

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE REVIEW OF OHIO
EDISON COMPANY, THE CLEVELAND
ELECTRIC ILLUMINATING COMPANY,
AND THE TOLEDO EDISON COMPANY'S
COMPLIANCE WITH R.C. 4928.17 AND
OHIO ADM.CODE CHAPTER 4901:1-37.

CASE NO. 17-974-EL-UNC

ENTRY

Entered in the Journal on November 4, 2020

I. SUMMARY

{¶ 1} The Commission directs the Staff to issue the attached RFP for audit services to conduct an additional corporate separation audit which includes examination of the time period leading up to the passage of Am. Sub. H.B. 6 and the subsequent referendum. The Commission believes that the information supplied by FirstEnergy Corp. in the Form 8-K requires that we take additional action to ensure compliance by the Companies and their affiliates with the corporate separation provisions of R.C. 4928.17 and with the Companies' Commission-approved corporate separation plans.

II. DISCUSSION

{¶ 2} In this Entry, the Commission directs Staff to issue the request for proposal for audit services to assist the Commission with the review of the compliance of FirstEnergy with R.C. 4928.17, the corporate separation rules contained in Ohio Adm.Code 4901:1-37, and FirstEnergy's corporate separation plan.

{¶ 3} Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy or the Companies) are electric distribution utilities, as defined by R.C. 4928.01(A)(6), and public utilities, as defined in R.C. 4905.02, and, as such, are subject to the jurisdiction of this Commission.

{¶ 4} To assist the Commission with the review of FirstEnergy's compliance with the corporate separation rules set forth in Ohio Adm.Code Chapter 4901:1-37, the Commission directed Staff, on May 17, 2017, to issue a request for proposal (RFP) for audit

services. On July 5, 2017, the Commission issued an Entry selecting Sage Management Consultants, LLC (Sage) to conduct the requested audit services, in accordance with the terms set forth in the RFP. Pursuant to the terms of the RFP, a draft audit report was to be submitted by February 28, 2018, with the final audit report due on March 14, 2018. The deadline for the draft audit report and final audit report was extended to April 30, 2018, and May 14, 2018, respectively. Sage filed the final audit report on May 14, 2018.

{¶ 5} On September 20, 2018, the attorney examiner directed that all motions to intervene in this proceeding be filed by October 9, 2018.

{¶ 6} On November 30, 2018, the attorney examiner granted motions to intervene filed by Ohio Consumers' Counsel (OCC) and Interstate Gas Supply, Inc. (IGS). The attorney examiner also established a comment period regarding the audit report. Comments were filed by IGS, OCC, Northeast Ohio Public Energy Council (NOPEC), the Companies, and Retail Energy Supply Association (RESA). Reply comments were filed by NOPEC, FirstEnergy Solutions Corp. (FES), OCC and the Companies. Joint reply comments were filed by RESA and IGS.

{¶ 7} In their comments, the Companies noted that, on March 20, 2018, FES filed a voluntary petition in the United States Bankruptcy Court for relief pursuant to Chapter 11 of Title 11 of the United States Code. Further proceedings in this case were deferred until the resolution of FES' bankruptcy proceeding.

{¶ 8} On March 20, 2020, the Companies filed a notice in this proceeding. The Companies represented that FES had emerged from bankruptcy as Energy Harbor Corp. (Energy Harbor) and that Energy Harbor is no longer an affiliate of the Companies' parent, FirstEnergy Corp.

{¶ 9} Further, on January 17, 2020, Suvon, LLC d/b/a FirstEnergy Advisors (Suvon) filed an application for certification as a CRES power broker and aggregator in the state of Ohio. *In re Suvon LLC*, Case No. 20-103-EL-AGG. Suvon is an affiliate of the Companies.

The Commission approved Suvon's application on April 22, 2020. The Commission also ruled that, although various parties in that case had raised issues both with Suvon's use of a trade name and with compliance with the corporate separation requirements by the Companies and other affiliates of FirstEnergy Corp., those issues were best addressed in this proceeding. *Suvon*, Case No. 20-103-EL-AGG, Finding and Order (Apr. 22, 2020) at ¶ 20, 22.

{¶ 10} In light of both the emergence of Energy Harbor from bankruptcy and the Commission's ruling in Suvon's certification case, on April 29, 2020, the attorney examiner established a supplemental comment period regarding the audit report filed in this proceeding. Supplemental comments were timely filed by Vistra Energy Corp., NOPEC, IGS, OCC, RESA, and the Companies. Supplemental reply comments were timely filed by OCC, NOPEC, IGS, RESA, and the Companies. These supplemental comments addressed the trade name and corporate governance issues deferred in *Suvon* to this case.

{¶ 11} Further, the attorney examiner took administrative notice in this proceeding of the certification application filed by Suvon in its certification case on January 17, 2020, and the supplement filed by Suvon on April 1, 2020. *Suvon*, Case No. 20-103-EL-AGG.

{¶ 12} On September 8, 2020, the OCC filed motions in this proceeding for an investigation and management audit of FirstEnergy, its corporate governance and its activities regarding Am. Sub. H.B. 6, to hire an independent auditor, to reopen the distribution modernization rider audit case, and to require FirstEnergy to show that it did not improperly use money collected from consumers or violate any utility regulatory laws, rules or orders in its activities regarding Am. Sub. H.B. 6.

{¶ 13} The Companies filed a memorandum contra OCC's motions on September 23, 2020, arguing that the Commission lacks jurisdiction to examine expenditures made by FirstEnergy Corp. The Companies further argue that each of OCC's motions lacks factual and legal support for the requested relief.

{¶ 14} In its reply filed on September 30, 2020, OCC contends that the Commission has jurisdiction to examine FirstEnergy's compliance with law and Commission orders without evidence of a violation. OCC also argues that the Commission has authority to conduct an independent management audit of public utilities in conjunction with its review of corporate separation issues.

{¶ 15} On September 15, 2020, the Commission opened a proceeding to review whether any political and charitable spending by the Companies in support of Am. Sub. H.B. 6 and the subsequent referendum effort was included, directly or indirectly, in any rates or charges paid by ratepayers in this state. *In the Matter of the Review of the Political and Charitable Spending by Ohio Edison Co., The Cleveland Elec. Illum. Co., and The Toledo Edison Co.*, Case No. 20-1502-EL-UNC.

{¶ 16} On October 29, 2020, FirstEnergy Corp., the corporate parent of the Companies, filed a Form 8-K with the United States Securities and Exchange Commission reporting the termination of certain officers and appointment of a new interim chief executive officer. The Form 8-K further stated that, during the course of FirstEnergy Corp.'s internal investigation related to ongoing government investigations, the Independent Review Committee of the Board of Directors determined that each of the terminated executives violated certain FirstEnergy Corp. policies and its code of conduct.

{¶ 17} While the Commission is aware of reports containing allegations against FirstEnergy Corp. regarding its conduct in the passage of Am. Sub. H.B. 6 and the subsequent referendum, we are determined to act in a deliberate manner, based upon facts rather than speculation, and with due consideration to the limits on our statutory authority over FirstEnergy Corp. and over the political and charitable activity of all public utilities in this state. Nonetheless, we believe that the information supplied by FirstEnergy Corp. in the Form 8-K requires that we take additional action to ensure compliance by the Companies and its affiliates with the corporate separation provisions of R.C. 4928.17 and with the Companies' Commission-approved corporate separation plans. Therefore, the Commission

directs the Staff to issue the attached RFP for audit services to conduct an additional corporate separation audit for the period between November 1, 2016 and October 31, 2020, which includes examination of the time period leading up to the passage of Am. Sub. H.B. 6 and the subsequent referendum.

{¶ 18} All proposals submitted pursuant to the RFP are due by November 25, 2020. In order to demonstrate the ability to perform the services required in the RFP, the proposal must show, in detail, the auditor's understanding of the project and the work required. Each proposal must address, with specificity, how the auditor will handle all of the issues in the RFP. The auditor 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 auditor 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 auditor by December 2, 2020.

{¶ 19} FirstEnergy shall directly contract with the auditor chosen by the Commission for the services solicited in the RFP.

{¶ 20} The Commission shall select and solely direct the work of the auditor. The Commission's Staff will review and approve payment invoices submitted by the auditor.

{¶ 21} The auditor shall perform its audit and investigation as an independent contractor. Any conclusions, results, or recommendations formulated by the auditor 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 auditor or its agents in the preparation and presentation of the report.

{¶ 22} 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. 4903.02, 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 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.

{¶ 23} 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 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.

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

III. ORDER

{¶ 25} It is, therefore,

{¶ 26} ORDERED, That Staff issue the RFP attached to this Entry and that December 2, 2020, be set as the due date for proposals in response to the RFP. It is, further,

{¶ 27} ORDERED, That, FirstEnergy bear the cost of the audit services of the contractor chosen by the Commission. It is, further,

{¶ 28} ORDERED, That FirstEnergy and the contractor shall observe the requirements set forth herein. It is, further,

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

COMMISSIONERS:

Approving:

M. Beth Trombold
Lawrence K. Friedeman
Daniel R. Conway
Dennis P. Deters

GAP/hac

REQUEST FOR PROPOSAL NO. RA20-CA-X

A COMPLIANCE AUDIT
OF THE FIRST ENERGY OPERATING COMPANIES WITH THE
CORPORATE SEPARATION RULES OF THE PUBLIC UTILITIES
COMMISSION OF OHIO

Issued by:

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

PROPOSAL DUE: November 25, 2020

Table of Contents

I. INTRODUCTION.....	1
II. PURPOSE.....	1
III. SCOPE OF INVESTIGATION.....	1
IV. TIMELINE.....	3
V. DEADLINES AND DELIVERABLES.....	3
VI. MINIMUM CONTENTS OF PROPOSAL.....	5
VII. REVIEW CRITERIA.....	7
VIII. OTHER PROPOSAL CRITERIA.....	8
IX. QUESTIONS.....	11

I. INTRODUCTION

On March 26, 2014, the Commission issued a Finding and Order in Case No. 12-3151-EL-COI, directing that each electric distribution utility be subject to a corporate separation compliance audit, specifically to ensure compliance with R.C. 4928.17 and the Corporate Separation Rules, as enumerated in Ohio Adm.Code Sections 4901: 1-37-04(D)(3), 4901:1-37-04(D)(6), 4901:1-37-04(D)(10)(c), 4901:1-37-04(D)(11) and 4901:1-37-08(C), and to foster Ohio's policies pursuant to R.C. 4928.02. *In the Matter of the Commission's Investigation of Ohio's Retail Electric Service Market*, Case No. 12-3151-EL-COI, Finding and Order (Mar. 26, 2014) at 16-17. The Commission noted that these audits would either be conducted by Staff or by an independent third party auditor selected by the Commission and under the direction of Staff. Additionally, the Commission stated that the recovery of the cost of the audit would be treated as a normal operating expense by the electric distribution utility.

II. PURPOSE

In accordance with the Finding and Order in Case No. 12-3151-EL-COI, the Commission is seeking proposals to review the compliance of Ohio Edison Company, The Cleveland Electric Illuminating Company, and the Toledo Edison Company (collectively, FirstEnergy or the Companies) with the Corporate Separation Rules adopted by the Commission.

III. SCOPE OF INVESTIGATION

The auditor's investigation shall determine if FirstEnergy has complied with the Commission's Corporate Separation Rules, including, but not limited to Ohio Adm.Code 4901: 1-37-04-(D)(3), 4901:1-37-04(D)(6), 4901:1-37-04(D)(10)(c), 4901:1-37-04(D)(11) and 4901:1-37-08(C). The audit shall include but not be limited to:

A. GENERAL PROJECT REQUIREMENTS

The auditor selected shall:

- Review, in detail, Case No.12-3151-EL-COI.
- Review, in detail, Ohio laws governing Corporate Separation embodied in R.C. 4928.17.
- Review, in detail, the Corporate Separation Rules embodied in Ohio Adm.Code Chapter 4901:1-37.
- Obtain and review all appropriate documentation relating to the Companies' compliance with R.C. 4928.17 and Ohio Adm.Code 4901: 1-37.

- Conduct all necessary interviews relating to the Companies' compliance with R.C. 4928.17 and Ohio Adm.Code 4901:1-37.
- Perform a thorough review of transactions subject to the Companies' cost allocation manual.
- The activity reviewed shall encompass the time period between November 1st, 2016 through October 31st, 2020.

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 Companies, and shall be given at least three working days' notice of all meetings and interviews with the Companies 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. These meetings will occur electronically.

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. 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 8 hours per witness
- Actual hours spent in travel
- 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	November 25, 2020
Award audit (Commission Order)	December 2, 2020
Audit Conducted	December 2, 2020 thru April 21, 2021
Draft audit report presented to Staff	April 7, 2021
Final audit report filed with Commission	April 21, 2021

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 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 Companies, except upon three days prior notice of intent to disclose served upon the Companies’ counsel. The auditor must immediately inform Staff upon the receipt of any request to disclose the document. Three days after such notice, the Staff or the auditor, solely under the direction of Staff, 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 work is 50% complete and when work is 100% complete. Invoices may be submitted more frequently upon the agreement of the PUCO 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 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 Companies and copies are to be sent to the PUCO Staff.

After approval of the invoice by the PUCO Staff, the Companies will be authorized to make payment.

Within 10 business days of the award of the RFP, the Companies and auditor shall enter into a contract, which shall incorporate by reference all provisions of this proposal. Auditors shall submit a copy of this contract agreement between the auditor and Companies to the Staff member assigned to the audit.

C. INTERIM REPORTING

The auditor will provide semi-monthly status updates to the PUCO Staff regarding the audit. These status updates, upon agreement by the PUCO Staff, may be fulfilled by verbal communications.

In addition to the semi-monthly status consultations with the PUCO Staff, at the midpoint of the audit activities, the auditor selected will provide a written progress report to Staff. These reports will briefly describe progress made on required audit activities, as well as initial/tentative findings and conclusions on issues investigated to date.

D. DRAFT REPORT

The draft report shall be sent electronically to the Staff members provided for in Section VIII. C. at least ten days prior to the due date of the final audit report.

E. FINAL REPORT

The final report shall be filed with Docketing in Case No. 17-974-EL-UNC by 5 PM of the date specified in Section IV. The final report should include an executive summary of recommendations. The final docketed report should also contain an overview of the investigation and, if applicable, specific recommended corrective actions. The auditor shall submit to Staff a USB flash drive containing a complete version of the final audit report. If it is necessary to prepare a redacted report, due to confidentiality concerns, the 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 deliver to the PUCO Staff one complete set of working papers that contain documents used and procedures followed to develop the conclusions set forth in the audit report. These documents may be provided on a flash drive. Working papers should include Applicant's name, case number, 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, with 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.

G. PRODUCTION OF DOCUMENTS

At any time, upon request of the Commission or its Staff, the auditor selected shall immediately produce any document of 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 number 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; 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 a 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, Hispanic, Asian, or American Indian (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, Hispanic, Asian, or American Indian (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, Hispanic, Asian, or American Indian (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 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 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 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.

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 not 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 the work plan indicates appropriate phasing. 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.

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 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 status. 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 no later than 5:00 P.M. November 25, 2020, at the following electronic addresses; Doris.Mccarter@puco.ohio.gov and Donald.Leming@puco.ohio.gov.

D. 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.

E. 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 two following conditions exists:

1. Commission error – If it is received by a reasonable means at the Commission in sufficient time to be designated for the opening of the review period and would have been received timely except for a delay due to the Commission. Only an appropriate date or item stamp showing the time of its being sent will be accepted as evidence of timely receipt of the proposal.
2. 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.

F. 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.

G. 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.

H. 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.

I. PENALTY FOR DIVULGING INFORMATION

The auditor selected shall abide by all provisions of Sections 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 Office of Public Affairs.

J. RFP WEBSITE

All firms wishing to remain on the Commission's bidder list must subscribe to the PUCO RFP list by clicking on the "RFP – Requests for Proposals" link at:

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

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

K. STATUTORY SCOPE OF AUDIT

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

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

Technical questions regarding this RFP should be directed to Doris McCarter at Doris.Mccarter@puco.ohio.gov. Administrative questions regarding this RFP should be addressed to Lindsey.Molter@puco.ohio.gov.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

11/4/2020 2:19:46 PM

in

Case No(s). 17-0974-EL-UNC

Summary: Entry directing the Staff to issue the attached RFP for audit services to conduct an additional corporate separation audit which includes examination of the time period leading up to the passage of Am. Sub. H.B. 6 and the subsequent referendum. The Commission believes that the information supplied by FirstEnergy Corp. in the Form 8-K requires that we take additional action to ensure compliance by the Companies and their affiliates with the corporate separation provisions of R.C. 4928.17 and with the Companies' Commission-approved corporate separation plans. electronically filed by Ms. Mary E Fischer on behalf of Public Utilities Commission of Ohio