

NEW ORLEANS CITY COUNCIL
REQUEST FOR QUALIFICATIONS STATEMENTS (“RFQ”)
ELECTRIC AND NATURAL GAS REGULATORY SERVICES
ISSUED APRIL 22, 2015

Pursuant to the provisions of the Council of the City of New Orleans Motion M-15-135 dated April 9, 2015, regarding the need for technical utility consultants to advise and represent the Council on electric and gas utility matters and in accordance with paragraph 1 of Rule 45 of the Code of the Council of the City of New Orleans, the City Council is seeking Statements of Qualifications from a qualified technical accounting individual professional or single firm, to perform such work. Joint proposals by multiple firms are not being sought.

Purpose

The Council for the City of New Orleans (“Council”), in accordance with Section 3-130 of the New Orleans Home Rule Charter, and the Louisiana Constitution, acts as retail regulator for electric and gas utility services in Orleans Parish, Louisiana.¹ It regulates Entergy New Orleans, Inc. (ENO) and Entergy Louisiana, LLC (ELL) in the provision of electric and natural gas services in Orleans Parish. Both ENO and ELL are wholly owned subsidiaries of Entergy Corporation (Entergy), a multistate holding company.

The Council Utility, Cable, Telecommunications and Technology (UCTT) Committee serves as the Council Committee responsible for making recommendations to the full Council on all electric and natural gas regulatory issues. The Council Utilities Regulatory Office (CURO) is the administrative office of the Council responsible for providing in-house staff to the Council on these same issues and works with the legal and technical consultants retained by the Council to carry out and fulfill its regulatory responsibilities. The present Council budget for all costs associated with retail utility regulation is in excess of \$6,000,000 per year.

As regulator, the Council has exclusive jurisdiction over the rates, reliability, and terms and conditions of service in Orleans Parish, and is an active participant in numerous matters before the Federal Energy Regulatory Commission (FERC), the Midcontinent Independent System Operator, Inc. (MISO) and in cases in federal and state courts pertaining to utilities and rates.

Qualifications Statement Contents

All responses should include:

- I. A completed “consulting services questionnaire” using the format that is attached. Any subcontractors proposed to be used must also submit a completed questionnaire that must be attached to the prime firm’s questionnaire.
- II. Professional experience and resumes of partners, principals and employees in the firm who will be responsible for, and actively involved in, the provision of professional services for the Council (Key Personnel), including the appropriate evidence of accreditation, certification or licensing in the stated profession, and

¹ See Home Rule Charter of the City of New Orleans as Amended at https://www.municode.com/library/la/new_orleans/codes/code_of_ordinances?nodeId=PAI_HORUCH. Further please see the Code of Ordinances of the City of New Orleans Louisiana. Chapter 158 Utilities, at https://www.municode.com/library/la/new_orleans/codes/code_of_ordinances?nodeId=PTIICO_CH158UT.

expertise and/or experience in the following areas: Federal Energy Regulatory Commission (FERC) Uniform System of Accounts utility accounting, utility financing, analysis of reports filed with the Securities and Exchange Commission [SEC], financial auditing and sampling (including fuel adjustment clause [FAC] and other utility periodic reports, inter-affiliate transactions, accumulated deferred income taxes, community development block grants, and storm costs), financial statement preparation, auditing and evaluation, and indication of testimony experience, including, where applicable, specific case listing of expert testimony and the matters testified thereto that were sponsored before federal and state courts, agencies, and regulatory bodies in financial accounting matters.

III. Description of relevant experience and expertise of each of the key personnel listed in paragraph II hereinabove including but not limited to:

- A. Ratemaking, cost allocation, audit, utility mergers and acquisitions, transmission access and ratemaking proceedings arising before the FERC pursuant to the Federal Power Act and Natural Gas Policy Act;
- B. Electric utility system planning, management auditing, rate design, cost of service, service regulations and reliability of service issues, finance and accounting matters, including litigation and expert testimony before the SEC, FERC and state regulatory commissions;
- C. Agreements between the operating subsidiaries of Registered Holding Companies, including the principles of reserve sharing, reserve equalization, energy pool dispatch and the cost allocation principles employed in support thereof;
- D. Regional Transmission Organizations (RTO's), FERC, and the North American Electric Reliability Corporation (NERC);
- E. Registered Holding Companies subject to the jurisdiction of the SEC and FERC;
- F. Management auditing, rate design, cost of service, policies for provision of service and related reliability issues, finance and accounting matters, including expert testimony and litigation before the FERC and state regulatory commissions;
- G. Energy efficiency initiatives, such as development of electric utility net metering regulations and standards, rate decoupling, integrated resource plans, and home improvement financing programs;
- H. Inter-affiliate transaction issues, including codes of conduct and principles of cost allocation for service provided by affiliates to regulated utilities.
- I. Knowledge of and experience with Entergy New Orleans System Agreement and disaster recovery matters.

IV. Descriptions of three or more assignments which best illustrate the respondent's

current qualifications relevant to the areas requested in this RFQ, including samples of work product and/or testimony.

- V. A showing of sufficient depth to provide coverage for City Council matters when the principal consultant is unavailable because of other assignments, illness, vacation or similar conflicting demands.
- VI. A sworn affidavit listing all persons with an ownership interest in the respondent. An “ownership interest” shall not be deemed to include ownership of stock in a publicly traded corporation or ownership of an interest in a mutual fund or trust that hold an interest in a publicly traded corporation. This affidavit is a public record.
- VII. A sworn affidavit that no other person holds an ownership interest in the respondent via a counter letter.
- VIII. A list of all persons, natural or artificial, who are retained by the respondent at the time of the application and/or who are expected to perform work as sub-contractors in connection with respondent’s work.
- IX. A list of professional labor fees for all personnel included in the respondent’s response to this RFQ and a clear and concise statement that such professional labor fees throughout the contract term will be the most cost efficient and will not exceed the lowest professional labor fee for similarly situated clients of the firm.

Potential Conflict of Interest

Any firm providing a response to this RFQ shall disclose the following:

- I. Work performed in ratemaking, utility accounting, cost allocation, transmission access, reserve sharing and energy dispatch, and merger proceedings and litigation for an Investor Owned Utility within the past ten years.
- II. Any work performed for any industrial, commercial or residential ratepayer (or groups and associations thereof) in Orleans Parish or in the service area of any of Entergy’s operating subsidiaries, currently and in the past, on electric and natural gas matters.
- III. Any work performed for any other regulator of Entergy Corporation and/or Entergy and/or any of Entergy’s operating subsidiaries.
- IV. Any prior or existing services not listed above being provided to any utility-related government entities, including but not limited to public service commissions, RTOs, regional power pools, etc., within the last 4 years.
- V. Any work currently performed or being performed (whether compensated or not) on behalf of any Councilmember.

For any such work performed, the respondent shall indicate the scope of the engagement, the time frame, the amount of compensation received and why the respondent deems such work to be or not

be in conflict with the interests of advising or representing the Council or its committees in utility regulatory matters. The Council shall make the final decision as to whether any conflict exists.

Evaluation Criteria

Upon receipt by the due date of responses to this RFQ by qualified firms, the Council's staff Selection Review Committee will evaluate all responses received based upon the criteria listed hereinbelow and in Council Rule 45, a copy of which is attached. Particular emphasis will be placed on the following criteria:

- I. Experience of the key personnel and other professional personnel in the utility regulatory field.
- II. Quality of work samples presented.
- III. Clear understanding by the applicant of work to be performed.
- IV. Capability of providing consistent, timely services, as determined by information requested from references or actual experience performing such services for the City Council.
- V. Cost based on hourly rates of consultants at various levels of expertise and experience.
- VI. Involvement at the professional level of certified disadvantaged business enterprises as evidenced by government-issued certification thereof, in compliance with City Code Section 70-458 (attached).

RFQ Process

Except as provided hereinbelow, no written, electronic or oral communications from potential applicants regarding this RFQ shall be made to any Councilmember, city employee or Council staff person during this Request for Qualifications process. Any inquiries shall be made in writing to the Director of the City Council Utilities Regulatory Office, Room 6E07, City Hall, 1300 Perdido Street, New Orleans, LA 70112 or wtstrattonjr@nola.gov.

Fifteen (15) copies of the submission, including samples of work products, must be submitted in hard copy form by 3:00 p.m. on Monday, June 1, 2015 to the City Council Utilities Regulatory Office, Room 6E07 City Hall, 1300 Perdido Street, New Orleans, LA 70112. Where possible, an electronic version of the proposal should also be submitted to efpugh@nola.gov and wtstrattonjr@nola.gov.

A staff committee composed of the Council Chief of Staff, the Council Research Officer, the Council Fiscal Officer, the Council Utilities Regulatory Officer and/or additional knowledgeable persons appointed by the Council Chief of Staff pursuant to Council Rule 45 will review and evaluate the submissions, and select qualified proposals for referral to the UCTT Committee. For each submission selected for referral, the staff committee will contact one or more of the persons suggested as references.

The Inspector General shall be notified in writing prior to any meeting of a selection or negotiation

committee relating to the procurement of goods or services by the city, including meetings involving third party transactions. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four hours prior to the scheduled meeting. The Inspector General may attend all city meetings relating to the procurement of goods or services as provided herein, and may pose questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio recorder or court stenographer may be utilized to record all selection or negotiation committee meetings attended by the Office of the Inspector General.

The report of the staff committee will be provided to the UCTT Committee. The UCTT Committee shall interview one or more of the respondents selected by the staff committee. The UCTT Committee may make a recommendation to the City Council. The contractor must be selected by Motion of the Council. The selection process must be completed by December 31, 2015, when the current contracts will expire.

Length of Contract

All contracts are for a twelve month period. However, the Council may renew the contract for additional 12 month periods up to five years, assuming continuing need for the service and mutual satisfaction. Each respondent is to include in its submittal a clear and concise statement of those personnel and firm resources for which it is willing and can commit to make available for the Council's regulatory activities during such period.

Additional Information

1. The City of New Orleans is not liable for any costs incurred prior to entering into a formal written contract. Any costs incurred in the preparation of the statement, interview, or other pre-contract activity are the responsibility of the person submitting the statement.
2. All submissions become the property of the City and as such are public information.
3. The contractor will invoice the City Council on a monthly basis during the term of the contract. Work shall be detailed in increments of one-tenth of an hour.
4. Any contract awarded shall contain a provision that:
 - a. any subcontractor proposed to be retained by the respondent to perform work on the contract with the City Council must be approved in advance of such retention by Motion of the Council. The Council may require information on ownership interests in the sub-contractor prior to approval of the sub-contractor's retention.
 - b. unless otherwise approved by the Contracting Officer of the City Council, reimbursable expenses shall be limited as follows: air transportation limited to coach fares, lodging expenses not to exceed federal per diem rate for hotels in New Orleans; postage, overnight delivery or courier services at contractor's actual cost; facsimile transmissions and long distance telephone charges at contractor's actual cost; copies at \$0.10 per page; computerized research at contractor's actual cost.
 - c. For the attendance at all meetings of the Council, the UCTT Committee, briefings of Councilmembers, and representation before any court or regulatory body and during

the conduct of regulatory proceedings before the Council and other regulatory bodies, the Council will only provide labor fee reimbursement for one consultant from any applicable firm, unless otherwise specifically approved by the Contracting Officer of the City Council.

- d. Key personnel assigned may not be replaced without consent of the Contracting Officer of the City Council.

Section 9-1120, Chapter 2 of the Code of the City of New Orleans, relative to the Office of Inspector General provides in part as follows:

“Every city contract and every bid, proposal or solicitation for a city contract, and every application for certification of eligibility for a city contract or program shall contain a statement that the corporation, partnership, or person understands and will abide by all provisions of this chapter.”