

Louisiana Public Service Commission



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Deputy Undersecretary

May 13, 2022

VIA EMAIL

***RFP 22-17 Docket No. U-36339, South Louisiana Electric Cooperative Association, ex parte.
In re: Request for interim and final emergency rate relief.***

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 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 Monday, June 6, 2022 at 4:30p.m. Selection of consultants is anticipated to take place at the Commission's June 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 "K. Bowman".

Kathryn Bowman
Executive Counsel

Encl.

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

RFP 22-17
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
May 13, 2022

DOCKET NO. U-36339, South Louisiana Electric Cooperative Association, ex parte. In re: Request for interim and final emergency rate relief.

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 South Louisiana Electric Cooperative Association’s (“SLECA” or the “Company”) request for interim and final emergency rate relief.

Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming. Qualifying bids received in response to RFP 22-17 are anticipated to be on the Commission’s June 2022 Business and Executive Session for consideration.

I. Overview

On April 20, 2022, SLECA filed a request for interim and permanent emergency rate relief due to impacts incurred as a result of Hurricane Ida. Per the Company’s application, SLECA had to obtain an emergency line of credit from its supplemental lender, CFC, in order to fund system restoration efforts because of reduced revenues.¹ While SLECA expects the majority of the emergency line of credit to be reimbursed by FEMA, those reimbursements will take time and SLECA is still required to pay interest payments on the emergency line of credit in the meantime. It is Staff’s appreciation that timely payments on the interest associated with the emergency line of credit is the impetus behind seeking this relief.

SLECA requests a revenue increase of \$4,174,796, or 8.65 mill per kWh, through the instant application, and seems to be requesting the entire revenue increase as an interim increase. SLECA’s interim request is anticipated to be on the Commission’s May agenda for consideration.

SLECA’s application was published in the Commission’s Official Bulletin dated April 29, 2022 with no interventions filed as of this RFP.

¹ Based on a review of the Commission’s records, SLECA did not request the Commission’s authorization to obtain the emergency loan; thus, this review should include a review of the loan and whether SLECA should have obtained Commission authorization.

II. Scope of Representation

Applicants will be assisting Commission in-house Staff (Legal, Utilities, and Auditing Divisions) in the review of SLECA's request for emergency rate relief. Such assistance will include, but not necessarily be limited to: review and analyze the Company's application, pre-filed direct testimony, and supporting documentation; draft data requests and review responses thereto; potentially participate in informal meetings with Staff and SLECA; 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.

All proposals shall include an outline of a plan of action for conducting the review of not only the proposed emergency rate, but also the method of recovery within base rates, and whether such relief should be permanent.²

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.

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 6-8 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 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.

² Based on Staff's review of the application, it does not appear that SLECA is requesting a line-item or an anticipated termination date for the emergency relief.

Applicants shall, at a minimum, be experienced in analyzing the operations, books, and records of utility companies, particularly electric cooperatives, for the purpose of setting just and reasonable rates. Applicants shall also, at a minimum, be experienced in the presentation of recommendations involving cooperative and public utility regulation, or other regulatory issues on administrative and judicial levels, including rendering expert testimony and being cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding. Further, Applicants shall 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 public utilities, public utility accounting, and generally accepted auditing standards;
- (2) public utility financing and debt service coverage ratio ratemaking principles, including depreciation and taxation of system assets;
- (3) NARUC approved cost-of-service methodologies for cooperatives;
- (4) 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;
- (5) traditional cost-of-service and cost allocation methodologies supporting the revenue requirement among classes of customers;
- (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; and
- (8) a detailed understanding of the major functional areas of a regulated electric cooperative.

V. Estimate of Costs

Applicants shall provide an overview of the estimated costs in the summary of the bid proposal. All proposals shall include a total not-to-exceed budget, including 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 separate professional fees from direct costs when submitting a total not-to-exceed budget.

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
kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Monday, June 6, 2022 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's June 2022 Business and Executive Session, which is currently scheduled for June 22, 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.