

Louisiana Public Service Commission



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January 9, 2023

VIA EMAIL

RFP 23-01 Docket U-36625, Entergy Louisiana, LLC, ex parte. In re: Application for approval of the Entergy Future Ready Resilience Plan (Phase I).

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, February 3, 2023 at 12:00 p.m. Selection of consultants is anticipated to take place at the Commission's February 2023 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.B.", with a long horizontal flourish extending to the right.

Kathryn Bowman
Executive Counsel

Encl.

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

RFP 23-01
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
January 9, 2023

DOCKET NO. U-36625, Entergy Louisiana, LLC, ex parte. In re: Application for approval of the Entergy Future Ready Resilience Plan (Phase I).

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 Entergy Louisiana, LLC’s (“ELL” or “Company”) request for approval, and issuance of a public interest finding, of the Entergy Future Ready Resilience Plan (“Plan”), including approval of a new rider, the Resilience Plan Cost Recovery Rider, to permit timely recovery of the Resilience Plan’s revenue requirement.

This RFP seeks a consultant to assist with the review and analysis of ELL’s request for approval of the Resilience Plan Cost Recovery Rider (“Rider”).

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 23-01 are anticipated to be on the Commission’s February 2023 Business and Executive Session.

I. Overview

On December 19, 2022, ELL filed its request, which was docketed as Docket No. U-36625, and published in the Commission’s Bulletin dated December 22, 2022 for a twenty-five day intervention period. As of this RFP, the Louisiana Energy User’s Group (“LEUG”) is the only party that has filed for intervention.

ELL’s request seeks approval, and issuance of a public interest finding, of the Company’s Resilience Plan, as well as approval of a new Rider. Per the Company’s application, this Plan is to “improve the resilience of its electric system through accelerated infrastructure hardening and vegetation management,”¹ which is “necessary and essential to foster a more resilient and reliable system that can better withstand extreme events, avoid or mitigate customer outages from such events, and facilitate faster restoration of service after such events.”²

Further, ELL indicates approval of the new Rider is to “permit timely recovery of the Resilience Plan’s revenue requirement as ELL completes the plan’s resilience improvements and customers begin receiving the benefits of those improvements.”³ The Company goes on to explain that “undertaking the level and pace of spending in the proposed Resilience Plan and recovering the

¹ See ELL’s Application, page 1.

² *Id.*

³ See ELL’s Application, page 3.

resulting costs via existing ratemaking mechanisms would place ELL's financial condition at great risk and expose ELL to adverse action from the credit rate agencies and, in turn, its customers to higher costs."⁴

Per the application, ELL is proposing to implement the Resilience Plan over a 10-year period, with Phase I consisting of \$5 billion in projects over the first five years (2024 to 2028). The Company filed the testimony of seven witnesses in support of its application. Staff encourages all Applicants to review the entire filing for more information on ELL's request, paying particular attention to the request for the Rider included in the pre-filed direct testimony of Sean Meredith.

Applicants will be assisting Commission in-house Staff (Legal, Utilities, and Auditing Divisions) and an outside engineering consultant in reviewing ELL's request and providing a recommendation to the Commission.

II. Scope of Representation

In assisting Staff, Applicants will review the application (including the direct testimony of seven witnesses, any supporting documentation, and associated cost models); draft data requests and review responses thereto; potentially participate in informal meetings with Staff and ELL, Staff and Intervenors, or Staff, ELL, and Intervenors; assist in drafting a recommendation(s), including testimony, to the Commission regarding ELL's request on implementing the Rider for cost recovery of the Resilience Plan; 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.

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. The scope of work provided herein shall continue through the conclusion of the docket, including Commission consideration of the request at a B&E, or B&Es.

All proposals shall include an outline of a plan of action for conducting the review of the application, including the activities described above. 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 requirement of this RFP, including experience with reviewing riders as a cost recovery mechanism.

III. Period of Representation

The time period estimated to complete the Scope of Representation is approximately 12 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

⁴ *Id.*

IV. Minimum Requirements

To qualify, all Applicants must have requisite knowledge of the topics listed below, in addition to those provided in Commission's Contract Order. 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.

Applicants shall at a minimum be experienced in 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, cost recovery via riders, and all related studies and calculations and prior cost recovery filings with the LPSC.

Applicants shall be qualified and prepared to draft and 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 and be qualified and prepared to render testimony at 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) the basic components and requirements of ELL's Formula Rate Plan, including cost of capital, capital structure, cost of debt, cost of equity, and rates of return, as well as currently approved riders;
- (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 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 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, February 3, 2023 at 12:00 p.m.** Selection of consultants is anticipated to take place at the Commission's February 2023 Business and Executive Session, which is currently scheduled for February 16, 2023. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.