjustment Mechanism ("CCAM"), as described in the testimonies filed on behalf of the Company in this proceeding.

Project Briefs

CLIENT:	Rhode Island Division of Public Utilities and Carriers
PROJECT:	Review and Assessment of T&D Capital Spending Program

In 2009, the Rhode Island Division of Utilities and Carriers (RIDPUC) retained La Capra Associates to provide expert advice relative to Narragansett Electric's (dba National Grid) application for approval to invest in new transmission and distribution equipment and facilities in Rhode Island. (Docket No. 4065) Specifically, we addressed the proposed Inspection & Maintenance ("I&M") Program, the Vegetation Management Program, the Capital Plan, and the Facilities Plan, as described in the Company's testimony. We also reviewed the proposed rate increase and cost recovery mechanisms. La Capra Associates reviewed the Company's filing and filed direct and rebuttal testimony.

CLIENT:	North Dakota Public Service Commission
PROJECT:	MDU Resources Application for Advanced Determination of Prudence for Construction Of 88 MW Simple Cycle Combustion Turbine Generation Unit, 2011

La Capra Associates reviewed the Company's filing, reviewed and assessed power market simulation models inputs and outputs, the load forecast and underlying economic assumptions, assessed the robustness of MDU's sensitivity analyses and evaluated the financial model deployed in analyzing the future costs of the proposed investments. We also issued discovery and filed testimony in this proceeding.

CLIENT:	Wisconsin Citizens Utility Board
PROJECT:	Environmental Upgrades to Coal Fired Power Plants 2007, 2008, 2009

In 2007 and 2008, the Wisconsin Citizens Utility Board ("WI CUB") and Clean Wisconsin retained La Capra Associates to provide expert advice relative to WEPCO's application for approval to investment in new environmental equipment and facilities at the Oak Creek Power Plant. (Docket No. 6630-CE-299) La Capra Associates reviewed the Company's filing, performed assessments of alternative compliance options, and filed direct and rebuttal testimony of Richard Hahn. We coordinated testimony with the environmental consultant for the WI CUB and Clean Wisconsin.

In 2009, the Wisconsin Citizens Utility Board ("WI CUB") and Clean Wisconsin retained La Capra Associates to provide expert advice relative to the application of WPL and WEPCO for approval to investment in new environmental equipment and facilities at the jointly owned Edgewater Unit 5. (Docket No. 5-CE-137) Richard Hahn presented testimony that recommended that WEPCO sell its share of the unit to WEPCO, who should then make the environmental investment and also retire and older coal-fired unit.

In 2009, the Wisconsin Citizens Utility Board and Clean Wisconsin retained La Capra Associates to provide expert advice and testimony relative to the application of WPL, WPS and MGE for approval to invest in new environmental equipment and facilities at the jointly owned Columbia Units 1 and 2. (Docket No. 5-CE-138)

APPENDIX B

La Capra Associates

RESUME

Richard Hahn

Richard S. Hahn

Principal Consultant

Mr. Hahn is a senior executive in the energy industry, with diverse experience in both regulated and unregulated companies. He joined La Capra Associates in 2004. Mr. Hahn has a proven track record of analyzing energy, capacity, and ancillary services markets, valuation of energy assets, developing and reviewing integrated resource plans, creating operational excellence, managing full P&Ls, and developing start-ups. He has demonstrated expertise in electricity markets, utility planning and operations, sales and marketing, engineering, business development, and R&D. Mr. Hahn also has extensive knowledge and experience in both the energy and telecommunications industries. He has testified on numerous occasions before the Massachusetts Department of Public Utilities, and also before FERC.

SELECTED EXPERIENCE – LA CAPRA ASSOCIATES

1. Analyzed forecast of projected capital additions to plant in service for forward-looking test year in Utah rate case. Filed testimony before the Utah Public Service Commission.
2. Review and analysis of National Grid's proposed 2013 Standard Offer Service and Renewable Energy Standard procurement plan on behalf of the Rhode Island Division of Public utilities and Carriers.
3. Review and analysis of National Grid's proposed long term renewable contracting plan on behalf of the Rhode Island Division of Public utilities and Carriers.
4. Review and analysis of a long-term renewable energy contract between Black Bear Hydro and National Grid on behalf of the Rhode Island Division of Public Utilities and Carriers.
5. Reviewed proposed 2013 -2015 Default Service Procurement Plan for PECO Energy on behalf of the Pennsylvania Office of Consumer Advocate.
6. Review National Grid's 2012 Electric Retail Rate Filing requesting Commission approval of various charges and adjustment factors for the Rhode Island Division of Public Utilities and Carriers.
7. Analyzed the request to the Wisconsin Public Service Commission for a CPCN for the Hampton - Rochester - La Crosse Baseline Reliability Project.
8. Performed an assessment of the TOU rates proposed by PPL Electric Utilities before the Pennsylvania Public Utilities Commission; Presented expert testimony providing the results of that assessment.
9. Reviewed the proposed merger between Exelon and Constellation Energy for its impact on market power; filed testimony before the Pennsylvania Public Utilities Commission.
10. Reviewed the proposed merger between Exelon and Constellation Energy for its impact on market power; filed testimony before the Federal Energy Regulatory Commission and the Maryland Public Service Commission.
11. Conducted an assessment of the request to the North Dakota Public Service Commission for an Advanced Determination of Prudence for the Montana Dakota Utilities GT; filed testimony before the North Dakota Public Service Commission.

12. Conducted an assessment of the request to the North Dakota Public Service Commission for an Advanced Determination of Prudence for the Big Stone Air Quality Control System; filed testimony before the North Dakota Public Service Commission.
13. Analyzed proposed 2012 monitored and non-monitored fuel costs, market sales and revenues, capacity position, and performance parameters for Wisconsin Electric Power; filed testimony before the Public Service Commission of Wisconsin.
14. Analyzed proposed ceiling prices for Distributed Generation procurement for the Rhode Island Division of Public Utilities and Carriers in Docket 4288.
15. Reviewed proposed changes to National Grid's interconnections standards for the Rhode Island Division of Public Utilities and Carriers in Docket 4276.
16. Reviewed proposed changes to National Grid's Distributed Generation Enrollment Process for the Rhode Island Division of Public Utilities and Carriers in Docket 4277.
17. Analyzed proposed 2012 monitored and non-monitored fuel costs, market sales and revenues, capacity position, and performance parameters for Northern States Power Wisconsin; filed testimony before the Public Service Commission of Wisconsin.
18. Analyzed proposed 2012 monitored and non-monitored fuel costs, market sales and revenues, capacity position, and performance parameters for Madison Gas & Electric; filed testimony before the Public Service Commission of Wisconsin.
19. Analyzed proposed 2012 monitored and non-monitored fuel costs, market sales and revenues, capacity position, and performance parameters for Wisconsin Public Service; filed testimony before the Public Service Commission of Wisconsin.
20. Reviewed the proposed merger between Duke Energy and Progress Energy for compliance with merger approval standards and the impact of the merger on customers; filed testimony before the North Carolina Public Utilities Commission and the South Carolina Public Service Commission.
21. Analyzed the De-List Bid submitted by Vermont Yankee in ISO-NE capacity auctions. Filed statement at FERC presenting the results of that assessment.
22. Performed an assessment of a proposal by Nova Scotia Power to increase spending on vegetation management activities as part of the 2012 rate case; filed testimony before the Nova Scotia Utility and Review Board.
23. Reviewed and analyzed a proposed Purchased Power Agreement between National Grid and Orbit Energy; filed testimony before the Rhode Island Public Utility Commission in Docket 4265.
24. Conducted a study of non-transmission alternatives to a proposed substation and related transmission upgrades in Ascutney Vermont.
25. Reviewed and analyzed NGRID proposed SOS procurement plan and RES Compliance plan for 2012; provided testimony before the Rhode Island Public Utility Commission in Docket 4227.
26. Conducted a study of non-transmission alternatives to a proposed substation and related transmission upgrades in Bennington Vermont.
27. Prepared follow-on analysis of Utah resource acquisition in rate case in Docket 10-035-124
28. Reviewed and analyzed a proposed retail rate increase by Fitchburg Gas and Electric Company before the Massachusetts Department of Public Utilities. Provided expert

- testimony before the Massachusetts Department of Public Utilities regarding the Company's proposed Capital Spending Plan, and an accompanying recovery mechanism.
29. Conducted a study of non-transmission alternatives to a proposed substation and related transmission upgrades in Georgia, Vermont.
 30. Reviewed and analyzed damages claimed in litigation between a developer of renewable energy facilities and the owner of the host site.
 31. Evaluated the decision of PacifiCorp to acquire new generating resources in Utah. Filed testimony before the Public Service Commission of Utah.
 32. Served as a principal advisor and key team member in La Capra Associates' assessment of strategic options for Entergy Arkansas, Inc. subsequent to its withdrawal from the Entergy System Agreement.
 33. Reviewed the issues and documentation related to a complaint regarding the net metering issues for the Portsmouth Wind Turbine for the Rhode Island Divisions of Public Utilities and Carriers
 34. Conducted a study of non-transmission alternatives to a proposed substation and related transmission upgrades in Jay, Vermont.
 35. Reviewed and evaluated the construction of and cost recovery for a large cogeneration plant for a mid-west utility; utilized heat balance analysis to develop new cost allocators between steam and electric sales.
 36. Analyzed fuel costs, market sales and revenues, capacity position, and performance parameters for a large- mid-west utility.
 37. Performed a review and analysis of the proposed merger between FirstEnergy and Allegheny Energy. Provided expert testimony before the FERC and the Pennsylvania Public Utilities Commission regarding merger policy, benefits and market power issues.
 38. Performed a study of non-transmission alternatives to a proposed transmission project in the Lewiston-Auburn area of Central Maine Power Company's service territory. Testified before the Maine Public Utilities Commission.
 39. Analyzed a proposed plan by National Grid to procure 2011 default service power supplies and comply with Renewable Energy Standards. Provided expert testimony before the Rhode Island Public Utilities Commission in Docket 4149.
 40. Served as an advisor to the Pennsylvania Office of Consumer Advocate in reviewing 2011 default service plans for PECO Energy.
 41. Served as an advisor to the Pennsylvania Office of Consumer Advocate in reviewing 2011 default service plans for PPL Electric Utilities.
 42. Analyzed a purchase power agreement between National Grid and on offshore wind project in Rhode Island. Provided expert testimony before the Rhode Island Public Utilities Commission.
 43. Reviewed and analyzed a proposed retail rate increase by Western Massachusetts Electric Company before the Massachusetts Department of Public Utilities. Provided expert testimony before the Massachusetts Department of Public Utilities regarding the Company's proposed Capital Plan, and an accompanying recovery mechanism.
 44. Served as an advisor to the developer of a utility-scale Solar PV facility in Massachusetts.

45. Evaluated a proposed Solar PV installation for a large retail customer in Massachusetts. Performed an analysis of the appropriate rate of return and its impact on facility electric costs and financial feasibility.
46. Assessed the economic impact of an additional interconnection between ISO-NE and NYISO; analyzed impact on market prices and congestion.
47. Reviewed and analyzed the capacity position of a large mid-west utility and the impact of that position on electric rates.
48. Performed an economic evaluation of a proposed transmission line in New England. Assessed the project's ability to deliver renewable energy to load centers and the impact of the project on Locational Marginal Prices.
49. Analyzed a proposed interconnection of a large new industrial load in Massachusetts. Evaluated proposed substation configuration and developed alternatives that achieved comparable reliability at lower costs. Assessed cost recovery options.
50. Reviewed the Energy Efficiency and Conservation Programs proposed by Pennsylvania Power & Light in response to Act 129, Pennsylvania legislation that requires Electric Distribution Companies to achieve certain annual consumptions and demand reduction by 2013. Provided expert testimony before the Pennsylvania Public Utilities Commission regarding program design, benefit cost analyses, and cost recovery.
51. Reviewed the Energy Efficiency and Conservation Programs proposed by Philadelphia Electric Company in response to Act 129, Pennsylvania legislation that requires Electric Distribution Companies to achieve certain annual consumptions and demand reduction by 2013. Provided expert testimony before the Pennsylvania Public Utilities Commission regarding program design, benefit cost analyses, and cost recovery.
52. Assisted in the review and analysis of a proposed retail rate increase by National Grid before the Rhode Island Public Utilities Commission. Provided expert testimony before the Rhode Island Public Utilities Commission regarding the Company's proposed Inspection & Maintenance Program, its Capital Plan, its Storm Funding Plan, and its Facilities Plan
53. Reviewed and analyzed Time-of-Use rates proposed by Pennsylvania Power & Light. Provided expert testimony before the Pennsylvania Public Utilities Commission regarding compliance with Commission requirements, rate design, cost recovery, and consumer education issues.
54. Assisted in the review and analysis of a proposed retail rate increase by National Grid before the Massachusetts Department of Public Utilities. Provided expert testimony before the Massachusetts Department of Public Utilities regarding the Company's proposed Inspection & Maintenance Program, its Capital Plan, its Storm Funding Plan, and its Facilities Plan.
55. Performed a review and analysis of the proposed merger between Exelon and NRG. Provided expert testimony before the Pennsylvania Public Utilities Commission regarding merger policy, benefits and market power issues.
56. Reviewed the needs analysis and load forecast supporting a proposed Transmission Project in Rhode Island. Provided expert testimony before the Rhode Island Public Utilities Commission.
57. Performed an assessment of plans to procure Default Service Power Supplies for a Rhode Island utility. Provided expert testimony before the Rhode Island Public Utilities Commission.

58. Served as an advisor to Vermont electric utilities regarding the evaluation of new power supply alternatives. Developed and applied a probabilistic planning tool to model uncertainty in costs and operating parameters.
59. Conducted a review of Massachusetts Electric Company's proposal to construct, own, and operate large scale PV solar generating units. Served as an advisor to the Massachusetts Attorney General in settlement negotiations. Performed an analysis of the appropriate rate of return and its impact on ratepayer costs and financial feasibility. Provided expert testimony before the Massachusetts Department of Public Utilities.
60. Conducted a review of Western Massachusetts Electric Company's proposal to construct, own, and operate large scale PV solar generating units. Served as an advisor to the Massachusetts Attorney General in settlement negotiations. Performed an analysis of the appropriate rate of return and its impact on ratepayer costs and financial feasibility. Provided expert testimony before the Massachusetts Department of Public Utilities.
61. Served as a key member of a La Capra Associates Team evaluating wind generation RFPs in Oklahoma.
62. Performed an assessment of plans to procure Default Service Power Supplies for Pennsylvania utilities. Provided expert testimony before the Pennsylvania Public Utilities Commission.
63. Performed an assessment of a merchant generator proposal to construct, own, and operate 800 MW of large scale PV solar generating units in Maine.
64. Analyzed proposed environmental upgrades to the Columbia Energy Center coal-fired generating station in Wisconsin, including an economic evaluation of this investment compared to alternative supply resources. Provided expert testimony before the Public Service Commission of Wisconsin.
65. Analyzed proposed environmental upgrades to the Edgewater 5 coal-fired generating unit in Wisconsin, including an economic evaluation of this investment compared to alternative supply resources. Provided expert testimony before the Public Service Commission of Wisconsin.
66. Analyzed proposed environmental upgrades to the Oak Creek coal-fired generating units in Wisconsin, including an economic evaluation of this investment compared to alternative supply resources. Provided expert testimony before the Public Service Commission of Wisconsin.
67. Reviewed Pennsylvania Act 129 and Commission rules for Energy Efficiency Plans
68. Performed a study of non-transmission alternatives (NTAs) to a proposed set of transmission upgrades to the bulk power supply system in Maine.
69. Served as a key member of the La Capra Associates Team advising the Connecticut Energy Advisory Board (CEAB) on a wide range of energy issues, including integrated resources plan and the need for and alternatives to new transmission projects.
70. Performed a study of non-transmission alternatives (NTAs) to a proposed set of transmission upgrades to the bulk power supply system in Vermont.
71. Served as an advisor to the Delaware Public Service Commission and three other state agencies in the review of Delmarva Power & Light's integrated resource plan and the procurement of power supplies to meet SOS obligations.

72. Served as an expert witness in litigation involving a contract dispute between the owner of a merchant powerplant and the purchasers of the output of the plant.
73. Served as an advisor to the Maryland Attorney General's Office in the proposed merger between Constellation Energy and the FPL Group.
74. Reviewed and analyzed outages for Connecticut utilities during the August 2006 heat wave. Prepared an assessment of utility filed reports and corrective actions.
75. Conducted a study of required planning data and prepared forecasts of the key drivers of future power supply costs for public power systems in New England.
76. Reviewed and analyzed Hawaiian Electric Company integrated resource plan and its DSM programs for the State of Hawaii. Prepared written statement of position and testified in panel discussions before the Hawaii Public Utility Commission.
77. Assisted the Town of Hingham, MA in reviewing alternatives to improve wireless coverage within the Town and to leverage existing telecommunication assets of the Hingham Municipal Light Plant.
78. Conducted an extensive study of distributed generation technologies, options, costs, and performance parameters for VELCO and CVPS.
79. Analyzed and evaluated proposals for three substations in Connecticut. Prepared and issued RFPs to seek alternatives in accordance with state law.
80. Performed an assessment of merger savings from the First Energy – GPU merger. Developed a rate mechanism to deliver the ratepayers share of those savings. Filed testimony before the PA PUC.
81. Prepared long term price forecasts for energy and capacity in the ISO-NE control area for evaluating the acquisition of existing powerplants.
82. Conducted an assessment of market power in PJM electricity markets as a result of the proposed merger between Exelon and PSEG. Developed a mitigation plan to alleviate potential exercise of market power. Filed testimony before the PA PUC.
83. Performed a long-term locational installed capacity (LICAP) price forecast for the NYC zone of the NYISO control area for generating asset acquisition.
84. Served as an Independent Evaluator of a purchase power agreement between a large mid-west utility and a very large cogeneration plant. Evaluated the implementation of amendments to the purchase power agreement, and audited compliance with very complex contract terms and operating procedures and practices.
85. Performed asset valuation for energy investors targeting acquisition of major electric generating facility in New England. Prepared forecast of market prices for capacity and energy products. Presented overview of the market rules and operation of ISO-NE to investors.
86. Assisted in the performance of an asset valuation of major fleet of coal-fired electric generating plants in New York. Prepared forecast of market prices for capacity and energy products. Analyzed cost and operations impacts of major environmental legislation and the effects on market prices and asset valuations.
87. Conducted an analysis of the cost impact of two undersea electric cable outages within the NYISO control area for litigation support. Reviewed claims of cost impacts from loss of sales of transmission congestion contracts and replacement power costs.

88. Reviewed technical studies of the operational and system impacts of major electric transmission upgrades in the state of Connecticut. Analysis including an assessment of harmonic resonance and type of cable construction to be deployed.
89. Conducted a review of amendments to a purchased power agreement between an independent merchant generator and the host utility. Assessed the economic and reliability impacts and all contract terms for reasonableness.
90. Assisted in the development of an energy strategy for a large Midwest manufacturing facility with on-site generation. Reviewed electric restructuring rules, electric rate availability, purchase & sale options, and operational capability to determine the least cost approach to maximizing the value of the on-site generation.
91. Assisted in the review of the impact of a major transmission upgrade in Northern New England.
92. Negotiated a new interconnection agreement for a large hotel in Northeastern Massachusetts.

SELECTED EXPERIENCE – NSTAR ELECTRIC & GAS

President & COO of NSTAR Unregulated Subsidiaries

Concurrently served as President and COO of three unregulated NSTAR subsidiaries: Advanced Energy Systems, Inc., NSTAR Steam Corporation, and NSTAR Communications, Inc.

Advanced Energy Systems, Inc.

- Responsible for all aspects of this unregulated business, a large merchant cogeneration facility in Eastern Massachusetts that sold electricity, steam, and chilled water. Duties included management, operations, finance and accounting, sales, and P&L responsibility.

NSTAR Steam Corporation

- Responsible for all aspects of this unregulated business, a district energy system in Eastern Massachusetts that sold steam for heating, cooling, and process loads. Duties included management, operations, finance and accounting, sales, and P&L responsibility.

NSTAR Communications, Inc.

- Responsible for all aspects of this unregulated business, a start-up provider of telecommunications services in Eastern Massachusetts. Duties included management, operations, finance and accounting, sales, and P&L responsibility.
- Established a joint venture with RCN to deliver a bundled package of voice, video, and data services to residential and business customers. Negotiated complex indefeasible-right-to-use and stock conversion agreements.
- Installed 2,800 miles of network in three years. Built capacity for 230,000 residential and 500 major enterprise customers.
- Testified before the Congress of the United States on increasing competition under the Telecommunications Act of 1996.

VP, Technology, Research, & Development, Boston Edison Company

- Responsible for identifying, evaluating, and deploying technological innovation at every level of the business.

- Reviewed Electric Power Research Institute (EPRI), national laboratories, vendor, and manufacturer R&D sources. Assessed state-of-the-art electro-technologies, from nuclear power plant operations to energy conservation.

VP of Marketing, Boston Edison Company

- Promoted and sold residential and commercial energy-efficiency products and customer service programs.
- Conducted market research to develop an energy-usage profile. Designed a variable time-of-use pricing structure, significantly reducing on-peak utilization for residential and commercial customers.
- Designed and marketed energy-efficiency programs.
- Established new distribution channels. Negotiated agreements with major contractors, retailers, and state and federal agencies to promote new energy-efficient electro-technologies.

Vice President, Energy Planning, Boston Edison Company

- Responsible for energy-usage forecasting, pricing, contract negotiations, and small power and cogeneration activities. Directed fuel and power purchases
- Implemented an integrated, least-cost resource planning process. Created Boston Edison's first state-approved long-range plan.
- Assessed non-traditional supply sources, developed conservation and load-management programs, and purchased from cogeneration and small power-production plants.
- Negotiated and administered over 200 transmission and purchased power contracts.
- Represented the company with external agencies. Served on the Power Planning Committee of the New England Power Pool.
- Testified before federal and state regulatory agencies.

EMPLOYMENT HISTORY

La Capra Associates, Inc. Principal Consultant	Boston, MA	2004 – present
Advanced Energy Systems, Inc. President and COO	Boston, MA	2001-2003
NSTAR Steam Corporation President and COO	Cambridge, MA	2001-2003
NSTAR Communications, Inc. President and COO		1995-2003
Boston Edison Company VP, Technology, Research, & Development	Boston, MA	1993-1995
VP, Marketing, Boston Edison Company		1991-1993
Vice President, Energy Planning, Boston Edison Company		1987-1991

Manager, Supply & Demand Planning	1984-1987
Manager, Fuel Regulation & Performance	1982-1984
Assistant to Senior Vice President, Fossil Power Plants	1981-1982
Division Head, Information Resources	1978-1981
Senior Engineer, Information Resource Division	1977-1978
Assistant to VP, Steam Operations	1976-1977
Electrical Engineer, Research & Planning Department	1973-1976

EDUCATION

Boston College		Boston, MA
Masters in Business Administration	1982	
Northeastern University		Boston, MA
Masters in Science, Electrical Engineering	1974	
Northeastern University		Boston, MA
Bachelors in Science, Electrical Engineering	1973	

PROFESSIONAL AFFILIATIONS

Director, NSTAR Communications, Inc.	1997-2003
Director, Advanced Energy Systems, Inc.	2001-2003
Director, Neuco, Inc.	2001-2003
Director, United Telecom Council	1999-2003
Head, Business Development Division, United Telecom Council	2000-2003
Elected Commissioner – Reading Municipal Light Board	2005-2012
Registered Professional Electrical Engineer in Massachusetts	

APPENDIX C

La Capra Associates

REQUIRED FORMS

- *Addendum Acknowledgement Form*
- *Certification and Signature Page*
- *Purchasing Affidavit*

ADDENDUM ACKNOWLEDGEMENT FORM**SOLICITATION NO.:** PSC13532

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

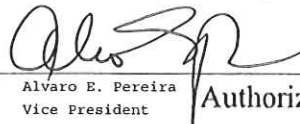
Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|----------------------------------------------------|------------------------------------------|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

La Capra Associates, Inc.

Company

Alvaro E. Pereira
Vice President_____
Authorized Signature

January 7, 2013

Date


NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.

CERTIFICATION AND SIGNATURE PAGE

By signing below, I certify that I have reviewed this Solicitation in its entirety; understand the requirements, terms and conditions, and other information contained herein; that I am submitting this bid or proposal for review and consideration; that I am authorized by the bidder to execute this bid or any documents related thereto on bidder's behalf; that I am authorized to bind the bidder in a contractual relationship; and that to the best of my knowledge, the bidder has properly registered with any State agency that may require registration.

La Capra Associates, Inc.

(Company)



(Authorized Signature)

Alvaro E. Pereira, Ph.D., Vice President

(Representative Name, Title)

617-778-5515

617-778-5528

(Phone Number)

(Fax Number)

January 7, 2013

(Date)

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.


"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: La Capra Associates, Inc.

Authorized Signature:  Date: January 7, 2013
Alvaro E. Pereira, Ph.D., Vice President

State of Massachusetts

County of Suffolk, to-wit:

Taken, subscribed, and sworn to before me this 7th day of January, 2013.

My Commission expires January 30, 2015.

AFFIX SEAL HERE

NOTARY PUBLIC 
Bonnie McDonald