

**NEW ORLEANS CITY COUNCIL  
REQUEST FOR QUALIFICATIONS  
ELECTRIC AND NATURAL GAS REGULATORY SERVICES**

**THE NEW ORLEANS CITY COUNCIL IS SOLICITING STATEMENTS OF QUALIFICATIONS FOR PROFESSIONAL ELECTRIC AND NATURAL GAS REGULATORY CONSULTANTS FIRMS TO PROVIDE CONSULTING SERVICES AND ADVICE TO THE CITY COUNCIL AND ITS UTILITY COMMITTEE REGARDING MATTERS ASSOCIATED WITH ENTERGY NEW ORLEANS, INC. (ENO) AND ENTERGY LOUISIANA, LLC (ELL) IN THE PROVISION OF ELECTRIC AND NATURAL GAS SERVICES IN ORLEANS PARISH AND TO ADDRESS A BROAD RANGE OF UTILITY ISSUES AS THEY ARISE. BOTH ENO AND ELL ARE WHOLLY OWNED SUBSIDIARIES OF ENTERGY CORPORATION (ENTERGY), A MULTISTATE HOLDING COMPANY. A COMPLETE COPY OF THE REQUEST FOR QUALIFICATIONS IS AVAILABLE AT THE CITY COUNCIL'S WEBSITE AT [www.nolacitycouncil.com](http://www.nolacitycouncil.com). COMPLETE STATEMENTS OF QUALIFICATIONS MUST BE RECEIVED BY THURSDAY, OCTOBER 27, 2011 at 3:00 P.M.**

**FOR FURTHER INFORMATION AND THE REQUEST FOR QUALIFICATIONS PACKET PLEASE CONTACT:**

**COUNCIL CHIEF OF STAFF  
1300 PERDIDO STREET - ROOM 1E06  
NEW ORLEANS, LA 70112  
E-Mail: [efpugh@nola.gov](mailto:efpugh@nola.gov)**

**REQUEST FOR QUALIFICATIONS STATEMENTS (“RFQ”)  
ELECTRIC AND NATURAL GAS REGULATORY SERVICES  
ISSUED SEPTEMBER 23, 2011**

Pursuant to the provisions of the Council of the City of New Orleans’ Motion M-11-406, dated September 1, 2011, regarding the need for legal and technical 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 qualified legal, engineering and technical professionals to perform such work for consecutive one year calendar periods for up to five (5) years.

**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.<sup>1</sup> 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 Utilities Committee (CUC) 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), under the direction and supervision of the Council’s Chief of Staff, 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 the Council’s regulatory responsibilities, based on advice of legal and technical consultants retained by the Council. At present, the CURO is understaffed. The CUC anticipates receiving support and guidance from all legal and technical consultants in creating capacity and functionality of in-house CURO staff.

As a retail regulator, the Council has exclusive jurisdiction over the rates, reliability, and terms and conditions of service in Orleans Parish. In addition to its own conduct of administrative hearings and local regulatory process(es), the Council is also an active participant in numerous Entergy regulatory matters before the Federal Energy Regulatory Commission (FERC), federal and state courts and in such matters before Congress as it determines can have an effect on utility regulatory policy and New Orleans’ specific matters.

**Qualifications Statement Contents**

All responses should include:

- I. A completed “consulting services questionnaire” using the format that is attached.

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<sup>1</sup> See Home Rule Charter of the City of New Orleans as Amended through October 2, 2010 at <http://www.nolacitycouncil.com/docs/resources/2011HomeRuleCharter.pdf>. Further please see the Code of Ordinances of the City of New Orleans Louisiana. Chapter 158 Utilities, at <http://www.municode.com/resources/gateway.asp?pid=10040&sid=18>

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 and licensing in the stated profession, and
  - A. For legal consultants:
    - 1. specific case listings of trial and regulatory experience before federal, local and state authorities in electric and gas utility matters;
    - 2. experience advocating or consulting regarding legislative and regulatory policy before federal, state, and local authorities in electric and gas utility matters; and
    - 3. specific case listing of expert testimony provided before federal and state courts and regulatory bodies in electric and natural gas matters;
  - B. For engineering consultants:
    - 1. Expertise and/or experience in the following areas: utility engineering and system planning, transmission delivery and planning; transmission reliability criteria; engineering-economic analyses; economic/financial feasibility studies; utility financing; regulatory accounting; electric fuel and natural gas adjustment clauses; utility franchise matters; revenue requirements, functionalization, cost allocation, rate design and cost of service development for utility ratemaking; utility appraisals and acquisitions; and customer service regulations; 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 electric, natural gas and thermal energy matters.
  - C. For accounting consultants:
    - 1. Expertise and/or experience in the following areas: Federal Energy Regulatory Commission (FERC) Uniform System of Accounts utility accounting, utility financing, financial auditing and sampling (including electric fuel and natural gas adjustment clauses, inter-affiliate transactions, accumulated deferred income taxes, and storm costs), financial statement auditing and evaluation, 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, inter-affiliate transactions, transmission access and ratemaking proceedings arising before the FERC pursuant to the Federal Power Act, Natural Gas Act and Natural Gas Policy Act and before local and state regulatory authorities;
- B. Electric utility resource and transmission 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 FERC, state, and local regulatory authorities;
- C. Power purchase agreements, Feed in Tariffs, Renewable Portfolio Standards, NERC related delegation agreements, interconnection and operating agreements, and agreements between the operating subsidiaries of Registered Holding Companies, including the principles of generation and transmission reserve sharing, reserve equalization, energy pool dispatch and the cost allocation principles employed in support thereof;
- D. Independent Coordinator of Transmission (ICT) arrangements, Regional Transmission Organizations (RTO's), Independent System Operators (ISO's), and regional power pools pursuant to the FERC and the North American Electric Reliability Corporation (NERC) guidelines, including Day 2 Capacity Markets and locational marginal pricing;
- E. Registered Holding Companies subject to the jurisdiction of the SEC and FERC;
- F. Natural gas LDC system design and planning, 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, state, and local regulatory authorities;
- G. Energy efficiency initiatives, such as development, application and administration of electric utility net metering regulations and standards, demand-side management and energy conservation programs, advanced metering infrastructure, and integrated resource planning;
- H. Inter-affiliate transaction issues, including codes of conduct and principles of cost allocation for service provided by affiliates to regulated utilities;
- I. Knowledge and experience with Entergy New Orleans' system agreement and disaster recovery matters.
- J. Municipalities' acquisition of local distribution facilities and investor owned utility mergers and acquisitions;

- K. NERC's and Regional Reliability Entities' standards and requirements, FERC and NERC penalty process, and the NERC and RRE audit process; and
  - L. The fostering of economic development in utility ratemaking, economic development incentives, and commercial and industrial expansion/relocation.
  - M. The integration of diverse renewable generators onto the grid.
  - N. State and Federal environmental rules and regulations that impact the operation and dispatch of electric generating units.
- IV. A description 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. Demonstrated ability 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, and/or firms, 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 pool dispatch, acquisition 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 five years, 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, RTGs, RTOs, regional power pools, etc., within the last five years.
- V. Any work currently performed or being performed (whether compensated or not) on behalf of any Councilmember.
- VI. Any work performed for independent power producers or power marketers who have sold or offered to sell power to any of Entergy's operating subsidiaries.

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 herein 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 and demonstrated ability to provide cost effective services to the Council.
- II. Quality of work samples presented.
- III. Clear understanding by the applicant of work to be performed.
- IV. Capability and experience in providing consistent, timely and cost-effective services, as determined by information requested from references or the Council's actual experience.
- 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 and in compliance with City Code Section 70-432.1 (attached).

- VII. Insight into ways to increase CURO size and capacity for both cost savings reasons and advancement of progressive policies.
- VIII. Use of local resources.
- IX. Willingness to accept a “not to exceed cost” figure.

### **RFQ Process**

Except as provided herein, 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 or by e-mail to the Council Chief of Staff, Room 1E06, City Hall, 1300 Perdido Street, New Orleans, LA 70112 or [efpugh@nola.gov](mailto:efpugh@nola.gov).

Fifteen (15) copies of the submission, including samples of work products, must be submitted in hard copy form no later than 3:00 p.m. on Thursday, October 27, 2011 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](mailto:efpugh@nola.gov).

An evaluation committee composed of the Council Chief of Staff, the Council Research Officer, the Council Fiscal 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 Council Utility 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 evaluation committee will be provided to the Council Utility Committee, comprised of three (3) Councilmembers and an alternate member. The Council Utility Committee may elect to interview up to three of the respondents selected by the evaluation committee. The Council Utility Committee shall make its recommendations to the City Council. The contractor must be selected by Motion of the Council. The selection process must be completed by December 31, 2011 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 four additional twelve month periods, assuming continuing need for the services 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 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 to the extent achievable without an official government identification for personnel; 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 CUC, briefings of Councilmembers, representation before any court or regulatory body, during the conduct of regulatory proceedings before the Council and other regulatory bodies, and meetings with ENO and ELL, the Council will only provide labor fee and expense 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.
5. Section 2-1120 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.”