

Henderson Ridge Consulting, Inc.

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May 15, 2017

Kim Trosclair and Melanie Verzwuyvelt
Louisiana Public Service Commission
Office of the General Counsel
602 North Fifth Street, 12th Floor (Galvez Building) (70802)
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154

Re: **RFP 17-05 Docket No. R-34407**

In re: Rulemaking docket to consider whether or not the Commission should exercise its authority over future utility generation deactivation and retirement decisions and the rule and procedures that could apply to any such exercise of authority.

Dear Kim and Melanie:

Henderson Ridge Consulting, Inc. is pleased to respond to the Louisiana Public Service Commission's ("LPSC" or "the Commission") April 25, 2017 Request For Proposals ("RFP") for independent technical consultants to assist the Commission in the upcoming rulemaking to develop procedures on how the Commission should exercise its authority over future utility generation deactivation and retirement decisions.

Scope of Representation

As defined in the RFP, Henderson Ridge Consulting, Inc. will work with the Commission Staff to develop the issues list, review the comments filed by the utilities and other parties intervening in the docket, and lead technical conferences in determining the most efficient process for the Commission to exercise its authority over the deactivation and retirement decisions of LPSC-jurisdictional utilities. We will work with Staff to develop a set of procedures that can assist the Commission and Staff in the evaluation process. We will participate in status conferences to discuss the progress in drafting the recommended set of rules and also be present when the matter is addressed at the Commission's Open Session. We will also conduct research into the rules and regulations adopted by regulatory authorities in other states.

Summary of Work Plan

We will review the status of the generating facilities owned and/or operated by each LPSC-jurisdictional utility. We will also consider the projected load requirements of the utilities in order to determine how critical a decision to deactivate or retire a unit may be in serving customers at the lowest reasonable cost. Our analysis will consider the effect

of environmental legislation upon the future availability of owned resources of the utilities. We will seek and review comments filed by the utilities and intervenors who may present alternatives to constructing new power plants to replace the capacity lost through the deactivation and/or retirement of existing resources.

We will work with Staff throughout the rulemaking to develop a set of procedures to assist the Commission in the exercise of its authority.

The major services and procedures that we will be perform in executing our work plan include:

- Develop an issues list in collaboration with the Staff;
- Establish comment cycles for Staff positions and review responses filed by the parties;
- Schedule and lead technical conferences, as necessary;
- Prepare discovery to clarify issues and gather more detailed data on the condition of the utilities' generating facilities;
- Hold status conferences with Staff;
- Draft a set of recommended modifications and invite comment from the utilities and intervenors;
- Research deactivation and retirement policies, practices, and programs approved by regulatory authorities in other states;
- Attend Business and Executive Sessions; and
- Provide general support services to Staff throughout the engagement.

Henderson Ridge Consulting has assisted Staff in the major rulemakings that the Commission has initiated over the years. Henderson Ridge Consulting will apply the experience it has obtained in the course of leading these rulemakings in evaluating the need for a set of procedures in this proposed rulemaking.

Experience of Henderson Ridge Consulting

Henderson Ridge Consulting has been retained by the Commission to assist Staff in the major rulemakings that it has initiated over the years. The Commission has retained our firm to develop a set of storm recovery procedures in the rulemaking in Docket No. R-32765. We have completed the rulemaking in Docket No. R-33409 in the matter of the Retail Service Quality Measurements that telecommunications service providers are to follow. Henderson Ridge Consulting has also conducted the rulemaking of the State Universal Service Fund on behalf of the Commission. The firm resume attached to our proposal provides further background on our experience and prior engagements.

Minimum Requirements

Henderson Ridge Consulting is experienced with the Commission's rulemaking process and has led many of the major rulemakings on behalf of its Staff. Our firm can readily satisfy the minimum requirements discussed in Section IV of the Commission's RFP, including participation in the dockets involving LPSC-jurisdictional electric utilities. As

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presented in the Firm Resume attached to our proposal, Henderson Ridge Consulting is very familiar with all of the LPSC-jurisdictional electric utilities and has participated in a diverse range of procedures involving these utilities.

Estimate of Cost

Henderson Ridge Consulting anticipates the professional fees for the project will total \$117,150.00 based upon an hourly rate of \$150 for William Barta. Travel-related expenses are anticipated to be \$3,600.00, for a total budget of \$120,750.00.

Conflict of Interest

Henderson Ridge Consulting has no current assignments, or any prior assignments, that could pose any conflicts of interest, or the appearance of such conflicts, including, but not limited to, any work performed on behalf of the Louisiana Public Service Commission. The firms do not represent any private clients before the Commission.

Henderson Ridge Consulting appreciates the opportunity to respond to the RFP and to continue our relationship with the Commission and its Staff.

Sincerely,

William Barta
Principal