

REQUEST FOR PROPOSALS

Consultancy Services to conduct Electricity Sector Costing Study

Clarification #1

DATE: JANUARY 2019

Question 1

Will the OUR provide the facilities and other logistic arrangements necessary for conducting the training sessions (i.e., the workshop)?

Answer 1

Yes, the OUR will make all the necessary facilities and logistic arrangements necessary for conducting the training sessions.

Question 2

How many members of the OUR are expected to attend the training sessions (i.e., the workshop)?

Answer 2

The OUR expects that approximately twelve (12) persons will attend training sessions.

Question 3

Will the Consultant have access to the relevant personnel of JPS to conduct interviews and otherwise discuss the requests for information required to conduct the engagement?

Answer 3

Yes. The OUR will host a kickoff (introductory) meeting with representatives of JPS who will be the main points of contact within JPS when conducting the assignment. The Consultant would then have access to these personnel of JPS.

Question 4

Can you please clarify the level of detail expected to be captured in the database of major equipment and components of the T&D and supply infrastructure to be constructed during this

engagement? Is it for all of the JPS T&D and supply infrastructure? Or only for that installed between 2014 and 2018?

Answer 4

JPS' ratemaking mechanism is based on a forward looking revenue cap principle. This means that JPS' revenue requirement will be based on its projected capital and operating expenditures as outlined in its business plan. One of the objectives of the Consultancy is to provide a basis for the OUR to validate JPS' projected costs and as such, the focus should be on equipment that JPS is likely to include in its business plan.

While it is practical to focus on installations done between 2014 and 2018 it is important to bear in mind that some major items such as transmission lines, although planned, may not have been installed during that period but is likely to be included in JPS' 2019-2023 business plan.

Question 5

Can you please clarify the meaning of "major equipment and components" (Paragraph B.1.2 of the TOR)? Is there a dollar value associated with this definition? Is "major" defined in terms of other parameters?

Answer 5

The term "major equipment and components" refers to the main components of the T&D and supply infrastructure, which include:

- Power Transformers
- Cables
- Towers and poles
- Substations and associated equipment (transformers, switch gear, bus bars, metering and automation systems)
- Protection systems and insulators
- Reactive control devices (e.g. capacitor banks)
- Metering equipment
- Distribution automation devices

The OUR expects the Consultant to provide expert advice on the equipment costs that reflects efficient design and facilitate prudent tracking of these installations given the level of effort that may be required.

Question 6

Can you please clarify the meaning of “major T&D sector activities” as they relate to the evaluation of the maintenance and operating costs (paragraph A.1.5 of the TOR)?

Answer 6

We expect that the Consultant after reviewing JPS’ records, will advise the OUR on the T&D activities that contribute most significantly to JPS’ maintenance and operating costs and opine on a basis for defining “major T&D activities”.

We however, expect that these activities may include:

- Vegetation Management
- T&D lines condition monitoring and maintenance
- Insulator washing
- Transformer testing and repairs
- Re-conductoring
- Pole rehabilitation

Question 7

Does JPS maintain up-to-date asset registers that the OUR has access to? Are these used in any regulatory proceedings? Will the asset registers be made available to the Consultant?

Answer 7

Yes, JPS maintains a fixed asset register, which the OUR can request at any time. The OUR will make all necessary arrangements to obtain JPS’ fixed asset register and other information required by the Consultant to complete the assignment.

Question 8

Bullet 6.4 B. of the Special Conditions of Contract indicates that the final payment of 10% of the Contract Fee shall be paid “upon satisfactory completion of the Final Report.” The same bullet also indicates that 50% of the Contract Fee shall be paid “upon satisfactory completion of the Final Report.” Can you please clarify this? Does the OUR mean that the final 10% payment is instead due upon the completion of the Workshop?

Answer 8

Item 6.4 B (d) should read:

“Ten (10) percent of the Contract Fee (less the withholding for income tax and/or GCT, if applicable) shall be paid upon satisfactory completion of the Workshop.”

This change will be made in Addendum 1 to the RFP which will be published on the OUR's website.

Question 9

Please confirm that the Consultant can forego receiving an advance payment.

Answer 9

Yes, the Consultant may choose to forego receiving an advance payment, provided an alternative payment schedule can be worked out that is satisfactory to the parties involved.