

Louisiana Public Service Commission



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Deputy Undersecretary

March 7, 2023

VIA EMAIL

RFP 23-10

Docket No. S-36673, Chevron Phillips Chemical Pipeline Company, LLC, ex parte. In re: Application to increase rates for transportation of petroleum on its ethylene system for LPSC Tariff 9.5.0.

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals ("RFP") for an **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, April 6, 2023 at 12:00 p.m. Selection of consultants is anticipated to take place at the Commission's April 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 "Kathryn Bowman".

Kathryn Bowman
Executive Counsel

Encl.

cc.: Brandon M. Frey, Executive Secretary
Tanika Starks, Staff Attorney

RFP-23-10
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS
March 07, 2023

Docket Nos. S-36673, Chevron Phillips Chemical Pipeline Company, LLC, ex parte. In re: Application to increase rates for transportation of petroleum on its ethylene system for LPSC Tariff 9.5.0.

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 (“Contract Order”) issues this Request for Proposals seeking an **outside consultant** to assist Commission Staff in the review and analysis of Chevron Phillips Chemical Pipeline Company’s (“Chevron” or the “Company”) above referenced application.

Deviations from the requirements contained herein, or conditional bid amounts, shall result in rejection of the proposal as non-conforming. Consideration of qualifying proposals received are anticipated to be on the Commission’s April 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

Chevron, a Common Carrier petroleum pipeline regulated by the Commission, filed an application on February 3, 2023, pursuant to the Commission’s Common Carrier Pipeline General Order dated March 9, 2015 (“Pipeline Regulations”). The application seeks to increase rates from 17.67 cents to 29.5 cents per 100 pounds on its ethylene system, which transports from Napoleonville to St. James Plant. Notice of Chevron’s application was published in the Commission’s Official Bulletin dated March 3, 2023.

II. Scope of Representation

In assisting Staff, Applicant shall assist the Transportation and Auditing Divisions in the review and analysis of Chevron’s requested increase. In performing this duty, Applicant shall review the application; assist Commission Staff in drafting and responding to discovery; participate in formal status conferences, pre-trial conferences, depositions, and hearings; prepare for filing a recommendation and direct testimony on each year’s annual review and cross-answering testimony, if necessary, together with exhibits supporting the same; assist in the review and analysis of stipulation terms; testify before an administrative law judge, whether in a contested or stipulated hearing; and assist in the preparation of briefing materials for Staff and the Commissioners. The scope of the work shall continue through the conclusion of each annual filing through Commission vote, regardless of whether said vote is the result of a stipulated agreement or contested hearing recommendation.

The Commission and its Staff shall have the right to determine how the scope of representation 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.

II. Period of Representation

The time period estimated to complete the review and analysis is approximately 8 months. This is merely an estimate and as such the Commission makes no representations as to the accurateness of the Period of Representation.

III. Minimum Requirements

To qualify, all Applicants must have requisite knowledge of the topics listed in this RFP, in addition to those provided in the 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 common carriers, particularly pipeline companies, for the purpose of establishing rates.

Applicants shall at a minimum 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 common carriers, including the costing methodologies utilized by the Commission, affiliate transactions of common carriers, and generally accepted auditing standards;
- B. Commission General Order dated March 9, 2015, in Docket No. R-33390, Louisiana Public Service Commission, ex parte. In re: Rules Applicable to Common Carrier Petroleum Pipelines. Section 4 of the aforementioned General Order requires just and reasonable, and not unreasonably discriminatory rates. Further, the General Order sets forth guidelines for approval of rate applications; Section 4(D) allows Common Carrier petroleum pipelines to increase rates through Indexing, Commission Approval, or a Limited Temporary Surcharge; and
- C. Common Carrier regulations and have a general knowledge of Commission ratemaking.

All proposals shall include a plan of action, estimated timeline, and fees and costs associated with completing the Scope of Representation contained herein.

In addition, all proposals shall demonstrate that the Applicant 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

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 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

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.

VI. 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, Chevron 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.

VII. 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 a B&E, if such action is found by the LPSC to be in the public interest. Pursuant to the Contract General 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.

VIII. 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
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, April 6, 2023 at 12:00 p.m.** Selection of consultants is anticipated to take place at the Commission's April 2023 Business and Executive Session, which is currently scheduled for April 26, 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.