

# Louisiana Public Service Commission



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Deputy Undersecretary

August 15, 2017

## VIA EMAIL

**Re: Docket No. TBD In Re: Entergy Louisiana, LLC's upcoming request to extend with modifications it's Formula Rate Plan.**

To all LPSC qualified counsel:

Enclosed please find a Request for Proposals ("RFP") for **outside counsel** issued by the Louisiana Public Service Commission for the above referenced subject. If your firm is interested in submitting a proposal, please review the RFP carefully to determine whether your firm meets the specific requirements to qualify for this representation.

All Proposals must include a showing that your firm possesses the requisite qualifications and experience to represent the Commission in this matter. Also, please note that all Proposals, including the **original, plus (5) five copies and an electronic copy** must be received on or before **September 5, 2017**. Selection of a consultant is anticipated to take place at the Commission's **September 20, 2017 Business and Executive Session**.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Melanie A. Verwyvelt".

Melanie A. Verwyvelt  
Staff Attorney

MAV/kst  
Enclosure

**RFP 17-09**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**August 15, 2017**

***DOCKET NO. TBD In re: Entergy Louisiana, LLC’s upcoming request to extend with modifications its Formula Rate Plan.***

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”) to represent the Commission, issues this Request for Proposals (“RFP”) to **outside counsel** who will assist the Commission in its review of the upcoming request anticipated to be filed in August by Entergy Louisiana, LLC (“ELL” or “the Company”). Qualifying proposals will be placed on the September 2017 Open Session agenda for Commission consideration. The Company has indicated that it will request a Commission decision by the end of December, 2017.

**I. Overview**

On August 2, 2017, Entergy notified LPSC Executive Secretary Gonzalez of its intent to submit a filing in August 2017 to extend the application of its current Formula Rate Plan (“FRP”) with certain modifications. ELL’s current FRP was approved in conjunction with the Entergy Business Combination in Order No. U-33244-A dated September 14, 2015 and includes the test years 2014-2016. Reviews of the Company’s 2014 and 2015 test year filings were recently completed.<sup>1</sup>

In its upcoming filing, which could be as early as the week of August 14<sup>2</sup>, ELL is seeking the following nonexclusive list of modifications:

- 1) a request to implement a reset of FRP revenues resulting from the 2017 Evaluation Period to a level sufficient to produce ELL’s authorized return of equity of 9.95%;
- 2) a request to narrow the 160 basis points earnings deadband for the full term of the FRP;
- 3) a request to extend and modify the MISO Cost Recovery Mechanism “MCRM”) to, among other things, (i) incorporate recovery of incremental capital investment associated with MISO Transmission Expansion Plans, Critical Infrastructure Protection projects and Commission Regulatory Expense incurred for oversight of MISO activities; and (ii) change the manner in which the MCRM amounts are allocated among the rate classes, i.e., MCRM would be allocated as a percentage of base revenue rather than using the Transmission High Voltage Demand Factor;

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<sup>1</sup> See Dockets U-33782 and U-34081 respectively.

<sup>2</sup> To the extent possible Commission Staff will provide an electronic copy of the application once it’s filed to assist in the preparation of proposals. In addition, the Commission Staff encourages potential bidders to monitor the Commission’s bulletin for its publication.

- 4) a request to include a provision in the FRP that would establish a framework for addressing potential changes in federal and/or state corporate tax rates.

The Company intends to seek timely treatment of its request and stated its understanding that it has the option of filing a rate case if it is unable to obtain Commission approval of an FRP extension on a timely basis.

## **II. Scope of Representation**

Applicants will review the testimony filed by the Companies to support their request for certification, along with any testimony filed by Intervenors. The applicant will be expected to assist in conducting discovery, assist in the preparing and defending Commission's consultant testimony, representing the Commission in a certification hearing before the administrative law judge, and making an ultimate recommendation to the Commission. Applicants are also required to participate in informal meetings, conference calls, attend depositions, status conferences or any other meetings scheduled in the proceeding. Applicants will also be assisting Staff in preparation of any pre and post-hearing briefs or filings, assisting in any settlement discussions and/or stipulation hearings and attending and testifying at the Commission's Business and Executive Session. The scope of representation is through a final Commission vote on certification.

## **III. Period of Representation**

The time period estimated to complete the Scope of Representation is approximately 4-6 months. Applicants should note that the Company intends to request a Commission decision by the end of 2017; however, this is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

## **IV. Minimum Requirements**

To be considered, all applicants must meet the following minimum requirements in addition to those provided in this Commission's General Order dated November 10, 2014.

Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility regulation, and similar practice before other regulatory agencies or public utility commissions.

Applicants shall also, at a minimum, be experienced in participating in cases involving public utility regulation, or other regulatory issues on administrative and judicial levels, including the presentation of direct testimony or report and recommendations, assistance in developing cross examination of adverse witnesses, and the analysis of comments and exceptions filed to recommendations. Consideration is given to indicia of competence such as previous experience in complex cases, publications, educational achievement and other previous employment suggesting competence in regulatory matters involving the above areas; significant personal experiences before regulatory agencies such as the SEC, FERC, FCC, or other similar

entities may be a favorable factor. Firm size may be considered in matters likely to be prolonged, complex, or involving multiple forums.

Counsel shall have a working knowledge of Louisiana Public Service Commission ratemaking and jurisdictional issues; applicable Commission regulations; full understanding and ability to formulate issues and ultimate recommendations; and experience in all aspects of electric utility retail ratemaking proceedings and periodic rate review proceedings.

Applicant shall, at a minimum, have knowledge of:

- (1) appropriate accounting standards and practices for electric public utilities, public utility accounting, and generally accepted auditing standards;
- (2) the appropriate ratemaking adjustments to be made to the utility's accounting records;
- (3) NARUC approved cost-of-service methodologies for electric utilities;
- (4) the determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;
- (5) traditional cost-of-service and cost allocation methodologies supporting the revenue requirements among classes of customers;
- (6) the cost allocation methodologies for the allocation of investment and expenses between affiliates, including the relationship of the holding company to its subsidiary operating companies, the transfer of investment and costs between operating companies, and the provision of services between affiliates;
- (7) cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- (8) familiarity with just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- (9) depreciation and taxation; and
- (10) Formula Rate Plans, or other methods of annual rate adjustments.

**V. Estimate of Costs**

All proposals shall include fees and costs associated with consulting in the dockets. All applicants responding to this RFP shall quote their rates on an hourly basis and submit a total budget, and shall separate professional fees from costs. However, applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an applicant's 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. 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 will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

## **VIII. Reservation of Rights**

The LPSC reserves the right to reject any and all proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept other than the lowest offer with regard to price. In addition, there is also no assurance, express or implied, that an award will necessarily be made pursuant to this RFP.

## **IX. Submission of Proposals**

Interested parties should submit the **original (hard copy), 5 copies, and e-mail an electronic copy** of the proposal to:

Kim Trosclair  
Louisiana Public Service Commission  
Office of the General Counsel  
602 North Fifth Street (Galvez Building) (70802)  
P.O. Box 91154  
Baton Rouge, Louisiana 70821-9154  
Phone: (225) 342-9888  
Fax: (225) 342-5610  
Email: [kim.trosclair@la.gov](mailto:kim.trosclair@la.gov)  
[melanie.v@la.gov](mailto:melanie.v@la.gov)

[rene.robertson@la.gov](mailto:rene.robertson@la.gov)

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **September 5, 2017**. **Selection of consultants is anticipated to take place at the Commission's September Business and Executive Session, which is currently scheduled for September 20, 2017.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.