

Statement of Work and Vendor Quote - Contract Extension

Background

Jacobs Consultancy Inc. (Jacobs) has been working under a two-year agreement to provide utility technical consulting services to the New Hampshire Public Service Commission (Commission or Staff). This agreement had a completion date of December 31, 2011, and a price limitation of \$200,000. Under the agreement two separate initiatives were assigned to Jacobs. These initiatives were:

- Monitoring the progress of the Public Service of New Hampshire Clean Air Project at Merrimack Power Station
- Evaluating the reasonableness of Levitan & Associates, Inc. (LAI) modeling of the value of Public Service of New Hampshire Newington Station

As the work in connection with these assignments has progressed, it has become apparent that the scope of work for both of these projects will need to be expanded, the completion date will need to be extended, and price limitation will not be adequate.

Statement of Work

Public Service of New Hampshire Clean Air Project at Merrimack Power Station

Jacobs has been monitoring the progress of the Public Service of New Hampshire Clean Air Project at Merrimack Power Station for the New Hampshire Public Service Commission (Commission or Staff). Public Service of New Hampshire (PSNH) is near completing the installation of a wet scrubber at its Merrimack Power Station to comply with state environmental requirements. The project completion is scheduled for 2012 at a recently revised cost of \$422 million. Jacobs will continue to monitor the ongoing portion of the project until completion and closeout.

In addition, Jacobs will be available for the Docket No. DE11- 250 Investigation of Merrimack Station Scrubber Project and Cost Recovery proceeding. Jacobs' participation in this proceeding is anticipated to be:

- Responding to data requests
- Working with the Staffs audit division on costs of the project.
- Potentially filing testimony

Reasonableness of Levitan & Associates modeling of the value of Public Service of New Hampshire Newington Station

Jacobs has been assisting Staff in its evaluation of whether LAI's modeling of the value of Newington Station is reasonable. Jacobs has reviewed and analyzed the various written and verbal descriptions of LAI's modeling system provided in the 2010 Least Cost Integrated Resource Plan (LCIRP), at technical sessions, and in response to discovery. In addition, Jacobs along with Staff has visited LAI's offices to interview the developers and operators of the modeling system with the goal of resolving all remaining queries. Jacobs, working with Staff, has provided a detailed written opinion on whether the projected increase in annual energy revenue from \$23 million in 2010 to over \$30 million in the second half of the 10-year analysis period is realistic.

Jacobs has been asked to prepare for and be available for two (2) days of hearings before the New Hampshire Public Service Commission regarding DE 10-261, Public Service Company of New Hampshire 2010 Least Cost Integrated Resource Plan. Jacobs' participation in this proceeding is anticipated to be:

- Answer question regarding its previous testimony
- Provide testimony
- Support Staff at the hearing

Project Team

Public Service of New Hampshire Clean Air Project at Merrimack Power Station

Our proposed project team will continue to be the same individuals who are currently supporting the project. This team is knowledgeable in both major power plant construction and providing project oversight monitoring. Key project members for this assignment include:

Project Manager - Frank DiPalma, director in the Utilities Practice, will continue providing overall project direction and ensuring the quality of the engagement meets the Commission's needs. In addition, Mr. DiPalma will provide testimony if needed.

Electric Lead – Bill Williams, group manager in the Utilities Practice, will continue providing periodic onsite monitoring and reporting to the Commission on the project's development. In addition, Mr. Williams will respond to data requests and work with the Staff's audit division on costs of the project.

Consultant - Larry Dalton, chief engineer in the power section of Jacobs Engineering will continue serving as the technical lead consultant on the project supporting the onsite monitoring and reporting. In addition, Mr. Dalton will respond to data requests and work with the Staff's audit division on costs of the project.

Complete résumés for these individuals have already been provided to the Commission.

Reasonableness of Levitan & Associates modeling of the value of Public Service of New Hampshire Newington Station

Our proposed project team will continue to be the same individuals currently supporting the project. This team is comprised of experienced staff members of Jacobs who are knowledgeable in both Monte Carlo modeling and analysis as well as power plant operations.

Key project members for this assignment include:

Modeling Analysis Lead - Edward Arnold, group manager in the refinery/fuels division of Jacobs Consultancy will provide modeling analysis, including analysis of LAI's Monte Carlo simulations. In addition, Mr. Arnold will provide testimony and support to Staff during the hearings.

Project Manager - Frank DiPalma, director in the Utilities Practice, will provide overall project direction and ensure the quality of the engagement meets the Commission's needs.

Complete résumés for these individuals have already been provided to the Commission.

Deliverables

Based on our present understanding of the scope of work, we have identified the following list of deliverables:

Public Service of New Hampshire Clean Air Project at Merrimack Power Station

- Quarterly onsite inspection and verification report (March through project closeout)
- Draft report on completed project
- Final report on completed project
- Presentation of findings on completed project
- Respond to data requests
- Analyze project costs
- File testimony as needed

Reasonableness of Levitan & Associates modeling of the value of Public Service of New Hampshire Newington Station

- Provide testimony
- Support Staff at the hearing

Vendor Quote

Detailed Budget Proposal

Based upon our present understanding of the expanded scope of work, as described above, it can be completed for a not-to-exceed fee of **\$100,000** including expenses.

Billing Rates

Current standard hourly rates for services, which are identical to our proposal **To Provide Utility Engineering and/or Technical Consulting Services** dated August 21, 2009, are provided below:

Reimbursement Schedule

Professional Category	Hourly Fees (US\$)
Managing Director	\$225
Director	\$200
Group Manager	\$190
Senior Consultant	\$185
Consultant	\$175
Analyst	\$125
Administrative Support	\$75

Approval – Notice to Proceed

SOW No. 2	Name Title	Signature	Date
Jacobs Consultancy	Salvatore Marano Managing Director		
NH PUC	Tom Frantz Director Electric Division		

**AMENDMENT NO. 1
PROFESSIONAL SERVICES CONTRACT**

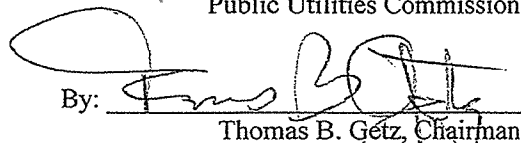
Now comes the New Hampshire Public Utilities Commission, hereinafter "the Agency", and Jacobs Consultancy Inc., hereinafter "the Contractor," and, pursuant to an agreement between the parties which was approved by the Attorney General's office on January 26, 2010, hereby agree to modify same as follows:

1. Item 1.7 of said contract is hereby modified such that the completion date is changed from December 31, 2011 to December 31, 2012.
2. Item 1.8 and Exhibit B of said contract are hereby modified such that the price limitation is increased from \$200,000 to \$300,000, effective immediately.
3. All other provisions of the contract remain in effect.

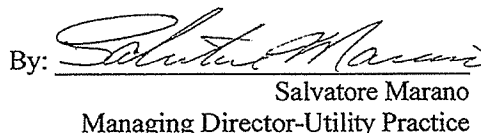
This modification of an existing agreement is hereby incorporated by reference to the existing agreement by the parties and must be attached to said agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands on this 31st day of January, 2012.

THE STATE OF NEWHAMPSHIRE
Public Utilities Commission

By: 
Thomas B. Getz, Chairman

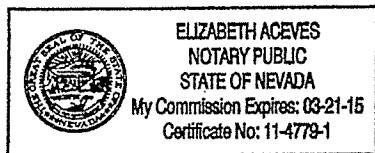
JACOBS CONSULTANCY INC.

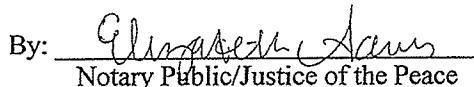
By: 
Salvatore Marano
Managing Director-Utility Practice

STATE OF NEVADA
County of Clark

On this 23rd day of January, 2012 before me, Elizabeth Aceves, the undersigned officer, personally appeared Salvatore Marano who acknowledged himself to be the Managing Director-Utility Practice of Jacobs Consultancy Inc., a corporation, and that Salvatore Marano, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Managing Director-Utility Practice.

In witness whereof I hereto set my hand and official seal.



By: 
Notary Public/Justice of the Peace

Approved as to form, substance and execution by the Attorney General this 2 day of February 2012,
2012.

