

**Proposal to Perform an Audit of Federal
Environmental Adjustment Clause
Filings of Southwestern Electric Power
Company for Period of January 2018
through December 2019**

**Response to RFP No. 20-04
Docket No. X-35508**

April 2, 2020



Vantage Energy Consulting, LLC

Management Consulting and Energy Services

April 2, 2020

Jessica Aucoi
Louisiana Public Service Commission
Office of Executive Counsel
602 North Fifth St. (Galvez Building) (70802)
PO Box 91154
Baton Rouge, Louisiana 70821-9154

Dear Jessica Aucoin

Vantage Energy Consulting LLC, (Vantage) is pleased to respond to your request to perform an Audit of Federal Environmental Adjustment Clause Filings of Southwestern Electric Power Company (SWEPCO) for the 24 month period of January 2018 through December 2019. Vantage has extensive, current experience in audits of this type. This proposal will demonstrate those skills and provide a work plan for all aspects of the project and a budget that is based on our breadth of experience.

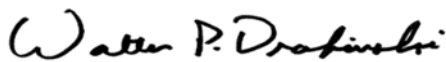
In preparing our Proposal, we wish to emphasize our willingness to work with Louisiana Public Service Commission (LPSC) and the Staff to reach the required results in an efficient, cost effective and non-intrusive manner. Our firm is staffed by professional consultants who have conducted similar assignments with great success. Our contact information is:

Vantage Energy Consulting LLC
20844 4th Ave. West.
Cudjoe Key, FL 33042
Tel.: 305-744-3440; Fax: 305-744-3450; Cell: 305-394-0784
E-mail: wdrabinski@vantageenergyconsulting.com
Web Site: www.vantageenergyconsulting.com

All the information in this proposal is accurate. Further, Vantage is committed and able to perform all the work contained in the proposal. Vantage is in compliance with all RFP requirements, and the proposal is valid for 180 days from April 2, 2020.

Please note, Vantage is Nationally Certified by the Women's Business Enterprise National Council (WBENC), and State Certified by New York and Florida as a Women's Business Enterprise (WBE).

Sincerely,



Walter P. Drabinski,
President and Primary Contact



Jean A. Gormley, CEO





JOIN FORCES. SUCCEED TOGETHER.
hereby grants

National Women's Business Enterprise Certification

to

Vantage Energy Consulting LLC

who has successfully met WBENC's standards as a Women's Business Enterprise (WBE).
This certification affirms the business is woman-owned, operated and controlled and is valid through the date herein.

WBENC National WBE Certification was processed and validated by Women's Business Enterprise Council Florida, a WBENC Regional Partner Organization.

Certification Granted: March 26, 2020
Expiration Date: March 26, 2021
WBENC National Certification Number: WBE2000699

Authorized by Nancy Allen, President & CEO
Women's Business Enterprise Council Florida



NAICS: 541618, 541620, 541690
UNSPSC: 80101500, 81101516, 83100000



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I. PROPOSAL SUMMARY

A. VANTAGE INTRODUCTION

Vantage Energy Consulting LLC, (Vantage) is pleased to respond to your request to audit Federal Environmental Adjustment Clause Filings of Southwestern Electric Power Company for the period of January 2018 through December 2019. This proposal will demonstrate that Vantage is the most qualified of all respondents. We thoroughly understand the issues and needs of this audit, we have developed a work plan that addresses these needs, with well-defined tasks and have proposed a project team with superior qualifications. Vantage has extensive experience working with utilities, State Regulators, the EPA and FERC on environmental laws and filing requirements. Most importantly, we personally commit to providing the best work product possible and meeting all of your expectations. Our experience mirrors the requirements of the RFP and includes:

- Broad experience participating in public utility regulation and other regulatory issues. This includes work with almost every state, FERC, the SEC, the US House of Representatives and other regulatory groups.
- Experience on a number of projects in which we acted in concert with Commissions related to administrative and judicial levels. This included acting as an extension of staff or as an independent lateral regulatory representative.
- In depth experience at judicial levels, including the presentation of direct testimony or report and recommendations, assistance in developing cross examination of adverse witnesses, and the analysis of comments and exceptions to proposed recommendations.
- Vantage has been called upon for assistance on very complicated projects that require close and intense work with all stakeholders to develop an appropriate work plan and work effort.
- Over 150 instances in which we prepared and provided direct testimony, regulatory reports and, assistance with preparation of regulatory documents.
- Our leads have worked closely assisting in developing cross examination in complex and controversial cases.
- We note that Vantage has a deep bench, with over twenty seasoned consultants who are available to assist. More importantly, many of our consultants have worked with us for over twenty-five years.
- Vantage has been intricately involved in cases involving public utility regulation, or other regulatory issues on administrative and judicial levels. This includes, in direct testimony or report and recommendations on over 150 occasions.
- Vantage has worked with Commission staff and legal teams in developing cross examination of adverse witnesses, reviews and responses to direct, rebuttal and



sur rebuttal testimony. Many of these cases have involved complex cases, publications, educational achievement, and other previous employment suggesting competence in regulatory matters involving the above areas; significant personal experiences before regulatory agencies such as the SEC, FERC, FCC, or other similar entities may be a favorable factor. Firm size may be considered in matters likely to be prolonged, complex, or involving multiple forums.

Vantage will 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. Vantage will execute its duties pursuant to all Commission's statutory authority to investigate and acquire records, contracts, reports, and other documentation.

Vantage has served utilities, regulatory agencies and other energy-related organizations for over twenty-five years, including the LPSC in the past. In preparing this proposal, we will attempt to be complete and well organized in order that the Staff can readily understand our approach, related experience, and most importantly, the qualifications of our proposed project team.

The focus of Vantage has been the utility industry including companies and regulators. Vantage has performed over one hundred and fifty separate assignments. A summary of the number of different assignments performed by key Vantage consultants is included in the list below.

- 30 comprehensive and focused management audits;
- 29 fuel audits;
- 9 environmental compliance plans;
- 12 attestation reviews of utility program expenditures;
- 8 prudence reviews of large capital projects;
- 27 affiliate audits;
- monitored POLR auctions 32 times;
- testified before regulatory bodies approximately 150 times; and
- provided direct consulting advice to approximately 37 utilities or large utility related companies.

ⁱ Mr. Drabinski once testified for 11 consecutive days in restructuring hearings in New Jersey that impacted over \$10 billion in utility assets.



B. THE VANTAGE TEAM

In presenting our proposal, we first introduce our team and then our relevant experience for this assignment. We do this because, it is ultimately the team and experience it has that helps predict a successful engagement.

Our broad level of experience demonstrates the fair and balanced approach we have delivered in regulatory matters. We can bring to projects individuals with extensive experience as regulators; individuals with extensive experience as utility managers; and individuals with extensive experience in the restructuring of electric markets. Equally important, we bring a strong team approach in which we work closely with regulatory staff personnel. We stress team communication, no surprises and a healthy respect for the opinions of all parties. The table below introduces our team. Detailed resumes are provided in Chapter V of this proposal.

Consultant Name	Project Role
Walter P. Drabinski, BSEE, MBA	Project Director (Vantage) – Ten years’ experience with a utility, over 25 years as a management consultant in the utility industry. Specializes in affiliate, financial, fuel, and management audits, M&A support, prudence reviews, and regulatory strategy. Has managed over 100 consulting projects.
Linda Trifone, BS Accounting CPA	Senior Accountant - Extensive auditing, consulting and accounting experience with BIG 4 and top “12” public accounting firms. She is both a CPA and Certified Fraud Examiner.
Mark Fowler, BS Operations Research, MBA Management	Senior Consultant – Broad experience in the energy industry. Has a comprehensive grasp of industry issues, such as electric and gas procurement and operations, distributed generation, combined heat & power (CHP), alternative energy, carbon constraints, power supply costs, transmission, deregulation, energy tariffs and legislative policy. Career experience includes implementation roughly \$3 Billion in utility and renewable energy projects.
Scott Everngam BSEE, MAS	Senior Consultant - Mr. Everngam has 16 years of federal and state-level regulatory experience of the energy industry and 15 years of experience as a buy-side investment equity



	<p>analyst. His energy consulting focuses on federal policy, financial regulatory issues such as cost of capital issues related to the return on equity (ROE), capacity markets, and energy market financial derivatives. Mr. Everngam specialized in analyzing the wholesale energy and capacity electric markets of PJM. He has extensive expertise in energy regulatory issues of relevance to the investment community such as the determination of the authorized ROE for electric utilities and midstream natural gas & oil pipelines.</p>
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C. FIRM DESCRIPTION

This section describes Vantage Energy Consulting, LLC, the firm, project organization, and the experience and qualifications of the team proposed to assist the Public Utilities Commission of Ohio on this assignment.

Please note, Vantage is Nationally Certified by the Women’s Business Enterprise National Council (WBENC), and State Certified by New York and Florida as a Women’s Business Enterprise (WBE).

VANTAGE ENERGY CONSULTING, LLC (VANTAGE)

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Web Site: www.vantageenergyconsulting.com
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Federal Tax ID #: 27-2585037

Vantage is a management consulting firm headquartered in Cudjoe Key, Florida with consultant offices located in Fort Thomas, KY, Ennis, MT, Dunkirk, NY and Atlanta, GA. Vantage consultants possess a broad background in all business and operational aspects of electric, gas, and water utilities.

The Vantage team consists of highly experienced, trained consultants, covering virtually all functional work areas within a utility company. Vantage is staffed by a total of 12 full-time and contract consultants and administrative staff. These consultants have a diverse set of backgrounds, including engineering, accounting, economics, finance, chemistry, and psychology. Vantage provides a broad range of consulting services to investor-owned utilities, independent power producers, regulatory agencies, state planning and environmental agencies, and law firms.



Over the years, government agencies have turned to Vantage when they needed the best firm for critical projects such as this. The information below demonstrates our expertise, our experience on high profile projects, and our experience working with the PUCO.

D. RELEVANT ASSIGNMENTS

- **Southern California Edison’s Reliability Investment Incentive Mechanism (RIIM) Program** – this audit evaluated the prudence of almost \$2 billion in distribution system expenditures dedicated to reliability and increases in utility maintenance staffing. This was a unique project because it approached reliability from an investment standpoint rather than performance measures only. Activities included in the audit included reviews of capital projects for T&D, determination of projects that were reliability related, a review of SAIDI and SAIFI statistics and impacts due to improvement program and assessment of agreed to staffing requirements. Our analysis determined whether the project complied with regulatory orders and statewide standards.
- **PSE&G** – Performed an audit of the Company’s Unbundling, Stranded Cost, and Restructuring plans and testimony. On this assignment, under the auspices of the New Jersey Board of Public Utilities, Vantage was the lead firm for a consortium of five consulting firms that addressed numerous critical and cutting edge issues. These included areas such as reconciliation of the regulatory and FERC books, development of cost of service studies, assessment of capital additions proposed for stranded cost recovery, calculation of market prices for energy and capacity, calculation of stranded costs associated with nuclear, fossil and non-utility generation, assessment of securitization as a mitigation option, and development of a comprehensive model that determined the possible rate reduction that could be achieved.
- **SDG&E, PG&E, SCE, and SCG** – Performed an audit of DSM administrative costs for each utility. Our analysis compared actual costs to those originally proposed and projected versus actual results. Conducted for the CPUC, this assignment took place during the period where working groups were assessing issues such as access to utility information and the future of DSM. Vantage provided feedback to a number of working groups on the effectiveness of programs and the needs of energy service companies.
- **Kansas City Power & Light Iatan 1&2** - At the request of the Kansas Corporation Commission (KCC) Staff, Vantage provided oversight of the \$500 million installation of an Air Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Our team reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and other key attributes associated with a mega-project. Provided regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.



- **Kentucky Environmental Cost Recovery Hearings** - Vantage has provided a broad range of audit and regulatory support related to electric utility generating resource Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. Vantage reviewed testimony and assisted in rate cases related Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. On this assignment, Vantage consultants acted as an extension of staff in four separate cases. The ECR permits recovery of environmental costs through a separate surcharge after a formal proceeding. Vantage reviewed applications, submitted and reviewed interrogatories, prepared summaries for and briefed the Commissioners and Staff, assisted in hearings and helped draft the final orders. In total almost \$5 billion in ECR projects were awarded. Upon completion of the proceedings, Vantage was retained for five years to monitor construction and cost expenditures on all Kentucky Utilities and Louisville Gas & Electric Projects.
- **Audit of Long Island Power Authority - Emergency Preparedness and Storm Restoration** - This comprehensive assessment was conducted at the request of the Governor of New York, even though LIPA is not regulated by the DPS. The project addressed all aspects of emergency response planning, preparedness and training, emergency response execution, communications with state and local governments, media and customers concerning storm damage, restoration priorities and restoration timetables, coordination of emergency response efforts with state and local governments, securing and managing outside work crews, and tree trimming and vegetation management policies and practices.
- **Virgin Islands Water & Power Authority Management Audit** - With the Company on the verge of financial collapse, the Board of Directors and Public Service Commission selected Vantage to assess the company's operations and propose long term solutions. The result was a replacement of senior management; a decision by the Board, PSC and Government to completely replace the generating fleet; downsize the staff by a significant amount; and to change a number of key regulatory policies.
- **Indiana Power & Light** - Vantage acted as the evaluator, at the request of the Indiana Utility Regulatory Commission, for a three-year program in which customer service and distribution system reliability are being monitored with penalties for missing targets. A major element of this program was enhanced vegetation control.
- **Consolidated Edison Company** - Performed an audit of emergency restoration and outage planning capabilities for the New York PSC. Audit followed a number of large and highly public outages. Major recommendations were made to develop new strategies and programs for addressing reliability and outage response.
- **Duquesne Light Company** - Vantage conducted a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Mr. Drabinski was also the Lead Consultant in the review of executive management, strategic planning, affiliated relations, and financial management.
- **East Kentucky Power Cooperative** - Performed a comprehensive review of all fuel procurement and fuel utilization activities for the Board of Directors. Visited all



- power plants, coal tipples, and a sampling of mines. Recommendations addressed a broad range of strategic and operational issues.
- **Westar/KCP&L Merger - System Analysis and Expert Witness** - Vantage performed an assessment of the Westar and KCP&L generation plans, system reliability, customer service and merger savings related to the proposed merger of Westar and KCP&L. Walt Drabinski testified in February 2017 on the above topics.
 - **Duquesne Light Company** – Vantage conducted a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Mr. Drabinski was also the Lead Consultant in the review of executive management, strategic planning, affiliated relations, and financial management.
 - **East Kentucky Power Cooperative** – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the Board of Directors. Visited all power plants, coal tipples, and a sampling of mines. Recommendations addressed a broad range of strategic and operational issues.
 - **Public Service Enterprise Group and Public Service Electric & Gas Company Affiliate Compliance Audit** - Performed a comprehensive review of affiliate compliance plans as implemented in accordance with deregulation requirements in New Jersey on behalf of the New Jersey Board of Public Utilities.
 - **Commonwealth Edison Company** – Vantage was retained by the Illinois Commerce Commission to investigate outages suffered in downtown Chicago during the summer of 1999. The assessment provided a comprehensive analysis of eight separate outages, with details of causes and recommendations for improvement.
 - **Seattle City Light** - Vantage conducted a controversial audit of Seattle City Light’s financial, risk management and governance structure. Serious issues regarding debt, O&M and Capital expenditures were raised. Major recommendations on risk management were developed.
 - **Kentucky Utilities Company** – Vantage conducted a comprehensive management and operations review for the Kentucky Public Service Commission. Acted as Lead Consultant in the areas of power production, fuel procurement, transmission operations, and engineering and construction. Provided numerous recommendations to improve competitiveness of this already low-cost utility. Met with the leadership of the State House of Representatives and Senate to discuss utility competition and industry restructuring.
 - **Entergy Corporation, Affiliate Compliance Audit - Securities Exchange Commission (SEC)** required an in-depth audit of the methods and fairness of Entergy’s affiliate transaction methods, policies and cost sharing as a result of a federal investigation. Vantage was selected to perform this extensive, multi-state assignment. Focused review of all affiliated transactions. Conducted as part of SEC settlement for regulators from Louisiana, Texas, Arkansas, Mississippi, and the City of New Orleans. All aspects of affiliate rules, compliance reporting, separation, and transaction analysis and allocation methods were reviewed.

- **Duke- North Carolina – Audit of affiliate controls and merger conditions after merger with Progress Energy** - The merger between Duke and Progress Energy was one of the largest utility mergers ever in the US. Vantage was selected to audit the fifty-plus merger conditions required, as well as the transition to a new regulatory and affiliate control system.
- **Duke Energy Indiana Affiliate Compliance Audit** - Vantage conducted this affiliate compliance audit of the Indiana subsidiary.
- **Duke Energy Kentucky Affiliate Compliance Audit** - Vantage conducted this affiliate compliance audit.
- **Duke Energy Ohio Affiliate Compliance Audit** - Vantage conducted this affiliate compliance audit.
- **Pacific Gas & Electric Co. Affiliate Compliance Audit** - Performed a series of five comprehensive, annual reviews of affiliate compliance and implementation of affiliate rules for 2001-2005 audit periods in accordance with California Public Utilities Commission (CPUC) requirements. Each review resulted in a final report that was presented to management for action and the CPUC for review. Copies are posted on the Vantage web site.
- **SEMPRA Energy, Affiliate Compliance Audit** - Performed a series of three comprehensive annual reviews of affiliate compliance and implementation of affiliate rules for 1998-2000 period in accordance with CPUC requirements. Each review resulted in a final report that was presented to management for action and the CPUC for review.
- **Public Service Enterprise Group and Public Service Electric & Gas Company Affiliate Compliance Audit** - Performed a comprehensive review of affiliate compliance plans as implemented in accordance with deregulation requirements in New Jersey on behalf of the New Jersey Board of Public Utilities.
- **Louisville Gas and Electric – KU Merger** - Assisted in developing merger conditions and related affiliate compliance rules associated with the merger of Louisville Gas & Electric Company (LG&E) and Kentucky Utilities.
- **DQE Corporation** - Assisted in developing affiliate rules, allocation formulas and general corporate governance policies for corporate parent and all affiliates.
- **Dayton Power & Light** - Performed a comprehensive review of all fuel procurement and fuel utilization activities for the PUCO. Visited power plants, coal lab, and other fuel and operations related departments. Recommendations addressed a broad range of strategic and operational issues.
- **Centerior Companies (Cleveland Electric Illuminating Company and Toledo Edison)** - Performed an audit of electric fuel procurement practices and procedures for the Public Utilities Commission of Ohio. Responsibilities included the review of fuel procurement planning, long-term contracts, and spot procurement. Made recommendations regarding coal contracts, interstate wheeling arrangements, and coal transportation costs. Testified twice regarding results of audit report.



- **New Jersey Board of Public Utilities** – Performed review of hedging practices of the four gas distribution utilities in New Jersey. Working with Pace Energy as a sub-contractor, alternate hedging strategies were developed and proposed using more advanced techniques, including options.

E. REFERENCES

KANSAS CORPORATION COMMISSION

Reference Contact

Jeff McClanahan, Executive Director
Kansas Corporation Commission
785-271-3212
j.mcclanahan@kcc.ks.gov

This reference supports both Vantage and its consultants.

System Analysis and Expert Witness re. Westar/KCP&L Merger

Vantage performed an assessment of the Westar and KCP&L generation plans, system reliability, customer service and merger savings related to the proposed merger of Westar and KCP&L. Walt Drabinski testified in February 2017 on the above topics.

Kansas City Power & Light Iatan 1&2 (2008-2012)

At the request of the Kansas Corporation Commission (KCC) Staff, provided oversight of the \$500 million installation of an Air Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and other key attributes associated with a mega-project. Provided regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.

KENTUCKY PSC

Reference Contact

Contact Person: John Rogness, Audit Manager
Tel./E-mail Address: (502) 564-7248: daryl.newby@ky.gov
Address: 211 Sower Boulevard; P. O. Box 615; Frankfort, KY 40602

This reference supports both Vantage and its consultants.



Vantage reviewed testimony and assisted in rate cases related Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. On this assignment, Vantage consultants acted as an extension of staff in four separate cases. The ECR permits recovery of environmental costs through a separate surcharge after a formal proceeding. Vantage reviewed applications, submitted and reviewed interrogatories, prepared summaries for and briefed the Commissioners and Staff, assisted in hearings and helped draft the final orders. In total almost \$5 billion in ECR projects were awarded. In addition to this assignment, Vantage has also performed management audits on Kentucky Utilities, Louisville Gas & Electric, Western Kentucky Gas, Kentucky Suburban Water Company, East Kentucky Cooperative; and Bell South.

PUBLIC STAFF - NORTH CAROLINA UTILITIES

Reference Contact

Contact Person: Kathy Fernald, Manager
Address: 4326 Mail Service Center; Raleigh, NC 27699-4326
Tel./E-mail Address: 919-733-0944; katherine.fernalld@psncuc.nc.gov

Audit of Merger Condition and Affiliate Compliance of Duke Energy and Progress Energy for the North Carolina PSC. Vantage was selected to perform a review of how well Duke Energy Carolina complied with the extensive list of merger conditions they agreed to in their merger with Progress Energy of Florida, and to conduct an affiliate compliance audit. This merger, one of the largest in history, was complex and required extensive operating, accounting and affiliate compliance changes. Our team, all of whom were on this assignment, did a comprehensive audit and made a number of recommendations to improve communications, compliance and savings. A significant amount of work was related to cost allocation of R&D, storm hardening, system upgrades, etc.



II. APPROACH AND WORK PLAN

A. PROJECT MANAGEMENT TECHNIQUES

Vantage uses several proven project management techniques that will enable us to manage this project while enhancing communications among the project team members, the Department and Company management while ensuring confidentiality of key data.

COMMUNICATION AND PROJECT MANAGEMENT

Project Director – Walter P. Drabinski will serve as the Project Director on this project and will have day-to-day responsibility for on-site activities, scheduling of interviews, field trips, submittal, review and distribution of data responses and any day to day problems that arise. He will provide direct coordination of report drafts and assure that all work steps are fully addressed. In addition to having extensive responsibility for audit activities and authorship of the report, he will be responsible for overall quality control, schedule compliance and budget adherence. He will be the primary contact for contractual communications with PUCO. He will also be responsible for facilitating resolution of any issues as they arise.

Project Administrator – Jean Gormley will handle paperwork administration, billing, transmission of data, assembling and editing of the draft report. She will also assure consistent formatting of exhibits and organization charts.

We will use several effective techniques that will enable us to manage this project while enhancing communications among the project team members and Staff.

QUALITY REVIEW

A quality work product is a team effort. The process begins with the consultants - the individuals performing the day-to-day work. They must clearly understand the requirements of their assignments, have a well-considered plan of attack, and execute their assignments effectively. While it is the Project Director's responsibility to impart initial direction and focus, direct responsibility resides with the consultant for meeting detailed objectives and deadlines.

The Project Director and team members will meet reporting standards to ensure that the written report communicates the results of the audit in a complete, accurate, objective, convincing, clear, concise, and timely manner. Reports will include:

- a statement of the audit objectives and description of the scope and methodology
- a statement of professional standards adhered to in the analysis and the report
- a listing of significant issues and questions, if any, needing further study and consideration
- a listing of findings that are prioritized, relevant and practical

- a statement as to whether any pertinent information was omitted because it was deemed privileged or confidential and a description of the nature of such information and the basis under which it was withheld

These fieldwork and reporting standards are the foundation of our Quality Assurance Program. The quality review process involves the application of these standards at several points along the critical path.

CONFIDENTIALITY AND INTERNET SECURITY

Vantage recognizes that all information collected from the work processed under this contract must be treated with care to preserve any issues of confidentiality. Vantage and all employees involved on this assignment will sign the Non-disclosure and Use of Information Agreement upon award of the project. Further, Vantage will utilize its internal controls to ensure all materials are handled in a manner that prevents inappropriate dissemination. Internal controls consist of:

The Vantage Energy Consulting network is protected by a Nord Virtual Private Network (VPN). All data traveling from our network is transferred via an encrypted connection through a VPN tunnel. That means all the traffic coming from our network is no longer visible to our Internet Service Provider (ISP). NordVPN uses **AES** (Advanced Encryption Standard) with **256 bit-keys**. Nord VPN supports both the **IKEv2/IPsec** and **OpenVPN** security protocols.

IKEv2/IPsec encrypts and secures our traffic by employing high-level cryptographic algorithms and keys. In addition to this, NordVPN utilizes NGE (Next Generation Encryption) in IKEv2/IPsec. IKEv2/IPsec security protocol provides military-grade encryption standards, stability, and high-performance speed.

OpenVPN supports a high number of strong encryption algorithms and ciphers, to guarantee the protection of our sensitive data, we use AES-256-CBC with a 2048-bit DH key.

Where required, we can enable Dedicated IP servers, Double VPN configurations, Obfuscated Servers or Point-to-Point VPN connections.

INFORMATION REQUEST MANAGEMENT SYSTEM

Throughout the course of the review, the team will submit a number of information requests. Efficiently managing outstanding information requests and those documents received are crucial to the success of the project. We use a cloud-based system designed to increase the efficiency of handling of all information requests.

After the initial submittal, information requests will be batch submitted and e-mailed to the Staff and Company Project Manager. Questions regarding definition of the requests by the Company will be facilitated by telephone discussions. In order to facilitate the timely



completion of this fixed-price project, we anticipate receiving a response to most information requests within 10 working days.

AUDIT SAMPLING

Vantage utilizes Section 350 of the Generally Accepted Auditing Standards. We refer to Wiley, 2010 Practitioner's Guide, pages 311-333, for details on both statistical and non-statistical sampling methods as applied to a performance audit of the type required for this assignment.

AUDITING STANDARDS

- Vantage utilizes all auditing standards that are appropriate on each assignment we address
- We consider this assignment to be a Performance Audit in accordance with the Generally Accepted Government Auditing Standards (GAGAS) (also known as the Yellow Book)
- Vantage also utilizes the American Institute of Certified Public Accountants' (AICPA) Code of Professional Conduct when needed
- The National Association of Regulatory Commissioners' Consultant Standards and Ethics for the Performance of Management Analysis

DEVELOPMENT OF RECOMMENDATIONS

The development of concise, useful and cost effective recommendations is the ultimate objective of a management audit. Vantage approaches the development of recommendations from two directions. First, many recommendations become obvious as field work is progressing. Our consultants become aware of problems and can develop recommendations as the project progresses. These are then part of initial task reports and the first draft of a final report. More global, comprehensive recommendations are developed after the draft report is assembled and the Project Director and Lead Consultants assimilate the entirety of the analysis. These can encompass earlier proposed recommendations or be prepared as more global in nature.

DEVELOPMENT OF COST/BENEFIT ANALYSES

Good recommendations must be sensible. The cost/benefit must be well developed and favorable. Recommendations should be reasonably achievable. They must define the responsible party and schedule for implementation. The Vantage final report will provide, not only good, sensible recommendations, but an indication of cost and benefit, where possible and details on responsibility and schedule.

REPORT DOCUMENTATION

We have extensive procedures and PC-based software systems that permit us to:

- footnote, annotate, and cross-reference the task, draft, and final testimony to our working papers and the detailed work plan, resulting in a complete documentation trail
- schedule and track interviews through a PC-based database system
- track the request and receipt of information requests through a PC-based database. Numerous summary and detailed reports permit project management and allow the client to assess company response rates

Footnotes serve as the basis for annotating our reports, which we use to identify the source of information that supports a statement of fact, finding, conclusion, or recommendation. As policy, we require that every fact, quote, result of analysis, or other statement that can be challenged be footnoted.

PROJECT DELIVERABLES

Deliverables for this project include both verbal and written updates as well as specific written report drafts, ultimately concluding with a final report. Please note, since this assignment includes an M/P, and Financial Audit as well as a Market Study, we will report separately on each issue within a single report. Specific expectations of deliverables will include:

- **Conference calls** – Vantage’s experience has found that regular conference calls provide the opportunity to discuss schedule, data request issues and overall progress.
- **Detailed Work Plan** – A detailed work plan will be developed after preliminary interviews are conducted and the first set of data requests are provided and reviewed. This work plan will provide specific details on all work steps, evaluative criteria, a revised budget (keeping within the not-to-exceed amount) and analysis.
- **Draft Report (mid project and at completion)** – An initial draft report will be provided as set forth in the schedule. It will be representative of the final report. Upon review and approval of the draft report by the Staff, it will be sent to PUCO for review of factual accuracy.
- **Final Audit Report and Testimony** - The final report and testimony to Staff will document Vantage’s evaluation of each aspect of the scope, as outlined in this RFP and the subsequent approved detailed work plan. All of our work papers will be made available. Testimony will be prepared in the format proposed by the Staff.
- **Testimony** will be provided as required by the Project Director.



B. PRELIMINARY WORK PLAN

In developing a logical set of Task Areas which permit a buildup of work steps, assignment of personnel and development of task level budgets. Our audit will include analysis, interpretation, and development of specific, well supported and quantified recommendations with respect to the Federal Environmental Adjustment Clause Filings. The FEAC audit will comply with the requirements as outlined in LPSC General Order dated July 21, 2009 ("FEAC Order").

This audit shall review, in detail, Cleco Power's monthly FEAC filings/calculations for the years 2018-2019. Our objective will be to identify any irregularities detected therein, including but not limited to, calculations, incorrectly assessed categories, and unauthorized expenses recovered via the FEAC by the company and applied to Louisiana consumer billings. Any errors in process or miscalculations will be included in the report in order to facilitate corrections.

REGULATORY COMPLIANCE

Our audit workplan and approach will rely upon direction from various accounting directives, including:

Generally Accepted Accounting Principles (GAAP) for Utilities

The GAAP is an accounting frame for proper classification and treatment of the financial transactions, i.e. transactions to be classified and recorded as assets, liabilities, revenues, costs and expenses. Its complexity in some cases allows flexibility in their interpretation. Generally, utilities' financial statements follow the GAAP requirements.

Statements of Financial Accounting Standards (SFAS) are issued by the Financial Accounting Standards Board (FASB) to recognize the effects of rate regulations on certain accounting treatments.

FERC Uniform System of Accounts.

The USOA was established by NARUC and FERC to control accounting along with IURC Orders, prescribe accounting classifications, and instructions to achieve uniform accounting records, and maintain consistent application among companies. This is the basis to be used in the financial reports.

PROJECT PLAN OF ACTION

Vantage understands that our objective is to complete a detailed audit of FEAC filings for Cleco for the years 2018-2019. In this endeavor, we will assist the Commission Staff in reviewing, analyzing, and ultimately auditing the FEAC filings for Cleco for the years 2018-2019. Vantage will perform a number of discrete tasks that ultimately lead to a report and potential



testimony. The scope of work described shall continue through the conclusion of the docket through a Commission vote. These work steps include:

- Review the FEAC filings for the two year audit period.
- Prepare or assist staff in preparing data requests.
- Review data requests and submit follow up requests as needed.
- Review accompanying workpapers associated with FEAC Filing for audit period.
- Review company's financial data for the audit period, including any notes that apply to FEAC filings.
- Review past reports, working papers and historical data from prior audits.
- Address any compliance requirements included within Orders resolving prior audits.
- Participate in status conferences, pre-trial conferences, depositions, hearing, and any informal meetings between Staff and the company.
- Prepare for filing an audit memorandum and/or pre-filed testimony in support of Staffs ultimate recommendation(s), including any exhibits supporting the same
- Prepare for filing an audit memorandum and/or pre-filed testimony in support of Staffs ultimate recommendation(s), including any exhibits supporting the same; and assist in the drafting of applicable motions, exceptions, briefing sheets and orders of the Commission.
- Participate in meetings and conference calls, conferences with the Commission and its Staff,
- Attend any Business and Executive Sessions that the Staff deems necessary.
- Testify in any proceedings.
- Prepare or assist with rebuttal testimony and the draft of any final order.
- Provide all work papers to the Staff if requested

III. BUDGET

A. HOURS, FEES AND EXPENSES

The following is the budget for our work based on the requirement for the project. The detailed work plan and budget, once completed, will provide a basis for our final budget cost distribution. The rates provided below are standard hourly rates, based on an eight-hour day and include all personnel expenses for travel and incidentals. Any testimony that follows the project will be billed at the same rates. Meal and hotel use will follow state policy.

The following table provides a summary of our fees.

Audit of Federal Environmental Adjustment Clause Filings of SWEPCO					
	Project	Senior	Support	Total	Total
	Director	Consultant	Staff	Hours	Fees
	\$250	\$230	\$75		
Audit Work	112	144	54	310	\$65,170
Project Total Hours	112	144	54	310	
Project Total Fees	\$28,000	\$33,120	\$4,050		\$65,170
Consultant Trips	2	2	0	4	
Estimated Travel Expenses					
Onsite Percentage	25%				
Hours per trip	40				
Hotel cost per trip	\$300				
Airfare per trip	\$500				
Ground Trans. per trip	\$150				
Per diem per trip	\$150				
Cost per trip	\$1,100				
Number of consultant trips	3				
Travel Expenses	\$3,300				
Total Project Cost	\$68,470				

B. INVOICING

Invoices will be submitted at 50% and 100% completion for a complete for review by the Staff. Invoice backup will include:

- a breakdown of charges by consultant and expense category;
- time reports for each consultant and staff person.



C. INSURANCE COVERAGE

Vantage carries extensive insurance coverage for assignments of this type. While we currently carry the levels shown below, we have the ability to increase our coverage to the required level and will commit to do so prior to starting work. A certificate of Insurance demonstrating coverage will be submitted upon award of the contract.

- Personal and General Liability coverage of \$1,000,000 per occurrence and \$2,000,000 per year.
- Automobile coverage of \$1,000,000 per occurrence with \$2,000,000 aggregate.
- Appropriate workers' compensation and disability insurance for all employees.

IV. RESUMES

- Walter P. Drabinski
- Linda Trifone
- Mark Fowler
- Scott Everngam



RESUME OF MR. WALTER P. DRABINSKI, BSEE, MBA

AREAS OF SPECIALIZATION

Mr. Drabinski is President of Vantage Energy Consulting LLC. He has almost 40 years of experience in the utility industry as both a utility company manager and a management consultant. His functional expertise includes all aspects of utility strategy, organization, executive and financial management, operations practices, productivity improvement, operations and maintenance, and engineering, environmental and construction management. As a utility manager, Mr. Drabinski held the positions of System Training Director, Fossil Generation; Supervisor, Electrical Maintenance; and Operations Project Engineer for Niagara Mohawk Power Corporation. As a management consulting principal, he has worked for national firms and has been President of Vantage for over 22 years. During that time, he has managed more than 125 consulting engagements, including over 75 state regulatory commissioned audits. A summary of his assignments includes:

- performed 23 comprehensive and focused management audits;
- performed 19 affiliate audits;
- performed 22 fuel audits;
- reviewed 9 environmental compliance plans;
- monitored POLAR auctions 32 times;
- performed 11 prudence reviews;
- testified before regulatory bodies approximately 90 times; and
- provided direct consulting advice to approximately 22 utilities or large utility related companies.

SELECTED CONSULTING EXPERIENCE

PSE&G – Project Manager and Lead Witness for an audit of the Company’s Unbundling, Stranded Cost, and Restructuring plans and testimony. On this assignment, under the auspices of the New Jersey Board of Public Utilities, Vantage was the lead firm for a consortium of five consulting firms that addressed numerous critical and cutting edge issues. These included areas such as reconciliation of the regulatory and FERC books, development of cost of service studies, assessment of capital additions proposed for stranded cost recovery, calculation of market prices for energy and capacity, calculation of stranded costs associated with nuclear, fossil and non-utility generation, assessment of securitization as a mitigation option, and development of a comprehensive model that determined the possible rate reduction that could be achieved.



Resume of Mr. Walter P. Drabinski

Duke Energy North Carolina – Project Director for a review of affiliated transactions associated with the Duke Energy, North merger with Progress Energy Carolina of Florida. The project addressed implementation of merger conditions, an audit of affiliate compliance rules. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed Duke Energy NC – North Carolina Utilities Commission (2014-2015)

Duke Energy Ohio – Project Director for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Philadelphia Electric Company – Lead Consultant on a retrospective investigation of the Limerick Nuclear Power Plant. Analyzed the Company's financial condition during the construction program and reviewed construction management practices on the project. Prepared testimony for prudence hearings on construction management and financial performance.

Public Service Electric & Gas Co. – Project Manager for a retrospective investigation of the Hope Creek Nuclear Plant. Prepared cost reconciliation that identified reasons for cost overruns. Reviewed construction control tools, productivity results, and analyzed productivity programs for effectiveness. Wrote testimony, answered interrogatories, and assisted in cross-examination of witnesses. Made recommendations on cost tracking systems for future construction projects.

Duke Energy Kentucky – Project Director for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Duke Energy Indiana – Project Director for a review of affiliated transactions between DEO and its affiliates, parent and other regulated subsidiaries. All aspects of compliance with the merger between Cinergy and Duke Energy were reviewed. Affiliated transactions were audited, the Cost Allocation Manual was reviewed and services provided by the Duke Service Company were addressed.

Louisville Gas & Electric – Project Manager for a comprehensive management and operations review for the Kentucky Public Service Commission. A key element of this audit was the analysis of the Energy Services Company of LG&E Energy, a holding company which was the organizational entity responsible for all regulated generation and non-regulated generation, power marketing, and natural gas transmission activities. This included a special review of affiliated transactions. Acted as Lead Consultant in the areas of power production, fuel procurement, Affiliated Review, Clean Air Act compliance, Energy

Resume of Mr. Walter P. Drabinski

Policy Act response, and T&D engineering and construction. Assisted in review of strategic planning and power marketing activities. In conjunction with this audit, Mr. Drabinski met with the Commissioners a number of times to discuss issues of industry restructuring and the role the Commission should play.

Indiana Power & Light – Vantage acted as the evaluator, at the request of the Indiana Utility Regulatory Commission, for a three-year program in which customer service and distribution system reliability are being monitored with penalties for missing targets. A major element of this program was enhanced vegetation control.

Dayton Power & Light – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the PUCO. Visited power plants, coal lab, and other fuel and operations related departments. Recommendations addressed a broad range of strategic and operational issues.

Centerior Companies (Cleveland Electric Illuminating Company and Toledo Edison) – Project Manager on audit of electric fuel procurement practices and procedures for the Public Utilities Commission of Ohio in 1991. Responsibilities included the review of fuel procurement planning, long-term contracts, and spot procurement. Made recommendations regarding coal contracts, interstate wheeling arrangements, and coal transportation costs. Testified twice regarding results of audit report.

National Gas and Oil Company of Ohio – Lead Consultant on audit of fuel procurement practices for the Ohio PUC in 1986. Reviewed purchasing practices, storage activities, sales practices and policies and procedures. Made recommendations on strategic planning, purchasing policies, and marketing programs.

Monongahela Power (Allegheny Power Systems) – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the PUCO. Visited power plants, coal lab, and other fuel and operations related departments. Recommendations addressed a broad range of strategic and operational issues.

American Electric Power Company – Project Manager on audit of electric fuel procurement practices and procedures of two AEP subsidiary companies, Ohio Power Company and Columbus Southern Power Company in 1989 and 1990 for the Public Utilities Commission of Ohio. Responsibilities included the review of affiliated mines (surface and deep mines) and fuel procurement planning, long-term contracts, and spot procurement. Made recommendations on strategic planning, purchasing policies, contract analysis, and marketing programs. Testified on four occasions regarding results of audits.

Union Light, Heat and Power – Lead Consultant on a management and operations review for the Kentucky Public Service Commission. Responsibilities included all aspects of customer service and electric operations including: CIS; customer accounting; transmission & distribution; system planning; engineering; and construction. Also assisted in the review



Resume of Mr. Walter P. Drabinski

of the financial reporting relationship of the company to its parent, Cincinnati Gas & Electric, with an emphasis on allocation of costs.

Ohio Electric Co./Ohio PUC – Lead Consultant on a prudence review of the Beaver Valley Power Station. Areas reviewed included CAPCO organization and financing, construction management, project accounting, compatibility of prudence standards, and compliance with Yellow Book standards.

Virgin Islands Power & Water Authority (2014-17) - Diagnostic audit of this electric and water utility that was facing serious financial, operational and infrastructure problems. Vantage conducted a diagnostic audit which then focused on staffing, infrastructure, strategic planning, and other key issues. A broad range of recommendations were developed to reverse the decline of the utility.

Southern California Edison (2013 - 2015) - Audit of Southern California Edison's Reliability Investment Incentive Mechanism (RIIM) program that addressed almost \$2 billion in expenditures dedicated to reliability and increases in utility maintenance staffing. This was a unique project because it approaches reliability from an investment standpoint rather than performance measures only. Activities included in the audit consisted of reviews of capital projects for T&D, determination of projects that were reliability related, a review of SAIDI and SAIFI statistics and impacts due to improvement program and assessment of agreed to staffing requirements. Our analysis determined whether the project complied with regulatory orders and statewide standards.

California Independent System Operator – Project Director on an Independent Operational Audit of the CAISO for the period of 10/01 to 10/02. This assignment was performed at the request of the FERC and led to a series of five global recommendations. Shortly after the completion of the audit, Mr. Drabinski testified before the House of Representatives, Subcommittee on Subcommittee on Energy Policy, Natural Resources & Regulatory Affairs.

Pennsylvania Power & Light – Lead Consultant for a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Reviewed all aspects of customer service activities, including CIS and office operations. Also, reviewed system power & engineering, including fuel supply, T&D engineering, environmental, power plant staffing, and plant operations. Reviewed EMF issues and Clean Air Act Amendments compliance planning.

Kentucky Public Service Commission (2010-2017) – Project Director and witness associated with regulatory support related to electric utility generating resource Environmental Cost Recovery (ECR) mechanism for the Kentucky PSC. On this assignment, Vantage consultants reviewed filings from four utilities and then acted as an extension of staff in four separate cases. In total over \$5 billion was requested through a separate surcharge after a formal proceeding. Vantage reviewed applications, submitted and reviewed interrogatories, prepared summaries for and briefed the Commissioners and Staff, assisted in hearings and helped draft the final orders.

Resume of Mr. Walter P. Drabinski

Consolidated Edison Company - Performed an audit of emergency restoration and outage planning capabilities for the New York PSC. Audit followed a number of large and highly public outages. Major recommendations were made to develop new strategies and programs for addressing reliability and outage response.

Kansas City Power & Light Iatan 1&2 (2008-11) - At the request of the Kansas Corporation Commission (KCC) Staff, provided oversight of the \$500 million installation of the Air Quality Control System (AQCS) on the existing (KCP&L) Iatan Unit 1 and monitored construction of the \$2 billion Iatan Unit 2 coal fired, supercritical power plant. Reviewed organization, cost, schedule, project controls, contractor performance, contract monitoring, site conditions, and other key attributes associated with a mega-project. Provided regular assessments to the KCC on progress and risks, monitored startup and acceptance testing, and provided testimony in rate cases for both Iatan 1 and 2, with recommendations for almost \$240 million in prudence disallowances.

Entergy Corporation - Project Manager for a review of affiliated transactions between Entergy Corporation, Entergy Services, Inc., and a myriad of regulated and non-regulated subsidiaries. This engagement, performed for five regulatory agencies, is in response to the 1991 Settlement Agreement with the SEC, at which time the holding company was formed. The results of this audit included reallocation of almost \$5 million and a reconfiguration of reporting requirements.

Sempra Energy (SDG&E and SoCalGas) - Project Director for affiliated audit for 1998 and 1999 calendar years to verify compliance with California PUC restructuring requirements. Assignment included assessment of company plan and audit of affiliate transactions. Acted as the lead consultant on areas that addressed Nondiscrimination Standards, Disclosure and Information Standards, and Competitive Services. Recommendations from these reports addressed means of improving compliance.

SDG&E, PG&E, SCE, and SCG - Project Manager on an audit of DSM administrative costs. Conducted for the CPUC CACD, this assignment took place during the period where working groups were assessing issues such as access to utility information and the future of DSM. Vantage provided feedback to a number of working groups on the needs of energy service companies.

Maryland Public Service Commission - Provided technical support in hearings and development of a final order relative to developing a formal procedure for addressing Standard Offer Service (SOS) supplies for its four electric utilities.

North West Energy - Mill Creek Station (2010-2012) - Provided input to the Company and PSC on the use and implementation of this three-unit 150 MW combustion turbine power plant. Monitored construction, startup and initial operation. Visited construction site on a regular basis and provided input to the construction team as well as the Montana PSC.

Resume of Mr. Walter P. Drabinski

Reviewed quarterly reports and testified before the Commission after each report. Provided insight on in-service criteria testing and other key design and operational elements.

Pacific Gas & Electric Co.- Project Director for affiliated audit for 2001, 2002, 2003, 2004 and 2005 calendar years to verify compliance with California PUC restructuring requirements. Assignment included assessment of company plan and audit of affiliate transactions. Acted as the lead consultant on areas that addressed Nondiscrimination Standards, Disclosure and Information Standards, and Competitive Services. Recommendations from these reports addressed means of improving compliance.

Louisville Gas and Electric/Kentucky Utilities Merger - Assisted with broad range of issues including regulatory strategy, synergy quantification, testimony development, witness preparation, interrogatory development and responses. System reliability and monitoring was a key element of this complex project.

Public Service Electric & Gas Company - Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of restructuring.

San Diego Gas & Electric - Project Manager on an assignment for the California PUC and SDG&E to review the implementation of Performance Based Ratemaking. This assignment included an assessment of financial, operational, performance and culture changes that were impacted by the two-year experimental program. While involved in this project, Mr. Drabinski developed an understanding of the SDG&E holding company formation and its interaction with the proposed industry restructuring.

New Jersey Board of Public Utilities - Director on major project to review hedging practices of the four gas distribution utilities in New Jersey. Working with Pace Energy as a sub-contractor, alternate hedging strategies were developed and proposed using more advanced techniques, including options.

FERC - Interfaced with Commission and its staff on issues such as Transco structures, restructuring, and ISOs. Prepared a white-paper that addressed a Transmission PBR as a mechanism for incenting utilities.

Maryland Public Service Commission - Monitored all RFP solicitations for 2007 and 2008 bid years. This amounted to nine solicitations for all four utilities in Maryland. Provided oversight on bid day, reviewed applications, provided confidential analysis and briefings to the Commissioners and testified on results.

Cumberland Valley Electric Cooperative - Performed a focused management audit of this small, rural cooperative. Worked with management to develop transition to new management team.

Resume of Mr. Walter P. Drabinski

Alleghany Power Virginia – Monitored RFP solicitations for 2007 and 2008 bid years. Provided oversight on bid day, reviewed applications, provided a final report on results for the Virginia regulatory agencies.

Delaware Public Service Commission – Monitored all RFP solicitations for 2006 bid year. Provided oversight on bid day, reviewed applications, provided confidential analysis and briefings to the Commissioners and testified on results.

California Public Utilities Commission Telco Division (Attestation Exams) – Mr. Drabinski was the Project Director on seven separate assignments for the CPUC during the period of 2000 to 2002. These included:

- examinations of surcharge collections of “high cost fund” and “teleconnect fund” amounts for AT&T, Verizon, Sprint, and PacBell. In each project significant accounting, interpretational and transmittal errors were discovered, leading to the recovery of amounts well in excess of project costs;
- examinations of claims requests of “high cost fund” and “teleconnect fund” for Verizon, PacBell, and Roseville.

Commonwealth Edison Company – Retained by the Illinois Commerce Commission to investigate outages suffered in downtown Chicago during the summer of 1999. The assessment provided a comprehensive analysis of eight separate outages, with details of causes and recommendations for improvement.

PJM Power Plant Arbitration – Provided testimony and technical assistance on arbitration for an independent power plant built in the PJM region. Issues involved interpretation of PJM rules and contractual issues such as commercial operation date and performance guarantees.

St. Vincent Energy Services Ltd. - At the request of the Board of Directors and Prime Minister, Vantage conducted a review of system reliability and fuel procurement. Significant findings resulted in a new strategic plan, a reorganization of management and a legal investigation into procurement practices.

Maryland Public Service Commission – Provided analysis and related testimony on restructuring-related cases in 2007 and 2008. Testimony involved wholesale market issues, portfolio options and rebuttal relative to utility witnesses.

Massachusetts Municipal Wholesale Electric Utility – Performed analysis on options for equipment upgrades at major facility and performed limited life extension analysis.

Seattle City Light – Conducted a controversial audit of Seattle City Light’s financial, risk management and governance structure. Serious issues regarding debt, O&M and Capital expenditures were raised. Major recommendations on risk management were developed.



Resume of Mr. Walter P. Drabinski

New Hampshire Public Service Commission – Provided technical and strategic assistance under a long-term contract on transmissions and distribution issues. These included ISO strategies, local distribution reliability, asset decisions and general regional concerns.

Arizona Corporation Commission – Provided assistance to the Commission Staff and Commissioners on all restructuring issues under consideration. This includes development of an ISO. The reorganization of cooperatives and G&Ts for deregulation. Development of solutions regarding high costs resulting from California related issues. Reassessment of deregulation orders based on appellate decisions.

Public Service Electric & Gas – Engagement Manager during a long-term engagement with PSE&G. Specific assignments he directed are listed below.

- Developed a 30-year environmental plan, addressing power generation and environmental strategy.
- Assisted in development of innovative rate strategy for Bergen combined cycle unit.
- Worked on a team of utility employees, lobbyists, legislative staff members and the DOE to develop a program for voluntary reduction of CO₂ and global warming initiatives.
- Reviewed gas procurement strategy for 1300 MW of combine cycle generation.
- Conducted a tactical and strategic alternatives study of the Company's fleet of 158 combustion turbine generation plants.
- Developed a plan for complying with the 1990 Clean Air Act Amendments.
- Assisted in a study of the 1992 Energy Policy Act and prepared a report that illustrated how it would impact company operations.
- Wrote and supported testimony in the area of fossil generation on behalf of the Company in a major rate case.
- Developed protocols for NO_x emission trading within NESCAUM.

Kentucky Utilities Company – Project Manager for a comprehensive management and operations review for the Kentucky Public Service Commission. Acted as Lead Consultant in the areas of power production, fuel procurement, transmission operations, and engineering and construction. Provided numerous recommendations to improve competitiveness of this already low-cost utility. Met with the leadership of the State House of Representatives and Senate to discuss utility competition and industry restructuring.

BellSouth Telecommunications, Inc. – Project Manager on a review of BellSouth performance under an alternative regulation plan for the state of Kentucky. This is the first of nine states in which the Price Regulation Plan was up for renewal and, as such, was of great interest to the Company and regulators.

Resume of Mr. Walter P. Drabinski

GTE of California and Contel of California (now Verizon) – Audited collection procedures and practices for various surcharge activities. Provided a CPA Opinion Letter, (through a subcontractor.)

US West – Provided assistance with quality control and final reviews of work product while an officer with the lead firm. This project reviewed affiliate transactions between parent and its subsidiaries. Assisted in development of model for cost allocation analysis.

Pennsylvania Governor Task Force – Provided input to Governor’s office, legislature and PUC on restructuring issues in the State. Issues included handling of stranded costs, securitization, the development of competition, and the education of consumers.

Clean Air Action Corporation – Assisted in development of strategy regarding purchase and sale of emission credits throughout the Ozone Transport Region.

Honeywell/Allied Signal – Provided strategic assistance and research in development of commercial fuel cell. Conducted market research and facilitated meetings with utilities interested in commercial development.

Colonial Chemical Company – Assisted Company in identifying candidates for Selective Non-Catalytic Reduction systems to reduce nitrous oxide emissions from power plants.

Public Service Electric & Gas Company – Retained by the New Jersey Board of Public Utilities to assess compliance with all Affiliate Compliance and Code of Conduct Rules enacted as a result of restructuring.

Duquesne Light Company – Project Manager for a comprehensive management and operations review for the Pennsylvania Public Utility Commission. Mr. Drabinski was also the Lead Consultant in the review of executive management, strategic planning, affiliated relations, and financial management.

Choptank Electric Cooperative – Lead Consultant on a management and operations review for this REA in the State of Maryland. Reviewed all aspects of operations including executive management, organization, construction management, electric operations, system planning, materials handling, purchasing, and customer service.

East Kentucky Power Cooperative – Performed a comprehensive review of all fuel procurement and fuel utilization activities for the Board of Directors. Visited all power plants, coal tipples, and a sampling of mines. Recommendations addressed a broad range of strategic and operational issues.

West Texas Utilities – Project Manager for a comprehensive management and operations review for the Texas Public Service Commission. Acted as a Lead Consultant in the areas of power production, fuel procurement, and customer services.



Resume of Mr. Walter P. Drabinski

Philadelphia Gas Works – Project Manager for a management and operations audit for the Philadelphia Gas Commission. Lead consultant for the review of corporate organization and staffing, customer services, operations, and support functions. Addressed major gas supply planning issues. Managed a series of three follow-up reviews including development of Management Audit Actions Plans, an Audit Compliance Review, and a Review of the 1993 O&M Budget. Testified at numerous Commission hearings on capital budget planning, automatic meter reading, office aggregation, and theft of service.

Maryland Public Service Commission – Consultant for an assignment to review long-term gas purchasing practices of Columbia Gas of Maryland, Baltimore Gas & Electric, and Washington Gas Light. Responsibilities included review of the 1988 plans, recommendations on requirements for future plans, and the training of commission staff personnel relative to conducting similar reviews of future plans.

Kentucky-American Water Company – Project Manager and Lead Consultant for a management and operations review for the Kentucky Public Service Commission. A key element of this audit was the holding company relationship with the many subsidiaries of American Water Works. Investigated the areas of customer service and marketing and engineering/construction.

El Paso Natural Gas Company – Lead Consultant on a productivity improvement project. Performed an in-depth review of all positions in operating divisions and reorganized operating divisions into profit centers. Developed procedures for in-house vs. outside construction decisions, construction scheduling, and cost data collection. Developed a manpower planning model for restructuring responsibilities and staffing levels. Implemented a workforce management program at gas processing plants, compressor stations, and throughout the gathering system.

Western Kentucky Gas Company – Lead Consultant for a management and operations audit of the customer services function for the Kentucky Public Service Commission. Developed plan for consolidating offices, resulting in significant changes in providing customer service.

Philadelphia Suburban Water Company – Lead Consultant/Project Manager on a comprehensive management audit for the Pennsylvania Public Utility Commission. Reviewed all aspects of field operations and water production.

East Kentucky Power Cooperative, Inc. – Performed as a subcontractor on a review of the bidding process for a series of combustion turbines. Analysis included reviews of individual proposals and the bidding process.

General Waterworks Company - Pennsylvania Operations – Lead Consultant in a management and operations review. Reviewed compensation, benefits and staffing, executive management, organizational structure, and corporate policies and procedures.

Resume of Mr. Walter P. Drabinski

General Waterworks Company - Pine Bluff Arkansas Operations – Project Manager on a management and operations review. Reviewed finance and accounting, staffing, system operations, organizational structure, and corporate policies and procedures.

General Electric Field Engineering group – Lead Consultant for the implementation of a Job Management Program that included seminars, teaching concepts on work breakdown structures, budgeting, performance measurement, and critical path scheduling techniques. Overall program was aimed at improving construction management skills of field personnel.

Houston Light & Power – Consultant on South Texas Nuclear Project retrospective analysis. Reviewed construction management procedures and developed testimony for rate case.

Public Service Electric & Gas Co. – Project Manager for a review of the Engineering & Construction Department budgeting and approval process for capital projects at PSE&G. Developed flowcharts and improved methods for processing capital budgeting requests.

OTHER BUSINESS AND PROFESSIONAL EXPERIENCE

System Training Director for Niagara Mohawk Power Corporation. Managed a staff of eleven supervisors and instructors, as well as numerous contractors and part-time training personnel. Developed and implemented a productivity program to improve operating and employee productivity at all fossil power plants. Developed a performance-based progression program for craft personnel and assisted in negotiating contract changes with the International Brotherhood of Electrical Workers. Member of Electric Power Research Institute committee on power plant staffing and training. Chaired Electric Utility Technical Education Council. Developed and taught a seminar on power plant efficiency improvement to operating, management, and regulatory personnel.

Electrical Maintenance Supervisor for Niagara Mohawk Power Corporation. Managed two supervisors and thirty electricians performing electrical construction, maintenance, and repair. Developed and implemented a preventive maintenance program for a six-unit/2000 megawatt power plant. Managed roving maintenance crew, providing personnel, equipment, and expertise to nuclear power plants during outages. Responsibilities included all plant, fuel handling, and pollution control electrical equipment, switchyards, 345 kV overhead and 115 kV underground transmission lines, relay systems, telemetering, and telecommunication systems.

Operation Project Engineer for Niagara Mohawk Power Corporation. Participated in conceptual system design, construction management, and plant start-up of power plants, transmission lines, switchyards and plant electrical equipment. Represented utility during acceptance testing, start-up, and turnover of all electrical power systems, auxiliary equipment, and turbine and boiler instrumentation and control systems.



Resume of Mr. Walter P. Drabinski

TESTIMONY

Testimony was provided in the following cases.

- Cases 09-246 and 10-1025 for the Kansas Corporation Commission. Provided direct testimony on prudence of construction for Iatan 1 and Iatan 2 coal fired power plants.
- Montana PSC - Testify quarterly in results of monitoring Mill Creek power plant construction project.
- Case 99-434 Bell South of Kentucky. Audit and modification of Price Regulation Plan.
- Maryland PSC - Testified approximately 20 times on Provider of Last Resort (POLR) rules, regulation and energy solicitation results.
- Duquesne Light Company - Testified six times regarding POLR solicitations.
- CPUC Telco cases - Testified on eight occasions regarding results of attestation exams of Verizon, PacBell, Sprint, AT&T, and Roseville.
- Testified after acting as independent monitor during energy solicitations in Delaware (2 occasions)
- Commonwealth Edison - Testified before Illinois PSC on outages of 1999.
- PSE&G Restructuring hearing - Lead witness on all aspects of unbundling, restructuring, stranded costs, and deregulation issues.
- Case No. 97-105-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Dayton Light Company for the PUC of Ohio.
- Case No. 95-106-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Monongahela Power Company for the PUC of Ohio.
- Case No. 96-106-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Monongahela Power Company for the PUC of Ohio.
- Case 93-02-041 Financial Audit of the Demand-Side Management Pilot Bidding Program Administrative Services of Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company for the California PUC.
- Case D94-08-023 Mid-Point Evaluation of SDG&E's Base Rates Performance Based Ratemaking Mechanism for the California PUC.
- Case No. 94-219-GA-GCR Management Performance Audit of West Ohio Gas Company for the PUC of Ohio.

Resume of Mr. Walter P. Drabinski

- Case No. 91-103-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Toledo Edison for the PUC of Ohio.
- Case No. 91-104-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Cleveland Electric Illuminating Company for the PUC of Ohio.
- Case No. 89-100-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Ohio Power Company for the PUC of Ohio.
- Case No. 89-101-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Columbus Southern Company for the PUC of Ohio.
- Case No. 90-100-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Ohio Power Company for the PUC of Ohio.
- Case No. 90-101-EL-EFC Management Performance Audit of Fuel Related Policies and Practices of Columbus Southern Company for the PUC of Ohio.

EDUCATION

- BSEE from SUNY Buffalo with a concentration in power engineering, including transmission line and large equipment analysis;
- MBA in Finance and Entrepreneurial Management from the Wharton School;
- Approximately 40 seminars on power plants, transmission and distribution system design and maintenance.

PUBLICATIONS

Primary contributing author of five textbooks developed for the Electric Power Research Institute (EPRI) and the Center for Occupational Research and Development (CORD).

- Introduction to Instrumentation and Control.
- Electronic and Pneumatic Control Devices.



RESUME OF LINDA TRIFONE, CPA

Extensive auditing, consulting and accounting experience with BIG 4 and top “12” public accounting firms specializing in the healthcare, insurance, broadband, legal, government and not-for-profit industries. Extensive skill set as a natural leader with strong analytical skills, commitment to mentoring and training, and strong public speaking and written communication skills.

AUDIT

- Perform audit partner duties for a variety of clients including healthcare entities, energy companies, regional law firms, not-for-profit entities, large federal/state funds of state agencies, senior living facility with ten HUD homes and federal grants. Responsible for directing audits from planning to report issuance, maintaining relationships with senior client management, presenting annual audit reports to Boards of Directors/Trustees and training/developing five health care staff. Engagements ranged from 80 hours to 1,200 hours, with one to five staff.
- Propose year-end closing journal entries for rural hospitals, analyze and assess valuation of accounts receivable, including “lookback” of prior year’s estimates, review contracts for determination of capital vs operating leases, propose journal entries for more unique accounting entries, such as, physicians contracts, investments in risk retention groups and posting errors.
- Propose journal entries for larger clients to reflect proper accounting treatment for business acquisitions, deferred taxes, self-insured mal-practice and healthcare insurance, defined benefit pension plans and post-retirement benefit plans, construction-in-process for broadband company, revenue recognition on software development costs, and percentage of completion on software installations.

ACCOUNTING ASSISTANCE

- Manage a team of four staff to provide daily accounting services to large federally qualified health center, including accounts payable processing, reconciling and posting daily deposits and transfers and preparing bank reconciliation for 11 bank accounts. Annual revenues of \$250,000.



Resume of Ms. Linda Trifone, CPA

CONSULTING

- Assist for-profit hospital and clinic management by researching and resolving out-of-balance or incorrect account balances throughout general ledger relating to valuation of accounts receivable, roll forwards of equity, fixed assets and debt and determination of status of payroll taxes payable and penalty and interest payable to IRS.
- Conducted operational audits and internal accounting control reviews for a large Mississippi university, city water department, municipal court, stamping office, engineering firm, regional law firm and volunteer agency including flowcharting processes, identifying segregation of duties conflicts and internal control deficiencies. Developed procedures and recommended operational enhancements and reconciliation procedures and approvals.
- Documented and tested internal controls for all areas of publicly traded bank to assist management in completing its SOX 404 documentation and certification.
- Reviewed accounting processes and data analysis for two manufacturing companies where employee fraud was suspected.

MARKETING

- Share responsibility with healthcare partner to develop healthcare practice in Mississippi. Attend numerous conferences including Mississippi Hospital Association, Mississippi State and local Healthcare Financial Management Association (HFMA) meetings, Region 9 and Tri-State HFMA conferences and Mississippi Healthcare Association. Member of BKD healthcare lead team. Plan healthcare meetings with other local healthcare professionals, including attorneys and bankers. Distribute BKD healthcare information to clients and prospects.

PROFESSIONAL WRITING AND SPEAKING ENGAGEMENTS

- From 2005-2018, developed and presented several speaking engagements on topics such as accounting and auditing updates, internal controls and fraud for the Mississippi Chapters of the American Institute of Certified Public Accounts, the Institute of Internal Auditors, Governmental Accountants, American Legal Associates, American Society of Women CPA's and the Healthcare Financial Management Association.



Resume of Ms. Linda Trifone, CPA

WORK HISTORY

BKD, LLP, (formerly Smith, Turner and Reeves), Jackson, MS	2002-Present
Cities Service, Internal Auditor, Tulsa, OK	1981-1983
PriceWaterhouseCoopers, LLP, Hartford, CT	1978-1981

EDUCATION/CERTIFICATION

Bachelor of Science in Accounting, University of Notre Dame, South Bend, Indiana

Certified Public Accountant (CPA), State of Connecticut, 1980 and State of Mississippi, 2004

Certified Fraud Examiner (CFE), 2006



RESUME OF MR. MARK D. FOWLER

SUMMARY OF QUALIFICATIONS

Mr. Mark D. Fowler has over thirty years of management and consulting and experience. He has participated in over 100 consulting assignments fulfilling roles from technical advisor to project management. His education includes a BS and MBA from the University of Tulsa with an emphasis in operations research. He began his career with Buckeye Gas Products with whom he worked in various areas. These areas included supply, storage and distribution of gas liquids via pipeline, rail and truck transport, strategic and tactical acquisitions and divestitures and field operations. He trained in pipeline operations with Williams Pipeline which at the time was an affiliate of Buckeye. He also worked as a financial analyst for Plains Electric Generation and Transmission during the construction of the Plains Escalante Generating Station and associated coal handling and rail facilities. His responsibilities included financial modeling, interfacing with lenders and investment bankers and conducting financial and economic analysis.

He has previously worked for the Ohio PUC on a review of the billing and collection procedures of four gas utilities in which he focused on Duke Energy. He has also been part of a Vantage team that audited Duke Affiliate relations in North Carolina. He has examined customer service disconnection policies as part of audit and utility assignments in dozens of reviews in New York, Connecticut, California, Washington, Illinois, Pennsylvania and others.

Mr. Fowler has worked with large, international consulting firms and smaller niche firms. He has worked on scores of projects with Vantage since 1998. His work has been for utilities and telecommunications providers as well as for regulators. The diverse areas of his assignments include management audits, fuel audits, environmental planning, market analysis, customer service evaluations, affiliate compliance audits, emergency management and process improvements. His client base geographic coverage includes the US, Canada, Australia, Central America, the Caribbean and the Pacific Rim. He has testified before numerous State agencies. He is a student of the evolving utility environment and has both studied and worked on projects related to distributed generation, reliability, micro-grids, service restoration, and state of the art environmental technologies. He maintains offices in Montana and Ann Arbor, MI.

Resume of Mr. Mark Fowler

SELECTED CONSULTING EXPERIENCE

Utility Audits

- Lead Consultant on two audits of Central Hudson Gas and Electric. Mr. Fowler's audit responsibility included gas pipeline construction, maintenance and State and Federal regulatory safety compliance, Customer Service operations, work management and emergency restoration.
- Lead consultant on a diagnostic audit of the utility operations of the United States Virgin Islands Water and Power Authority (WAPA). The audit looked at all phases of electric and water utility operations on all three islands on which WAPA operates. The utility was then, and continues to face significant challenges from numerous angles including government accounts receivable, commercial customer defection to self-generation, solar generation by the wealthiest residential customers, rate structure and the inherent challenges of a multi island utility with no interconnection.
- Lead consultant on reviews of the Curacao island utilities of Aqualectra and Curoil. The utilities provide electric, water and fuel services to the islands of Curacao and Bonaire. The Curoil operations face uncertainty over the future of their major supplier, the Isla refinery owned by Petróleos de Venezuela S.A. (PDVSA) as well a significant rise in world oil prices on top of already high island prices.
- Lead Consultant for gas system operations in two management audits of Southern Connecticut Gas for the Connecticut Department of Public Utility Control. The audits scope included gas system planning, performance work management, and pipeline safety regulations compliance programs.
- Lead Consultant for gas system operations in a management audit of Connecticut Natural Gas for the Connecticut Department of Public Utility Control. The audit scope included gas system safety performance and pipeline safety regulations compliance programs.
- Lead Consultant for gas system operations in a management audit of Yankee Gas for the Connecticut Department of Public Utility Control. The audit scope included gas system replacement programs, safety performance and pipeline safety regulations compliance programs in light of severe financial duress on the company.
- Team Leader in the areas of distribution operations and management in the California Public Utility Commission's ordered management audit of Southern California Gas. The audit scope included gas system safety performance and pipeline safety regulations compliance programs.



Resume of Mr. Mark Fowler

- Lead Consultant and engagement director in several reviews and analysis of Pacific Gas & Electric's gas supply portfolio and trading in conjunction with the California Public Utility Commission's mandated study of affiliate transactions. Examined the gas supply portfolio, trades, pipeline activities and related storage in order to confirm compliance with California PUC affiliate transactions rules. The studies also examined PG&E's gas hedging activities. These reviews covered six calendar years.
- Lead consultant on an audit of Public Service Electric and Gas compliance with New Jersey affiliate transaction requirements. These requirements which mirror those implemented earlier in California were new to the New Jersey utilities. The audit placed considerable emphasis on the new processes designed to stay in compliance with the new regulations.
- Lead Consultant in the review and analysis of SEMPRA Energy's gas supply portfolio and trading in conjunction with the California Public Utility Commission's mandated study of affiliate transactions. Examined the gas supply portfolio, trades, pipeline activities and related storage in order to confirm compliance with California PUC affiliate transactions rules. Included a review of San Diego Gas and Electric and Southern California Gas activities as well as affiliates. Vantage performed these audits for two calendar years.
- Lead Consultant on a series of operations improvement projects for The Gas Company of New Mexico. Areas of examination included the gas construction, maintenance, service, meter reading and customer service.
- Directed a process improvement project for a northeastern US gas distribution company which was reexamining their organization, staffing and locations in an effort to become more competitive. The review included all field distribution operations as well as customer service and logistics.
- Lead consultant for a review of the emergency service restoration efforts of four New Hampshire electric utilities to a major ice storm. These included; National Grid, Hew Hampshire Electric Cooperative, Unitil and Public Service of New Hampshire. The review included emergency planning, tree trimming and other storm hardening efforts, emergency response plans and organizations, chronologies of the response efforts, customer service, communications, and intrastate and broader comparisons. The study produced recommendations for each company and for the state as a whole.
- Lead consultant for a review of the emergency service restoration efforts of the Long Island Power Authority and their system operator National Grid to Hurricane Irene. Mr. Fowler led the review of the emergency planning,



Resume of Mr. Mark Fowler

- implementation and results. Mr. Fowler also investigated the customer service organizations response. The study produced recommendations for both LIPA and National Grid (or future operator PSE&G). The resulting report was issued by the NY Department of Public Service using the study results.
- Lead consultant on a long-term process improvement project for Belize Electric Limited (BEL). BEL because of location and the extent of the country lying at low elevation is especially vulnerable to hurricanes and tropical storms. BEL at the time also relied heavily on one primary transmission feed from Comisión Federal de Electricidad (CFE), in the Mexican Yucatan. The improvement process focused on all areas of T&D with emphasis on staffing changes, work management and risk remediation.
 - Project Manager on a project to totally revise the emergency response organization and processes of a large Midwestern utility. The project included implementation of the Incident Command System across the organization, standardization of practices in all divisions, improving communications, development of a new Emergency Response Plan and staffing of the organization.
 - Lead Consultant on an audit of the Consolidated Edison response to a wind and rain storm which caused significant outages in the Manhattan network as well as the Westchester overhead system. Mr. Fowler's focus was on the T&D response and organization in the Westchester area as well as the customer service organization for the entire company.
 - Lead consultant on an investigation into a series of outages that occurred throughout the system in a relatively short period of time. Mr. Fowler focused on two of the suburban outages, one of which was substation focused and the other involved underground facilities. The investigation produced a number of recommendations dealing with infrastructure replacement, maintenance intervals and emergency response.
 - Lead consultant in extension-of-staff assignments on two dockets for the Connecticut Public Utility Regulatory Authority. The dockets involved emergency preparation and response as well as refinement of regulations pertaining to obligations and penalties.
 - Consultant on a rate study for the City of Marshall Michigan municipal utility, which was undergoing restructuring of its energy supply portfolio. Provided technical assistance in the area of electric generation, transmission and distribution as it pertained to development of electric rates.
 - Conducted a review of the actions of the California ISO following the energy crisis of 2000.



Resume of Mr. Mark Fowler

- Developed a complex finance model for a water and wastewater utility which has undergone significant customer reductions due to the economic downturn of the late 2000s after a period of major new construction. The model helped investigate multiple alternatives to survive the downturn with minimal disruption to existing rates and remaining within debt covenants. The utility has since recovered.
- Conducted a series of process improvement projects for Colorado Springs Utilities in electric generation, distribution, gas distribution and customer service. The projects included customer service as well as opportunities for consolidations of redundant services being provided by the different utility groups.
- Lead consultant in a comprehensive management review of the infrastructure construction and maintenance Utility Directorate for Sandia National Laboratory.
- Lead consultant on a long-term assignment to oversee a steam generation and distribution system which was developing a cogeneration facility. During the assignment the utility also expanded operations into very large scale hot and chilled water services.
- Conducted a utility and municipal services review for the City of Corpus Christi, Texas. The review included opportunities for consolidations of redundant services being provided by the different groups as well as improving processes in all areas of utilities, police, fire and street.
- Lead Consultant on numerous assignments involving process improvement, generation mix and work management at power plants throughout North and Central America. Companies involved include Alberta Power, Edmonton Power, Bonneville Power, Plains Electric Generation and Transmission, Belize Electric Limited, Marshall Michigan Electric Utility, PEPCO, Kentucky Power, Aqualectra and Alstrom Development.
- Lead consultant on dozens of assignments involving telecommunications dating back to and even preceding the Telecommunications Act of 1996. Projects have involved MCI, SBC, BellSouth, GTE, Alltel, Contel, United Telephone, Ameritech, Roseville Telecommunication, PACBELL and others.
- Lead consultant on a process improvement project for the Farm Credit Lead consultant for a review of the emergency service restoration efforts of four New Hampshire electric utilities to a major ice storm. These included; National Grid, Hew Hampshire Electric Cooperative, Unitil and Public Service of New Hampshire. The review included emergency planning, tree



Resume of Mr. Mark Fowler

- trimming and other storm hardening efforts, emergency response plans and organizations, chronologies of the response efforts, customer service, communications, and intrastate and broader comparisons. The study produced recommendations for each company and for the state as a whole.
- Lead consultant for a review of the emergency service restoration efforts of the Long Island Power Authority and their system operator National Grid to Hurricane Irene. Mr. Fowler led the review of the emergency planning, implementation and results. Mr. Fowler also investigated the customer service organizations response. The study produced recommendations for both LIPA and National Grid (or future operator PSE&G). The resulting report was issued by the NY Department of Public Service using the study results.
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 - Lead consultant in extension-of-staff assignments on two dockets for the Connecticut Public Utility Regulatory Authority. The dockets involved emergency preparation and response as well as refinement of regulations pertaining to obligations and penalties.

Affiliate Transactions

- Lead consultant on an affiliate transaction audit of Duke Energy for the North Carolina Utilities Commission. The audit included a review of compliance with merger conditions approved as part of the merger of Progress Energy



Resume of Mr. Mark Fowler

- and Duke. The audit included not only compliance but an assessment of the processes and procedures in place to ensure compliance.
- Lead Consultant and engagement director in several reviews and analysis of Pacific Gas & Electric's gas supply portfolio and trading in conjunction with the California Public Utility Commission's mandated study of affiliate transactions. Examined the gas supply portfolio, trades, pipeline activities and related storage in order to confirm compliance with California PUC affiliate transactions rules. The studies also examined PG&E's gas hedging activities. These reviews covered six calendar years.
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 - Lead consultant on an audit of Public Service Electric and Gas compliance with New Jersey affiliate transaction requirements. These requirements which mirror those implemented earlier in California were new to the New Jersey utilities. The audit placed considerable emphasis on the new processes designed to stay in compliance with the new regulations.
 - Lead consultant on affiliate transaction audits or the affiliate transaction focus of management audits involving American Electric Power, Qwest, Ameritech, New York Telephone, NYNEX, National Grid, Pacific Bell, Public Service Electric and Gas, Duke Energy and others.

Other Utility Experience

- Lead consultant on a diagnostic audit of the utility operations of the United States Virgin Islands Water and Power Authority (WAPA). The audit looked at all phases of electric and water utility operations on all three islands on which WAPA operates. The utility was then, and continues to face significant challenges from numerous angles including government accounts receivable, commercial customer defection to self-generation, and solar generation by the wealthiest residential customers, rate structure and the inherent challenges of a multi island utility with no interconnection.



Resume of Mr. Mark Fowler

- Lead consultant on reviews of the Curacao island utilities of Aqualectra and Curoil. The utilities provide electric, water and fuel services to the islands of Curacao and Bonaire. The Curoil operations face uncertainty over the future of their major supplier, the Isla refinery owned by Petróleos de Venezuela S.A. (PDVSA) as well a significant rise in world oil prices on top of already high island prices.
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Resume of Mr. Mark Fowler

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- Lead consultant on dozens of assignments involving telecommunications dating back to and even preceding the Telecommunications Act of 1996. Projects have involved MCI, SBC, BellSouth, GTE, Alltel, Contel, United Telephone, Ameritech, Roseville Telecommunication, PACBELL and others.
- Lead consultant on a process improvement project for the Farm Credit Administration.

EMPLOYMENT EXPERIENCE

- Director Business Development-North America-Hansen Industries, Melbourne, Australia (2000-2001)
- Senior Financial Manager- Plains Electric Generation and Transmission (1985-1986)
- Director Gas Supply and Distribution- Western US- Buckeye Gas Products (1979-1985)

EDUCATION

- Bachelor of Science, Business Administration, University of Tulsa
- Master of Business Administration, University of Tulsa



RESUME OF MR. SCOTT EVERNGAM

Mr. Everngam has 16 years of federal and state-level regulatory experience of the energy industry and 15 years of experience as a buy-side investment equity analyst. His energy consulting experience focuses on federal policy on financial regulatory issues such as cost of capital issues related to the return on equity (ROE), capacity markets, and energy market financial derivatives. Most recently, he was a Subject Matter Expert (SME) and Senior Energy Industry Analyst (EIA) at the Federal Energy Regulatory Commission (FERC), after serving for five years as a deputy division director at the Maryland Public Service Commission (PSC).

In these roles, Mr. Everngam specialized in analyzing the wholesale energy and capacity electric markets of PJM, the world's largest Regional Transmission Organization (RTO). He has extensive expertise in energy regulatory issues of relevance to the investment community such as the determination of the authorized ROE for electric utilities and midstream natural gas & oil pipelines. Additionally, he analyzed proposed tariff revisions for RTO/ISO capacity markets, which provide forward price signals for resource adequacy for PJM Interconnection LLC (PJM), the New York Independent System Operator (NYISO), and ISO New England (ISO-NE).

Mr. Everngam provided investment advice for the debt and equity securities for corporations/MLPs in a variety of sectors at T. Rowe Price Associates, Mercantile Safe-Deposit & Trust, and Croft-Leominster. Specifically, he served as a large/mid-cap equity research analyst as well as a high-yield and investment-grade corporate debt trader/analyst for the energy, electric utility, natural gas & oil pipeline, and electrical equipment industries, among others. He has held the Chartered Financial Analyst (CFA) designation since earning it in 1992.

WORK EXPERIENCE

Federal Energy Regulatory Commission, Washington DC

Senior EIA/Subject Matter Expert (7/08 – 6/19), Office of Energy Market Regulation-Electric East Division

- Served as a Senior Energy Industry Analyst (EIA) in the Office of Energy Market Regulation (OEMR), Electric Power Regulation-East Division, which regulates public utilities in northeastern and mid-Atlantic wholesale markets including PJM, NYISO, and ISO-NE. Subject Matter Expert for PJM wholesale energy/capacity market issues and the cost of capital for public utilities and midstream natural gas & oil pipelines.



- Developed and implemented federal policy for electric transmission base and incentive ROEs, such as implementing the Commission's discounted cash flow model and other cost of equity models (e.g., CAPM and Risk Premium) to set just and reasonable base ROEs for electric utilities and natural gas & oil pipelines.
- Acted as a Subject Matter Expert on other cost of capital issues including utility capital structure and income tax allowance policy, including comparable returns for corporations and master limited partnerships (MLPs).
- Served as reviewer, coach, and team leader to draft Commission orders and opinions by analyzing section 205 tariff filings and section 206 complaints under the Federal Power Act, as well as petitions for declaratory orders and rulemakings involving the interstate sale for resale or transmission of electric power.
- Drafted orders for capacity markets in RTOs/ISOs, such as PJM's Reliability Pricing Model and ISO-NE's Forward Capacity Market, wholesale energy market rules, and transmission planning (e.g., Order No. 1000).
- Provided technical expertise on a variety of subject matters on Commission orders on appeal to or remand from the United States Court of Appeals (D.C. Circuit) and the Supreme Court of the United States.
- Acted as a Subject Matter Expert on utility issues involving the financial trading markets for electricity, such as FTRs and virtual transactions (INCs/DECs/UTCs) in the Day-Ahead energy market, as well as tariff filings to ensure appropriate credit, collateral and counterparty risk among RTO/ISO participants.
- Represented the Commission at conferences and stakeholder meetings of RTO/ISOs to act as a contact for outreach efforts involving the PJM wholesale markets and acted as a liaison with the investment community.

Public Service Commission of Maryland, Baltimore MD

Assistant Director (10/03 – 7/08), Energy Resources & Markets/Integrated Resource Planning Divisions

- Supervised a professional staff of regulatory economists, including training, ensuring employee development, and conducting personnel evaluations. Served as Acting Division Director on three occasions.
- Acted as coordinator for the state's multi-billion dollar electric power procurements for Standard Offer Service (SOS). Prepared and



Resume of Mr. Scott Everngam

supervised the preparation of the biennial Electricity Supply Adequacy Report for the Maryland General Assembly and the annual Ten-Year Plan of Electric Utilities for the Department of Natural Resources. Prepared and supervised the preparation of expert testimony in cases involving Maryland utilities.

- Analyzed national and regional wholesale energy markets, including activities at FERC and PJM, and represented the PSC's policy interests at PJM stakeholder meetings. Planned, monitored, coordinated, and supervised staff in the analysis of and enforcement actions for retail electricity and natural gas market suppliers.
- Prepared timely written legislative comments for the Department of Legislative Services and testified as a subject matter expert on proposed utility legislation at the Maryland General Assembly.
- Implemented legislation such as the Renewable Portfolio Standard (RPS), the Healthy Air Act, and RGGI.

Croft Investment Management

Assistant Vice President / Senior Equity Research Analyst (6/99 – 8/02)

- Senior Equity Research Analyst at a buy-side, boutique investment advisory firm. Reported directly to the firm's founders who managed the Croft Value Fund, Croft Income Fund, limited partnerships and private accounts for institutions and high net worth individuals. Provided investment advice for use in all client portfolios and wrote company and economic analyses for portfolio managers and for distribution to clients.
- Researched large/mid-cap companies in several domestic sectors/industries, including conglomerates, electrical equipment, energy, utilities, natural gas pipelines, retailers, media & telecommunications, and technology.

Mercantile Safe-Deposit & Trus, Baltimore MD

Assistant Vice President and Investment Officer / Equity Research Analyst (11/97 – 6/99)

- Investment Officer and U.S. equity securities analyst in a bank trust department at a subsidiary of a regional multi-bank holding company. Presented new ideas and recommended ratings changes at the weekly meetings of the trust department's Investment Research Council and Investment Committee. Wrote company research reports and updates



which were distributed to all clients in various publications. Monitored owned companies and generated new research ideas for use in the bank's equity mutual funds and institutional and trust portfolios.

- Provided investment advice to the bank's portfolio managers for the following industries: electrical equipment, electric utilities, natural gas pipelines, retail stores, autos & auto parts, and metals.

Croft Leominster, Inc., Baltimore MD

Assistant Vice President / Equity and Fixed Income Research Analyst/Trader (4/89 – 11/97)

- Generalist research analyst who performed fundamental equity analysis in order to recommend securities for all client accounts to the firm's portfolio managers, formerly a senior investment counselor at T. Rowe Price and a research analyst at Salomon Brothers. Acted as the primary trader and analyst for taxable domestic high yield and investment grade corporate fixed income securities for privately managed accounts.
- Served as the administrator and fund accountant for the firm's investment limited partnerships. Designed, programmed, and implemented an automated financial reporting and unit holder servicing system database application for the limited partnerships.

Investment Research Assistant (8/86 – 10/88)

- Generalist equity analyst and corporate bond credit analyst/trader specializing in high yield bonds. Performed fundamental research for a value-oriented/contrarian manager who managed the TRPA Growth & Income Fund, Ivy League endowment funds, union retirement plans, and accounts for high net worth individuals.
- Generated new ideas and researched prospective and existing holdings for managed institutional portfolios, emphasizing common and preferred stocks and high yield bonds in the energy, consumer cyclical, financial, and electric and natural gas utilities sectors. Analyzed merger and acquisition stocks and other special situations.
- Prepared fundamental research analysis reports for presentations to clients and investment consultants.

EDUCATION

Chartered Financial Analyst (CFA) Institute.



Resume of Mr. Scott Everngam

The CFA Institute is an international, non-profit organization of more than 100,000 investment practitioners in over 130 countries. The program's body of knowledge includes ethical and professional standards; quantitative methods; economics; financial reporting and analysis; corporate finance; equity investments; fixed income; derivatives; alternative investments; and portfolio management and wealth planning. Charterholder since 1992.

The Johns Hopkins University, Baltimore, Maryland.

Master of Administrative Science (M.A.S.), Financial Management, 1989. GPA 3.91/4.00.

The Johns Hopkins University, Baltimore, Maryland.

Bachelor of Science (B.S.), Electrical Engineering, 1985. GPA 3.14/4.00.

Advanced Computer and Language Skills.

- Highly proficient in the use of the Microsoft Office applications suite (Word, Excel, Power Point, and Outlook).
- Formerly developed PC-based applications in database languages such as Microsoft Access and Paradox.
- Studied Russian and French, achieving fluency at Advanced Intermediate level.



