



Louisiana Public Service Commission

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

Telephone: (225) 342-9888

COMMISSIONERS

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

BRANDON M. FREY
Executive Secretary

KATHRYN H. BOWMAN
Executive Counsel

August 8, 2019

JOHNNY E. SNELGROVE, JR
Deputy Undersecretary

VIA EMAIL

RFP 19-17 DOCKET NO. TBD – Entergy Louisiana, LLC – Application of Entergy Louisiana, LLC for Approval of a Change in Funding for Decommissioning Trusts for River Bend and Waterford 3 Nuclear Facilities.

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 August 28, 2019 at 4:30 p.m. Selection of a consultant is anticipated to take place at the Commission’s September 18, 2019 Business and Executive Session.

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

Sincerely,

[Handwritten signature of Kathryn H. Bowman]

Kathryn H. Bowman
Executive Counsel

Enclosure

RFP 19-17
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
August 8, 2019

DOCKET NO. TBD – Entergy Louisiana, LLC – Application of Entergy Louisiana, LLC for Approval of a Change in Funding for Decommissioning Trusts for River Bend and Waterford 3 Nuclear Facilities

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 to represent the Commission (the “Contract Order”), issues this Request for Proposals (“RFP”) to **outside consultants** who will assist the Commission in its review of Entergy Louisiana, LLC’s (“ELL”) Application for approval of a change in funding for decommissioning trusts for Waterford 3 Steam Electric Station (“Waterford 3”) and the Commission jurisdictional portions of the River Bend Station (“River Bend”) Nuclear Facilities (“Application”). ELL’s application will be published in the Commission’s Official Bulletin dated August 9, 2019.

I. Overview

On July 31, 2019, ELL filed its Application pursuant to Order No. U-31237 and presents updated funding requirements for the decommissioning trusts maintained for Waterford 3 and River Bend owned by ELL. In the Application, ELL is seeking approval to change the annual decommissioning accrual reflected in ELL’s retail rates.

Per ELL’s Application, and pre-filed testimony, the request to change the annual decommissioning funding levels is a result of: (1) the Nuclear Regulatory Commission approval of ELL’s 20-year license extension requests to operate Waterford 3 and River Bend and (2) receipt of updated site-specific decommissioning costs studies for River Bend and Waterford 3. These two events triggered a provision in Order No. U-31237 requiring ELL’s decommissioning funding requirements be re-evaluated based on site-specific decommissioning studies. ELL is seeking approval of an alternative to the requirement outlined in Order No. U-31237 and alleges that such alternative method is a rate-neutral opportunity to address the known issue of inadequate depreciation rates for Waterford 3 and River Bend.

II. Scope of Representation

Bidders will be assisting in-house Staff counsel as well as in-house auditing and utilities Staff with its analysis of ELL’s alternative proposal to the current funding of the decommissioning trusts for Waterford 3 and River Bend.

Bidders will assist in reviewing the filing, pre-filed direct testimony, and accompanying work papers; assist in drafting, reviewing, and responding to discovery; assist in preparing direct

and cross-answering testimony; aid in drafting pleadings and motions; appear at hearings and open meetings; participate in depositions; assist with trial preparations, including assistance with drafting cross examination of witnesses; review and analyze stipulation terms; and, participate in/conduct informal meetings with the parties and Commissioners as necessary. All proposals shall include an outline of a plan of action for conducting the review of ELL's request, including the activities described above.

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

This RFP covers a period of representation of approximately 12-18 months. 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 bidders must meet the following minimum requirements in addition to those provided in this Commission's General Order dated November 10, 2014. Consideration will be given to factors which indicate degrees of competence such as the amount of practical experience in the field of public utility practice, and similar practice before this or other regulatory agencies, in addition to the bidder's knowledge of Louisiana ratemaking standards and regulatory law.

Bidders shall at a minimum be experienced in analyzing the operations, books, and records of utility companies, particularly investor-owned utilities, for the purpose of setting just and reasonable rates, including, but not limited to, calculation of rate base, rates of return, capital structure, formula rates/rate stabilization plans, decommission funding plans, and all related studies and calculations related to a rate case or rate review. It is recommended that bidders review Order No. U-31237 for additional background.

Bidders shall be qualified and prepared to draft and 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 and be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) appropriate accounting standards and practices for electric public utilities, public utility accounting, and generally accepted auditing standards;

- (2) the appropriate ratemaking adjustments to be made to the utility's accounting records, including adjustments related to decommissioning;
- (3) the determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;
- (4) cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- (5) familiarity with just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- (6) depreciation and taxation; and
- (7) a detailed understanding of the major functional areas of a regulated natural gas utility.

V. Estimate of Costs

All proposals shall include fees and costs associated with the engagement. All bidders 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, bidders shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, a bidder's hourly rates and budget shall not be altered except by formal approval of the Commission.

VI. Conflict of Interest

Bidders shall prominently and separately disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, bidders 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 Contract 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

kathryn.bowman@la.gov

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **4:30 P.M. on Wednesday, August 28, 2019. Selection of consultants is anticipated to take place at the Commission's September 18, 2019 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.