

# Louisiana Public Service Commission



POST OFFICE BOX 91154  
BATON ROUGE, LOUISIANA 70821-9154  
[www.lpsc.louisiana.gov](http://www.lpsc.louisiana.gov)

Telephone: (225) 342-9888

## COMMISSIONERS

Mike Francis, Chairman  
District IV  
Foster L. Campbell, Vice Chairman  
District V  
Lambert C. Boissiere III  
District III  
Eric F. Skrmetta  
District I  
Craig Greene  
District II

BRANDON M. FREY  
Executive Secretary

KATHRYN H. BOWMAN  
Executive Counsel

November 21, 2019

JOHNNY E. SNELGROVE, JR.  
Deputy Undersecretary

## VIA EMAIL

***RFP 19-22***

***DOCKET NO. TBD, Entergy Louisiana, LLC-Request to Extend its Formula Rate Plan.***

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 **Thursday, December 12, 2019 at 4:30 p.m.** Selection of a consultant is anticipated to take place at the Commission's **December 18, 2019 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 "KHB", followed by a horizontal line.

Kathryn H. Bowman  
Executive Counsel

Enclosure

**RFP 19-22**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**November 21, 2019**

***DOCKET NO. TBD – Entergy Louisiana, LLC -Request to Extend 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 to represent the Commission (the “Contract Order”), issues this Request for Proposals (“RFP”) to outside consultants who will assist the Commission in its review of the Entergy Louisiana, LLC’s (“ELL”) Request to Extend its Formula Rate Plan (“FRP”), and to assist with review of the annual reports for each of the proposed test years. ELL’s FRP was most recently approved in Commission Order No. U-34631 issued May 8, 2018.

**I. Overview**

ELL submitted a notice letter dated November 8, 2019 providing notice of an upcoming request to extend its FRP under substantially similar terms with limited modifications. The one limited modification indicated in ELL’s notice letter was potential modification regarding the treatment of certain distribution investments; however, ELL’s request for modifications may not be limited to distribution investments. See attached correspondence.

Based on correspondence submitted by ELL, the Company expects to request timely consideration by the Commission of this request in lieu of filing a rate case in Summer 2020. ELL provided this notice on information available at the time; however, ELL acknowledges it has not finalized its decision about the terms of the FRP, including that it may seek an extension up to four years.

**II. Scope of Representation**

Bidders will be assisting in-house Staff (counsel, auditing, and utilities) with its analysis of the FRP extension, any proposed modifications, as well as each of the proposed annual reports for the test years under the extended FRP. Part of the analysis will include determining whether the proposed extension and modification are reasonable and in the public interest and whether ELL’s annual report filings comply with the Commission-approved FRP.

For both the initial analysis of the possible extension of the FRP (including proposed modifications and terms, if any), and each of the annual reports, Bidders will review the filing and accompanying work papers; ELL’s financial data; assist in drafting, reviewing and responding to discovery; assist in preparing direct and cross-answering testimony; aid in drafting pleadings and motions; appear at hearings and open meetings; participate in depositions; assist with trial preparations, including assistance with drafting cross examination of witnesses; review and analyze stipulation terms; and, participate in/conduct informal meetings with the parties and Commissioners as necessary. All proposals shall include an outline of a plan of action for

---

conducting the review of both components of the upcoming proceeding, including the activities described above.

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**

This RFP covers a period of representation for the request for extension of the FRP and each of the proposed test years, up to four years beginning with 2020. The time anticipated for the request for extension and the evaluation is approximately 12 months, and the time period estimated to conclude each test year is approximately 4 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 bidders 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 which indicate degrees of competence such as the amount of practical experience in the field of public utility practice, and similar practice before this or other regulatory agencies, in addition to the bidder's knowledge of Louisiana ratemaking standards and regulatory law.

Bidders shall at a minimum be experienced in analyzing the operations, books, and records of utility companies, particularly investor-owned electric utilities, for the purpose of setting just and reasonable rates, including, but not limited to, calculation of rate base, rates of return, capital structure, formula rates/rate stabilization plans, and all related studies and calculations related to a rate case or rate review.

Bidders shall be qualified and prepared to draft and render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding and be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) appropriate accounting standards and practices for regulated 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, including a utility's annual report based on the FRP recently extended in Order No. U-34631, and as may be additionally modified;
- (3) the determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;

- (4) cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- (5) familiarity with just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- (6) depreciation and taxation;
- (7) the allocation of investment and expenses between the non-regulated and regulated operations at the holding company and at the operating company level;
- (8) public interest criteria for approval of utility investments; and
- (13) a detailed understanding of the major functional areas of a regulated electric utility, particularly an investor-owned.

**V. Estimate of Costs**

All proposals shall include fees and costs associated with the engagement. All bidders 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, bidders shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, a bidder's hourly rates and budget shall not be altered except by formal approval of the Commission, including the specific increase in budget, and corresponding hourly rate.

**VI. Conflict of Interest**

Bidders shall prominently and separately disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, bidders 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 Contract 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:

Kathryn H. Bowman  
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: [kathryn.bowman@la.gov](mailto:kathryn.bowman@la.gov)

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **4:30 P.M. on Thursday, December 12, 2019**. **Selection of consultants is anticipated to take place at the Commission's December 18, 2019 Business and Executive Session**. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.



Entergy Services, Inc.  
Louisiana Regulatory Affairs  
4809 Jefferson Highway  
Jefferson, LA 70121  
Tel 504 840 2528  
Email: mkleeha@entergy.com

Mark D. Kleehammer  
Vice President  
Louisiana Regulatory Affairs

November 8, 2019

~~*Via Electronic Mail and U.S. Mail*~~

~~Mr. Brandon Frey  
Executive Secretary  
Louisiana Public Service Commission  
Galvez Building, 12th Floor  
602 North Fifth Street  
Baton Rouge, LA 70812~~

2019 NOV 18 AM 9:59  
LA PUBLIC SERVICE  
COMMISSION

**Re: Entergy Louisiana, LLC's Formula Rate Plan**

Dear Secretary Frey,

Entergy Louisiana, LLC's ("ELL") Formula Rate Plan ("FRP") was most recently extended and modified in Louisiana Public Service Commission ("LPSC") Order No. U-34631 issued May 8, 2018. The last test year for ELL's current FRP is 2019, with a rate effective period beginning September 1, 2020. ELL intends to file a request to extend its FRP in the near future and is providing this notification to the LPSC for the sole purpose of allowing additional time for the LPSC to make any desired hiring(s) to review the anticipated filing. At this time, ELL expects that its request to extend the FRP will be on terms substantially similar to its current FRP with limited modifications, including without limitation a modification regarding treatment of certain distribution investments.

Absent an extension of its current FRP, ELL would have to file a rate case in Summer 2020 to establish rates for September 2021 and beyond. To prepare such a rate case filing, significant work would have to begin at the end of the first quarter of 2020. ELL believes that avoiding the substantial cost of preparing a rate case is in the public interest and is hopeful that a decision on its requested extension could be reached prior to that time. FRPs have served LPSC-jurisdictional customers well by timely and appropriately adjusting rates without the significant time, expense, and drain on Commission resources required with prolonged rate cases.

This advanced notification is provided based on the best information available to ELL. However, ELL has not finalized its decision about the terms on which it will seek an extension of its FRP and ELL reserves the right to request an extension or modification on terms different than those discussed herein.

Sincerely,

  
Mark Kleehammer

---

Mr. Brandon Frey  
November 8, 2019  
Page 2 of 2

cc: Commissioner Eric F. Skrmetta (via U.S. mail)  
Commissioner Mike Francis (via U.S. mail)  
Commissioner Foster L. Campbell (via U.S. mail)  
Commissioner Lambert C. Boissiere, III (via U.S. mail)  
Commissioner Craig Greene (via U.S. mail)  
Executive Assistants to Commissioners (via electronic mail)  
Kathryn Bowman (via electronic mail and U.S. mail)  
Melissa Watson (via electronic mail and U.S. mail)