

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Fuel)
Adjustment Clauses for Columbus) Case No. 11-5906-EL-FAC
Southern Power Company and Ohio Power)
Company and Related Matters.)

In the Matter of the Fuel Adjustment)
Clauses for Columbus Southern Power) Case No. 12-3133-EL-FAC
Company and Ohio Power Company.)

In the Matter of the Fuel Adjustment) Case No. 13-572-EL-FAC
Clauses for Ohio Power Company.)

In the Matter of the Fuel Adjustment) Case No. 13-1286-EL-FAC
Clauses for Ohio Power Company.)

In the Matter of the Fuel Adjustment) Case No. 13-1892-EL-FAC
Clauses for Ohio Power Company.)

ENTRY

The Commission finds:

- (1) By Opinion and Order issued on August 8, 2012, the Commission modified and approved an application for an electric security plan (ESP) filed by Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company). *In re Ohio Power Company*, Case No. 11-346-EL-SSO, et al., Opinion and Order (Aug. 8, 2012). Among other provisions of the ESP, the Commission approved a fuel adjustment clause (FAC) mechanism under which AEP Ohio is intended to recover prudently incurred fuel and fuel-related costs. Annual audits are to be performed of AEP Ohio's fuel costs, fuel management practices, and alternative energy costs.
- (2) On December 4, 2013, in the above-captioned proceedings, the Commission selected Energy Ventures Analysis, Inc. (EVA) to perform the annual audit of AEP Ohio's fuel and alternative energy costs for the periods of 2012, 2013, and 2014. Additionally, the Commission noted that intervenors in a

proceeding related to AEP Ohio's proposed competitive bid procurement (CBP) process raised concerns regarding the Company's possible double recovery of certain capacity-related costs. *In re Ohio Power Company*, Case No. 12-3254-EL-UNC (CBP Case), Opinion and Order (Nov. 13, 2013) at 15, 16. The Commission, therefore, directed EVA to review and investigate the double-recovery allegations as part of its audit in the above-captioned proceedings and to recommend appropriate action based on EVA's review.

- (3) On January 3, 2014, AEP Ohio filed an application for rehearing. Among its grounds for rehearing, AEP Ohio contended that it was unreasonable and unlawful for the Commission to direct EVA to review the double-recovery allegations, in light of the fact that EVA provided expert testimony on behalf of the Commission's Staff in Case No. 10-2929-EL-UNC, which established the Company's capacity charge. *In re Ohio Power Company and Columbus Southern Power Company*, Case No. 10-2929-EL-UNC (Capacity Case), Opinion and Order (July 2, 2012), Entry on Rehearing (Oct. 17, 2012).
- (4) By Entry on Rehearing issued on February 13, 2014, the Commission disagreed with AEP Ohio's contention that EVA had essentially been directed to audit its own work in the Capacity Case. Nevertheless, pursuant to the Commission's Entry on Rehearing in the CBP Case, the Commission noted that Staff had been directed to issue a supplemental request for proposal (RFP), solely with respect to the investigation of the double-recovery allegations, in order to avoid even the appearance of a conflict of interest. CBP Case, Entry on Rehearing (Jan. 22, 2014) at 10.
- (5) To assist the Commission with audit services to investigate AEP Ohio's alleged double recovery of certain capacity-related costs, and to recommend to the Commission a course of action based on the auditor's findings, the Commission directs Staff to issue the RFP attached to this Entry.
- (6) All proposals submitted pursuant to the RFP are due by May 9, 2014. 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 May 21, 2014.

- (7) AEP Ohio shall directly contract with, and bear the cost of, the auditor chosen by the Commission for the services solicited in the RFP.
- (8) The Commission shall select and solely direct the work of the auditor. Staff will review and approve payment invoices submitted by the auditor.
- (9) 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 these proceedings. 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 report.
- (10) The auditor 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. 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 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.
- (12) Upon request of the auditor 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 documents or information should be deemed as such. In no event, however, shall AEP Ohio refuse or delay in providing such documents or information.
- (13) On April 4, 2014, the Ohio Energy Group (OEG) and the Office of the Ohio Consumers' Counsel (OCC) filed a joint motion requesting that the Commission hold a procedural conference and establish an expedited schedule for the audit addressing the double-recovery allegations. OEG and OCC state that the purpose of the procedural conference would be to provide the parties with information regarding the status of the supplemental RFP. In light of our issuance of this Entry, we find that the joint motion should be denied as moot.

It is, therefore,

ORDERED, That Staff issue the RFP attached to this Entry and that May 9, 2014, be set as the due date for proposals in response to the RFP. It is, further,

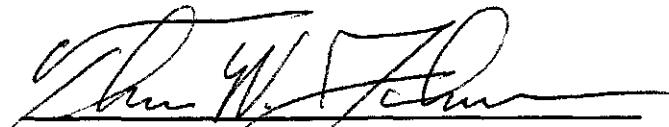
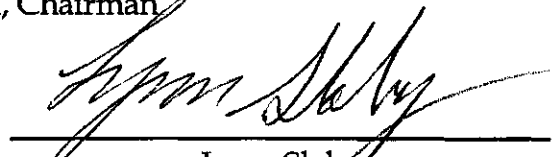
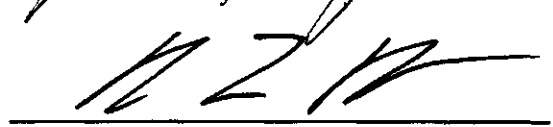
ORDERED, That, in accordance with finding (7), AEP Ohio bear the cost of the audit services of the contractor chosen by the Commission. It is, further,

ORDERED, That AEP Ohio and the contractor shall observe the requirements set forth herein. It is, further,

ORDERED, That the joint motion for procedural conference filed by OEG and OCC be denied as moot. It is, further,

ORDERED, That a copy of this Entry be served upon all parties of record.

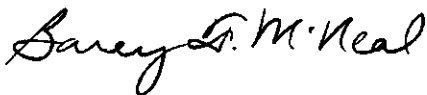
THE PUBLIC UTILITIES COMMISSION OF OHIO


Thomas W. Johnson, Chairman
Steven D. Lesser
Lynn Slaby
M. Beth Trombold
Asim Z. Haque

HW/js

Entered in the Journal

APR 16 2014



Barcy F. McNeal
Secretary

REQUEST FOR PROPOSAL NO. EE14-CCRR-1

**A REVIEW OF CAPACITY COST RECOVERY MECHANISMS OF
OHIO POWER COMPANY**

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

PROPOSAL DUE: MAY 9, 2014

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I. INTRODUCTION

Ohio Power (OP) and its sister company, Columbus Southern Power (CSP), have historically self-supplied generation service to their jurisdictional customers primarily through generation obtained from company-owned power plants as supplemented with purchased power. CSP's purchased power purchases include load procured from affiliates, Lawrenceburg Generating Station and Ohio Valley Electric Corporation (OVEC). Ohio Power also receives purchased power from OVEC. On December 30, 2011, OP and CSP merged, with OP being the surviving entity. As provided under OP's ESP order (ESP II), issued on August 8, 2012 in Case No. 11-346-EL-SSO, *et al*, OP was required to procure a portion of its SSO load through a competitive bid process. By the end of ESP II, OP is required to procure 100% of its SSO load, including energy and capacity, through a competitive bid process.

On December 21, 2012, the Commission opened Case No. 12-3254-EL-UNC to develop the parameters and details for the competitive bid process (CBP). During the proceeding, allegations were raised that OP was double recovering its capacity costs as it related to purchased power procured from Lawrenceburg and OVEC. The crux of the argument is that the capacity portion of these purchases is recovered through both the Fuel Adjustment Clause (FAC) and through the state compensation mechanism (established in Case 10-2929-EL-UNC). In a Concurring Opinion to the Commission's November 13, 2013 Opinion and Order in the CBP case, Commissioners Lesser and Trombold believed the issue required further investigation, and that the investigation should take place within the context of OP's next fuel audit. Subsequently, on December 4, 2013, in Case No. 11-5906-EL-FAC, *et al*. (FAC Audit Case), the Commission directed Energy Ventures Analysis, Inc., among other duties, to investigate and report its findings on the double recovery of capacity costs issue. Ohio Power filed an Application for Rehearing in the FAC Audit Case, arguing the FAC case was not the appropriate forum to investigate the issue, and positing that it was inappropriate for EVA, from a conflict of interest perspective, to perform the investigation inasmuch as EVA had testified on behalf of Staff in Case No. 10-2929-EL-UNC, where Ohio Power's state compensation mechanism was established. The Commission, on rehearing in the FAC Audit Case, found no merit in Ohio Power's arguments; nevertheless, the Commission determined, to avoid even the appearance of conflict of interest, that a different auditor be retained for purposes of investigating the double recovery issue. The purpose of this RFP is to solicit bids for audit services to investigate the double recovery of capacity costs issue described above, and to recommend to the Commission a course of action based on the auditor's findings.

II. PURPOSE

In accordance with the February 13, 2014 Entry on rehearing in the FAC Audit Case, the Commission is seeking proposals to audit Ohio Power's capacity costs recovery

mechanisms, and to determine whether or not certain of Ohio Power's capacity costs are being double recovered.

To the extent purchased power is properly included in the FAC, both capacity and energy associated with those purchases are recoverable through the FAC. In addition, capacity costs are recovered through Ohio Power's state compensation mechanism. The extent to which both mechanisms recover the same costs is unknown.

III. SCOPE OF INVESTIGATION

The auditor's investigation shall determine whether Ohio Power is double-recovering capacity costs, as it relates to power purchased from OVEC and the Lawrenceburg Generating Station. Pursuant to the Entry on Rehearing in the FAC Audit Case, the Commission determined the capacity double-recovery review should take place within the context of the FAC audit case. The Commission also determined that the scope of the review cover the same years as the FAC audits, namely 2012, 2013, and 2014. Thus, the auditor would be required to investigate historical cost recovery as well current cost recovery. The audit shall include but not be limited to:

A. General Project Requirements

The auditor selected shall, at a minimum:

- Review the Orders and relevant documents in case No. 10-2929-EL-UNC where AEP's state compensation mechanism for capacity was established.
- Review the Orders and relevant documents in Case No. 11-5906-EL-FAC, et al, where quarterly FAC rates and supporting workpapers for the FAC are filed and where the Commission ordered the capacity double recovery review take place.
- Review the orders and relevant documents in Case No. 12-3254-EL-UNC where the double recovery issue was first broached and where the FAC was unbundled into fixed (capacity-related) and variable (fuel and fuel-related) energy components.
- Review the Orders and relevant documents in Case No. 11-346-EL-SSO, et al, where Ohio Power's Electric Security Plan was established
- Issue data requests and interview company personnel, as necessary, to establish a factual basis upon which findings may be based.
- Be familiar with capacity costs, utility accounting, utility auditing, the regulatory process, and utility rate development concepts.
- Prepare a report describing its investigation, findings, conclusions and recommendations. The report should be supported by documented discovery or analysis.

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 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. Commission Staff Supervision

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 Staff no less than once a week through the duration of the audit. These meetings may occur via telephone.

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 | May 9, 2014 |
| Award audit (Commission Order) | May 21, 2014 |
| Audit Conducted | June 1, 2014 through August 15, 2014 |
| Draft audit report presented to Staff | August 15, 2014 |
| Final audit report filed with Commission | August 29, 2014 |

V. DEADLINES AND DELIVERABLES

A. Availability Of Documents

The Companies shall provide any and all documents or information requested by the auditor selected and 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.

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, 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 Section 4901-1-07, Ohio Administrative Code. 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. 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 Staff.

After approval of the invoice by the Staff, the Companies will be authorized to make 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 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 requested by Staff, this interim report may be made verbally.

D. Draft Report

Four copies of a draft of the final audit report shall be sent to Staff at least ten days prior to the due date of the final audit report.

E. Final Report

Ten copies 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. Along with the paper copies of the audit report, the auditor shall submit to Staff a computer diskette 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 deliver to 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 Applicant'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, 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 similarly accessible method) for issuing information requests and recording responses.

G. Production Of Documents

At any time, upon request of the Commission or 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 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 the individual to contact if further information is desired;
- B. An indication of how the bidder plans to incorporate 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 – non"/ (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 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:
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 or ongoing contracts or agreements with the Companies and affiliates may, at the discretion of the Commission, be disqualified by reason of possible conflict of interest. In the proposal, such contracts should be described in sufficient detail that the Commission 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, state – 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 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 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, 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 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 May 9, 2014. The proposal should be sent in a sealed package, clearly marked and addressed to:

Hilde Williamson
Response to RFP NO. EE14-CCRR-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 hilde.williamson@puc.state.oh.us. Such electronic copy shall not fulfill the requirement for submitting paper responses.

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

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

E. Contractor Requirements And Minority Participation

The Commission, 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:

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 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 the delay due to mishandling at the Commission. Only an appropriate date or item 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 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 Commission’s Media Office.

K. RFP Website

All firms wishing to remain on the Commission’s bidder list must subscribe to the Commission 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.

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’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 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 Hisham Choueiki at 614-466-1849. Administrative questions should be directed to Hilde Williamson at 614-466-4687.