

Memo

To: Commissioners
From: Mike Diller
CC: Illona, Gloria
Date: 1/22/2008
Re: Motions for Special Meeting (NSP Rate Case; Case No. PU-07-776)

Commissioner Wefald is agreeable to including the attached motions on tomorrow's special meeting to facilitate a quicker start time for staff's investigation of Northern States Power Company's electric rate increase application (PU-07-776).

The first motion authorizes staff to issue a Notice of Intent to Award a contract for consulting services. Snavelly King Majoros O'Connor & Lee, Inc. was the only bidder on this case despite our mass mailing efforts including both State Procurement's bidders list and our own vendors list. It seems counterintuitive to issue a Notice of Intent to Award given only one bidder. However, it appears others disagree with me including State Procurement. Gloria Geiger is our procurement officer in this matter and has already signed the Notice for your approval.

The second motion provides that the commission enter into a contract with Snavelly King for consulting services as requested in the original Request for Proposal (RFP) plus a few changes negotiated through the Best and Final Offer process after the initial bidding process was closed. In general, the advocacy staff requested that the consultant provide additional jurisdictional cost of service work in lieu of cost of capital work. As you recall, the advocacy staff has already filed an agreement with NSP on rate of return. Attached is the Best and Final Offer of Snavelly King outlining the changes that have been made to the original RFP.

The staff recommends that the commission enter into the contract for consulting services including the changes in the Best and Final Offer of Snavelly King. The firm is very experienced in providing this kind of service and has provided good service to the commission in previous years. The principals doing the work will include Charlie King and Mike Majoros who are the same witnesses that have appeared before the commission in times earlier. The firm is committed to working cooperatively with staff. Staff believes it can present a good case before the commission in cooperation with Snavelly King.