



Louisiana Public Service Commission

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Executive Counsel

March 24, 2021

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Deputy Undersecretary

VIA EMAIL

RFP 21-07 – Docket Nos. TBD, Atmos Energy Corporation, ex parte. In re: Rate Stabilization Clause filings for its Louisiana regulatory divisions for Test Years 2020, 2021, and 2022.

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals (“RFP”) for **independent technical consultant** issued by the Louisiana Public Service Commission for the above referenced dockets. 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, April 9, 2021 at 4:30 p.m. Selection of consultants is anticipated to take place at the Commission’s April 2021 Business and Executive Session.

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

Sincerely,

Kathryn H. Bowman
Executive Counsel

Enclosure

cc: Brandon M. Frey, Executive Secretary
Melissa W. Frey, Deputy General Counsel

RFP-21-07
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS
March 24, 2021

Docket Nos. TBD, Atmos Energy Corporation, ex parte. In re: Rate Stabilization Clause filings for its Louisiana regulatory divisions for Test Years 2020, 2021, and 2022.

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 Atmos Energy Corporation’s upcoming rate stabilization clause annual report filings (“RSC Filings”) for its Louisiana regulatory division for Test Years 2020, 2021, and 2022.

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.” As described below, given the short turnaround time between Atmos’ RSC Filing and Staff’s review, the 20-day advanced notice required in the Contract Order has been shortened to 16 days for this RFP in order to allow the Commission to retain a consultant at the April Business and Executive Session. As such, qualifying proposals will be placed on the April 14, 2021 B&E agenda for Commission consideration.

I. Overview

In accordance with the stipulated settlement agreed to in Docket No. U-35535,¹ Atmos was granted a 3-year Rate Stabilization Clause Rider beginning with Test Year 2020. Pursuant to the stipulated settlement, Atmos shall file its RSC Filings on or before March 31 immediately following the close of the applicable Test Year. Therefore, for the first Test Year (2020) Atmos will make its annual RSC Filing no later than March 31, 2021, with Staff having until June 15 or 75 days after filing (whichever is longer) to review the RSC Filing. Furthermore, Atmos is required to work with Commission Staff on a mutually agreeable accelerated amortization schedule for approximately \$44 million of Excess Deferred Income Tax to be reflected in rates beginning with the RSC Filing for the 2020 Test Year.

This RFP seeks to hire an outside consultant to not only review the RSC filings for all 3 Test Years (2020, 2021, and 2022), but to also assist Staff in determination of an amortization schedule for the EDIT.

¹ At the time of this RFP, while the stipulated settlement has been approved by the Commission at its March 17, 2021 B&E, a Commission Order has not been issued.

II. Scope of Representation

Any Applicant retained by the Commission shall assist the Commission's Legal, Audit and Utilities Divisions in analyzing the RSC Filings for each of the 3 Test Years. In performing this duty, any retained consultant shall review the RSC Filing and accompanying workpapers; assist Commission Staff in drafting and responding to discovery; participate in formal status conferences, pre-trial conferences, depositions, and hearings; prepare for filing an audit memoranda and/or direct testimony and cross-answering testimony, if necessary, together with exhibits supporting the same; assist in the review and analysis of stipulation terms; and testify before an administrative law judge, whether in a contested or stipulated hearing. Additionally, any retained 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 each RSC Filing docket through Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation.

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.

II. Period of Representation

The time period estimated to complete each RSC Filing review is estimated at approximately 3-4 months per Test Year review. 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 which indicate degrees of competence, 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 and regulatory law.

Applicants who submit proposals should demonstrate their familiarity with formula rate plan and/or rate stabilization clauses for public utilities in general, and specifically for natural gas public utilities. Further, Applicants shall be experienced in analyzing the operations, books and records of utility companies, be familiar with costing methodologies utilized by the LPSC, and shall be qualified to provide expert assistance with respect to the following:

- A. Appropriate accounting standards and practices for natural gas 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. Depreciation and taxation; and
- I. The terms of the Stipulated Settlement found in Docket No. U-35535.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with completing the Scope of Representation. 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.

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, not to exceed budget, which shall separate professional fees from costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

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), 2 copies, and e-mail an electronic copy** of the proposal to:

Kathryn H. Bowman
Executive Counsel
Louisiana Public Service Commission
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: kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Friday, April 9, 2021 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's April 2021 Business and Executive Session, which is currently scheduled for April 14, 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.