

February 6, 2012

RFP 12-01
LOUISIANA PUBLIC SERVICE COMMISSION
REQUEST FOR PROPOSALS

In re: Intent of Cleco Power LLC to conduct an RFP for long term generating and/or Purchase Power pursuant to the Commission's Market Based Mechanism (MBM) Order

Pursuant to the provisions of the Louisiana Public Service Commission's ("Commission") General Order dated August 4, 2004, regarding the selection of contract employees to represent the Commission, General Counsel, on behalf of the Commission, is seeking proposals from independent consultants to assist the Commission in-house Staff ("Staff") in conducting a review and determination of the merits of Cleco Power LLC's proposed RFP for long term generating and /or purchase power pursuant to the Commission's MBM Order. The purpose of this letter is to provide you with a brief background and to request bids.

Overview

The current proceeding involves the Commission's review of Cleco's draft RFP, as well as the final RFP once issued, monitoring of the bid solicitation process, and, ultimately, certification of any selected products which will require Commission approval and certification pursuant to the Commission's General Order dated September 20, 1983 ("1983 General Order"), as amended, and the MBM order.

The MBM requires, among other things, utilities to demonstrate and justify that applications for the construction and/or acquisition of additional regulated generation by investor-owned utilities is the least cost alternative and in the public interest. In particular, the Order requires that electric utilities employ a market-based mechanism to support the acquisition of generating capacity or purchase power contracts intended to serve LPSC-jurisdictional retail customers. The market-based mechanism is performed via a Request for Proposal ("RFP") competitive solicitation process. The 1983 General Order provides that no electric public utility shall enter into any contract for the purchase of capacity or electric power without first having applied to the Commission for a certification that the public convenience and necessity would be served by entering into the contract.

The Scope of Representation ("Scope") includes working closely with in-house Commission Staff in reviewing the draft informational filing, participating in any bidders conferences and technical conferences scheduled to review said filing, review of the final RFP and participation in the bid selection and review process, and ultimately participation in the

certification of any contracts entered into therefrom. The applicant will be expected to conduct discovery, prepare and defend direct testimony, participate in a certification hearing, and make a recommendation to the Commission. This process may include site visits and meetings with Cleco representatives and Commissioners. Applicants will also be assisting Staff in preparation of any post-hearing briefs or filings, assisting in any settlement discussions and/or stipulation hearings and attendance and testifying at the Commission's Business and Executive Session. The Scope includes all actions necessary to reach a final Commission Order. The Scope does not include representation of the Commission in the event of an appeal of the Order to state or federal court. The time period estimated to complete the Scope is approximately eight (8) months. This is merely an estimate and the Commission makes no representations as to the accuracy of this estimate.

Applicants shall be familiar LPSC ratemaking and jurisdictional issues; Commission certification of electric generation resources; electric utility resource planning; understanding and ability to analyze the relief sought by the Companies in the Application; familiarity with and experience in dealing with affiliate transactions and cost sharing among company affiliates; and experience in all aspects of electric utility retail ratemaking proceedings. Applicants should also be familiar with the Commission's Orders related to construction and/or acquisition of generating resources and power supply contracts, especially the MBM and 1983 Order, as amended; the public interest criteria for approval of the contracts; resource planning methods; any other relevant LPSC Orders.

All proposals shall include an outline of a plan of action for conducting the investigation, the hearings, if any, as well as any appeals, together with estimated time-lines and separate fees and costs associated with each phase of the representation. 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 be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirements of this RFP.

Applicants should be prepared to participate in conferences with parties and their legal counsel and/or consultants, attend meetings with Commissioners and their staff, represent the Commission in conducting a full investigation including reviewing the comments submitted by parties regarding their assessment of the RFP; requesting additional information; preparation for and attending meetings; preparation of any documents necessary on reconsideration/appeal, participation in proceedings held before the Commission at one or more Business and Executive Sessions, and preparation of orders.

1. Minimum Requirements:

To be considered, all applicants must meet the following minimum requirements *in addition to those provided in* this Commission's General Order dated August 4, 2004. Consideration will be given to factors such as educational background and achievement, practical experience in the field of public utility regulation, and similar practice before other regulatory agencies or public utility commissions.

Applicants shall also, at a minimum, be experienced in the presentation of cases involving public utility regulation, or other regulatory issues on administrative and judicial levels, including the presentation of witnesses on direct examination, cross examination of adverse witnesses, the conduct of discovery, and the taking of appeals. Consideration given to indicia of competence such as previous experience and success handling complex cases, success on appeals, publications of a legal nature, educational achievement and other previous employment suggesting competence in the litigation of matters involving the above areas; significant personal practice before regulatory agencies such as the EPA, SEC, FERC, FCC, the United States Court of Appeal for the District of Columbia, or other similar entities may be a favorable factor. Firm size may be considered in matters likely to be prolonged, complex, or involving multiple forums.

2. Scope of Project

The Project anticipates a thorough review of Cleco Power LLC's draft and final RFP, as well as certification of any products selected therefrom.

3. Estimate of Costs

All applicants responding to the Request for Proposal shall quote their rates on an hourly basis and shall also submit an estimated total budget, which shall separate professional fees from costs and set out a separate budget for each phase of the project. However, applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an applicant's rates and budget shall not be altered except by formal approval of the Commission.

4. Conflict of Interest

Previous or current employment which could result in a conflict of interest shall be prominently and separately disclosed. Failure to fully disclose any potential conflict shall result in the automatic disqualification of an applicant.

5. Billing Guidelines

As required by the August 4, 2004 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"). This memorandum can be found at <http://www.doa.louisiana.gov/osp/travel/travelpolicy.htm>. 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.

6. Reservation of Rights

Submission of any proposals to this Commission does not bind the Commission to engage any applicant. The Commission is also not bound to engage the applicant with the lowest bid.

7. Submission of Proposals

Interested parties should submit the **original (hard copy), plus an ADDITIONAL 6 copies, and e-mail an electronic copy** of the proposal to:

Attention: **Lisa Boudreaux**

Louisiana Public Service Commission

Office of the General Counsel

602 North Fifth Street (Galvez Building) (70802)

P.O. Box 91154

Baton Rouge, Louisiana 70821-9154

Phone: (225) 342-1418

Fax: (225) 342-5610

Email: lisa.boudreaux@la.gov

To be considered, an original, plus six copies, and the electronic copy of the proposal must be received on or before **March 14, 2012**. Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-1418.