

Louisiana Public Service Commission



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Deputy Undersecretary

March 29, 2019

VIA EMAIL

Re: LPSC RFP 19-05, Docket No. TBD Cleco Power, LLC's Upcoming Rate Proceeding to be Filed in June 2019 as Required by Commission Order No. U-33434-A.

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 **April 18, 2019 at 4:30 p.m.** Selection of a consultant is anticipated to take place at the Commission's **April 24, 2019 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

19-05
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
March 29, 2019

DOCKET NO. TBD In re: Cleco Power, LLC’s Upcoming Rate Proceeding to be Filed in June 2019 as Required by Commission Order No. U-33434-A.

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of the LPSC General Order dated November 10, 2014 regarding the selection of contract employees (the “Contract Order”) to represent the Commission, issues this Request for Proposals (“RFP”) to **outside consultants** who will assist the Commission Staff in its review of the upcoming full rate proceeding to be filed by Cleco Power LLC (“Cleco”) in June 2019. It is anticipated that qualifying proposals will be placed on the April 2019 Business and Executive Session (“B&E”) Agenda for Commission consideration.

I. Overview

As part of Regulatory Commitment 4 found in Order No. U-33434-A, Attachment A, Cleco must continue to make annual rate filings pursuant to its current FRP, which is attached to the stipulated settlement approved in Order No. U-32779, with the potential for rate decreases (but not increases) through and including its 2019 Formula Rate Plan filing. Cleco was required pursuant to Paragraph 2.7.A. of its existing FRP to file October 31 Monitoring Report filings in 2015, 2016 and 2017. Order No. U-33434-A extended those filings through and including the 2019 FRP filing. Commitment 4 also requires that Cleco file a full rate case in June 2019 with any change in rates to be implemented in 2020. Accordingly, Staff seeks a consultant to assist with the rate proceeding to be filed in June 2019. Staff anticipates the June 2019 rate proceeding will include, but is not limited to, examination of the following:

- recoverable expenses
- recordation of revenues
- full cost of service analysis
- return on equity
- capital project investments
 - Cleco’s START initiative – a company-wide information technology modernization
 - transmission projects
- credit ratings
- projected capital requirements
- rate design/re-design; and
- retail residential rate decoupling.

II. Scope of Representation

All proposals shall include an outline of a plan of action for conducting the review of rate application and supporting documentation. Additionally, the consultant must be prepared to assist Commission Staff in reviewing all documentation provided by Cleco and other parties, drafting and responding to discovery, reviewing discovery responses, preparing direct and cross-answering testimony, reviewing and analyzing stipulation terms, testifying before an administrative law judge, preparing briefing materials for Staff and Commissioners, appearing before the Commission at B&Es, and conducting informal meetings with the parties and Commissioners as necessary. However, the Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP. Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming.

III. Period of Representation

The time period estimated to complete the Scope of Representation is approximately 15 months. However, this is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

IV. Minimum Requirements

To be considered, all applicants must meet the following minimum requirements *in addition to those provided* in the Commissions 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.

Applicants 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, including but not limited to:

- 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. Just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- H. Formula rate plans;
- I. Depreciation and taxation; and
- J. A detailed understanding of electric utility regulation.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with completing the scope of representation above. This will result in one proposal. However, in the event an applicant is chosen, 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 request for proposals. Applicants will only be considered if proposals meet all of the requirements of this request for proposals and the Commission's Contract Order.

V. Estimate of Costs

All proposals shall include fees and costs associated with consulting in the dockets. All applicants responding to this RFP shall quote their rates on an hourly basis and submit a total budget, and 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.

VI. Conflict of Interest

Applicants shall prominently and separately disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, applicants shall disclose matters in which they currently represent clients before the Commission.

VII. 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.

VIII. 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.

IX. Submission of Proposals

Interested parties should submit the **original (hard copy), 5 copies, and e-mail an electronic copy** of the proposal to:

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) 342-9888
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 **Thursday, April 18, 2019 at 4:30 p.m.** Selection of consultants is anticipated to take place at the Commission's September Business and Executive Session, which is currently scheduled for April 24, 2019. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.