

June 4, 2026

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*Re: RFP 26-04, Docket No. X-TBD, Louisiana Public Service Commission, ex parte. In re: Audit of Purchase Gas Adjustment filings for Delta North Louisiana Gas Company, LLC for the period of April 1, 2025, through March 31, 2026; DOCKET NO. X-TBD, Louisiana Public Service Commission, ex parte. In re: Audit of Purchase Gas Adjustment filings for Delta South Louisiana Gas Company, LLC for the period of April 1, 2025, through March 31, 2026; AND DOCKET NO. X-TBD, Louisiana Public Service, ex parte. In re: Audit of Purchase Gas Adjustment filings for Delta Capital Gas Company, LLC for the period of July 1, 2025, through March 31, 2026.*

Dear Clarisa and Kathryn:

Please find attached London Economics International's ("LEI") proposal to act as an outside independent technical consultant and assist the Louisiana Public Service Commission ("LPSC") with the Purchase Gas Adjustment audit of Delta North Louisiana Gas, Delta South Louisiana Gas, and Delta Capital Gas. LEI offers a total indicative budget of \$89,198 including professional fees, travel, and other expenses.

LEI is uniquely qualified for this role. LEI has extensive experience with public utility regulation, including conducting audits under the LPSC jurisdiction. This includes experience with cases regarding the regulation of public utilities on both administrative and judicial levels, having performed tasks such as presenting direct testimony and reports, providing recommendations and assistance in developing cross examination of adverse witnesses, and the analysis of comments and exceptions to proposed recommendations.

There are no actual or potential conflicts of interest for LEI in performing the contractual obligations contemplated in this RFP. LEI is not currently working for a utility and/or investor in utilities operating in Louisiana, or any of their subsidiaries. To our knowledge, we are not advising, nor have a financial interest in, any potential bidders in a future competitive procurement for major resources in Louisiana.

If you have any follow-up requests or questions with respect to this submission, please do not hesitate to reach out to me at the contact information below.

Sincerely,

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Senior Consultant  
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# Proposal responding to RFP 26-04 to serve as an independent technical consultant to Commission’s audit of Delta North, Delta South, and Delta Capital Gas Companies’ Purchased Gas Adjustment Clause filings for the period of April 2025 through March 2026 (Docket Nos. X-TBD)



*prepared for the Louisiana Public Service Commission by London Economics International LLC*

June 4, 2026

*London Economics International LLC (“LEI”) is pleased to submit this proposal to the Louisiana Public Service Commission (“LPSC” or “the Commission”) to serve as the outside independent technical consultant in the matters of Docket No. X-TBD, Louisiana Public Service Commission, ex parte. In re: Audit of Purchase Gas Adjustment filings for Delta North Louisiana Gas Company, LLC for the period of April 1, 2025, through March 31, 2026; DOCKET NO. X-TBD, Louisiana Public Service Commission, ex parte. In re: Audit of Purchase Gas Adjustment filings for Delta South Louisiana Gas Company, LLC for the period of April 1, 2025, through March 31, 2026; AND DOCKET NO. X-TBD, Louisiana Public Service, ex parte. In re: Audit of Purchase Gas Adjustment filings for Delta Capital Gas Company, LLC for the period of July 1, 2025, through March 31, 2026. LEI is a leading energy consulting firm with over 20 years of experience advising regulators, electric and natural gas utilities, private firms, and specific customer classes across the United States and Canada as well as among international jurisdictions on tariffs, ratemaking, and renewable energy. LEI has worked with regulators, including the LPSC Staff, on many occasions and has experience testifying on a variety of issues.*

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based ratemaking, and market design; (iii) expert testimony and litigation consulting; (iv) transmission and distribution; (v) renewable energy; and (vi) procurement.

**Figure 2. LEI's areas of expertise**



## 1.1 Background and staffing

LEI is extremely well-qualified to serve as a technical consultant to the LPSC. As described in detail in Section 2, LEI has significant experience conducting management and compliance audits, including for the LPSC. LEI has previously served as an independent consultant and expert for the LPSC under FAC audits for Cleco Power (Docket Nos. X-35522 and X-36644) and for Entergy Louisiana LLC (Docket Nos. X-35523 and X-36643), FEAC audit for ELL (Docket No. X-36719), and Winter Storm Audit for Cleco (Docket No. X-35990). LEI understands the regional power market in the Midcontinent Independent System Operator (“MISO”) region, producing semi-annual market outlooks based on LEI’s detailed production simulation model of MISO. LEI understands the perspective and objectives of state regulators, having worked with many regulators. The firm has experience testifying and providing assistance in developing cross examination to state Commissions on a variety of issues including utility audits, regulatory economics, to rate design, competitive markets, and other issues.

Based on the requirements of the engagement, LEI has gathered a select team of professionals with the required qualifications to assist the LPSC. The team possesses considerable independent assessment expertise, analytical and technical capabilities, and strong understanding of power markets, including MISO.

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There will be three key personnel assigned to this project. Additional staff members and resources will be available on an as-needed basis. Key staff members assigned are as follows:

- *Barbara Porto, Senior Consultant*
- *Noah Martin, Research Associate*
- *Alison Tian, Research Associate*

*Barbara Porto* will have overall responsibility for the project and will act as Project Manager and testifying expert. *Noah Martin* and *Alison Tian* will serve as core team members. In addition, LEI staff will provide additional support as needed.

**Figure 3. Proposed LEI team organization chart**



## 1.2 Brief bios of key staff assigned to the project

**Barbara Porto**, Senior Consultant at LEI, will serve as the **project manager** for this engagement. She lends her knowledge and skills to the firm’s technical engagements with regulators, utilities and private equity firms in the US and abroad on issues regarding project evaluation, tariff design, investment strategic consulting, litigation support, as well as power price forecasting and market analysis. Barbara has been a key member of LEI auditing teams, examining utilities’ operations, staffing, plant performance, fuel procurement and market participation. She has experience in coordination and execution of utility management/performance auditing, and served as core team member for many of LEI utility audits, including for the Cleco FAC audit for 2018 and 2019 and 2020 through 2022 (Docket Nos. X-35522 and X-36644) and the Entergy Louisiana FAC audit for 2016 to 2019 and 2020 through 2022 (Docket Nos. X-35523 and X-36643). In addition, she managed several management/performance audits for other jurisdictions including the Mississippi Public Service Commission (“MPSC”) and the Public Utility Commission of Ohio, and has experience testifying before the Commission.

**Noah Martin** will serve as a Research Associate at LEI. Noah’s experience and subject matter expertise comprises power market design, tariff design, renewable energy project evaluation,

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power market modeling for the MISO region, and market analysis. He has supported LEI's work analyzing rate cases for trade associations in Iowa and conducted a policy analysis for the potential development of collocated power solutions with data centers in Arizona. He has also assisted with the model construction for scarcity pricing in the NE-ISO market and assessed proposed changes to transmission tariffs for two large Canadian utilities.

**Alison Tian**, a Research Associate at LEI, will serve as a Research Associate for this engagement. She has experience supporting regulatory and economic analysis across utility and power sector engagements. Ms. Tian has supported LEI's work for The Connecticut Light & Power Company (Eversource Energy) in connection with its mid-2026 rate case filing, contributing to the total factor productivity ("TFP") study used to inform the X-factor in the development of performance-based regulation (PBR). She has also supported LEI's engagement with the New Hampshire Department of Energy to evaluate the potential costs and benefits of exiting the ISO New England wholesale electricity market, including economic modeling and assessment of transmission rate impacts.

Full CVs of the key team members are available in Section 6.

## **2 Qualifications and experience**

This section outlines LEI’s understanding of the engagement and selected relevant experience.

### **2.1 Understanding of the engagement**

LPSC is seeking audit services to investigate the Purchase Gas Adjustment Clause (“PGA”) filings of Delta North Louisiana Gas Company, Delta South Louisiana Gas Company, and Delta Capital Gas Company, and identify any irregularities related to purchased gas costs by each utility. The three audits include a review of the utilities monthly comprehensive purchase gas adjustment schedules, and price risk management guidelines for purchased gas for the period spanning April 2025 through March 2026 for Delta North and Delta South, and July 2025 through March 2026 for Delta Capital. These Audit Periods cover the first purchase gas adjustment filings for Delta North, Delta South, and Delta Capital since the acquisition of the various Delta Utility Companies from CenterPoint Arkla, CenterPoint Entex, and Entergy Louisiana. This Audit Period is being initiated prior to the standard two-year audit period based on the Commission’s request at the February 2026 B&E where a discussion was had with the Delta Utility Companies, mainly Delta Capital, regarding customer complaints on high bills.

As outlined below, LEI is very familiar with accounting standards and practices as well as fuel and power cost allocation regulations for utilities and has experience analyzing the costing methodologies utilized by public service and/or utility commissions. LEI is also familiar with relevant LPSC General Orders, in particular, the PGA Order, (Docket No. U-22407), as described below.

#### **2.1.1 Overview of the Delta Utilities systems**

Delta North Louisiana Gas Company LLC, Delta South Louisiana Gas Company LLC, and Delta Capital Gas Company LLC (collectively, “Delta Utilities”) are regulated natural gas local distribution companies (“LDCs”) headquartered in New Orleans, Louisiana. Delta Utilities provides natural gas service to approximately 600,000 residential, commercial, and industrial customers across Louisiana and Mississippi and operates approximately 18,000 miles of pipeline infrastructure serving 30 Louisiana parishes and 36 Mississippi counties. Delta Utilities became one of the largest natural gas utilities in the Gulf South following its acquisitions of CenterPoint Energy’s Louisiana and Mississippi natural gas operations in 2025 and Entergy’s natural gas distribution businesses in Baton Rouge and New Orleans in July 2025.

Delta Utilities’ retail natural gas rates and business practices are regulated by the Louisiana Public Service Commission (“LPSC”) and the Mississippi Public Service Commission (“MPSC”). Certain transportation, pipeline safety, and other interstate natural gas matters are also subject to regulation by the Federal Energy Regulatory Commission (“FERC”). Delta Utilities operates as a regulated LDC through its regional entities including Delta North Louisiana Gas Company LLC and Delta South Louisiana Gas Company LLC, which received LPSC approval to operate as LDCs in connection with Delta Utilities’ acquisition of CenterPoint Energy Resources Corp.’s Louisiana gas assets.

## **2.1.2 Purchased Gas Adjustment Clause**

The Commission's General Order dated April 16, 1971 (Docket No. U-22407), regarding the development of standards governing the treatment and allocation of purchased gas costs by natural gas utility companies, allows a utility to pass on to its customers substantially the cost of natural gas purchased for utility customers.

The PGA allows utilities to recover the cost of fluctuations in direct costs for purchased gas, on an ongoing basis, without the need to conduct a full rate case. Typically, utilities are prohibited from charging a rate other than the rate approved by the LPSC in a base rate case. The PGA was created due to historical volatility in costs for purchased gas.

The implementation of the PGA has two components. The first is a base rate which allows utilities to recover non-gas costs (the non-gas component of the charged sales rates is determined by the LPSC). The second component allows for cost recovery of the gas sold by the utility and is adjusted on a monthly basis. The Commission, however, continues to have the ability to exercise its ratemaking, *after the fact*. As such, the PGA costs are subject to periodic audits by the LPSC.

The key attributes of the PGA methodology include:

1. Use of on-system lost and unaccounted-for gas ("LUFG")<sup>1</sup> which is allocated between PGA and other customers on a volumetric basis, unless an alternative approach is warranted and approved by the Commission;
2. Use of projected gas purchased cost (based on NYMEX index prices) allowed if the actual price of supply is unknown;
3. Use of over/under recovery to provide a true-up or reconciliation of actual recoverable costs to actual recovery revenues, based on jurisdictional sales<sup>2</sup>, which also includes a calculation of carrying charges (interest rate) consistent with the standards adopted in Docket No. U-21497 for electric utilities; and
4. 100 percent of the revenues realized by utilities from the release of interstate pipeline and storage capacity reserved to serve PGA customers will be credited to PGA customers. Net margins generated from off-system sales effectuated using capacity reserved to serve PGA customers are shared between customers and utility on a 70/30 allocation basis.

The Commission classifies gas utilities by size and establishes different PGA filing and reporting requirements for each category. Delta Utilities falls into the Group I gas utilities (serving more

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<sup>1</sup> LUFG is the difference between gas received by the LDC or pipeline and gas delivered to customers due to metering inaccuracies, leakage, and/or theft. Company use for compressor fuel and other operations may also be included.

<sup>2</sup> In accordance with Schedule C in Order No. U 22407, which establish procedures to collect, or return, under-recoveries or over-recoveries of purchased gas costs experienced during a utility's designated annual review period.

than 25,000 jurisdictional customers), therefore is required to file supporting information on a monthly basis according to the following PGA Order schedules:

- **Schedule A:** identify the gas cost rate to be applicable during the billing month, and will be based on the utility's projected cost of gas for the billing month.
- **Schedule B:** identify the utility's actual purchased gas costs, as well as other information, experienced during the month which is two months prior to the billing month.

In addition, Group I gas utilities must file, on an annual basis, the information shown on Appendix B (Schedules C-1 through C-2) of the PGA Order. Schedule C establishes procedures to collect or return under-recoveries or over-recoveries of purchased gas costs experienced during a utility's designated annual review period.

## **2.2 Selected experience**

The combination of the LEI team's management and compliance auditing expertise, experience in regulatory economics, and cost allocation means that LEI is uniquely qualified to provide the services outlined in the RFP.

This section provides projects relevant to the proposed engagement. The projects listed here are indicative of LEI's expertise and are not an exhaustive record of experience.

### **2.2.1 Management/performance auditing experience**

LEI has performed management review and auditing services around the world, including assessment of utilities' practices, review of fuel cost mechanisms, measuring compliance with regulations, and investigation of the performance of generating assets.

- **LPSC Entergy FAC audits and CLECO FAC audits:** LEI was engaged by the LPSC to audit the Fuel Adjustment Clause ("FAC") for ELL and Cleco Power. The audit involved detailed examination of monthly true-ups of incurred costs with billed costs; the appropriate of interest rates as applied to over-recovered or under-recovered costs; examination of the impact of deferred costs; reconciliation of expenses recorded in FERC Form 1 account categories ("as booked") with expenses included in monthly fuel adjustment clause filings; the prudence and reasonableness of costs incurred for oil, gas, coal, and nuclear fuel and transportation, and an assessment operating performance of utility generating assets. [ELL 2020-2022 FAC audit in Docket No. X-36643; ELL FAC audit in Docket No. X-35523; Cleco 2020-2022 FAC audit in Docket No. X-36644; Cleco 2018-2019 FAC audit in Docket No. X-35522].
- **ELL FEAC audit:** LEI was engaged by the LPSC to perform an audit of the Federal Environmental Adjustment Clause ("FEAC") filings of ELL. The assignment included identifying any irregularities, including but not limited to, incorrect assessment of calculations and recovery of unauthorized expenses via the FEAC. LEI examined utility purchases and sales of air emission credits needed to comply with the Clean Air Act Amendments ("CAA") of 1990 as well as the Clean Air Interstate Rule ("CAIR") and its

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successor, the Cross State Air Pollution Rule ("CSAPR"). LEI made findings and recommendations concerning whether the costs passed through the adjustment clause were or were not reasonable and prudent, and whether the costs were appropriate for recovery in the EAC mechanism and consistent with LPSC Orders and rules. [Docket No. X-36719]

- ***Louisiana PSC Cleco Winter Storm 2021 Audit:*** LEI was engaged to audit and review the actions taken and decisions made by Cleco Power which impacted fuel costs incurred during the February 2021 winter storm. LEI's review and analysis included lessons learned and best practices in order to mitigate such impacts in the future.
- ***Duke PSR audit:*** LEI was engaged in 2020 by the Public Utility Commission of Ohio to perform an audit of the price stabilization rider ("PSR") of Duke Energy Ohio for the output of two coal plants operated by Ohio Valley Energy Company ("OVEC"). LEI examined fuel and variable cost expenditures, and capital expenditures to determine whether they were prudently incurred. LEI compared and benchmarked Duke Energy/OVEC costs and other operational results against data from public sources. LEI also examined and benchmarked power plant performance.
- ***Mississippi fuel and energy management audit:*** LEI was engaged by the Mississippi Public Service Commission to audit the management activities of a major vertically integrated utility in the MISO region for two consecutive years. LEI assessed the utility's practices for bidding generation into the MISO wholesale markets, and for economical purchase and use of fuel and electric energy. LEI assessed fuel and energy contract terms, investigated the operations of the utility's coal and nuclear generation units, and reviewed the prudence of coal inventory levels and inventory control procedures. LEI also testified about its findings before the Commission. Following the completion of the two-year audit cycle, the Commission engaged LEI to audit the other large vertically integrated utility in Mississippi.
- ***Ohio fuel, cost, and capital expenditures audit:*** LEI was engaged by the Public Utility Commission of Ohio to perform an audit of a Power Purchase Arrangement ("PPA") rider of the Ohio Power Company (AEP Ohio) for the output of two coal plants operated by Ohio Valley Energy Company ("OVEC"). LEI examined fuel and variable cost expenditures, and capital expenditures to determine whether they were prudently incurred. LEI also examined environmental compliance activities as they related to fuel purchases. LEI compared and benchmarked AEP Ohio costs and other operational results against data from public sources. LEI also examined and benchmarked power plant performance.
- ***Assessment of fuel cost pass-through mechanisms:*** LEI was retained by the Hong Kong Special Administrative Region government to assess its electricity regulatory regime, to help the Government prepare for negotiations with the utilities. LEI examined cost of capital, rate base calculations, efficiency incentives, and fuel cost pass-through mechanisms.
- ***Independent Evaluator for Pacific Gas and Electric:*** LEI was part of a pool of consultants to the Pacific Gas and Electric Company's Independent Evaluator to monitor long-term resource solicitations including affiliate, utility-owned or utility-turnkey bids. LEI worked with PG&E to ensure that Offers were evaluated consistently and in accordance with the solicitation protocol and rules of the California Public Utilities Commission ("CPUC").

- ***Ohio RECs and SRECs audit:*** LEI was engaged by the Public Utility Commission of Ohio to perform a management/performance audit of the Alternative Energy Rider of the Ohio Power Company (AEP Ohio). LEI examined processes involved in procuring RECs and SRECs. LEI compared and benchmarked AEP Ohio RECs and SRECs costs and other operational results against data from public sources.
- ***Independent benchmarking assessment of costs:*** LEI performed an independent benchmarking assessment of Ontario Power Generation's ("OPG") corporate support costs. In addition to independent benchmarking analysis, LEI supported OPG through the rate application process, in particular in preparation of evidence, and provision of expert testimony, supporting the reasonableness of OPG's costs for the provision of corporate support services.
- ***Assessment of distribution service costs for Ontario's utility:*** LEI, in consortium with an engineering firm, analyzed the customer density and distribution service costs for Ontario's largest utility in 2011. This engagement had three specific objectives: (i) evaluate the relationship between customer density and distribution service costs; (ii) assess whether utility's existing density-based rate classes and density weighting factors appropriately reflect this relationship; and (iii) consider, qualitatively, the appropriateness and feasibility of establishing alternative customer class definitions.
- ***Independent assessment and review:*** LEI was engaged as an external consultant to provide an independent assessment of relief sought by a client in Alberta in the matter of an arbitration under the provisions of the Arbitration Act, S.A. 1991, c. A-43.1 and the provisions of a PPA for one of its coal fired units under section 45.95(1) of the Electric Utilities Act (Alberta). In addition to providing an independent assessment of relief sought the client; LEI undertook analysis to present the intent underlying the PPA and specific actions leading to the dispute. LEI's review also touched upon economic efficiency perspectives and explored similar examples in other jurisdictions.

### **2.2.2 Expert witness experience**

LEI has performed dozens of engagements involving serving as an expert witness. The work listed below is a small sample.

- ***Large customer rate design:*** LEI was engaged by a vertically integrated electric utility in Oregon to advise on designing a tariff rate suitable for large and fast-growing commercial and industrial customers such as data centers and microchip fabricators LEI provided case studies of other jurisdictions which sought (either successfully or unsuccessfully) to adopt new rates and/or tariffs for similar customers. Based on the case studies and LEI's insight into effectiveness of various rate design features, LEI develop strategic options and recommendations for the PGE executive team and Board of Directors. LEI provided support related to Oregon Public Utilities Commission hearings, including producing testimony and participating in hearings.
- ***Independent expert related to Maine Energy Cost Reduction Act:*** LEI was engaged by the State of Maine Public Utilities Commission to assist in evaluating options for expansion of natural gas supply into Maine (with a view to reducing the cost of gas and power to Maine

customers). LEI reviewed and evaluated proposals for firm natural gas transportation service by pipeline developers. These evaluations included LEI's review of commercial terms included in the pipeline Precedent Agreements that underpin capacity expansion projects; review of contract provisions for Firm Transportation Agreements and Negotiated Rate Agreements; and evaluation of the status of the FERC and state-level permitting process for each pipeline proposal. The project also included natural gas network modeling (using GPCM, an industry-standard network model of the North American natural gas system) and power simulation modeling (using LEI's proprietary POOLMod model) to arrive at a quantitative cost-benefit analysis of proposals. LEI responded to discovery from other parties, prepared discovery questions and cross-examined witnesses, reviewed testimony by other parties and provided assessments of the issues presented and served as expert witness in the proceedings. (2016) [MPUC Docket No. 2014-00071]

- ***Cost of capital for regulated generating assets:*** LEI provided expert testimony to the Ontario Energy Board regarding risk factors associated with Ontario Power Generation's prescribed assets, as well as creating a risk-return continuum on which power sector assets could be placed. [OEB, proceeding ID: EB-2007-0905]
- ***Advisor to Maine Public Utilities Commission on transmission cost allocation:*** LEI advised Maine Public Utilities Commission on methodologies for transmission cost allocation by comparing and contrasting alternative planning approaches and pricing models employed within the US and one international jurisdiction, the United Kingdom. The final report provided a 'strawman' recommendation for an effective cost allocation methodology. (2010) [Docket No. RM10-23-000]
- ***Independent expert assessing the role of Enbridge Line 3 for Minnesota:*** LEI was engaged as the independent market expert assisting the Minnesota Department of Commerce in evaluating the application of Enbridge Energy for a Certificate of Need for its Line 3 oil pipeline expansion project. LEI provided written testimony, responded to interrogatory requests, and provided written surrebuttal and oral testimony. [Docket No. PL-9/CN-14-916, OAH Docket No. 65-2500-32764]
- ***Preparation of analysis of generation market power under FERC's indicative screens for market-based rate authorization:*** In support of the acquisition of a 21-megawatt photovoltaic solar facility, LEI performed an updated market power analysis for acquirer's affiliates in the California ISO which have been granted market-based rate authorization, and prepared the related Section 203 filing. (2010) [ER10-204-000]
- ***Triennial market power analysis (southeast region):*** In support of a client's application to renew market-based rate authorization under the jurisdiction of FERC, LEI performed Pivotal Suppliers Analysis and Market Share Analysis for the Entergy balancing authority area. (2011) [ER97-4281 et al.]

### **3 Proposed plan of action**

The scope of work encompasses analysis of fuel purchases and usage by Delta Utilities under three separate audits/Dockets. LEI's audit procedures, as outlined by the PGA Order, will include:

- An investigation into the purchased gas costs incurred by each utility for compliance with the requirements of the PGA Order;
- A review and analysis of the utility's monthly comprehensive purchased gas adjustment schedules filed with the Commission;
- If applicable, the development and improvement of internal staff procedures to effectively monitor and evaluate a utility's performance in areas impacting the gas costs which are reflected in the utility's monthly purchased gas adjustment filings with the Commission;
- A review of each utility's price risk management guidelines pertaining to purchased gas (including policies regarding physical hedging, fixed price transactions, index transactions, fixed for floating price swaps, options to purchase, and other arrangements) to determine their propriety and recommendation of modifications if appropriate; and
- A quantification of the adverse impact on ratepayers, if any, for each audit topic.

Based on LEI's previous experience working on audits and the RFP's scope of representation, LEI proposes seven tasks to structure this engagement, with a number of subtasks. Tasks 1 through 4 would be executed concurrently and the remaining Tasks 5 through 7 would be executed sequentially (see Figure 4). LEI's plan of action is discussed in detail below. This plan can be viewed as a starting point, as LEI understands that the LPSC and its Staff will have the right to determine how the tasks will be carried out.

Throughout the course of this engagement, LEI senior team members will confer with LPSC Staff in the form of periodic calls and e-mails and will be available to attend meetings in Baton Rouge as needed and/or permitted. LEI senior staff will be available to participate in or lead technical conferences and conduct informal meetings with parties as needed and/or permitted.

LEI will work with the Commission Staff to ensure that LEI has access to the necessary resources (contact persons, documents, records, and so on) that will enable the completion of the PGA audits for the three utilities. If appropriate, LEI will utilize LPSC's data request procedures for issuing information requests and recording responses, which will assist in gathering information and organizing materials.

Figure 4. Major audit tasks and subtasks /activities (proposed)

Tasks 1-4 will be performed concurrently	<b>Task 1: Review and examine filing and the related supporting documentation</b>
	<b>Sub-tasks/activity</b>
	Define criteria upon which process and results will be evaluated
	Define data needs, issue DRs, conduct meetings, conference calls
	Systematically review the Company's PGA filing
	Develop LEI's recommendations
	<b>Task 2: Review accompanying workpapers and the Company's financial data</b>
	<b>Sub-tasks/activity</b>
	Define criteria upon which process and results will be evaluated
	Define data needs, issue DRs, conduct meetings, conference calls
	Identify irregularities and assess calculations
	Develop LEI's recommendations
	<b>Task 3: Review the Company's gas purchase and sale practices</b>
	<b>Sub-tasks/activity</b>
	Define criteria upon which process and results will be evaluated
	Define data needs, issue DRs, conduct meetings, conference calls
Perform analytics in terms of the fuel costs and revenues	
Develop LEI's recommendations	
<b>Task 4: Review historical data involving prior audits</b>	
<b>Sub-tasks/activity</b>	
Define criteria upon which process and results will be evaluated	
Define data needs, issue DRs, conduct meetings, conference calls	
Review any compliance requirements included within relevant Orders	
Develop LEI's recommendations	
Tasks 5-7 will be performed sequentially	<b>Task 5: Provide draft audit report/audit memorandum and/or pre-filed testimony</b>
	<b>Sub-tasks/activity</b>
	Prepare draft report/audit memorandum and/or pre-filed testimony
	Present draft report and gather comments
	<b>Task 6: Provide final audit report and working papers</b>
	<b>Sub-tasks/activity</b>
	Finalize report and deliver working papers
<b>Task 7: Provide testifying expert</b>	
<b>Sub-tasks/activity</b>	
Discovery response assistance	
Attend meetings/hearings and testify where applicable	
Assist in preparation of applicable motions	

### 3.1 LEI's approach to the PGA filings audit

LEI's audit will make use of the following:

- **Qualitative assessments of processes** based on the information gathered during documentation review and interview processes, as well as the professional experience of our consulting team and the pragmatic implications of the methods;
- **Quantitative evaluation of results** focusing on various compliance and cost trends and management's ability to control and calculate them; and
- **Comparative analysis of results** performed using the Company's purchased gas costs and revenues during the review period and prior to the review period to determine any significant changes or irregularities in pricing or utilization throughout the audit period.

For each of the tasks presented in Figure 4 shown previously, LEI's audit approach will be to:

1. **Define criteria** upon which processes and results will be evaluated;
2. **Analyze the Company's process**, both qualitatively and, if possible, quantitatively, based on the results of data requests and interviews;
3. **Examine and evaluate the Company's results** both qualitatively and, if possible, quantitatively; and
4. **Provide LEI's recommendations** for each utility/Docket.

These approaches are discussed below.

### **3.1.1 Define criteria upon which processes and results will be evaluated**

LEI will develop criteria that will frame LEI's evaluation of the utilities' PGA processes and results. The following is a sample of audit criteria; not every criterion will apply to every audit area:

- Did the utility include and exclude PGA costs correctly?
- Did the "per books" FERC account amounts and PGA account amounts match?
- Did the utility perform true ups to reflect PGA over-recovery and under-recovery accurately? Is the lag for true-up reasonable? Does it negatively impact the utility or its customers?
- Are the interest charges in Exhibit C of PGA consistent with what is allowed in the PGA and are they just and reasonable?
- Were lost and unaccounted for gas volumes reasonable?
- Has the utility implemented changes that may have been recommended in previous audits?

### **3.1.2 Describe and analyze the utility' processes**

LEI will expect the utilities to provide concrete examples of each relevant process (e.g., monthly true-ups of PGA over-recovery and under-recovery). This information may come from interviews, conference calls, and data requests. LEI will then analyze their efficacy and ensure their alignment with the PGA requirements.

### **3.1.3 Provide LEI's recommendations**

LEI will bring to bear its audit expertise and broad experience in the gas sector, to frame practical suggestions for improvements, if any, are warranted.

## **3.2 Detailed work plan**

### **3.2.1 Task 1: Review the Company's PGA filings and the related supporting documentation**

Using the Criteria-Process-Results approach, LEI will review the Company's PGA filings, draft data requests, and review responses thereto to assess whether accounting procedures accurately and properly allocate revenues and costs in accordance with PGA requirements.

### **3.2.2 Task 2: Review accompanying workpapers and the Company's financial data**

Using the Criteria-Process-Results approach, LEI will investigate the workpaper of the PGA filings of the Company and assess the financial data. To evaluate the reasonableness of the calculations and cost recovery, the investigation will include a comparison between the audit period and prior periods, in order to create context. LEI will also interview company personnel to obtain an understanding of processes, if needed. LEI will trace accounts to supporting documentation and re-perform calculations to verify mathematical accuracy.

### **3.2.3 Task 3: Review the Company's gas purchase and sale practices**

Using the Criteria-Process-Results approach, LEI will examine the Company's gas purchased practices, including but not limited to, the involvement of the utility's parent company and/or affiliates if relevant. LEI will review the Company's accounting for such costs and revenues as well as Delta's utility price risk management guidelines pertaining to purchased gas.

### **3.2.4 Task 4: Review historical data involving prior audits**

LEI will use the Criteria-Process-Results approach to review the Company's historical data involving prior audits, including any compliance requirements with Orders resolving prior audits. LEI will perform analytics comparing the data in this audit period against that of previous periods to determine any significant changes or abnormalities.

### **3.2.5 Task 5: Provide draft audit report/audit memorandum and/or pre-filed testimony**

LEI will draft three separate audit reports, one for each utility/Docket, based on the information gathered from meetings, interviews, and field trips, and LEI's analysis recommendations in Tasks 1 through 4. LEI's reports will be as concise as possible and will identify issues clearly, to provide the Commission Staff with the information it requires.

The draft reports for each utility/Docket will provide an overview of the audit, will summarize how the audit process was conducted, what the findings were, and the conclusions and recommendations for corrective actions, if any. The reports will also discuss the supporting

evidence and references provided to the team. The draft reports will include the following information:

- Executive summary and recommendations;
- Introduction to the PGA filings audit;
- Scope, objectives, and methodology of audit;
- Documents reviewed, and people interviewed during the audit;
- Evaluation of management processes and decisions in the context of the time such decisions were made;
- Findings and conclusions which are clearly supported in the audit report;
- Identification of issues which require more explanation or examination; and
- Recommendations for corrective actions, if applicable.

The audit reports would be presented in 7 chapters:

Chapter 1: Executive summary and recommendations

Chapter 2: Overview of the utility system

Chapter 3: Compliance with PGA General Order and other LPSC Orders and decisions

Chapter 4: Cost of purchased gas and impact to ratepayers

Chapter 5: utility price risk management guidelines pertaining to purchased gas

Chapter 6: Appendix: List of Acronyms

Chapters 3-5 would be organized in the same way, beginning with a statement of the scope of the audit which applies to the utility's activities, and background information to provide context for these activities; followed by the evaluative criteria used in the audit, LEI's findings, and finally LEI's recommendations.

LEI will send each draft to the Commission for feedback and comment; and to the utility for verification of factual statements and an indication of confidential information which will need to be redacted for a public version (if required by the Commission Staff).

### **3.2.6 Task 6: Provide final audit reports and working papers**

LEI will finalize the three audit reports based on the feedback received from the Commission and the utilities. LEI will prepare a "confidential" and a "redacted" version of the report.

The final reports will include an executive summary of the audit, findings, and if applicable recommendations for corrective actions.

LEI will submit reports in the quantity and format requested by the Commission Staff.

### **3.2.7 Task 7: Provide testifying expert**

Barbara Porto will serve as the testifying expert for this engagement. LEI will assist the Commission Staff in responding to discovery in the final audit report, as well as participate in related meetings and conferences. LEI expects to prepare and present expert testimony during a hearing(s) involving the PGA audit reports for each Docket and assist in preparation of applicable motions and other pleadings in support of Staff's PGA audit reports.

The testifying expert will also be available appear before the Commission at the Commission's Business and Executive Sessions where this matter will be discussed.

### **3.3 Audit deliverables and schedule**

The team expects that the engagement will start with a **kick-off meeting** that will be held over the phone, with the Commission Staff. During this meeting, the team expects that the engagement's timetable, milestones, overall expectations and format and timing of deliverables will be discussed and finalized. Given the timeline the RFP outlines, LEI understands that the selection of consultants is anticipated to take place at an upcoming "Business and Executive Session." As such, LEI proposes the kick-off meeting be held around July 6, 2026.

LEI understands that the timeline for scope of representation for the three PGA audits is 18 months. However, the audit is of a fairly narrow scope, and if the Commission Staff wishes LEI to complete the work in a shorter time scale, LEI can do so.

Assuming for the present the 18-month scope of representation, and given a start date of July 6, 2026, LEI commits to the following deliverables and target dates for the three PGA audits (see Figure 5):

- **One written progress report** (at the approximate calendar mid-point of the audit, February 1, 2027, or date agreed-upon with the Commission staff) for the three PGA audits
- **Three draft reports** (April 30, 2027, or date agreed-upon with the Commission staff), one report for each utility/Docket
- **Three final reports** (August 27, 2027, or date agreed-upon with the Commission staff), one report for each utility/Docket
- **Complete set of working papers** (August 27, 2027, or date agreed-upon with the Commission staff) for each utility/Docket
- **Testimony support** (dates TBD)

LEI can also provide **monthly** updates to the Commission staff. As noted previously, LEI will summarize progress made on required audit activities and preliminary findings.

LEI expects frequent contact with the Commission staff in the initial stages of the project, when main activities will include gathering data from the Company and setting up meetings and calls with the personnel of the Company.



## 4 Timeline and budget

LEI expects to have a kick-off meeting a few weeks after the signing of the contract. LEI would take advantage of this time to gather data and information needed to begin Task 1.

### 4.1 Timeline

As indicated in the RFP, the time period allowed for the matter is 18 months. LEI expects that the schedule and the deadlines will be finalized during the kick-off meeting, or shortly before or after, as noted in Section 3.3. LEI commits to having the key staff members noted in Section 1.2 available for the entire period of the project.

### 4.2 Professional fee budget

LEI offers a total professional fee budget not to exceed **28,740 per audit** (see Figure 6), **a total of \$86,220 for the three audits**, based on the scope discussed in Section 3. Any additional tasks not discussed in this scope would need an update of the professional fee budget.

**Figure 6. Professional fee budget per utility/Docket (indicative)**

Task	Total LEI staff hours	Professional fee budget
Kickoff meeting	3	\$ 780
Task 1: Review and examine filing and the related supporting documentation	20	\$ 4,575
Task 2: Review accompanying workpapers and the Company's financial data	20	\$ 4,575
Task 3: Review the Company's gas purchase and sale practices	20	\$ 4,575
Task 4: Review historical data involving prior audits	14	\$ 3,540
Task 5: Provide draft audit report/audit memorandum and/or pre-filed testimony	14	\$ 3,540
Task 6: Provide final audit report and working papers	8	\$ 2,055
Task 7: Provide testifying expert	20	\$ 5,100
<b>Total</b>	<b>119</b>	<b>\$ 28,740</b>

For Task 7, the Project Manager, Barbara Porto, will provide all the expert testimony support regarding the PGA audit reports. LEI is offering this at a substantial discount to LEI's current rates (see Figure 7). LEI will bill only for the actual hours of work performed and costs incurred.

**Figure 7. LEI hourly rates**

Title	Standard hourly rate	Discounted hourly rate
President	\$ 950	\$ 695
Managing Director	\$ 945	\$ 690
Director	\$ 700	\$ 550
Managing Consultant	\$ 595	\$ 450
Senior Consultant	\$ 495	\$ 360
Consultant	\$ 375	\$ 260
Research Associate	\$ 260	\$ 210
Admin	\$ 150	\$ 115

### 4.3 Expense budget

LEI estimates that the additional cost for reasonable and customary reimbursable expenses, such as (but not limited to) printing, courier, and data acquisition fees, if any, will not exceed \$600 per utility/Docket. In addition, travel costs are estimated in Figure 8 below. If travel is required, LEI will comply with all-expense caps as outlined in the State of Louisiana Division of Administration Travel Policies and Procedures Memorandum. Accordingly, the indicative travel expense budget is **\$1,178 total for all three dockets**. LEI anticipates the hearings for the three audits to take place at the same time, thus the travel cost will be shared between the utilities.

**Figure 8. Indicative travel costs for all three dockets (indicative)**

Travel	# trips	# people	# nights	Total cost
Meetings with Commission and/or Staff	1	1	1	\$526
Meetings with parties	1	1	2	\$652
<b>Total estimated costs</b>				<b>\$1,178</b>

**Indicative**

### 4.4 Total budget

The total indicative budget, including professional fees, travel, and other expenses, therefore, amounts to **\$89,198**.

## **5 Conflict of interest**

LEI currently has no interest, direct or indirect, which would conflict with the performance of services under this contract and shall not employ, in the performance of this contract, any person having a conflict.

## **6 Resumes of key staff assigned to the project**

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recorded in FERC Form 1 account categories (“as booked”) with expenses included in monthly fuel adjustment clause filings; the prudence and reasonableness of costs incurred for oil, gas, coal, and nuclear fuel and transportation, and an assessment operating performance of utility generating assets. Barbara worked on the sections of the audit related to fuel and purchase power costs, developing and analyzing data requests to evaluate if such costs were prudent and in compliance with LPSC orders.

- ***Audit of fuel adjustment clause for Entergy Louisiana:*** LEI was engaged by Louisiana Public Service Commission, Docket No. X-35523 and Docket No. X-36643, to perform an audit of the Fuel Adjustment Clause filings of Entergy Louisiana. The audit involved detailed examination of monthly true-ups of incurred costs with billed costs; the appropriate of interest rates as applied to over-recovered or under-recovered costs; examination of the impact of deferred costs; reconciliation of expenses recorded in FERC Form 1 account categories (“as booked”) with expenses included in monthly fuel adjustment clause filings; the prudence and reasonableness of costs incurred for oil, gas, coal, and nuclear fuel and transportation, and an assessment operating performance of utility generating assets. Barbara worked on the sections of the audit related to fuel and purchase power costs, developing and analyzing data requests to evaluate if such costs were prudent and in compliance with LPSC orders.
- ***Audit of federal environmental adjustment clause for Entergy Louisiana:*** LEI was engaged by the Louisiana Public Service Commission to perform an audit of the Federal Environmental Adjustment Clause (“FEAC”) filings of Entergy Louisiana, LLC (“ELL”). The assignment included identifying any irregularities, including but not limited to, incorrect assessment of calculations and recovery of unauthorized expenses via the FEAC. LEI examined utility purchases and sales of air emission credits needed to comply with the Clean Air Act Amendments (“CAAA”) of 1990 as well as the Clean Air Interstate Rule (“CAIR”) and its successor, the Cross State Air Pollution Rule (“CSAPR”). LEI made findings and recommendations concerning whether the costs passed through the adjustment clause were or were not reasonable and prudent, and whether the costs were appropriate for recovery in the EAC mechanism and consistent with LPSC Orders and rules. Barbara supervised and directed the audit.
- ***Fuel Audit of Mississippi Power Company:*** LEI was engaged for a two-year term to conduct the annual management audits of the oil, gas, coal, nuclear fuel, and energy procurement activities of Mississippi Power Company. The LEI team assessed a complex array of issues including fuel and energy contract terms and the prudence of fuel procurement and inventory practices. LEI appeared before the Commission to present and defend findings. Barbara worked on the procurement and inventory management sections of the audit related to natural gas and coal.
- ***Management audit of Entergy Mississippi:*** LEI was engaged in a two-year term and a four-year term to conduct the annual fuel procurement and management audit of Entergy Mississippi. The LEI team assessed a complex array of issues including the Company's organization and staffing, risk management and company controls, coal procurement and inventory management, coal transportation, natural gas procurement and trading, plant operations and generation portfolio management, energy procurement and trading, and costs associated with the Grand Gulf nuclear plant. LEI prepared a comprehensive report detailing

its analysis, findings, and recommendations, and appeared before the Mississippi Public Service Commission to present its findings and recommendations. Barbara worked on the procurement and inventory management sections of the audit related to natural gas, oil, and coal, and presented LEI's findings and recommendations before the Commission.

- ***Audit of Legacy Generation Resource Rider for Ohio Valley Energy Company:*** LEI was engaged by the Public Utility Commission of Ohio to perform an audit of the prudence and performance of the generation purchase riders of Duke Energy Ohio, AEP Ohio, and AES Ohio for the output of two coal plants operated by Ohio Valley Energy Company ("OVEC"). Barbara was responsible for examining OVEC's participation in the PJM market and the fuel and variable cost expenditures to determine whether they were prudently incurred.
- ***Audit of AEP Ohio Alternative Energy Rider:*** LEI was engaged in 2018 by the Public Utility Commission of Ohio to perform a management/performance audit of the Alternative Energy Rider of the Ohio Power Company (AEP Ohio). LEI examined processes involved in procuring RECs and SRECs. LEI compared and benchmarked AEP Ohio RECs and SRECs costs and other operational results against data from public sources. LEI created a working model of the true-up process and provided quantitative results comparing the impact of quarterly versus semi-annual true-up periods on the utility and on ratepayers. Barbara performed analysis on RECs benchmarking, inventory, and compliance, as well as the cost of compliance and the approach used by AEP Ohio to calculate the cost of RPS compliance.
- ***Montana-Dakota Utilities rate case:*** LEI was engaged by the North Dakota Public Service Commission as the outside independent technical consultant supporting the Commission's ratepayer advocacy staff in a rate case involving Montana-Dakota Utilities. LEI examined key components of the rate case, which included the depreciation study, tax rates, environmental upgrades, transmission investment, the ROE/common equity ratio, amortization for early retirement of coal plants, and impacts on residential rates versus impacts on other classes of service. LEI prepared data requests, and provided written and oral testimony. Barbara worked on the sections of the audit related to depreciation and environmental upgrades.
- ***Reliability metrics case studies:*** LEI was engaged by a law firm to provide market design, regulatory, and economic advice to assist the Firm in rendering legal advice to Luminant (Vistra Corporation) in litigation challenging regulatory action, as well as regulatory advocacy. The engagement consisted of three Phases: 1) analysis and research to support proof-of-concept and initial estimates; 2) preparation of written testimony and litigation support; and 3) advisory on market design options. Barbara assisted in Phase 3 with case studies on reliability metrics and standards in the state of California and Brazil.
- ***Ancillary service revenue streams for long-duration storage in California:*** LEI was engaged by a developer to evaluate potential revenue stream of its battery storage technology that is capable in providing very long-duration storage. Specifically, LEI is helping the client understand the value of regulation, spinning reserve, frequency regulation, voltage support and other revenue streams that its battery can earn in the California market under current market structure and under future potential market designs.
- ***Financial Transmission Rights ("FTRs") and Auction Revenue Rights ("ARRs") Market Review:*** LEI has been engaged by a Regional Transmission Operator ("RTO") to conduct a holistic assessment of its FTR markets and ARR to determine whether the current ARR/FTR

processes constitute appropriate mechanism to ensure that load receives the optimal value of the transmission system for which it is paying through its transmission access charges. Barbara was responsible for analyzing the FTR/ARR metrics and target allocation process, as well as comparing it to similar mechanisms in other jurisdictions.

- ***Hydro portfolio due diligence:*** LEI was hired by a private equity firm to provide technical assistance and due diligence on the acquisition of a portfolio of hydropower projects located in multiple states across the US. The Projects consisted of a mix of run of river hydro and large pumped storage at various level of development. As part of its due diligence, LEI carried out a general review of the hydropower and pumped storage markets to evaluate the relative competitiveness of these technologies especially in markets with high renewables and storage penetration; LEI also developed a 20-year forecast of revenue streams for the relevant assets in the market of interests and reviewed the assets marketability post contract expiration. Finally, LEI reviewed key offtake contract to make recommendations on replicability (or lack thereof) of such contracts especially in highly competitive regions. Barbara assisted with benchmark research to analyze the replicability of the proposed commercial transaction.
- ***Due diligence on a potential wind portfolio acquisition:*** LEI was engaged by an infrastructure investment fund to provide consulting and advisory services in support of due diligence efforts on a potential wind portfolio acquisition in ISO-NE and California. The scope of the project included reviewing data room materials, critically reviewing a market report prepared by the sell-side consultant, preparing independent long-term 20-year energy and capacity price forecast for the target assets under two different scenarios, one reflecting a base case scenario with nation-wide carbon tax implemented by 2028, and another reflecting decarbonization goal achieved through non-carbon tax policies. Barbara was responsible for the California portion of the project, conducting extensive and detailed review of the materials provided, additional research on various topics, and performing the California modeling activities.
- ***Application for firm transportation on a gas pipeline:*** The MA Attorney General's Office of Ratepayer Advocacy ("AGO") engaged LEI to examine the application of National Grid d/b/a Boston Gas for approval to execute a contract with Algonquin, for firm transportation ("FT") on the Atlantic Bridge Project (DPU 19-132). The project included examining National Grid's projections of gas demand and its assumed resources to meet demand; examining the Assigned Precedent agreement for the FT as well as other documents; and providing a critique of the assumptions driving National Grid's cost-benefit analysis. Barbara assisted with reviewing briefs, developing interrogatory requests, and evaluating the responses to such requests.
- ***Stranded cost assessment:*** LEI was retained by a Midwest cooperative seeking to cease purchasing supply from the incumbent and rather opt for an alternate supply provider. As part of the engagement, LEI prepared a critique of the stranded cost estimate provided by the incumbent provider and calculated its own estimate of the stranded cost payment based on FERC's policy guidelines in Order 888. LEI's calculation of market value for the released energy and capacity from the incumbent t provided was based on its own forecast of energy and capacity prices in the MISO markets. LEI's report was filed with FERC as part of the litigation procedures. Barbara was responsible for the capacity market analysis, reviewing thousands of capacity transactions in the MISO region.

- **2019 Transmission + storage:** For a transmission developer in the Northeast, LEI modeled various portfolios of renewable generation assets (including wind, solar, and hydro resources) together with various quantities and technologies of storage resource to analyze, and optimize, the capacity factor and delivered price for energy on the proposed HVDC transmission line. LEI also modeled customer load at the withdrawal end of the line together with additional storage to analyze the benefits of these storage resources to provide load-following service. Barbara assisted with research on the costs and technical specifications of various storage technologies.
- **Economic development benefits of the CAES:** LEI was engaged by Range EES to analyze the local economic development benefits associated with the construction and operations of a Compressed Air Energy Storage (“CAES”) project at the site of the soon-to-be-retired Intermountain Power Project plant in Millard County, Utah (the “Project”) using the REMI PI+ model. Barbara assisted the REMI modeler with research, conducting model runs and in the composition of the final report.
- **OPG TFP study 2019:** LEI was engaged to support Ontario Power Generation in relation to its second-generation hydroelectric payment amounts price-cap application before the Ontario Energy Board (“OEB”). The project involved performing an updated TFP study reflecting the OEB’s 2017 Decision on the first-generation price-cap index. Other key tasks were the preparation of analysis and written evidence assessing whether the inflation factor and treatment of the Capacity Refurbishment Variance Account remain appropriate. Barbara worked on the inflation factor, physical TFP, coauthored the report and assisted on information-gathering.
- **Consultancy Study on Effective Carbon Prices:** As part of a consortium, LEI was hired by the NCCS to undertake a study on effective carbon prices faced by energy-intensive manufacturing sub-sectors in jurisdictions across Asia, Middle East, Europe, and North America. Specifically, LEI was tasked with studying carbon policies in China, Middle East, Taiwan, USA, and Canada. The deliverables, consisting of a report and a dashboard tool, allowed the NCCS to compare effective carbon prices across competitor jurisdictions in these key manufacturing sectors and thus inform current and future policy decisions regarding the level of Singapore’s carbon price and wider climate change policy. Barbara was responsible for the Panama study.
- **Consulting Services and Forecasts Related to Avoided Energy Supply Costs:** LEI was retained to assist in the review of the avoided energy supply costs as reported in the Avoided Energy Supply Cost (“AESC”) 2015 - Update of December 16, 2016, and provide independently developed forecasts of energy supply costs and/or wholesale electricity and natural gas prices in New England. As part of the required services, the LEI undertook a review of the AESC and provided expert analysis of the AESC assumptions, methodology and results. LEI also advised the Commission and its staff with respect to the application of the AESC in the context of evaluating the cost effectiveness of energy efficiency measures. In addition, LEI provided independently developed energy supply costs and/or wholesale electricity and natural gas prices for the region that reflect current market conditions and outlooks. Barbara was responsible for the natural gas and other fuels price outlook review and performing natural gas forecast.

- **Market and Economic Impact Consulting:** LEI was retained by the Maine PUC to review and critique the analysis filed by Central Maine Power ("CMP") regarding the benefits to Maine resulting from the New England Clean Energy Connect ("NECEC"), which is a 1,200 MW HVDC Transmission Line from the Quebec-Maine border to Lewiston. The analysis includes work related to the regional energy markets, including the effect of the NECEC on a) wholesale energy, capacity, and ancillary service costs for Maine ratepayers b) impact on price volatility during natural gas price spike events; and c) greenhouse gas (GHG) reduction benefits. In addition, the analysis will also include work related to economic benefits to Maine from the NECEC including a) job creation, both direct and indirect; b) employment impacts from electricity price reductions and associated cost savings; c) economic development benefits and d) municipal tax revenues. Barbara was responsible for the natural gas price outlook review and performing natural gas forecast.
- **Natural gas generation asset performance review:** For an international client, LEI prepared a memo reviewing the performance of a generation asset in the NYISO wholesale markets. The memo included a review of the plant's competitive advantages and disadvantages from the point of view of its technology, operational characteristics, fuel procurement options, location with respect to transmission constraints. LEI's analysis also included a view on likely short and medium market conditions, together with potential market developments, that could affect the plant's revenues. Barbara was responsible for the fuels and plant performance sections of the report.
- **Biomass power plants economics:** LEI was retained to assess the financial viability of select biomass power plants in the next few years and confirm the plant's assertion that a discount on certain transmission costs was required in order to avoid plant closures. Barbara led the engagement, creating an estimated pro forma income statement to assess whether the select biomass plants are expecting to make positive (or negative) gross profit margin in the next few years, 2018-2021. The financial model presented a range of market revenues that the power plants can earn from the sale of energy, capacity, and RECs in ISO-NE's control area, relative to an estimate of going forward operating costs for two power plants. The model included five scenarios.
- **Enbridge Line 5:** For a non-governmental organization ("NGO") LEI examined the current and future role of Enbridge Line 5 on oil consumers and producers in the State of Michigan. LEI's analysis covered a) the extent to which refineries which serve Michigan consumers require Enbridge Line 5 to provide crude oil; b) the extent to which consumers of propane in Michigan's Upper Peninsula rely on Enbridge Line 5; and c) the extent to which producers of crude oil in Michigan's Lower Peninsula rely on Enbridge Line 5. Barbara assisted with research tasks and coauthored the report.
- **Cost of Utility-Scale Solar:** For a large utility, LEI performed a detailed bottom-up analysis of the range of costs for building a utility-scale solar farm in a Canadian province. LEI researched potential costs for multiple solar module technologies, interconnection options, and land types. The cost analysis customized the hardware, labor, and other costs into the province's business landscape so as to create an accurate representation of the costs for building a solar generation resource. Barbara assisted on the research, composition of the cost model and final report.

- ***Econometric study of oil demand elasticities:*** LEI was engaged by the Columbia University School of International and Public Administration's Center on Global Energy Policy ("CGEP") to conduct econometric analysis of global oil (crude oil and key refined products) demand and its income and price drivers. Barbara conducted a portion of the econometric analysis using STATA and coauthored the report.
- ***IE for Idaho Power 2026 AS RFP:*** LEI was hired by Idaho Power Company to serve as an Independent Evaluator for its 2026 all-source energy (including storage) and capacity resources RFP ("2026 AS RFP"). The role of LEI as the IE was to oversee the competitive bidding to ensure that it was conducted fairly, transparently, and properly in congruence with the Oregon competitive bidding rules. LEI was tasked to carry out a thorough independent review, evaluation and scoring of all submitted bids (consistent with Oregon's competitive procurement guidelines), and compare findings to IPC's. Barbara was a key member of the team, where she coauthored all IE reports and managed the information-gathering and summarizing process, which involved information from over 100 bids, and multiple documents from each bidder.
- ***IE for PacifiCorp 2017S RFP:*** LEI was retained as an independent evaluator ("IE") by PacifiCorp for its system-wide 2017 Solar RFP. LEI reviewed PacifiCorp's Solar RFP, facilitated and monitored communications between PacifiCorp and bidders, performed a review of the initial shortlist evaluation and scoring, and filed status reports and the IE closing report. Barbara coauthored the status and IE report, and managed the information-gathering and summarizing process, which involved information from over 100 bids, and multiple documents from each bidder.
- ***White paper for debunking myths surrounding transmission investment:*** LEI was retained to provide a research paper highlighting the opportunity to evolve system planning practices to a more resilient transmission system in the longer term, one that promotes efficient electricity production and consumption decisions and efficient infrastructure investment. Barbara assisted on the research tasks.
- ***Investment Opportunities in the US and Canada:*** For a private equity client, LEI reviewed all investable energy sectors in the US and Canada (except oil and gas exploration and production). The sectors included: electricity generation (natural gas, wind, solar, hydro), AMI, distributed Resources, demand response, retail and gentailers, gas LDCs, gas storage, gas pipeline transportation, LNG-related infrastructure, vertically-integrated utilities, electric distribution, and water utilities. LEI assessed the investment potential of each sector for the next five years and proposed a methodology to screen and identify investment opportunities and execute on these opportunities. Barbara was responsible for the electric generation sector and the Alaska regional study.
- ***Hydro Ancillary Services:*** For a private developer, LEI reviewed the eligibility of small (less than 25 MW) run-of-river hydroelectric electric generation facilities to provide ancillary services in the ISO-NE, MISO, NYISO, and PJM jurisdictions. Barbara assisted with research tasks.
- ***Total Factor Productivity study:*** LEI prepared a report for OPG entitled "Empirical Analysis of Total Factor Productivity Trends in the North American Hydroelectric Generation Industry." The purpose of this report was to share findings from LEI's total factor

productivity (“TFP”) study, which estimated TFP trends for a select group of peers from the North American hydroelectric generation industry. Data for this study covered an eleven-year period from 2002-2012. This study was further updated for newly available data (encompassing operating costs and other statistics for calendar years 2013 and 2014). LEI also supported OPG through 2017 in recommending an appropriate X factor and I factor to use in a I-X regime for hydroelectric generation. Barbara coauthored the report and assisted on information-gathering.

- ***Pacifico Chile-Peru interconnection assessment:*** In 2014, LEI assessed the impact of the construction of the 1000 MW Pacifico HVDC transmission interline between Southern Peru and Northern Chile. LEI also provided due diligence support and market analysis for the Peruvian and Chilean electricity markets to the team of investors backing the project. In 2016, the model was updated to the current market condition. Barbara assisted with research tasks.
- ***Transmission open solicitation:*** LEI was retained by a transmission developer to serve as Independent Examiner for a proposed merchant transmission project open solicitation process. The project entailed designing the solicitation process, meeting with potential shippers on the line to garner early interest, drafting announcements and press releases, conducting information sessions, updating the solicitation website, evaluating and ranking bids, assisting both bilateral negotiations with shippers, and submitting a report to FERC as part of the developers' Section 205 filing. Barbara coauthored the IE report and managed the information-gathering.
- ***ComEd congestion analysis:*** LEI was retained by a transmission utility to provide an overview of resources in the Chicago area and the Commonwealth Edison (“ComEd”) zone and analyze the congestion of several nodes within the Chicago area and shorelines sites of Lake Michigan. Barbara assisted with research tasks.
- ***Brazilian electricity market credit crisis review:*** For a Canadian electricity transmission company, Barbara conducted theoretical and empirical analysis of the Brazilian Electricity Market Credit Crisis highlighting interesting lessons for the Alberta market. Topics explored include: credit/financing issues, system reliability, government interventions, power market risks, and resources diversity.
- ***TransAlta Climate Change 2016:*** LEI was retained to provide ongoing research, analytical and advisory support to TransAlta as the Alberta government implements its climate change policy, which will shut down coal plants early, ramp up renewable generation, and put in place a province wide carbon tax. Part of the engagement was to perform a case study-oriented comparative review of ancillary services in North America and abroad. Barbara was responsible for the Ireland case study.
- ***Alberta Market Modeling:*** LEI was retained by the Alberta Balancing Pool to provide wholesale energy price forecasts and market revenue projections over the period 2017-2020 for various generating facilities operating in the Alberta. LEI ran multiple sensitivities accounting for changes in ownership and dispatch rights, facility decommission and carbon policy changes. LEI relied on its proprietary dispatch simulation model, POOLMod applying Conjecture theoretical approach. Barbara assisted with research tasks.

- ***Assessment of solar thermal technologies:*** LEI was retained as part of a consortium to support an energy product manufacturing firm assess the market for solar thermal technologies, with a focus on an economic assessment of solar thermal technology, assessing the value contribution of the different components of the value chain creating a molten thermal solar plant. In addition, the client asked LEI to provide support to developing business strategies for this market. LEI's conducted the analysis in 3 out of 5 high priority markets - Saudi Arabia, Morocco, and Chile. More specifically we assessed the economics for solar thermal in each market, commented on the general perception of the technology and provided a comprehensive brief on the rules governing the market access. Barbara was responsible for the Chilean market.
- ***Workshop on Incentive-Based Ratemaking ("IBR"):*** LEI was retained by the largest electric utility company in Malaysia, to conduct a capacity building workshop on IBR and technical visits to utilities and regulators worldwide that are operating under IBR-like regimes. Barbara presented to TNB's traveling contingent on PBR Requirements standards across different jurisdictions and on fundamentals of Tariff Design. Barbara presented to TNB's traveling contingent on PBR Requirements standards across different jurisdictions and on fundamentals of Tariff Design.
- ***Analysis of buy versus build investment decision:*** LEI was engaged by a private equity company to provide a briefing paper that compares "The Opportunities of the Buy versus Build Investment Decision." The paper contains quantitative and qualitative research and analysis, based on market data on purchase prices from recent transactions (focused on New York, New England, and PJM), versus the cost of new build assets. Barbara assisted with research tasks.
- ***Overview of hydro-dominated market:*** LEI was hired by a financial investor to provide an understanding of the dynamics underpinning hydro-dominated power markets as opposed to thermal systems. As part of this project, LEI reviewed in detail the dynamics and key drivers of energy markets in a sample of Latin America countries including Colombia, Panama, Brazil and Chile. Colombia was the point of focus of the report, in this respect LEI compared several aspects of the Colombian markets to other jurisdictions and created a scoring card to evaluate Colombia against similar jurisdictions. Barbara assisted with research tasks and coauthored the report.
- ***Colombia market overview and revenue forecasts for target assets:*** LEI was hired by an electric operator for the purposes of valuing a portfolio of generating assets in Colombia. LEI's scope of work consists of a comprehensive review of the Colombia energy market (including fuel and power market drivers), describe in detail the functioning of both wholesale power market and firm energy market (capacity market), develop forecasts of spot prices in order to derive expected revenues for the portfolio. Colombia being a hydro dominated system, as part of its modeling exercise, LEI ran a Monte Carlo simulation to develop a series of probabilities associated with generation profiles of Colombia's hydro resources to reflect the impact of weather conditions and water inflows on hydropower plants' output. LEI summarized its research and modeling results in a final report that was presented to lenders and other interested parties. LEI was hired later to update the market fundamentals and energy prices outlook in order to evaluate the impact of evolving market conditions on a

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portfolio of assets acquired by the client. Barbara created the fuels forecast, assisted with research tasks for the modeling activities, and coauthored the report.

- *Transmission project workshop:* LEI was retained by a private client to conduct a mini-workshop to discuss the market opportunities and risks on five proposed transmission projects in the US and Mexico. Barbara was involved in the analysis of the Mexican projects.



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**From:** 2024  
**Employer:** LABIFOR, CITINOVA, Fortaleza City Hall (Fortaleza, Brazil)  
Bloomberg Summer Scholar

**From:** 2024  
**Employer:** Johns Hopkins University SAIS (Washington, DC)  
Energy Markets Research Assistant

**From:** 2021  
**Employer:** Free Agency (New York, NY)  
Operations Manager

**From:** 2019  
**Employer:** Blue Heron Research Partners (New York, NY)  
Researcher I

**RECENT PROJECT EXPERIENCE:**

- *Assessment of the impact of large energy users on other customer classes:* IEA has requested an assessment of the broader implications of large energy users on Iowa's electric system and its customer base. Specifically, IEA seeks clarity on two key questions:
  - What is the impact of increased load in Iowa?
  - Who bears the costs associated with that increase?LEI conducted a fact-finding and situational analysis to establish a strong foundation for addressing the client's concerns. This included examining how large customers are defined and distinguished from other customer classes in Iowa. In addition, LEI analyzed cost-of-service studies previously filed by Iowa utilities to understand how costs are currently allocated across customer classes and whether all customers pay proportionately to the costs they impose on the system. Beyond rate design, LEI assessed the types of infrastructure investments driven by large load additions, including transmission, distribution, and generation assets, and determined the extent to which these investments produce system-wide benefits that accrue to all customers. This included evaluating cases where investments would not be undertaken without large customers, but nevertheless create enhanced reliability or efficiency that small customers also enjoy. In the second phase, LEI evaluated the existing rate structures for Iowa's two IOU electric utilities and how the costs are allocated to various customers. This determined whether there is any unfair cost shifting between customer classes from added investments.
- *Review of the regulatory landscape in Arizona:* LEI was engaged by TransAlta corporation to conduct a review of the regulatory landscape surrounding the development and use of new and existing gas-fired and renewable generation in Arizona. TransAlta requested analysis on two key areas: (i) the regulatory regime in Arizona around permitting and interconnection of new gas-fired or renewable generation, and (ii) the process or requirements within Arizona utilities for large load data centers being

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served with co-located generation, including both new generation and repurposes existing generation. The review will focus on the interconnection process and other considerations for bundling new generation with large loads, as well as the tariff regime and policy in the state for co-location of generation and data centers.

- *AESO rate design retainer:* LEI was retained by a large Alberta utility to provide transmission rate design consulting services. LEI provided the client with foundational knowledge regarding best practices for effective rate design and cost allocation. In addition, LEI monitored consultations by the Alberta Electric System Operator ("AESO") regarding proposed changes to its rate design and ancillary services cost allocation approaches, reviewed related published reports and material, and identified the positions of other parties involved in AESO's consultations. Ultimately, LEI advised the client on potential impacts to its distribution-level customers and generation assets, outlining areas of concern and developing recommendations.
- *Establishment of the Hawaii Electricity Reliability Administrator:* "London Economics International ("LEI") was engaged with Grid Advisors ("GA") to serve as the Hawaii Electricity Reliability Administrator ("HERA") by the Hawaii Public Utilities Commission. LEI and GA were contracted to complete the following: HERA's reliability standards, oversee a new interconnection process and provide on-the-job training to HERA's Engineer. Workstreams included development of reliability standards and metrics, stakeholder engagement, development of a roadmap for establishing the administrator, a final report on reliability standards, trainings and interconnection implementation.

## **PUBLICATIONS:**

"The Transition to Distributed Solar Energy and the 'Utility Death Spiral' in Maharashtra India." SAIS Perspectives. 2023-24 Issue (Oct 2023).

"Kazakhs and Russians: To each their own." Duke Journal of Economics. Vol. XXXIV, Spring 2022 (Sep 2022).

"Economics: Evo Morales's Bolivian Strategy." Américas: Johns Hopkins Journal of Latin American Studies. Vol. 7 (May 2018). 61-71.

## **Curriculum Vitae**

## Alison (Jiangyuan) Tian

Research Associate, London Economics International LLC



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### KEY QUALIFICATIONS:

Alison is a Research Associate at London Economics International LLC (“LEI”), where she supports qualitative and quantitative research across multiple markets and project areas.

Alison holds a Master of Public Administration from Columbia University, with a focus on Climate, Energy and Environment (CEE). She also specialized in data analytics and quantitative analysis during her graduate studies. She earned a Bachelor of Science in Global Economics and Finance from the Chinese University of Hong Kong. Prior to joining LEI, her academic training centered on the intersection of economics, public policy, and energy-related challenges, providing a strong foundation for her work in energy and environmental sectors.

Alison is fluent in English, Mandarin and is conversational in Cantonese.

### EDUCATION:

Columbia University, New York, NY, USA, Master of Public Administration (M.P.A.), Concentration in Climate and Environmental Economics; Specialization in Data Analytics and Quantitative Analysis, 2025

The Chinese University of Hong Kong, Hong Kong SAR, Bachelor of Science (B.Sc.) in Global Economics and Finance, 2022

### EMPLOYMENT RECORD:

**From:** November 2025      **To:** present  
**Employer:**                      *London Economics International LLC, Boston, MA*  
Research Associate

**From:** June 2024              **To:** August 2024  
**Employer:**                      *Chemonics International, Washington, DC*  
Climate Finance for Development Accelerator (CFDA) Intern

**From:** June 2022              **To:** August 2022  
**Employer:**                      *Bloomberg LP, Hong Kong SAR*  
Analytics and Sales Summer Intern

**From:** September 2020      **To:** March 2021  
**Employer:**                      *Kaiyuan Securities, China*  
Equity Research Intern

## **SAMPLE PROJECT EXPERIENCE:**

- ***Eversource – Performance-Based Regulation (PBR) and Rate Case Support:*** LEI was retained by The Connecticut Light & Power Company (Eversource Energy) to support its mid-2026 rate case filing, with a focus on developing the performance-based regulation (PBR) components of its application. LEI conducted a total factor productivity (TFP) study covering all U.S. electric distribution utilities and performed benchmarking analyses to inform key PBR parameters. The team also drafted direct and rebuttal testimony to support and defend the results of these quantitative analyses, as well as the company’s proposed PBR framework, including elements such as the X-factor, I-factor, incremental capital funding mechanisms, Z-factor for exogenous costs, and earnings sharing mechanisms. This work builds on LEI’s prior engagement in Connecticut regulatory proceedings (Docket Nos. 21-05-15 and 21-05-15RE01), which evaluated the design of PBR frameworks for electric distribution utilities.
- ***New Hampshire Department of Energy – ISO New England Exit Assessment:*** LEI was retained by the New Hampshire Department of Energy to evaluate the potential costs and benefits of the state exiting the ISO New England wholesale electricity market, as mandated by House Bill 690. The study addressed 14 key questions spanning legal, regulatory, governance, and economic considerations. LEI conducted comprehensive economic modeling, including a status quo scenario (continued participation in ISO-NE) and an exit scenario designed to meet North American Electric Reliability Corporation (NERC) reliability standards. The analysis also assessed impacts on transmission rates and broader system implications. In parallel, LEI evaluated existing market rules and regulatory frameworks and facilitated stakeholder engagement sessions with utilities, regulators, and other key parties. Findings and recommendations were synthesized into a final report presented to the New Hampshire Senate and House Committees.
- ***Iowa Economic Alliance – Large Load Impacts and Rate Design Assessment:***  

LEI was engaged by the Iowa Economic Alliance (“IEA”) to assess the broader implications of large energy users on Iowa’s electric system and customer base, with a focus on two key questions: the impact of increased load and the allocation of associated costs. LEI conducted a fact-finding and situational analysis, examining how large customers are defined across Iowa utilities, including distinctions based on demand thresholds, industry sectors, and voltage levels. The team reviewed cost-of-service studies to evaluate how costs are allocated among customer classes and whether customers pay proportionately to the costs they impose on the system. LEI also assessed infrastructure investments driven by large load additions – spanning transmission, distribution, and generation – and evaluated the extent to which such investments produce system-wide benefits, including cases where investments driven by large users enhance reliability or efficiency for all customers.

In a second phase, LEI evaluated existing rate structures for Iowa’s investor-owned utilities to assess whether incremental costs associated with large load growth could result in cost shifting to other customer classes. The analysis identified potential risks of cross-subsidization and informed policy considerations to ensure equitable cost allocation.
- ***PacifiCorp – 2025 Washington All-Source RFP Independent Evaluation:***

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LEI was retained by PacifiCorp to serve as Independent Evaluator (IE) for its 2025 Washington all-source RFP (“2025 AS RFP”), issued to meet resource needs identified in the company’s 2025 Integrated Resource Plan (IRP). The IRP identified a need for up to 900 MW of generation capacity – primarily to support compliance with Washington’s Clean Energy Transformation Act (CETA) – and approximately 1,385 MW of energy storage to meet requirements under the Western Resource Adequacy Program (WRAP).

In its role as IE, LEI oversaw the competitive procurement process to ensure it was conducted fairly, transparently, and in compliance with Washington regulatory requirements. LEI performed an independent review, evaluation, and scoring of all submitted bids, including proposals incorporating conditional firm transmission (in accordance with Order 03 in Washington Utilities and Transportation Commission Docket No. UE-250460), and compared its results with PacifiCorp’s internal evaluation to validate consistency and integrity in the selection process.