

Louisiana Public Service Commission



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August 11, 2022

VIA EMAIL

RFP 22-24 Docket No. U-35544, Louisiana Public Service Commission, ex parte. In re: Prudence Review of the Cleco Power LLC St. Mary Clean Energy Center

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for an **outside counsel** 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
Noah Hoggatt, Staff Attorney
Dan Pancamo, Counsel for Cleco Power

RFP 22-24
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
August 11, 2022

DOCKET NO. U-35544, Louisiana Public Service Commission, ex parte, In re: Prudence Review of the Cleco Power LLC St. Mary Clean Energy Center.

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”) seeking an **outside counsel** who will assist Commission Staff in the prudence review of the St. Mary Clean Energy Center.

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 22-20 are anticipated to be on the Commission’s September Business and Executive Session (“B&E”).

I. Overview

In Commission Order No. U-33593, the Commission certified Cleco Power LLC’s (“Cleco Power”) request to construct, own, and operate a 40 MW generation facility, including a waste heat recovery steam generator, steam turbine generator, and ancillary balance of plant equipment utilized in a waste heat recovery project (“WHR Project”). This WHR Project is located at Cabot Corporation’s Canal carbon black manufacturing plant in Franklin, Louisiana. This WHR Project is now known as the St. Mary Clean Energy Center. Commission Order No. U-33593 also required a prudence review of the St. Mary Clean Energy Center after the WHR Project entered commercial operation in order to review Cleco Power’s actions regarding project management, costs controls, success in achieving stated objectives, and the total capital expenditures for the WHR Project. On November 18, 2019, Cleco Power filed the Closeout Report advising that the St. Mary Energy Center was completed in August 2019, thus making a prudence review ripe.

Docket No. U-35544 was initiated and published in the Commission’s May 1, 2020 Bulletin. Both an accounting and engineering consultant were subsequently retained to assist Staff. At the Commission’s June 24, 2020 B&E, Henderson Ridge Consulting was retained, and at the Commission’s March 17, 2021 B&E, CSRS was retained as an engineering consultant. Docket No. U-35544 is well underway, with Direct and Rebuttal Testimony already filed.¹ Commission Staff now seeks the assistance of outside counsel given Cleco Power’s filing of six rebuttal witnesses’ testimony – three of which are new witnesses to the Docket.

¹ There was no Cross-Answering Testimony filed by any party.

II. Scope of Representation

Applicants will be assisting Commission in-house Staff, Henderson Ridge, and CSRS in the preparation of a hearing for the prudence review of the St. Mary Clean Energy Project. Assistance will include, but not necessarily be limited to: the review and analysis of Cleco Power's filing and supporting testimony, including rebuttal testimony of six witnesses; review of testimony filed by any party; participating in status conferences; assist in responding to any rebuttal testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; review and analyze potential stipulation terms; attendance and testifying at the Commission's Business and Executive Sessions as needed; and assist in the preparation of any orders arising out of this proceeding.

The current procedural schedule establishes hearing dates of October 4 -7, 2022, with pre-hearing briefs currently due September 23, 2022. Should Staff proceed with the hiring of outside counsel under this RFP, it is anticipated that a brief continuance would be requested to allow any hired counsel to review all filings in this Docket. **Staff strongly encourages any potential Applicants to begin familiarizing themselves with the Docket prior to Commission consideration at September's B&E.**

All proposals shall include an outline of a plan of action for this scope of representation. 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 6 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. Applicants shall at a minimum be experienced in the presentation of cases involving public utility regulation, or other regulatory issues on administrative and judicial levels, including the presentation of witnesses on direct examination, cross examination of adverse witnesses, conducting discovery, and the taking of appeals. Additionally, Applicants shall have knowledge and experience of certification proceedings and prudence reviews.

Applicants shall also have a working knowledge of the Commission's ratemaking and jurisdictional issues; applicable Commission regulations; and experience in all aspects of electric utility ratemaking proceedings, including 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, and all related studies and calculations and prior cost recovery filings with the LPSC.

Applicants shall be qualified and prepared to assist in drafting expert testimony with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding and be qualified to prepare testimony for 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) Commission orders and precedent regarding certifications and prudence reviews;
- (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.

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 shall 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 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:

Kim 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: kathryn.bowman@la.gov and 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 p.m.** **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.