

Louisiana Public Service Commission



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Executive Counsel

April 21, 2020

JOHNNY E. SNELMGROVE, JR
Deputy Undersecretary

VIA EMAIL

***RFP 20-06 DOCKET NO. X-35522, Louisiana Public Service Commission, ex parte,
In re: Audit of Fuel Adjustment Clause Filings for Cleco Power LLC for the period
beginning January 1, 2018 through December 31, 2019 (2018-2019)***

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for **outside consultants** issued by the Louisiana Public Service Commission for the above referenced docket. 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. *Please note revisions to Section V-Estimate of Costs, which are underlined.*

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 (3) three copies, and an electronic copy** must be received on or before Friday, May 29, 2020 at 4:30 p.m. Selection of consultants is anticipated to take place at an upcoming 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 "K. Bowman".

Kathryn H. Bowman
Executive Counsel

Enclosure

RFP-20-06
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS

April 21, 2020

Docket No. X-35522, Louisiana Public Service Commission, ex parte, In re: Audit of Fuel Adjustment Clause Filings for Cleco Power LLC for the period beginning January 1, 2018 through December 31, 2019 (2018-2019)

The Louisiana Public Service Commission, consistent with the Commission's General Order dated November 6, 1997 ("FAC Order"), is commencing a Fuel Audit of Cleco Power LLC ("Cleco Power") for the period of January 1, 2018 through December 31, 2019, covering years 2018-2019. By way of this Request for Proposals ("RFP"), the Commission is seeking proposals from independent technical consultants to assist the Commission in conducting a review of Cleco Power's FAC filings for the years 2018-2019 under the parameters of the FAC Order. Staff requests the assistance of an outside consultant to work closely with in house Legal and Auditing Staff in this review.

This RFP is being issued 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"). The Commission reserves the right to reject any proposal or decline to undertake these reviews at this time.

I. Scope of Representation

Any Bidder retained by the Commission shall assist the Commission's Legal and Audit Divisions in analyzing fuel purchases and usage, as well as other charges included in the FAC, by Cleco Power for the years 2018 through 2019. In performing this duty, Bidders shall review monthly FAC filings; draft data requests and review responses thereto; review accompanying work papers and the company's financial data; review historical data and compliance with Commission Orders involving prior audits; participate in formal status conferences, pre-trial conferences, depositions, and hearings; prepare for filing audit memoranda and/or pre-filed testimony in support of Staff's ultimate recommendations, together with exhibits supporting the memoranda and/or pre-filed testimony; and assist in the drafting of applicable motions, exceptions, briefing sheets, and orders of the Commission. Additionally, any Bidder retained shall be available to participate in informal conference calls, meetings and conferences with the Commission and its staff as well as attending any Business and Executive Sessions that the Staff deems necessary. The scope of the work shall continue through the conclusion of the docket, which includes a Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation.

The audit procedures as outlined by the FAC Order, shall include but not be limited to:

- a.) A review and analysis of the utility's monthly comprehensive fuel adjustment reporting requirements filed with the Commission.

- b.) If applicable, the development and improvement of internal staff procedures to effectively monitor and evaluate a utility's performance in areas impacting the fuel and purchase power cost which are reflected in the utility's monthly fuel adjustment filings with the Commission.
- c.) A review and analysis of the utility's monthly comprehensive fuel adjustment filings to assure compliance with all pertinent state and federal regulations.

Bidders shall assist Commission Staff in reporting Staff's findings in writing to the Commission, identifying any irregularities detected in the monthly fuel adjustment calculations that were incorrectly assessed and applied to Louisiana consumer billing statements or which allowed for the recovery of these unauthorized expenses by the utility. The report should also include a written or executive summary which identifies any cost included in the audit found to be in violation of the FAC Order and a recommendation as to the appropriate methodology to be utilized by the Commission to provide for recovery of these funds.

Upon completion of the Commission's review, notice of the Staff's audit report shall be filed in the Commission's Official Bulletin and made available for public inspection at the Commission's offices. If designated by the utility, specific information related to the purchase of fuel and/or purchase power cost which was filed with the Commission under proprietary cover shall remain confidential and for Commission use only.

II. Period of Representation

The time period estimated to complete this docket is estimated at approximately 12 months. This is merely an estimate and may vary greatly depending upon whether the matter is contested. As such, the Commission makes no representations as to the accurateness of the Period of Representation.

III. Minimum Requirements

Bidders, who submit proposals should demonstrate their familiarity with Public Utility Audits in general, and specifically Fuel or Purchase Gas Audits, as well as any other experience in reviewing annual reports of similar energy providers. All proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP.

All Bidders shall be experienced in analyzing the operations, books and records of utility companies for the purpose of fuel audits, be familiar with costing methodologies utilized by the LPSC, and shall be qualified to provide expert assistance with respect to the following:

- (1) 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*. Proposals that do not conform to the Commission's General Order dated November 10, 2014 will not

be considered. 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.

- (2) Bidders shall be qualified and prepared to assist in the drafting and issuance of an audit report, which could include expert testimony, as well as the preparation of cross-examination of company and intervenor witnesses with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding. Bidders shall have a full understanding and ability to analyze the proper application of the Commission's FAC Order.
- (3) Bidders shall, at a minimum, be experienced in Public Utility regulation and have knowledge of: Louisiana Public Service Commission ratemaking, FAC and jurisdictional issues; and knowledge of appropriate accounting standards and practices for electric utilities.
- (4) All proposals shall include a plan of action, estimated timeline, and fees and costs associated with the scope of work as provided in this RFP. This will result in one proposal. However, in the event a Bidder is chosen; the 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 Bidder has the qualifications and experience necessary to meet the requirements of this RFP. Applicants will only be considered if proposals meet all of the requirements of this RFP and the Commission's Contract Order.

IV. Estimate of Cost

All proposals shall include fees and direct costs associated with Bidder's services described in the scope of representation above. Bidders responding to this RFP shall quote their rates on an hourly basis, and shall submit a total budget, separating professional fees from direct costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

Applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an Applicant's hourly rates and budget shall not be altered except by formal approval of the Commission.

V. Conflict of Interest

As required by the Contract Order, previous or current employment which could result in a conflict of interest shall be prominently and separately disclosed. In addition, Bidders shall disclose matters in which they currently represent private clients before the Commission. Failure to disclose actual or potential conflicts may result in rejection of the bid proposal.

VI. Disclaimer

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, 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.

VII. Billing Guidelines

As required by the Contract 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. Submission of Proposals

Interested parties should submit the **original (hard copy), 3 copies, and e-mail an electronic copy** of the proposal to:

Kathryn H. Bowman
Louisiana Public Service Commission
Office of Executive 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

To be considered, an original, three copies, and the electronic copy of the proposal must be received on or before **Friday, May 29, 2020 at 4:30 p.m.** **Selection of consultants is anticipated to take place at an upcoming 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.