

Louisiana Public Service Commission



POST OFFICE BOX 91154
BATON ROUGE, LOUISIANA 70821-9154
www.lpsc.louisiana.gov

COMMISSIONERS

Eric F. Skrmetta, Chairman
District I
Mike Francis, Vice Chairman
District IV
Foster L. Campbell
District V
Lambert C. Boissiere III
District III
Craig Greene
District II

Telephone: (225) 342-9888

BRANDON M. FREY
Executive Secretary
Executive Counsel

JOHNNY E. SNELLGROVE, JR
Deputy Undersecretary

August 21, 2018

VIA EMAIL

Re: LPSC RFP 18-14, Docket No. S-34959, Pecten Midstream, LLC (Houston, Texas), ex parte. In re: Application to i) Increase Rates for Transportation Service of Petroleum on its Delta Pipeline System, ii) Revise LPSC Tariff 2.2.0, iii) Reserve Right for Interim Rate Relief, and iv) Expedited Consideration.

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 **September 10, 2018 at 4:30 p.m.** Selection of a consultant is anticipated to take place at the Commission's **September 19, 2018 Business and Executive Session.**

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

Sincerely,

A handwritten signature in blue ink that reads "Melissa Watson".

Melissa Watson
Deputy General Counsel

Enclosure

RFP-18-14
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS
August 20, 2018

DOCKET NO. S-34959 Pecten Midstream LLC, ex parte, *In re: Application to i) Increase Rates for Transportation Service of Petroleum on its Delta Pipeline System, ii) Revise LPSC Tariff 2.2.0, iii) Reserve Right for Interim Rate Relief, and iv) Expedited Consideration.*

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 Pecten Midstream LLC’s application referenced above.

Pecten Midstream LLC (“Pecten” or “the Company”), a Common Carrier petroleum pipeline regulated by the Louisiana Public Service Commission (“LPSC” or “Commission”), filed a request with the Commission on July 24, 2018 pursuant to the Commission’s Common Carrier Pipelines General Order dated March 9, 2015 (“Pipeline Regulations. The application seeks to increase certain rates on its Delta pipeline system which transports petroleum from Main Pass to several Louisiana refineries and terminals. The Delta system is operated by Shell Pipeline Company, LP pursuant to an operating agreement with Pecten. Notice was initially published in the Commission’s Official Bulletin dated July 27, 2018. Pecten re-urged its request through a filing on August 8, 2018 and the matter was re-published in the Commission’s Official Bulletin dated August 10, 2018 for a 15-day intervention period.

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

The independent consultant retained by the Commission shall assist the Commission’s Transportation and Auditing Staff in its review of the pending application. In performing this duty, the consultant shall review the application and supporting documentation; draft data requests and review responses, accompanying work papers and the company’s financial data.; potentially participate in formal status conferences, pre-trial conferences, depositions, and hearings; prepare for filing recommendation 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 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 6-12 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 such as educational background and achievement, practical experience in the field of public utility practice, and similar practice before other state public utility commissions.

- 1) Applicant shall be experienced in analyzing the operations, books and records of common carriers, be familiar with costing methodologies utilized by the LPSC, affiliate transactions of common carriers
- 2) In accordance with the November 10, 2014 General Order governing contract employees, bidders should be qualified to render expert testimony with respect to rate making methodologies applicable to Common Carrier petroleum pipelines. In addition, bidders shall disclose all previous, current, and anticipated future representation of clients, through testimony or otherwise, before the LPSC or other similar local, state, or federal bodies involving any matter that arises out of or is substantially related by common factual, legal, or regulatory issues to a matter for which the consultants are seeking to be retained, regardless of whether this representation would be considered a conflict of interest.
- 3) Applicant shall be qualified and prepared to assist in drafting and issuance memoranda and/or 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.
- 4) Bidders who reply should demonstrate their familiarity with Commission General Order No. R-33390 dated March 9, 2015 in Docket No. R-33390 Louisiana Public Service Commission, ex parte, In re: Rules Applicable to Common Carrier Petroleum Pipelines. Section 4 of the aforementioned General Order requires just and reasonable, and not unreasonably discriminatory rates and sets forth guidelines for approval of rate applications. Section 4(D) allows Common Carrier Petroleum Pipelines to increase rates

through Indexing, Commission Approval, or a Limited Temporary Surcharge.

- 5) Applicant shall, at a minimum, be experienced in common carrier regulations and have knowledge of: Louisiana Public Service Commission ratemaking.

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.

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. 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), five (5) copies, and e-mail an electronic copy* of the proposal to:

Attention: 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) 342-4999
Fax: (225) 342-5610
Email: kim.trosclair@la.gov
melissa.watson@la.gov

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **September 10, 2018**. **Selection of consultants is anticipated to take place at the Commission's September 19, 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.