

1 **AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN**

2 **THE CITY OF NEW ORLEANS**

3 **AND**

4 **PAILET, MEUNIER AND LEBLANC, LLP**

5 **THIS AGREEMENT** is made and entered into as of the 1st day of January 2010 by and between the
6 Council of the City of New Orleans, represented by Arnie Fielkow, President of the Council (hereinafter
7 referred to as "City") and the firm of **Paillet, Meunier and LeBlanc, LLC** (hereinafter referred to as
8 "Contractor").

9 **WITNESSETH**

10 **WHEREAS**, to address the complex legal and technical issues necessary to properly meet its
11 responsibility, the Council has selected Paillet, Meunier and LeBlanc, LLP in accordance with the competitive
12 selection process required by the Home Rule Charter; and

13 **WHEREAS**, pursuant to Rule 45, the City Council adopted Motion M-09-459, directing the Council
14 staff to issue a Request for Qualifications to initiate a competitive selection process to obtain consultants with
15 expertise essential to assisting the Council in effectuating its regulatory authority over electric and gas utilities
16 in New Orleans; and

17 **WHEREAS**, a Request for Qualifications relative to electric and gas regulatory services was issued
18 on September 4, 2009 and on October 20, 2009; and

19 **WHEREAS**, responses to the Request for Qualifications were reviewed by the Staff Selection
20 Review Committee on October 20, 2009 and on November 9, 2009, the Council Utility Committee met
21 and recommended that the City Council approved the selection of Sonnenschein Nath & Rosenthal,
22 L.L.P., Wilkerson & Henry, L.L.C., Legend Consulting Group Limited, Bruno and Tervalon, L.L.P., and
23 Paillet, Meunier & LeBlanc, L.L.P. be retained to provide electric and/or natural gas regulatory consulting

1 services to the City Council; and

2 **WHEREAS**, by Motion M-09-645 the City Council approved the recommendation of the
3 Council Utilities Committee that the firm of Paillet, Meunier and LeBlanc, LLP be retained to provide
4 utility consulting services in the area of the Council's electric and gas regulatory responsibility; and

5 **WHEREAS**, the Council by Motion M-09-676 authorized the President of the Council to sign a
6 professional service contract with the firm of Paillet, Meunier and LeBlanc, LLP for the contract amount
7 as specified herein; and

8 **WHEREAS**, the firm of Paillet, Meunier and LeBlanc, LLP is herein represented by Kenneth C.
9 Paillet, Esq. Managing Partner as authorized by letter to enter into agreement on behalf of the firm of
10 Paillet, Meunier and LeBlanc, LLP.

11 **NOW, THEREFORE**, the City of New Orleans and the firm of Paillet, Meunier and LeBlanc,
12 LLP for the consideration, and under conditions set forth, do agree as follows:

13 **I. SCOPE OF SERVICES**

14 **A. Contractor Agrees To:**

15 Provide accounting, analytical, audit and management advisory services to the Council as
16 necessary in local, state and federal regulatory and legislative matters in respect to the electric and
17 natural gas utilities and suppliers providing services in New Orleans, including but not limited to
18 Entergy, its unregulated subsidiaries and its regulated operating subsidiaries; Entergy Louisiana,
19 Inc; and Entergy New Orleans, Inc.; as may be required from time to time by the City Council,
20 and its staff.

21

1 B. The City Agrees To:

2 1. Provide contract administration through the City Council Utilities Regulatory
3 Office.

4 2. Provide access to records, documents and other information as may be required.
5 Additional support and information may be directed to the Council Utilities Regulatory
6 Office.

7 **II. COMPENSATION**

8 The compensation to be paid for services rendered will be at the hourly billing rate of:

9 Partners	up to \$180.00
10 Managers	up to \$150.00
11 Other Professionals	up to \$100.00
12 Support Staff	up to \$45.00

13 The compensation to be paid to the firm of Paillet, Meunier, and LeBlanc, LLP for such services
14 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00). If there are any necessary
15 and ordinary expenses attached to the work of the firm of Paillet, Meunier and LeBlanc, LLP
16 these expenses, in addition to the fees outlined above, shall be reimbursable by the City but the
17 total amount of such expenses and fees shall not exceed Two Hundred Fifty Thousand Dollars
18 (\$250,000.00). The firm of Paillet, Meunier and LeBlanc, LLP shall submit to the City a detailed
19 monthly invoice for payment of services provided. The firm of Paillet, Meunier and LeBlanc,
20 LLP work shall be detailed in increments of one-tenth of an hour. This agreement is contingent
21 upon the appropriation and allocation of funds by the City of New Orleans.

1 **III. PAYMENT**

2 Payment under this agreement shall be made pursuant to detailed monthly invoices submitted by
3 the firm, subject to review and approval by the City for payment. Upon authorization through
4 the City Council Utilities Regulatory Office such invoices may be submitted to the Finance
5 Department for payment by the City or, alternatively, when such invoices would be reimbursable
6 by a utility subject to regulation under Section 3-130 of the Home Rule Charter and reimbursable
7 pursuant to Section 3-130 (5) of the Home Rule Charter, the City Council Utilities Regulatory
8 Office may submit such invoices for payment to such regulated utility company. Payments in the
9 name of the firm under this provision shall then be sent to the Council Utilities Regulatory Office
10 which shall immediately forward such authorized payment to the firm. The Council Utilities
11 Regulatory Office shall maintain records of such payments which shall be public records and
12 shall also forward copies of such records as required to the CAO and Department of Finance.
13 Such payments, when made by such utility company through the City Council's Utilities
14 Regulatory Office shall fully discharge the City's obligation for such payment under this contract
15 and be included in and applied to the maximum compensation limits of this contract. Pursuant to
16 Motion M-09-676 such payments shall be recoverable as regulatory expense by such utility in the
17 same manner as reimbursements to the City for such payments pursuant to Section 3-130 (5) of
18 the Home Rule Charter.

19 **IV. EQUAL EMPLOYMENT OPPORTUNITY**

20 In all hiring or employment made possible by or resulting from this Contract, there (1) will not
21 be any discrimination against any employee or applicant for employment because of race, color,
22 religion, gender, age, physical or mental disability, national origin, sexual orientation, creed,
23 culture, or ancestry, and (2) where applicable, affirmative action will be taken to ensure that the

1 Contractor's employees are treated during employment without regard to their race, color,
2 religion, gender, age, physical or mental disability, national origin, sexual orientation, creed,
3 culture, or ancestry. This requirement shall apply to, but not be limited to the following:
4 employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or
5 termination; rates of pay or other forms of compensation; and selection for training, including
6 apprenticeship. All solicitations or advertisements for employees shall state that all qualified
7 applicants will receive consideration for employment without regard to race, color, religion,
8 gender, age, physical or mental disability, national origin, sexual orientation, creed, culture, or
9 ancestry.

10 **V. ASSIGNABILITY**

11 The Contractor shall not assign any interest in this Contract, and shall not transfer any
12 interest in the same without prior written consent of the City of New Orleans.

13 **VI. CONFLICT OF INTEREST**

14 In the interest of ensuring that efforts of the Contractor do not conflict with the interest of
15 the City, and in recognition of Contractor's professional responsibility to the City, the
16 Contractor agrees to decline any offer of employment if its independent, professional
17 work on behalf of the City is likely to be adversely affected by the acceptance of such
18 employment. The initial determination of such a possibility rests with the Contractor. It
19 is incumbent upon the Contractor to notify the City and provide full disclosure of the
20 possible effects of such employment on the Contractor's independent, professional work
21 in behalf of the City. Final decision on any disputed offers of other employment for the
22 Contractor shall rest with the City.

1 **VII. INDEMNIFICATION**

2 The Contractor shall indemnify and save harmless the City of New Orleans against any
3 and all claims, demands, suits, judgments of sum of money to any party accruing against
4 the City for loss of life or injury or damage to persons or property growing out of,
5 resulting from, or by reason of any act of omission of the operation of the Contractor, his
6 agents, servants or employees while engaged in or about or in connection with the
7 discharge or performance of the services to be done or performed by the Contractor
8 hereunder, and shall also hold the City harmless from any and all claims and/or liens for
9 labor, services, or materials furnished to the Contractor in connection with the
10 performance of its obligation under this Agreement.

11 **VIII. ACKNOWLEDGMENT OF EXCLUSION OF WORKER'S COMPENSATION**
12 **COVERAGE**

13 The Contractor herein expressly agrees and acknowledges that it is an independent
14 Contractor as defined in R. S. 23:1021 (6) and as such, it is expressly agreed and
15 understood between the parties hereto, in entering into this professional services contract,
16 that the City of New Orleans shall not be liable to the Contractor for any benefits or
17 coverage as provided by the Worker's Compensation Law of the State of Louisiana, and
18 further, under the provisions of R.S. 23:1034 anyone employed by the Contractor shall
19 not be considered an employee of the City for the purpose of Worker's Compensation
20 Coverage.

21 **IX. ACKNOWLEDGMENT OF EXCLUSION OF UNEMPLOYMENT**
22 **COMPENSATION COVERAGE**

23 The Contractor herein expressly declares and acknowledges that it is an independent contractor

1 and as such is being hired by the City under this contract of hire as noted and defined in R.S.
2 23:1472 (E); and, therefore, it is expressly declared and understood between the parties hereto, in
3 entering into this professional services contract or contract for hire, and in connection with
4 unemployment compensation in coverage only, that:

- 5 A. The Contractor has been and will be free from any control or direction by
6 the City, over the performance of the services covered by this contract;
7 and
8 B. Service(s) to be rendered by the Contractor are outside the normal course
9 and scope of the City's usual business; and
10 C. The Contractor has been independently engaged in performing services
11 listed herein prior to the date of this contract.

12 Consequently, neither the Contractor nor anyone employed by the Contractor shall be considered an
13 employee of the City for the purpose of unemployment compensation coverage, the same being hereby
14 expressly waived and excluded by the parties hereto.

15 **X. WAIVER OF SICK AND ANNUAL LEAVE BENEFITS**

16 It is expressly agreed to and understood between the parties entering into this professional
17 services contract that the Contractor, acting as an independent agent, and its agents assigned and
18 employees shall not receive any sick and annual leave benefits from the City of New Orleans.

19 **XI. JURISDICTION**

20 The undersigned Contractor does further hereby consent and yield to the jurisdiction of the State
21 Civil Courts of the Parish of Orleans and does hereby formally waive any pleas of jurisdiction on
22 account of residence elsewhere of the undersigned Contractor.
23

1 **XII. DURATION OF AGREEMENT**

2 The services to be provided under the terms of this Agreement shall begin on January 1,
3 2010 and shall end no later than December 31, 2010. It is understood and acknowledged
4 by all signators to this Agreement that work described under these terms is to be
5 accomplished during the time period specified herein. The terms, conditions and
6 duration of this contract may be modified by an executed, written amendment to this
7 contract.

8 **XIII. EXTENSION**

9 This agreement may be extended at the option of the City, provided that funds are allocated by
10 the Council of the City of New Orleans and the extensions of the agreement facilitates the
11 continuity of services provided herein. This agreement may be approved for the negotiation of
12 one year contracts renewable on an annual basis for a total period of up to five years.

13 **XIV. CANCELLATION**

14 Either party of this contract may terminate the contract at any time during the term of the
15 contract by giving the other party written notice of said intention to terminate at least
16 thirty (30) days before the date of termination.

17 **XV. SOLICITATION**

18 The Contractor has not employed or retained any company or person, other than a bona fide
19 employee working solely for him, to solicit or secure the subject contract. The Contractor has
20 not paid or agreed to pay any person, other than a bona fide employee working from him, any
21 fee, commission, percentage, gift, or any other or consideration contingent upon or resulting from
22 the subject contract.

1 **XVI. OFFICE OF INSPECTOR GENERAL**

2 The Contractor understands and will abide by all provisions of the Code of the City of New
3 Orleans, Chapter 2, Art. XIII, Sect. 2-1120, as adopted by City Ordinance No. 22,888 M.C.S.,
4 (relative to the operations and authority of the City Inspector General), incorporated herein by
5 reference.

6 **XVII. SUBCONTRACTS**

7 Any and all subcontracts by the Contractor relating to work under this contract shall be approved
8 in advance by motion of the Council. The Council may require information on ownership
9 interests in the subcontractor prior to approval of the subcontractor's retention. Contractor shall
10 incorporate by reference in all subcontracts the provisions of this Article and shall require all
11 subcontractors to comply with such provisions. Contractor's failure to comply with the
12 obligations in this subsection shall constitute a material breach of this Agreement.

13 **XVIII. EXPENSES**

14 Unless otherwise approved by the Contracting Officer of the City Council, reimbursable
15 expenses shall be limited as follows: meals at reasonable and customary costs for the city in
16 which they are consumed absent charges for alcoholic beverages, air transportation limited to
17 lowest available coach fares at the time of booking, lodging expenses in New Orleans not to
18 exceed federal per diem rate for hotels in New Orleans to the extent achievable without an
19 official governmental identification for the personnel; postage, overnight delivery or courier
20 services at contractor's actual cost; facsimile transmissions and long distance telephone charges
21 at contractor's actual cost; copies at \$0.10 per page; computerized research at contractor's actual
22 cost.

23 **XIX. LIMITATIONS**

24 For the attendance at all meetings of the Council, the CUC, briefings of Councilmembers, and

1 representation before any court or regulatory body and during the conduct of regulatory
2 proceedings before the Council and other regulatory bodies, the Council will only provide labor
3 fee reimbursement for one consultant from any applicable firm, unless otherwise specifically
4 approved by the Contracting Officer of the City Council. Contractor further agrees to avoid the
5 unnecessary duplication of personnel and costs in the performance of services under this
6 agreement and accordingly, shall staff all assignments with only qualified and experienced
7 personnel so as to only charge for the minimum number of personnel and incur the least costs
8 reasonably necessary to perform the assignments.


9 **XX. SEVERABILITY**

10 In the event a Court of competent jurisdiction finds any clause or provisions pertaining to the
11 retention of Contractor invalid, unless said Court expressly states otherwise, said findings shall
12 not affect Contractor's right to continue providing utility-related legal services to the City with
13 respect to any clause or provision not found to be invalid.

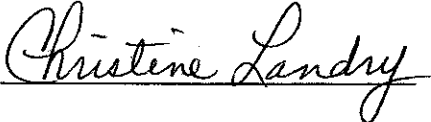
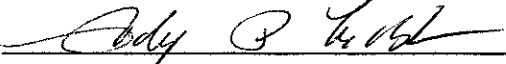
1
2 For the consideration and under the conditions set forth above, the Contractor has agreed to perform the
3 specified services for the City of New Orleans.

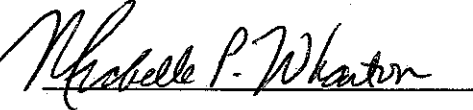
4 **IN WITNESS WHEREOF:**

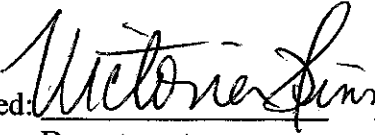
5 ATTEST CITY OF NEW ORLEANS

6
7 _____ 
8 Arnie Fielkow
9 City Council President

10
11 _____
12
13 Paillet, Meunier and LeBlanc, LLP

14
15 
16 _____ 
17 By: Rodney P. LeBlanc, CPA
18 Acting Managing Partner

19 
20 _____
21 3421 N. Causeway Blvd. Suite 701
22 Metairie, LA 70002

23
24 
25 Approved: _____ 7207572010 B
26 Law Department Federal ID Number

Partnership Resolution
Paillet, Meunier & LeBlanc LLP
Appointment of members' powers
State of Louisiana
Parish of Jefferson
Metairie, Louisiana

December 2009

Whereas Paillet, Meunier and LeBlanc LLP (aka The Firm) has three partners, namely Kenneth C. Paillet, Rodney P. LeBlanc and Charles B. Hausknecht jr,

Whereas Kenneth C. Paillet, managing partner will be traveling out of the country from December 13, 2009 to January 15, 2010,

Whereas Kenneth C. Paillet in his capacity as managing partner of Paillet, Meunier and LeBlanc LLP is fully and legally authorized to execute any and all contracts on behalf of the firm,

Be it known that Kenneth C. Paillet acknowledges and authorizes Rodney P. LeBlanc and/or Charles B. Hausknecht jr. to, in his absence, execute such contracts with the City of New Orleans or any other legal obligations as may be necessary while he is out of the country.

Executed:


Kenneth C. Paillet, CPA

12-10-2009
Date


Rodney P. LeBlanc, CPA

12/10/09
Date


Charles B. Hausknecht jr., CPA

12/16/09
Date

**MOTION
(AS AMENDED)
NO. M-09-676**

CITY HALL: DECEMBER 7, 2009

BY: COUNCILMEMBERS CARTER, HEDGE-MORRELL AND WILLARD-LEWIS

WHEREAS, pursuant to Section 3-130 of the Home Rule Charter of the City of New Orleans, the New Orleans City Council exercises powers of supervision, regulation, and control over electric and gas utilities providing service in the City; and

WHEREAS, to address the complex legal and technical issues necessary to properly meet its responsibility, the Council has selected consulting firms as advisors, in accordance with the competitive selection process required by the Home Rule Charter and established by Council Rule 45; and

WHEREAS, by Motion M-09-645, after competitive selection, the City Council authorized retention of the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's to continue to provide consulting services to the City Council in electric and gas utility regulatory matters; and

WHEREAS, by Motion M-09-645 and the terms of the Request For Qualifications issued on September 4, 2009 and reissued on October 20, 2009, the Council is authorized to enter into a contract with the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's to provide consulting services to the City Council in electric and gas utility regulatory matters renewable on an annual basis for a total period of up to two years; and

WHEREAS, by Motion M-09-645 the Council further authorized negotiation of contracts with a scope of work consistent with the request for qualifications and the Council's electric and gas Utility regulatory needs with each of the firms to be retained by the Council; and

WHEREAS, during 2009 the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's directed the advisors' efforts in planning and executing the audit of Entergy New Orleans storm restoration costs. This was the third such audit of Entergy's Hurricanes Katrina and Rita storm restoration costs totaling over \$283 million. The audits are used as the required certification for the receipt of CDBG funds for ratepayer mitigation; which enabled ENO to obtain necessary CDBG funds to assist in emerging from bankruptcy; and

WHEREAS, during 2009 the Accounting Firm Paillet, Meunier and LeBlanc, L.L.P., CPA's met with ENO during year on various matters; and

WHEREAS, during 2009 the Accounting Firm Paillet, Meunier and LeBlanc, LLP, CPA's reviewed ENO's tax filings and researched various tax issues for the purpose of providing recommendations to benefit ratepayers; and

WHEREAS, during 2009 the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's provided financial analyses and input regarding the ENO Rate Case, which included: analyzing several accounting/financial issues relative to ENO's rate filing; developing deposition questions, data requests and inquiries for ENO expert witnesses testifying on various financial/accounting issues; performing analyses related to tax issues, Accumulated Deferred Income Taxes, and tax implications associated with several FERC accounts; analyzing ESI intercompany affiliate billing issues; analyzing payroll related issues; and determining compliance with Council Resolutions regarding Y2K deferrals, distribution maintenance, and Nuclear facilities costs; and

WHEREAS, during 2009 the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's reviewed ENO's compliance with Council mandated requirements regarding reporting and auditing affiliate cost transactions and related allocation factors; and

WHEREAS, during 2009 the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's provided accounting policy, technical advice, and audit inquiries on various regulatory matters including:

- a. ENO's accounting and support for storm restoration costs associated with Hurricanes Gustav and Ike,
- b. Remedy payments resulting from bandwidth filings made at FERC by Entergy Services, Inc.
- c. Tax matters associated with ENO's receipt of CDBG funding and other tax issues affecting ratepayers,
- d. Gas supplier overbillings resulting from metering problems with ENO's City Gate No. 4 gas meter,
- e. Issues regarding the planned withdrawal of Entergy Arkansas and Entergy Mississippi from Entergy's System Agreement and the resultant impacts on ENO ratepayers,
- f. Cost assumptions relative to energy efficiency programs and the establishment of the Energy Smart Program,
- g. Ongoing monitoring of monthly fuel adjustment filings;
- h. ENO and Entergy regulatory financial filings with the SEC and FERC,
- i. ENO's and ESI's proposed independent transmission coordinator (ITC) arrangements/issues; and

WHEREAS, in 2010 the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's will continue audit responsibilities regarding ENO's storm costs filings for costs incurred in 2008, 2009 and 2010 and associative tax and incremental revenue requirement impacts; and

WHEREAS, in 2010 the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's will continue analyses and input regarding the ENO Formula Rate Case to include: development and evaluation of discovery and resultant responses; assistance in preparation and conduct of depositions for ENO witnesses; and the assessment of the reasonableness of costs assigned ratepayers; and.

WHEREAS, in 2010 the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's will provide accounting policy, technical advice, and audit inquiry regarding: ENO tax filings and issues affecting ENO ratepayers; ENO establishment of Entergy Smart policies and procedures related to the Independent Monitor, Third Party Administrator, and Energy Efficiency Financing Alternatives, ENO's Smart Grid Grant from DOE, ENO's Integrated Resource Planning, ENO accounting practices associated with FERC and local regulatory matters; review of costs allocation and expense sharing methodologies employed by ENO, ESI, and other Operating Companies; continued financial analyses regarding SEC and FERC financial reporting; ENO ratepayer impacts associated with Entergy Arkansas and Entergy Mississippi's planned withdrawal from the Entergy System Agreement; and the assessment of cost impacts associated with ENO's gas system rebuild; other regulatory matters that may emerge; and

WHEREAS, in approving this contract, the New Orleans City Council is conscious of its responsibility to pursue its regulatory responsibility over gas and electric utilities in a cost-effective manner which nonetheless does not compromise the interests of ratepayers in the high stakes proceedings and others matters which the Council must address on behalf of the City and its ratepayers; and

WHEREAS, given the continuing needs of this Council relative to its regulatory responsibility the Council desires to authorize an appropriate contract with the Accounting Firm

of Paillet, Meunier and LeBlanc, L.L.P., CPA's to assist in meeting the Council's regulatory responsibility to the City and its ratepayers; now, therefore

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS that the President is also requested and authorized to sign a new contract with the Accounting Firm of Paillet, Meunier and LeBlanc, L.L.P., CPA's to provide consulting services to the City Council for a maximum compensation under such contract up to Two Hundred Fifty Thousand Dollars (\$250,000.00).

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that the contract shall add a statement that pursuant to Chapter 2, Article XVIII of the City Code relative to the office of Inspector General that the contractor understands and will abide by all provisions of that Chapter.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, that such contract may include provisions allowing the option of direct payment of invoices by utilities regulated by the Council pursuant to Section 3-130 of the Home Rule Charter, provided such payments have been approved by the City, after the City's review and forwarding of such invoices for payment, and further that such invoices, if paid the by the City, would be reimbursable by such utility pursuant to Section 3-130 (5) of the Home Rule charter. Such payments shall be recoverable as a regulatory expense by such utility in the same manner as reimbursements to the City for such payments.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS,
that the contract shall be circulated in accordance with normal process and the City Council Rules.

**THE FOREGOING MOTION WAS READ IN FULL, THE ROLL WAS CALLED ON
THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:**

YEAS: Carter, Clarkson, Fielkow, Hedge-Morrell, Willard-Lewis - 5

NAYS: Midura - 1

ABSENT: Head (Temporarily Out of Chamber) - 1

AND THE MOTION, AS AMENDED, WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE TRUE AND CORRECT COPY



CLERK OF COUNCIL