

**CONTRACT NO. 473-14-00153
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
THE LIBERTY CONSULTING GROUP**

The parties to this Contract No. 473-14-00153 for technical consulting services related to Entergy Texas, Inc.'s (ETI) participation in and orderly transition out of the Entergy System Agreement (ESA), as well as ETI's membership and participation in the MidContinent Independent System Operator (MISO) Regional Transmission Organization (RTO), are the Public Utility Commission of Texas (PUCT), a duly organized agency of the State of Texas with its office located at 1701 N. Congress Ave., Austin, Texas 78701 and Liberty Consulting Group (Liberty), located at 279 N. Zinns Mill Road, Suite H, Lebanon, Pennsylvania 17042.

Article 1. DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

1.1 "Public Utility Commission," "PUCT," or "Commission" means the Public Utility Commission of Texas acting through its Executive Director and the agency's designated Contract Administrator.

1.2 "Contractor" includes The Liberty Consulting Group, and any successors, heirs, and assigns.

1.3 "Services" means any and all services performed and any and all goods and products delivered by Contractor as specified in Attachment A.

Article 2. COMPENSATION

2.1 Compensation. Contractor agrees to provide all services (including labor, expenses, and any other services) described in Attachment A for an amount not to exceed \$148,340 for the initial contract term. Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding this amount.

If Contractor believes that changes in the scope of services to be performed will require Contractor to increase its fee, it must request the PUCT's written authorization to increase its fee. Contractor must document the changes in the scope of services and why they will require additional effort. The Commission must approve the increase in fee by written amendment to this Agreement before Contractor performs any services or may invoice the increased fee.

2.2 Payment Process. Contractor will submit a monthly statement for services or invoice to the PUCT Contract Administrator no later than the first day of the month after the month that the services were performed. The invoice presented must contain the names of the persons

performing services and a brief description of the work performed. The invoice presented must specify the Texas Comptroller-issued vendor identification number or federal taxpayer identification number, a description of the services provided, and the name and division of the Agency Contract manager. Contractor shall submit the statement or invoice to the PUCT as follows:

By email to: Payables@puc.texas.gov

Or By Mail to: Accounts Payable
 Operations Division
 Public Utility Commission of Texas
 P.O. Box 13326
 Austin, TX 78711-3326

2.3 Compensation for Time. In consideration of full and satisfactory performance of the services hereunder, the agency shall direct Entergy Texas, Inc. (ETI) to pay Contractor pursuant to the Public Utility Regulatory Act §39.4525 for each hour of work performed pursuant to this Agreement according to the fee schedule attached in the final Statement of Work (SOW), Attachment A. Payment by a third party shall not affect Contractor's independence of professional judgment. Compensation for time will be paid only for time actually spent working on Agency matters under this agreement. Under no circumstances will Contractor be compensated for off-duty hours while traveling. Contractor agrees to follow the Contractor Billing Guidelines set forth in the final SOW, Attachment A.

Contractor will not be compensated for administrative costs or overhead.

2.4 Reimbursement of Expenses. The Agency will direct ETI to reimburse Contractor pursuant to Public Utility Regulatory Act §39.4525 for reasonable actual expenses incurred in the performance of the services herein. Unless otherwise agreed upon by the parties in writing in advance, the Agency will also direct ETI to reimburse Contractor for travel expenses related to the services to be delivered under this Agreement, including reasonable mileage at the rate of \$0.56 per mile and the lesser amount of the actual expense or \$250 per night for lodging or overnight accommodations and a per diem rate of \$50 for each contractor requiring overnight travel outside of Texas. Unless agreed upon by the parties in writing in advance, in state (Texas) lodging or overnight accommodations will be reimbursed at the lesser amount of the actual expense or \$200 per night and a per diem rate of \$50 for each contractor requiring overnight travel. Contractor shall provide copies of original receipts as evidence of actual expenditures. Airfare will be reimbursed at the lesser amount of the actual expense or the regular published rates for coach fares for commercial airlines.

2.5 Payment for Services. All statements for services and expenses under this Agreement shall be submitted to the Agency on a monthly basis. Upon approval of the statements by the Agency, the Agency will direct ETI to make payment to the Contractor. On submission of the statements, Contractor is certifying to the following: that invoices accurately describe the services

performed, that the services have been performed in compliance with the agreement, that the charges and expenses shown on the invoice are reasonable, and either necessary or advisable and have been approved by the Agency and do not exceed any limitation provided for in this Agreement.

The invoice presented must specify the Texas Comptroller issued vendor identification number or federal taxpayer identification number, a description of the services provided, and the name and division of the Agency Contract manager. Invoices for work performed at hourly rates shall provide a detailed accounting of the time charges and the respective charge for each increment of time. On each invoice, Contractor shall identify the total due and payable. Contractor will submit the required for reimbursement and provide such information, copies of original receipts or other documentation as required by the Agency within ninety (90) days after incurring the expense for which reimbursement is sought.

Contractor's acceptance of payment releases the PUCT of all claims for compensation owed in connection with this Agreement.

2.6 Payments made to Subcontractors. Contractor shall pay any subcontractor hereunder the appropriate share of payments received not later than the 10th day after the date Contractor receives the payment. The subcontractor's payment shall be overdue on the 11th day after the date Contractor receives the payment. The PUCT must approve Contractor's use of any subcontractor before Contractor engages the subcontractor (*see* Sec. 5.1).

2.7 Records. Contractor and its subcontractors shall maintain records and books of account relating to services provided under this Agreement. Such records and books shall be made available to the PUCT, its designee, or the Texas State Auditor's Office for review upon reasonable notice during Contractor's normal business hours for a period of at least four years after the end of the term of the agreement.

2.8 Sole Compensation. Payments under this Article are Contractor's sole compensation under this Agreement. Contractor shall not incur expenses with the expectation that the PUCT or any other agency of the state of Texas will directly pay the expense to a third-party vendor irrespective of the reason for incurring those expenses.

Article 3. CONTRACT ADMINISTRATION

3.1 PUCT Contract Administration. The PUCT designates **Davida Dwyer** to serve as its Technical Point of Contact and primary point of contact with Contractor throughout the term of this Agreement. The PUCT designates **Joseph Patrick Younger** as its Contract Administrator to serve as the PUCT's point of contact for contract administration. Contractor acknowledges that neither the PUCT Contract Administrator nor the PUCT Technical Point of Contact have any authority to amend this Agreement on behalf of the PUCT, except as expressly provided

herein. Contractor further acknowledges that such authority is exclusively held by the Commission or its authorized designee, Executive Director Brian H. Lloyd.

3.2 Contractor Contract Administration. Contractor designates its Contract Administrator as follows: John Antonuk.

3.3 Reporting. Contractor shall report directly to the PUCT Contract Administrator and shall perform all activities in accordance with reasonable instructions, directions, requests, rules, and regulations issued during the term of this Agreement as conveyed to Contractor by the PUCT Contract Administrator and the PUCT Technical Point of Contact.

3.4 Cooperation. The Parties' Contract Administrators shall handle all communications between them in a timely and cooperative manner. The Parties shall timely notify each other by email or other written communication of any change in designee or contact information. The Parties also recognize that implementation of the securitization in the marketplace is a dynamic process and often is done under tight time demands.

3.5 Inquiries and Prompt Referral. Contractor understands that the Agency does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or subcontractors may not issue any media release, advertisement, publication, or public pronouncement which pertains to this Agreement or the services or project to which this Agreement relates or which mentions the Agency without the prior approval of the Agency. Contractor will promptly refer all inquiries regarding this Agreement, from state legislators, other public officials, the media, or non-Parties to the PUCT Contract Administrator.

Article 4. REPORTS AND RECORDS

4.1 Written Reports. Contractor will provide written reports to the PUCT in the form and with the frequency specified in Attachment A or as agreed to between the parties.

4.2 Distribution of Consultant Reports. PUCT shall have the right to distribute any consultant report associated with this contract, or to allow another Texas state agency or the Texas legislature to distribute it. PUCT shall also have the right to post any consultant report associated with this contract to the PUCT's website or to the website of a standing committee of the legislature. This provision does not waive any right to confidentiality that PUCT may assert for the report.

4.3 Records Review. Contractor shall, for a period of four (4) years following the expiration or termination of this Agreement, maintain its records (electronic and paper) of the work performed under this Agreement. Records include, but are not limited to: correspondence concerning the subject of this Agreement between Contractor and the PUCT; Contractor's internal correspondence; and correspondence between Contractor and any third party. Contractor shall make all records that support the performance of services and payment available to PUCT and/or

its designees or the State Auditor during normal business hours given reasonable notice, upon the request of the PUCT Contract Administrator.

4.4 Progress Reports. In addition to any reports required as described in Attachment A, Contractor shall provide regular progress reports, either orally or electronically, to the PUCT Contract Administrator or the PUCT Technical Point of Contact, in a format and on a schedule agreed upon. Failure to provide these reports may result in termination of this contract.

Article 5. SUBCONTRACTING PARTIES

5.1 Use of Subcontractors. The Parties acknowledge and agree that at the time of execution of this Agreement, Contractor intends to perform the Services required under this agreement using its own employees. Contractor will notify the PUCT Contract administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any such other subcontract or subsequent substitution of a subcontractor must be approved according to the terms of Article 7.

5.2 Sole Responsibility. Contractor is solely responsible for the quality and timeliness of the work produced by all subcontractors that Contractor may engage to provide Services hereunder and for the timely payment for all such work produced by all subcontractors that the PUCT accepts and pays for in accordance with the terms of this Agreement.

5.3 Prime Vendor Contract. The Parties expressly agree that this Agreement is intended to constitute a prime vendor contract, with Contractor serving as the prime vendor for delivery of the Services made the subject hereof. Contractor acknowledges and agrees that it is fully liable and responsible for timely, complete delivery of the Services described in this Agreement, notwithstanding the engagement of any subcontractor to perform an obligation under this Agreement.

Article 6. TERM, SUSPENSION, AND TERMINATION

6.1 Term. The term of this Agreement shall begin on the date of the last signature and shall continue in effect until March 16, 2015, unless renewed under Section 6.2 of this Agreement or sooner terminated under Sections 6.3 or 6.4 of this Agreement.

6.2 Options for Renewal. The parties may by written agreement in accordance with Article 7. renew this contract for as many as three one-year terms.

6.3 Termination for Cause by the PUCT. If Contractor is in default of any material term of this Agreement, the PUCT may serve upon Contractor written notice requiring Contractor to cure such default. Unless within thirty (30) days after receipt of said notice by Contractor, said

default is corrected or arrangements satisfactory to the PUCT, as applicable for correcting the default have been made by Contractor, the PUCT may terminate this Agreement for default and shall have all rights and remedies provided by law and under this Agreement. In the event of termination, Contractor will provide reasonable cooperation to transfer its duties under the Agreement to another entity without disruption to the progress of the ETI ESA Exit and MISO Entrance Study.

6.4 Termination for the Convenience of the PUCT. The PUCT may, upon thirty (30) days written notice to Contractor, terminate this Agreement whenever the interests of the PUCT so require. The PUCT shall not be liable for any damages and/or loss to Contractor as a result of termination for convenience.

6.5. Survival. In the event that this Agreement expires or is terminated pursuant to its terms, the rights and obligations of the Parties under it shall end; provided that the provisions of Sections 4.2, 4.3, 7.3, 7.5, 9.2, 9.6, 17.2, 19.1 through 19.6, 19.8 and Articles 2, 10, 11, 12, 14, 15, 16, and 23 shall survive in their entirety.

Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS

7.1. Material Change Requests. PUCT may propose changes to Attachment A. Upon receipt of a written request from the PUCT for a change to Attachment A, Contractor shall, within a reasonable time thereafter, submit to the PUCT a detailed written estimate of any proposed price and schedule adjustment(s) to this Agreement. No changes to Attachment A will occur without the Parties' written consent provided in accordance with the terms stated in this Agreement.

7.2 Changes in Law, Rules, or Rulings. Subsequent changes in federal or state legislation, rules and regulations, or rulings by the PUCT may require modification of the terms of this Agreement, including an increase or decrease in Contractor's duties or compensation. In the event of such subsequent changes to statutes, rules, and/or regulations, the PUCT and Contractor shall negotiate the terms of a contract modification, whether an increase or decrease in Contractor's duties or compensation, in good faith, and incorporate such modification into this Agreement by written amendment.

7.3 No Assignment of Duties. This Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of any Party (including by merger of Contractor or otherwise by operation of law); provided, however, that Contractor shall not otherwise, without the prior written consent of the PUCT, assign or transfer this Agreement or any obligation incurred under this Agreement. Any attempt by Contractor to assign or transfer this agreement or any obligation incurred under this Agreement, in contravention of this paragraph, shall be void and of no force and effect.

7.4 Amendments and Modifications. This Agreement may not be amended or modified in any manner except by written instrument executed by authorized representatives of the Parties in accordance with the terms of this Agreement.

7.5 Binding on Successors. The terms of this Agreement shall be binding on any successor organization of any of the Parties.

Article 8. REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1. Warranty of Performance. Contractor represents, warrants, and covenants that it will perform the services outlined in Attachment A in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.

8.2 Warranty of Services. Contractor warrants that the services shall be rendered by the qualified personnel named in Section 19.7 of this Agreement. If Services provided under this agreement require a professional license, then Contractor represents, warrants, and covenants that the activity will be performed only by duly licensed personnel.

Article 9. RISK OF LOSS AND PROPERTY RIGHTS

9.1 Risk of Loss. The risk of loss for all items to be furnished hereunder shall remain with Contractor until the items are delivered to the PUCT, at which time the risk of loss shall pass to the PUCT.

9.2 Ownership. Except for materials where any intellectual property rights are vested in a third party, such as software or hardware, in which case such rights shall remain the property of the third party, all finished materials, conceptions, or products created and/or prepared for or on behalf of the PUCT and purchased by the PUCT, or on behalf of the PUCT, that the PUCT has accepted as part of the performance of services hereunder, shall be the PUCT's property exclusively and will be given to the PUCT either at the PUCT's request during the term of the Agreement or upon termination or expiration of the Agreement. Notwithstanding the foregoing, materials created, prepared for, or purchased exclusively by the PUCT or on behalf of the PUCT are the PUCT's exclusive property regardless of whether delivery to the PUCT is effectuated during or upon termination or expiration of this Agreement.

9.3 Licensed Software. Contractor may obtain software licenses as an agent of the PUCT for software that is used by Contractor solely for the purpose of providing services under this Agreement. Contractor shall provide the PUCT with a copy of any software license obtained by Contractor as an agent for the PUCT for the purpose of providing services under this Agreement.

9.4 Prior Works. Except as provided herein, all previously owned materials, conceptions, or products shall remain the property of Contractor and nothing contained in this Agreement will be construed to require Contractor to transfer ownership of such materials to the PUCT.

9.5 Trademarks. The Parties agree that no rights to any trademark or service mark belonging to another Party or to any non-party are granted to any other Party by this Agreement, unless by separate written instrument. The PUCT acknowledges and agrees that use of any trademark associated with any software provided by Contractor under this Agreement does not give the PUCT any rights of ownership in the trademark or the software.

9.6 Program Information. Program information, data, and details relating to Contractor's services under this Agreement shall be maintained separately from Contractor's other activities. Contractor shall undertake all reasonable care and precaution in the handling and storing of this information.

9.7 Provision to be Inserted in Subcontracts. Contractor shall insert an article containing paragraphs 9.2 and 9.6 of this Agreement in all subcontracts hereunder except altered as necessary for proper identification of the contracting Parties and the PUCT under this Agreement.

Article 10. PUBLIC INFORMATION

10.1 Texas Public Information Act (Texas Government Code Chapter 552). The Parties acknowledge that notwithstanding any other provisions of this agreement, the Texas Public Information Act ("PIA") governs the treatment of all information held by or under the control of the Commission. The Commission will notify Contractor of requests for Contractor's information as soon as practicable.

10.2 Agreement Not Confidential. The Parties acknowledge that not all terms of this Agreement may be confidential pursuant to the Texas Public Information Act, regardless of whether those terms are marked "Proprietary," "Trade Secret," or "Confidential." Contractor further acknowledges that in the event of a dispute over the release of a proposal or part of a proposal the PUCT is bound by the decision made by the Office of the Attorney General of Texas.

10.3 Contractor's Duty to Provide Public Information. Contractor is required to make any information created or exchanged with the state pursuant to this contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state.

Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTION

11.1 No Conflicting Relationships. Contractor certifies to the Commission that no existing or contemplated relationship exists between Contractor and the Commission that interferes with fair competition or is a conflict of interest, and that no existing or contemplated relationship exists between Contractor and another person or organization, whether or not located within the State

of Texas, that constitutes or will constitute a conflict of interest for Contractor with respect to the Commission.

11.2 Prohibition on Transactions with Parties Adverse to Commission. Contractor agrees that during performance of this Agreement, it will neither provide contractual services nor enter into any agreement, oral or written, to provide services to a person or organization that is regulated or funded by the Commission or that has interests that are directly or indirectly adverse to those of the Commission. The Commission may waive this provision in writing if, in the Commission's sole judgment, such activities of the Contractor will not be adverse to the interests of the Commission.

11.3 Notice of Conflict. Contractor agrees to promptly notify the PUCT of any circumstance that may create a real or perceived conflict of interest. Contractor agrees to use its best efforts to resolve any real or perceived conflict of interest to the satisfaction of the PUCT. Contractor's failure to do so shall be grounds for termination of this contract for cause, pursuant to Section 6.2.

Article 12. INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless the PUCT, the State of Texas, its officers and employees from any and all liabilities, claims, demands or causes of action of whatever kind or nature asserted by a third party and occurring in any way incident to, arising out of, or in connection with wrongful acts of Contractor, its agents, employees and subcontractors, committed in the conduct of this Agreement.

Article 13. INSURANCE

13.1 Minimum Insurance. Contractor shall, at its sole cost and expense, secure and maintain as a minimum, from the Effective Date and thereafter during the term of this Agreement, for its own protection and the protection of the PUCT: (a) commercial liability insurance; (b) automobile liability coverage for vehicles driven by Contractor's employees; and (c) workers' compensation insurance. The commercial liability policy shall provide a minimum coverage of \$500,000 per occurrence and \$1,000,000 aggregate. The automobile liability policy shall provide a minimum coverage of \$500,000 per occurrence. The workers' compensation insurance shall provide the following coverage: \$300,000 for medical expenses and coverage for at least 104 weeks, \$100,000 for accidental death and dismemberment, 70% of employee's pre-injury income for not less than 104 weeks; and \$500 maximum weekly benefit. The PUCT shall be named an additional insured on the commercial liability and automobile policies.

13.2 Certificates of Insurance. Contractor shall furnish to the PUCT certificates of insurance, signed by authorized representatives of the surety or insurers, of all such bonds and insurance and confirming the amounts of such coverage within ten (10) days of the Effective Date of this Agreement, upon request. Contractor shall provide the PUCT Contract Administrator with

timely renewal certificates as the coverage renews. Failure to maintain such insurance coverage specified herein, or to provide such certificates promptly, shall constitute a material breach of this Agreement. Contractor shall provide thirty (30) days written notice of any notice for renewal and/or cancellation of insurance.

Article 14. DISPUTE RESOLUTION

The Parties agree to resolve disputes arising under this Agreement through the dispute resolution process provided for in Chapter 2260 of the Texas Government Code and Subchapter C of the PUCT Rules for Administrative Services.

Article 15. SOVEREIGN IMMUNITY

The State of Texas and the PUCT do not waive sovereign immunity by entering into this Agreement and specifically retain immunity and all defenses available to them under the laws of the State of Texas or the common law.

Article 16. GOVERNING LAW

Notwithstanding anything to the contrary in this Agreement, this Agreement shall be deemed entered into in the State of Texas and shall be governed by, construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely in the State of Texas, without reference to any rules of conflict of laws. The Parties consent to the exclusive jurisdiction of the State of Texas. The Parties hereby submit to the jurisdiction of the courts located in, and venue is hereby stipulated to, the state courts located in Travis County, Texas. Each Party stipulates that it is subject to the jurisdiction of the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this Agreement. Further, each Party hereby waives any right to assert any defense to jurisdiction being held by the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this Agreement.

Article 17. COMPLIANCE WITH LAW

17.1 General. Contractor shall comply with all federal, state, and local laws, executive orders, regulations, and rules applicable at the time of performance. Contractor warrants that all services sold hereunder shall have been produced, sold, delivered, and furnished in strict compliance with all applicable laws and regulations, including Equal Employment Opportunity laws, to which they are subject. All laws and regulations required in agreements of this character are hereby incorporated by this reference.

17.2 Taxes. Contractor agrees to comply with any and all applicable state tax laws that may require any filing with and/or payment to the State of Texas as a result of any action taken as a result of this Agreement.

17.3 Workers' Compensation. Contractor agrees that it shall be in compliance with applicable state workers' compensation laws throughout the term of this Agreement.

17.4 Conflicts. Contractor agrees to abide by the requirements of and policy directions provided by the Texas statutes and the rules and regulations of the PUCT, and will inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the rules and regulations of the Commission. In the event that Contractor becomes aware of inconsistencies between this Agreement and a Texas statute or PUCT rule, Contractor will so advise the PUCT and will cooperate fully to revise applicable provisions of this Agreement as necessary.

Article 18. CONTRACTOR'S CERTIFICATION

By accepting the terms of this Agreement, Contractor certifies that, to the extent applicable, it is in compliance with the following agreements and prohibitions. Contractor understands and agrees that a false certification may lead to termination of this Agreement for cause.

18.1 Prohibitions on Gifts. Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Agreement.

18.2 Delinquent Obligations. Contractor is not currently delinquent in the payment of any franchise or sales tax owed to the State of Texas, and is not delinquent in the payment of any child support obligations under applicable state law.

18.3 Terrorist Financing. The PUCT is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it, via cross referencing respondents/vendors with the Federal General Services Administration's System for Award Management (SAM), <https://www.sam.gov/>, which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list at: <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.

Respondent certifies that the responding entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Respondent is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at: <https://www.sam.gov/>.

18.4 Antitrust. Neither Contractor nor anyone acting for Contractor has violated the antitrust laws of this State, codified in Section 15.01, et. seq. of the Texas Business and Commerce Code or the Federal Antitrust Laws, nor has communicated directly or indirectly to any competitor or

any other person engaged in such line of business for the purpose of obtaining an unfair price advantage.

18.5 Family Code. Contractor has no principal who is ineligible to receive funds under Texas Family Code § 231.006 and acknowledges that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

18.6 Prohibited Compensation. Contractor has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this Agreement.

18.7 Government Code. Under Texas Government Code § 2155.004, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and/or payment withheld if this certification is inaccurate.

18.8 Outstanding Obligations. Payments due under the contract will be applied towards any debt that is owed to the State of Texas, including but not limited to delinquent taxes and child support.

18.9 Contracting with Executive Head of State Agency. Contractor certifies this Agreement is in compliance with Texas Government Code § 669.003 relating to contracting with the executive head of a State agency.

18.10 Buy Texas. Contractor will comply with Texas Government Code § 2155.4441, pertaining to service contracts regarding the use of products produced in the State of Texas.

18.11 Hurricane Recovery. Under Texas Government Code § 2155.006, Contractor certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

Article 19. GENERAL PROVISIONS

19.1 Relationship of Parties. Contractor is and shall remain at all times an independent contractor, and nothing in this Agreement shall be deemed to create a joint venture, partnership, employment, franchise, master-servant, or agency relationship between the Parties. Except as expressly provided to the contrary elsewhere in this Agreement, no Party has any right or authority to act on behalf of another Party, nor to assume or create any obligation, liability or responsibility on behalf of another Party. Under no circumstances shall the relationship of employer and employee be deemed to arise between the PUCT and Contractor's personnel. Contractor shall be solely responsible for achieving the results contemplated by this Agreement, whether performed by Contractor, its agents, employees or subcontractors.

19.2 Taxes and Statutory Withholdings. Contractor acknowledges that it is not a PUCT employee, but is an independent contractor. Accordingly, it is Contractor's sole obligation to report as income all compensation received by Contractor under the terms of this Agreement. Contractor is solely responsible for all taxes (federal, state, or local), withholdings, social security, unemployment, Medicare, Workers' Compensation insurance, and other similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Contractor shall defend, indemnify and hold the PUCT harmless to the extent of any obligation imposed by law on the PUCT to pay any tax (federal, state, or local), withholding, social security, unemployment, Medicare, Workers' Compensation insurance, or similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this Agreement. Further, Contractor understands that neither it nor any of its individual employees is eligible for any PUCT employee benefit, including but not limited to holiday, vacation, sick pay, withholding taxes (federal, state, or local), social security, Medicare, unemployment or disability insurance. Workers' Compensation, health and welfare benefits, profit sharing, 401(k) or any employee stock option or stock purchase plans. Contractor hereby waives any and all rights to any such PUCT employment benefit.

19.3 Notice. Except as otherwise stated in this Agreement, all notices provided for in this Agreement shall be (a) in writing, (b) addressed to a Party at the address set forth below (or as expressly designated by such Party in a subsequent effective written notice referring specifically to this Agreement), (c) sent by Certified U.S. Mail, Return Receipt Requested, with proper postage affixed and (d) deemed effective upon the third business day after deposit of the notice in the U.S. Mail.

IF TO THE PUCT:

ATTENTION: Brian H. Lloyd, Executive Director
1701 N. Congress Ave., 7th Floor
Austin, TX 78701
With a copy to the PUCT Contract Administrator at the same address.

IF TO CONTRACTOR:

ATTENTION: John Antonuk, President
The Liberty Consulting Group
279 N. Zinns Mill Road, Suite H
Lebanon, PA 17042

19.4 Headings. Titles and headings of paragraphs and sections within this Agreement are provided merely for convenience and shall not be used or relied upon in construing this Agreement or the Parties' intentions with respect thereto.

19.5 Export Laws. Contractor represents, warrants, agrees and certifies that it (a) shall comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) shall not knowingly permit any non-party to directly or indirectly import, export, re-export, or transship any intellectual property or any third party materials accessed by Contractor during the course of this Agreement in violation of any such laws, rules or regulations.

19.6 Preprinted Forms. The use of preprinted forms, such as purchase orders or acknowledgements, in connection with this Agreement is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. The terms of this Agreement cannot be amended, modified, or altered by any conflicting preprinted terms, provisions, or conditions contained in a preprinted form, such as purchase orders or acknowledgements. If any conflict exists between this Agreement and any terms and conditions on a purchase order, acknowledgement, or other preprinted form, the terms and conditions of this Agreement will govern.

19.7 Specific Personnel. Contractor has identified the personnel for this assignment ("Team"), as follows:

John Antonuk, Project Manager
Jim Letzelter, Operations Planning
Mike Beck, Economic Issues
Dr. Howard Axelrod, Transmission Issues
Richard Mazzini, Team Consultant/Advisor

Contractor warrants that it shall use its best efforts to avoid any changes to the Team during the course of this Agreement. Should personnel changes occur during the contract period, Contractor will recommend to the PUCT personnel with comparable experience and required qualifications and training. The PUCT must approve any change in personnel on this project in writing. Contractor shall provide individuals qualified to perform the tasks assigned to such individual. At the PUCT's request, Contractor shall remove from the project any individual whom the PUCT finds unacceptable. Contractor shall replace such individual with another individual satisfactory to the PUCT as soon as practicable.

19.8 Publicity. Contractor understands that the Agency does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or subcontractors may not issue any media release, advertisement, publication or public pronouncement which pertains to this Agreement or the services or project to which this Agreement relates or which mentions the Agency without the prior approval of the Agency. Contractor will promptly refer all inquiries regarding this Agreement received from state legislators, other public officials, the media, or non-parties to the PUCT Contract Administrator. Contractor understands and agrees that no public disclosures or news releases pertaining to this Agreement or any results or findings based on information provided, created, or obtained to fulfill the requirements of this Agreement shall be made without prior written approval of the PUCT.

Article 20. NO IMPLIED WAIVER

The failure of any party, at any time, to enforce a provision of this contract will not constitute a waiver of that provision; will not affect the validity of this contract or any part of it and will not affect the right of any party to enforce each and every provision.

Article 21. ORDER OF PRECEDENCE

In the event of conflicts or inconsistencies between the provisions of this contract and its attachment(s), the provisions of this contract will control.

Article 22. FORCE MAJEURE

Neither the PUCT nor Contractor will be considered in default in the performance of its obligations under this contract to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected party, which such party could not, by due diligence have avoided. Such causes, including but not limited to acts of God, severe weather, explosions, riots, acts of war, or orders of legal authority, will not relieve such party of liability in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch and to give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence of the cause that prevented or delayed performance of the obligations. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either party thereafter may terminate this contract upon giving at least ten (10) days prior written notice to the other party.

Article 23. SEVERABILITY

If any provision of this contract is held unlawful or otherwise unenforceable, such provision will be severed and deemed deleted and the remainder of this contract will continue in full force and effect, as if such provision had never existed.

Article 24. FUNDING OUT CLAUSE

This contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, legislative or executive budget cuts, amendment of the Appropriations Act, state agency consolidations, or any other disruptions of current appropriations, provisions of Article 6. TERM, SUSPENSION, AND TERMINATION shall apply. Any contract resulting from this solicitation is contingent upon the continued availability of lawful appropriations by the Texas Legislature. See Texas Constitution, Article III § 49, State Debts; and Texas General Appropriations Act for the 2014-2015 Biennium, Article IX, § 6.03, Excess Obligations Prohibited.

Article 25. DRUG FREE WORKPLACE POLICY

The contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. § 701, et seq.) and maintain a drug-free work environment. The Drug-Free Work Place Act of 1988 and the Final Rule, Government-Wide Requirements for Drug-Free Work Place (Grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 are incorporated by reference and Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

Article 26. SUBSTITUTIONS

Substitutions are not permitted without written approval of the PUCT.

Article 27. PAST PERFORMANCE

A Respondent's past performance will be measured based upon pass/fail criteria, in compliance with applicable provisions of Texas Government Code §§ 2155.074, 2155.075, 2156.003, 2156.007, and 2157.125. Respondents may fail this selection criterion for any of the following conditions:

- 1) A score of less than 90% in the Vendor Performance System;
- 2) Currently under a Corrective Action Plan through the Texas Comptroller of Public Accounts (CPA);
- 3) Having repeated negative Vendor Performance Reports for the same reason; or
- 4) Having purchase orders that have been cancelled in the previous 12 months for non-performance (i.e. late delivery, etc.).

Contractor performance information is located on the CPA web site at:
http://www.window.state.tx.us/procurement/prog/vendor_performance/.

CPA may conduct reference checks with other entities regarding past performance. In addition to evaluating performance through the Vendor Performance Tracking System (as authorized by 34 Texas Administrative Code § 20.108), CPA may examine other sources of vendor performance including, but not limited to, notices of termination, cure notices, assessments of liquidated damages, litigation, audit reports, and non-renewals of contracts. Any such investigations shall be at the sole discretion of CPA, and any negative findings, as determined by CPA, may result in non-award to the Respondent.

Article 28. RIGHT TO AUDIT

Pursuant to Section 2262.003 of the Texas Government Code, the State Auditor may conduct an audit or investigation of Contractor or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this contract. The acceptance of funds by Contractor or any other entity or person directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Contractor or any other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract awards.

Article 29. ENTIRE AGREEMENT

This contract constitutes the entire agreement and understanding between the parties with regard to its subject matter and supersedes and merges all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of these services.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the last date signed.

The Public Utility Commission of Texas

By:



Brian H. Lloyd
Executive Director

Date: 3-26-14

The Liberty Consulting Group

By:



John Antonuk
President

Date: 3-28-14

**ATTACHMENT A
TO
CONTRACT NO. 473-14-00153**

STATEMENT OF WORK

Contractor shall provide technical consulting services related to the compliance proceeding PUCT Docket No. 40979 and/or any subsequent compliance proceedings as determined by the Commission concerning the membership of Entergy Texas, Inc. (ETI) in a regional transmission organization (RTO) and ETI's participation in and orderly transition out of the Entergy System Agreement (ESA). Contractor shall provide evaluation services as described below.

Under the direction of a PUCT Staff attorney, Contractor shall provide technical consulting services in connection with evaluating the optimal timing for ETI's exit from the ESA; provide support for PUCT Staff's negotiations around the timing of ETI's potential exit from the ESA with ETI, Entergy, and other retail regulators; as well as ensure that ETI takes operational steps, including changes to organization structure and governance necessary to conduct an orderly transition out of the ESA and integration into MISO so as to realize the benefits identified by the Commission arising from ETI's independent operation and planning within the Midcontinent Independent System Operator (MISO) RTO.

The analysis and support provided by Contractor shall include, but not be limited to, identification of options and recommendations for achieving an orderly transition out of the ESA and integration into MISO, including solving operational issues, economic impacts, contract issues, and additional steps that must be taken by ETI to:

1. Function as an independent Load Serving Entity, including resource planning, generation operations planning, and generation dispatch;
2. Perform economic dispatch of its generation;
3. Plan and operate its transmission assets, including proper planning regarding transmission rights and congestion charges (dependent upon ETI's proposed merger of its transmission assets with ITC Holdings Corp.);
4. Acquire and/or market any excess capacity associated with the potential termination of any purchased power agreements upon exit from the ESA; and
5. Operate independently and perform functions that are currently provided by the Entergy System pursuant to the terms and conditions of the ESA.

It is expected that Contractor will interview ETI and potentially other market participants as directed by PUCT staff to ensure that ETI, Entergy Services, Inc., and the other Entergy affiliates are taking necessary steps to ensure that any necessary changes to ETI's personnel, governance, operating structures, and other matters are being realized in an effective, efficient, and timely manner.

Contractor shall analyze and evaluate the steps taken by ETI to exist outside of the ESA as an independent market participant in MISO in a manner that realizes the benefits identified by the Commission from ETTI's exit from the ESA. The analysis and evaluation provided by Contractor shall reflect an understanding of ETI's internal governance structures and operations, the governance structures and operations within the Entergy Operating Companies, as well as MISO RTO markets and operations. It shall also reflect an understanding of the analysis and conclusions regarding ETI's exit from the ESA contained in the ESA Transition Study as authorized by the Commission in PUCT Docket No. 40979, including the findings in the ESA Transition Study regarding ETI's operational readiness to exit the ESA.

The PUCT may require Contractor to produce reports during and/or at the conclusion of the evaluation services provided. The scope and timing of these reports shall be negotiated as the work progresses.

**CONTRACT NO. 473-14-00153
AMENDMENT NO. 1
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
THE LIBERTY CONSULTING GROUP**

The parties to this amendment of Contract No. 473-14-00153 for technical consulting services related to Entergy Texas, Inc.'s (ETI) participation and orderly transition out of the Entergy System Agreement, as well as ETI's membership and participation in the MidContinent Independent System Operator Regional Transmission Organization, are the Public Utility Commission of Texas (PUCT), a duly organized agency of the State of Texas with its office located at 1701 N. Congress Ave., Austin, Texas 78701 and The Liberty Consulting Group, located at 279 N. Zinns Mill Road, Suite H. Lebanon, Pennsylvania 17042.

Article 1. DUTIES OF THE PARTIES

The parties' duties and the requirements of Contract No. 473-14-00153, shall remain the same, except as specifically modified by this document.

Article 2. TERM AND EFFECTIVE DATE

The original term of Contract No. 473-14-00153 began March 28, 2014, and was scheduled to end March 16, 2015. By this document, the parties agree to extend the contract through March 16, 2016. This amendment is effective as of the date the last signatory signs.

Article 3. SERVICES

All services provided under Contract No. 473-14-00153, remain unchanged except as modified by this document.

Article 4. COMPENSATION

Compensation for services provided during the period of March 16, 2015 to March 16, 2016 will be made under the terms of the original contract with no increase. Total compensation for the extended contract term - March 28, 2014 through March 16, 2016 - shall not exceed \$148,340.

Article 5. PUCT Contract Administration

By this amendment, the PUCT amends its designees for contract administration. The PUCT designates Stephen Mack to serve as its Technical Point of Contact and primary point of contact with Contractor throughout the term of this agreement. The PUCT designates Margaret Pemberton as its contract administrator to serve as the PUCT's point of contact for contract administration.

Contract No. 473-14-00153
Amendment No. 1

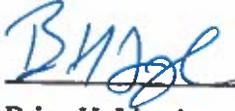
Article 6. ENTIRE AGREEMENT

The original contract, including this Amendment No. 1, and Attachments, constitutes the entire agreement and understanding between the parties with regard to its subject matter.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the last date signed.

The Public Utility Commission of Texas

By:



Date:

3-14-15

Brian H. Lloyd
Executive Director

The Liberty Consulting Group

By:



Date:

3-12-15

John Antonuk
President

CONTRACT NO. 473-14-00153
AMENDMENT NO. 2
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND
LIBERTY CONSULTING

The parties to this amendment of Contract No. 473-14-00153 for technical consulting services related to Entergy Texas, Inc.'s (ETI) participation in and orderly transition out of the Entergy System Agreement (ESA), as well as ETI's membership and participation in the Mid-Continent Independent System Operator (MISO) Regional Transmission Organization (RTO), are the Public Utility Commission of Texas (PUCT), a duly organized agency of the State of Texas with its office located at 1701 N. Congress Ave., Austin, Texas 78701 and Liberty Consulting Group (Liberty), located at 279 Zinns Mill Road, Suite H, Lebanon, Pennsylvania 17042.

Article 1. DUTIES OF THE PARTIES

The parties' duties and the requirements of Contract No. 473-14-00153, as modified by Amendment 1, shall remain the same, except as specifically modified by this document.

Article 2. EFFECTIVE DATE

This amendment is effective as of the date the last signatory signs.

Article 3. SERVICES

All services provided under Contract No. 473-14-00153, as amended by Amendment 1, remain unchanged, except as specifically modified by this document.

Article 4. COMPENSATION

All compensation terms under Contract No. 473-14-00153, as amended by Amendment 1, remain unchanged, except as specifically modified by this document.

The compensation for the work done under this extension will be \$93,000, which will be added to the amount previously expended for an amended total not-to exceed price of \$175,702.55.

The amended not-to-exceed price anticipates costs of \$17,000 for the first month of services under the extension, plus 11 months of monitoring and reporting activity at an estimated monthly cost of \$6,000, and a final report and presentation to the commission at an estimated cost of \$10,000.

The following estimates were used to arrive at the amended not-to-exceed price:

	Antonuk	Letzelter	Other
Project Initiation and Planning	24	40	
Monitoring	90	136	
Reporting	14	24	
Total Hours	128	200	0
Rates	\$295	\$260	\$270
Fees	\$37,760	\$52,000	\$0

Article 5. TERM

By this amendment, the parties extend the term of the contract through March 18, 2017.

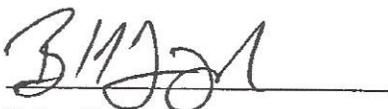
Article 6. ENTIRE AGREEMENT

The original contract, including Amendment No. 1, this Amendment No. 2, and any Attachments referenced in the contract or amendments, constitutes the entire agreement and understanding between the parties with regard to its subject matter.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of the last date signed.

The Public Utility Commission of Texas

By:



Brian H. Lloyd
Executive Director

Date: 4/18/16

The Liberty Consulting Group

By:



John Antonuk
President

Date: 4-19-16