

Louisiana Public Service Commission



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June 23, 2022

VIA EMAIL

RFP 22-19 Docket No. X-_____, Louisiana Public Service Commission, ex parte. In re: Audit of Purchased Gas Adjustment filings for Atmos Energy Corporation's Louisiana Regulatory Division for the period of April 2020 through March 2022.

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 Friday, July 15, 2022 at 12:00p.m. Selection of consultants is anticipated to take place at the Commission's July 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 22-19
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
June 23, 2022

DOCKET NO. X-_____, Louisiana Public Service Commission, ex parte. In re: Audit of Purchased Gas Adjustment filings for Atmos Energy Corporation’s Louisiana Regulatory Division for the period of April 2020 through March 2022.

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 and analysis of Atmos Energy Corporation’s (“Atmos” or the “Company”) Purchase Gas Adjustment (“PGA”) filings for its Louisiana Regulatory Division. This review and analysis will cover the April 2018 through March 2022 time frame. Consistent with the Commission’s General Order dated March 24, 1999 (“PGA Order”), the Commission has issued notice of commencement of this PGA audit, which will be published in the Commission’s Official Bulletin dated June 24, 2022.

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 22-19 are anticipated to be on the Commission’s July 2022 Business and Executive Session.

I. Scope of Representation

Any Applicant retained by the Commission shall assist the Commission’s Legal, Audit, and Utilities Divisions in analyzing fuel purchases and usage by Atmos from April 2020 through March 2022. In performing this duty, the Applicant shall review PGA filings, accompanying work papers, as well as the company’s financial data; draft data requests and review responses; review historical data involving prior audits; participate in formal status conferences, pre-trial conferences, depositions, and hearings,, as necessary; prepare for filing audit memoranda and/or pre-filed testimony in support of Staff’s ultimate recommendation(s), together with exhibits supporting the memoranda and/or pre-filed testimony; assist in the drafting of cross-answering and/or rebuttal testimony, if necessary; and assist in the drafting of applicable motions, exceptions, briefing sheets and orders of the Commission. Additionally, the Applicant shall be available to participate in informal conference calls, meetings and conferences with the Commission and its staff as well as attend any Business and Executive Sessions that the Staff deems necessary. The scope of the work shall continue through the conclusion of the docket through Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation.

The audit procedures, as outlined by the PGA Order, shall include but not be limited to:

- 1) An investigation into the purchased gas costs incurred by the utility during the designated review period for compliance with the requirements of the general order.
- 2) A review and analysis of the utility's monthly comprehensive purchase gas adjustment schedules filed with the Louisiana Public Service Commission.
- 3) If applicable, the development and improvement of internal staff procedures to effectively monitor and evaluate a utility's performance in areas impacting the gas costs which are reflected in the utility's monthly purchase gas adjustment filings with the Commission.
- 4) A review of the utility's price risk management guidelines pertaining to purchased gas (including policies regarding physical hedging, fixed price transactions, index transactions, fixed for floating price swaps, options to purchase, and other arrangements) to determine their propriety and a recommendation of modifications if appropriate;
- 5) A quantification of the adverse impact on ratepayers, if any, for each audit topic.
- 6) Compliance with any prior utility-specific Commission Orders regarding the utility's PGA filings, if applicable.

Any Applicant retained shall assist Commission Staff in reporting Staff's findings in writing to the Commission, identifying any irregularities in the monthly purchase gas adjustment calculations assessed and applied to Louisiana consumer billing statements or which allowed for the recovery of unauthorized expenses by the utility. The report should also include a written or executive summary which identifies any cost included in the audit found to be non-compliant with the Commission's applicable rules and regulations, a statement of appropriate disallowances, the reasons therefore, and a recommendation as to the appropriate methodology to be utilized by the Commission to provide for recovery and/or refund of those costs.

Upon completion of the Commission's review, the Staff's audit report shall be filed in the record of this proceeding and notice published in the Commission's Official Bulletin for intervention and comment. If designated by the utility, specific information related to the purchase of fuel and/or purchase power cost which was filed with the Commission under proprietary cover shall remain confidential and for Commission use only.

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 12 months. 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 accuracy of the Period of Representation.

IV. Minimum Requirements

Applicants shall demonstrate their familiarity with public utility audits in general, and specifically fuel or purchase gas audits, as well as any other experience in reviewing fuel or purchase gas reports of similar energy providers. Furthermore, Applicants shall be experienced in analyzing the operations, books and records of utility companies for the purpose of fuel audits, and be familiar with costing methodologies utilized by the LPSC.

To be considered, all applicants must meet the following minimum requirements *in addition to those provided* in the Commission's Contract Order:

- 1) Applicant shall be qualified and prepared to assist in drafting and issuance audit memoranda and expert testimony and assist in preparation for cross-examination of company and intervenor witnesses with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding. Applicant shall have a full understanding and ability to analyze the proper application of the Commission's PGA Order.
- 2) Applicant shall, at a minimum, be experienced in public utility regulations and have knowledge of: Louisiana Public Service Commission ratemaking, PGA and jurisdictional issues; and knowledge of appropriate accounting standards and practices for gas utilities.

All proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP. Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility practice, and similar practice before other state public utility commissions. Applicants should also familiarize themselves with the most recent Atmos PGA audits conducted in LPSC Docket Nos. U-34324, U-34851, and U-35708.

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
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, July 15, 2022 by 12:00 p.m.** **Selection of consultants is anticipated to take place at the Commission's July 2022 Business and Executive Session, which is currently scheduled for July 27, 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.