

# Louisiana Public Service Commission



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March 14, 2018

## VIA EMAIL

**Re: Docket No. X-34765 Louisiana Public Service Commission, ex parte.  
In re: Audit of Fuel Adjustment filings for Cleco Power LLC for the  
period of January 2016 through December 2017.**

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals (“RFP”) for **outside independent technical consultant** issued by the Louisiana Public Service Commission for the above referenced subject. If your firm is interested in submitting a proposal, please review the RFP carefully to determine whether your firm meets the specific requirements to qualify for this representation.

All Proposals must include a showing that your firm possesses the requisite qualifications and experience to represent the Commission in this matter. Also, please note that all Proposals, including the **original, plus (5) five copies and an electronic copy must be received on or before April 3, 2018.** Selection of a consultant is anticipated to take place at the Commission’s April 18, 2018 Business and Executive Session.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Melanie A. Verzwylvelt".

Melanie A. Verzwylvelt  
Staff Attorney

MAV/kst  
Enclosure

**RFP 18-03**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**March 14, 2018**

*DOCKET NO. X-34765 – Louisiana Public Service Commission, ex parte. In re: Audit of Fuel Adjustment Filings for Cleco Power LLC for the period of January 2016 through December 2017.*

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of the LPSC General Order dated November 10, 2014 regarding the selection of contract employees (the “Contract Order”) to represent the Commission, issues this Request for Proposals (“RFP”) to **outside consultants** who will assist the above captioned proceeding. Qualifying proposals will be placed on the April 2018 Open Session agenda for Commission consideration.

**I. Overview**

Consistent with the Commission’s Fuel Adjustment Clause General Order dated November 6, 1997 (“FAC Order”), the Commission issued notice that it was commencing a fuel audit of Cleco Power, LLC (“Cleco”) for the period beginning January 1, 2016 through December 31, 2017, covering years 2016-2017. The notice will be published in the Commission’s Official Bulletin dated March 23, 2018 for informational purposes only and when the audit review is complete the Audit Report will be re-published for intervention and comment.

Bidders who submit proposals should demonstrate their familiarity with Public Utility audits in general, and specifically fuel or purchase gas audits, as well as any other experience in reviewing annual reports of similar energy providers. All proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP. Bidders may wish to familiarize themselves with the most recent Cleco FAC audit conducted in LPSC Docket No. U-33972.

**II. Scope of Representation**

The independent consultant retained by the Commission shall assist the Commission’s Legal, Audit and Economic Divisions in analyzing fuel purchases and usage, as well as other charges included in the FAC by Cleco for the years 2016 and 2017. In performing this duty, the Consultant shall review FAC filings, draft data requests and review responses, review accompanying work papers and the company’s financial data; review historical data involving prior audits; participate in formal status conferences, pre-trial conferences, depositions, and hearings; prepare for filing audit memoranda and/or pre-filed testimony in support of Staff’s ultimate recommendations, together with exhibits supporting the memoranda and/or pre-filed testimony; and assist in the drafting of applicable motions, exceptions, briefing sheets and orders of the Commission. Additionally, the consultant shall be available to participate in informal

conference calls, meetings and conferences with the Commission and its staff as well as attending any Business and Executive Sessions that the Staff deems necessary.

The scope of the work shall continue until the conclusion of the docket through Commission vote, regardless of whether this matter proceeds to a litigated hearing. The audit procedures as outlined by the FAC Order, shall include but not be limited to:

- a.) A review and analysis of the utility's monthly comprehensive fuel adjustment reporting requirements filed with the Louisiana Public Service Commission; and
- b.) After a review of all relevant documentation the preparation of a report that contains specific findings and recommendations concerning whether the utility met its burden of proving that all costs passed through the FAC were reasonable and prudent, and that the costs were appropriate for recovery in the FAC consistent with the FAC Order.

The Consultant shall assist Commission Staff in reporting Staff's findings in writing to the Commission, identifying any irregularities detected in the monthly fuel adjustment calculations that were incorrectly assessed and applied to Louisiana consumer billing statements or which allowed for the recovery of these unauthorized expenses by the utility. The report should also include a written or executive summary which identifies any cost included in the audit found to be in violation and a recommendation as to the appropriate methodology to be utilized by the Commission to provide for recovery of these funds.

Upon completion of the Commission's review, the Staff's audit report shall be filed in the Commission's Official Bulletin and made available for public inspection at the Commission's offices. If designated by the utility, specific information related to the purchase of fuel and/or purchase power cost which was filed with the Commission under proprietary cover shall remain confidential and for Commission use only.

### **III. Period of Representation**

The time period estimated to complete the Scope of Representation is approximately 12 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

### **IV. Minimum Requirements**

Applicant shall be experienced in analyzing the operations, books and records of utility companies for the purpose of fuel audits, be familiar with costing methodologies utilized by the LPSC, and shall be qualified to provide expert assistance with respect to the following:

- (1) To be considered, all applicants must meet the following minimum requirements *in addition to those provided in* this Commission's General Order dated November 10, 2014. Proposals that do not conform to the Commission's General Order dated November 10, 2014 will

not be considered. Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility practice, and similar practice before other state public utility commissions.

(2) Applicant shall be qualified and prepared to assist in drafting and issuance of expert testimony, and cross-examination of company and intervenor witnesses with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding. Applicant shall have a full understanding and ability to analyze the proper application of the Commission's FAC Order.

(3) Applicant shall, at a minimum, be experienced in Public Utility regulation and have knowledge of: Louisiana Public Service Commission ratemaking, FAC and jurisdictional issues; and knowledge of appropriate accounting standards and practices for electric utilities.

(4) All proposals shall include a plan of action, estimated timeline, and fees and costs associated with evaluation of the audit. This will result in one proposal. However, in the event, an applicant is chosen; the Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall demonstrate that the Applicant has the qualifications and experience necessary to meet the requirements of this RFP. Applicants will only be considered if proposals meet all of the requirements of this RFP and the Commission's Contract Order.

Consideration will be given to factors which indicate degrees of competence, such as educational background and achievement, amount of practical experience in the field of public utility practice, and similar practice before this or other regulatory agencies, in addition to the applicants knowledge of Louisiana ratemaking standards and regulatory law.

#### **V. Estimate of Costs**

All proposals shall include fees and costs associated with consulting in the dockets. All applicants responding to this RFP shall quote their rates on an hourly basis and submit a total budget, and shall separate professional fees from costs. However, applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an applicant's rates and budget shall not be altered except by formal approval of the Commission.

#### **VI. Conflict of Interest**

Applicants shall prominently and separately disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, applicants shall disclose matters in which they currently represent clients before the Commission.

#### **VII. Billing Guidelines**

As required by the November 10, 2014 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to

date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

### **VIII. Reservation of Rights**

The LPSC reserves the right to reject any and all proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept other than the lowest offer with regard to price. In addition, there is also no assurance, express or implied, that an award will necessarily be made pursuant to this RFP.

### **IX. Submission of Proposals**

Interested parties should submit the **original (hard copy), 5 copies, and e-mail an electronic copy** of the proposal to:

Kim Trosclair  
Louisiana Public Service Commission  
Office of the General Counsel  
602 North Fifth Street (Galvez Building) (70802)  
P.O. Box 91154  
Baton Rouge, Louisiana 70821-9154  
Phone: (225) 342-9888  
Fax: (225) 342-5610  
Email: [kim.trosclair@la.gov](mailto:kim.trosclair@la.gov)  
[melanie.v@la.gov](mailto:melanie.v@la.gov)

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **April 3, 2018**. **Selection of consultants is anticipated to take place at the Commission's April 18, 2018 Business and Executive Session.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.