

Louisiana Public Service Commission



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Executive Counsel

JOHNNY E. SNELLGROVE, JR
Deputy Undersecretary

October 24, 2017

Via Email Only

Re: Solicitation for under \$50K bid to assist Staff in Reviewing Claiborne Electric Cooperative, Inc.'s Fiber-to-the-Home Project

Dear Qualified Consultants:

At the Commission's September 2017 B&E, Commissioner Campbell directed Staff to solicit bids for less than \$50,000 from qualified consultants to assist Staff in reviewing Claiborne Electric Cooperative, Inc.'s ("Claiborne's" or "the Company's") proposed broadband deployment and/or any filings made by the company seeking Commission approval and/or non-opposition.

Staff sought additional information from Claiborne regarding its project and learned that Claiborne has conducted an extensive feasibility study to develop a business model and construction work plan to bring fiber-to-the-home broadband internet service to approximately 23,119 homes and 2,238 businesses in Claiborne, Union, Lincoln, Webster, and parts of Bienville and Ouachita Parishes at a cost of approximately \$81 million.

Claiborne's proposal includes a 5-year build out to be conducted by a wholly-owned subsidiary of the Cooperative which will utilize the assets through a lease-back agreement. According to Claiborne, the cooperative will not subsidize the subsidiary business. Operation of the subsidiary will have no effect on the cooperative member's electric rates.

The November 10, 2014 General Order states, in part:

A. No Formal RFP Process Required

1. Contracts for consulting and/or legal services which are anticipated to result in a maximum bid amount of compensation, including all professional fees but excluding expenses, to not exceed fifty thousand dollars (\$50,000.00), may be considered and

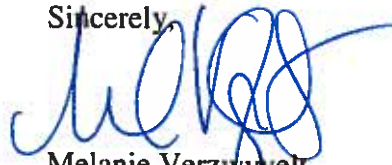
approved by the Commission without the necessity of an RFP. The expenses allowed for such services shall be limited to twenty percent (20%) of the total bid amount, unless the Commission specifically authorizes a greater amount.

In instances where no formal RFP process is required, the Commission Staff may select one or more qualified counsel and/or consultants (whichever applies) from the Consultant Lists which are compiled and kept on file at the Commission. Except in the event of a Procurement Emergency, Staff will notify in writing Selected Qualified Counsel and/or Consultants who will be asked to submit proposals for Staff review within the time frame specified in the request. The request shall provide sufficient detail regarding the appointment. All responsive proposals complying with the expense and cost limitation of the preceding paragraph responses shall be submitted to the Commission for formal vote at a properly noticed Business and Executive Session or at a Special Executive Session.

Since the Staff has been directed to solicit proposals for under \$50,000, no formal RFP is required.

Staff intends to place qualifying bids on the Commission's November 2017 Business and Executive Session Agenda for consideration. If you would like to submit a bid, please do so electronically to brandon.frey@la.gov, melanie.v@la.gov and kim.trosclair@la.gov on or **before Thursday, November 2, 2017.**

Sincerely,



Melanie Verzyvelt
LPSC Staff Attorney