

Louisiana Public Service Commission



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August 15, 2017

VIA EMAIL

**Re: Docket No. U-34369 Southwestern Electric Power Company, ex parte.
In Re: Application for Prudence determination of certain improvements
at Welsh Units 1 and 3 and Flint Creek and associated cost recovery.**

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for **outside independent technical consultant** 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. Verzwuyvelt".

Melanie A. Verzwuyvelt
Staff Attorney

MAV/kst
Enclosure

RFP 17-10
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
August 15, 2017

DOCKET NO. U-34369 Southwestern Electric Power Company, ex parte. In re: Application for Prudence determination of certain capital improvements at Welsh Units 1 and 3 and Flint Creek and associated cost recovery.

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 consultants** who will assist the Commission in its review of the above-referenced application. Qualifying proposals will be placed on the September 2017 Open Session agenda for Commission consideration.

I. Overview

Beginning in March 2016, Southwestern Electric Power Company (“SWEPCO”) placed in service certain environmental retrofits which it determined were necessary to comply with the United States Environmental Protection Agency (“EPA”) Regional Haze, Mercury and Air Toxics and Cross State Air Pollution Rules. Specifically, SWEPCO undertook activated carbon injection, fabric filter, and new chimney projects at its coal units in Texas (Welsh Units 1 and 3) and installed a dry flue gas desulfurization system at its Flint Creek plant in Arkansas. SWEPCO sought and obtained an accounting deferral in LPSC Order No. U-34200 dated December 21, 2016 allowing SWEPCO to defer the costs for the aforementioned projects for recovery in its FRP subject to this prudence review in addition to its annual FRP reviews.

II. Scope of Representation

All proposals shall include an outline of a plan of action for conducting the review of the application. Additionally, the consultant must be prepared to assist Commission Staff in drafting and responding to discovery, preparing direct and cross-answering testimony, reviewing and analyzing stipulation terms, testifying before an administrative law judge, and conducting informal meetings with the parties as necessary. However, the Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP. Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming.

III. Period of Representation

The time period estimated to complete the Scope of Representation is approximately 6-12 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

IV. Minimum Requirements

To be considered, all applicants must meet the following minimum requirements *in addition to those provided* in the 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 practice and similar practice before other state public utility commissions; in addition to the applicant's knowledge of Louisiana ratemaking standards, regulatory law, and formula rate plans.

Applicants shall at a minimum be qualified and prepared to render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding, including but not limited to:

- 1) principles associated with electric generating facility construction projects and the competitive process, including but not limited to analyzing whether or not a particular resource meets the utility's need for power and whether the considered resources are able to meet those needs;
- 2) whether or not a resource will provide reliable service at the lowest reasonable cost;
- 3) resource planning methods to improve the efficiency and reliability of a utility's power supply operations and whether the utility is making use of any such methods;
- 4) public interest criteria for approval and monitoring of electric generating facility projects;
- 5) Commission rules on affiliate transactions and cost recovery mechanisms for power supply resources;
- 6) Environmental regulations and options for compliance; and
- 7) To the extent applicable any SPP tariffs, rules and planning processes, generally, and specifically related to resource adequacy planning processes.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with completing the scope of representation, below. This will result in one proposal. However, in the event an applicant is chosen, Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, 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 request for proposals and the Commission's Contract Order.

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
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602 North Fifth Street (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154
Phone: (225) 342-9888

Fax: (225) 342-5610

Email: kim.trosclair@la.gov

melanie.v@la.gov

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.