

Proposal to Evaluate and Maximize the Value of Entergy's Advanced Metering System Plan

Prepared for the Louisiana Public Service Commission for RFP 17-01/Docket U-34320

February 13, 2017

Wired Group

Unleashing the Latent Value in Distribution Utility Businesses™

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Mr. Brandon Frey and Ms. Kathleen Richardson
Louisiana Public Service Commission
Office of the General Counsel
602 North 5th Street (Galvez Building, 70802)
PO Box 91154
Baton Rouge, LA 70821-9154

Mr. Frey, Ms. Richardson, and Associates:

Thank you for reviewing the Wired Group's proposal to evaluate Entergy's Advanced Metering System application. Our original proposal and 5 copies are enclosed, as well as several complementary copies of my book *Smart Grid Hype & Reality: A Systems Approach to Maximizing Customer Return on Utility Investment*.

This letter summarizes why we believe the Wired Group is the Commission's best choice for this work. But the attached proposal provides all the details you need to make an informed decision:

- Wired Group history, background, and perspective on advanced metering
- Our proposed project plan
- Our references and relevant project experience
- Our team and its qualifications
- Our proposed fees, terms, and conditions.

We believe the Wired Group is the Commission's best choice because of our highly relevant project work. No firm has more experience in the following areas:

Post-deployment evaluations. The Wired Group team completed the only two comprehensive, unbiased benefit-cost evaluations of large smart grid deployments conducted to date, including Xcel Energy's SmartGridCity™ and Duke Energy's Ohio deployment (for the Ohio PUC). We know the drivers of AMS benefits and costs from first-hand observation and primary research. As a result, our AMS plan evaluations are more insightful and our AMS plan recommendations more valuable.

Deployment plan evaluations. In the past six months alone, the Wired Group has examined 5 AMS deployment plans and accompanying benefit-cost analyses, including 2 for the Kentucky Attorney General (Duke Energy and Kentucky Utilities/Louisville Gas & Electric) and 3 for the Massachusetts Attorney General (Eversource, Unitil, and National Grid). These 5 AMS applications covered 3.9 million customers, and we've identified many of the same issues in a cursory review of the Entergy application that we found in those applications.

Distribution Automation plan evaluations. In the past year, the Wired Group has examined \$2.5 billion in distribution automation proposals from Pacific Gas & Electric and Southern California Edison on behalf of The Utility Reform Network (TURN, a consumer advocate). One day soon, Louisiana IOUs will begin requesting permission to make huge investments in grid automation, claiming the investments are needed to accommodate distributed energy resources like PV Solar. The Wired Group would therefore make an excellent long-term partner given the Commission's longer-term grid modernization review needs.

Regarding conflicts of interest, no Wired Group associate is currently serving, or has ever served, any IOUs in Louisiana, including Entergy, or maintains any other conflict with the Commission's interests.

We hope you'll agree that the Wired Group offers Louisiana taxpayers the greatest possible return on AMS consultant spending. We would consider ourselves privileged to help the Commission achieve an informed, equitable balance between customer and shareholder interests. Please call my mobile phone at your convenience with any questions you may have at 720-308-2407.

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Alvarez', with a stylized, cursive script.

Paul Alvarez, President
Wired Group

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Wired Group perspective on AMS is unique and ensures beneficial outcomes.

WIRED GROUP PERSPECTIVES ON ADVANCED METERING

The Wired Group is the leading grid modernization consultant to regulators and consumer advocates in the U.S. Our leadership has resulted from primary and secondary smart grid research completed and presented directly in state regulatory proceedings and in support of regulatory staff and consumer advocates. More information on specific projects and references is provided in the “Project Experience and References” part of this proposal. In this section we present how our history and background have informed our perspectives on advanced metering.

Wired Group History and Background

The Wired Group was formed in 2012, when a group of associates comprising the electric utility practice of sustainability firm MetaVu broke off to form our own consulting firm. We were interested in pursuing two goals:

1. To focus exclusively on the distribution utility industry; and
2. To exclusively serve regulatory staff and consumer advocates.

The Wired Group has since enjoyed a track record of satisfied clients and growing revenues. We have found that our particular expertise and perspective is sorely needed by regulatory staff and consumer advocates, who face increasing technical and political pressure to modernize utility distribution grids while suffering from a lack of resources and smart grid-specific experience.

In addition, the Wired Group is the only consulting practice with broad and deep grid modernization expertise that refuses to serve investor-owned utilities. While our self-imposed market limitation has come at a significant opportunity cost, we are proud of our resolutely independent perspective and we fully embrace the integrity it offers our clients.

The Wired Group came together as a team in 2010, while still at MetaVu. Based on our Demand-Side Management (DSM) program measurement and verification (M&V) experience, the team received a contract to conduct a comprehensive, independent evaluation of the benefit-cost ratio of Xcel Energy's groundbreaking SmartGridCity™ demonstration project (46,000 electric and gas customers) in Boulder, Colorado. The evaluation, the first ever of its kind, involved thousands of man hours. Using pre- and post-deployment data from almost every utility system – including Outage Management, Work Order Management, Accounting, Customer Call Center, Payroll, SCADA, and other systems – the Wired Group team built a picture of the costs and benefits associated with various Advanced Metering and Distribution Automation capabilities. The team's DSM program M&V expertise proved particularly valuable in the project, as the team relied heavily on standardized approaches such as the Total Resource Cost test in its evaluation.

The team augmented this information with interviews and business process documentation sessions to understand the drivers of success, working with every type of utility employee (linemen, distribution control center operators, electrical engineers, call center representatives, information technology specialists, accountants, etc.). The team was also involved in the design of an associated study of the impact of various types of time-varying rate designs on usage behavior. Finally, the team conducted qualitative (focus group) and quantitative (survey) market perception research of consumer and small business customers on everything from smart grid capabilities and energy efficiency to time-varying rates and utility impressions. The team's report is in the public domain and conveniently available at www.wiredgroup.net.

The SmartGridCity evaluation had not yet been completed when the team, still at MetaVu, was awarded its second deployment evaluation project, this time by the Ohio PUC. The subject of this second evaluation project was Duke Energy's southwestern Ohio deployment centered in and around Cincinnati (700,000 electric and gas customers). The project was similar to the SmartGridCity evaluation in almost every respect, though a significant information technology focus (adherence to NISTIR 7628 guidelines on cybersecurity, data privacy, and interoperability) was added. The team's report is publicly and conveniently available at www.wiredgroup.net.

These projects remain the only two objective, comprehensive evaluations of the benefits and costs of smart grid deployments ever completed. In February, 2012, the team departed MetaVu to establish the Wired Group, which now plays a valuable and unique role providing unbiased decision support to regulators and advocates. Based on the team's work, Wired Group President Paul Alvarez published a book in 2014, "*Smart Grid Hype & Reality: A Systems Approach to Maximizing Customer Return on Utility Investment*". Several complementary copies of the book accompany this proposal.

More recently, the Wired Group has developed the *Utility Evaluator*[™], an internet-based software tool that uses publicly available data to help clients benchmark distribution utility performance on a variety of metrics against peers. Designed specifically for regulatory staff and consumer advocates, the software readily enables queries of reliability, cost, investment, customer satisfaction, ROE, DSM program, and other performance metrics, delivering graphical outputs that can be summarized in testimony or presented as evidence. For more information please visit www.utilityevaluator.com.

Wired Group Perspectives on Advanced Metering

The Wired Group offers a multi-disciplinary team of experts with extensive experience as employees of distribution utilities and state regulatory staff. Experience of the Wired Group team includes:

- Smart meter costs, benefits, drivers, and best practices
- Distribution automation and distributed energy resource requirements
- Demand Side Management and Renewable Energy program development, marketing, and M&V
- Consumer (and small business) outreach and education
- Cost recovery, class allocations, and revenue requirements
- Distribution utility performance measurement and benchmarking

This diverse experience set, combined with our post-deployment evaluation experience, provides us with unique perspective on advanced metering. Our resulting mantra: ***What a utility does with smart meters once deployed makes the difference between an investment that delivers net benefits to customers vs. one that delivers benefits only to shareholders.***

If the Louisiana PSC were to hire the Wired Group, we would use our experience to answer the following critical questions, helping you to achieve a

more informed and equitable balance between customer and shareholder interests:

- Are the utility's benefit and cost projections reasonable based on the results of other deployments?
- Do benefit-cost analyses include stranded asset cost recovery?
- What capabilities and best practices required to maximize benefits for customers are missing from the utility's proposal?
- What are the impacts of AMS-related stranded cost and associated cost-recovery proposals on the customer benefit-cost ratio?
- Has the utility committed to, and planned for, the process changes and customer programs required to secure anticipated AMS benefits?
- Given current ratemaking processes, what motivates (or inhibits) the utility from using best efforts to implement commitments and plans?
- What cost recovery mechanisms are needed to ensure an appropriate balance of cost, risk, and rewards between customers and shareholders?
- What are the critical components and characteristics of a post-deployment AMS performance and benefit assurance program?

The Wired Group is not anti-smart meter nor anti-utility, but pro equity. We fully support IOUs' need to earn a fair return for shareholders as authorized by Commissions. However, we routinely uncover IOU attempts to shift risk from shareholders to customers, or to "bake in" profits above and beyond authorized rates of return, in AMS proposals. We see our role as bringing such issues to our clients' attentions. While the choices about what to do with such information are ultimately our clients' to make, we've observed far too many instances in which regulators were unaware of certain issues as decisions were being made. It is our job to ensure staff and Commissions make decisions based on full and accurate information.



Wired Group project plans ensure reliable evaluation & valuable recommendations.

WIRED GROUP PROPOSED WORK PLAN

The Wired Group has developed a thoughtful project plan based on our experiences in similar AMS applications and regulatory proceedings. The proposed project plan and its components are described below.

Review; Research; Initial Discovery

The Wired Group will begin with a kick-off meeting to secure Staff impressions of advanced metering generally and Entergy's application specifically. We'll then conduct preliminary research of Louisiana-specific issues, from ratemaking processes and regulatory rules to Commission precedents and even off system sales and MISO capacity market rules. We have already examined several rules and orders to familiarize ourselves with precedents:

- Smart meter general order R-29213
- Entergy's formula rate plan and recent (non-protected) filings in U-34081
- Affiliate transactions general orders in R-28376 and R-26172
- Cost recovery mechanism precedents generally
- Fuel cost general order in U-21497
- Reliability general order in U-22389
- Avoided cost general order in U-22739

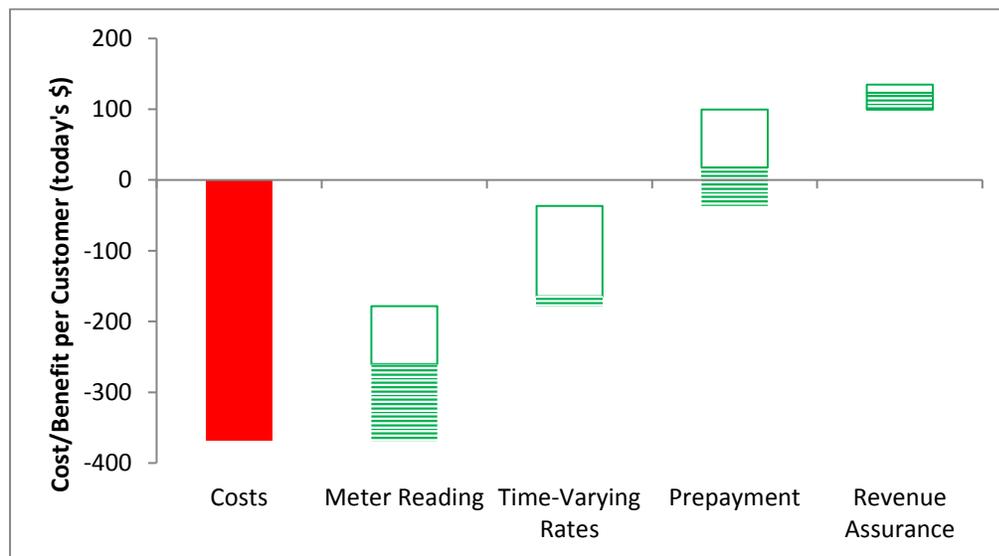
The Wired Group will review testimony thoroughly. Then, consistent with the questions listed in the preceding “Perspectives on Advanced Metering” section, the Wired Group will pursue data requests in several areas, including:

- Benefit estimates and assumptions
- Cost estimates and assumptions
- Cost recovery proposals for new and stranded assets
- Revenue requirements associated with cost recovery proposals
- Available customer options and programs
- Technologies and capabilities

Ultimately, the Wired Group will use Entergy’s testimony, discovery, available research, Louisiana-specific research, and our experience to develop our own estimate of a reasonable benefit-cost ratio. The graphic below is an example of the type of output the Wired Group will seek to produce. This type of output may or may not be used in testimony, but we feel it is important to help Staff understand the economics for decision-making purposes.

Benefit-Cost Analysis Waterfall Chart

(Green bars = most likely benefit; white bars = benefit at full potential)



Develop Strategy; Approve Tentative Testimony Outline

Upon receipt and analysis of initial data request responses, one or two potential strategies Staff could choose to pursue in the case will begin to emerge. We

have found the potential strategies most AMS applications present to regulators and advocates fall into one of three broad categories:

- Reject
- Approve in part and reject in part
- Approve with conditions

Supplemental Discovery

Supplemental data requests will be used to clarify and follow-up on initial data request responses. Supplemental data requests will also be used to secure the additional data needed to confirm or reject Staff's selected case strategy and support the tentative testimony outline. Upon review of supplemental data request responses, with perhaps an iteration or two, a final testimony outline will be developed for Staff review and approval.

Testimony

From the approved testimony outline, the Wired Group will develop testimony. The Wired Group anticipates the testimony will follow an outline such as the example provided below.

- 1) Qualifications and Preview
- 2) Scope of the Wired Group's Review
- 3) Findings/Opportunities for Improvement
- 4) Recommendations
 - a) Proposals to increase potential and realized customer benefits
 - b) Proposals to reduce customer cost and risk, including cost recovery proposals
 - c) Proposals to increase customer options and flexibility
 - d) Proposals for post-deployment performance metrics, targets, interim and ultimate timeframes, and reporting

Several Wired Group associates have experience writing testimony in our particular fields of expertise, as described in the curricula vitae attached to this proposal.

Respond to Discovery; Review Rebuttal; Develop Surrebuttal

The Wired Group will be fully prepared to respond with conviction to the Company’s discovery on Wired Group testimony. We will also review rebuttal testimony and develop surrebuttal testimony as necessary.

Settlement Negotiation Support

The Wired Group proposes to support Staff in settlement negotiations. This support generally includes listening in on conference calls, brainstorming and developing optional Staff proposals, and evaluating utility and intervenor settlement proposals.

Appearance at Hearings; Briefs Review and Suggestions

If a settlement cannot be reached, the Wired Group will be pleased to present its arguments and support its positions under cross examination. Several Wired group associates have experience appearing at hearings as described in the curricula vitae attached to this proposal. Wired Group associate Bill Steele is experienced with appearances at hearings involving cost recovery and revenue requirement issues. The Wired Group will also review Staff briefs and make suggestions.

Proposed Project Timeline

The Wired Group proposes the following project timeline, with pre-filed testimony available in late May at the latest. If supplemental discovery can be limited to a single round, which may be possible, the Wired group believes pre-filed testimony can be made available as early as early May.

Entergy AMI Proposed Project Timeline	March	April	May	June	July	August	Sept	Oct
Research, Review, Initial Discovery	■							
Prelim Case Strategy & Testimony Outline		■						
Supplemental Discovery		■	■					
Testimony Outline, Draft, & Final			■	■				
Discovery Response, Rebuttal, Surrebuttal				■	■			
Support Settlement Negotiations					■	■		
Hearings and Briefs if needed								■



Wired Group experience and references inspire confidence in AMS outcomes.

WIRED GROUP PROJECT EXPERIENCE AND REFERENCES

The Wired Group is proud of our project experience and our track record of 100% client satisfaction. A selection of projects relevant to the Commission's needs in U-34320 is presented below. Each client's projects are described briefly. All references are aware of the Wired Group's proposal to the Commission, and have agreed to serve as references for the Wired Group. We hope the Commission will contact each of them. To protect client identities and privacy, names and contact information have been provided to the Commission separately.

Ohio PUC (Smart Grid Deployment Evaluation)

[Audit & Assess Duke Energy Smart Grid Deployment \(10-2326-GE-RDR\)](#)

Project dates: January to June, 2011

Project description: The Wired Group team was asked to evaluate Duke Energy Ohio's deployment of 700,000 smart meters, 300,000 remote gas meter reading modules, and various distribution upgrades (distribution management system, outage management system, fault location/isolation/service restoration, and integrate volt-VAr control). This was one of only 3 comprehensive, unbiased evaluations of actual smart grid deployments that

has ever been conducted. (The Wired Group team also conducted one of these, of Xcel Energy's SmartGridCity™ deployment, while the third was conducted on Southern California Edison's smart meter deployment by the California PUC's Division of Ratepayer Advocacy.) The project included:

- An audit of planned equipment installations and capabilities
- An assessment of business process improvements, conformity with NIST cybersecurity and interoperability guidelines, and systems integration
- A quantification of actual benefits: revenue assurance, operating expense, and reliability
- Development of a performance measurement program and other consumer protections

Contact: Please see information on file for name and contact information

Massachusetts Attorney General (3 AMS Plan Evaluations)

Evaluate National Grid Advanced Metering Plan (DPU 15-120)

Project dates: June, 2016 to present

Project description: National Grid submitted an application to install 1.4 million smart meters. The Wired Group was hired to help the OAG evaluate the deployment plan, including:

- Projected benefit-cost ratios
- Proposed cost recovery methods, stranded cost treatment, and rate impact
- Critical Peak Price and Peak-Time Rebate rates, offers, and customer education & outreach plans
- Performance metrics and ratepayer protections

Evaluate Unitil Advanced Metering Plan (DPU 15-121)

Project dates: June, 2016 to present

Project description: Unitil submitted an application to install up to 35,000 smart meters. The Wired Group was hired to help the OAG evaluate the deployment plan, including:

- Projected benefit-cost ratios
- Proposed cost recovery methods, stranded cost treatment, and rate impact
- Critical Peak Price and Peak-Time Rebate rates, offers, and customer education & outreach plans
- Performance metrics and ratepayer protections

Evaluate Eversource Advanced Metering Plan (DPU 15-122)

Project dates: June, 2016 to present

Project description: Eversource submitted an application to install up to 1.4 million smart meters. The Wired Group was hired to help the OAG evaluate the deployment plan, including:

- Projected benefit-cost ratios
- Proposed cost recovery methods, stranded cost treatment, and rate impact
- Critical Peak Price and Peak-Time Rebate rates, offers, and customer education & outreach plans
- Performance metrics and ratepayer protections

Contact: Please see information on file for name and contact information

Kentucky Attorney General (2 AMS Plan Evaluations)

Evaluate Duke Energy Advanced Metering Plan (PSC 2016-00152)

Project dates: June to November, 2016

Project description: Duke Energy Kentucky submitted a CPCN application to install 143,000 smart meters and 102,500 remote gas meter reading modules. The Wired Group was hired to help the OAG evaluate the deployment plan, including:

- Projected benefit-cost ratios
- Proposed cost recovery methods and stranded cost treatment
- Rate designs and customer programs, including data availability and access
- Consumer protections

Evaluate Advanced Metering Component of KU/LGE GRC (PSC 2016-00370/00371)

Project dates: December, 2016 to present

Project description: Kentucky Utilities/Louisville Gas & Electric submitted an application to install 948,000 smart meters and 322,000 remote gas meter reading modules as part of its first rate case in over 10 years. The Wired Group was hired to help the OAG evaluate the deployment plan, including:

- Projected benefit-cost ratios
- Proposed cost recovery methods and stranded cost treatment
- Rate designs and customer programs, including data availability and access
- Consumer protections

Contact: Please see information on file for name and contact information. Please be aware that State of Kentucky personnel are prohibited from endorsing all suppliers on reference checks.

The Utility Reform Network (2 Distribution Automation Evaluations)

Evaluate Grid Modernization Aspects of PG&E GRC (A15-09-001)

Project dates: February to June, 2016

Project description: The Wired Group was asked to evaluate a \$100 million proposal by Pacific Gas & Electric to make grid upgrades designed to accommodate more distributed energy resources (PV solar). The Wired Group evaluated multiple planned equipment and systems enhancements for distributed energy resources, including:

- Replacement of voltage regulators, circuit breakers, and capacitor banks
- Reconductoring
- Grid planning processes and risk-informed decision-making
- Assignment of upgrade costs between PV solar project developers and ratepayers

Evaluate Grid Modernization Aspects of SCE GRC (A16-09-001)

Project dates: December, 2016 to present

Project description: The Wired Group was asked to evaluate a \$2.4 billion proposal by Southern California Edison to make grid upgrades designed to accommodate more distributed energy resources (PV solar) on its distribution grid. The Wired Group is currently evaluating multiple planned equipment, communications, and system enhancements for distributed energy resources, including:

- Elimination of 4kV circuits
- Distribution Management System
- Wide area networks for combined smart meter and smart grid communications
- Distributed energy resource-related substation and transmission upgrades
- Enhanced fault isolation and service restoration
- Grid planning processes and risk-informed decision-making
- Assignment of upgrade costs between PV solar project developers and ratepayers

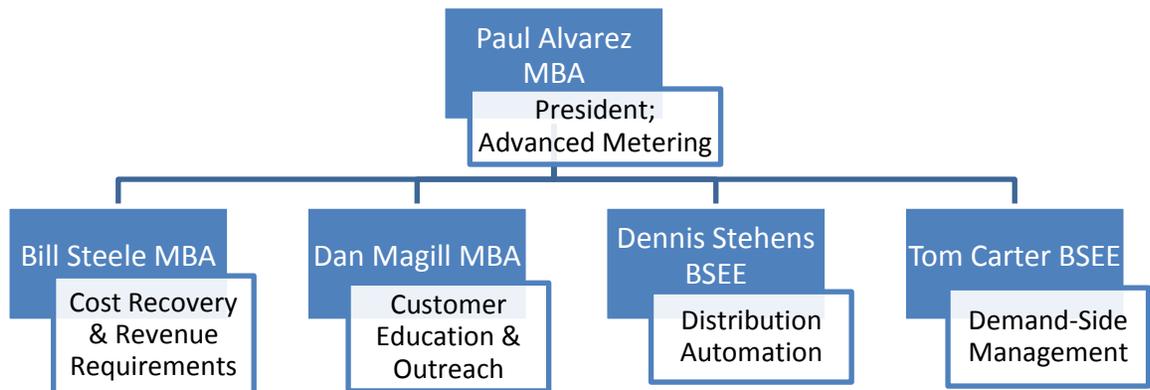
Contact: Please see information on file for name and contact information.



Wired Group has experts for all the Commission's Grid Modernization Needs.

WIRED GROUP PERSONNEL

The Wired Group's multi-disciplinary team has experts for all the Commission's grid modernization needs, from Entergy's AMS application today to the applications utilities are certain to submit for distribution automation and distributed energy resource accommodation tomorrow. The Wired Group's organization chart is shown below. Brief experience synopses follow, and the Commission has CVs on file. Not all associates will work on U-34320.



President Paul Alvarez MBA

Paul Alvarez leads the Wired Group and is ultimately responsible for team performance and client value creation. Paul's relevant experience includes:

- Led the evaluation of the SmartGridCity™ pilot project for Xcel Energy (Colorado PUC cost recovery case 11A-1001E)
- Led the evaluation of Duke Energy's Cincinnati smart grid deployment for the Public Utilities Commission of Ohio (cost recovery case 10-2326-GE)
- Submitted testimony to the Kentucky PSC on behalf of the Attorney General regarding Duke Energy's smart meter CPCN (2016-00152).
- Submitted testimony to the California PSC on behalf of The Utility Reform Network regarding the grid modernization components of Pacific Gas & Electric's 2017 rate case (A15-09-001)
- Led a smart grid workshop for the Indiana Office of Utility Consumers' Counselor crucial to advocate strategy in Duke Energy's grid modernization application (Cause 44526)
- Testified before the Maryland Public Service Commission regarding performance-based compensation for investor-owned utilities for the Coalition for Utility Reform (Case 9361)
- Submitted testimony to the Kansas Corporation Commission regarding the use of advanced meter data to reduce cost shifting between and among rate classes on behalf of the Environmental Defense Fund (15-WSEE-115-RTS).

Technical Consultant William (Bill) Steele MBA

Mr. Steele's 34 years of experience at the Colorado Public Utilities Commission and 50 expert witness appearances as Staff expert on utility cost accounting and ratemaking issues make him an important member of this project team. He has specific expertise in revenue requirements, class cost-of-service, cost of capital, cost recovery, and rate design (including fixed charges, demand-response rates, and rates specific to DG owners). He has trained new commissioners and staff from dozens of states in the last 16 years as the instructor of the "Basics of Regulation" course offered by the Center for Public

Utilities at New Mexico State University. These experiences enable him to understand how to apply traditional regulatory principles to emerging regulatory issues in the public interest.

Mr. Steele holds a bachelor's degree in business administration from the University of Northern Colorado, and a master's degree in business administration from the University of Phoenix. A full CV is available upon request.

Business Consultant Dan Magill MBA

Mr. Magill has almost 30 years of experience in consumer and small business marketing, making him a big asset in the review of ConEd's Consumer Engagement Plan. Dan's specific experience includes consumer messaging, targeting, positioning, distribution channels, and branding for marketing powerhouses like Ryder (truck rental), Alberto-Culver (personal care), and US West/Quest Communications (now Century Link). His knowledge of marketing best practices, combined with the best practices in smart grid introduction developed by the Smart Grid Consumer Collaborative (a Wired Group Client), will help ensure the Company's plan gets customers to take the actions required to secure maximum value from AMI investments. Mr. Magill holds a bachelor's degree in history from Colorado College, and a master's degree in marketing from the Kellogg School at Northwestern University.

Senior Technical Consultant Dennis Stephens BSEE

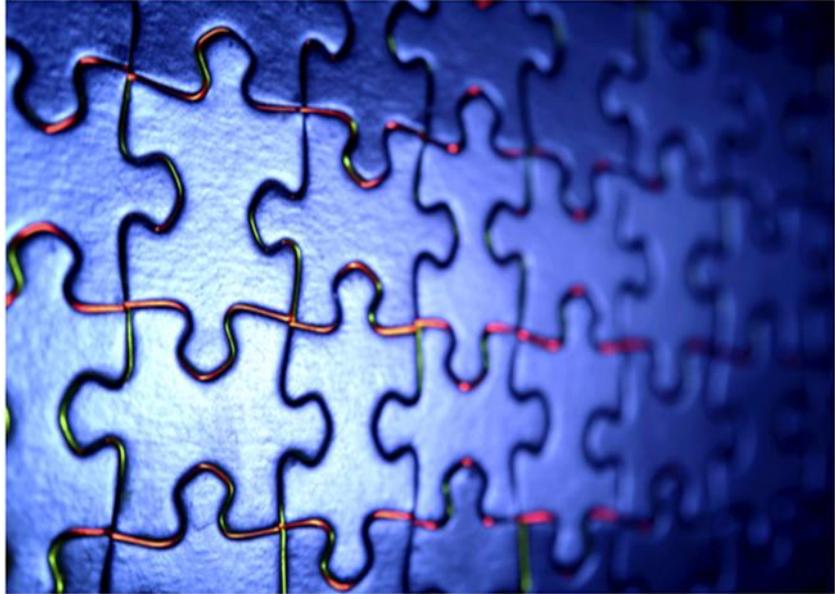
Mr. Stephens' 35 years of experience in electric and gas distribution planning, operations, asset management, and distributed generation are extremely valuable for clients who wish to question utility proposals for large investments in the name of grid modernization. As an engineer, manager, and executive at Public Service of Colorado (Xcel Energy), Dennis served as Director of Electric and Gas Operations, Director of Electric Asset Strategy, and Director of Utility Innovation and Smart Grid Investment. He is particularly comfortable at the intersection of Information and Operations Technology as a result of his leadership role in Xcel Energy's groundbreaking SmartGridCity™ project in Boulder, Colorado. In this project Dennis architected, implemented, and operationalized grid hardware and software from ABB, Accenture, IBM, and

Siemens, among others. In 2006, Dennis and his team received a coveted Edison Award for their work in Utility Innovations.

Mr. Stephens has testified and presented evidence before the California and Colorado Public Utilities Commissions. He is a veteran of the U.S. Air Force, and holds a Bachelor's degree in Electrical Engineering from the University of Missouri at Rolla.

Technical Consultant Tom Carter BSEE

Mr. Carter has over 30 years of experience developing and managing conservation, load management, and renewable energy programs for investor-owned utilities. Along with the marketing aspects of these programs he also managed technical electric and data communications issues between equipment vendors and distribution grid operations and planning. Tom has served as technical liaison with a variety of stakeholders in developing and securing approval for conservation and load management programs in New Mexico, Texas, and Colorado. Tom has also helped deploy field workforce automation systems for electric distribution. Mr. Carter has testified and presented evidence before the Colorado Public Utility Commission on behalf of Public Service Company of Colorado (Xcel Energy). He is a veteran of the U.S. Air Force, and holds a Bachelor's degree in Electrical Engineering from the University of Colorado.



Wired Group perspective and experience are available at an attractive price.

PROJECT COST ESTIMATE

The Wired Group bills clients at hourly rates until contractually agreed-upon project cost caps are reached.

Hourly Rate Sheet

The Wired Group offers non-profit and government agencies a significant discount from standard hourly rates. In addition, due to the size of the Entergy project, and in consideration of a potential long-term working relationship with the Commission, the Wired Group offers additional quantity discounts. These rates will also apply for change orders resulting from service delivered out-of-scope (with prior approval only, of course). Hourly rates to be charged to the Commission in U-34320 are presented below.

	2017 Hourly Rate	Non-Profit Rate/Hour	LPSC Rate/Hour
Alvarez, President	\$325	\$275	\$245
Steele, Technical Consultant	\$250	\$225	\$205
Stephens, Sr. Technical Consultant*	\$275	\$250	\$225
Magill, Business Consultant*	\$225	\$205	\$185
Carter, Technical Consultant*	\$250	\$225	\$195
Falk, Sr. Business Analyst*	\$195	\$175	\$150

* Not likely to provide support in U-34320

Project Cost Estimate – Through Settlement Negotiations

The Wired Group will deliver the services described in the proposed project plan, up to and including Settlement Negotiations, for a cost not to exceed \$68,900.

If the case is not settled, Wired Group associates will appear at hearings and support Staff brief development at the hourly rates listed above plus travel expenses at cost.

Terms; Conditions; Travel and Other Direct Expenses

The Wired Group submits invoices at the conclusion of each calendar month in which services are provided. Wired Group invoices include time, travel, and other direct expenses (see below) and are due and payable upon receipt. Payments made within 10 days of invoice receipt are eligible for a 2% prompt payment discount. It is the Wired Group's policy to charge a 2% late payment fee for any invoice paid more than 30 days past the invoice date. Additional 2% late fees are added for every additional 30 days' payment remains outstanding.

The Wired Group agrees to comply with the Commission's guidelines for reimbursement of travel expenses. In addition, the Wired Group has its own travel expense policies which likely meet or exceed the Commission's travel expense guidelines:

- The Wired Group does not charge clients for time spent traveling.
- Costs associated with travel and other direct engagement expenses (such as meeting room rental, report reproduction, catering, etc.) are invoiced at cost with no mark up.
- The Wired Group requests advance approval from clients for all travel and other direct expenses, and does not invoice clients for any travel or other direct expense not requested or approved in advance by clients.
- All air travel is by coach class by least cost carrier at the time the reservation is made. Reservations are made in advance to the extent possible. No upgrades are permitted unless paid personally by Wired Group associates.
- Hotel accommodations are limited to standard business class.
- Auto rental is discouraged in favor of public transportation or taxi unless unavailable or more costly than auto rental.
- Receipts accompany all requested expense reimbursements.