

Louisiana Public Service Commission



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May 12, 2022

VIA EMAIL

RFP 22-16 Docket No. U-36338, Entergy Louisiana, LLC, ex parte. In re: Application for extension of gas Rate Stabilization Plan and Infrastructure Rider.

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 Friday, June 3, 2022 at 4:30p.m. Selection of consultants is anticipated to take place at the Commission's June 2022 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 "K. Bowman", written over a white background.

Kathryn Bowman
Executive Counsel

Encl.

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

RFP 22-16
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS (“RFP”)
May 12, 2022

DOCKET NO. U-36338, Entergy Louisiana, LLC, ex parte. In re: Application for extension of gas Rate Stabilization Plan and Infrastructure Rider.

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”), issues this Request for Proposals (“RFP”) to **outside consultants** who will assist Commission Staff in the review of Entergy Louisiana, LLC’s (“ELL” or the “Company”) request for a three-year extension of its gas Rate Stabilization Plan (“RSP”) and a fifteen-year extension of its Infrastructure Investment Recovery Rider (“IRR-G”), and to assist in the review of the Annual Evaluation Reports for each of the proposed 3 test years (2022-2024).

Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming. Consideration of qualifying bids received in response to RFP 22-16 are anticipated to be on the Commission’s June 2022 Business and Executive Session.

I. Overview

On April 22, 2022, ELL filed a request to extend its Gas RSP for an additional three-year term, with all material provisions left unchanged, as well as extend its IIRR-G for an additional fifteen-year term with all material provisions left unchanged. There have been no material changes to the cost structure for ELL’s Gas RSP since it was approved in 2005, and reviewed in 2013 and 2020. The Company is requesting expedited consideration of this docket.

The current rates charged for ELL’s local gas distribution company were established and adjusted, as necessary, under an RSP that was adopted pursuant to Order No. U-35370, and is in its final test year (with the test year ending September 31, 2021). Per the Company, the IIRR-G works in conjunction with ELL’s Gas RSP, and was primarily established to recover ELL’s fixed costs associated with its long-term accelerated pipe replacement program and other non-revenue producing investment, including government-mandated investment.¹

ELL’s application will be published in the Commission’s Official Bulletin dated May 13, 2022 for a fifteen-day intervention period.

¹ See LPSC Order Nos. U-32682-A and U-35370.

II. Scope of Representation

Applicants will be assisting Commission in-house Staff (Legal, Utilities, and Auditing Divisions) in reviewing ELL's request and providing a recommendation to the Commission on the appropriate evaluation period cost rate for common equity ("EPCOE"), including whether any revisions are necessary to the current EPCOE, as well as whether the IIRR-G is still appropriate and whether any revisions are necessary to said rider. Further, this scope of representation shall include a review and analysis of ELL's Annual Evaluation Reports for test years 2022 – 2024, should the Commission approve ELL's request for an extension.

In assisting Staff with both the initial request for renewal and each of the Evaluation Reports, Applicants will review the application and accompanying workpapers; draft data requests and review responses thereto; potentially participate in informal meetings with Staff and ELL, Staff and Intervenors, or Staff, ELL, and Intervenors; assist in drafting a recommendation(s), including testimony, to the Commission, including any exhibits supporting the same; review and respond to any rebuttal testimony; assist in preparing any necessary direct and cross-answering testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; and review and analyze potential stipulation terms.

Additionally, the Applicant shall be available to participate in meetings, conference calls, status conferences, hearings, and other conferences with the Commission and its Staff, as well as attending any Business and Executive Session(s) that Staff deems necessary.

All proposals shall include an outline of a plan of action, including the activities described above. While a plan of action is required, the Commission and its Staff shall maintain 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 requirement of this RFP.

III. Period of Representation

This RFP covers a period of representation for the motion for extension of ELL's RSP and IIRR-G, as well as the three proposed test years: 2022, 2023, and 2024. The time period estimated to complete RSP and IIRR-G renewal is approximately 6 months and the time period estimated to conclude each test year is approximately 4-6 months, depending on the agreed upon review period in the renewed RSP. 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 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, 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 natural gas distribution companies, 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 and prior cost recovery filings with the LPSC.

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 testimony at a hearing and/or a B&E regarding the same and have knowledge of:

- (1) appropriate accounting standards and practices for natural gas public utilities, public utility accounting, and generally accepted auditing standards;
- (2) appropriate ratemaking adjustments to be made to the utility's accounting records, including ELL's Annual Evaluation Report based on the RSP recently amended in Order No. U-35370, and as may be additionally modified herein;
- (3) determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;
- (4) traditional cost-of-service and cost allocation methodologies supporting the revenue requirements among classes of customers;
- (5) 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;
- (6) cost of capital, including capital structure, cost of debt, cost of equity and rates of return;
- (7) just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- (8) depreciation and taxation;
- (9) public interest criteria for approval of utility investments; and
- (10) a detailed understanding of the major functional areas of a regulated natural gas utility.

V. Estimate of Costs

Applicants shall provide an overview of the estimated costs in the summary of the bid proposal. All proposals shall include a total not-to-exceed budget, including fees and direct costs in order to provide the services described above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall separate professional fees from direct costs when submitting a total not-to-exceed budget.

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 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, or are not considered 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 any offer and does not have to accept the lowest bid amount. 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
kathryn.bowman@la.gov

To be considered, an original, two copies, and the electronic copy of the proposal must be received on or before **Friday, June 3, 2022 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's June 2022 Business and Executive Session, which is currently scheduled for June 22, 2022.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.