

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION
OF COBRA PIPELINE COMPANY, LTD
FOR AN INCREASE IN ITS RATES AND
CHARGES.

CASE No. 16-1725-PL-AIR

IN THE MATTER OF THE APPLICATION
OF ORWELL-TRUMBULL PIPELINE
COMPANY, LLC TO AMEND ITS RATES
AND CHARGES.

CASE No. 16-1726-PL-ATA

ENTRY

Entered in the Journal on October 26, 2016

I. SUMMARY

{¶ 1} The Commission directs Staff to issue a request for proposal to select an auditor to conduct a financial audit of Cobra Pipeline Company, LTD and Orwell-Trumbull Pipeline Company, LLC.

II. DISCUSSION

{¶ 2} Orwell-Trumbull Pipeline Company, LLC and Cobra Pipeline Company, LTD (Companies) are pipeline companies under R.C. 4905.03 and public utilities as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

{¶ 3} On August 15, 2016, the Companies filed their applications in the above-captioned cases, in response to the Commission's Opinion and Order in Case No. 14-1654-GA-CSS, et al. In its Order, the Commission directed the Companies and any other pipeline companies owned or controlled by Richard Osborne to file applications, pursuant to R.C. Chapter 4909, to determine just and reasonable rates that include charges for firm and interruptible transportation services and rates for shrinkage. *In re Complaint of Orwell Natural Gas Co. v. Orwell-Trumbull Pipeline Co., LLC*, Case No. 14-1654-GA-CSS, et al., Opinion and Order (June 15, 2016) at 35.

{¶ 4} According to R.C. 4909.19, after a company has filed its application, the Commission shall cause an investigation to be made of the facts and exhibits set forth in the company's application. By Entry dated September 14, 2016, the Commission found that a qualified independent auditing firm should conduct the investigation of the Companies, in order to complete the investigation in a timely and efficient manner, due to staffing constraints. The Commission directed Staff to distribute a request for proposal (RFP) to potential auditing firms.

{¶ 5} Due to an insufficient number of proposals submitted to the Commission, the Commission finds that Staff should redistribute the RFP to potential auditing firms, in accordance with the September 14, 2016 Entry. Proposals should be due by November 10, 2016.

{¶ 6} The financial audit report shall identify and evaluate the specific audit requirements as contained in Request for Proposal (RFP) No. RA16-FA-1, which is attached to this Entry. The RFP was developed by Staff to aid in the solicitation of responses for conducting the financial audit for the Companies.

{¶ 7} The Commission has reviewed the RFP for the financial audit and finds that its provisions are consistent with the Commission's objectives in these matters. The criteria to be used by the Commission to determine the selection of the financial auditor shall include the technical and management capabilities of each firm, as well as the overall cost of each bid. The Commission shall direct, by entry, the Companies to enter into a contract with the selected auditor to perform the financial audit.

{¶ 8} The Commission directs that all costs associated with the financial audit be borne by the Companies.

{¶ 9} The auditor shall perform the audit as an independent contractor. Any conclusions, results, or recommendations formulated by the auditor may be examined by

any participant to the proceedings for which the audit report was generated. Further, it shall be understood that the Commission and/or Staff shall not be liable for any acts committed by the auditor or its agents in the preparation and presentation of the audit report.

{¶ 10} The auditor will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under R.C. 4903.03, 4905.06, 4905.15, and 4905.16. The auditor is subject to the Commission's statutory duty under R.C. 4901.16, which states:

Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission.

{¶ 11} Once disclosure is permitted by R.C. 4901.16, the following process applies to the release of any document or information marked as confidential. Three days' prior notice of intent to disclose shall be provided to the party claiming confidentiality. Three days after such notice, Staff or the auditor may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission is moved for a protective order pertaining to such documents or information within the three-day notice period. The three-day notice period will be computed according to Ohio Adm.Code 4901-1-07.

{¶ 12} Upon request of the auditor or Staff, the Companies shall provide any and all documents or information requested. The Companies may conspicuously mark such documents or information "confidential." In no event, however, shall the Companies refuse or delay in providing such documents or information.

III. ORDER

{¶ 13} It is, therefore,

{¶ 14} ORDERED, That Staff issue the RFP attached to this Entry and that November 10, 2016, be set as the due date for proposals in response to the RFP. It is further,

{¶ 15} ORDERED, That the audit set forth in Paragraph 6 be conducted and filed with the Commission. It is, further,

{¶ 16} ORDERED, That the Companies bear the cost of the audit as provided in Paragraph 8. It is, further,

{¶ 17} ORDERED, That the Companies and the auditor observe the requirements set forth herein. It is, further,

{¶ 18} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Asim Z. Haque

Asim Z. Haque, Chairman

Lynn Slaby

Lynn Slaby

M. Beth Trombold

M. Beth Trombold

Thomas W. Johnson

Thomas W. Johnson

M. Howard Petricoff

M. Howard Petricoff

HW/SJP/sc

Entered in the Journal

OCT 26 2018

Barcy F. McNeal

Barcy F. McNeal
Secretary

REQUEST FOR PROPOSAL NO. RA 16-FA-1

**FINANCIAL AUDIT
OF COBRA PIPELINE AND ORWELL-TRUMBULL PIPELINE**



**THE
PUBLIC UTILITIES COMMISSION OF OHIO
180 East Broad Street
Columbus, Ohio
43215-3793**

PROPOSAL DUE: November 10, 2016

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I. INTRODUCTION

On August 15, 2016, Cobra Pipeline Company, LTD and Orwell-Trumbull Pipeline Company, LLC (Companies) filed their applications in Case No. 16-1725-PL-AIR and 16-1726-PL-ATA, in response to the Public Utilities Commission of Ohio's (Commission or PUCO) Opinion and Order in Case No. 14-1654-GA-CSS et al. In its Order, the Commission directed the pipeline companies owned or controlled by Richard Osborne to file application(s), pursuant to R.C. Chapter 4909, to determine just and reasonable rates that include charges for firm and interruptible transportation services and rates for shrinkage.

The Companies are pipeline companies as defined under R.C. 4905.03 and, as pipeline companies, are public utilities as defined under R.C. 4905.02 and, thus, are subject to the jurisdiction of the Commission. According to R.C. 4909.19, after a company has filed its application, the Commission shall cause an investigation to be made of the facts and exhibits set forth in the company's application. In order to complete this investigation in a timely and efficient manner, due to staffing constraints, the Commission finds that a qualified independent auditing firm should conduct the investigation for the Companies.

The Commission is seeking proposals from independent firms to verify and attest to the Companies' financial information and to file a report with the Commission. The statutory framework that the auditor selected must follow in verifying the Companies' filing is set forth in R.C. 4909.15 and 4909.18 and the Standard Filing Requirements contained in Appendix A of Ohio Adm.Code 4901-7-01, Chapter IV (Abbreviated Filing). The auditor selected will be required to conduct such audit and will be responsible for submitting a report which is based upon those statutory requirements.

II. PURPOSE

In accordance with provisions of R.C. 4909.19, the Commission is seeking proposals to audit and attest to the accuracy of the financial information provided by the Companies in their applications. The investigation shall verify the financial information provided in the Standard Filing Requirements.

The auditor selected shall verify and attest to the accuracy of financial data contained in the Companies' filing of their applications. The audit should include, but not be limited to, verifying actual data by tracing financial information to the general ledger of the Companies; verifying plant additions, retirements, and transfers; verifying the Companies' revenues; verifying the Companies' depreciation and accumulated depreciation, recommending a rate of return; and reviewing any adjustments reflected in the filing. In addition, the auditor must verify the existence of the used and useful nature of the plant samples through physical inspections. The auditor is required to make a recommended revenue requirement to the Commission.

The auditor shall be familiar with and comply with all of the following:

1. R.C. Chapter 4909, including R.C. 4909.18.
2. Ohio Adm.Code Chapter 4901-7, Standard Filing Requirements (SFRs).
3. Accounting Systems such as the Federal Energy Regulatory Commission Uniform System of Accounts and the National Association of Regulatory Utility Commissioners Uniform System of Accounts.

III. SCOPE OF INVESTIGATION

The auditor's investigation shall determine if the Companies' filed exhibits concerning the revenue requirement (i.e., test year operating income, rate base, rate of return, etc.) are reasonable for ratemaking purposes, and if the financial and statistical records supporting this data can be relied upon. The auditor's investigation of test year operating income and rate base shall include but not be limited to the following requirements.

A. GENERAL PROJECT REQUIREMENTS

The auditor selected shall:

1. Review the entire application including any supplemental information.
2. Read all applicable supporting testimony.
3. Verify the mathematical accuracy of the information contained in the application.
4. Interview the Companies' management personnel and review both internal and published financial reports to assure understanding of their operation and organization.
5. Report weekly to designated staff members and discuss the application and audit progress.
6. Prepare an income statement for the test year and two prior years. Examine abnormalities in the test year and note them.
7. Work with PUCO staff to develop an investigation audit plan directed at the significant issues of the case.

8. Obtain and review:
 - a. Affiliate Agreements for Inter-affiliate Transactions
 - b. Billing Records (registers, etc.)
 - c. Board of Director Minutes
 - d. Chart of Accounts and Accounts Manual
 - e. Construction Work Orders
 - f. Construction Budgets
 - g. Continuing Property Record (CPR)
 - h. Corporate Budget
 - i. Current Labor Contract
 - j. External Independent Audit Reports and Workpapers
 - k. Forecast Assumptions
 - l. General Ledger and Subsidiary Ledgers
 - m. Income Tax Returns
 - n. Payroll records
 - o. Property tax statements
 - p. Lead lag studies
 - q. List of property units
 - r. Monthly or quarterly operating/financial reports
 - s. Monthly or quarterly trial balances
 - t. Monthly sales by contractual rate
 - u. Organizational charts (corporate and internal reporting lines and departments)
 - v. Payroll records
 - w. Property tax statements
 - x. Sample of customer bills (to verify rates and information)
 - y. Standard journal entries
9. Calculate the revenue requirement of the Companies by examining and verifying the expenses, return on rate base, rate of return and rate base of the Companies.
10. Recommend a range of fair and reasonable rates of return that a company of this type should be authorized to earn on its rate base. Your recommendation should be considerate of all relevant factors pertaining to establishing rates of return including but not limited to the Companies' capitalization structure, cost of debt, cost of equity, returns of similar peer companies and financial and/or regulatory risk.
11. Review rate base items:
 - a. Plant in service:
 - Ensure the plant is used, useful and prudent in its provision of service.
 - Ensure the plant is properly recorded.

- b. Plant held for future use:
 - If applicable, the auditor should specifically examine the list of items within this account and determine if there is a definite plan for use related to the provision of utility service.
- c. Customer deposits:
 - The auditor shall ensure that customer deposits are completely and accurately recorded on the Companies' balance sheet as a liability.
 - The auditor shall ensure that customer deposits reduces rate base by the customer deposits balance, and classifies any interest accrued or paid on those deposits as an above-the-line (or operating) expense that is included in the revenue requirement computation or that the customer deposit does not reduce rate base by the customer deposits balance and classifies any interest accrued or paid on those deposits as a below-the-line (or non-operating) expense.
- d. Prepayments:
 - The auditor should examine the nature of the prepayments as well as the amounts of each type of prepayment.
- e. Contributions-in-aid of construction/customer advances:
 - The auditor shall verify that contributions-in-aid of construction (CIAC) and customer advances reduce the rate base as a source of non-investor supplied capital.
- f. Materials and supplies and purchasing practices:
 - The auditor shall look for ways to determine the reasonableness of the materials and supplies (inventories) balance and to look for anomalies in the month end balance during the period, to see if there is a need to normalize the balance included in rate base.
- g. Accumulated deferred income taxes:
 - The auditor shall verify that any accumulated deferred income taxes are treated as a reduction to rate base.
- h. Regulatory assets and other deferrals:
 - The auditor should become familiar with the specific items in this account, including the nature of the entries, the dollar amounts, the reason for the deferrals, and whether or not regulator approval has been obtained (or is needed) for the deferrals.
- i. Suspense and clearing accounts:
 - The auditor should examine the utility's reasons for using clearing accounts and its method for clearing them.

- The auditor shall verify that these accounts are routinely cleared and that the method used for clearing is appropriate.
- j. Construction work-in-progress:
 - If applicable, the auditor should ensure any construction work-in-progress is calculated correctly and is in accordance with Commission standards.
- k. Other items:
 - The auditor selected shall prepare a balance sheet comparison of the date certain to actual historical financial data. The comparison shall include historic data for the most recent three years for which data is available to determine whether the rate base is representative of historical trends. Abnormalities in the date certain balance sheet shall be noted and investigated.
 - The auditor shall perform other independent analyses as the auditor selected and/or staff consider necessary under the circumstances.

B. REVENUES

1. The auditor shall perform an analysis of the test year revenues and look for anomalies, seasonality or other oddities. Additionally, the auditor shall perform multi-year comparison of annual revenue to obtain a view of the trend for the utility.
2. The auditor shall perform a review of special contracts, determine if they have been approved by the Commission and to determine if the contractual rates recover at least variable costs and is there a contribution to the fixed costs of the system.
3. The auditor shall examine unbilled revenues to determine if unbilled revenues have been reflected.

C. OPERATING EXPENSES

The auditor shall perform a review of the maintenance and repair expenses and practices, salaries and benefits, pensions, postretirement benefits other than pensions, customer sales expenses, billing and collection expense, dues and donations, outside or contract service, regulatory expenses, income and other various taxes, and depreciation expense to ensure that the expenses are reasonable in amount and necessary for and related to the provision of utility service.

D. ALLOCATIONS

The auditor shall review the Companies' allocation of costs between the Companies and any other related affiliate.

E. ROLE OF THE AUDITOR

Any auditor who is chosen by the Commission to perform an audit expressly agrees to perform his or her audit as an independent contractor. Any conclusions, results, or recommendations formulated by the auditor may be examined by any participant to the proceeding for which the audit report was generated. Further, it shall be understood that the Commission and/or its staff shall not be liable for any acts committed by the auditor or its agents in the preparation and presentation of the audit reports.

F. PUCO STAFF SUPERVISION

The PUCO staff will oversee the project. Staff personnel shall be informed of all correspondence between the auditor selected and the Companies, and shall be given at least three working days' notice of all meetings and interviews with the Companies to allow PUCO staff the opportunity to attend. The auditor shall meet with PUCO staff no less than once every two weeks through the duration of the audit. These meetings may occur via telephone.

G. COST OF AUDIT AND QUOTATION OF CHARGES

The proposed cost of the audit shall include all expenses associated with conducting the audit and presenting the findings and recommendations in the audit report. A detailed list of costs shall be provided, broken down by phase/task, in conformance with this request for proposal. The proposed costs shall be considered firm prices for performing the work described in the proposal.

H. COST OF PRESENTING EXPERT TESTIMONY

The costs of preparing for and presenting testimony are to be billed separately from the costs listed above in paragraph (G). Expenses associated with the presentation of testimony will include the following:

1. Actual transportation expense (i.e., airfare, etc.)
2. Actual living expenses (e.g., hotels, meals, local transportation)
3. Actual preparation time, up to eight hours per witness

4. Actual hours spent in travel
5. Actual hours spent presenting testimony

IV. TIMELINE

The timeline presented below is intended to provide the auditor an understanding of the timeframe during which the audit is to be conducted. Although precise dates are used below, the actual dates for awarding the audit and for conducting audit and hearing activities may vary somewhat when they are set through a subsequent Commission entry.

Audit proposals due	Nov. 10, 2016
Award audit (Commission Order)	Nov. 30, 2016
Audit conducted	December 2016 through February 2017
Draft audit report presented to PUCO staff	Feb. 27, 2017
Final audit report filed with Commission	Mar. 10, 2017

V. DEADLINES AND DELIVERABLES

A. AVAILABILITY OF DOCUMENTS

The Companies shall provide any and all documents or information requested by the auditor selected and the PUCO staff. The Companies may conspicuously mark such documents or information as being "confidential." In no event, however, shall the Companies refuse or delay to provide such documents or information.

The PUCO staff or the auditor selected shall not publicly disclose any document marked "confidential" by the Companies, except upon three days' prior notice of intent to disclose served upon the Companies' counsel. Three days after such notice, the PUCO staff or auditor may disclose or otherwise make use of such documents or information for any purpose, unless the Companies move the Commission for a protective order pertaining to such documents or information within the three-day notice period.

The three-day notice period will be computed according to Ohio Adm.Code 4901-1-07. Service shall be complete upon mailing or delivery in person.

B. FISCAL REPORTS

The auditor will submit invoices when the audit work is 50 percent complete and when audit report is completed. The invoices shall include details regarding the dates and activities covered by each invoice, and shall be sufficiently detailed to allow PUCO staff to identify the work completed, the personnel involved, and the corresponding charges in relation to the activity schedule originally set forth in the auditor's proposal. All invoices are to be sent to the PUCO staff. After approval of the invoice by the PUCO staff, staff will forward the bill to the Companies for their payment.

The Companies shall be ordered by the Commission to enter into a contract, which shall incorporate by reference all provisions of this proposal, with the auditor chosen by the Commission to perform the audit. Auditors shall submit a copy of this contract agreement between the auditor and Companies to the PUCO staff member assigned to the audit.

C. INTERIM REPORTING

At the midpoint of the audit activities, the auditor selected will provide a progress report to PUCO staff. This report will briefly describe progress made on required audit activities, as well as initial/tentative findings and conclusions on issues investigated to date. Unless requested by the staff, this interim report may be made verbally.

D. DRAFT REPORT

One hard copy and an electronic draft of the final audit report shall be sent to the staff at least ten business days prior to the due date of the final audit report.

E. FINAL REPORT

One hard copy of the final audit report plus one reproducible original shall be delivered to the Commission by the morning of the date specified in Section IV. The final report should include an executive summary of recommendations. The final docketed report should contain an overview of the investigation, recommended adjustments, if any, and an attestation by the auditor that the financial information contained in the application is from a reliable source and is appropriate for ratemaking purposes. Along with the paper copies of the audit report, the auditor shall submit to staff an electronic copy containing a complete version of the final audit report. If it is necessary to prepare a redacted report, due to confidentiality concerns, two copies of a non-redacted report shall also be provided to both the Commission and the Companies. The non-redacted report shall clearly be labeled "confidential."

F. WORKING PAPERS

A complete set of working papers is an integral part of the audit requirements. With the final audit report, the auditor selected shall provide the Commission staff one complete set of electronic working papers that contain documents used and procedures followed to develop the conclusions set forth in the audit report. Working papers should include the Companies' names, case numbers, description (items in folder) and source documents. Voluminous documents may be included only as references in the working papers, upon staff's agreement. Confidential documents should be clearly marked and provided in a separate section of the working papers.

The auditor selected shall maintain working papers and document all supporting information, including without limitation, meetings, interviews, or any pertinent information.

G. PRODUCTION OF DOCUMENTS

At any time, upon request of the Commission or its staff, the auditor selected shall immediately produce any document or information obtained or produced within the scope of the audit.

H. TESTIMONY

The auditor shall present expert testimony during the course of any hearing at which the audit report is considered. The individual providing testimony will be one or more persons who conducted or directed the audit activities being considered at any hearing.

VI. MINIMUM CONTENTS OF PROPOSAL

Each proposal shall contain page numbers and a table of contents. In a separate section, reflected in the table of contents, the following information shall be provided:

- A. Name, mailing address and telephone number of individual to contact if further information is desired;
- B. An indication of how the bidder plans to incorporate the PUCO staff's participation in the proposed work plan; and
- C. The name(s) of all subcontractors to be used in the performance of the proposed work, identification of the specific items to be performed/provided by the subcontractor, and the cost of the proposed subcontractor's work; or if no subcontractors are to be used, the entry "Subcontractor - none". (All such

subcontractors indicated in the proposal will be acknowledged as accepted by the Commission upon selection of the proposal for contract awarded unless the auditor is previously notified of the contrary. No addition, deletion or substitution of subcontractors will be permitted during the course of the contract unless approved in advance by the PUCO staff in writing.) If subcontractors are proposed, all information required in this section shall be supplied for each subcontractor proposed. Such information shall be supplied in format parallel to the overall format specified for the contractor.

- D. The following required Equal Employment Opportunity data must be provided for the auditor and each subcontractor:
1. The total number of employees;
 2. The percentage of the total which are women;
 3. The percentage of the total which are Black or African American, Hispanic or Latino, Asian, Native Hawaiian or Other Pacific Islander, Native American or Alaska Native, or Two or More Races. (Please specify.)
 4. The total number of employees located in Ohio offices;
 5. The percentage of the Ohio total which are women;
 6. The percentage of the Ohio total which are Black or African American, Hispanic or Latino, Asian, Native Hawaiian or Other Pacific Islander, Native American or Alaska Native, or Two or More Races. (Please specify.)
 7. The number of individuals to be assigned to the project;
 8. The percentage of the total assigned which are women;
 9. The percentage of the total assigned which are Black or African American, Hispanic or Latino, Asian, Native Hawaiian or Other Pacific Islander, Native American or Alaska Native, or Two or More Races. (Please specify.)
- E. A listing of contracts the auditor and each subcontractor has with the State of Ohio and:
1. Name of the state agency(s) for each contract;
 2. The cost of each contract;

3. The duration of each contract;
 4. A brief description of each current contract.
- F. A listing of the auditor's and each subcontractor's clients which may have a financial interest in the Companies, or their affiliates. Auditors maintaining any present or on-going contracts or agreements with the Companies and affiliates may, at the discretion of the PUCO, be disqualified by reason of possible conflict of interest. In the proposal, such contracts should be described in sufficient detail that the PUCO can determine whether a conflict of interest exists. A response indicating that this information will be provided on request or that such contracts are too numerous to count will be cause for disqualification of the auditor.
- G. A listing of all the auditor's and each subcontractor's offices, facilities and equipment to be used in performance of the audit under this contract and their locations, including a specification of offices, facilities and equipment located in Ohio. If none, state - none.
- H. A statement of financial responsibility including certification that the auditors, joint partners if the auditor is a conglomerate operation, and any subcontractors have no outstanding liens or claims against them.
- I. Contact persons that the Commission or its staff may call to receive an assessment of the auditor's, and each subcontractor's previous performance. References should be provided for the company or companies proposing and for the individuals designated as principals for the project. The information required for each reference is as follows:
1. Name of individual to contact for reference
 2. Company/facility which employed the individual
 3. Telephone number
 4. Whether reference is for the company or a principal
 5. Project or work for which the reference is given
- J. A description of the proposed scope of work to be performed including a work plan, expected deliverable products and task timing. In a separately numbered section, the auditor will provide a detailed cost breakdown by phase/task of the workplan including the class of personnel performing each phase/task of the work, the hourly rate charged for each class, the number of hours charged for each

class, an equivalent breakdown of all subcontracted work, any direct or indirect cost items which the auditor plans to charge and the total cost.

The maximum contract price quoted by the auditor shall include all items of work defined in the proposal. The auditor will be expected to deliver the performance described in its proposal within the agreed price.

- K. Identification by name of the lead personnel to be employed, the extent of their involvement in the project and a description of how the proposed personnel's experience matches project requirements. Contract terms will not permit substitution of lead personnel without prior written approval of the Commission. Identification of lead personnel in the cost proposal will not constitute satisfactory compliance with this requirement.
- L. A description of the qualifications, experience and proven results achieved by all professional lead or significant personnel to be employed on the project, with a summary of work performed on projects similar to the one contemplated by this RFP including specific references. The Commission reserves the right to request samples or prior relevant work from any auditor prior to making its final consultant selection.
- M. Identification by name and title, and the hourly rate of pay and all other related costs, of the individual or individuals who will present expert testimony before the Commission during the appropriate hearing.

VII. REVIEW CRITERIA

Proposals will be evaluated on a basis which includes the following criteria:

A. COMPLIANCE WITH MINIMUM CONTENTS REQUIREMENTS

Lack of satisfactory response to the Minimum Contents Requirements will be grounds for elimination of any proposal from further consideration.

B. COST

The total proposed contract price is specified in the proposal. Auditors are encouraged to provide as competitive a bid as is practicable.

C. UNDERSTANDING OF PROJECT

Whether the entity bidding on the project has grasped intent of the project; is knowledgeable of the technical aspects required; indicates understanding of potential problems; demonstrates understanding of regulatory issues, trends and

perspectives; and whether or not the work plan indicates appropriate phasing. Whether the method of handling the project is indicated, the proposal reflects thorough understanding of project requirement, the methods appear realistic under stated time constraints and innovative methodologies appear appropriate to the project. The proposal is responsive to the RFP.

D. EXPERIENCE OF PERSONNEL ASSIGNED TO PROJECT AND RELATED ORGANIZATIONAL EXPERIENCE

Relevant experience in field, qualifications to undertake assignment. References of previous clients/projects provided.

E. TIMELINES

Demonstrated ability to meet stated deadline, realistic timelines provided, demonstrated proven results of lead personnel.

VIII. OTHER PROPOSAL CRITERIA

A. RELEVANCE

The auditor shall include only relevant information and pertinent exhibits in the proposal. Duplication of materials provided in the RFP, exhaustive resumes, inclusion of standard company promotional materials, etc. will not garner additional points in the evaluation process and may detract from the clarity and conciseness of the proposal.

B. PROPRIETARY DATA IN PROPOSAL

Submissions to the Public Utilities Commission of Ohio become public documents available to open inspection. Proprietary data in a proposal will also assume this stature. Therefore, discretionary action is recommended for any proprietary data to be submitted in proposals.

C. DUE DATE AND SUBMITTAL ADDRESS

Any proposal submitted hereunder must be received at the following address no later than 5:00 p.m., Nov. 10, 2016. The proposal should be sent in a sealed container, clearly marked and addressed to:

Hilde Williamson
Response to RFP No. RA 16-FA-1
The Public Utilities Commission of Ohio
180 East Broad Street – 3rd Floor
Columbus, OH 43215-3793

Note: By responding to this request for proposal, the proposer expressly accepts and is bound by all the terms thereof including all attachments, exhibits and schedules.

D. COPIES

Four copies of the proposal are to be submitted to the Commission.

E. CONTRACTOR REQUIREMENTS AND MINORITY PARTICIPATION

The PUCO, in awarding the contract, will give preference to Ohio contractors. Ohio contractors include not only established domestic companies actively doing business in Ohio but also encompass multi-state companies with headquarters outside of Ohio but with substantial commitments of offices, divisions and facilities within the state. The Commission will give preference to proposals that demonstrate compliance with minority and women Equal Employment Opportunity criteria.

F. LATE PROPOSALS

A proposal is late if received at any time after the due date set for receipt of the proposals. A late proposal will be considered along with other proposals only if it is received before the evaluation of proposals has, in the sole opinion of the Commission, substantially progressed, and then only in one of the three following conditions exists:

1. Mail delay – the lateness is due solely to a delay in the mail when the response has been sent by registered or certified mail for which an official dated postmark on the original receipt has been obtained.
2. Commission error – if it is received by any reasonable means at the Commission in sufficient time to be delivered at the office designated for the opening and would have been received at such office except the delay due to mishandling at the Commission. Only an appropriate date or time stamp showing the time of the receipt will be accepted as evidence of timely receipt of the proposal.
3. Exceptions – Any other late proposal will not be considered, unless it is the only proposal received or in the sole judgment of the Commission it offers some important technical or scientific advantage that is of benefit to the Commission.

G. MODIFICATION OR WITHDRAWAL OF PROPOSAL

Any proposal may be modified or withdrawn upon written request of the auditor if such request is received by the Commission at the above address by the date set for receipt of original proposals.

H. MODIFICATION OR WITHDRAWAL OF THIS RFP

This Request for Proposal may be modified or withdrawn at any time prior to the time set for receipt of proposals and thereafter as long as no proposal has been opened. Upon any such modification or withdrawal, all bidders will be notified and any person or firm who has expressly requested such notice in writing will also be notified of such changes at the discretion of the Commission.

I. RIGHT TO REJECT ANY AND ALL PROPOSALS

The Commission reserves the right, without limitation or discussion with those submitting proposals, to reject any and all proposals.

J. PENALTY FOR DIVULGING INFORMATION

The auditor selected shall abide by all provisions of Section 4901.16 of the Ohio Revised Code which states: "Except in his report to the public utilities commission or when called on to testify in any court or proceeding of the public utilities commission, no employee or agent referred to in section 4905.13 of the Revised Code shall divulge any information acquired by him in respect to the transaction, property, or business of any public utility, while acting or claiming to act as such employee or agent. Whoever violates this section shall be disqualified from acting as agent, or acting in any other capacity under the appointment or employment of the commission."

The auditor shall not divulge any information regarding its audit activities to the media or to any other entity, except in its report and testimony before the Commission, before, during and/or after the audit. All comments or concerns that the auditor wants to address shall be directed to the PUCO Media Office.

K. RFP WEBSITE

Once a bidder has subscribed to the Commission's bidders list, the bidder will remain on the service list and will be notified of future RFP postings.

The "Request for Proposals" link is at:

<http://www.puco.ohio.gov/PUCO/Docketing>

Pending RFPs and further information will be posted at the above website.

L. STATUTORY SCOPE OF AUDIT

Any auditor selected by the Commission to perform an audit shall execute its duties pursuant to the Public Utilities Commission of Ohio's statutory authority to investigate and acquire records, contracts, reports and other documentation under R.C. 4903.02, 4903.03, 4905.06, 4905.15 and 4905.16.

M. AUDITOR SELECTION

The Commission reserves the right to determine that the described audit will not be conducted or will be conducted by the PUCO staff, depending on the Commission's needs and circumstances at the time of the selection.

IX. QUESTIONS

Questions regarding this RFP should be directed to Hilde Williamson at 614-466-4687.