

North Dakota Public Service Commission  
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[www.psc.nd.gov](http://www.psc.nd.gov)

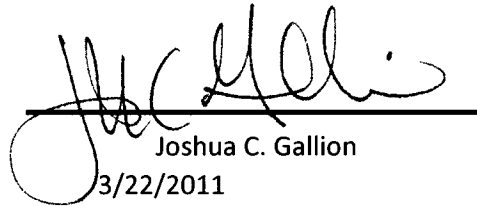
Solicitation Number 408.02-11.001  
Title: Consulting Services for NSP Rate Increase Application  
Case Number: PU-10-657

Evaluator	Bidder	Blue Ridge	Mathai & Associates	Snavelly King & O'Connor
Mike Diller		92	89	82
Chris Marohl		89	78	77
Mark Gruman		90	86	68
	Average	90.3	84.3	75.7

Signature:

Procurement Officer

Date:



Joshua C. Gallion  
3/22/2011

Technical Evaluation Criteria	100 POINTS Maximum	Blue Ridge	Mathai & Associates	Snavely King & O'Connor
1. Understanding of the Project	40	36	37	35
2. Methodology Used for the Project:	40	37	35	30
3. Experience and Qualifications:	15	14	12	13
4. Quality of Written Proposal	5	5	5	4
Evaluator Totals		92	89	82

Mike Diller



3/22/11

Technical Evaluation Criteria	<b>100 POINTS Maximum</b>	Blue Ridge	Mathai & Associates	Snavelly King & O'Connor
1. Understanding of the Project	<b>40</b>	<b>37</b>	<b>35</b>	<b>27</b>
2. Methodology Used for the Project:	<b>40</b>	<b>37</b>	<b>35</b>	<b>30</b>
3. Experience and Qualifications:	<b>15</b>	<b>12</b>	<b>12</b>	<b>8</b>
4. Quality of Written Proposal	<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>
Evaluator Totals		<b>90</b>	<b>86</b>	<b>68</b>

Mark Guman



3/22/2011

Technical Evaluation Criteria	100 POINTS Maximum	Blue Ridge	Mathai & Associates	Snavely King & O'Connor
1. Understanding of the Project	40	36	32	30
2. Methodology Used for the Project:	40	36	32	32
3. Experience and Qualifications:	15	13	11	13
4. Quality of Written Proposal	5	4	3	2
Evaluator Totals		89	78	77

Christopher Marohl

Christopher A. Marohl

3-22-2011

## Questions for Consultants

Sell you self.

1. How do you determine what share of costs related to transmission + generation assets are assigned to demand vs. energy ~~component~~?
2. Describe the types of demand allocation methods you are familiar with?
3. What types of demand allocation methods have you testified in support of?
4. What demand allocation method do you prefer + why?
5. In this case, ND's demand peaks in the winter while the system peak occurs in the summer. A single peak allocator for demand would minimize N.D.'s share of demand costs -- would that be a fair approach? What might a better approach be?
6. Minot

Michael McGarry  
Howard Solganick

Staff

Chris

Mark G.

Mike D.

Blue Ridge Consulting  
Notes from Teleconference Call  
March 11, 2011

General Note: COSS expert used a lot of specific examples relevant to the question -- impressive (st blush) response.

1. The key to allocating generation and transmission assets appropriately is to first understand how the company's system is operated and how it is expanding.
2. CP / Seasonal CP / 12 CP  
Aug + Excess / Aug. + Peak  
All Energy / Hourly
3. It depends on how the system is expanding -- generally a two step process:
  - 1.) Demand Growth
  - 2.) Energy Cost Optimization
4. Generally, the firm has been supportive of Aug + Excess and Aug. + Peak.
5. ~~5.~~ On the surface, it appears that NSP is conducting reasonable planning. However, there appears to be a disconnect in assigning demand between the class COSS and the juris. COSS.
6. This would take a lot of time unless NSP is already developing the necessary info. We could testify as to policy.

George Mathai  
Larry Thompson

Mathai + Associates  
Notes from Teleconference Call  
March 21, 2011

Staff

Chris

Mark G.

Mike D.

1. Determined by how system is operated.
2. CP / 4CP / Seasonal CP / 12 CP  
7CP / Aug + Excess / Loss of Load Probability
3. Generation - 100% Demand  
Transmission - 100% Demand  
Also, Average + Excess
4. Depends on operating characteristics. IF there is high seasonal use, perhaps 4CP. IF not, 12CP.
5. IF sharply peaking in summer, 3 or 4CP. IF not, perhaps non-coincident peak or an aggregate demand allocator.
6. Segregating Minot would require a lot of information. Distribution assets would be straightforward and transmission allocation would be more difficult. Concerned with admission limiting amount of data requests.