



GDS ASSOCIATES, INC.

ENGINEERS AND CONSULTANTS

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September 26, 2014

Delaware Public Service Commission
Attn: Malika Davis
861 Silver Lake Blvd
Cannon Building, Suite 100
Dover, Delaware 19904

RE: RFP FOR THE PURPOSE OF ASSESSING THE POTENTIAL OPPORTUNITY FOR ELECTRICITY AGGREGATION TO BENEFIT DELMARVA POWER AND LIGHT COMPANY RESIDENTIAL AND SMALL COMMERCIAL CUSTOMER'S ELECTRIC SUPPLY COSTS

Dear Ms. Davis:

GDS Associates, Inc. ("GDS") is pleased to respond to the Delaware Public Service Commission Staff RFP on behalf of the Secretary of State as Chairman of the Electricity Aggregation Committee ("EAC" or "Committee") consulting services to the Delaware Secretary of State for the purpose of assessing the potential opportunity for electricity aggregation to benefit Delmarva Power and Light Company's residential and small commercial customer's electric supply costs.

GDS has assembled a highly experienced project team to meet EAC's objectives and provide outstanding project results. The firm has overseen and evaluated numerous wholesale and retail electricity procurement Requests for Proposals ("RFPs"), at present managing over 2,400,000 MWh of deregulated load within Texas and the Mid-Atlantic regions. Our experience includes electricity and gas consulting for 155 health care facilities for the United States ("U.S.") Department of Veteran Affairs and rate design for the State of Delaware's Division of Public Advocate.

GDS has a solid reputation for delivering quality results, within budget, while working under strict time constraints.

This proposal contains a brief overview of our firm, our project team, examples of related work, our technical approach and proposed scope of work, and our proposed fees. As you will learn from the attached proposal, the GDS team is uniquely qualified to perform these services for EAC.

Thank you for the opportunity to present this proposal. If you have any questions, please feel free to contact me at (512) 494-0369. Thank you in advance for your consideration of GDS in this effort.

Sincerely,

Jim Daniel
Vice President

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1.0 QUALIFICATIONS AND EXPERIENCE

1.1 Introduction and Background of GDS Associates, Inc.

GDS Associates, Inc. (“GDS”) has assembled a highly experienced and nationally recognized project team for the Delaware Public Service Commission Staff on behalf of the Secretary of State as Chairman of the Electricity Aggregation Committee (“EAC” or “Committee”) consulting services to the Delaware Secretary of State for the purpose of assessing the potential opportunity for electricity aggregation to benefit Delmarva Power and Light Company residential and small commercial customer’s electric supply costs. Our team brings the expertise and resources necessary to meet EAC’s goal of evaluating the potential development of an electricity aggregation program(s) for Delaware’s residential customers. The GDS Team can provide EAC with a range of aggregation program options, and assessing the benefit/cost potential for aggregation programs in the Delaware energy market place.

GDS is a multi-service consulting and engineering firm formed in 1986 and now employs a staff of more than 175 in seven locations across the U.S. Our consultants are recognized leaders in their respective fields, dedicated to their clients, innovative in their approach to meeting unique challenges, and known for consistently being available when needed. Our broad range of expertise focuses on clients associated with, or affected by, electric, gas, water and wastewater utilities. In addition, we offer information technology, market research, and statistical services to a diverse client base.

Our Mission

Help our clients succeed by anticipating and understanding their needs and by efficiently delivering quality services with confidence and integrity.

The following are brief descriptions of the services that GDS provides.

ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT SERVICES

Our staff of highly qualified program design and analysis specialists assists clients with the complexities of multi-faceted energy efficiency planning, program implementation and evaluation. GDS has completed numerous energy efficiency and demand response potential studies, administered programs in multiple states and conducted program evaluations for many utility and government clients.

STATISTICS AND MARKET RESEARCH SERVICES

GDS supplies wide-ranging statistical and market research services to electric and gas utilities and other clients. Our services stretch from proven survey design that captures demographic profiles of consumers and potential customers, to data mining and analysis of utility load information.

INFORMATION TECHNOLOGY SERVICES

A complete understanding of client business problems and needs is critical to the implementation of successful IT systems. GDS specializes in understanding these issues and combines this knowledge with select technologies to create cost-effective IT solutions.

RENEWABLE ENERGY RESOURCES, DISTRIBUTED GENERATION, AND CHP SERVICES

GDS provides expertise in addressing the complex economic, engineering, scientific, and governmental issues associated with renewable and other distributed generation resources that impact utilities, government agencies, developers, and their customers.

INTEGRATED RESOURCE PLANNING, ENERGY ASSURANCE PLANNING SERVICES

Securing adequate and reliable energy resources is crucial to thriving in a more competitive electrical market. GDS has helped guide its clients through uncharted territory by providing power supply portfolio, integrated resource planning, transmission planning and reliability assessments, load forecasting, financial, wholesale and retail rate-making, and competitive analysis services.

LOAD FORECASTING SERVICES

The load forecast is a key input for system and financial planning; as a result, the forecast must provide timely and reliable projections. GDS has provided load forecasting services since our inception in 1986. From day-ahead hourly forecasts to intermediate and long term forecasts, GDS has maintained the appropriate level of staff, expertise, and technological resources to meet our clients' forecasting needs

GENERATION SERVICES

Greater competition has made effective control of power generation costs increasingly important. Over a span of more than 15 years, GDS has helped numerous power plant co-owners and non-utility generators reduce costs and achieve improved performance by identifying inefficiencies in power plant construction, operation and maintenance practices, and providing practical solutions.

REGULATORY AND RESTRUCTURING SERVICES

GDS provides comprehensive regulatory and restructuring services to generators, transmitters, distributors, and large users of energy. Numerous state and federal restructuring initiatives have made regulatory planning and strategy development essential. To assist our clients with this task, GDS brings decades of expert regulatory experience in key areas such as rate design and litigation, contract negotiation, and transmission access.

DEREGULATION AND RETAIL ENERGY PROCUREMENT SERVICES

GDS provides a wide range of services to help clients plan for and benefit from participation in deregulated energy markets. These include, retail aggregation and energy procurement, merchant plant services, stranded cost analysis, and electric restructuring policy analysis.

UTILITY PRIVATIZATION SERVICES

GDS has successfully assisted clients throughout the country in their efforts to acquire the utility electric, gas, and water distribution systems.

FINANCIAL ANALYSIS AND RATE SERVICES

The recent pace of regulatory change and uncertainty is unrivaled in the utility industry and requires equally unparalleled flexibility in ratemaking and regulatory strategies. GDS has been at the forefront of industry restructuring policy, offering broad expertise in regulatory accounting, economics, finance, and ratemaking.

ELECTRIC DISTRIBUTION SYSTEM PLANNING AND DESIGN SERVICES

(HI-LINE ENGINEERING) Hi-Line Engineering, a GDS company, offers electric distribution system planning, mapping, staking, and design services to the electric utility industry throughout the United States. We provide high-quality, personal service to rural electric cooperatives, investor-owned utilities, municipals, and the U.S. military. GDS has managed the design and construction of thousands of miles of electric distribution lines across the U.S.

WATER AND WASTEWATER UTILITY CONSULTING SERVICES

GDS provides expert assistance to water and wastewater utility management and users of water resources by addressing the complex engineering, accounting, economic, management, operational, regulatory, and policy issues that impact the water industry. GDS serves a variety of clients including municipalities, investor-owned utilities, water districts, non-profit customer-owned systems, and government agencies.

NATURAL GAS CONSULTING SERVICES

GDS provides creative solutions to help our clients meet challenges arising in both regulated and competitive environments within the evolving natural gas utility industry. Our team of highly qualified professionals works to address complex economic, engineering, policy, and regulatory issues with clients including consumer groups, publicly-owned utilities, and regulatory authorities.

TRANSMISSION SERVICES

GDS Transmission Services assist load-serving entities, transmission providers, independent generating companies, and state regulatory agencies with their "open access" issues and has the planning,

operations, regulatory, and engineering experience necessary to assist its clients in navigating through these challenging times. In addition to today's competitive issues, GDS also offers expertise in the areas of transmission maintenance, equipment procurement, and cost-of-service issues.

NERC COMPLIANCE SERVICES

GDS also provides assistance to clients in meeting their respective NERC Compliance requirements, including providing procedure development, gap analyses, SME training, and mock audits for CIP and non-CIP requirements.

ENVIRONMENTAL MANAGEMENT SERVICES (GREENLINE ENVIRONMENTAL)

GreenLine Environmental, a GDS Company, provides environmental services to utilities, municipals, developers, industry, and the military. These services include right-of-way vegetation management, GPS and GIS mapping and inventory, environmental assessments, and urban forestry consulting.

1.2 Individual Personnel Qualifications and Roles

This section of our proposal identifies all team members, including the Principal or Lead contact, who will be responsible for ensuring that the project is timely and of good quality. This section also provides a clear description of the roles and responsibilities of each key person in completing the work plan.

The GDS team consultants assigned to this project are listed below and bios for each consultant are also provided. Resumes of GDS consultants assigned to this project are provided in Appendix A. Resumes describe relevant responsibilities from other projects that will help the bid evaluation team evaluate our qualifications and experience.

GDS TEAM PERSONNEL			
Team Personnel	Title	Billing Rate	Roles & Responsibilities
Jim Daniel	VP & Texas Manager	\$250 / Hour	Executive Sponsor
Garrett Cole	Principal	\$225 / Hour	Cost / Benefit Analysis
James Striedel	Managing Director	\$230 / Hour	Co-Project Lead & SME
Charles Shellabarger	Project Manager	\$187.50 / Hour	Market Research
Eric Rothschild	Project Consultant	\$155 / Hour	Co-Project Lead & SME
Nick Weaver	Associate Analyst	\$110 / Hour	Data Mgmt. & Reporting
Debra Ellis	Associate Analyst	\$110 / Hour	Reporting

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Eric Rothschild [Co-Project Lead and Project Consultant, GDS Associates, Inc.] – Mr. Rothschild joined GDS Associates in 2008. In that time he has worked on several large scale power procurement projects, representing over 3000 megawatts of load in ERCOT, PJM and other markets. Eric has successfully run several RFPs, as well as conducted rate reviews, tariff analysis, and power supply agreements for numerous clients. Eric's involvement with the Texas Energy Market has spanned nearly nine years, which includes extensive training at ERCOT, and monitoring ERCOT actions applicable to the most efficient and transparent management of clients' energy load. Prior to his employment at GDS, Eric was the Senior Pricing Analyst at Green Mountain Energy Company. Eric received a BS from the University of Texas at Austin.

Jim Daniel [Vice President and Manager, GDS Associates, Inc.] – Mr. Daniel has extensive experience in energy supply planning and procurement, and in utility regulatory and financial analysis. During his 35 years as a consultant on utility related issues, the areas of services provided include the following:

- Energy supply planning for wholesale and retail customers of electric and gas utilities,
- Negotiation of retail and wholesale energy supply contracts on behalf of utility customers,

- Utility rate and cost of service studies,
- Preparation of financial forecasts and utility usage/load forecasts,
- Policy evaluations/expert testimony regarding electric utility industry restructuring, and retail and wholesale competition,
- Mergers and acquisitions analyses, including market power related issues,
- Analysis of transmission access/pricing issues,
- Financial and feasibility studies regarding energy supply projects,
- Expert testimony in retail and wholesale rate cases before state and federal regulatory agencies
- Facilities valuation studies,
- Utility service territory disputes, and
- Analyses of regulatory commission rulemaking proposals.

Jim has appeared as an expert witness before 12 state regulatory commissions, the Federal Energy Regulatory Commission, and various state and federal courts. He holds a Bachelor of Science in Economics from Georgia Institute of Technology.

James Striedel [Co- Project Lead and Managing Director, GDS Associates, Inc.] - Mr. Striedel has over 17 years of experience (of his over 30 year electric utility career) in open access energy markets with emphasis on aggregating retail loads, supply strategy, energy risk management and hedging, generation asset management and energy management contracting. His overall experience includes both regulated and competitive, retail and wholesale, domestic and international, power generation and trading, as well as energy consulting for municipal and electric cooperative power entities. Before joining GDS, James held senior commercial management positions with the electric utility affiliates of Entergy, designing and building a “green field” Retail Electric Provider in ERCOT (including wholesale supply capabilities, load aggregation and risk management) profitably growing it to 165,000 residential and small commercial accounts (900 MWs) and managing owned and joint venture merchant generation (gas, coal, cogeneration & wind). James has an AA in Liberal Arts, a B.S. in Electrical Engineering, and an MBA in Finance and Accounting.

Garrett D. Cole, P.E. [Principal, GDS Associates, Inc.] – Mr. Cole has more than 12 years of experience in the electric utility industry. His main clientele have been municipals, cooperatives and law firms with a priority of offering utility management and advisors a broad range of skilled consulting expertise to draw from in all areas affecting their business model.

While focused on providing all-encompassing solutions for the needs of electric utilities, Garrett specializes in strategic supply, resource procurement and ISO/RTO market planning and analysis and has made significant contributions on strategic planning, negotiation, forecasting, asset review, regulatory and risk management issues.

- Strategic Planning: Supply procurement plans and Market hedging strategy/implementation
- Negotiation: Conducting procurement processes and negotiating supply and asset agreements
- Forecasting: Financial modeling, Wholesale power cost and Operating budget forecasts
- Asset Review: Economic feasibility, valuations and detailed dispatch modeling spanning biomass, coal, gas-fired combined cycle and combustion turbine, hydroelectric, wind, solar and nuclear generation units
- Regulatory: RTO stakeholder group representation, integration of generation/load into RTOs and review of statewide and local Public Commission issues
- Risk Management: Risk modeling and development of risk management policies and procedures

Garrett has a BS and MS in Industrial Engineering from Georgia Institute of Technology and a MBA from Kennesaw State University and is a Professional Engineer in Georgia.

1.2 Management & Staff Structure

Team Personnel	Title	Aggregation Market Research	Aggregation Benefit / Cost Analysis	Identification of Best / Worst Features for DE	Aggregation Summary Assessment	Recommended DE Aggregation Features	DE Recommendation Benefit / Cost Analysis	Critical Evaluation Parameters	Final DE Aggregation Recommendations
Jim Daniel	Vice President and Texas Manager	•	•	•	•	•	•	•	•
James Striedel	Managing Director	•	•	•	•	•	•	•	•
Eric Rothschild	Project Consultant	•	•	•	•	•	•	•	•
Charles Shellabarger	Project Manager	•		•	•				
Garrett Cole	Principal		•	•	•		•	•	•
Nick Weaver	Associate Analyst		•	•	•		•	•	•
Debra Ellis	Associate Analyst				•				•

1.3 References

Borough of Chambersburg

Name of Contact: Ron Pezon, Electric Superintendent
Address: 100 S. 2nd Street
Chambersburg, PA 17201
Email: drichards@regllp.com
Phone (717) 261-3238

Study of Cooperative Services

Name of Contact: Don Richards, Richards, Elder & Green LLC, Partner, Project Facilitator
Address: 3223 South Loop, Suite 424
Lubbock, TX 79423
Email: drichards@regllp.com
Phone (806) 798-8868

H.E.B. Grocery Company

Name of Contact: George Presses, Director of Energy & Industrial Facilities
Address: P.O. Box 839999
San Antonio, TX 78283
Email: presses.george@heb.com
Phone (210) 938-4263

State of Delaware – Division of Public Advocate

Name of Contact: Andrea Maucher
Address: 820 N. French St., 4th Floor
Wilmington, DE 19801
Phone (302) 577-5077

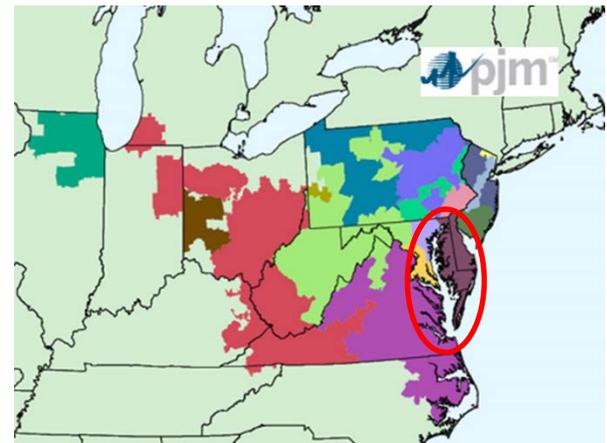
2.0 SCOPE OF WORK

Below is the GDS Associate, Inc.'s proposal describing plans for the performance of the proposed review, together with a preliminary discussion of each major element of review proposed:

2.1 Tasks

Task 1: Electricity Aggregation Assessment

- a. Discovery and review of major active aggregation programs currently occurring or that have previously occurred in energy market based states in the U.S.
 - Currently, ten U.S. states each have more than 200,000 households participating in competitive retail electricity markets
 - In Connecticut, Maine, Maryland, New Jersey, New York, Pennsylvania, and Texas, the direct market participation of individual consumers has been the key factor, while in Illinois, Massachusetts, and Ohio, municipal aggregation has been important
 - GDS will focus its discovery and review on the major active aggregation programs in these states to collect information on:
 - Electric industry and academic studies on US aggregation programs,
 - State legislation, regulations, policies and rules enabling aggregation programs,
 - Example RFPs for aggregators to supply residential and small commercial customer loads, and
 - Aggregation program assessment studies and summaries.
- b. Evaluation of the identified aggregation programs benefits/costs and potential applicability for similar programs to the Delaware energy market.
 - Focus the evaluation of aggregation programs to those applicable in the PJM wholesale electricity market.
 - GDS will evaluate the key benefits/costs of aggregation to Delaware residential and small commercial customers:
 - Price competitiveness to regulated alternatives,
 - Price stability,
 - Range of customer choice of product offerings,
 - Advanced and convenient payment options,
 - Advancement of energy efficiency,
 - Advancement of "green" technologies,
 - Operational, infrastructure and administrative costs of programs, and
 - Others to be proposed to the State.
- c. Identification of the best and worst features of the major aggregation programs and what issues should be considered in any Delaware aggregation program.
 - GDS will focus the evaluation on the best and worst features of major aggregation programs in the U.S.:
 - Price transparency,
 - Participation level of suppliers in the Delaware market area,
 - Customer opt-out vs. opt-in aggregation programs,
 - Ease of customer participation (web-based, personal touch, etc.),
 - Program understandability and trust by customers,



- Customer protection and default service, and
- Other.
- GDS will present the issues and criteria to consider when evaluating an aggregation program for Delaware.
- d. Preparation of a Summary Assessment report to provide the EAC with aggregation program background information.
 - GDS will provide a comprehensive summary assessment report focused on:
 - High-level overview of aggregation schemes and program,
 - Aggregation market options available to the State of Delaware,
 - Benefits/Costs of programs
 - Best and worst features
 - Key evaluation issues and criteria, and
 - A comprehensive set of recommendations with opportunities and risks.

Task 2: Electricity Aggregation Recommendation

- a. Determination of any potential cost-effective electricity aggregation program(s) for Delaware to include recommended features or approaches.
 - If Task 1 research displays cost-effective aggregation programs, GDS will customize a ranking system to exhibit these programs based on targets such as (but not limited to):
 - Program implementation costs,
 - Participation level of suppliers and customers,
 - Regulatory and market issues, and
 - Customer education and protection.
 - GDS will present the matrix model and findings to the State of Delaware as the EAC commences
- b. Evaluation of the expected benefits/costs of any recommended program(s).
 - The evaluation of the expected benefits/costs will consider all of the factors developed through the research process and be approved by the State. Evaluation will include:
 - EAC set up costs,
 - EAC ongoing costs,
 - Product types – such as Fixed, Index, Variable, and
 - Base, low and high scenarios to show best and worst case for costs and risks.
- c. Determination of any critical analysis parameters that could impact the recommended program(s).
 - Critical analysis parameters that impact the recommended program(s) may include:
 - Wholesale and retail margins in comparison with market volatility,
 - Historical and forecasted price models,
 - Participation levels,
 - Suppliers
 - Customers
 - Contract viability,
 - Program length, and
 - Regulatory changes.

- d. Identification of an Aggregation Program Recommendations for the EAC consideration.
- o GDS will identify and present all viable recommendations to the State in a clear, concise manner. The programs for consideration may be exhibited in a summary overview, in-depth reporting, and all models will be given to the State to review or revise, if requested.

2.2 Project Timeline

Team Personnel	Title	Aggregation Market Research	Aggregation Benefit / Cost Analysis	Identification of Best / Worst Features for DE	Aggregation Summary Assessment	Recommended DE Aggregation Features	DE Recommendation Benefit / Cost Analysis	Critical Evaluation Parameters	Final DE Aggregation Recommendations
Time-line	Weeks	6	2	1	2	2	4	2	2

3.0 PRICE

TASK 1: ELECTRICITY AGGREGATION ASSESSMENT

NAME	BILLING RATE	HOURS	EXPENSES	TOTAL
Jim Daniel	\$250/hr	24	\$5,000/ ¹	\$11,000
Eric Rothschild	\$155/hr	116	\$5,000/ ¹	\$22,980
James Striedel	\$230/hr	116	\$5,000/ ¹	\$31,680
Charles Shellabarger	\$187.50/hr	52	\$0	\$9,750
Garrett Cole	\$225.00/hr	24	\$0	\$5,400
Nick Weaver	\$110/hr	20	\$0	\$2,200
Debra Ellis	\$110/hr	12	\$0	\$1,320
Phone, Teleconferencing				\$1,000
Printing				\$600
Total		308	\$15,000	\$85,930

¹ Estimate one client visits at \$5,000 per visit per person.

TASK 2: ELECTRICITY AGGREGATION RECOMMENDATION

NAME	BILLING RATE	HOURS	EXPENSES	TOTAL
Jim Daniel	\$250/hr	24	\$5,000/ ¹	\$11,000
Eric Rothschild	\$155/hr	72	\$5,000/ ¹	\$16,160
James Striedel	\$230/hr	72	\$5,000/ ¹	\$21,560
Charles Shellabarger	\$187.50/hr	0	\$0	\$0
Garrett Cole	\$225.00/hr	24	\$0	\$5,400
Nick Weaver	\$110/hr	20	\$0	\$2,200
Debra Ellis	\$110/hr	12	\$0	\$1,320
Phone, Teleconferencing				\$1,000
Printing				\$600
Total		216	\$15,000	\$59,240

¹ Estimate one client visits at \$5,000 per visit per person.

4.0 ACCEPTANCE

If this proposal meets with the Secretary of State's approval and we are selected as the successful offeror, you will so indicate by signing the acceptance provided below and we will consider the RFP and this proposal as our agreement on this matter. We understand that this acceptance is tentative and conditioned upon approval by the Office of the Secretary of Finance of the State of Delaware of a validly executed purchase order for the work to be performed in connection therewith. We will perform no services under this proposal to be charged to the Committee or to the State of Delaware and will not consider a binding contractual arrangement to have been entered into until the issuance by the Secretary of State of a formal notice of acceptance stating that a validly executed purchase order for services to be performed in accordance with this proposal has been approved by the Office of the Secretary of Finance of the State of Delaware. We acknowledge that all terms, conditions, and assurances contained in the RFP to which this proposal responds are accepted and incorporated by this proposal.

Accepted this _____ day

of _____, 2014.

By: _____

Delaware Secretary of State

September 26, 2014

Proposal to

Delaware PSC

APPENDIX A

Resumes of Key Personnel

EDUCATION: Bachelor of Science, Economics, Georgia Institute of Technology, 1973
Post Graduate Work in Accounting, Georgia State University, 1974

EXPERIENCE:

Mr. Daniel has over thirty years of experience in the utility industry. As manager of GDS Associates, Inc.'s Texas District Office, he has both administrative and project management responsibilities. The administrative duties involve personnel management, staffing, strategic planning, service development and marketing. A description of his prior client project responsibilities follows.

1986-Present GDS Associates, Inc.

Vice President of GDS Associates, Inc., Engineers and Consultants, Austin, Texas. Provides analysis of electric, natural gas, telephone and water utility rate increase filings and presents expert testimony in regulatory proceedings on behalf of intervenors. Issues addressed in testimony include revenue requirements, cost allocation, and rate design. Other project responsibilities involving rate expertise include the preparation of rate studies for publicly-owned utilities, participation in regulatory rulemaking projects, and energy supply contract negotiations with investor-owned utilities on behalf of various wholesale and retail customers. Additional experience includes load management and energy conservation studies, power requirements studies, and economic analysis of alternate energy supply sources.

1983-1986 Southern Engineering Company

Manager, District Office of Southern Engineering Company, Austin, Texas. Provided expert testimony before various regulatory agencies on issues related to utility rate design, cost allocation, revenue requirements, and utility economics. Prepared comments on generic rulemaking issues before regulatory agencies and presented ratemaking seminars or courses before various organizations. Also involved in power supply negotiations, litigation support, rate studies for publicly-owned utilities and energy conservation studies.

1979-1983 R.W. Beck and Associates

Supervising Analyst, R.W. Beck and Associates, Phoenix, Arizona. Prepared rate studies for publicly-owned electric, gas, water and wastewater utilities, including the development of revenue requirement studies, cost of service studies, and rate design studies. Also presented expert rate testimony before various regulatory commissions on behalf of utility customers. Additional experience in the preparation of municipal utility bond financing feasibility studies.

1974-1979 Southern Engineering Company

Consultant, Southern Engineering Company, Atlanta, Georgia. Analyzed utility rate increase applications and presented expert testimony on behalf of utility customers. Also developed economic analysis of alternate power supply sources and generation and transmission feasibility studies.

Specific Project Experience:

James W. Daniel has conducted technical economic analyses of electric, gas, telephone, water and wastewater cases involving over 45 investor-owned utilities and 20 publicly-owned utilities in 25 states. Mr. Daniel has presented utility ratemaking training seminars and has presented utility related workshops for the National Rural Electric Cooperative Association. Vice President and Manager, Texas Office of GDS Associates, Inc., Engineers and Consultants. Jim has extensive experience in energy supply planning and procurement, and in utility regulatory and financial analysis. During his 35 years as a consultant on utility related issues, the areas of services provided include the following:

- Policy evaluations/expert testimony regarding electric utility industry restructuring, and retail and wholesale competition
- Mergers and acquisitions analyses, including market power related issues
- Energy supply planning for wholesale and retail customers of electric and gas utilities
- Analysis of transmission access/pricing issues
- Negotiation of retail and wholesale energy supply contracts on behalf of utility customers
- Financial and feasibility studies regarding energy supply projects
- Utility rate and cost of service studies
- Expert testimony in retail and wholesale rate cases before state and federal regulatory agencies
- Facilities valuation studies
- Utility service territory disputes
- Preparation of financial forecasts and utility usage/load forecasts
- Analyses of regulatory commission rulemaking proposals

EDUCATION: Master of Business Administration
Kennesaw State University, 2006

Master of Science, Industrial Engineering
Georgia Institute of Technology, 2003

Bachelor of Science, Industrial Engineering
Georgia Institute of Technology, 2002

ENGINEERING

REGISTRATION: Professional Engineer in the State of Georgia

PROFESSIONAL

MEMBERSHIP: Institute of Industrial Engineers

PROFESSIONAL

EXPERIENCE: GDS Associates, Inc. – May 2001 to Present

Mr. Cole started work as an intern and began full-time employment in May 2003. Currently employed as a Principal, specific experience includes economic feasibility analyses of long-term and short-term power supply alternatives for industrials, municipals, electric cooperatives and joint action agencies, transmission access and pricing, market power analysis, strategic planning, power procurement and contract negotiations, financial forecasts, operating budget preparation and projections, asset feasibility studies (including biomass, coal, combined cycle, combustion turbine, hydroelectric units, wind and solar generation), production cost dispatch modeling, legislation/regulatory risk modeling (Carbon tax or cap and trade impacts), risk management and hedging strategies, revenue requirement development and wholesale rate design. Recently, Mr. Cole has developed numerous power purchase hedging and risk management plans for utilities inside or transitioning to RTOs, including detailed LMP/Congestion/FTR analyses.

PROJECT

EXPERIENCE: Power Supply Procurement

Mr. Cole has extensive experience in performing economic analyses of power supply alternatives, including preparation, issuance, management of RFP process and respondents, evaluation of proposals, and recommendation to clients based on varying electric requirements, power supply portfolios, regional market factors and risk management strategies. Mr. Cole has experience with the preparation and issuance of power supply requests for proposals in Entergy, ERCOT, MISO, PJM and SPP, and has conducted economic feasibility analysis of the proposals, assisted with procurement of transmission service, and negotiated terms and conditions of contracts with the successful respondents. This type of work has been performed on behalf of the following cooperative, municipal and state agency clients:

Municipal Utilities / State Agencies / Joint Action Agencies

- Blue Ridge Power Agency, VA
- City of Benton, AR
- City of Cleveland, OH
- City of Conway, AR
- City of Bowling Green, KY
- City of North Little Rock, AR
- Indiana Michigan Municipal Dist. Assn.
- City of Kirkwood, MO
- Borough of Perkasio, PA
- Borough of Chambersburg, PA
- Borough of Ephrata, PA
- Borough of Mont Alto, PA

Electric Cooperatives

- East Texas Electric Cooperative
- Kansas Electric Power Cooperative
- Northeast Texas Electric Cooperative
- Old Dominion Electric Cooperative
- Southern Maryland Electric Cooperative
- Tex-La Electric Cooperative
- Central Virginia Electric Cooperative

Short/Long-Term Power Supply Strategic Planning

Mr. Cole has assisted clients with the development of short/long-term power supply strategic plans through a complete assessment of forecasted electric load and resource requirements. In addition, Mr. Cole has provided clients with customized diversification and risk management strategies based on city/cooperative goals for providing electric service, including comments on transmission access and planning, retail/wholesale rate design, expected ISO/RTO market developments, legislative/regulatory risk surrounding potential Greenhouse Gas/CO₂ emissions, among other topics. This type of work has been performed on behalf of the following clients:

- Blue Ridge Power Agency
- City of Conway, Arkansas
- City of North Little Rock, Arkansas
- East Texas Electric Cooperative
- City of Kirkwood, Missouri
- Northeast Texas Electric Cooperative
- Borough of Ephrata, Pennsylvania
- Central Virginia Electric Cooperative
- Borough of Chambersburg, Pennsylvania
- Borough of Perkasio, Pennsylvania

Financial Planning, Operating Budget Projections and Billing Analysis

Mr. Cole has assisted clients with projections of revenues and operating expenses, long-term financial planning, regional power market projections and development of wholesale rates to member cooperatives. In addition, Mr. Cole monitors monthly billing for contract compliance and recommends short-term market purchases/sales to reduce cost and/or mitigate market and fuel pricing risks. This type of work has been performed on behalf of the following clients:

- Blue Ridge Power Agency

- City of North Little Rock, Arkansas
- East Texas Electric Cooperative
- Northeast Texas Electric Cooperative
- Sam Rayburn G&T Electric Cooperative
- Tex-La Electric Cooperative

Long-Term Asset Feasibility Analyses

Mr. Cole has assisted clients with long-term asset feasibility analyses, including complete review of cost of construction/purchase, construction financing and accumulated Interest During Construction (IDC), debt service analysis and long-term financing arrangements, fixed and variable Operations & Maintenance (O&M), and fuel efficiency and fuel costs. In addition, Mr. Cole has also provided detailed sensitivity and break-even analyses where useful to communicate to clients the key risk factors and the magnitude of impact that various variables might have on economic feasibility of a long-term power project. These key risk factors often include fuel price sensitivities, legislation/regulatory uncertainty sensitivities (eg. Environmental upgrades, Carbon cap and trade or tax legislation/regulation) and congestion/transmission deliverability sensitivities, depending upon the physical or financial treatment of transmission deliverability regionally.

- Blue Ridge Power Agency (Coal, Hydro)
- Central Virginia Electric Cooperative (Coal, CC, Hydro, Solar, Wind)
- City of North Little Rock, Arkansas (Biomass, Coal, CC, Solar, Wind)
- City of Conway, Arkansas (Coal)
- East Texas Electric Cooperative (Coal, CC)
- Northeast Texas Electric Cooperative (Coal, CC)
- Town of Front Royal, Virginia (Coal, CC, Hydro, Solar)

EDUCATION: MBA, Finance & Accounting, University of Texas at Austin, 1985
BS, Electrical Engineering, Texas A&M University, 1982 (cum laude)
AA, Liberal Arts, Florida College, 1979 (magna cum laude)

EXPERIENCE:

Mr. Striedel has over thirty years of experience in the utility industry. He has a very broad base of experience including wholesale power supply and contract negotiations; RTO committees and board; generation asset management (gas, coal and wind; conventional, CT, CCGT and industrial cogeneration; MISO, SPP, Entergy & New England markets; self-owned, joint venture, generation operator and asset management); deregulation, retail energy procurement and risk management; rates, regulatory and expert testimony; transmission and distribution operations; management of IT system scoping, development and implementation; NERC compliance; and expat at distribution and retail company in Australian competitive electricity market. As Managing Director at GDS Associates, Inc., he has project management responsibilities serving client needs in the areas of power supply, generation services, deregulation and rates and regulatory.

2014-Present GDS Associates, Inc.

Managing Director of GDS Associates, Inc., Engineers and Consultants, Austin, Texas. Provides consulting service to clients in power supply planning, negotiations and operations; generation asset management and optimization; electric industry restructuring, RTO committee processes, retail competition, retail energy procurement and risk management; and rate and regulatory analysis and testimony.

Additional experience includes the following:

- ❖ Negotiated of operating protocols in MISO South for municipal power agency agreements with IOU and Competitive Affiliate for wholesale supply from multiple generation assets to both wholesale PPA and service to industrial participant loads.
- ❖ Planning and developing capabilities for scheduling, settlements and shadow settlements for municipal power agency in MISO South.
- ❖ Negotiating new Energy Management Agreement for municipal power agency in MISO South.
- ❖ Prepared annual Engineer's Report for municipal power agency as required by its bond indenture.
- ❖ Supporting electric cooperative clients in Southwestern Power Resources Association regarding hydro generation managed by the Corp of Engineers and marketed by the Southwestern Power Administration.

2006-2013 Entergy Wholesale Commodities / Entergy Asset Management

VP, Entergy Asset Management, The Woodlands, Texas. Wholesale asset manage (P&L optimization & management, operations and maintenance, power supply, transmission, RTO and regulatory) Entergy's non-nuclear competitive generation assets (gas, coal and wind), district energy businesses in Houston and New Orleans, and a 335 MW full requirements municipal customer in the US (\$350M Total O&M Budget). Acquired and optimized the RISE merchant combined cycle generation plant profitably into Entergy's portfolio.

2000-2006 Entergy Solutions (Competitive Retail Electricity)

VP & Director – Retail Supply Operations, Entergy Solutions in Houston, Texas. Managed a wholesale power marketing organization to provide supply to competitive retail customers in ERCOT. Led start-up creating integrated and controlled trading, costing, deal management, retail market transactions, T&D interface, forecasting, qualified scheduling entity, and wholesale settlements / risk functions for a 1,000 MW Mass and C&I portfolio. Delivered \$13M, \$45M and \$27M positive portfolio P&L in 2003-2005, respectively.

Specific Project Experience:

Market Protocols for the Portions of Texas within the Southeastern Electric Reliability Council before the Public Utilities Commission of Texas (filed August 11, 2003), as Market Protocols Witness for Entergy Solution Ltd, Docket No. 25089.

Application by Entergy Gulf States Inc. for Unbundle Cost of Service before the Public Utilities Commission of Texas (filed), as Cost of Service Witness for EGSL, Docket No. 24336.

Application by Entergy Gulf States Inc. for Price to Beat Fuel Factor before the Public Utilities Commission of Texas (filed), as Cost of Service and Rate Design Witness for EGSL, Docket No. 22356.

Complaint Proceeding by Cajun Electric Power Coop vs. Gulf States Utilities regarding CTOC Transmission Agreement before the FERC (filed September 16, 1988), as Contracts, Rate Design and Class Cost of Service Witness for GSU, Dockets EL87-51 and EL88-477.

REGULATORY EXPERIENCE:

James E. Striedel has presented expert reports and/or testimony and exhibits while at Gulf States Utilities Company and Entergy Corporation (regulated and unregulated) in rate and cost-of-service matters and competitive market protocols before the following regulatory commissions:

- Arkansas Public Service Commission
- Mississippi Public Service Commission
- Public Utility Commission of Texas
- Federal Energy Regulatory Commission

BOARDS & COMMITTEES:

- Top Deer Wind Ventures LLC (w/ Shell WindEnergy) Members Committee (2006-2013)
- RS Cogen LLC (w/ Axiall) Members Committee (2006-2013)
- Nelson 6 Coal (w/ Entergy GSU LA, SRG&T & ETEC) Members Committee (2008-2013)
- ISES 2 Coal (W/ Entergy Mississippi, ETEC & NTEC) Members Committee (2008-2013)
- Entergy Power Ventures LLC (w/ ETEC & NTEC) Members Committee (2006-2011)
- ERCOT Board of Directors from REP Sector for 2005 & 2006 (Alternate)

ERCOT Technical Advisory Committee from REP Sector for 2004 and partial terms in 2002 and 2003

PUCT Pilot Rulemaking Committee in 2000-2001

Arkansas Competitive Market Working Group 1999-2000 (Chairperson)

EDUCATION: Master of Science in Library Science, Catholic University of America,
Bachelor of Arts, Zoology, Drew University

PROFESSIONAL MEMBERSHIP: Special Libraries Association

EXPERIENCE:

1986-Present GDS Associates, Inc. - Manager, Information Services

Provide specialized information research in support of Company assignments for GDS staff, clients, affiliated consultants, and lawyers. Utilizing GDS resources, public information sources, and proprietary fee-based systems Mr. Shellabarger has managed projects for a wide range of clients and subjects in and out of the utility industry for over 30 years.

Created and administers Information Department which includes the technical print reference library on power economics, engineering and utility law of over 10,000 items which includes online and electronic resources. Besides standard internet resources the Department provides online resources to current awareness systems, blogs, newsletters, periodicals and technical and legal databanks to the firm's employees.

1977-1986 Southern Engineering Company - Manager, Library Services

Responsible for the technical library, information procurement and records management system of the A/E consulting firm. Set up library for the company which has grown from a file room to a 7,000 item library. Supervised records management system with a computer-based microfilm system; access to four and an half million pages. Performed reference service for clients and staff, included searching, interpretation and delivery of all types of information, in all types of media. Routine usage of over a dozen vendors' database services representing over 1,000 databanks of information. Specific project experience includes advising clients on records management systems, and microform programs. Evaluated and implemented P.C. based stand-alone word processing system for company.

EDUCATION:

- Bachelor of Science, University of Texas, 1999
- Major: Communications

EXPERIENCE:***GDS Associates, Inc.******July 2008 - Present***Project Consultant

- Monitor rate and regulatory issues in ERCOT and other competitive ISOs around the country.
- Follow commodity markets; make recommendations for wholesale and retail power procurement.
- Advisement on energy planning, invoice fairness, demand response, and overall efficiency.

Projects

- H.E. Butt Grocery Company – Analyze power supply options, follow impact issues at legislature, ERCOT, PUCT, and monitor retailer(s) performance.
- Veterans Administration – Developed energy plan incl. baseline usage model & purchasing plan.
- Cumberland Farms – Power supply recommendations, tariff review, market analysis in NE POOL and NYISO for over 500 locations.
- Study of Cooperative Services – Build estimated cost model for 44 Texas cooperatives, customized model for single cooperatives and present to executive team and Board of Directors.
- ERCOT and PUCT Market Monitor - ongoing for several clients.

Course Work

- N.ENB101.ILT - ERCOT Nodal 101, completed August 19, 2008
- N.LMP201.ILT - Economics of LMP, completed October 06, 2008
- N.CRR2009.ILT - Congestion Revenue Rights, completed Friday, September 03, 2010
- N.TRANS101.2009.ILT - Transmission 101, completed on Monday, July 11, 2011
- N.MIS.WBT - Market Information System (MIS), completed on Friday, March 09, 2012

Green Mountain Energy Company***Feb 2003 – May 2006***Senior Pricing Analyst, Small Commercial & Industrial Division, Plano, TX

- Gathering and analyzing data for potential clients, pricing and contracting
- Research and analysis of market trends, collecting news and dispersing in a cohesive market report
- Sales through Commercial Division Broker Channel
- Meet or beat revenue goals each month since September 2005, increased sales by 30% since taking over Broker Channel (Nov. 06)

Commercial Sales Specialist, Austin, TX

- Analyzing and inputting incoming sales from Commercial Sales Team in Dallas
- Collecting usage, building and dispersing quotes, fielding sales leads and distributing amongst agents
- Executing sales cycle for leads out of Sales Team's territory
- Customer service. Special projects
- *Built foundation to expand and grow Commercial Sales from "special project" status to viable revenue stream and leading sales arm of GMEC*

EDUCATION:

- Bachelor of Art, University of Texas, 2008
- Major: History

EXPERIENCE:

GDS Associates, Inc.

August 2010 - Present

Associate Analyst

- Assist in development of revenue requirements, cost allocation, and rate design for electric, natural gas, water and wastewater utilities.
- Monitor resource adequacy, distributed generation, demand response, and ERCOT market issues.
- Conduct research on rate and regulatory issues for electric, natural gas, and water utilities.

Administrative Assistant

- Helped development of research projects, presentations, monitoring reports, rate design, tariffs, notices, and workpapers for delivery to clients
- Develop and maintained electronic databases for various projects

Projects

- City of Mount Enterprise Wastewater Rate Study – Developed Cost of Service model and rate structure.
- Sharyland Utilities – Calculation of rates for Public Utility Commission of Texas rate cap filing.

Course Work

- NARUC Utility Rate School, May 2011
- Intro to Electric Power, Dr. Ross Baldick, January 2012

EDUCATION: Bachelor Applied Arts and Sciences, Southwest Texas State University, December 2001.

EXPERIENCE: Ms. Ellis has over 15 years of experience providing project support in the utility industry.

2012 – Present GDS Associates, Inc.
Associate Analyst, GDS Associates, Inc. Austin, Texas
Perform routine aspects of engineering or analytical assignments, applying standard techniques, procedures, and criteria. Perform a wide range of project support activities under close supervision. Able to communicate effectively with project team and assist in the development of project reports and/or spreadsheets. Organize and maintain documents in a paper or electronic filing systems. Gather and arrange evidence and other legal documents for review and case preparation. Write reports to help prepare for trials. Help organize exhibits and trial transcripts. File exhibits, briefs, appeals and other legal documents as necessary. Provide project support as directed. Manage daily operations of the Austin, TX office.

2007 – 2012 Sutherland, Asbill, & Brennan
Paralegal, Sutherland, Asbill & Brennan, Austin, Texas
Investigate the facts of a case. Conduct research on relevant laws, regulations, and legal articles. Organize and maintain documents in a paper or electronic filing systems. Gather and arrange evidence and other legal documents for attorney review and case preparation. Draft correspondence and legal documents. Get affidavits and other formal statements that may be used as evidence in court. Help lawyers during trials by handling exhibits, taking notes, or reviewing trial transcripts. File exhibits, briefs, appeals and other legal documents with the court or opposing counsel.

1996 - 2007 GDS Associates, Inc.
Associate Analyst, GDS Associates, Inc., Austin, Texas.
Perform routine aspects of engineering or analytical assignments, applying standard techniques, procedures, and criteria. Carry out assignments based upon specified objectives and solution techniques provided by supervisor. Independently perform most assignments with supervision as to general results expected. Manage daily operations of the Austin, TX office. Supervise small staff of professionals and technicians. Type, proofread, organize, and file legal documents. Compile monthly reports for Marietta, GA office. Organize meetings and telephone conferences. Assistant System Administrator responsible for performing daily computer back-ups, maintaining the LAN, and maintenance on all printers and computers. Proficient with the latest

versions of WordPerfect, Lotus 123, Microsoft Word, Excel, Power Point, and Outlook. Instruct office personnel in the use of software upgrades.

1991 - 1996

ARAMARK

Assistant Food Service Director, Lockhart ISD. Lockhart, Texas. Administered LISD payroll in accordance with district procedures. Administered free and reduced lunch program. Compiled weekly sales reports from daily meals and sales. Completed weekly Operating Reports. Placed all grocery orders. Developed marketing concepts. Scheduled and supervised all promotions. Assisted FSD with Monthly Operating Report. Processed all accounts payable and accounts receivable. Organized catering events. Served as FSD in their absence.

1990 - 1991

Lockhart Motor Company

Office Manager, Lockhart Motor Company, Lockhart, Texas. Converted manual bookkeeping system to computer. Responsible for all accounts payable and accounts receivable. Administered payroll. Handled all correspondence for dealership. General receptionist duties.

1984 - 1990

Lockhart State Bank, P. O. Box 300, Lockhart, TX. 78644

Assistant Branch Manager, Lockhart State Bank, Lockhart, Texas. Responsible for daily operation of branch facility. Responsible for all Automatic Teller Machine (ATM) activities. Reconciled all "Due From Bank" statements. Opened new accounts. Issued Certificates of Deposits and Savings Bonds. Teller, Commercial Teller, Vault Teller. Secretary and Receptionist.

1979 - 1980

Pleasanton Independent School District

Secretary/Receptionist, Pleasanton Elementary School; Pleasanton, Texas Maintained appointment schedule and daily operations of Principal's office. Responsible for purchase orders for school materials.

1969 - 1973

Texas Department of Transportation (Formerly Texas Highway Dept.)

Secretary, Right of Way Division, Austin, Texas. Maintained appointment schedule and correspondence for Highway Records section. General secretarial duties.

PROFESSIONAL LICENSES:

Notary Public in the State of Texas

September 26, 2014

Proposal to

Delaware PSC

APPENDIX B

GDS List of Related Projects

Study of Cooperative Services

Service start/end: 2012 to 2013

Description of Services: The Study of Cooperative Services (“SOCS”) comprised of analysis of the competitive market in Texas, the modeling of costs for distribution cooperatives to “opt in” to the competitive market, and a cost/benefit analysis that explored utility expenses and customer rate impacts. The initial group was made of up 44 cooperatives, but several SOCS members elected to take the study further, investigating the impacts of residential, small C&I and large industrial members. These studies included modeling of aggregations and opportunities to develop retail supplier relationships and purchasing power in the wholesale market.

Borough of Chambersburg

Service start/end: 2013 to Present

Description of Services: GDS organizes, analyzes and expedites procurement for the Borough’s power supply in PJM and surrounding regions, as well as determining over/under cost recovery on a monthly basis. The annual and semi-annual procurement includes aggregating several interconnection points within PJM, with numerous retail and wholesale supplier participating in the RFP process. The monthly reporting is used to validate the product mix, which includes fixed contracts, real-time and day-ahead products.

H.E.B. Grocery Company

Service start/end: 2001 to Present

Description of Services: GDS assists H.E.B. with solicitations for competitive power supply for locations within the deregulated areas of Texas, where H.E.B. has over 150 MW of load at over 100 locations. For locations in regulated municipal and utility cooperative areas, GDS assists H.E.B. with rate negotiations and tariff verification. In addition, GDS helps H.E.B. monitor market conditions and plan for future energy supply alternatives.

State of Delaware – Division of Public Advocate

Service start/end: 2012 to 2013

Description of Services: GDS reviewed rate filing for the cost of service and rate design phases of the study. GDS also reviewed testimony, prepared discovery, identified issues, filed direct testimony, stand cross-examination, prepared rebuttal testimony and stand cross-examination, when needed.