

**Councilmember Midura to Introduce Motion
To Provide for Independent Evaluation
Of Council's Utility Regulatory Function**

*Evaluation Focused on Potential Cost Savings and Resource Management
In Line with National Best Practices and Standards*

News Release

May 5, 2009

Contact:
Seung Hong
Office of
District "A" Councilmember
Shelley Midura
Ph: 504-658-1010
Cell: 504-202-5267
shong@cityofno.com

New Orleans
City Council

[Join Our Mailing List!](#)



Councilmember Midura

New Orleans, LA - May 5, 2009 - At Thursday's regular City Council meeting, District "A" Councilmember Shelley Midura will introduce a Motion to retain the RAND Corporation, in partnership with the National Regulatory Research Institute (NRRRI), to conduct an assessment of the Council's Utility Regulatory function.

Councilmember Midura said, "In an effort to increase transparency and accountability, in 2006, the Council adopted a Resolution voluntarily banning Councilmembers from accepting campaign contributions from our utility consultants and anyone affiliated with Entergy New Orleans. I would like to take this a step further - and have outside experts evaluate the cost and effectiveness of the current way we staff our regulatory shop and make recommendations for improvements and possible savings for our ratepayers."

She continued, "In the 25 years since the Council became the regulator of the City's utilities, this type of evaluation has never been performed. The timing of the results is ideal, given that new contracts for the consultants, at a cost of approximately \$30 million over 5 years, must be in place by January 1, 2010, and if we want to continue to reform the way we procure services in the name of responsible stewardship of public dollars and accountability in government services then we need to do it before signing those contracts."

The City Council, in accordance with the New Orleans Home Rule Charter and the Louisiana Constitution, acts as retail regulator for electric and gas utility service in the City. With only two City Hall employees in the Utility Regulatory

Office, the Council has traditionally relied on the services of expert consultants, including attorneys, engineers, and accountants to represent the Council in its numerous legal cases in local court and at the Federal Energy Regulatory Commission and to guide and advise the Council in its oversight function. They recently worked on the 2009 rate case, which resulted in a \$30 million overall bill reduction for ENO ratepayers.

The Request for Proposals (RFP) was issued in February and was advertised both locally, and nationally, including in the Wall Street Journal and industry trade journals. The RAND Corporation teamed with NRRRI to make a very strong proposal to carry out the evaluation process for \$130,000. The results of the evaluation will be used when the Council issues RFPs for the expert consultants this fall. New five-year contracts will become effective January 1, 2010, at a cost of approximately \$6 million/year.

As defined by the RFP, RAND and NRRRI will undertake a thorough analysis of the City Council's regulatory framework and the allocation of its regulatory resources to meet the scope of its responsibility, and consider the incorporation of best practices and national standards into the Council's regulatory framework.

The RAND Corporation is a nonprofit institution that helps improve policy and decision making through research and analysis. For 60 years, decision makers in the public and private sectors have turned to the RAND Corporation for objective analysis and effective solutions that address the challenges facing the nation and the world. These challenges include such critical social and economic issues as education, poverty, crime, and the environment, as well as a range of national security issues.

New Orleans City Council

The New Orleans City Council is the legislative branch of New Orleans city government. The Council considers and enacts all local laws that govern the City of New Orleans. The Council also approves the operating and capital budgets for the City, as recommended by the mayor, and continually monitors revenues and expenditures for local government operations. The City Council is also the regulatory body for public utilities. It also reviews and has final say on many land use and zoning matters, as well as considers major economic development projects for the City. As a Board of Review for Orleans Parish, the Council examines appeals of property tax assessments for real estate taxes, and certifies tax rolls to the Louisiana Tax Commission. Other responsibilities of the Council include overseeing the operation of the public access television in Orleans Parish.

The City Council is comprised of five districts and two councilmembers-at-large. Council President and Councilmember-at-Large Jacquelyn Brechtel Clarkson; Council Vice-President and Councilmember-at-Large Arnie Fielkow; District "A" Councilmember Shelley Midura; District "B" Councilmember Stacy S. Head; District "C" Councilmember James Carter; District "D" Councilmember Cynthia Hedge-Morrell; and District "E" Councilmember Cynthia Willard-Lewis.