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January 27, 2025

VIA EMAIL ONLY

RFP 25-01, Docket No. U-37479, Cleco Power LLC, ex parte. In re: Application for Authorization of Phase I of the Comprehensive Hardening Plan; related rate recovery; and expedited treatment.

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals (“RFP”) for an **outside consultant** issued by the Louisiana Public Service Commission for the above anticipated docket. If your firm is interested in submitting a proposal, please review the RFP carefully to ensure you adhere to the requirements contained therein, as well as to determine whether your firm meets the specific requirements of the RFP. All Proposals must include a showing that your firm possesses the requisite qualifications and experience to represent the Commission in this matter. Please note that deviations from the requirements contained in the RFP, or conditional bid amounts, shall result in the rejection of a proposal as non-conforming.

All Proposals, including the original, plus (2) two copies, and an electronic copy must be received on or before Wednesday, February 26, 2025. Selection of consultants is anticipated to take place at the Commission’s March 2025 Business and Executive Session.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to be "KB", with a long horizontal line extending to the right.

Kathryn Bowman
Executive Counsel

Encl.

cc.: Brandon M. Frey, Executive Secretary
T. Paul Rachal, Staff Attorney

RFP 25-01
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
January 27, 2025

DOCKET NO. U-37479, Cleco Power LLC, ex parte. In re: Application for Authorization of Phase I of the Comprehensive Hardening Plan; related rate recovery; and expedited treatment.

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”), issues this Request for Proposals (“RFP”) to **outside consultants**, who will assist Commission Staff in the review of Cleco Power LLC’s (“Cleco Power” or “Company”) request for approval, and issuance of a public interest finding, of the Resilience Plan, including approval of a new rider, the Grid Resilience Rider, to permit timely recovery of the Resilience Plan’s revenue requirement.

This RFP seeks a consultant to assist with the review and analysis of Cleco Power’s request for approval of the Resilience Plan Cost Recovery Rider (“Rider”). RFP 25-02 will be issued for assistance with an engineering review.

Consideration of qualifying bids received in response to RFP 25-01 are anticipated to be on the Commission’s March 2025 Business and Executive Session. Should an Applicant be selected at the Commission’s B&E, this RFP and the Applicant’s proposal shall constitute the contract between the parties, including all terms and conditions. The Commission will not accept new terms, conditions, or proposals once an Applicant has been retained.

Please note, deviations from the requirements contained herein, or conditional bid amounts, shall result in rejection of the bid as non-conforming. However, should Applicant be interested in submitting a proposal to RFP 25-01 (consultant) and RFP 25-02 (engineer), it may do so as one proposal, subject to the instructions in Section V- Estimates of Costs below.

I. Overview

On December 30, 2024, Cleco Power filed its request, which was docketed as Docket No. U-37479, and published in the Commission’s Bulletin dated January 17, 2025 for a twenty-five-day intervention period. As of this RFP, no party has intervened.

Cleco Power’s request seeks approval, and issuance of a public interest finding, of the Company’s Resilience Plan, as well as approval of a new Rider. Per the Company’s application, this Plan is to “mitigate proactively the extreme-weather-related risks facing Cleco Power’s customers by enhanced, data-driven investment in hardening Cleco Power’s electric system,”¹ which is “complementary to Cleco Power’s other ongoing reliability and resiliency efforts.”²

¹ See Cleco Power’s Application, page 1.

² *Id.*

Rider Request

Further, Cleco Power seeks approval of the new Grid Resilience Rider to be adjusted semi-annually in a manner designed to ensure the relatively contemporaneous collection of the revenue requirement for the resilience projects for the forward-looking six months. Per the Company's application, the rider "would include a true-up mechanism related to the prior six-month estimated project spend compared to the actual spend, if any, and would also include provisions for adjustments related to the LPSC Staff prudence review of the completed projects, if any."³

Per the application, Cleco Power is proposing to implement a Comprehensive Hardening Plan over a 10-year period, with the Resilience Phase considered Phase I. The Comprehensive Hardening Plan consists of 1,396 transmission and distribution hardening projects, including 2 substation projects, for a total of approximately \$509.7 million. However, by way of this application, Cleco Power is only seeking approval of the Resilience Phase I, which is estimated to cost \$257.6 million over the first five years (2026 to 2030) consisting of approximately 19,986 structures over 766-line miles.

Additional Cost Recovery Requests

In addition to the Rider, Cleco Power is seeking authorization to create a regulatory asset for the remaining net book value associated with assets that would be retired and replaced with new assets as part of the Resilience Plan, as well as a limited waiver from the Federal Energy Regulatory Commission ("FERC") permitting the Company to capitalize certain one-time asset transfer costs incurred in conjunction with its Resilience Plan that would otherwise be expensed in the year the work was performed. Applicants scope of representation will include a review and analysis of these two requests as well.

The Company filed the testimony of four witnesses in support of its application. Staff encourages all Applicants to review the entire filing for more information on Cleco Power's request, paying particular attention to the request for the Rider included in the pre-filed direct testimony of Christina McDowell.

Applicants will be assisting Commission in-house Staff (Legal, Utilities, and Auditing Divisions) and an outside engineering consultant in reviewing the Company's request and providing a recommendation to the Commission.

II. Scope of Representation

In assisting Staff, Applicants will review the application (including the direct testimony of four witnesses, any supporting documentation, and associated cost models); draft data requests and review responses thereto; potentially participate in informal meetings with Staff and Cleco Power, Staff and Intervenors, or Staff, Cleco Power, and Intervenors; assist in drafting a recommendation(s), including testimony, to the Commission regarding Cleco Power's request on implementing the Rider for cost recovery of the Resilience Plan, the regulatory asset, and the waiver from FERC; review and respond to any rebuttal testimony; assist in preparing any necessary direct and cross-answering testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; and review and

³ See Cleco Power's Application, pages 11-12.

analyze potential stipulation terms. Applicants shall assume this matter will result in a contested proceeding.

Additionally, the Applicant shall be available to participate in meetings, conference calls, status conferences, hearings, and other conferences with the Commission and its Staff, as well as attending any Business and Executive Session(s) that Staff deems necessary.

In addition to reviewing the Rider, should one be approved and a true-up mechanism be a component thereof, Applicant shall assist Staff in the review of said true-ups over the life of the Rider for Phase I. Staff recommends Applicants review Cleco Power's request and ensure any proposed scope of work would assist in reviews and true-ups as proposed therein.

The scope of work provided herein shall continue through the conclusion of the docket, including Commission consideration of the request at a B&E, or B&Es.

All proposals shall include an outline of a plan of action for conducting the review of the application, including the activities described above. The Commission and its Staff shall have the right to determine how the tasks will be carried out, including setting internal deadlines if necessary to ensure all work is completed timely.

In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirement of this RFP, including experience with reviewing riders as a cost recovery mechanism.

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 qualify, all Applicants must have requisite knowledge of the topics listed below, in addition to those provided in Commission's Contract Order. 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, similar practice before this or other regulatory agencies, and knowledge of Louisiana ratemaking standards and regulatory law.

Applicants 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, cost recovery via riders, and all related studies and calculations and prior cost recovery filings with the LPSC.

Applicants 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 testimony at a hearing and/or a B&E regarding the same and have knowledge of:

- (1) a detailed understanding of the major functional areas of a regulated investor-owned electric utility;
- (2) appropriate accounting standards and practices for electric public utilities, public utility accounting, and generally accepted auditing standards;
- (3) the LPSC and FERC approved cost-of-service cost methodologies for electric utilities;
- (4) the basic components and requirements of Cleco Power's Formula Rate Plan, including cost of capital, capital structure, cost of debt, cost of equity, and rates of return, as well as currently approved riders;
- (5) the cost allocation methodologies for the allocation of investments and expenses among 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 among affiliates; and
- (6) appropriate mechanisms, allocation among customer classes and rate design.

V. Estimate of Costs

Applicants shall provide an overview of the estimated costs in the summary of the bid proposal. All proposals shall include fees and direct costs in order to provide the 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.

If an Applicant is interested in providing a response to both RFP 25-01 and RFP 25-02, it may do so in one proposal to the Commission; however, please still separate the proposed fees and direct costs by services rendered.

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. Potential conflicts could include, but are not to be limited to, employment with regulated utilities, affiliates of regulated utilities, consumer advocacy groups, or any other party that comes before the Commission. 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 to the Commission 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. Pursuant to La. R.S. 45:1180, Cleco Power is the ultimate responsible party for payment of services provided pursuant to this RFP; therefore, timely submittal of invoices to the Commission facilitates timely payments to Applicant.

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:

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Kathryn H. Bowman
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: kim.obrian@la.gov
kathryn.bowman@la.gov

To be considered, all proposals must be received on or before **Wednesday, February 26, 2025 by 4:30 pm**. Selection of consultants is anticipated to take place at the Commission's March 2025 Business and Executive Session, which is currently scheduled for March 26, 2025. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.