



Louisiana Public Service Commission

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July 6, 2026

VIA EMAIL ONLY

RFP 26-06 – DOCKET NO. X-TBD, Louisiana Public Service Commission, ex parte. In re: Audit of Magnolia Water Utility Company’s billing, customer-service, and acquisition practices, as well as its compliance with other regulatory agencies.

To all LPSC qualified outside consultants:

Enclosed please find a Request for Proposals (“RFP”) for an **outside 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 (1) one copy, and an electronic copy must be received on or **before Wednesday, July 29, 2026**. Selection of consultants is anticipated to take place at the Commission’s August 2026 Business and Executive Session.

Sincerely,

A handwritten signature in blue ink, appearing to be "KB" followed by a long horizontal stroke.

Kathryn Bowman

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

RFP 26-06
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
July 6, 2026

DOCKET NO. X-TBD, Louisiana Public Service Commission, ex parte. In re: Audit of Magnolia Water Utility Company’s billing, customer-service, and acquisition practices, as well as its compliance with other regulatory agencies.

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of the LPSC General Order dated November 10, 2014 regarding the selection of contract employees (the “Contract Order”), issues this Request for Proposals (“RFP”) to **outside consultants** who will assist Commission Staff in the audit of Magnolia Water Utility Company based upon the Commission’s directive at the June 17, 2026 Business and Executive Session (“B&E”), which provided:

The Commission has been made aware of complaints regarding Magnolia Water Utility Operating Company, which have surfaced in interventions into active dockets, complaints to district offices, and in parish resolutions directed at both Magnolia and the Commission. These complaints have varied and have generally been regarding water service quality as well as lack of transparency for repairs and upgrades.

As such, I direct Staff to initiate an independent investigative audit of Magnolia Water Utility Operating Company on its billing, customer-service, and acquisition practices, as well as its compliance with other regulatory agencies. Notice of this audit will be filed in the Commission’s Official Bulletin for purposes of initiating the audit and providing notice to the public that such an audit will be conducted; however, as with any Commission audit, there will be no intervention or participation from the public until after the conclusion of the audit.

Commission Staff is authorized to seek outside assistance as necessary for this audit, and should, at a minimum, seek an outside consultant to conduct the audit. In addition, Staff shall coordinate with the Louisiana Department of Health, Louisiana Department of Environmental Quality, and any relevant State or Federal regulatory agency who regulates Magnolia.

In conducting this audit, Staff shall exercise all reasonable and best efforts to bring the results of this independent audit back to the Commission timely, but no later than the February 2027 Business and Executive Session. There was no opposition.

Consideration of qualifying bids received in response to RFP 26-06 are anticipated to be on the Commission’s August 2026 B&E. 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

Magnolia Water Utility Operating Company, LLC (“Magnolia”) is a for-profit water and wastewater public utility serving approximately 77,000 customers across Louisiana. At the Commission’s June 17, 2026 B&E, Staff was directed to issue an RFP to retain a financial consultant to conduct an audit of Magnolia regarding its billing, customer-service, and acquisition practices, as well as its compliance with other regulatory agencies. The Commission’s directive also directed Staff to have the results of this audit on the Commission’s February 2027 B&E agenda; therefore, this audit will need to move quickly. Staff has had initial conversations with Magnolia regarding the scope of the audit, as well as the Commission’s timeframe; Magnolia has indicated their willingness to participate and at the speed directed by the Commission.

II. Scope of Representation

Applicants will be assisting in-house Staff counsel and auditing, as well as an engineering consultant in conducting this audit. Activities may include, but are not necessarily limited to: familiarizing self with prior Magnolia dockets in front of the Commission (Magnolia’s rate case and implementation of a Formula Rate Plan (“FRP”), Magnolia’s TY annual reports, and Magnolia’s request to extend its FRP); drafting discovery requests, and reviewing responses thereto; conducting site visits and meetings as necessary; participate in conference calls and meetings with Commission Staff and Commissioners, as necessary; participate in open sessions wherein the audit may be discussed. Applicant may also conduct interviews with select members of Magnolia’s management. Applicant will be responsible for drafting an audit report and filing testimony in support of the report should there be opposition to the audit report. Should this matter become contested, Applicants will assist Commission Staff in drafting relevant pleadings and prepare for a contested hearing on the Applicants’ audit report. Upon completion of the audit, the audit report shall be filed with notice of the same published in the Commission’s Official Bulletin allowing for public inspection and potential intervention.¹

In addition to the above, Applicants will also coordinate with other Louisiana regulatory agencies for water (La. Department of Health) and wastewater (La. Department of Environmental Quality) regarding Magnolia’s compliance with those respective agencies’ regulations.

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 reviewing and analyzing information provided to the Commission pursuant to Commission Rule of Practice and Procedure, Rule 12.1.

¹ Should any information be designated by Magnolia as confidential pursuant to Commission Rule 12.1, that information shall be redacted from the audit report available for public inspection.

III. Period of Representation

The time period estimated to complete the Scope of Representation is approximately 6 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation; however, Staff highlights the Commission's desire to have this audit report considered at the February 2027 B&E.

IV. Minimum Requirements

To qualify, all Applicants must have requisite knowledge of the topics listed below, in addition to those provided in the Commission's Contract Order. Consideration will be given to factors which indicate degrees of competence such as the amount of practical experience in the field of public utility practice, similar practice before this or other regulatory agencies, knowledge of Louisiana ratemaking standards and regulatory law, and forensic accounting experience.

Applicants shall at a minimum be experienced in analyzing the operations, books, and records of utility companies, and be experienced in the presentation of recommendations on administrative and judicial levels, including rendering expert testimony and being cross-examined, with respect to the issues addressed in this RFP, including but not limited to:

1. Appropriate accounting standards and practices for public utilities (including water and wastewater utilities), public utility accounting, and generally accepted auditing standards;
2. The appropriate ratemaking adjustment to be made to water and wastewater accounting records, including any specific adjustments allowed by the Commission for Magnolia;
3. Rules, regulations and laws applicable to operation and management of water and wastewater utilities in Louisiana, including from other regulatory agencies, such as La. Department of Health and La. Department of Environmental Quality;
4. The determination and calculation of the appropriate rate base of utility plant investment dedicated to providing service, including any investments necessary based upon other regulatory agencies' regulations; and
5. Just and reasonable costs and prudent investments associated with providing reliable and quality service as recommend by NARUC.

All proposals shall demonstrate that the Applicant has the qualifications and experience necessary to meet the requirements of this request for proposals. Applicants will only be considered if proposals meet all of the requirements of this RFP and the Commission's Contract Order.

V. Estimate of Costs

Applicants shall provide an overview of a not to exceed total estimated costs in the summary of the bid proposal. 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, Magnolia is the ultimate responsible parties 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:

Clarisa Findley
Kathryn H. Bowman
Louisiana Public Service Commission
602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Phone: (225) 342-9888
Fax: (225) 342-5610
Email: Lpsc.Legal@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 **Wednesday, July 29, 2026**. **Selection of consultants is anticipated to take place at the Commission's August 2026 Business and Executive Session, which is currently scheduled for August 12, 2026.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.