



Louisiana Public Service Commission

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July 3, 2025

VIA EMAIL ONLY

RFP 25-07 – Securitization Consultant for any jurisdictional electric utility’s request for recovery of storm costs via a securitization financing transaction for the 2025 Hurricane Season.

To all LPSC qualified outside consultants:

Enclosed please find a Request for Proposals (“RFP”) for an **outside securitization consultant** issued by the Louisiana Public Service Commission. If your firm is interested in submitting a proposal, please review the RFP carefully to ensure you adhere to the requirements contained therein, as well as to determine whether your firm meets the specific requirements of the RFP. All Proposals must include a showing that your firm possesses the requisite qualifications and experience to represent the Commission in this matter. Please note that deviations from the requirements contained in the RFP, or conditional bid amounts, shall result in the rejection of a proposal as non-conforming.

All Proposals, including the original, plus (2) two copies, and an electronic copy must be received on or before Monday, August 4, 2025. Selection of consultants is anticipated to take place at the Commission’s August 2025 Business and Executive Session. If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

Kathryn Bowman
Executive Counsel

Encl.

cc: Brandon M. Frey, Executive Secretary
Lauren T. Evans, Deputy General Counsel

RFP 25-07
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
July 3, 2025

Securitization Consultant for any jurisdictional electric utility’s request for recovery of storm costs via a securitization financing transaction for the 2025 Hurricane Season.

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 securitization consultants** who will assist Commission Staff in the review of any request for cost recovery, through a securitization financing transaction, of storm costs incurred during the 2025 Hurricane Season.

Consideration of qualifying bids received in response to RFP 25-07 are anticipated to be on the Commission’s August 2025 Business and Executive Session. Should an Applicant be selected at the Commission’s B&E, this RFP and the Applicant’s proposal shall constitute the contract between the parties, including all terms and conditions. The Commission will not accept new terms, conditions, or proposals once an Applicant has been retained.

Please note, deviations from the requirements contained herein, or conditional bid amounts, shall result in rejection of the bid as non-conforming.

I. Overview

Pursuant to Commission Directive at the June 20, 2025 B&E, Staff is issuing this RFP to have a securitization consultant retained in case a jurisdictional utility should file a request to recover storm costs through a securitization financing transaction. The Commission’s directive stated:

As most of you are aware, the State is experiencing an economic transformation that doesn’t seem to be slowing down. This transformation, in part, is due to our state’s willingness to adapt when needed to ensure Louisiana keeps winning. This Commission has also been known to adapt when needed to ensure Louisiana residents have access to reliable, affordable electricity, and that when disasters strike, our utilities have the ability to safely and quickly restore electricity to Louisiana. Louisiana was one of the first states to utilize low-cost securitization financing after Hurricanes Katrina and Rita. Following the damaging storms of 2020 and 2021, this Commission recognized the benefits of securitizing quickly in order to mitigate cost impacts to ratepayers, saving Louisiana residents more than \$1.2B.

To that end, and in anticipation of this year’s hurricane season, I direct Staff to work diligently with any utility who files an application seeking securitization of storm costs in order to ensure our utilities have the capital available not only to restore power quickly and safely and pay restoration contractors, but also to avoid interference with on-going investments to support transformative economic development opportunities coming to Louisiana. Any utility seeking securitization for storm costs this year shall

file a proposed financing order with its application, and Staff shall use best efforts to have the financing order to the Commission for consideration at the next available B&E after the application is filed. Any financing order issued by the Commission does not preclude Staff's continuation of a full prudence review of any storm costs, and final recommendation to the Commission, including the potential to order refunds of any imprudent expenditures.

Staff also is directed to issue an RFP(s) seeking assistance in the preliminary review of storm costs, as well as assist in the execution of the financing order. Any consultant hired shall have the opportunity to submit a proposed budget for the full prudence review after any financing order has been approved by the Commission.

Applicants will be assisting Commission in-house Staff as well as the Commission's outside accounting consultant in not only conducting a preliminary review of a utility's application for recovery of storm costs via a securitization financing transaction and proposed financing order, but also the execution of any financing orders the Commission authorizes.

This scope of representation is to be on retainer basis in case the Commission receives any application filed requesting cost recovery through a securitization financing transaction for storm damage incurred during the 2025 Hurricane Season. This scope could cover no application or multiple applications.

II. Scope of Representation

In assisting Staff, Applicants will review *any* application received (including direct testimony, any supporting documentation, the proposed financing order, and associated costs effects); draft data requests and review responses thereto; potentially participate in informal meetings with Staff and the utility; and assist in drafting a recommendation on the Commission approving a financing order.

Should Staff and the Commission agree securitization is the proper recovery methodology, Applicants will be responsible for advising the Commission and Staff in all aspects of approval, issuing and marketing of the bonds, including but not limited to, compliance with Louisiana securitization/financing requirements, non-bypassability requirements, true-up requirements, tariff design and implementation, confirmation that customers will experience savings relative to conventional methods of financing, confirmation that the structure, terms and the pricing of the bonds are consistent with the terms of the financing order, and advising on the timing, structure and pricing for issuance of the bonds to achieve the lowest ratepayer charges consistent with market conditions and the terms of the financing order. Applicants should be prepared to be involved in activities including, but not limited to, the marketing of the bonds, interaction with rating agencies, monitoring of issuance costs, review of bond documentation, and the structuring timing of issuance, and pricing of the bonds.

Applicants 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.

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, including setting internal deadlines if necessary to ensure all work is completed timely. Please note that the use of ChatGBT or any other AI type platform is strictly prohibited when performing the scope of services contained herein.

III. Period of Representation

The time period estimated to complete the Scope of Representation is approximately 8 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. 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, in addition to the Applicant's knowledge and experience on utilization of securitization for cost recovery.

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, 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) utility depreciation and taxation issues, including utility taxation related to securitization;
- (4) the LPSC and FERC approved cost-of-service cost methodologies for electric utilities;
- (5) prior Commission Orders involving securitized debt;

- (6) appropriate mechanisms, allocation among customer classes and rate design for securitization cost recovery;
- (7) Louisiana Electric Utility Energy Transition Securitization Act, as amended, codified at La. R.S. 45:1271-1281; and
- (8) securitization requirements and procedures and the ratemaking treatment of the benefits of securitization.

V. Estimate of Costs

Applicants shall provide an overview of the estimated costs in the summary of the bid proposal. Given the uncertainty of this scope of representation, Commission Staff will accept an estimate of costs that covers one application for storm recovery costs through a securitization financing transaction. Should there be more than one application filed, Applicant shall use the same not to exceed budget for each separate application. For example, Applicant proposes a not to exceed budget of \$100,000 and two applications are filed. Applicants' not to exceed budget for application one is \$100,000 and Applicants' not to exceed budget for application two is \$100,000.

All proposals shall include fees and direct costs (expenses) 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 to the Commission 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. Pursuant to La R.S. 45:1180, the utility seeking Commission approval is the ultimate responsible party for payment of services provided pursuant to this RFP; therefore, timely submittal of invoices to the Commission facilitates timely payments to any retained consultant.

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

Applicants should submit the **original (hard copy), 2 copies, and an electronic copy (via email)** of the proposal to:

Kimberly N. O’Brian
Kathryn H. Bowman
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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 and kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Monday, August 4, 2025. Selection of consultants is anticipated to take place at the Commission’s August 2025 Business and Executive Session, which is currently scheduled for August 20, 2025.** Information concerning billing procedures and the Commission’s RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.