

# Louisiana Public Service Commission



POST OFFICE BOX 91154  
BATON ROUGE, LOUISIANA 70821-9154  
[lpsc.louisiana.gov](http://lpsc.louisiana.gov)

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April 19, 2022

## VIA EMAIL

***RFP 22-15 Docket No. U-36301, Atmos Energy Corporation, ex parte. In re: Amended Application requesting the creation of an Infrastructure Expansion Program for Atmos Energy Corporation's Louisiana Regulatory Division.***

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for an **outside consultants** issued by the Louisiana Public Service Commission for the above referenced docket. 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 Thursday, May 12, 2022 at 4:30p.m. Selection of consultants is anticipated to take place at the Commission's May 2022 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 read 'KB'.

Kathryn Bowman  
Executive Counsel

Encl.  
cc.: Brandon M. Frey, Executive Secretary  
Justin Bello, Staff Attorney

**RFP 22-15**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**April 19, 2022**

***DOCKET NO. U-36301, Atmos Energy Corporation, ex parte. In re: Amended Application requesting the creation of an Infrastructure Expansion Program for Atmos Energy Corporation’s Louisiana Regulatory Division.***

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 Atmos Energy Corporation’s (“Atmos” or “Company”) request for implementation of a five (5) year Infrastructure Expansion Program.

**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 22-15 are anticipated to be on the Commission’s May 2022 Business and Executive Session.**

**I. Overview**

On March 2, 2022, Atmos filed an application with the Commission seeking authorization to implement a five (5) year Infrastructure Expansion Program (“IEP”), which is designed to allow households presently without access to natural gas service to gain access. Per the application, the IEP “is intended to provide access to gas services for existing homes and businesses, [and] not apply to extending gas services to new developments and newly constructed homes.” The proposed program is anticipated to have a \$5 million budget for each program year, which Atmos intends to be used for main extensions, service line installations and promoting awareness to potential customers who would benefit from the program. While the program is designed for residential customers, Atmos has indicated it is open to potential commercial customers in the same areas: “if a potential commercial customer is operating off a main extension installed under this initiative, its estimated natural gas usage (if applicable) would be converted to an equivalent number of residential customers for averaging purposes.”

Atmos’ application was published in the Commission’s Official Bulletin dated March 18, 2022 with Cleco Power LLC intervening. Atmos filed an amended application on April 11, 2022 clarifying a few components of the initial application. The amended application was published in the Commission’s Official Bulletin dated April 14, 2022 for an additional 25-day intervention period. An initial status conference has also been set by Chief ALJ Verzwylvelt for Friday, April 29, 2022.

Applicants will be assisting Commission in-house Staff (Legal, Utilities, and Auditing Divisions) in reviewing Atmos’ request and providing a recommendation to the Commission.

## **II. Scope of Representation**

In assisting Staff, Applicants will review the application and amended application; draft data requests and review responses thereto;<sup>1</sup> potentially participate in informal meetings with Staff and Atmos, Staff and Intervenors, or Staff, Atmos, and Intervenors; assist in drafting a recommendation(s), including testimony, to the Commission, including any exhibits supporting the same; 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 analyze potential stipulation terms. Further, this scope of representation shall include any potential monitoring, auditing, or true-up(s) of Atmos' IEP program, should Staff and the consultant deem necessary as a condition to recommending approval of said program.

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. The scope of work provided herein shall continue through the conclusion of the docket, including any monitoring, auditing, or true-up(s) deemed necessary, after the Commission votes on Atmos' application.

All proposals shall include an outline of a plan of action, including the activities described above. While a plan of action is required, the Commission and its Staff shall maintain 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 requirement of this RFP.

## **III. Period of Representation**

The time period estimated to complete the Scope of Representation is approximately 8-10 months.<sup>2</sup> 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 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, 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 natural gas distribution companies, for the purpose of setting just

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<sup>1</sup> Staff has already issued the first set of data requests in an attempt to get a better understanding of the scope of Atmos' request, which Atmos has already responded to.

<sup>2</sup> In its Application, Atmos indicates its desire to begin the IEP program in 2022.

and reasonable rates, including, but not limited to, calculation of rate base, rates of return, capital structure, formula rates, 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) appropriate accounting standards and practices for natural gas public utilities, public utility accounting, and generally accepted auditing standards;
- (2) appropriate ratemaking adjustments to be made to the utility's accounting records;
- (3) determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;
- (4) traditional cost-of-service and cost allocation methodologies supporting the revenue requirements among classes of customers;
- (5) 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;
- (6) cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- (7) just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- (8) depreciation and taxation;
- (9) prior applicable Commission Orders, including but not limited to: U-28814 Consolidated (corrected) dated July 19, 2006, Order No. U-32987; Order U-35122; and
- (10) Commission General Order dated March 12, 1974 prohibiting "promotional practices" by public utilities.

## **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.

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 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, or are not considered 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:

Kimberly N. O'Brian  
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](mailto:kim.obrian@la.gov)  
[kathryn.bowman@la.gov](mailto:kathryn.bowman@la.gov)

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Thursday, May 12, 2022 at 4:30 p.m.** Selection of consultants is anticipated to take place at the Commission's May 2022 Business and Executive Session, which is currently scheduled for May 25, 2022. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.