

Louisiana Public Service Commission



POST OFFICE BOX 91154
BATON ROUGE, LOUISIANA 70821-9154
lpsc.louisiana.gov

COMMISSIONERS

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

Telephone: (225) 342-3157

BRANDON M. FREY
Executive Secretary

KATHRYN H. BOWMAN
Executive Counsel

JOHNNY E. SNELLGROVE, JR.
Deputy Undersecretary

February 17, 2023

VIA EMAIL

RFP 23-09

Docket No. TBD, Cleco Power, LLC's Upcoming Rate Proceeding to be Filed in June 2019 as Required by Commission Order No. U-35299.

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for an **independent outside consultant** 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. 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 (2) two copies and an electronic copy must be received on or before Thursday, March 9, 2023 at 12:00 p.m. Selection of consultants is anticipated to take place at the Commission's March 2023 Business and Executive Session.

If you have any questions regarding this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "KHB", with a long horizontal flourish extending to the right.

Kathryn Bowman
Executive Counsel

Encl.

cc.: Brandon M. Frey, Executive Secretary
Lauren T. Evans, Deputy General Counsel

23-09
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
February 17, 2023

DOCKET NO. TBD, In re: Cleco Power, LLC’s Upcoming Rate Proceeding to be Filed in June 2019 as Required by Commission Order No. U-35299.

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 (the “Contract Order”) to represent the Commission, issues this Request for Proposals (“RFP”) for **outside consultants** to assist Commission Staff in its review of the upcoming rate proceeding to be filed by Cleco Power LLC (“Cleco Power”) no later than March 31, 2023.

Deviations from the requirements contained herein, or conditional bid amounts shall result in rejection of the bid as non-conforming. Consideration of qualifying bids received in response to RFP 23-09 are anticipated to be on the Commission’s March 2023 Business and Executive Session (“B&E”). Should an Applicant be selected at the Commission’s B&E, this RFP and the Applicant’s proposal shall constitute the contract between the parties, including all terms and conditions. The Commission will not accept new terms, conditions, or proposals once an Applicant has been retained.

I. Overview

As part of the Stipulated Settlement entered into by Staff and Cleco Power in Docket No. U-35299, and accepted by the Commission in Order No. U-35299, Cleco Power is required to submit its next rate filing by March 31, 2023, for rates to be effective July 1, 2024. This filing could either be a full rate case that includes a request to extend Cleco Power’s Formula Rate Plan (“FRP”) or simply a request for an extension of Cleco Power’s FRP. Accordingly, Staff seeks a consultant to assist with the anticipated rate proceeding to be filed by March 31, 2023. Should Cleco Power’s request include an extension of its FRP, and an agreement is reached regarding the same, Staff expects any potential Applicant to also assist in the Annual Reports filed pursuant the extended FRP.

II. Scope of Representation

In assisting Staff in this upcoming docket, Applicants will review Cleco Power’s application, including all supporting documentation; draft and respond to discovery; review and analyze discovery responses; prepare direct and cross-answering testimony; participate in and be prepared to be deposed on Staff’s recommendation; assist in the preparation of pleadings, motions, or other documents necessary to facilitate the progress of this docket; participate in meetings, conference calls, status conferences, hearings, and other conferences with the Commission, Staff, or the parties, as deemed necessary by Staff; review and analyze stipulation terms – as necessary; testify before an administrative law judge – as necessary; assist in the preparation of briefing materials for Staff and Commissioners; appear before the Commission at B&Es – as necessary.

This scope of representation assumes that the docket will request a full rate review, proceed to a contested hearing, as well as include a request to extend the Company's FRP. Further, this scope of representation assumes annual reviews of Cleco Power's Annual Reports filed pursuant to an agreed upon extension of the Company's FRP will be necessary. However, for purposes of this scope, Applicants can assume the annual reviews of Annual Reports are not contested. Should any annual review become contested, Staff reserves its right to solicit the Applicant retained for an additional budget due to an expansion of scope based on the contested nature of the annual reviews.

The scope of representation provided herein shall continue: 1) through conclusion of the docket, including Commission consideration at a B&E or B&Es; and 2) through conclusion of each annual review of the Company's Annual Reports filed pursuant to an agreed upon extension of Cleco Power's FRP.

III. Period of Representation

The time period estimated to complete the Scope of Representation is approximately 12 months for the rate request and approximately 6 months for each annual review, assuming those are uncontested. However, this is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

IV. Minimum Requirements

To qualify, all Applicants must have requisite knowledge of the topics listed below, in addition to those provided in Commission's Contract Order. 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, similar practice before this or other regulatory agencies, and knowledge of Louisiana ratemaking standards and regulatory law.

Applicants shall at a minimum be experienced in analyzing the operations, books, and records of utility companies, particularly investor-owned 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, cost recovery via riders, and all related studies and calculations and prior cost recovery filings with the LPSC.

Applicants shall also be qualified and prepared to 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, including but not limited to:

- A. Appropriate accounting standards and practices for electric public utilities, public utility accounting, and generally accepted auditing standards;
- B. The appropriate ratemaking adjustments to be made to the utility's accounting records;
- C. The determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;

- D. Traditional cost-of-service and cost allocation methodologies supporting the revenue requirements among classes of customers;
- E. 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;
- F. Cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- G. Just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- H. Formula rate plans;
- I. Depreciation and taxation;
- J. Experience and familiarity with prior Cleco Power rate cases, including but not necessarily limited to Order No. U-35299; and
- K. A detailed understanding of electric utility regulation.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with completing the scope of representation above. This will result in one proposal. However, in the event an Applicant is chosen, 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 Applicant has the qualifications and experience necessary to meet the requirements of this request for proposals. Applicants will only be considered if proposals meet all of the requirements of this request for proposals and the Commission's Contract Order.

V. Estimate of Costs

Applicants shall provide an overview of the estimated costs in the summary of the bid proposal. All proposals shall include fees and direct costs (expenses) in order to provide the services described above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall submit a total budget, separating professional fees from direct costs. Applicants can divide the proposal between the rate request review and the FRP annual reviews, however, the overall total will be considered as the maximum not to exceed budget up for Commission consideration.

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.

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. Potential conflicts could include, but are not to be limited to, employment with regulated utilities, affiliates of regulated utilities, consumer advocacy groups, or any other party that comes before the Commission. 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 to the Commission 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. Pursuant to La. R.S. 45:1180, Cleco Power is the ultimate responsible party for payment of services provided pursuant to this RFP; therefore, timely submittal of invoices to the Commission facilitates timely payments to Applicant.

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), 2 copies, and e-mail an electronic copy** of the proposal to:

Kimberly N. O'Brian, and Kathryn H. Bowman
Louisiana Public Service Commission
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.obrian@la.gov, kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Thursday, March 9, 2023 at 12:00 p.m.** Selection of consultants is anticipated to take place at the Commission's March 2023 Business and Executive Session, which is currently scheduled for March 15, 2023. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.