

Louisiana Public Service Commission



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Executive Counsel

January 10, 2022

JOHNNY E. SNELLGROVE, JR
Deputy Undersecretary

VIA EMAIL

RFP 22-9 Docket No. X-36125, Louisiana Public Service Commission, ex parte. In re: *Audit of Fuel Adjustment Clause Filings for Southwestern Electric Power Company for the Period of January 2019 through December 2020.*

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals (“RFP”) for **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, February 10, 2022 at 4:30p.m. Selection of consultants is anticipated to take place at the Commission’s February 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 "Lauren T. Evans".

Lauren T. Evans
Associate Counsel

Encl.

cc.: Brandon M. Frey, Executive Secretary
Kathryn Bowman, Executive Counsel
Noah Hoggatt, Staff Attorney

RFP-22-9
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS

January 14, 2022

Docket No. X-36125, Louisiana Public Service Commission, ex parte, *In re: Audit of Fuel Adjustment Clause Filings for Southwestern Electric Power Company for the period beginning January 2019 through December 2020.*

The Louisiana Public Service Commission, in accordance with the requirements of the LPSC General Order dated November 10, 2014 regarding the selection of contract employees (the “Contract Order”), and consistent with the Commission’s General Order dated November 6, 1997 (“FAC Order”), has commenced a Fuel Audit of Southwestern Electric Power Company (“SWEPCO”) for the period of January 1, 2019 through December 31, 2020. By way of this Request for Proposals (“RFP”), the Commission is seeking proposals from outside consultants to assist the Commission in conducting a review of SWEPCO’s FAC filings for the years 2019-2020 under the parameters of the FAC Order.

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 22-9 are anticipated to be on the Commission’s February 2022 Business and Executive Session (“B&E”), which is currently scheduled for February 23, 2022.

I. Scope of Representation

Any Applicant retained by the Commission shall assist the Commission’s Legal and Audit Divisions in analyzing fuel purchases and usage, as well as other charges included in the FAC, by SWEPCO for the years 2019 through 2020. In performing this duty, Applicants shall review monthly FAC filings; draft data requests and review responses thereto; review accompanying work papers and the company’s financial data; review historical data and compliance with Commission Orders, including those Orders involving prior audits; participate in formal status conferences, pre-trial conferences, depositions, and hearings; prepare for filing audit memoranda and/or pre-filed testimony in support of Staff’s ultimate recommendations, together with exhibits supporting the memoranda and/or pre-filed testimony; and assist in the drafting of applicable motions, exceptions, briefing sheets, and orders of the Commission. Additionally, any Applicant retained shall be available to participate in informal conference calls, meetings and conferences with SWEPCO, the Commission and Staff as well as attending any B&E that the Staff deems necessary. The scope of work shall continue through the conclusion of the docket, which includes a Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing.

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

- a.) A review and analysis of the utility’s monthly comprehensive fuel adjustment reporting requirements filed with the Commission.

- b.) If applicable, the development and improvement of internal staff procedures to effectively monitor and evaluate a utility's performance in areas impacting the fuel and purchase power cost which are reflected in the utility's monthly fuel adjustment filings with the Commission.
- c.) A review and analysis of the utility's monthly comprehensive fuel adjustment filings to assure compliance with all pertinent state and federal regulations.

Applicants shall assist Commission Staff in reporting Staff's findings in writing to the Commission, identifying any irregularities detected in the monthly fuel adjustment calculations that were incorrectly 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 in violation of the FAC Order and a recommendation as to the appropriate methodology to be utilized by the Commission to provide for recovery of those funds.

Upon completion of the Commission's review, notice of the Staff's audit report shall be filed in the Commission's Official Bulletin and made available for public inspection. If designated by the utility, specific information related to the purchase of fuel and/or purchase power cost which was filed with the Commission confidentiality pursuant to Rule 12.1 shall remain confidential and for Commission use only.

II. Period of Representation

The time period estimated to complete this docket is estimated at approximately 18 months. This is merely an estimate and may vary greatly depending upon whether the matter is contested. As such, the Commission makes no representations as to the accurateness of the Period of Representation.

III. 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. *The Commission's Contract Order requires Applicants to be pre-qualified by the Commission in order to be considered eligible.*

Applicants shall, at a minimum, be qualified and experienced in analyzing the operations, books and records of utility companies for the purpose of fuel audits, be familiar with cost methodologies utilized by the LPSC, and prepared to assist with Public Utility Audits in general, and specifically Fuel or Purchase Gas Audits, as well as any other experience in reviewing annual reports of similar energy providers. Applicants shall, in addition to those requirements expressed above, be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) The Commission's FAC Order;
- (2) Commission ratemaking, FAC and jurisdictional issues; and knowledge of appropriate accounting standards and practices for electric utilities;
- (3) Prior Commission FAC Orders applicable to SWEPCO, including but not necessarily limited to Order Nos. X-33322, X-34110, and X-35173.

All proposals shall demonstrate that the Applicant has the qualifications and experience necessary to meet the requirements of this RFP. Applicants will only be considered if proposals meet all of the requirements of this RFP and the Commission's Contract Order. All proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with the scope of work as provided in this RFP. However, in the event an Applicant is chosen, the Commission and its Staff shall have the right to determine how the tasks will be carried out.

IV. Estimate of Cost

Applicants shall provide an overview of the estimated costs in the summary of the bid proposal. All proposals shall include fees and expenses associated with Applicant's services described in the scope of representation above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall submit a total budget, separating professional fees from expenses.

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.

V. 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 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.

VI. Disclaimer

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 Contract Order, 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.

VII. Billing Guidelines

As required by the 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. 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 **Thursday, February 10, 2022 at 4:30 p.m.** Selection of consultants is anticipated to take place at the Commission's February 2022 Business and Executive Session, which is currently tentatively scheduled for February 23, 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.