

# Louisiana Public Service Commission



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December 30, 2015

EVE KAHAO GONZALEZ  
Executive Secretary

BRANDON FREY  
Executive Counsel

JOHNNY E. SNELLGROVE, JR.  
Deputy Undersecretary

## VIA E-MAIL:

***Re: RFP 15-18 Docket No. U-33848 Cleco Power LLC, ex parte. In re: Formula Rate Plan - June 2015 Monitoring Report***

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for an **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 **Tuesday, January 19, 2016**. Selection of a consultant is anticipated to take place at the Commission's **January 26, 2016 Business and Executive Session**.

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

Sincerely,

  
Brandon M. Frey  
Executive Counsel

cc: Eve Kahao Gonzalez

**REQUEST FOR PROPOSAL 15-18**  
**Docket No. U-33848**  
**Cleco Power LLC, ex parte**  
*In re: June 2015 Formula Rate Plan Monitoring Report*

Pursuant to the provisions of the Louisiana Public Service Commission's ("Commission" or "LPSC") General Order dated November 10, 2014, regarding the selection of contract employees to represent the Commission, Executive Counsel, on behalf of the Commission, is seeking proposals from **independent technical consultants** to assist the Commission Staff in its review of Cleco Power LLC's ("Cleco" or "Company") Annual Report pursuant to Cleco's Rider FRP and related attachments, as set forth in Commission Order No. U-32779. Notice of this proceeding was most recently published in the Commission's November 6, 2015 Official Bulletin. All proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this Request for Proposals ("RFP").

**I. Scope of Representation**

The independent technical consultant retained by the Commission shall assist the Commission's Legal, Audit and Economics Divisions in analyzing Cleco's Annual Report filing and determine if the filing complies with Rider FRP, and if any rate adjustments are necessary pursuant to the terms of the Rider FRP and attachments. In performing this duty, the consultant(s) shall review the filings, accompanying work papers and Cleco's financial data; draft and assist in the drafting of data requests; analyze data responses; participate in formal status conferences, pre-trial conferences, depositions, hearings, and public meetings before the Commission; draft and prepare 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 as may be necessary. 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 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.

**II. Period of Representation**

The time period estimated to complete this docket is estimated at approximately 4-8 months. Cleco's Rider FRP provides the procedures and deadlines for the 2015 Annual Review.

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This Period of Representation 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 its accuracy.

### **III. Minimum Requirements**

To be considered, all applicants must meet the following minimum requirements *in addition to those provided* in the Commission's General Order dated November 10, 2014. 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; in addition to the applicant's knowledge of Louisiana ratemaking standards, regulatory law, and formula rate plans.

Applicant/consultant shall at a minimum be qualified and prepared to render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding. Applicant shall at a minimum be experienced in analyzing the operations, books and records of utility companies for the purpose of setting just and reasonable rates, including, but not limited to, calculation of base rates, rates of return, and capital structure. Applicant shall also be familiar with incentive-based rate mechanism such as FRPs, questions of proper capital structure, affiliated transactions, be familiar with the types of costing methodologies utilized by the LPSC, and shall be qualified and prepared to render expert testimony with respect to the following:

- A. Appropriate accounting standards and practices for electric public utilities, public utility accounting, and generally accepted auditing standards;
- B. The appropriate ratemaking adjustments to be made to the utility's accounting records;
- C. The determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;
- D. Traditional cost-of-service and cost allocation methodologies supporting the revenue requirements among classes of customers;
- E. The cost allocation methodologies for the allocation of investment and expenses between affiliates, including the relationship of the holding company to its subsidiary operating companies, the transfer of investment and costs between operating companies, and the provision of services between affiliates;
- F. Cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- G. Familiarity with just and reasonable costs and prudent investments associated with

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providing reliable and quality service as recommended by NARUC;

H. Depreciation and taxation; and

I. A detailed understanding of the major functional areas of a regulated electric utility

All proposed shall include a plan of action, estimated timeline, and fees and costs associated with the Scope of Representation. However, in the event that 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 General Order dated November 10, 2014.

**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 budget, which 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.

**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. Disclaimer**

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 November 10, 2014 General Order regarding the selection of contract employees, the LPSC has the right to accept bids 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. 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.

## **IX. Submission of Proposals**

Interested parties should submit an original, plus five (5) copies and an electronic copy of the proposal to:

Kathleen Richardson  
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  
Email: [Kathleen.richardson@la.gov](mailto:Kathleen.richardson@la.gov); [brandon.frey@la.gov](mailto:brandon.frey@la.gov)

To be considered, proposals must be received on or before **Tuesday, January 19, 2016**. Proposals shall be deemed timely if an email or facsimile is received by the deadline and the original and five copies arrive by mail no later than the time and date stated above. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.