

# Louisiana Public Service Commission



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April 22, 2016

EVE KAHAO GONZALEZ  
Executive Secretary

BRANDON FREY  
Executive Counsel

JOHNNY E. SNELGROVE, JR  
Deputy Undersecretary

## VIA E-MAIL:

***Re: RFP 16-03 Docket No. U-33984 Claiborne Electric Cooperative, Inc., ex parte. In re: Application to Extend 2015 Formula Rate Plan.  
And  
Docket No. U-34033 Claiborne Electric Cooperative, Inc., ex parte. In re: 2015 Formula Rate Plan Annual Report filing.***

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for an outside **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, May 12, 2016. Selection of a consultant is anticipated to take place at the Commission's May 2016 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 "B. Frey".

Brandon M. Frey  
Executive Counsel

cc: Eve Kahao Gonzalez  
Adrienne Henderson

**RFP 16-03**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSAL (“RFP”)**

**DOCKET NO. S- 33984** Claiborne Electric Cooperative, ex parte. In re: Application to Extend 2015 Formula Rat Plan.

**DOCKET NO. U-34033** Claiborne electric Cooperative, ex parte- 2015 Formula Rate Plan Annual Report Filing.

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of the LPSC’s General Order dated November 10, 2014 regarding the selection of contract employees to represent the Commission, (“Contract Order”) issues this Request for Proposals (“RFP”) to **outside consultants** who will assist the Commission in reviewing the issues related to the Commission’s review of Claiborne Electric Cooperative’s (“Claiborne”) request to extend its existing formula rate plan (“FRP”) for an additional three year term. In addition, the consultant will assist in annual report filings for test years 2016-2018, should the RFP be extended. Finally, the consultant will assist with the review of the 2015 Annual Report Filing, which is the final filing under the current plan. The Commission reserves the right to reject any proposal or decline to undertake this review at any time.

**I. Overview**

In Docket U-32315, the Commission approved a FRP for Claiborne. The 2015 Annual Report Filing, currently docketed in U-34033, represents the final filing under the existing plan. In Docket S-33984, Claiborne is seeking to extend the existing RFP for an additional three year term. Assuming the RFP is extended, annual reports will likely be filed for the test years for 2016, 2017 and 2018.

**II. Scope of Representation**

All proposals shall include an outline of a plan of action for conducting the review of the request for extension, as well as for the annual reports filed for each of the proposed three test years, and finally, for the 2015 test year review. This plan of action shall include a time-line for conducting a review and developing a recommendation regarding adjustments. Additionally, the consultant must be prepared to assist Commission Staff in drafting and responding to discovery, preparing direct 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 thirty-six months (36), to include the current test year and all three test years under the proposed extension. It is not contemplated that this will be a continuous period of representation, however, as work will be centered around the timing of each actual filing. 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.

Consultants 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 and/or electric Co-ops, 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 Co-ops;
- (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;
- (10) Formula Rate Plans, or other methods of annual rate adjustments; and
- (11) A detailed understanding of the major functional areas of a regulated Co-op.

**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:

Kathleen Richardson  
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: [Kathleen.richardson@la.gov](mailto:Kathleen.richardson@la.gov)  
[Brandon.frey@la.gov](mailto:Brandon.frey@la.gov)

To be considered, an original, five copies, and the electronic copy of the proposal must be received on or before **May 12, 2016**. **Selection of consultants is anticipated to take place at the Commission's May 18, 2016 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.