

# Louisiana Public Service Commission



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Deputy Undersecretary

April 10, 2023

## VIA EMAIL

***RFP 23-17, Docket No. TBD, Entergy Louisiana, LLC, ex parte. In re: Entergy Louisiana, LLC's upcoming FRP extension and/or rate case.***

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, May 4, 2023. Selection of consultants is anticipated to take place at the Commission's May 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 "KB", written over a white background.

Kathryn Bowman  
Executive Counsel

Encl.

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

23-17  
LOUISIANA PUBLIC SERVICE COMMISSION  
REQUEST FOR PROPOSALS (“RFP”)  
April 10, 2023

*DOCKET NO. TBD, Entergy Louisiana, LLC’s upcoming FRP extension and/or rate case.*

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 and analysis of Entergy Louisiana, LLC (“ELL” or the “Company”) upcoming base rate case proceeding and/or a Formula Rate Plan (“FRP”) extension.

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 May 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**

On April 3, 2023, ELL submitted a notice letter to the Commission that it is contemplating requesting an extension to its FRP, but is also preparing a base rate case proceeding with retail rates to be effective September 1, 2024.<sup>1</sup> ELL submitted this notice letter anticipating the expiration of its current FRP, which will expire in 2024.

The Company recognizes that a request to extend its FRP cannot be filed and considered prior to the date by which a base rate proceeding would need to be filed in order to have rates effective on September 1, 2024. Therefore, it is Staff’s opinion that ELL will likely file a request for both, likely one in the alternative of the other.

Per ELL’s notice letter, the Company anticipates the base rate case filing to be similar to Docket No. U-32708, including approximately fifteen (15) witnesses, an updated depreciation rate, proposal to combine legacy Entergy Gulf States and legacy Entergy Louisiana rates, and a proposal to initiate an updated FRP mechanism.

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<sup>1</sup> See attached.

## **II. Scope of Representation**

This scope of representation covers both a request for FRP extension as well as a base rate case proceeding. Should the Commission grant an extension of ELL's FRP, the scope of representation herein also includes the FRP annual report review. It is not entirely clear in ELL's notice letter whether the request for an FRP extension would be for one year or the entire three-year term. For purposes of this RFP, Staff anticipates a request for FRP extension will be for the entire three-year term.

In assisting Staff, Applicants will review and analyze ELL's upcoming application, including the pre-filed direct testimony of approximately fifteen Company witnesses, an updated depreciation study, and proposed FRP mechanism revisions; draft, review, and analyze discovery and associated responses; review accompanying workpapers and ELL's financial data; review historical data of ELL – as deemed necessary to assist in the current request; prepare direct testimony and accompanying workpapers – as necessary; participate in meetings and conference calls with the Commission, Staff, or the parties, as deemed necessary by Staff; assist in the preparation of briefing materials for Staff and Commissioners.

This scope of representation assumes that the docket will proceed to a contested hearing. Thus, in addition to the above, this scope of representation assumes Applicant will be assisting in responding to discovery on Staff's direct testimony; filing cross-answering testimony – as necessary; participate in meetings and conference calls; assist in trial preparations, including assistance with drafting cross examination of witnesses; participate, and where applicable testify, in formal status conferences, pre-trial conferences, depositions, and hearings; assist in the preparation of applicable motions, exceptions, briefs and other pleadings in support of Staff's position; review and analyze stipulation terms; and appear before the Commission at B&Es where this matter will be discussed. The scope of representation provided herein shall continue through conclusion of the docket, including Commission consideration at a B&E or B&Es. Additionally, the scope of representation provided herein shall continue through the review and analysis of each FRP annual report, should the FRP extension be granted by the Commission, through conclusion of those dockets by Commission vote.

## **III. Period of Representation**

The time period estimated to complete the Scope of Representation for the initial application is approximately 18 months, while the FRP annual reviews will be approximately 6 months per review. However, this is merely an estimate and the Commission makes no representation 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 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 utility companies, particularly investor-owned electric 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.

Applicants 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:

- A. appropriate accounting standards and practices for regulated 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, including the Company's current FRP as approved in Order No. U-35565;
- C. the determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;
- D. cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- E. familiarity with just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- F. depreciation and taxation;
- G. the allocation of investment and expenses between the non-regulated and regulated operations at the holding company and at the operating company level;
- H. public interest criteria for approval of utility investments; and
- I. a detailed understanding of the major functional areas of a regulated electric utility, particularly an investor-owned.

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 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, ELL 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  
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](mailto:kim.obrian@la.gov)  
[kathryn.bowman@la.gov](mailto: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, May 4, 2023**. Selection of consultants is anticipated to take place at the Commission's May 2023 Business and Executive Session, which is currently scheduled for May 17, 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.



Lawrence J. Hand, Jr.  
Acting VP of Regulatory & Public Affairs  
Entergy Services, LLC  
504-840-2528 | lhand@entergy.com  
4809 Jefferson Hwy., Jefferson, LA 70121

April 3, 2023

**Via Electronic Mail and U.S. Mail**

Mr. Brandon Frey  
Executive Secretary  
Louisiana Public Service Commission  
Galvez Building, 12th Floor  
602 North Fifth Street  
Baton Rouge, LA 70812

**Re: *Entergy Louisiana, LLC's Potential Rate Case Filing***

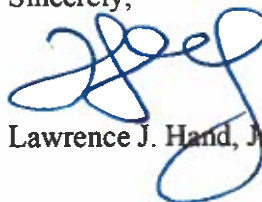
Dear Secretary Frey,

As you are aware, the current term of Entergy Louisiana, LLC's ("ELL") formula rate plan ("FRP") will expire in 2024, unless extended by order of the Commission. ELL is currently considering whether there are terms under which ELL would be willing to propose to extend its current FRP, recognizing that an extension with a mid-point reset is not permitted under the stipulation approved in Order No. U-35565. Given that it is unlikely that such an extension could be approved by the Commission prior to the current FRP's expiration, ELL is developing a full electric base rate case proceeding to redetermine just and reasonable retail rates to be effective September 1, 2024. ELL contemplates filing the rate case in two parts, with a revenue requirement analysis using calendar year 2022 as the test year with certain pro-forma adjustments for known and measurable changes being submitted in July and a class cost of service study and proposed base rates being submitted in August.

The rate case filing made by ELL in Docket No. U-32708 is illustrative of the type of application, testimony, and exhibits that ELL may file, which will likely include approximately fifteen (15) witnesses. At this time, ELL anticipates including in this rate case filing updated depreciation rates, a proposal to combine legacy Entergy Gulf States and legacy Entergy Louisiana rates, and a proposal to initiate an updated FRP mechanism, among other items.

This correspondence is provided to allow the LPSC Staff to determine whether it is necessary to retain outside consultants or counsel to assist it in timely evaluation of the anticipated filing and, if so, to begin the process of retaining such assistance; however, nothing herein should be construed to limit what ELL may file or what relief may be requested. As noted above, ELL is currently considering the feasibility of extending the current FRP. Because it is not likely that such an extension could be requested and approved by the LPSC before the filings discussed above must be made, ELL requests that the Staff proceed to make any desired hirings.

Sincerely,



Lawrence J. Hand, Jr.

LJH/AA

Enclosures

cc: Kathryn Bowman (*via electronic mail and U.S. Mail*)