

## THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE 2017 REVIEW OF THE  
DELIVERY CAPITAL RECOVERY RIDER OF  
OHIO EDISON COMPANY, THE CLEVELAND  
ELECTRIC ILLUMINATING COMPANY, AND  
THE TOLEDO EDISON COMPANY.

CASE NO. 17-2009-EL-RDR

### ENTRY

Entered in the Journal on November 1, 2017

#### I. SUMMARY

{¶ 1} The Commission directs Staff to issue the request for proposal for audit services to assist the Commission with the 2017 annual audit of FirstEnergy's delivery capital recovery rider costs.

#### II. DISCUSSION

{¶ 2} Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy) are electric distribution utilities (EDUs) 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.

{¶ 3} On August 25, 2010, the Commission issued an Opinion and Order (Order) approving FirstEnergy's second electric security plan. In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Establish a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan, Case No. 10-388-EL-SSO, Opinion and Order (Aug. 25, 2010) (ESP II Case). In that Order, the Commission approved a joint stipulation, as modified, authorizing FirstEnergy to establish a delivery capital recovery rider (Rider DCR) effective January 1, 2012. Additionally, under the terms of the stipulation, FirstEnergy agreed to submit to an annual audit review process of Rider DCR. Thereafter, on July 18, 2012, in Case No. 12-1230-EL-SSO, the Commission issued an Order approving a joint stipulation extending, with modification, the terms of the joint stipulation approved by the Commission in the ESP II Case. In re Ohio Edison Co., The Cleveland Elec.

Illum. Co., and the Toledo Edison Co. for Authority to Provide for a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan, Case No. 12-1230-EL-SSO, Opinion and Order (July 18, 2012) (ESP III Case). Thereafter, by Order issued on March 31, 2016, in Case No. 14-1297-EL-SSO, the Commission approved an extension, with modification, of FirstEnergy's DCR Rider. In re Ohio Edison Co., The Cleveland Elec. Illum. Co., and the Toledo Edison Co. for Authority to Provide for a Std. Serv. Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Elec. Security Plan, Case No. 14-1297-EL-SSO, Opinion and Order (Mar. 31, 2016) (ESP IV Case).

{¶ 4} In the *ESP IV Case* Opinion and Order, the Commission ordered annual audits of Rider DCR. Accordingly, the Commission directs Staff to issue the request for proposal (RFP) for audit services attached to this entry.

{¶ 5} All proposals submitted pursuant to the request for proposal are due by November 24, 2017. 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 6, 2017.

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

{¶ 7} 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.

{¶ 8} 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.

{¶ 9} 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.

{¶ 10} 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.

{¶ 11} 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

{¶ 12} It is, therefore,

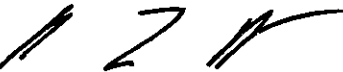
{¶ 13} ORDERED, That Staff issue the RFP attached to this Entry and that November 24, 2017, be set as the due date for proposals in response to the RFP. It is, further,

{¶ 14} ORDERED, That, in accordance with Paragraph (5), FirstEnergy bear the cost of the audit services of the contractor chosen by the Commission. It is, further,

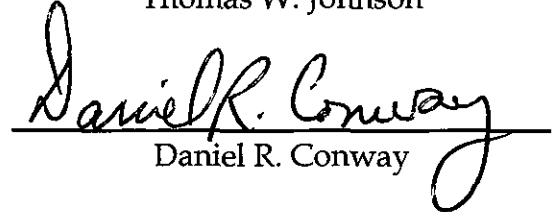
{¶ 15} ORDERED, That FirstEnergy and the contractor shall observe the requirements set forth herein. It is, further,

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

#### THE PUBLIC UTILITIES COMMISSION OF OHIO



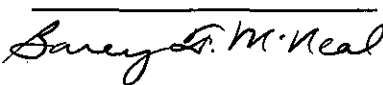
Asim Z. Haque, Chairman

  
M. Beth Trombold  
Thomas W. Johnson  
Lawrence K. Friedeman  
Daniel R. Conway

SEC/sc

Entered in the Journal

NOV - 1 2017

  
Barcy F. McNeal  
Secretary

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REQUEST FOR PROPOSAL NO. RA17-CA-4

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A COMPLIANCE AUDIT  
OF THE DELIVERY CAPITAL RECOVERY  
RIDER OF  
OHIO EDISON COMPANY,  
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY,  
AND THE TOLEDO EDISON COMPANY

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

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PROPOSAL DUE: NOVEMBER 24, 2017

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## **I. INTRODUCTION**

Ohio's electric law, Senate Bill 221, requires electric utilities to provide consumers with a standard service offer, consisting of either a market rate offer (MRO) or an electric security plan (ESP). Section 4928.142, Revised Code. Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively FirstEnergy or the Companies) filed an application for approval of an ESP on March 23, 2010. An original Stipulation and two supplemental Stipulations (collectively, the Combined Stipulation) were entered into by a majority of the parties, and after a hearing, the Public Utilities Commission of Ohio (Commission) issued an Opinion and Order approving the Combined Stipulation in its entirety. As part of its Opinion and Order, the Commission approved the establishment of the Delivery Capital Recovery Rider (Rider DCR), effective January 1, 2012, to be updated and reconciled quarterly. The Opinion and Order allowed the Companies the opportunity to recover property taxes, Commercial Activity Tax, and associated income taxes and earn a return on and of plant-in-service associated with distribution, subtransmission, and general and intangible plant, including allocated general plant from FirstEnergy Service Company, which was not included in the rate base determined in the Opinion and Order of January 21, 2009, in Case No. 07-551-EL-AIR. Under the agreement, FirstEnergy agreed to submit to an annual audit review of its Rider DCR for the purpose of determining accuracy and reasonableness of the amounts for which recovery is sought. Such audit shall be conducted by an independent third party auditor or the Commission's Staff (Staff) at the Commission's discretion. On August 4, 2014, FirstEnergy filed an application for its current ESP. The Commission approved the application, with modifications, on March 31, 2016, in Case No. 14-1297-EL-SSO and reaffirmed on October 12, 2016 in its Fifth Entry on Rehearing.

## **II. PURPOSE**

In accordance with the Commission's Order in Case No. 14-1297-EL-SSO, the Commission is seeking proposals to audit and attest to the accuracy and reasonableness of FirstEnergy's compliance with its Commission-approved Rider DCR with regard to the return earned on plant-in-service since the Companies' last Rider DCR Compliance Audit. Capital additions recovered through Riders LEX, EDR, and AMI, or any other subsequent rider authorized by the Commission to recover delivery-related capital additions, will be identified and excluded from Rider DCR. The auditor's review shall also include an identification, quantification, and explanation of any significant net plant increase within individual accounts. Further, the auditor shall assess the substantive implementation of the provisions contained within the Joint Stipulation and Recommendation filed in Case No. 14-1929-EL-RDR.

The auditor shall be familiar with and comply with all:

- Generally accepted accounting principles (GAAP).
- Federal Energy Regulatory Commission (FERC) Uniform System of Accounts.
- Various accounting and tax changes or decisions issued during calendar year 2016.

### III. SCOPE OF INVESTIGATION

The auditor's investigation shall determine if FirstEnergy has implemented its Commission-approved DCR Rider and is in compliance with the Combined Stipulation agreement set forth in *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan*, Case No. 14-1297-EL-SSO, et al., Opinion and Order (Case No. 14-1297). The audit shall include but not be limited to:

#### A. General Project Requirements

The auditor selected shall:

- Review Cases 10-388-EL-SSO, 12-1230-EL-SSO and 14-1297-EL-SSO and related stipulation agreements.
- Review Cases 11-5428-EL-RDR, 12-2855-EL-RDR, 13-2100-EL-RDR, 14-1929-EL-RDR, 15-1739-EL-RDR and 16-2041-EL-RDR Compliance Audit of the Delivery Capital Recovery (DCR) Rider.
- Read all applicable testimony and work papers.
- Obtain and review all additions, retirements, transfers, and adjustments to current date value of plant-in-service that have occurred for the actual year ended November 30, 2017. This will be included in the December 31, 2017, quarterly filing. An effort shall be made to include within the review plant balances as of December 31, 2017.
- Obtain and review all appropriate documentation relating to the Companies' compliance with the Commission-approved DCR Rider.
- Obtain and review all appropriate documentation relating to compliance with Finding (22) in the Commission's Finding and Order in Case Nos. 11-5428-EL-RDR, 12-2855-EL-RDR, 13-2100-EL-RDR and contained in the Stipulation in Case Number 14-1929-EL-RDR. The audit shall also review all appropriate documentation relating to the issues identified in the Auditor's Reports in Case Numbers 15-1739-EL-RDR and 16-2041-EL-RDR to determine if the issues raised have been addressed pursuant to the Auditor's recommendation, and if not, the impact of the Companies not addressing the identified concerns.



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	November 24, 2017
Award audit (Commission Order)	December 6, 2017
Audit Conducted	December 6, 2017 thru April 21, 2018
Draft audit report presented to Staff	April 12, 2018
Final audit report filed with Commission	April 21, 2018

#### **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 the auditor may disclose or otherwise make use of such documents or information for any purpose, unless the Companies move the Commission for a protective order pertaining to such documents or information within the three-day notice period.

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

##### **B. Fiscal Reports**

The auditor will submit invoices when work is 50 percent complete and when work is 100 percent complete, unless more frequent intervals are 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, 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

Two 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. The report may be sent electronically if agreed to, in prior, by Staff.

E. Final Report

One copy of the final audit report plus one reproducible original shall be docketed with 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 docketed report, the auditor shall deliver to Staff one hard copy of the audit report, and shall submit to Staff a computer 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 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. The auditor may use its own system, provided Staff has full access to all data requests and responses and is able to store the requests and responses in Microsoft Outlook. All text documents should be word searchable and all data and formulas in Excel spreadsheets shall be fully disclosed and accessible.

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 – 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 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 every contract 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



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 at the following address no later than 5:00 p.m. on November 24, 2017. The proposal should be sent in a sealed container, clearly marked and addressed to:

Doris McCarter  
Response to RFP NO. RA17-CA-4  
The Public Utilities Commission of Ohio  
3<sup>rd</sup> Floor, 180 East Broad Street  
Columbus, OH 43215-3793

An electronic copy may also be sent to [doris.mccarter@puco.ohio.gov](mailto:doris.mccarter@puco.ohio.gov). 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

Three 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 Doris McCarter at 614-995-0137. Administrative questions should be directed to Hilde Williamson at 614-466-4687.