

Louisiana Public Service Commission



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Executive Secretary

KATHRYN H. BOWMAN
Executive Counsel

March 19, 2021

JOHNNY E. SNELLGROVE, JR.
Deputy Undersecretary

VIA EMAIL

RFP 21-06 – Docket No. X-35908, Louisiana Public Service Commission, ex parte. In re: Audit of Purchase Gas Adjustment Filings for the gas distribution division of Entergy Louisiana, LLC for the period of January 2018 through December 2020.

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals (“RFP”) for **independent technical consultant** issued by the Louisiana Public Service Commission for the above referenced docket. 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 (2) two copies, and an electronic copy** must be received on or before Friday, April 9, 2021 at 4:30 p.m. Selection of consultants is anticipated to take place at the Commission’s April 2021 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 "KHB".

Kathryn H. Bowman
Executive Counsel

Enclosure

cc: Brandon M. Frey, Executive Secretary
Melissa W. Frey, Deputy General Counsel

RFP-21-06
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS
March 19, 2021

Docket No. X-35908, Louisiana Public Service Commission, ex parte. In re: Audit of Purchase Gas Adjustment Filings for the gas distribution division of Entergy Louisiana, LLC for the period of January 2018 through December 2020.

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of the LPSC’s General Order dated November 10, 2014, regarding the selection of contract employees (“Contract Order”) issues this Request for Proposals seeking an **independent technical consultant** to assist Commission Staff in the review and analysis of the gas distribution division of Entergy Louisiana, LLC’s (“ELL-Gas”) Purchase Gas Adjustment (“PGA”) filings for the period of January 2018 through December 2020. Consistent with the Commission’s General Order dated March 24, 1999 (“PGA Order”), the Commission issued notice of the commencement of the PGA Audit for ELL-Gas in the Commission’s Official Bulletin dated March 19, 2021. Qualifying proposals are anticipated to be placed on the April 14, 2021 Business and Executive agenda for Commission consideration.

Applicants 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 fuel or purchase gas 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.

This request conforms with the directives of Louisiana Public Service Commission General Order dated November 10, 2014 which provides in pertinent part that “contract attorneys and consultants shall be retained by the Commission only in those instances in which the Commission has determined that such is necessary for the Commission to fulfill its constitutional mandate, due either to insufficient available manpower within existing Commission staff, or the necessity of specific areas of expertise not represented within existing Commission staff.”

I. Scope of Representation

Any Applicant retained by the Commission shall assist the Commission’s Legal, Audit and Utilities Divisions in analyzing fuel purchases and usage by ELL-Gas from January 2018 through December 2020. In performing this duty, any retained consultant shall review PGA filings; draft data requests and review responses, 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, any retained 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 through the conclusion of the docket through Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation.

The audit procedures, as outlined by the PGA Order, shall include but not be limited to:

- a) An investigation into the purchased gas costs incurred by the utility during the designated review period for compliance with the requirements of the general order.
- b) A review and analysis of the utility's monthly comprehensive purchase gas adjustment schedules filed with the Commission.
- c) If applicable, the development and improvement of internal staff procedures to effectively monitor and evaluate a utility's performance in areas impacting the gas costs which are reflected in the utility's monthly purchase gas adjustment filings with the Commission.
- d) A review of the utility's price risk management guidelines pertaining to purchased gas (including policies regarding physical hedging, fixed price transactions, index transactions, fixed for floating price swaps, options to purchase, and other arrangements) to determine their propriety and a recommendation of modifications if appropriate;
- e) A quantification of the adverse impact on ratepayers, if any, for each audit topic.

Applicant shall assist Commission Staff in reporting Staff's findings in writing to the Commission, identifying any irregularities in the monthly purchase gas adjustment calculations assessed and applied to Louisiana consumer billing statements or which allowed for the recovery of 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 non-compliant with the Commission's applicable rules and regulations, a statement of appropriate disallowances, the reasons therefore, and a recommendation as to the appropriate methodology to be utilized by the Commission to provide for recovery and/or refund of those costs.

Upon completion of the Commission's review, the Staff audit report shall be filed in the record of this proceeding and notice published in the Commission's Official Bulletin for intervention and comment. 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.

II. Period of Representation

The time period estimated to complete this docket is estimated at approximately 12-18 months. This is merely an estimate and may vary greatly depending upon whether the matter is contested, and as such the Commission makes no representations as to the accurateness of the Period of Representation.

III. Minimum Requirements

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 will not be considered. Consideration will be given to factors which indicate degrees of competence, such as educational background and achievement, practical experience in the field of public utility practice, and similar practice before other state public utility commissions, in addition to the Applicant's knowledge of Louisiana ratemaking standards and regulatory law.

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) Applicant shall be qualified and prepared to assist in drafting and issuance audit memoranda and expert testimony and assist in preparation for 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 PGA Order.
- (2) Applicant shall, at a minimum, be experienced in public utility regulations and have knowledge of: Louisiana Public Service Commission ratemaking, PGA and jurisdictional issues; and knowledge of appropriate accounting standards and practices for gas utilities.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with completing the Scope of Representation. 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.

IV. Estimate of Cost

All Applicants responding to the Request for Proposal shall quote their rates on an hourly basis and shall also submit a total, not to exceed budget, which shall separate professional fees from costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

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.

V. Conflict of Interest

Previous or current employment which could result in a conflict of interest shall be prominently and separately disclosed. In addition, applicants shall disclose matters in which they currently represent private clients before the Commission.

VI. 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.

VII. 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.

VIII. Submission of Proposals

Interested parties should submit the **original (hard copy), 2 copies, and e-mail an electronic copy** of the proposal to:

Kathryn H. Bowman
Executive Counsel
Louisiana Public Service Commission
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: kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Friday, April 9, 2021 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's April 2021 Business and Executive Session, which is currently scheduled for April 14, 2021.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.