

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF
THE OPERATIONAL BENEFITS ASSESSMENT
OF THE GRIDSMART DEPLOYMENT OF
OHIO POWER COMPANY.

CASE NO. 18-1618-EL-RDR

ENTRY

Entered in the Journal on November 7, 2018

I. SUMMARY

{¶ 1} The Commission directs Staff to issue a request for proposal for consulting services to assist the Commission with the review of the operational benefits assessment of Ohio Power Company d/b/a AEP Ohio's gridSMART deployment.

II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} In Case No. 08-917-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for a first ESP, including the Company's proposal to establish a gridSMART rider and initiate Phase 1 of its gridSMART program, which would focus on advanced metering infrastructure, distribution automation, and home area network

initiatives. *In re Columbus Southern Power Co.*, Case No. 08-917-EL-SSO, et al., Opinion and Order (Mar. 18, 2009) at 37-38, Entry on Rehearing (July 23, 2009) at 18-24.

{¶ 5} On August 8, 2012, the Commission approved, with certain modifications, AEP Ohio's application for a second ESP, effective with the first billing cycle of September 2012 through May 31, 2015. Among other provisions of the ESP, the Commission approved AEP Ohio's request to continue the gridSMART Phase 1 project, as well as the gridSMART Phase 1 rider, which enabled the Company to recover its prudently incurred costs associated with Phase 1 and was subject to an annual true-up and reconciliation. The Commission also directed AEP Ohio to file an application addressing Phase 2 of the gridSMART program. *In re Columbus Southern Power Co. and Ohio Power Co.*, Case No. 11-346-EL-SSO, et al. (*ESP 2 Case*), Opinion and Order (Aug. 8, 2012) at 62-63, Entry on Rehearing (Jan. 30, 2013) at 53.

{¶ 6} In Case No. 13-2385-EL-SSO, et al., the Commission approved, pursuant to R.C. 4928.143, AEP Ohio's application for a third ESP for the period of June 1, 2015, through May 31, 2018. Among other matters, the Commission approved AEP Ohio's proposal to extend the gridSMART program. The Commission also noted that, consistent with its directive in the *ESP 2 Case*, AEP Ohio should file, within 90 days after the expiration of ESP 2, an application for review and reconciliation of the gridSMART Phase 1 rider. The Commission found that, after the review and reconciliation of the gridSMART Phase 1 costs, AEP Ohio should be authorized to transfer the approved capital cost balance into its distribution investment rider (DIR), which would not be subject to the DIR caps, and should also transfer any unrecovered operations and maintenance balance into the gridSMART Phase 2 rider. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 51-52.

{¶ 7} In Case No. 13-1939-EL-RDR, the Commission modified and approved a joint stipulation and recommendation (Stipulation) regarding AEP Ohio's application to implement Phase 2 of its gridSMART project. The Stipulation provides that costs

incurred for the gridSMART Phase 2 project will be recovered through a gridSMART Phase 2 Rider to be adjusted on a quarterly basis and subject to an annual audit for prudence. Pursuant to the Stipulation, Staff is authorized to retain an external consultant to review the Phase 1 and Phase 2 operational benefits of AEP Ohio's gridSMART project. The Stipulation provides that the consultant will evaluate and recommend an ongoing level of operational benefits to be achieved and recognized in rates, to the extent such operational savings are not already reflected in rates. *In re Ohio Power Co.*, Case No. 13-1939-EL-RDR, Opinion and Order (Feb. 1, 2017) at ¶¶ 33, 35.

{¶ 8} In Case No. 16-1852-EL-SSO, et al., the Commission modified and approved a stipulation and recommendation filed by AEP Ohio, Staff, and numerous other signatory parties, which authorized the Company to implement a fourth ESP for the period of June 1, 2018, through May 31, 2024, including continuation of the gridSMART Phase 2 Rider. *In re Ohio Power Co.*, Case No. 16-1852-EL-SSO, et al., Opinion and Order (Apr. 25, 2018) at ¶ 93.

{¶ 9} To assist the Commission with the review of the operational benefits assessment of AEP Ohio's gridSMART deployment for Phase 1 and Phase 2, the Commission directs Staff to issue the request for proposal (RFP) for consulting services attached to this Entry.

{¶ 10} All proposals submitted pursuant to the RFP are due by December 7, 2018. In order to demonstrate the ability to perform the services required in the RFP, the proposal must show, in detail, the consultant's understanding of the project and the work required. Each proposal must address, with specificity, how the consultant will handle all of the issues in the RFP. The consultant must demonstrate that it will be able to perform the required services, showing its clear understanding of the tasks to be completed, the experience and qualifications of the personnel who will perform the work, and the anticipated breakdown of costs and timing. The selection criteria to be used by the Commission to determine the selection of the consultant shall be the technical and

management capabilities of each firm, as well as the overall cost of each bid. The Commission intends to select the consultant by December 19, 2018.

{¶ 11} AEP Ohio shall directly contract with the consultant chosen by the Commission for the services solicited in the RFP.

{¶ 12} The Commission shall select and solely direct the work of the consultant. Staff will review and approve payment invoices submitted by the consultant.

{¶ 13} The consultant shall perform its review and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by the consultant may be examined by any participant to this proceeding. Further, it shall be understood that the Commission and/or its Staff shall not be liable for any acts committed by the consultant or its agents in the preparation and presentation of the report.

{¶ 14} The consultant will execute its duties pursuant to the Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation under R.C. 4903.02, 4903.03, 4905.06, 4905.15, and 4905.16. The consultant is subject to the Commission's statutory duty under R.C. 4901.16, which provides:

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.

{¶ 15} 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 consultant may disclose or otherwise make use of such documents or information for any lawful purpose, unless the Commission receives a request 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.

{¶ 16} Upon request of the consultant or Staff, AEP Ohio shall provide any and all documents or information requested. AEP Ohio may conspicuously mark such documents or information "confidential" if the Company believes the document should be deemed as such. In no event, however, shall AEP Ohio refuse or delay in providing such documents or information.

III. ORDER


{¶ 17} It is, therefore,

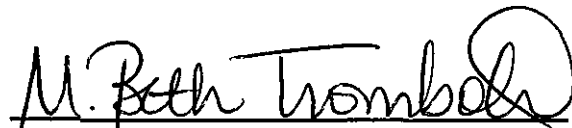
{¶ 18} ORDERED, That Staff issue the RFP attached to this Entry and that December 7, 2018, be set as the due date for proposals in response to the RFP. It is, further,

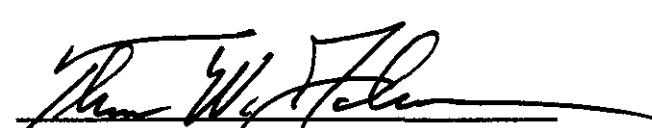
{¶ 19} ORDERED, That AEP Ohio and the consultant observe the requirements set forth herein. It is, further,

{¶ 20} ORDERED, That a copy of this Entry be served upon all interested persons and parties of record.

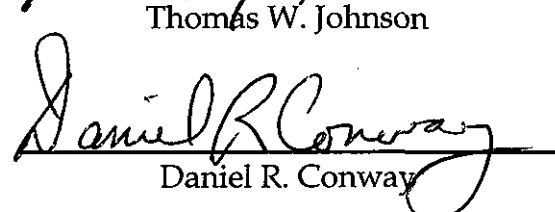
THE PUBLIC UTILITIES COMMISSION OF OHIO


Asim Z. Haque, Chairman


M. Beth Trombold


Thomas W. Johnson

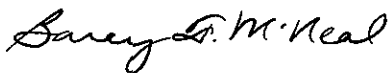

Lawrence K. Friedeman


Daniel R. Conway

SJP/sc

Entered in the Journal

NOV 07 2018


Barcy F. McNeal

Barcy F. McNeal
Secretary

REQUEST FOR PROPOSAL NO. RA18-OBA-1

**AN OPERATIONAL BENEFITS ASSESSMENT
OF THE gridSMART DEPLOYMENT OF
AEP OHIO**

Issued by:

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

PROPOSAL DUE: December 7, 2018

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INTRODUCTION

On March 18, 2009, the Public Utilities Commission of Ohio (Commission or PUCO) issued its Opinion and Order in Case No. 08-917-EL-SSO, et al., approving the first electric security plan (ESP) for Ohio Power Company d/b/a AEP Ohio (AEP Ohio or Company), which included the Company's request to initiate Phase 1 of gridSMART, a three-year pilot, in northeast central Ohio. The application included approximately 110,000 meters and 70 distribution circuits at an estimated cost of \$109 million. The Commission approved the development of a gridSMART rider to ensure separate accounting for gridSMART expenditures. In addition, the Commission revised the amount authorized to be recovered through the rider to \$32 million and directed AEP Ohio to make the necessary filing for federal matching funds under the American Recovery and Reinvestment Act of 2009 for the balance of the projected costs of gridSMART Phase 1. *In re Columbus Southern Power Co.*, Case No. 08-917-EL-SSO, et al., Opinion and Order (Mar. 18, 2009) at 37-38, Entry on Rehearing (July 23, 2009) at 18-24.

On August 8, 2012, the Commission issued its Opinion and Order in Case No. 11-346-EL-SSO, et al., approving AEP Ohio's second ESP, which included the Company's request to initiate Phase 2 of its gridSMART (GS2) project. The Commission directed AEP Ohio to file its proposed expansion of the gridSMART project as part of a new application and to include sufficient detail on the proposed equipment and technology for the Commission to evaluate the demonstrated success, cost-effectiveness, customer acceptance, and feasibility of the proposed technology. Further, any gridSMART investment beyond Phase 1 that was not subject to recovery through AEP Ohio's distribution investment rider (DIR) was directed to be recovered through another mechanism, for example, through a gridSMART Phase 2 rider (GS2 rider). *In re Columbus Southern Power Co. and Ohio Power Co.*, Case No. 11-346-EL-SSO, et al., Opinion and Order (Aug. 8, 2012) at 62-63.

On September 13, 2013, AEP Ohio filed an application in Case No. 13-1939-EL-RDR outlining the Company's business case for GS2. The application requested that Phase 2 expansion include Advanced Metering Infrastructure (AMI) for approximately 894,000 customers, Distribution Automation Circuit Reconfiguration (DACR) for approximately 250 priority circuits, and Volt/VAR Optimization (VVO) for approximately 80 circuits.

On December 20, 2013, the Company filed an application for a third ESP in Case No. 13-2385-EL-SSO, et al., which included a proposal to establish a GS2 rider as the mechanism to recover gridSMART project investments beyond Phase 1. On February 25, 2015, the Commission approved AEP Ohio's ESP 3, including the request to transfer the remaining gridSMART Phase 1 costs to the Company's DIR and to use the GS2 rider to track Phase 2 costs. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 51-52.

On February 1, 2017, the Commission issued its Opinion and Order in Case No. 13-1939-EL-RDR approving a stipulation on AEP Ohio's GS2 program. The stipulation, as approved by the Commission, increased the number of circuits with VVO investment from 80 to 160. The stipulation, as approved by the Commission, also established an operational cost savings credit concurrent with the inclusion of costs in the GS2 rider. The credit was incorporated to reflect projected operational cost savings to offset costs otherwise recovered through the rider. An initial

cost savings credit of \$400,000 per quarter starting in the fourth quarter of the first year (2017) was established, which will extend until the Commission adopts a new operational cost savings credit. *In re Ohio Power Co.*, Case No. 13-1939-EL-RDR, Opinion and Order (Feb. 1, 2017) at ¶ 34.

In Case No. 13-1939-EL-RDR, the Commission authorized PUCO Staff to retain an external consultant to review Phase 1 and Phase 2 operational benefits of AEP Ohio's gridSMART project. The consultant will evaluate and recommend an ongoing level of operational benefits to be achieved and recognized in rates as part of the annual rider filing, to the extent such operational savings are not already reflected in rates. *In re Ohio Power Co.*, Case No. 13-1939-EL-RDR, Opinion and Order (Feb. 1, 2017) at ¶ 35.

As of October 22, 2018, the following deployments have been accomplished as part of Phase 1 and Phase 2 of AEP Ohio's gridSMART project:

Technology	Authorized Deployment	Completed
AMI: Phase 1	110,000 meters	131,500 meters
AMI: Phase 2	894,000 meters	423,968 meters
DACR: Phase 1	70 circuits	70 circuits
DACR: Phase 2	250 circuits	0 circuits
VVO: Phase 1	17 circuits	17 circuits
VVO: Phase 2	160 circuits	0 circuits

PURPOSE

In accordance with the Opinion and Order in Case No. 13-1939-EL-RDR, the Commission is seeking proposals to review the Phase 1 and Phase 2 operational benefits of AEP's gridSMART project. The consultant will evaluate and recommend an ongoing level of operational benefits to be achieved and recognized in rates as part of the annual rider filing, to the extent such operational savings are not already reflected in rates.

SCOPE OF WORK

A. GENERAL PROJECT REQUIREMENTS

The auditor selected shall:

- Review Case Nos. 08-917-EL-SSO, et al, 11-351-EL-AIR, et al., 11-346-EL-SSO, et al., 13-1939-EL-RDR, 13-2385-EL-SSO, et al., 15-1513-EL-RDR, et al., 17-1156-EL-RDR, and any other applicable cases, including all applicable testimony and work papers.
- Evaluate and determine the operational benefits associated with the approved deployment of AMI, DACR, and VVO (including volt-amp reactive power and conservation voltage reduction technology) associated with Phase 1 and Phase 2 of AEP Ohio's gridSMART project. The activities should include:
 - Identify operational benefits, which fall into the following general categories:
 - Direct expense reductions;
 - Increases in revenues;
 - Operational efficiencies; and
 - Avoided costs.
- Quantify the value of operational benefits that have already been captured.
- Estimate the dollar value and the timing of capturing future operational benefits.
- Where applicable, complete the review using company-specific data and information related to staffing and operational processes, instead of generalized industry standard data for the operational savings.
- Review non-financial metrics reports associated with Phase 2 of AEP Ohio's gridSMART project, which include:
 - AMI Metrics: number of certified meters, AMI meters installed but not certified, certified AMI meter failures, meters salvaged (quantity and monetary value), meters transferred (quantity and monetary value), manual meter reads, successful AMI meter reads, successful AMR meter reads, number of meter readers employed by AEP Ohio and by external contractor (expressed in full-time equivalents), residential bills issued, residential bills based on estimated meter read, customers eligible for disconnect due to non-

- payment (entire service territory and Phase 2 footprint), disconnections due to non-payment (entire service territory and Phase 2 footprint), power theft cases (quantity and monetary value), call center calls (total), call center calls (related to meter reading), and call center calls (billing complaints).
- DACR Metrics: circuits equipped with DACR, DACR opportunities to operate, DACR successes, DACR failures, truck rolls related to an outage, avoided truck rolls related to an outage (due to DACR), customer minutes of interruption (CMI) avoided due to DACR, and customer interruptions avoided due to DACR.
 - VVO Metrics: average system voltage, megawatt (MW) and megawatt-hour (MWh) saved through the installation of VVO, and estimated reduction in greenhouse gas from the installation of VVO.¹
- Examine the reliability impacts associated with the deployment of DACR. If applicable, review annual reports for System Average Interruption Frequency Index (SAIFI) performance on circuits that have DACR installed and circuits that do not.
 - Examine the energy efficiency improvements associated with the deployment of VVO, which have resulted in reduced greenhouse emissions, including energy reductions and peak demand reductions.
 - Submit a report of findings and recommendations for an ongoing level of operational benefits to be achieved and recognized in rates as part of the annual rider filing, to the extent such operational savings are not already reflected in rates, in the applicable case docket.

B. 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.

C. PUCO STAFF SUPERVISION

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

¹ *In re Ohio Power Co.*, Case No. 17-1156-EL-RDR, Quarterly Update, Attachment 3 (Jan. 29, 2018).

D. 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 presentation of costs shall be provided, broken down by phase/task, in conformance with this Request for Proposal (RFP). The proposed costs shall be considered firm prices for performing the work described in the proposal.

E. COST OF PRESENTING EXPERT TESTIMONY

The proposed cost of the audit shall include actual costs associated with serving as an expert witness before the Commission during the applicable hearing, including time and materials. These expenses will be billed separately from the cost of the audit. Expenses associated with the presentation of testimony will include the following:

- Actual transportation expense (i.e., airfare, etc.)
- Actual living expenses (hotels, meals, local transportation)
- Actual preparation time, up to eight hours per witness
- Actual hours spent in travel
- Actual hours spent presenting testimony

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	December 7, 2018
Award audit (Commission Order)	December 19, 2018
Audit Conducted	January 7, 2019, through March 29, 2019
Draft audit report presented to Staff	March 29, 2019
Final audit report filed with Commission	April 12, 2019

DEADLINES AND DELIVERABLES

A. AVAILABILITY OF DOCUMENTS

The Company shall provide any and all documents or information requested by the auditor selected and the Commission Staff. The Company may conspicuously mark such documents or information as being “confidential.” In no event, however, shall the Company refuse or delay to provide such documents or information.

The Staff or the auditor selected shall not publicly disclose any document marked "confidential" by the Company, except upon three days' prior notice of intent to disclose served upon the Company's counsel. Three days after such notice, the Staff or auditor may disclose or otherwise make use of such documents or information for any purpose, unless the Company moves 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 work is 50 percent complete and when work is 100 percent complete unless a more frequent interval is agreed to by Staff. The invoices shall include details regarding the dates and activities covered by each invoice, and shall be sufficiently detailed to allow Staff to identify the work completed, the time spent in each billable activity by 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 Company and copies are to be sent to the PUCO Staff. After approval of the invoice by the Commission Staff, the Company will be authorized to make payment.

The Company 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. The auditor shall submit a copy of this contract between the auditor and the Company to the 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 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 otherwise requested by the PUCO Staff, this interim report may be made verbally.

D. DRAFT REPORT

Two copies of a draft of the final audit report shall be sent to the Commission Staff at least ten days prior to the due date of the final audit report. The report may be sent electronically if agreed to, in advance, by Staff.

E. FINAL REPORT

One copy of the final audit report plus one unbound reproducible original shall be delivered to the Commission by the morning of the date specified above. The final report should include an executive summary of recommendations in addition to a detailed section supporting all conclusions provided for in the executive summary. The final docketed report should contain an overview of the investigation and an attestation by the auditor that

the financial information contained in the audit report is from a reliable source. Along with the docketed audit report, the auditor should deliver to Staff one hard copy of the audit report and a flash drive 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 Company. 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 deliver to the Commission Staff one complete set of working papers that contain documents used and procedures followed to develop the conclusions set forth in the audit report. Working papers should include the Company's name, case number, description (items in folder), and source documents. Plant work papers should include a copy of the work order, location, age, and value of the property. Plant information should include an explanation of the adjustment, if applicable, and a picture of the inspected project. 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. The auditor selected shall utilize Staff's data request procedures, utilizing a Microsoft Outlook Public Folder or similar system accessible to and approved by Staff, for issuing information requests and recording responses. All text documents shall be word searchable. All data and formulas should be created and maintained in fully accessible Excel sheets.

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.

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 Staff's participation in the proposed work plan.
- 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 Commission 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 a format parallel to the overall format specified for the contractor.
- D. The following required Equal Employment Opportunity (EEO) data must be provided for the auditor and each subcontractor:
 - The total number of employees;
 - The percentage of the total which are women;
 - The percentage of the total which are Black, Hispanic, Asian, or American Indian (please specify);
 - The total number of employees located in Ohio offices;
 - The percentage of the Ohio total which are women;
 - The percentage of the Ohio total which are Black, Hispanic, Asian, or American Indian (please specify);
 - The number of individuals to be assigned to the project;
 - The percentage of the total assigned which are women;
 - The percentage of the total assigned which are Black, Hispanic, Asian, or American Indian (please specify).
- E. A listing of contracts the auditor and each subcontractor has with the State of Ohio and:
 - Name of the state agency(s) for each contract;
 - The cost of each contract;
 - The duration of each current contract.
 - 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 Company or its affiliates. Auditors maintaining any present or ongoing contracts or agreements with the Company or its 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 enumerate 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 under this contract and their locations including a specification of offices, facilities, and equipment located in Ohio. If none, indicate "None."
- H. A statement of financial responsibility including certification that the auditor, 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:
- Name of individual to contact for reference
 - Company/facility which employed the individual
 - Telephone number
 - Whether reference is for the company or a principal
 - Project or work for which 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 work plan 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.
- 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 of 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.

REVIEW CRITERIA

An approximate weighting system, along with the Commission's judgment and experience, will be used in the evaluation of the proposals. The approximate weighting applied to proposal components may be as follows: 50 percent experience and qualifications, 25 percent project understanding, and 25 percent other criteria (including, but not limited to, costs and timing). 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 the 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 indicates appropriate phasing in the work plan. Whether the method of handling the project is indicated, the proposal reflects thorough understanding of project requirements, 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, qualified 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.

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. on December 7, 2018. The proposal should be sent in a sealed container, clearly marked and addressed to:

Krystina Schaefer
Response to RFP No. RA18-OBA-1
The Public Utilities Commission of Ohio
3rd Floor, 180 East Broad Street
Columbus, OH 43215-3793

An electronic copy may also be sent to Krystina.Schaefer@puco.ohio.gov. Such electronic copy shall not fulfill the requirement for submitting paper responses.

Note: By responding to this RFP, 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 EEO 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 if one of the three following conditions exists:

- 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.
- Commission error – If it is received by a 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 for 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.
- 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 RFP 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 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.”

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

All firms wishing to remain on the Commission’s bidder list must subscribe to the PUCO RFP list by clicking on the “Requests for Proposals (RFPs)” link 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 Commission’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 Commission Staff, depending on the Commission’s needs and circumstances at the time of the selection.

QUESTIONS

Technical questions regarding this RFP should be directed to Krystina Schaefer at 614-466-6493. Administrative questions should be directed to Adam Bargar at 614-466-8112.