

Louisiana Public Service Commission



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

COMMISSIONERS

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

Telephone: (225) 342-9888

BRANDON M. FREY
Executive Secretary

KATHRYN H. BOWMAN
Executive Counsel

September 15, 2021

JOHNNY E. SNELMGROVE, JR.
Deputy Undersecretary

VIA EMAIL

RFP 21-22 Docket TBD, Southwestern Electric Power Company, ex parte. In re: *Application for Approval of Automated Metering System and Request for Cost Recovery and Related Relief.*

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals (“RFP”) for **outside consultant** issued by the Louisiana Public Service Commission for the above referenced docket. This RFP is a duplicate of RFP 21-20. Proposals for RFP 21-20 were due on Thursday, September 9, 2021; however, Commission offices were closed due to Hurricane Ida. Therefore, Staff is re-issuing this RFP to allow opportunity for interested consultants to provide a proposal.

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, October 8, 2021 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission’s October 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 21-22¹
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
September 15, 2021

DOCKET NO. TBD –Southwestern Electric Power Company, ex parte, In re: Application for Approval of Automated Metering System and Request for Cost Recovery and Related Relief.

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of 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 in Southwestern Electric Power Company’s (“SWEPCO” or “Company”) request for approval to implement a permanent Advanced Metering System (“AMS”).

Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming. Consideration of qualifying bids received in response to RFP 21-22 are anticipated to be on the Commission’s October Business and Executive Session for consideration.

I. Overview

SWEPCO provided notice to Staff on August 19, 2021 of the company’s intent to file an application in September 2021 seeking Commission approval of an AMS pursuant to Commission General Order dated September 22, 2009 (Docket No. R-29213 consolidated with Docket No. R-29213 Subdocket A) (“AMS/DR General Order.”) SWEPCO indicates it is in “urgent need of new meters to continue to maintain reliable service to customers” and that the company’s “current meter systems are near the end of their service life, are no longer manufactured, and are obsolete.”

In the notice letter, SWEPCO indicates of the 44,000 meters in the Valley district, the Company anticipates that 2,200 of those meters are at the end of their service life and in need of replacement by the end of the year. Based upon an application for AMS approval in Texas, SWEPCO also states it has a pending order for 20,000 AMS anticipated to be delivered in October 2021. SWEPCO further indicates that “in order to meet the urgent need for new meters ... SWEPCO anticipates requesting expedited initial authorization for installation of at least 12,000 advanced meters, subject to Commission review.” Overall, SWEPCO estimates the installation of approximately 244,000 meters for its Louisiana service territory over a phased-in deployment will cost approximately \$48 million.

Section 3.4 of the AMS/DR General Order allows utilities the opportunity to recover, through their approved rates and charges, prudently-incurred advanced metering costs, including those costs associated with the deployment of a new AMS, any associated pilot program implementation, and

¹ RFP 21-22 is a duplicate of RFP 21-20. Proposals for RFP 21-20 were due on Thursday, September 9, 2021; however, Commission offices were closed due to Hurricane Ida. Therefore, Staff is re-issuing this RFP to allow opportunity for consultants to bid.

any related DR programs, upon certification by the Commission that the implementation of these plans is in the public interest.

II. Scope of Representation

Applicants will be assisting Commission Staff (Legal, Utilities, and Auditing Divisions) in reviewing SWEPCO's request to not only ensure compliance with all applicable Commission Orders, but also to make a recommendation as whether SWEPCO's proposed AMS is in the public interest, including appropriate rate recovery and an initial expedited installation request. Such determination will be in accordance with Section 3.5 of the AMS/DR General Order.

In assisting Staff, Applicants will review SWEPCO's application (including but not necessarily limited to the direct testimony of at least 2 witnesses and associated exhibits); draft data requests and review responses thereto; participate in informal meetings with Staff and SWEPCO; assist in drafting direct testimony, including any exhibits supporting the same; review and respond to any rebuttal testimony; assist in preparing any necessary cross-answering testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; and review and analyze potential stipulation terms. Additionally, the Applicant shall be available to participate in meetings and conference calls, conferences with the Commission and its Staff, as well as attending any Business and Executive Session(s) that Staff deems necessary. The scope of work provided herein shall continue through the conclusion of the docket through a Commission vote.

The AMS/DR General Order sets forth several guidelines for the Commission in determining whether an AMS is in the public interest including a cost-benefit analysis and the Applicant should familiarize themselves with the order and its requirements, as well as any other relevant Commission Orders.

All proposals shall include an outline of a plan of action for conducting the above described scope. 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.

III. Period of Representation

The time period estimated to complete the Scope of Representation is approximately 12 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 Applicants must meet the minimum requirements provided in the Commission's General Order dated November 10, 2014. Consideration will be given to levels of competence such as educational background and achievement, practical experience and success in

regulatory processes, in addition to the Applicant's knowledge of Louisiana ratemaking standards, regulatory law, and formula rate plans.

Applicants shall be qualified to prepare and render expert testimony, and be cross-examined, with respect to all of the issues addressed in this docket and which are likely to arise in the proceeding. Applicants should demonstrate their familiarity with the AMS/DR General Order and should, at a minimum, be experienced in analyzing the operations, books and records of utility companies, and be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) Appropriate accounting standards and practices for electric utilities, including investor-owned utilities;
- (2) The Commission's Rules and Orders pertaining to acquisitions and capital outlays;
- (3) The Commission's Rules and Orders pertaining to outage management and service reliability;
- (4) Whether or not a resource will provide reliable service at the lowest reasonable cost;
- (5) Methods to improve the efficiency of a utility's operations and whether the utility is making use of any such methods;
- (6) Public interest criteria for approval of utility investments; and
- (7) Commission rules on affiliate transactions and cost recovery mechanisms.

V. Estimate of Costs

All proposals shall include fees and direct costs associated with Applicant's services in all anticipated services described above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall submit a total budget, separating professional fees from direct costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

Applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an Applicant's hourly 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, and failure to adhere to such guidelines may result in rejection of such bill. 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 any offer and does not have to accept the lowest bid amount. 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), 2 copies, and e-mail an electronic copy** of the proposal to:

Kathryn H. Bowman
Louisiana Public Service Commission
Office of Executive Counsel
602 North Fifth Street (Galvez Building)
Baton Rouge, Louisiana 70802
Phone: (225) 342-9888
Fax: (225) 342-5610
Email: kathryn.bowman@la.gov

To be considered, an original, three copies, and the electronic copy of the proposal must be received on or before **Friday, October 8, 2021 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's October Business and Executive Session, which is currently scheduled for October 20, 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.