

Louisiana Public Service Commission



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August 7, 2019

JOHNNY E. SNELMGROVE, JR
Deputy Undersecretary

VIA EMAIL

**Re: LPSC RFP 19-15, DOCKET NO. TBD – Entergy Louisiana, LLC -
Upcoming Motion For Extension of Gas Rate Stabilization 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 **August 27, 2019 at 4:30 p.m.** Selection of a consultant is anticipated to take place at the Commission’s September 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".

Kathryn H. Bowman
Executive Counsel

Enclosure

RFP 19-15
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
August 7, 2019

DOCKET NO. TBD – Entergy Louisiana, LLC - Upcoming Motion For Extension of Gas Rate Stabilization 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”) Motion for Extension of Gas Rate Stabilization Plan (“RSP”), and to assist with review of the Annual Evaluation Reports for each of the proposed three test years (2019-2021). ELL’s Gas Operations RSP, originally approved in Commission Order Nos. U-32425 and U-32682, and as revised per U-33244-A was extended in Commission Order No. U-33983.

I. Overview

ELL submitted a notice letter dated July 23, 2019, providing notice of an upcoming filing requesting an extension of its RSP, for an additional three-year extension under substantially similar terms. Commission Order No. U-33983, requires that prior to any future renewal or extension requests beyond TY2018, the Commission will undertake an analysis of the appropriate evaluation period cost rate for common equity (“EPCOE”) and will make a finding as to whether any changes are necessary.

Based on correspondence submitted by ELL, the Company expects to request timely consideration by the Commission of this request based on the current timeline of the RSP, which ELL will seek to maintain. See attached correspondence.

II. Scope of Representation

Bidders will be assisting in-house Staff counsel as well as in-house auditing and utilities Staff with its analysis of the appropriate EPCOE, an analysis of the RSP extension, as well as each of the proposed three Annual Evaluation Reports for test years 2019-2021. Part of the analysis will include determining whether disallowances or adjustments are warranted and if ELL’s filings comply with the Commission-approved RSP.

For both the initial analysis of the appropriate EPCOE, including the possible extension of the RSP, and each of the Annual Evaluation 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 all three 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 motion for extension of the RSP, the evaluation of EPCOE, and each of the three proposed test years: 2019, 2020, and 2021. The time anticipated for the motion for extension and the evaluation is approximately 6 months,¹ 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 natural gas 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 gas 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 Evaluation Report based on the RSP recently

¹ Note that in ELL's notice letter, ELL is requesting resolution of the RSP extension in time to file the 2019 Evaluation Report by January 31, 2020.

amended in Order No. U-33983, 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 natural gas utility.

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.

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:

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
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 Tuesday, August 27, 2019**. **Selection of consultants is anticipated to take place at the Commission’s September 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 Louisiana, LLC
4809 Jefferson Hwy.
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Tel 504 840 2615
rjone25@entergy.com

2019 JUL 23 PM 2:46
LA PUBLIC SERVICE
COMMISSION

Ryan D. Jones
Analyst
Regulatory Affairs

July 23, 2019

Via Fax & US Mail

Mr. Brandon Frey
Louisiana Public Service Commission
P. O. Box 91154
Baton Rouge, Louisiana 70821-9154

Dear Mr. Frey:

Entergy Louisiana, LLC ("ELL" or "the Company") submits this letter to notify the Louisiana Public Service Commission ("LPSC" or "Commission") of its intent to submit a filing in the coming weeks requesting an extension of its Gas Rate Stabilization Plan ("RSP"). The current RSP, which was approved by Order U-33983 issued in January 2017, is in its third and final year and will expire unless extended.

The filing is expected to request a three-year extension of the current RSP under substantially similar terms. The filing is expected to be supported by an affidavit and exhibits, if applicable, from one witness. In addition, as part of the filing, ELL expects to request timely consideration by the Commission. That is because, among other things, the current timeline of the RSP (which ELL seeks to maintain) requires the 2019 Evaluation Report for the 12 months ending September 30, 2019 to be filed by January 31, 2020, with resulting review periods commencing thereafter. Prompt Commission action on the filing will serve to mitigate any adverse impact to the timelines set forth in the RSP. To that end, the Company provides this initial notice, so the Commission and its Staff may consider whether a Staff consultant may help facilitate timely review of the filing.

Thank you for your consideration of this notice. Please let me know if you have questions or require further information regarding this matter.

Respectfully,

A handwritten signature in black ink, appearing to be "RD Jones", written over a horizontal line.

Ryan D. Jones

cc: Ms. Melissa Watson
Mr. Larry Hand
Mr. Mark Kleehammer
Mr. Ed Wicker