

# Louisiana Public Service Commission



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August 11, 2022

## VIA EMAIL

***RFP 22-22 Docket No. U-36383, National Water Infrastructure, LLC, ex parte. In re: Application for adjustment in rates for current and acquired systems, including certification of regionalization project and construction work in progress recovery of capital expenditures and associated financing, and for Letter of Non-Opposition of acquisition of Ascension Parish Wastewater Assets.***

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 Thursday, September 1, 2022 at 4:30 p.m. Selection of consultants is anticipated to take place at the Commission’s September 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 that reads "Kathryn Bowman". To the right of the signature, the initials "KOB" are written in blue ink.

Kathryn Bowman  
Executive Counsel

Encl.

cc.: Brandon M. Frey, Executive Secretary  
W. Noah Hoggatt, Staff Attorney



**RFP 22-22**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**August 11, 2022**

***DOCKET NO. U-36383, National Water Infrastructure, LLC, ex parte. In re: Application for adjustment in rates for current and acquired systems, including certification of regionalization project and construction work in progress recovery of capital expenditures and associated financing, and for Letter of Non-Opposition of acquisition of Ascension Parish Wastewater Assets.***

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”) to represent the Commission, issues this Request for Proposals (“RFP”) to **outside consultants** who will assist the Commission in its review of National Water Infrastructure, LLC’s (“NWI” or “Company”) request for an increase in rates, certification of a regionalization project, including certain cost recovery and associated financing, and a letter of non-opposition for the acquisition of Ascension Parish Wastewater Assets.

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

**I. Overview**

NWI operates as a wastewater utility currently providing wastewater services to approximately 17,000 residential customers and 175 commercial customers in Ascension, East Baton Rouge, Iberville, and Livingston parishes. The majority of NWI’s current assets were acquired in 2020 from Ascension Wastewater Treatment, Inc, which was approved by the Commission in Docket No. S-35482. As part of this application, NWI seeks to acquire the assets of Ascension Parish Government (“APG”), including 42 wastewater collection systems and 32 wastewater treatment facilities, which currently serve approximately 2,745 residential customers and 31 commercial customers on the east bank of Ascension parish.

In addition to seeking the Commission’s authorization for the above acquisition, NWI is seeking rate relief associated with: the APG acquisition in the amount of \$9.26 million; an additional \$1,192,872 in NWI’s O&M costs to account for the operation of the APG property; approximately \$250,960 in capital expense upgrades; \$1,256,616 in planned capital improvements, and interconnection costs; and revisions to certain provisions of its tariffs for customer classes.

Further, the Company is seeking certification and a prudence determination of NWI’s proposed regionalization project, financing and recovery of return on CWIP capital expenditures associated therewith. In support of these requests, NWI filed the pre-filed Direct Testimony of six witnesses, including exhibits.

## **II. Scope of Representation**

In assisting Staff, Applicants will review the application (including the direct testimony of six witnesses and any supporting documentation provided therewith); draft data requests and review responses thereto; potentially participate in informal meetings with Staff and NWI; assist in drafting a recommendation(s), including direct testimony, to the Commission, including any exhibits supporting the same; review and respond to any rebuttal testimony; assist in preparing any necessary cross-answering testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; participate in status conference(s) and hearings, whether contested or stipulated hearings; review and analyze potential stipulation terms; and attend meetings with Staff and the Commission, as well as any Business and Executive Session(s) that Staff deems necessary. The scope of work provided herein shall continue through the conclusion of the docket through a Commission vote.

All proposals shall include an outline of a plan of action for conducting the review of the application described above. 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.

## **III. Period of Representation**

The time period estimated to complete the Scope of Representation is approximately 10-12 months for each annual review. However, this is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

## **IV. Minimum Requirements**

To be considered, all Applicants must meet the following minimum requirements *in addition to those provided* in the Commission's Contract Order. 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; in addition to the applicant's knowledge of Louisiana ratemaking standards, regulatory law, and formula rate plans.

Applicants shall at a minimum be experienced in analyzing the operations, books, and records of utility companies, particularly water and/or wastewater 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, and all related studies and calculations and prior cost recovery filings with the LPSC.

Applicants shall be qualified and prepared to 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, including but not limited to:

1. Appropriate accounting standards and practices for water and wastewater utilities, public utility accounting, and generally accepted auditing standards;
2. The appropriate ratemaking adjustments to be made to the utility's accounting records;
3. The 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. Health and environmental compliance standards for water and wastewater utilities;
8. Just and reasonable costs and prudent investments associated with providing safe, reliable and quality service as recommended by NARUC;
9. Depreciation and taxation; and
10. Familiarity with financing and recovery of return on CWIP capital expenditures.

**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 Commission's Contract 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.

#### **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 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.

#### **IX. Submission of Proposals**

Interested parties should submit the **original (hard copy), 2 additional copies, and e-mail an electronic copy** of the proposal to:

Kim N. O'Brian  
Kathryn H. Bowman  
Office of 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  
Email: [kathryn.bowman@la.gov](mailto:kathryn.bowman@la.gov) and [kim.obrian@la.gov](mailto:kim.obrian@la.gov)

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Thursday, September 1, 2022 at 4:30 pm**. **Selection of consultants is anticipated to take place at the Commission's September Business and Executive Session, which is currently scheduled for September 14, 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.