

McQUAIG & ASSOCIATES, LLC

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August 23, 2016

VIA EMAIL AND OVERNIGHT

Brandon M. Frey  
Executive Counsel  
Louisiana Public Service Commission  
602 N. Fifth Street, 12<sup>th</sup> Floor (Galvez Building) (70802)  
P. O. Box 91154  
Baton Rouge, LA 70821-9154

Re: RFP 15-16  
Docket No. U-34199-LPSC  
Southwestern Electric Power Company  
(SWEPCO), ex parte. In re: 2014 Annual Formula Rate Plan Report.

Dear Brandon:

McQuaig & Associates, LLC is pleased to respond to the Louisiana Public Service Commission RFP referenced hereinabove to assist the Commission and Staff and its review of the 2014, 2015, and 2017 annual formula rate plan ("FRP") reports filed by Southwestern Electric Power Company ("SWEPCO").

Our Proposal accordingly includes the following anticipated work plan and/or summary of required activities:

**Phase 1:**

Review of 2014 annual formula rate plan review, and development of recommendation regarding adjustments. Drafting and responding to discovery, preparation of direct testimony and cross-examination; review and analysis of stipulation terms; testimony before an admin law judge; and, conducting informal meetings with the involved parties.

**Phase 2:**

Review of 2015 annual formula rate plan review, and development of recommendation regarding adjustments. Drafting and responding to discovery, preparation of direct testimony

and cross-examination; review and analysis of stipulation terms; testimony before an admin law judge; and, conducting informal meetings with the involved parties.

**Phase 3:**

Review of 2017 annual formula rate plan review, and development of recommendation regarding adjustments. Drafting and responding to discovery, preparation of direct testimony and cross-examination; review and analysis of stipulation terms; testimony before an admin law judge; and, conducting informal meetings with the involved parties.

**Experience/Minimum Requirements:**

Our firm and all members thereof meet and exceed the minimum requirements set forth in the referenced RFP's, including, but not limited to, having a working knowledge of Louisiana Public Service Commission's cases involving public utility regulation, or other regulatory issues on administrative and judicial levels, including the presentation of direct testimony or report and recommendations, assistance in developing cross-examination of adverse witnesses, and the analysis of comments and exceptions filed to recommendations. The undersigned, and other members of the firm, are currently authorized and approve to serve as outside contract counsel to assist and represent the Commission in such matters.

**Conflict of Interest:**

We are aware of no current or past representation which could result in a conflict of interest, and no member of this firm currently represents any interested clients or affiliated parties before the Commission.

**Period of Representation:**

The time period or period of representation estimated by the Commission to complete the scope of representation requested in the referenced RFP is 24 months. Our firm understands that this is merely an estimate of the required period of representation, and hereby represents to the Commission that the scope of representation and/or work plan set forth hereinabove is anticipated to comply with whatever period of representation is required.

**Estimate of Fees and Costs:**

It is anticipated that the scope of representation and work plan set forth hereinabove will require a maximum total of 255 hours at an hourly rate of \$300.00 per hour. It is further anticipated that costs and/or expenses incurred in connection with these efforts will not exceed \$4,500.00. Accordingly, the total proposed budget for the services of this firm as outside contract attorneys consists of the following respective fees and costs:

Fees:	255 hours @ \$300.00 per hour	\$76,500.00
Costs:		\$ 4,500.00
Total Fees and Costs		\$81,000.00

In the event you or any member of the Staff need any additional information or clarification of the contents of this Proposal, please do not hesitate to contact me at your convenience.

We appreciate the opportunity to respond to the above-referenced Request for Proposal and look forward to being of service to the Commission and Staff.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'S. McQuaig', with a small flourish at the end.

Scott W. McQuaig

SWM/co

cc Ms. Eve Kahao Gonzalez  
Executive Secretary  
Louisiana Public Service Commission