

**Proposal to Provide Consulting Services
to Review Utility Standard Offer Service
Electricity Procurement**

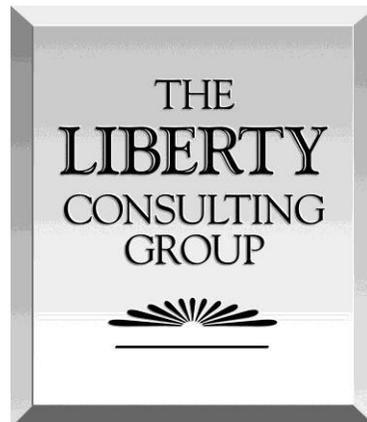
Contract Number STA15129PSCDPLSOSR

Presented to:

*Delaware Public
Service Commission*

Presented by:

*The
Liberty Consulting Group*



January 15, 2015

**Contact: John Antonuk, President
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January 15, 2015

Ms. Pamela Knotts
Delaware Public Service Commission
861 Silver Lake Blvd.
Cannon Building, Suite 100
Dover, DE 19904

Dear Ms. Knotts:

Re: Request for Proposal to Provide Consulting Services to Review Utility Standard Offer Service Electricity Procurement

The Liberty Consulting Group (Liberty) is pleased to present the enclosed Proposal to Provide Consulting Services to Review Utility Standard Offer Service Electricity Procurement to the Delaware Public Service Commission.

Liberty has become the country's leading firm in providing services to utility regulatory authorities. We have particularly strong credentials in assessing energy management, including capacity planning, asset acquisition and sale, wholesale market conditions, standard offer service procurement (including auctions), and the planning and execution of natural gas and other fuel and power acquisition, wholesale and off-system purchases and sales. Liberty has performed over 40 such reviews in our firm's history, and this experience is highlighted by multiple recent projects which demonstrate a familiarity with PHI and Pepco SOS procurement processes, particularly in the District of Columbia. We also have extensive experience in the treatment of ratemaking issues associated with automatic adjustors, particularly with respect to energy costs.

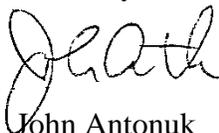
Our recent management and operations audit of Pepco include a detailed review of Pepco's power supply process as part of a management and operations audit for the District of Columbia Public Service Commission. In the conduct of that audit, Liberty performed detailed reviews of the DC-specific procurement process employed by Pepco, load research and billing issues, the effectiveness and competitiveness of the solicitations, the costs of the process, and all elements of how Pepco and PHI organize and staff this function, and how these personnel communicate with bidders. Liberty also has extensive experience related to PHI procurements in other jurisdictions. Liberty has served as the Delaware PSC consultant monitoring Delmarva Power & Light's most recent Requests for Proposals for Full Requirements Supply for its Standard Offer Service. For four tranches, Liberty has, for the past two years, monitored the auction process in its entirety. Liberty has also performed similar auction monitoring services for the Maryland Public Service Commission within the past five years.

Ms. Pamela Knotts
January 15, 2015
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Liberty is pleased to propose the same team that has performed the recent and relevant reviews of Pepco power supply for both the Delaware and District of Columbia Public Service Commissions. John Antonuk, a Liberty founder and its president, has served as the engagement director or project manager for dozens of Liberty examinations of dispatching, wholesale energy transactions, commodity trading, power plant operations, and fuel management. Jim Letzelter led Liberty's review of Pepco's District of Columbia power supply during our management and operations audit for the PSC. Jim has also led Liberty's SOS auction monitoring of Pepco for the Delaware PSC, and has substantial experience in power markets and modeling. Randy Vickroy has decades of experience as both a utility manager and as a senior management consultant in the industry working on wholesale power market contracting, solicitation processes and power portfolio assessments.

Please call or e-mail me if you have any questions about our proposal, or if you need any additional information about Liberty or our proposed team. You may reach us at the address and numbers identified in this letter's header, or contact our office by e-mail at admin@libertyconsultinggroup.com. Liberty has no exceptions to the requirements of this Request for Proposals, and notes that no work related to this engagement will take place outside of the United States.

Sincerely,



John Antonuk
President

Enclosures

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Patrick T Carter

DIRECTOR OF REVENUE

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INTERNET SITE

The Division of Revenue web address is: www.revenue.delaware.gov. Visit our web site for tax tips, links to telephone numbers, forms that you can download, links to other State agencies, the Delaware Code, the publication 'Delaware for Small Business' and lots more. Internet filing of personal income tax returns via the Division of Revenue's website is available. Internet filing for Withholding, Gross Receipts and Corporate Tentative payments is also available.

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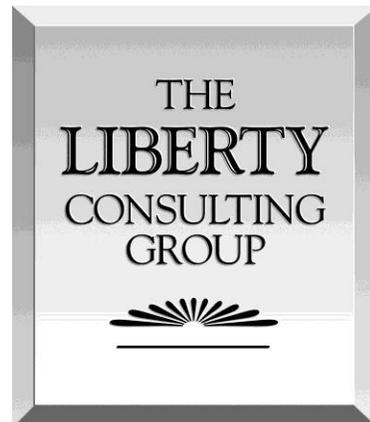
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I. Executive Summary

A. Background

The Delaware Public Service Commission issued a request for a proposal to Provide Consulting Services to Review Utility Standard Offer Service Electricity Procurement, regarding potential long-term approaches for Delmarva Power and Light Company's residential and small commercial electric customers to reduce their electricity supply costs. This effort is intended to include a review of Delmarva Power's current Standard Offer Service approach and examination of other options to procure power at lower costs for customers while maintaining appropriate levels of price stability over the longer term.

The RFP outlined four key tasks:

1. An assessment of the benefits, costs, and results of potential long-term options that offer the possibility of lower retail electricity costs while maintaining desired levels of price stability for residential customers.
2. An identification of potential programs or options that warrant consideration for Delmarva's residential and small commercial customers, which contemplate the unique aspects of Delaware electric market conditions and an assessment of the benefits and costs that can be anticipated for these respective programs. Specific recommendations for Commission consideration designed to reduce long-term electricity supply costs for residential and small commercial customers.
3. A review of legislative requirements and recommendations to potentially modify certain electric supply statutory requirements which may be unnecessary or introduce costs.
4. Modeling to support recommendations with both historical and prospective benefits and costs to the Residential and Small Commercial customers. Modeling should include sensitivities for different options along with the risks and outcomes. Modeling should be transparent and not "black box."

The Commission's consultant will be expected to provide a complete analysis of the potential benefits and costs of any long-term approaches designed to secure more cost effective electric supply for Delmarva's residential and small commercial loads.

B. Engagement Scope

Task 1: Electricity Supply Procurement Assessment

- a. Discovery and review of major active long-term approaches especially among restructured states to secure electricity supply in a more cost effective manner while maintaining appropriate levels of price stability for Delmarva's residential and small commercial customers.
- b. Evaluation of the identified programs' benefits/costs and potential applicability to Delmarva's residential and small commercial customers.
- c. Identification of the best and worst features of the major electricity supply procurement programs and what issues should be considered if any for Delmarva's supply procurement program.

- d. Preparation of a Summary Assessment report to provide the Commission with long-term programs to secure the most cost effective electricity supply background information.

Task 2: Electricity Supply Procurement Options Recommendation

- a. Determination of potential major active long-term approaches to secure electricity supply in a more cost effective manner while maintaining appropriate levels of price stability for Delmarva's residential and small commercial customers to include recommended features or approaches.
- b. Cost-effective electricity supply procurement for Delmarva to include recommended features or approaches.
- c. Evaluation of the expected benefits/costs of any recommended supply procurement program(s).
- d. Determination of any critical analysis parameters that could impact the recommended procurement program(s).
- e. Identification of any electricity procurement program recommendations for the Commission's consideration.

Task 3: Review of Legislation and Change Recommendations

- a. Review current legislative requirements and provide recommendations to eliminate or modify unnecessary and costly statutory requirements.
- b. Review current legislative requirements and provide recommendations of changes if any that would be needed to comply with any electricity program recommendations.

Task 4: Provide Modeling to Support Recommendations

- a. Modeling with sensitivities to support analysis and recommendations.
- b. Modeling support should include both historical and prospective for determining cost/benefits. Modeling should be transparent as much as possible and not "black box".

C. Summary of Liberty's Experience and Capabilities

Liberty has become the country's leading firm in providing services to utility regulatory authorities. We have particularly strong credentials in assessing energy management, including capacity planning, asset acquisition and sale, the planning and execution of natural gas and other fuel and power acquisition, wholesale and off-system purchases and sales, and standard offer service procurement (including auctions). We have performed over 40 such reviews in our firm's history, and this experience is highlighted by multiple recent projects which demonstrate a familiarity with PHI and Pepco SOS procurement processes, particularly in Delaware and the District of Columbia.

Our recent management and operations audit of Pepco for the District of Columbia Commission included a detailed review of Pepco's power supply process. In the conduct of that audit, Liberty performed detailed reviews of the DC-specific procurement process employed by Pepco, load research and billing issues, the effectiveness and competitiveness of the solicitations, the costs of the process, and all elements of how Pepco and PHI organize and staff this function, and how these personnel communicate with bidders. Liberty also has extensive experience related to PHI procurements in other jurisdictions. Liberty has served as the Delaware PSC consultant monitoring Delmarva Power & Light's most recent Requests for Proposals for Full Requirements

Supply for its Standard Offer Service. For four tranches, Liberty has, for the past two years, monitored the auction process in its entirety. Liberty has also performed similar auction monitoring services for the Maryland Public Service Commission within the past five years.

II. Work Plan

A. Tasks

1. Task One: Electricity Supply Procurement Assessment

a. Definition

The discovery, review, evaluation and assessment of major active long-term approaches and programs for securing electric supply in a cost effective manner that maintains price stability for Delaware's residential and small commercial customers.

b. Study Guidelines

In 19 states, electric generation was "restructured" about 15 years ago. In each jurisdiction, the state commissions have developed processes for electric utilities to acquire electric supply for their customers that have not selected their own supplier. The transmission and distribution utilities are generally considered the Provider of the Last Resort ("POLR"), or Standard Offer Supplier ("SOS") to these groups of customers. The utilities acquire electric supply for these customers through auctions or RFP processes, which vary significantly from state to state. These programs tend to tap into the bilateral supply markets, which provide 85 to 90 percent of the power supplied to wholesale markets, despite the presence of RTOs or ISOs that run market exchanges.

The Delmarva SOS program for residential and small commercial customers annually solicits three-year contracts for one-third of the load. This "ladder" feature means that contracts for only one-third of the total load expire each year. The approach was specifically designed to reduce energy price volatility to customers. It has continued for over 10 years.

Other states may have approaches in place to solicit the electric markets for longer-term electric supply. Delaware is interested in discovering, reviewing and assessing longer-term programs (up to 25 years) in place, for the purpose of considering the ability of longer-term supply to provide potentially lower cost while maintaining price stability. The objective of this task area is to discover such active, longer-term electric supply programs in other restructured states and to review their operations and results. The programs will be compared regarding the terms, duration, total costs, transmission and ancillary costs and other features to determine the most attractive long-term programs for further, detailed evaluation.

It may be the case that there are none or only one or two SOS programs in restructured states that would be considered "long-term", and provide relevant examples for evaluation. Recognizing this, Liberty will also identify and review certain wholesale power procurement programs in vertically-integrated states. Some companies in these jurisdictions have substantial and active power purchase portfolios that may provide long-term approaches for evaluation. Reviewing these programs may be required to determine active power supply approaches that are long-term for assessment in this task area.

In this task area, Liberty will provide an assessment of the benefits/costs/results of the various long-term options that could offer lower retail electricity costs while maintaining appropriate levels of price stability for residential customers currently taking place around the various U.S. states, especially in restructured states. Liberty will also provide a summary of the results of the programs, identifying those that may be comparable to the Delaware electricity market.

c. Key Questions to Answer

1. Which state SOS electric supply programs have longer-terms (greater than three years)?
2. What is the experience of electric supply acquirers in vertically-integrated states with respect to active longer-term supply portfolios?
3. What criteria and programs support them?
4. Are they relevant to compare with the Delaware and other restructured state programs?
5. What are the solicitation processes and term details of the longer-term electric supply program approaches?
6. Do utilities use RFP processes that allow a full range of price and non-price factors?
7. Do utility programs run price-only auctions with defined purchase contract terms? What are these locked-in terms?
8. Do the utility power supply approaches allow asset-backed or unit-contingent supply sources?
9. What has been the total delivered costs of each of the programs for each year since 2008?
10. Are the total delivered costs of the programs directly comparable, or are they distorted by transmission and ancillary costs?
11. How do the historical results (annual costs) of the electric supply programs compare with each other?
12. What has been the price volatility of each program, and how do they compare to each other on an annual basis?
13. What conclusions may be drawn from the comparison of the electric supply programs?
14. Are the most attractive electric supply programs applicable to the Delaware electric market and the Delmarva SOS customers?
15. Does the summary assessment report include information regarding all of the details of the most cost effective electric supply programs and whether they are applicable to Delaware?

d. Work Activities

1. Determine the state SOS electric supply programs that are longer term, such as greater than three years.
 2. Identify electric supply acquirers in vertically-integrated states that have active longer-term supply portfolios. Determine whether they are comparable to Delaware and other restructured state programs.
 3. Identify the solicitation processes and term details of the longer-term electric supply program approaches.
 4. Determine whether the utilities use RFP processes that allow a full range of price and non-price factors.
 5. Assess whether the utility programs run price-only auctions with defined purchase contract terms, and any such locked-in terms.
 6. Determine if the utility power supply approaches allow asset backed or unit contingent supply sources.
 7. Analyze the total delivered costs of each of the programs for each year since 2008.
-

8. Evaluate whether the total delivered costs of the programs directly comparable, or if they are distorted by transmission and ancillary costs.
9. Evaluate the historical results of the electric supply programs regarding annual costs.
10. Evaluate the price volatility of the programs, and compare to each other on an annual basis.
11. Assess the conclusions that may be drawn from the comparison of the electric supply programs.
12. Evaluate whether the most attractive electric supply programs are applicable to the Delaware electric market and the Delmarva SOS customers.
13. Produce a summary assessment report that includes information regarding all of the details of the most cost effective electric supply programs and whether they are applicable to Delaware.

2. Task Two: Electric Supply Procurement Options Recommendation

a. Definition

Identify the long-term electric supply options/program(s) assessed in Task 1 and provide an evaluation of the benefits/costs that could be anticipated in the Delaware electricity market for Delmarva customers. Provide specific recommendations to the Commission for its consideration on reducing long-term electricity supply costs.

b. Study Guidelines

In Task 2, Liberty will consider the results of the research and assessment work performed in Task 1 in developing recommendations regarding the Delmarva SOS electric supply. The most successful longer-term supply programs for lower costs while maintaining price stability will be assessed for the features, terms and approaches that are most desirable, and the costs and benefits will be compared to the existing Delaware program.

The long-term supply programs that have been determined to provide the lowest costs historically will be compared and evaluated against the existing Delmarva SOS program. The comparisons should focus on two components: first, a historical comparison of the cost and price volatility over the historical period from 2008 to the present. Secondly, the programs should be compared on a going forward basis, using electric price forecasts for varying purchased power contract durations. Sensitivity analysis for the variances between the approaches should then take place to identify the critical analysis parameters that could change the results. In each case, Liberty will consider and reconcile any differences in circumstances of the Delaware utilities and SOS customers versus those of the programs being compared to make the comparisons valid. Any differences in the power markets should also be considered before formulating recommendations.

The assessments will provide an informational foundation for developing a recommendation on electric power supply for the Delmarva SOS. The recommendation developed will provide a clear and effective guide for the Commission for selecting an approach for SOS electric supply procurement on a going-forward basis.

c. Key Questions to Answer

1. What are the characteristics of the most successful out-of-state electric supply programs determined in Task 1?
2. What is the purchased power portfolio construction of the best electric supply programs identified?
3. How do these successful long-term programs in other states differ from the Delaware SOS?
4. Are the out-of-state electric supply programs comparable with the Delaware electric markets and Delaware SOS customers?
5. What differences apply, and what is their likely impact on projected results in Delaware?
6. Do the electric supply programs include full RFP solicitations, price-only auctions, or are unit-contingent proposals allowed?
7. How do the electric supply costs of the identified programs compare to the Delmarva SOS from 2008 to the present?
8. How does the price volatility of the identified programs compare to the Delmarva SOS from 2008 to the present?
9. What conclusions can be drawn from the historical comparisons of the electric supply programs of other states to Delaware?
10. How do the identified electric supply programs compare to the Delaware SOS on a forecasted basis regarding electric supply costs?
11. How do the identified electric supply programs compare to the Delaware SOS on a projected basis regarding electric supply price volatility?
12. What do the sensitivity analyses determine regarding various purchase power contract durations?
13. Which are the crucial parameters that determine the best electric supply approach, and how should they be considered on a going-forward basis?
14. What are the key decision criteria that are utilized in developing a recommendation on future Delaware SOS contracting?
15. How should one bound the uncertainties around likely Delaware outcomes under alternative approaches?

d. Work Activities

1. Identify the characteristics of the most successful out-of-state electric supply programs determined in Task 1.
2. Determine the purchased power portfolio construction of the best electric supply programs identified.
3. Determine how these successful long-term programs in other states differ from the Delaware SOS.
4. Assess whether the out-of-state electric supply programs are compatible with the Delaware electric markets and Delaware SOS customers.
5. Determine if the electric supply programs include full RFP solicitations, price-only auctions, or are unit-contingent proposals allowed.
6. Evaluate the comparison of the electric supply costs of the identified programs to the Delmarva SOS from 2008 to the present.
7. Evaluate the comparison of the price volatility of the identified programs to the Delmarva SOS from 2008 to the present.

8. Determine the conclusions that can be drawn from the historical comparisons of the electric supply programs of other states to Delaware.
9. Assess the comparisons of the electric supply programs of the Delaware SOS on a forecasted basis regarding electric supply costs.
10. Assess the comparisons of the electric supply programs to the Delaware SOS on a forecasted basis regarding electric supply price volatility.
11. Evaluate the sensitivity analyses to determine the effects of various purchase power contract durations.
12. Identify the crucial parameters that determine the best electric supply approach, and how they should be considered on a going-forward basis.
13. Determine the key decision criteria that should be utilized in developing a recommendation on future Delaware SOS contracting.
14. Construct and apply structure methods for bounding the uncertainties surrounding the impacts of alternative approaches.

3. Task Three: Review of Legislation and Change Recommendations

a. Definition

Implementation of supply procurement options identified in Task 2 may require modifications to existing legislation or statutes. Task 3 will focus on a review of the legislative requirements and policy uncertainties surrounding each option.

b. Study Guidelines

In Task 3, Liberty will review all of the current legislative requirements related to energy procurement that affect Delmarva Power & Light. The objective will be to identify those elements that would require any type of modification in order for potential energy procurement options to be viable.

Liberty will review the long-term supply approach options identified in the context of current policies and legal requirements under which Delmarva Power & Light operates. Liberty will do so for each of the options identified, and these contextual elements will be taken into consideration for our recommended power supply approach(es). In this phase, we will not be drafting legal documents, but rather identifying changes that appear to be required.

c. Key Questions to Answer

1. What are the key parameters of the supply programs identified in Task 2?
2. What legislation is currently in place that specifies how power supply is procured and managed by Delmarva Power & Light?
3. Do any other policy issues affect the options?
4. How different will the legislation need to be in order to enable the supply approaches recommended in Task 2?
5. What does legislation look like in other states that use approaches similar to those recommended in Task 2?
6. What is the time frame expected for any suggested legislative changes?
7. What is the general approach to making the changes to legislation?

8. What are the associated risks of changing legislation that must be identified, addressed and managed?

d. Work Activities

1. Identify the key parameters of the supply programs identified in Task 2.
2. Identify and research the legislation that is currently in place that specifies how power supply is procured and managed by Delmarva Power & Light.
3. Compare current legislation and policy guidance to that needed in order to enable the supply approaches recommended in Task 2.
4. Identify and review legislation from other states that use approaches similar to those recommended in Task 2.
5. Identify the key players required to be involved in any legislative changes to enable the recommended supply option(s).
6. Identify the stakeholders involved in any other current policy constraints (e.g., state energy plans).
7. Estimate the time frame expected for any suggested changes.
8. Outline a general approach to making the changes.
9. Identify and assess any associated risks of making the changes.

4. Task Four: Provide Modeling to Support Recommendations

a. Definition

The assessment of alternative supply options will require both a review of historical performance of the existing approach used by Delmarva Power & Light and an evaluation of alternative approaches. Each will require analytics and modeling.

b. Study Guidelines

The assessment performed by Liberty will result in recommendations for Delmarva's processes for SOS electric supply. The analyses performed to support these recommendations must take into consideration the expected cost of power from the current approach as well as the expected costs from the alternatives we identify.

In addition to the expected cost levels for each procurement approach, the analysis must factor in uncertainty and risk. To do so, Liberty will identify the key elements of uncertainty in the PJM power market, and gauge the potential impact of each on long-term supply costs. These will include such factors as fuel prices (coal and gas, and the long term implications of fracking and other forces influencing these markets); emissions regulations (including existing regulations and future restrictions on greenhouse gases); renewable portfolio standards; transmission constraints; market rules (including the proposed changes to the PJM capacity market); and other parameters as identified.

For the assessment of each option, Liberty will implement the @Risk analysis platform to model all key parameters to power prices in an Excel-based model that will be completely transparent and understandable by all parties. In this manner, we will clearly project not only the *expected* values for power cost, but also the full range of possible results and the likelihood of each.

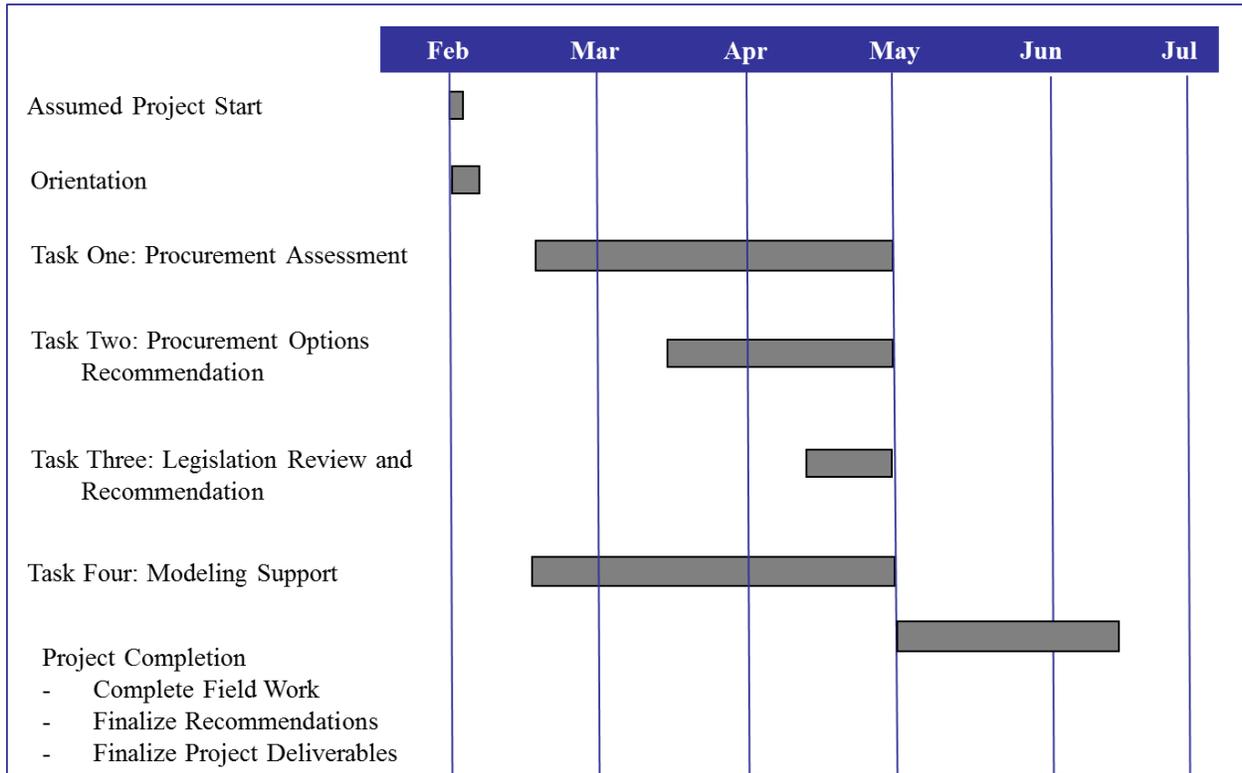
c. Key Questions to Answer

1. What are the key inputs to pricing energy for each long-term power supply approach?
2. What are the key inputs to pricing capacity for each long-term power supply approach?
3. What are the current projections of energy prices from the forward markets?
4. What are the current projections of capacity prices from the PJM auctions?
5. What are the key areas of uncertainty and risk facing the PJM market?
6. What will be the impact of carbon regulation on power markets?
7. How does the price volatility of the identified programs compare to the Delmarva SOS from 2008 to the present?
8. What conclusions can be drawn from the historical comparisons of the electric supply programs of other states to Delaware?
9. How do the identified electric supply programs compare to the Delaware SOS on a forecasted basis regarding electric supply costs?
10. How do the identified electric supply programs compare to the Delaware SOS on a projected basis regarding electric supply price volatility?
11. What do the sensitivity analyses determine regarding various purchase power contract durations?

d. Work Activities

1. Identify the key inputs to pricing energy for each long-term power supply approach.
2. Identify the key inputs to pricing capacity for each long-term power supply approach.
3. Acquire current projections of energy prices from the forward markets.
4. Acquire current projections of capacity prices from the PJM auctions.
5. Identify the key areas of uncertainty and risk facing the PJM market.
6. Assess the potential impact of carbon regulation on power markets.
7. Develop an Excel-based tool to screen options and compare them to the current approach.
8. Develop an @Risk overlay of the base model to assess the risk and uncertainty of each, and provide the full range of possible results.
9. Calculate the price volatility of the identified programs compared to the Delmarva SOS from 2008 to the present.
10. Calculate supply costs of the identified electric supply programs vs. the Delaware SOS on a forecasted basis.
11. Provide models and results.

B. Preliminary Project Schedule



III. Liberty's Experience and Qualifications

A. Nationwide, Multi-Decade Service to Utility Regulators

For 27 years Liberty has performed a broad array of comprehensive and focused engagements, including power and energy purchases and sales, fuel and energy supply and management audits, reviews of corporate governance in utility holding company structures, reviews of affiliate transactions and cost allocations, focused reviews of construction program expenditures and results, reliability assessments, and other consulting engagements for over two-thirds of the country's state public service commissions, which the table below lists.¹ Liberty has performed or is performing many projects for U.S. regulators, and has conducted management, operations, and affiliate reviews for utility authorities in Canada and in Central America.

Liberty's North American Utility Regulatory Clients

Alberta	Idaho	New Hampshire	Oregon
Arizona	Illinois	New Jersey	Pennsylvania
Arkansas	Indiana	New Mexico	South Dakota
California	Iowa	New York	Tennessee
Colorado	Kentucky	Newfoundland	Texas
Connecticut	Maine	North Carolina	Utah
Delaware	Maryland	North Dakota	Vermont
District of Columbia	Minnesota	Nova Scotia	Virginia
Florida	Mississippi	Ohio	Washington
Georgia	Montana	Oklahoma	West Virginia
Hawaii	Nebraska	Ontario	Wyoming

A testament to the strength of Liberty's performance is the number of commissions that have asked the firm back to perform repeat engagements, sometimes in circumstances or on subject areas far different and more challenging than those under which Liberty first served them. The unifying attribute of Liberty's work for commissions in its long service to them is the ability to help them to deal with the especially difficult regulatory challenges that take place when regulatory policy intersects with complicated operations requirements. Liberty does its best work in managing the "traffic" that flows through these crossroads. Dealing with highly technical or controversial management or operations issues that fall out from important changes in regulatory policy or major unforeseen events has characterized Liberty's work for commissions.

B. Competitive Power and Energy Procurement Experience

1. Pepco Power Supply Review

Liberty performed a management and operations audit of Pepco for the District of Columbia in 2013 and 2014. John Antonuk served as Project Manager, and Jim Letzelter led the review of Pepco-DC's wholesale procurement practices. This work included a comprehensive review of

¹ These other projects include evaluating restructuring proposals and impacts, assessments of utility financial separation and integrity, merger and acquisition reviews, revenue requirements analysis, among others.

Pepco-DC's procurement process, which is performed at the PHI corporate level by the same staff that provides procurement support for Delmarva.

The review considered all aspects of the power supply function, including the organization, staff, models and process. Key to the review was Liberty's comparison of the DC SOS procurement approach to that of both Maryland and Delaware. This audit provided Liberty with key insights to the PHI procurement function in every respect.

2. Recent Reviews of New York Utility Wholesale Power Purchases

The markets in New York State have been open to third-party supply for many years. Divestiture of the vast majority of utility generation occurred long ago. The state's distribution utilities have been required to procure the energy required to serve those customers who do not elect to take third-party supply. In 2012 Liberty completed for the New York State Public Service Commission a review of such procurements by the two New York State electric subsidiaries (NYSEG and RG&E) of Iberdrola, one of the world's largest electric utility holding companies. These two New York utilities have responsibility for purchasing capacity and energy required to meet the electric requirements of a large segment of their delivery customers. These amounts ran at levels of about 1,600 MW for NYSEG and 650 MW for RG&E in 2012. Liberty examined the companies' management of these electric supply requirements, seeking to determine whether they used a structured, comprehensive, and flexible approach to supply portfolio management to reduce price volatility and overall pricing levels. We examined portfolio design, resource acquisition (including the use of competitive market solicitations), risk management, and the performance of the companies in light of market conditions.

Shortly before the performance of this review, we conducted a similar examination, again for the New York Commission, of procurement of capacity and energy to serve the retail load of ConEd, the metro New York combination electric, gas, and steam utility. Like the review of NYSEG and RG&E, this capacity and energy procurement examination came as one area of particular focus in the context of broad management and operations audits.

3. Review of IPL Electric Supply Planning and Procurement

Liberty completed for the Iowa Utilities Board a review of supply planning and procurement by Interstate Power & Light, a combined electric and gas utility that operates in Iowa as one of Alliant Energy's two major utility subsidiaries. The Company makes substantial long and short term market purchases of capacity and energy. Its 2011 purchases reached almost eight million MWh. Liberty examined the methods used to make those purchases; those methods include competitive solicitations. Liberty also examined current plans for resource additions (including term purchases) in light of current and expected wholesale market conditions in the Midwest region.

4. Standard Offer Service for Delmarva Power & Light

Liberty was retained by the Delaware Public Service Commission to monitor Delmarva Power & Light's 2013-2014 Request for Proposals for Full Requirements Supply for its Standard Offer Service. For two tranches, Liberty monitored the auction process in its entirety. Pre-bid monitoring included monitoring of announcements, bidder communication, bidder certification,

bid system training, and bid system performance and market assessment. Bid day monitoring included live monitoring of the auction on-site, verification of bids, notification of winners, and contract signing. Liberty provided the DE PSC with pre-bid estimates of likely bid price ranges and a review of market conditions that could impact bidder behavior. This included a review of short and long-term market parameters.

5. Standard Offer Service for Maryland's Four Electric Utilities

Liberty has worked for the Maryland Public Service Commission in the conduct of five auctions held to provide supply for Standard Offer Service by the state's four major electric utilities. Liberty provided this assistance through a series of pre-bid, bid-day, and post-bid activities. Liberty first assured that all pre-bid activities (pre-bid conference, supplier solicitation, bidder qualification, web postings, bid plans, bid form spreadsheets, and other important documents, bid room and communications setups, information security) were adequately addressed by the utilities. Second, on bid-day, Liberty observers at bid rooms for each of the four companies assured effective security measures, equipment functionality, regular bidding, independent bid logging and establishment of reference prices for bid comparisons, validation of winning bidders, compilation of a Commission database for analysis of all historical bids since SOS bidding inception, and verifying the execution of appropriate transaction documents. Liberty also calculated the benchmark price for determining whether bids were at a level that justified their acceptance, considering market conditions, and worked with utilities and other stakeholders to address issues and concerns about that calculation. Third, following bid completion, but before a Commission decision on accepting the winning bids, Liberty prepared comprehensive analyses of the bid results and current and expected market conditions, provided a confidential briefing on that analysis to the Commission, and then provided testimony at hearings whose purpose was to provide a record for the Commission's decision on bid acceptance.

6. Additional SOS Procurement Monitoring

Since our work as procurement monitor to the MD PSC in 2008 and 2009, Liberty has added the services of Jim Letzelter, now a Liberty employee, to our team. Jim has considerable SOS procurement experience, including three separate assignments assisting public service commissions with the monitoring of SOS procurement processes. He is knowledgeable on a detailed level on SOS requirements, utility procedures, and PJM market conditions and issues. Jim has demonstrated the capability to prepare insightful analyses of SOS bids and SOS processes. Jim's prior SOS procurement monitoring experience includes:

- Liberty's 2012-2013 procurement monitoring for the Delaware Commission.
- For the Maryland PSC, Jim performed all key analytical and monitoring functions, including PAT development. Jim also developed a pre-bid market assessment based on the PAT process, and provided a preview to the Commission. Jim performed on-site monitoring of the bid process, and developed a screening tool used to quickly and accurately sort, rank and accept bids. Jim was later retained to create a comprehensive database of historical bids from past SOS procurement periods, which is still in use by the MD PSC.
- For the Pennsylvania PUC, Jim monitored the SOS procurement of Duquesne Light & Power. In addition to the standard monitoring and bid evaluation services, Jim developed an online bid system to replace email and fax-based forms and implemented the system

for SOS bidding. The system was a success and greatly improved the procurement process.

Additionally, Jim has substantial experience as a consultant related to PJM markets, having been engaged in numerous energy and capacity price forecasting, market assessment, and risk analysis projects. His work has been used for asset valuation, financial analysis and forecasting.

7. Entergy Texas Exit from the Entergy System Agreement

The Entergy companies are in the midst of a historical transition that is changing the face of the companies. First, the Entergy utilities are becoming members in the Midcontinent Independent System Operator, or MISO. Second, the sale of Entergy transmission assets to ITC Holdings Corp. ("ITC"), Mid South TransCo LLC, Transmission Company Texas, LLC, and ITC Midsouth LLC (together, "ITC") has been agreed to by the parties to the transaction, although it has not received all required regulatory approvals. Third, the Entergy Services Agreement ("ESA"), which has governed how the Entergy utilities work together and how costs and benefits are allocated among the companies, is in the process of diminishment and dissolution.

Liberty was selected by the PUCT to provide technical consulting services related to the compliance proceeding PUCT Docket 40979 concerning the membership of ETI in a regional transmission organization and ETI's participation in and orderly transition out of the ESA. Liberty analyzed the impact of ETI leaving the System Agreement and the earliest feasible date to do so. The ESA Transition Study includes what steps must be taken by ETI to:

- Function as an independent Load Serving Entity, including resource planning, generation operations planning and generation dispatch
- Perform economic dispatch of its generation
- Operate its transmission assets (dependent upon ETI's proposed merger of its transmission assets with ITC Holdings Corp.)
- Operate independently and perform functions that are currently provided by the Entergy System pursuant to the terms and conditions of the System Agreement.

John Antonuk directed Liberty's work in this engagement, and Jim Letzelter led the reviews of Power Supply issues, including efforts to develop a power supply strategy and resulting portfolio that is optimized for the needs of Texas customers, evaluating:

- ETI's existing capacity resources
- The relation of existing resources to MISO reserve requirements
- Future acquisition considerations
- The effects of termination of Purchase Power Agreements
- Valuing capacity in the future.

8. Competitiveness of PSNH Fossil/Hydro Fleet

A number of years ago, restructuring in New Hampshire led to the divestiture of some supply assets, but left the state's dominant provider of electricity (Public Service Company of New Hampshire, or PSNH) in possession of fossil and hydro assets. As gas prices fell several years ago, the fossil units moved from a strongly competitive market position to an increasingly noncompetitive one. This transition left PSNH customers taking the equivalent of standard offer service (termed "default service" in the state) paying ever higher prices relative to market. At the

same time, coal units with better operating characteristics were selling for small fractions of book cost, or simply closing. Environmental risks to coal generators were also increasing. Factors such as these led the New Hampshire Public Utilities Commission to seek an examination of the short and long term competitiveness of PSNH's fleet, and of alternatives that might further or totally remove PSNH from the generation side of the business.

Working on an integrated basis with Commission Staff, Liberty conducted an analysis of the competitiveness of the fleet, addressing current and expected energy market conditions, the effects of increased cycling of units designed for baseload operations, potential costs associated with compliance with current and potentially increased environmental restrictions, impacts on the competitive market place, and other factors important for the Commission to consider in determining what future role might exist for utility-owned supply resources.

9. Sale of Allegheny Energy's Virginia Utility Operations

Allegheny entered into an agreement to transfer its Virginia operations to two distribution rural electric cooperatives. The Staff of the Virginia State Corporation Commission, which regulates utility rates and services, sought an assessment and analysis of the likely cost and service consequences of such a transfer. Liberty performed this engagement, which considered changes in distribution-level costs and service quality. We also evaluated the likely short- and long-term changes in costs resulting from moving from the Allegheny system to the G&T (Old Dominion) that would pick up supply responsibility following the transfer. We prepared a comprehensive, year-over-year quantification of likely cost and price changes for customers, considering both distribution and generation and transmission costs.

Among the other issues this engagement addressed were the differences in power markets between Allegheny (PJM West) and the Eastern markets from which the acquirers made most of their purchases. Current and projected differences in power and energy purchase costs between the two markets (and their impacts on customers/members of the acquiring and acquired entities) formed a major focus of Liberty's examination.

10. Recent Competitive Renewable Energy Procurements

Liberty has undertaken for Nova Scotia utility regulators (the Utility and Review Board) a number of reviews of RFPs used by the province's largest electricity supplier, Nova Scotia Power, to procure energy resources. These RFPs have involved multiple efforts to secure purchased power agreements with wind developers. They have also included two separate reviews of biomass energy (one an examination of a long-term purchased power agreement and the other a critical examination of the process and results of a competitive solicitation that produced multiple bids for the provision of biomass-generated power and energy in the form of both purchase agreements and self-generation).

11. Other Focused Examinations of Power and Energy Purchases and Sales

Our recent, substantial work in the area of power and energy purchasing follows a very long record of service to utility regulators in the area. Liberty has for many years been the country's leading examiner of fuel and energy purchases and sales by public utilities. These examinations have routinely required us to examine how utilities have structured and executed competitive solicitations for power and energy and for the fuels used for electricity generation. We have been

performing such reviews for some twenty years and for many utility regulators across the country. They have come in the context of reviews solely addressing these issues and as part of more general management and operations audits that made power, energy, and fuel procurement a special area of focus.

Utility	Commission	Utility	Commission
<i>Electric</i>			
AEP	Ohio	Monongahela Power	Ohio
Allegheny Energy	Pennsylvania	Nova Scotia Power (multiple reviews)	Nova Scotia
Arizona Electric Power Coop. (two reviews)	Arizona	NU/Public Service NH	New Hampshire
Arizona Public Service	Arizona	NY Power Authority	New York
Central Hudson G&E	New York	NYSEG	New York
Cincinnati G&E	Ohio	Ohio Edison	Ohio
Consolidated Edison	New York	Ohio Power	Ohio
Duke Energy	Ohio	Pepco	District of Columbia
East Kentucky Power Coop	Kentucky	Rochester G&E	New York
Interstate P&L	Iowa	Toledo Edison	Ohio
Kentucky Utilities	Kentucky		
<i>Gas Utilities</i>			
Utility	Commission	Utility	Commission
Arkansas Western Gas	Arkansas	NJR/New Jersey NG	New Jersey
CG&E	Ohio	NYSEG	New York
Columbia Gas	Kentucky	Peoples Energy	Illinois
Columbia Gas	Ohio	Pike Natural Gas	Ohio
Connecticut Natural Gas	Connecticut	Rochester G&E	New York
Consolidated Edison	New York	SJI/South Jersey Gas	New Jersey
Delta Natural Gas	Kentucky	Southern Connecticut Gas	Connecticut
Duke Energy	Ohio	Union Light, Heat & Power	Kentucky
East Ohio Gas	Ohio	United Cities Gas	Tennessee
Eastern Natural Gas	Ohio	Vectren	Ohio
Interstate P&L	Iowa	Virginia Natural Gas	Virginia
KeySpan	New Hampshire	Western Kentucky Gas	Kentucky
KN Energy	Wyoming	Yankee Gas	Connecticut
Louisville Gas & Electric	Kentucky		

12. Northeast Utilities

Liberty contributed to the development of and monitored the formation, issuance, communications, controls, and process integrity for the competitive solicitation process for Northeast Utilities' sale of the Seabrook generating station, acting on behalf of the New

Hampshire PUC, which had authority for overall conduct of the sale. Liberty also oversaw the bid process, independently evaluated the bids received, and advised the PUC on the merits of each.

13. Public Service New Hampshire Restructuring

Liberty developed and supported through testimony before the commission a framework and strategy to resolve electric industry restructuring issues between the State of New Hampshire, Public Service Company of New Hampshire, and the New Hampshire PUC. The work included an assessment and valuation of all key power supply assets (including wholesale purchase and sale agreements) and the development of a disposition strategy for all generation assets, contracts and obligations, in light of current and future market conditions. The work also included the development of provisions for power supply purchases during a regulatory transition period.

14. New York Power Authority

Liberty assessed for the Office of the New York State Controller the New York Power Authority's power supply acquisition and analysis, and power plant economics, power pricing policies, and economic development programs in two separate audits. NYPA was the largest generator and carrier of power in New York, providing over 25 percent of the electricity sold in the state.

15. Restructuring

Liberty has modeled generating station and other power supply asset costs and values in the context of restructuring proceedings conducted for the staffs of the commissions of New Hampshire, Delaware, and Arizona.

16. Procurement and Code of Conduct

New Jersey imposes a series of requirements associated with short- and long-term sales of capacity and energy and asset transfers by its electric utilities. Liberty has examined compliance by all of New Jersey's major electric utilities with state Code of Conduct requirements, including the New Jersey operating utilities of the following holding companies: Consolidated Edison (New York), First Energy, Conectiv, and PSE&G.

C. References

We have listed below references for work related to power and energy procurement.

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Debra Howland, Executive Director
New Hampshire Public Utilities Commission
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Phone: 603-695-8542
debra.howland@puc.nh.gov

D. Location

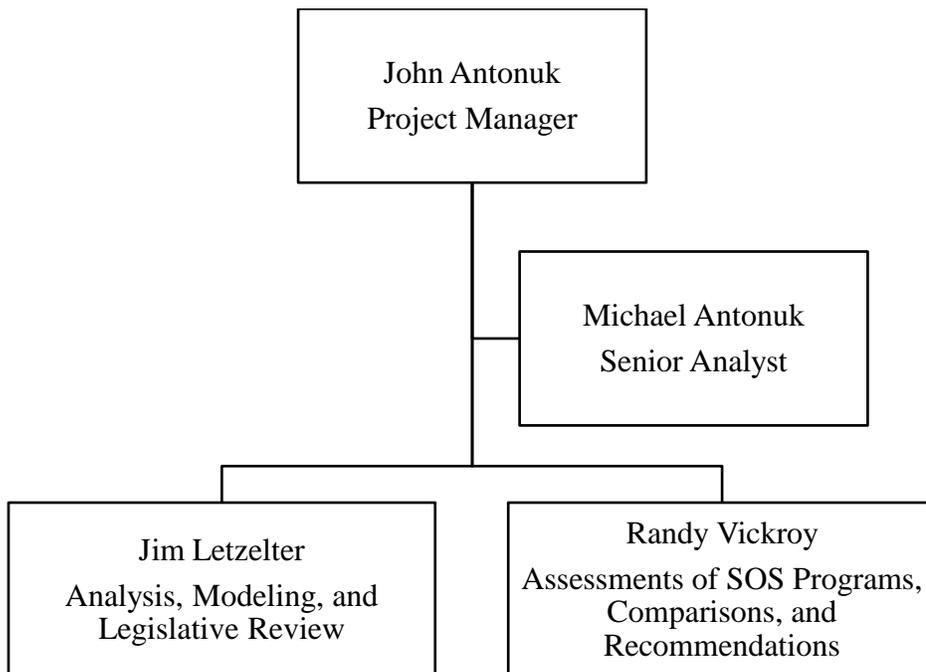
The location of the Liberty office responsible for managing the contract is 279 North Zinns Mill Road, Suite H, Lebanon, Pennsylvania 17042. The name and telephone contact information for the contract is John Antonuk, (717) 270-4500.

IV. Liberty's Personnel

A. Team Organization

Liberty proposes to complete this assignment with four experienced professionals. The project will be led by John Antonuk. This team has directly-applicable experience in power procurement processes. Their resumes are attached.

Consultant	Delaware SOS 2012-2015	Mississippi Power 2014	Entergy Texas 2013-15	PSNH 2013	Entergy Mississippi 2012	IPL 2012	EKPC 2010	AEPCO 2013
J. Antonuk	X	X	X	X	X	X	X	X
R. Vickroy		X	X			X	X	X
J. Letzelter	X	X	X	X	X			
M. Antonuk	X	X	X	X	X	X	X	X



B. Team Experience

1. John Antonuk: Project Manager

John Antonuk, a Liberty founder and its president, has served as the engagement director or project manager for many Liberty examinations of dispatching, wholesale energy transactions, commodity trading, power plant operations, and fuel management.

In the area of utility fuel management, John has managed many of Liberty's fuel related projects, and testified numerous times before regulatory authorities on issues related to fuel for electric

power generation. John managed Liberty's work for the Maryland Public Service Commission (MD PSC) in the conduct of five auctions held to provide supply for Standard Offer Service by the state's four major electric utilities.

John directed Liberty's work for the Delaware PSC monitoring Delmarva Power & Light's 2013 and 2014 Request for Proposals for Full Requirements Supply for its Standard Offer Service. For four tranches, Liberty monitored the auction process in its entirety. Pre-bid monitoring included monitoring of announcements, bidder communication, bidder certification, bid system training, and bid system performance and market assessment.

He has directed many prior Liberty audits of electric utility fuel and energy procurement and management under an energy clause for the Public Utilities Commission of Ohio. He managed such an engagement that addresses fuel and energy matters at the Ohio operations of Duke Energy, one of the country's largest electric utilities. This work included a review of a utility whose plants had previously operated in a restructured market, but have returned in significant part to cost-of-service regulation. He has testified about fuel procurement and design of automatic recovery clauses before the Arizona Corporation Commission and the Nova Scotia Utility and Review Board.

John managed and testified to the results of a comprehensive and extensive review of fuel and purchased power procurement, sales, and management at Arizona Public Service, one of the country's largest vertically integrated electric utilities. This review was conducted for the Arizona Corporation Commission after it had initiated restructuring activities, but then allowed the return of a large generating fleet from merchant back to utility cost-of-service operation. Liberty's work also included a detailed review of rate accounting for fuel and energy costs, and the major redesign of the fuel and purchased power adjustment clause. The work that John managed included detailed evaluations of the management and performance, as well as the rate, regulatory accounting, and fuel/energy clause mechanics associated with all aspects of the Company's fuel, environmental compliance, bulk power system, power plant performance purchasing, sale, and management.

John has also managed and testified regarding Liberty's examination of the revenue requirements associated with Nova Scotia Power's fuel and energy management. Liberty has performed five such engagements for the Nova Scotia Utility and Review Board. John also testified for the Board staff about the adoption and the specifics of the design of a first-ever fuel adjustment mechanism to recover Nova Scotia Power's fuel and purchased power costs. He testified for the Board as well in multiple earlier proceedings involving the management and the rate/regulatory accounting aspects of fuel and energy costs in Nova Scotia Power rate proceedings. He also directed Liberty's audit of fuel procurement and management at Public Service Company of New Hampshire for the New Hampshire Public Utilities Commission.

He has served as project manager or engagement director on a number of Liberty's audits of electric and gas utility management/performance in energy procurement and management. He led Liberty's work (for the Illinois Commerce Commission) in examining natural gas procurement and portfolio design and management across an eight-year period at People's Natural Gas, one of the country's largest LDCs. John also managed Liberty's completed audits

of the competitive services of New Jersey's four major electric companies, including PSE&G, whose audit also included its natural gas operations. He was also the project manager for an audit of Public Service Company of New Hampshire ("PSNH") for the New Hampshire Public Utilities Commission. PSNH is one of three electric operating utilities of Northeast Utilities, whose affiliates include one of the largest third-party suppliers of electric energy (Select Energy) in the wholesale and retail markets. The scope of that work included power generation fuel issues and also included an analysis of the degree to which utility/non-utility financial operations and risks are intertwined and the degree to which Northeast Utilities has succeeded in its claimed efforts to "ring-fence" utility credit. He has also managed two recent commission-sponsored examinations of availability and outage management at the coal-fired generating stations of the New Hampshire affiliate (PSNH) of Northeast Utilities.

Mr. Antonuk has a J.D., with academic honors from the Dickinson School of Law, and a B.A., cum laude, from Dickinson College.

2. James Letzelter: Analysis, Modeling, and Legislative Review

Jim Letzelter has considerable, relevant experience as a consultant to SOS procurements. His experience includes four separate assignments assisting public service commissions with the monitoring of SOS procurement processes, including his role as Technical Consultant for the Delaware Public Service Commission (DE PSC) in the 2013 and 2014 auctions. He is knowledgeable on a detailed level on SOS requirements, utility procedures, and PJM market conditions and issues. Jim has demonstrated the capability to prepare insightful analyses of SOS bids and SOS processes.

Mr. Letzelter has substantial experience as a consultant related to PJM markets. Specifically, he has been engaged in energy and capacity price forecasting, market assessment, and risk analysis. His work has been used for asset valuation, financial analysis and forecasting. In addition to his recent experience with the Delaware PSC, Jim's SOS procurement monitoring services have been performed for the Maryland Public Service Commission (MD PSC) and the Pennsylvania Public Utility Commission (PA PUC).

Jim served as Lead Consultant for Liberty's work for the Delaware PSC monitoring Delmarva Power & Light's 2013 and 2014 Request for Proposals for Full Requirements Supply for its Standard Offer Service. For four tranches, Liberty monitored the auction process in its entirety. Pre-bid monitoring included monitoring of announcements, bidder communication, bidder certification, bid system training, and bid system performance and market assessment. Bid day monitoring included live monitoring of the auction on-site, verification of bids, notification of winners, and contract signing. Jim provided the DE PSC with pre-bid estimates of likely bid price ranges and a review of market conditions that could impact bidder behavior. This included a review of short and long-term market parameters.

For the Maryland PSC, Jim performed all key analytical and monitoring functions, including development of a Price Anomaly Threshold (PAT) used to set a bandwidth of acceptable bid prices. He also developed a pre-bid market assessment based on the complex PAT process, and provided a preview to the Commission. Jim provided on-site monitoring of the bid process, and developed a screening tool used to quickly and accurately sort, rank and accept bids. He was

later retained to create a comprehensive database of historical bids from past SOS procurement periods.

For the Pennsylvania PUC, Jim monitored the SOS procurement of Duquesne Light & Power. In addition to the standard monitoring and bid evaluation services, Jim developed an online bid system to replace email and fax-based forms and implemented the system for SOS bidding. The system was a success and greatly improved the procurement process.

For the DC Public Service Commission, Jim served as the Lead Consultant on SOS procurement issues for Liberty's audit of Pepco. Jim reviewed all aspects of wholesale power procurement and provided a report on key issues related to the organization, systems and processes.

Jim played a lead analytical role in Liberty's recent engagements for the Public Utility Commission of Texas (PUCT) staff and for the New Hampshire PUC Staff. Explained above in the description of John Antonuk's background, these projects mean that Jim and John have worked very closely and recently on analyses seeking quantified responses to key questions about utility capacity and energy supply in dynamic markets.

Mr. Letzelter is an expert in power market model development, and will use this skillset to support all of the required analytical, monitoring, and report development tasks. Jim holds a B.S.E.E. from Clarkson University and an M.B.A. from the University at Albany (SUNY). He has received Certified Rate of Return Analyst certification.

3. Randy Vickroy: Assessments of SOS Programs, Comparisons, and Recommendations

Randy Vickroy has worked for Liberty across a period of more than 19 years. He has had major roles in many of the directly relevant projects that Liberty has completed in the recent past. In particular, Randy has been involved in wholesale market power assessments and contracting over a period of more than 30 years, as both a utility manager and as a management consultant. His expertise in assessing long-term electric supply portfolios is of specific relevance to the Delmarva project.

Relevant projects include both of Liberty's reviews of Arizona Electric Power Cooperative, where a key area of project focus was the future of the company's coal-fired generation plant. Randy also played a key role in Liberty's focused audit of EKPC for the Kentucky PSC, where he led the reviews of power supply planning and budgeting. Randy also led Liberty's reviews of Economic Impacts and Economic Analysis of Purchased Power Agreements during our work for the PUCT involving Entergy Texas. He has previously led the reviews of Electric Supply Procurement and Capital and O&M Budgeting on Liberty's management and operations audit for the New York Public Service Commission of Iberdrola SA/Iberdrola USA/NYSEG and RG&E, and for the Iowa Utilities Board in a management audit of Interstate Power. He led Liberty reviews of electricity supply in audits of Interstate Power, Con Edison, NYSEG and RG&E, Arizona Electric Cooperative, Arizona Public Service, and Nova Scotia Power.

He was an important Liberty team leader for the examination of purchased power contracts, wholesale power operations, assessment of base fuel costs through analysis of company dispatch

models, and the operation of the fuel recovery mechanism at Arizona Public Service in 2006. He also was a key participant in Liberty's assistance to the Arizona Corporation Commission in the proposed sale of UniSource to KKR through a leveraged buy-out in 2004. Randy has also evaluated the market economics of the generation and transmission assets of the New York Power Authority, in audits for the New York State Office of Controller.

His other reviews of energy utility forecasting and planning include:

- Pacific Gas and Electric: Budgeting and analysis systems
- Delmarva
- Kentucky Utilities
- Big Rivers Electric
- Dayton Power and Light: Capital project analysis.

In addition to leading Liberty's review of Electric Supply Procurement during the Management and Operations audit of Con Edison, Randy has examined similar functions on the following commission-sponsored Liberty engagements:

- Arizona Public Service
- Arizona Electric Power Cooperative
- Southwestern Public Service Company
- Nova Scotia Power (two separate audits).

Randy holds a B.A. in Business Administration from Monmouth College and an M.B.A. in Finance from the University of Denver.

4. Michael Antonuk: Senior Analyst

Michael Antonuk has provided support to Liberty's SOS auction monitoring work in both Delaware and Maryland. For ten years, Michael has been conducting analysis and managing data in Liberty examinations for public service commissions of electricity and natural gas energy and commodity transactions. These utilities include Arizona Public Service, Consolidated Edison, Elizabethtown Gas, Interstate Power and Light, Iberdrola USA, Nova Scotia Power, New Jersey Natural Gas, People's Gas and North Shore Gas, and Virginia Natural Gas. He has used utility systems to perform these activities and he has designed analytical tools for Liberty's use in performing analyses and in collecting and organizing large bodies of transaction data.

V. Budget

Liberty's proposed project budget is included in the following table. This budget assumes the award of all four project tasks, which Liberty agrees to perform for a not-to-exceed costs of \$172,220.

Not-To-Exceed Cost: Total Project

	J. Antonuk	R. Vickroy	J. Letzelter	M. Antonuk
<i>Task One: Electricity Supply Procurement Assessment</i>	12	144	80	16
<i>Task Two: Electricity Supply Procurement Options Recommendation</i>	12	160		16
<i>Task Three: Review Of Legislation And Change Recommendations</i>	60			8
<i>Task 4: Provide Modeling To Support Recommendations</i>	8		160	
<i>Total Hours</i>	92	304	240	40
<i>Hourly Rate</i>	\$285	\$250	\$235	\$140
<i>Fees</i>	\$26,220	\$76,000	\$56,400	\$5,600
<i>Total Fees</i>	\$164,220			
<i>Expenses</i>	\$8,000			
<i>Not-to-Exceed Cost</i>	\$172,220			

Not-To-Exceed Cost: Task One Only

	J. Antonuk	R. Vickroy	J. Letzelter	M. Antonuk
<i>Task One: Electricity Supply Procurement Assessment</i>	16	152	88	20
<i>Total Hours</i>	16	152	88	20
<i>Hourly Rate</i>	\$285	\$250	\$235	\$140
<i>Fees</i>	\$4,560	\$38,000	\$20,680	\$2,800
<i>Total Fees</i>	\$66,040			
<i>Expenses</i>	\$7,264			
<i>Not-to-Exceed Cost</i>	\$73,304			

Not-To-Exceed Cost: Task Two Only

	J. Antonuk	R. Vickroy	J. Letzelter	M. Antonuk
<i>Task Two: Electricity Supply Procurement Options Recommendation</i>	16	168		20
<i>Total Hours</i>	16	168	0	20
<i>Hourly Rate</i>	\$285	\$250	\$235	\$140
<i>Fees</i>	\$4,560	\$42,000	\$0	\$2,800
<i>Total Fees</i>	\$49,360			
<i>Expenses</i>	\$5,430			
<i>Not-to-Exceed Cost</i>	\$54,790			

Not-To-Exceed Cost: Task Three Only

	J. Antonuk	R. Vickroy	J. Letzelter	M. Antonuk
<i>Task Three: Review Of Legislation And Change Recommendations</i>	60			12
<i>Total Hours</i>	60	0	0	12
<i>Hourly Rate</i>	\$285	\$250	\$235	\$140
<i>Fees</i>	\$17,100	\$0	\$0	\$1,680
<i>Total Fees</i>		\$18,780		
<i>Expenses</i>		\$2,066		
<i>Not-to-Exceed Cost</i>		\$20,846		

Not-To-Exceed Cost: Task Four Only

	J. Antonuk	R. Vickroy	J. Letzelter	M. Antonuk
<i>Task 4: Provide Modeling To Support Recommendations</i>	12		172	
<i>Total Hours</i>	12	0	172	0
<i>Hourly Rate</i>	\$285	\$250	\$235	\$140
<i>Fees</i>	\$3,420	\$0	\$40,420	\$0
<i>Total Fees</i>		\$43,840		
<i>Expenses</i>		\$4,822		
<i>Not-to-Exceed Cost</i>		\$48,662		

VI. Absence of Conflicts of Interest

Neither Liberty, nor any of its employees, nor any members of the team proposed for this project has had any relationships with Pepco, or any parent (including PHI), subsidiary or affiliate of Pepco. No Liberty personnel have ever worked for the Commission at any point. Liberty's reviews of Pepco cited in the proposal were performed on behalf of either the District of Columbia Public Service Commission or the Delaware Public Service Commission.

VII. Financial Capability

Liberty does not offer financial statements at the proposal level, given our ownership structure. We report, however, that Liberty has maintained a positive net worth in each month of its existence, since its founding in 1987. Liberty has over two decades of experience providing consulting services to over 40 regulatory agencies, often times on projects with a scope and budget among the largest commissioned by those agencies. Liberty's clients include the Delaware Public Service Commission. Should the Commission require further proof of Liberty's capability to complete this project, Liberty is open to discussing with Staff what financial information may be provided to Staff on a confidential basis.

VIII. Additional Requirements

A. Insurance Policy

Liberty maintains insurance policies that are sufficient with respect to the RFP.

B. Certification

The Liberty Consulting Group certifies that we comply with all federal, state and local laws applicable to its activities and obligations including:

1. The laws of the State of Delaware;
2. The applicable portion of the Federal Civil Rights Act of 1964;
3. The Equal Employment Opportunity Act and the regulations issued thereunder by the federal government;
4. A condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
5. That programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

C. Affirmation

The Liberty Consulting Group affirms that within the past five (5) years, and in our entire 27-year existence, neither the firm or any officer, controlling stockholder, partner, principal, or other person substantially involved in the contracting activities of the business is currently suspended or debarred nor is a successor, subsidiary, or affiliate of a suspended or debarred business.

IX. Offer to Serve

This proposal constitutes an offer to provide the services described in this proposal under the terms and conditions hereof. This offer shall remain in effect through the close of business February 27, 2015, and, in the event it is accepted, its terms and conditions, except as may be modified by any final contract, shall continue in force thereafter until completion of all Liberty's responsibilities hereunder or under the RFP to which it responds. Liberty indicates its agreement to be bound by the terms of this offer by the signature of its duly authorized officer, which appears below.

Accepted for:

The Liberty Consulting Group
279 North Zinns Mill Road, Suite H
Lebanon, Pennsylvania 17042
717-270-4500

by:



John Antonuk
President

This 15th day of January 2015

Appendix A: Resumes



John Antonuk

Areas of Specialization

Executive management; management audits and assessments; service quality and reliability management and measurement, utility planning and operations; litigation strategy; management of legal departments; human resources; risk management; regulatory relations; affiliate transactions and relations; subsidiary operations; and testimony development and witness preparation.

Relevant Experience

Electricity

Project Director and Lead Consultant for Corporate Planning on Liberty's management and operations audit of Iberdrola SA/Iberdrola USA/NYSEG and RG&E for the New York Public Service Commission.

Project Director and Lead Consultant for Governance and Senior Management on Liberty's management and operations audit of Interstate Power and Light for the Iowa Utilities Board.

Project Director and Lead Consultant on Liberty's management and operations audit of the electricity, natural gas, and steam operations of ConEd for the New York Public Service Commission.

Project Director on Liberty's benchmarking analysis of Arizona Public Service for the Arizona Corporation Commission. This study covered a ten-year audit period and benchmarked Arizona Public Service's performance with the following metrics: Operational Performance, Cost Performance, Financial Performance, Affiliate Expenses, and Hedging & Risk Management.

Project Manager for Liberty's comprehensive, detailed affiliate relationships and transactions audit of Duke Energy Carolinas for the North Carolina Utilities Commission staff.

Project Manager for the performance of Liberty's audit for the Delaware Public Service Commission of a diagnostic audit of the affiliate costs borne by Delmarva Power, a member of the multi-state holding company, PHI. This review included an examination of the central services organization structure and operations, the procedures and methods used to allocate and assign costs, and test work to verify that execution of methods and procedures conforms to company procedures and to good utility practice.

Project Manager for Liberty's work for NorthWestern Energy to formulate long-range integrated infrastructure plans for its multi-state electric and natural gas distribution utilities. This project includes consideration of how to incorporate "Smart Grid" technology into infrastructure plans in a manner that will enable the Company to roll out new capabilities and services as technology

makes them available, without undue acceleration of capital spending as uncertainties in this new marketplace become resolved.

Project Manager for Liberty's audit of Arizona Electric Power Cooperative for the Arizona State Corporation Commission which included reviews of fuel procurement and management, bulk electricity purchases and sales, power plant management, operations and maintenance, energy clause design and operation, and other issues affecting the prudence, reasonableness, and accuracy of costs that pass through the fuel and energy clause.

Project Manager for Liberty's audit of Southwest Transmission Cooperative for the Arizona Commission, a companion examination of the transmission cooperative that is owned and operated in parallel with Arizona Electric Power Cooperative (a generation cooperative). Among the issues examined in this audit were line losses.

Project Manager for Liberty's audit of Southwestern Public Service (SPS) for the New Mexico Public Regulation Commission that included a management review of the prudence of SPS' transactions under the Renewable Energy Credit tracker as conditionally approved by the Commission and a financial review of both revenues and expenses in order to provide an analysis of any under-recovery or over-recovery. Similarly, Liberty performed an evaluation of SPS' fuel clause process and regulations and a financial audit of fuel clause computation. In addition, reviews of purchases of coal, natural gas, oil, and purchased power, power plant operations, line losses, and cost allocation and assignment were also performed.

Project Manager for Liberty's audit of East Kentucky Power Cooperative, which included examinations of Governance, Planning, Finance, and Budgeting. Liberty performed for the Kentucky Public Service Commission an examination of governance at a generation and transmission cooperative serving 16 distribution cooperatives across the state. This study came in the wake of significant financial difficulties and also addressed planning, budgeting, financial, and risk functions and activities.

Project Manager for Liberty's audit for the Virginia State Corporation Staff of Potomac Edison Distribution System Transfer. Liberty examined the public interest questions associated with the transfer by an Allegheny Energy's utility operating subsidiary (Potomac Electric) of all of its electricity distribution operations business and facilities in Virginia to two rural electric cooperatives.

Project Manager for Liberty's audit of the fuel and purchased-power procurement practices and costs of Arizona Public Service Company for the Arizona Corporation Commission. Liberty completed audits relating to fuel procurement and management and on rate and regulatory accounting for related costs at Arizona Public Service Company for the Arizona Corporation Commission.

Project Manager for Liberty's audit of Duke Energy Carolinas for the North Carolina Utilities Commission. Scope included compliance with regulatory conditions and code of conduct imposed by the Commission after the merger with Cinergy, and affiliate transactions and cost allocation methods.

Project Manager for Liberty's audit of affiliate transactions of Nova Scotia Power on behalf of the Nova Scotia Utility and Review Board.

Project Manager for Liberty's audit for the New Jersey Board of Public Utilities of the competitive service offerings of the state's four major electric companies. Scope included corporate structure, governance, and separation, service company operations and charges, inter-affiliate cost allocations, arm's-length dealing with respect to a variety of code-of-conduct requirements, and protection of customer and competitor proprietary information.

Project Manager and witness for the staff of the Arizona Corporation Commission addressing the merits of the proposed acquisition of UniSource by a group of private investors.

Project Manager and witness before the Oregon Public Utility Commission addressing the merits of the proposed acquisition of Portland General Electric by a group of private investors.

Engagement Director for Liberty's provision of engineering and technical assistance to the Vermont Public Service Board in connection with review of public necessity and convenience related to the Northwest Reliability Project, which would add a major new 345kV transmission plan to provide an additional source of electricity to serve Vermont's major load growth in its northwest region. The project involved transmission reinforcements at lower voltages and significant substation upgrade work. The proceedings had numerous public, private, and government interveners, who raised issues regarding project need, available electrical alternatives, routing and design, and electromagnetic radiation.

Project Manager for Liberty's support for the New Hampshire Public Utilities Commission in its charge to oversee the divestiture of the Seabrook nuclear plant as part of a major restructuring settlement. The sale produced record high compensation for nuclear facilities in the country.

Project Manager and witness for Liberty's assessment of fuel procurement, affiliate transactions, and automatic adjustment clause implementation for the staff of the Nova Scotia Utility and Review Board in rate case of Nova Scotia Power.

Project Manager for Liberty's engagement on behalf of Boston Edison to examine the company's affiliate relations, including issues of the valuation of assets transferred to an affiliate. Testified in proceedings before the Massachusetts Department of Telecommunications and Energy (formerly the Department of Public Utilities) on several telecommunications issues, including: (a) development of competition, and legislative and regulatory-policy changes supporting it, (b) electric-utility entry into telecommunications markets, (c) costs, prices, and market value of network elements, (d) requirements of the Telecommunications Act of 1996, (e) assessment of compliance with commission orders, company procedures, and service agreements regarding limits on affiliate interactions, (f) inter-company loans, guarantees, and credit support among utilities and their affiliates, (g) accounting for affiliate transactions, (h) obligations to allow nondiscriminatory access to network infrastructure to third parties, and (i) cost pools, overhead factors, and allocation of common costs among utility and non-utility affiliate activities and entities.

Project Manager for Liberty's major consulting engagement for the New Hampshire Public Utilities Commission. Liberty examined management, operations, and costs at Public Service Company of New Hampshire/Northeast Utilities, which is engaged in the operational and cost-accounting separation of its network into segments, for the purposes of restructuring service offerings to allow competition in certain aspects of electric-energy supply. This engagement included an assessment of valuations of nuclear and fossil units, as well as supply contracts with independent-power producers. Liberty also assisted in efforts to settle rate case and restructuring disputes involving, among other issues, stranded costs associated with power plants. The scope of Liberty's work included the development of plans and protocols for power plant (fossil, hydro, and nuclear) and power supply contract assets, as well as the oversight of activities associated with asset auctions.

Engagement Director for Liberty's evaluation of corporate relations and affiliate arrangements of Dominion Resources, Inc. and Virginia Power for the Virginia State Corporation Commission. This project addressed all significant aspects of corporate governance, operating relationships, and affiliate arrangements between the two entities.

Project Director for Liberty's evaluation of a report prepared by a consultant to the Hawaii Public Utilities Commission on the relationship between Hawaiian Electric Industries (HEI), a diversified utility-holding company, and Hawaiian Electric Company (HECO), its principal subsidiary and operating electric utility.

Project Director for all aspects of Liberty's comprehensive management and operations audit of West Penn Power Company for the Pennsylvania Public Utilities Commission. Managed focused reviews of the Company's affiliated costs, power dispatch and bulk power transactions, customer services, finance, and corporate services. Presented testimony before the PA Public Utility Commission on behalf of the Office of Trial Staff regarding the results of the audit in West Penn's rate case.

Lead Consultant for affiliate relations for Liberty's assignment of providing assistance to Delmarva Power & Light Company in developing and implementing self-assessment and continuous-improvement processes.

Project Director for Liberty's reviews of fossil-fuel procurement and administration in Liberty's management/performance audits of the Centerior Energy Company's operating companies - Cleveland Electric Illuminating Company and Toledo Edison Company - and Ohio Edison, Monongahela Power (an Allegheny Power System operating company), and Cincinnati Gas & Electric, for the Public Utilities Commission of Ohio.

Served as advisor to the administrative law judge of the Delaware PSC responsible for hearing cases regarding the implementation of the new law that restructures the electric-utility industry in Delaware.

Engagement Director for nuclear plant performance-improvement projects that Liberty conducted for Duquesne Light Company, Centerior Energy, Nebraska Public Power District, and Pennsylvania Power & Light Company (PP&L).

Engagement Director for a Liberty assignment for Florida Power Corporation, regarding a proposal by the Tampa Electric Company to construct transmission lines to serve the cities of Wauchula and Fort Meade, Florida. Liberty's testimony helped convince the Florida Public Service Commission that Tampa Electric Company's proposed line was uneconomic.

Directed Liberty's engagement to assist a regional electric generation and transmission cooperative, whose members' combined operations make it a major competitor in the state's electricity business, to conduct its first-ever comprehensive and formal strategic-planning process.

Natural Gas

Project Manager for Liberty's examination of safety programs and activities of NiSource's Maine subsidiary Northern Utilities for the Maine Public Service Commission.

Project Manager for Liberty's focused and general management audits of NJR, New Jersey Natural Gas, and affiliates for the New Jersey Board of Public Utilities. This project included detailed examinations of affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other code-of-conduct issues. Personally performed the reviews of governance, EDECA requirements compliance, and legal services.

Project Manager on a major focused audit of Peoples Gas/Integrays that Liberty performed for the Illinois Commerce Commission. Audit topics included natural gas forecasting, portfolio design and implementation, gas purchase and sale transactions, controls, organization and staffing, asset management, off-system sales, storage optimization, and all other issues related to gas supply over a period of eight years.

Project Manager and witness on three recent audits of fuel (primarily coal and natural gas) procurement and management practices of Nova Scotia Power, a review of the merits and mechanics of a company-proposed automatic recovery method for energy costs, and an audit of affiliate relationships (including coal, electric power, and natural gas procurement activities) performed for the Nova Scotia Utility and Review Board.

Project Manager for Liberty's focused and general management audits of SJI, South Jersey Gas, and affiliates for the New Jersey Board of Public Utilities. This project included detailed examinations of affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other code-of-conduct issues. Personally performed the reviews of governance, EDECA requirements compliance, and legal services.

Project Manager for Liberty's work with staff of the Virginia State Corporation Commission to evaluate the services of an affiliate providing gas portfolio management services under an asset

management agreement with Virginia Natural Gas, an operating utility subsidiary of Atlanta-based AGLR.

Project Manager for Liberty's focused audit of NUI Corporation and NUI Utilities. This audit included a detailed examination of the reasons for poor financial performance of non-utility operations, downgrades of utility credit beneath investment grade, and retail and wholesale gas supply and trading operations. Also examined performance of telecommunications, engineering services, customer-information-system, environmental, and international affiliates. The audit included detailed examinations of financial results, sources and uses of funds, accounting systems and controls, credit intertwining, cash commingling, and affiliate transactions, among others. Liberty's examination included very detailed, transaction-level analyses of commodities trading undertaken by a utility affiliate both for its own account and for that of utility operations.

Project Manager for Liberty's comprehensive management audit of United Cities Gas Company for the Tennessee Public Service Commission. Responsible for the focused reviews of affiliate interests, executive management and corporate planning, and vehicle management.

Lead Consultant in Liberty's management audit of Connecticut Natural Gas Company for the Connecticut Department of Public Utility Control (DPUC). Responsible for reviews of organization and executive management and legal management.

Lead Consultant in Liberty's management audit of Southern Connecticut Gas Company for the DPUC. Responsible for organization and executive management, affiliates, and legal management. Included valuation of a major, rate-based LNG facility being offered for sale.

Directed Liberty's management audit of Yankee Gas Services Company for the DPUC.

Engagement Director for Liberty's evaluation of regulatory needs and alternatives for the Georgia Public Service Commission in regulating the state's local-gas-distribution companies in the aftermath of FERC Order 636.

Project Director for Liberty's review of gas-purchasing policies and practices at Pike Natural Gas Company and Eastern Natural Gas Company for the Public Utilities Commission of Ohio. Responsible for the review of organization and staffing and regulatory-management issues.

Combination Utilities

Engagement Director for Liberty's examination of the cost-allocation methods of Baltimore Gas & Electric Company and its affiliates for the Maryland Office of People's Counsel.

Project Director for Liberty's focused management audit of affiliate transactions of Public Service Electric & Gas Company (PSE&G) and the unregulated subsidiaries of Public Service Enterprise Group, Inc., the parent, for the New Jersey Board of Regulatory Commissioners. Task leader for the review of organization and planning, and executive management.

Project Director for Liberty's management and operations audit of New York State Electric & Gas Corporation for the New York Public Service Commission (NYPSC). Responsible for managing the review of corporate planning and organization, service centralization, specific corporate services, and finance and accounting.

Project Director for Liberty's management and operations audit of Central Hudson Gas & Electric Corporation for the NYPSC.

Telecommunications

Arbitrator named by the District of Columbia Public Service Commission to address industry-wide need for amendments to interconnection agreements as a result of the FCC's Triennial Review Order.

Project Manager for assistance being provided to the Administrative Law Judge of the Delaware Public Service Commission hearing the arbitration to address industry-wide need for amendments to interconnection agreements as a result of the FCC's Triennial Review Order.

Project Manager for Liberty's engagement to serve as advisors to commissioners of the District of Columbia Public Service Commission in their review of the Section 271 application of Verizon to provide in-region, interLATA service in the District.

Project Manager for Liberty's engagement to serve as advisor to the administrative law judge of the Delaware Public Service Commission in the review of the Section 271 application of Verizon to provide in-region, interLATA service in the state.

Retained by the Idaho Public Utilities Commission to serve as administrative law judge in complaint proceedings involving three paging companies and Qwest, involving a variety of financial disputes arising out of interconnection and tariff purchases.

Conducted wholesale performance metrics training for staff members and commissioners of the Pennsylvania Public Utility Commission as part of efforts to monitor service quality and payments under the Verizon Performance Assurance Plan adopted in connection with the RBOC's entry into the in-region inter-LATA market in Pennsylvania.

Engagement Director for Liberty's comprehensive financial review of Verizon New Jersey Inc. (VNJ) for the New Jersey Board of Public Utilities. The review had three parts: a financial evaluation; a review of merger costs and savings; and an assessment of affiliate costs and transactions.

Engagement Director for Liberty's audit of Ameritech-Ohio policies, procedures and compliance with service quality performance requirements under Ohio's Minimum Telephone Service Standards.

Engagement Director for Liberty's audit of Qwest's performance measures for the Regional Oversight Committee (ROC). Responsible for the evaluation of the processes and data tracking

of several hundred wholesale and retail performance indicators including service areas such as provisioning, OSS access, maintenance and repair, and billing.

Project Manager and hearing administrator for Qwest's 271 hearings for the commissions of Idaho, Iowa, Montana, New Mexico, North Dakota, Utah, and Wyoming.

Engagement Director for Liberty's assistance provided to the Staffs of the Virginia State Corporation Commission and the New Jersey Board of Public Utilities in the implementation of the 1996 Telecommunications Act.

Project Manager for Liberty's assistance to Delaware PSC arbitrators in seven different interconnection cases arising out of the Telecommunications Act.

Served on an arbitration board in Mississippi, and as the sole arbitrator in two cases in Idaho regarding interconnection agreements between incumbent local-exchange companies and new entrants to the local telephone market.

Engagement Director for Liberty's work determining permanent prices for the unbundled-network elements of Southwestern Bell Telephone for the Oklahoma Corporation Commission.

Engagement Director for Liberty's provision of arbitration services to the North Dakota Public Service Commission and Nebraska Public Service Commission in cases involving implementation of the Telecommunications Act of 1996.

Engagement Director for Liberty's combined comprehensive management/affiliate-relations audit of Bell Atlantic - Pennsylvania for the PAPUC, and affiliate relations audit of Bell Atlantic - District of Columbia for the Public Service Commission (DCPSC) of the District of Columbia. Served as team leader with responsibility for the coordination of the review of executive management, finance, and support services.

Engagement Director for Liberty's examination of the accounting and allocation on lobbying costs of Bell Atlantic for an eight-year period for the DCPSC. Engagement included an examination of the propriety of policies and procedures for assigning and allocating lobbying costs.

Engagement Director for a management audit of GTE South, Inc. for the Kentucky Public Service Commission. This examination included a review of GTE's affiliate transactions.

Project Director for Liberty's evaluation of New York Telephone's transactions with affiliates for the NYPSC. Responsible for the review of affiliates involved in directories publishing, government affairs, international activities, information services, and the legal-affairs entity.

Project Director for Liberty's management audit of the affiliated interests of C&P Telephone of Maryland performed on behalf of the Maryland Public Service Commission.

Engagement Director for Liberty's two assignments for the DCPSC in reviewing Bell Atlantic - District of Columbia's construction-program planning and quality-of-service standards.

Other Companies

Set up and managed service and facilities section of the PP&L Regulatory Affairs Department. Counseled utility management on regulatory and legislative matters. Litigated rate related and facility construction proceedings before agencies and the courts.

Attorney for the PAPUC. Assigned as counsel to the Commission's Audit Bureau in developing a comprehensive management-audit system. Negotiated contracts for the first commission-ordered management audits in Pennsylvania. Revised Commission organization and practice to conform to regulatory-reform legislation.

Testimony

Nova Scotia Utility and Review Board – Testimony on the prudence of fuel procurement, affiliate relationships associated with fuel management, and use of an automatic adjustment clause to recover fuel costs.

Arizona Corporation Commission – Testimony on the merits and conditions of the proposed acquisition of UniSource by private investors.

Oregon Public Utility Commission – Testimony on the merits and conditions of the proposed acquisition of Portland General Electric by private investors.

Virginia State Corporation Commission - Testimony in arbitration cases regarding interconnection agreements between Bell Atlantic - VA and competing local exchange companies.

PAPUC - Presentation of management-audit recommendations and benefits for selected conclusions in West Penn Power Company request for rate increase.

Maryland Public Service Commission - Presentation and defense of management-audit conclusions, recommendations, and cost implications in C&P Telephone Company of Maryland (Bell Atlantic) rate case.

Illinois Commerce Commission - Testimony about fuels organization, procurement, and management in fuel-cost reconciliation proceedings.

Maryland Public Service Commission - Testified regarding Baltimore Gas & Electric Company's affiliate relations.

Tennessee Regulatory Authority - Testified regarding Liberty's recommendations in a management audit of United Cities Gas Company.

Education

J.D., with academic honors, Dickinson School of Law
B.A., cum laude, Dickinson College

James Letzelter

Areas of Specialization

Jim Letzelter is a leader in management consulting to the energy industry with over 20 years of consulting experience. Jim specializes in power generation issues, including power market assessment, risk analysis, power plant valuation and acquisitions. He has led consulting teams on a variety of strategic, operational, regulatory and restructuring proceedings, and has supported a variety of successful merger, acquisition and development initiatives. Jim has a bachelor's degree in electrical engineering from Clarkson University and an M.B.A. from the State University of New York at Albany. He was a Lead Consultant in Liberty's audit of the procurement practices for fuel and purchased power of Entergy Mississippi, Inc. for the Mississippi Public Service Commission. Jim also led the effort by Liberty to evaluate the viability of PSNH's fossil fuel-fired generating stations.

Representative Experience

Risk Analysis & Asset Portfolio Assessment

- **[Renewable Energy Development Company]** Developed a sophisticated financial risk analysis model used by the client to bid on power project RFPs and to acquire capital from equity investors. Provided ongoing risk modeling and overall financial and market intelligence support for the company.
- **[Trading Organization]** Developed a custom market intelligence tool to extract data from an industry standard forecasting package to meet the specific needs of energy traders. Performed an enhanced assignment to provide yet more market intelligence to the organization.
- **[Merchant Generating Company]** Performed efficient frontier analyses incorporating probabilistic market forecasts. Potential generator additions were analyzed including expected means, standard deviations and the corresponding correlations of key inputs such as fuel price and demand. These forecasts were then utilized to determine the expected revenues and variance of the revenues to determine both existing system risk profile and the resulting risk profile for each addition.
- **[Merchant Generating Company]** Developed and deployed asset valuation tools utilizing correlated probabilistic market information. This provides a measure of intrinsic and extrinsic value to potential acquisition/development projects.
- **[Public Power Authority]** Performed a comprehensive risk analysis on the issue of nuclear plant life extension (NUPLEX) for the client's asset. Developed a risk management simulation tool to manage data and produce projections of future plant profitability under varying market, cost and regulatory scenarios. The work product was successfully employed by the client to make an informed decision on a major investment.
- **[Merchant Generating Company]** Developed and implemented a risk analysis and risk management tool for dealing with the uncertainty of emissions regulations. Implemented

the model for the client and successfully led the organization through the maze of issues, including capital allocations, plant operations and investments that they faced.

Power Price Forecasting & Market Assessment

- **[Investment Bank Syndicate]** Provided critical power market assessments for use in a major energy bankruptcy case. On behalf of the official creditor's committee, provided power price forecasts, power market assessments, fuel market reviews and power plant financial assessments. Work product was successfully used in litigation.
- **[Merchant Generating Company]** Led the power market price forecasting initiatives related to power plant acquisition and development. Guided the analytical team in development of scenarios, model and data validation, and overall quality of results to be used for major investment and financing decisions in the U.S.
- **[Turbine Manufacturer]** Performed power market assessments for a major turbine manufacturer. Developed forecasts of energy, capacity, and ancillary service prices to be used to define the place in the market for an emerging turbine technology.
- **[European Investment Bank Consortium]** Provided a detailed, comprehensive market assessment of global power markets to review the market for power generation turbines. With substantial investment in turbine manufacturers, the consortium relied on the expertise to make changes to their investment portfolios and shore up risk-plagued securities.
- **[Merchant Generating Company]** Provided market price forecasts to be utilized in the development and acquisition of power plants. Included forecasts of energy, capacity and ancillary services prices.

Generation & Transmission Operations

- **[Renewable Energy Development Company]** Provided a renewable power developer with consulting support on placement of assets with respect to transmission topography. Study used to select connection points and predict bus-level power prices.
- **[Merchant Generating Company]** Performed an assessment of transmission constraints for use in an asset valuation study. Used transmission constraint information to predict long-term power price implications, and the ability to move power to alternative markets.
- **[Merchant Generating Company]** Developed a power market price model based on dispatch costs, including transmission constraints and costs.

Asset Valuation, Acquisition & Development Support

- **[Merchant Generating Company]** Provided comprehensive power plant acquisition support. Managed market assessment process, provided asset valuations, defined acquisition price and assisted in property tax negotiations. Also highlighted the value of the asset with respect to asset re-powering opportunities.
- **[Merchant Generating Company]** Led the analytical efforts behind the acquisition of portions of three nuclear power plants. Included market comparables assessment, decommissioning fund valuation, and materials and supplies inventory valuation.

- **[Merchant Generating Company]** Provided a comprehensive financial and market analysis of re-powering opportunities for the client's older asset base. Included detailed assessment of market conditions and expected returns for various re-powering opportunities.
- **[Merchant Generating Company]** Successfully developed and deployed software to determine generating asset intrinsic and extrinsic value. Program utilizes probabilistic market price output from AURORA. Program also develops equilibrium market pricing for long-term time frame.
- **[G&T Co-op]** Provided a thorough asset valuation study to assess the impact of market uncertainties and financing parameters on the organization's asset values. Successfully provided the client with recommendations for potential divestiture and regulatory initiatives.
- **[Merchant Generating Company]** Provided a massive market assessment in support of a corporate power plant acquisition initiative. Included development of a detailed financial and valuation model for the client to use in future asset acquisition studies.
- **[Turbine Manufacturer]** Provided a power market assessment and financial analysis to assess the viability of a new class of combined cycle units for the U.S. power markets. Included a comprehensive scenario analysis of fuel prices, load growth, emissions regulations and transmission constraints.

Model Implementation, Validation & Development

- **[Power Market Model Vendor]** Provided support mapping generator assets in the client's proprietary model to generators in PowerWorld in order to enable locational marginal price assessment.
- **[Trading Company/Merchant Generator]** Developed a custom interface for the AURORA electric power market model to seamlessly integrate within the client's analytical framework. Included data development and model validation, and custom report development.
- **[Merchant Generating Company]** Managed the overall process for transitioning the resource planning and forecasting department to AURORA. Included full data development, training, interface development, testing and validation. Successfully converted the business process to an AURORA-based system.
- **[Energy Data Vendor]** Provided full audit review and validation of the client's power price forecasting processes. Reviewed input and output parameters for all national power price forecasts to improve the organization's accuracy and credibility.
- **[Merchant Generating Company]** Developed a customized power price forecasting tool to provide acquisition and development support, restructuring support and general corporate financial forecasts. Developed data sets for the model and provided training and validation.
- **[Regulated Utility]** Developed a customized power price forecasting tool to provide acquisition and development support, restructuring support and general corporate financial forecasts. Developed data sets for the model and provided training and validation.

Emissions Control Analysis

- **[Merchant Generating Company]** Developed an enterprise-wide strategy for managing emissions constraints for the generating asset portfolio. Developed a probabilistic assessment model to consider plant operations, emission rates, control technology options, market forces and potential and existing emissions constraints. Deliverables resulted in a cohesive strategy and lobbying campaign for favorable regulations.
- **[Merchant Generating Company]** Performed a risk analysis of greenhouse gas regulation impacts on a potential fossil-fired asset portfolio acquisition. Deliverables included a detailed assessment of financial and asset value implications of various regulatory scenarios.
- **[Merchant Generating Company]** Provided an assessment of emissions regulations impacts on potential asset acquisitions. Included a market assessment of abatement technology costs and operating parameters, and a review of potential emissions regulations scenarios.
- **[Industrial Chemical Company]** Assessed the market for consumable chemicals to be used by emission control technologies. Client had an opportunity to take a position in supplying chemicals and needed an understanding of the regulatory and market conditions to support the investment.

Regulatory & Litigation Support

- **[Regulated Electric & Gas Utility]** Provided regulatory and market analysis support in a contentious issue between competing utilities related to marketing and promotional practices. Assessed potential damages and rate impacts of regulatory decisions on the issue.
- **[Regulated Electric & Gas Utility]** Performed a gas cost of service study to be used in a major rate case. Developed a proprietary model for cost allocation and financial implications.
- **[Regulated Electric & Gas Utility]** Performed a massive cost of service study for a wholesale rate case brought before FERC. Implemented FERC's ECOS software and performed full study for a consortium of legal experts and consultants engaged in the case. The study led to a favorable resolution of issues.
- **[Regulated Electric & Gas Utility]** Developed a custom ROE Calculation model to be used in rate-setting. The model captured highly complex algorithms into a manageable user interface. The model was approved by the state utility regulator and was successfully implemented.
- **[Regulated Electric & Gas Utility]** Provided litigation support in a major utility restructuring proceeding. The project including development of exhibits, preparation of witnesses, developing testimony and cross-examination, and performing power market analyses.

Venture Capital & Emerging Technology Support

- **[Renewable Energy Development Company]** Overall corporate development and acquisition of investment capital.
- **[Renewable Energy Development Company]** Acquisition of investment capital.

- **[Emissions Control Technology Company]** Provided comprehensive support for commercialization of a newly patented NO_x control technology. The project included a detailed market assessment, development of a financial analysis tool for customer proposals, acquisition of venture capital and strategic planning for the company. All aspects of the project were highly successful.
- **[Energy Technology Company]** Provided market assessment and strategic support for an emerging energy conservation technology company. The company used advice to seek capital and market the products.

Basic Generation Services Auctions

- For the **Maryland PSC**, Mr. Letzelter oversaw several Basic Generation Service (BGS) auctions covering a multitude of time periods and utility service territories. The work entailed developing Bid Forms for bidders to submit with detailed price parameters; pre-qualification of bidders based on security and credit; and monitoring and oversight of the utility staff during bid period. The work also entailed developing a detailed and comprehensive pre-auction market report and setting a bandwidth of acceptable bids based on market conditions. Mr. Letzelter also provided the Commission with a detailed report and presentation on results and provided testimony and other hearing support.
- For the **Pennsylvania PUC**, Mr. Letzelter oversaw the auction for Basic Generation Service (BGS). As auction monitor, he was responsible for pre-qualifying bidders and to open bids and select winners. He developed and implemented a custom web-based bid system to replace previously used paper/faxed forms. The implementation was highly successful. Mr. Letzelter also provided the Commission with a detailed report and presentation on results and provided testimony and other hearing support.
- For the **Delaware PSC**, Lead Consultant for Liberty's service as Independent Monitor of Delmarva Power & Light. The project included a review of pre-bid communications, announcements to bidders, and website review. Monitored the receipt of all bids. Produced reports and presentation for commission and provided follow-up consulting support and testimony.

Education

Master of Business Administration (M.B.A.)—State University of New York at Albany, Concentration in Finance. Bachelor of Science in Electrical Engineering (B.S.E.E.)—Clarkson University, Concentration in Power System Engineering.

Key Publications & Presentations

- Quoted extensively in major news publications, including BusinessWeek, Chicago Tribune, Miami Herald, LA Times, etc., related to the Northeast blackout of 2003
- "U.S. Power Markets Overview: An Issues Overview and Enhanced View of Eastern Markets," May 6, 2008, Gerson Lehman Group speaker sponsorship
- "Economics of Coal-Fired Generation," March 2007, Goldman Sachs private speaker sponsorship
- "Power Risk Management: Environmental Economics," 2007, Goldman Sachs private speaker sponsorship

- “Predicting Long-Term Energy Prices with OptQuest: The GenMetric Model,” May 3, 2006, Crystal Ball User Conference
- “Using the Efficient Frontier,” January 18, 2006, Internationally-broadcast Web Conference sponsored by Decisioneering
- “Building the Perfect Generation Portfolio,” September 2005, Public Utilities Fortnightly
- “Finding the Efficient Frontier: Power Plant Portfolio Assessment,” June 13, 2005, Crystal Ball User Conference
- “The Efficient Frontier and Power Plant Portfolio Analysis,” September 2004, EPIS Electric Market Forecasting Conference
- “Power Asset Transactions: Regulatory Risks,” June 24, 2004, Infocast Buying Selling & Investing in Energy Assets 2004
- “Power Generation Asset Valuation,” June 17, 2004, Crystal Ball User Conference
- “Assessing Risk in a Changing Market,” March 29, 2004, Platts Global Power Markets
- “Our Energy Future,” January 14, 2004, NET 2004 Conference
- “Our Transmission Future,” January 14, 2004, NET 2004 Conference
- “Models Matter: The Art of LMP,” November 6, 2003, Platts Electric Market Design Conference
- “Risk Management Panel Discussion” Moderator, September 2002, EPIS Electric Market Forecasting Conference, Skamania, WA
- “Venture Capital” Panel Moderator, December 3, 2001, Strategic Research Institute Energy Investor’s Summit
- “Leveraging AURORA: Modeling New Resource Development,” November 13, 2001, EPIS Electric Market Forecasting Conference
- “Optimizing Emissions Compliance: Emerging Technologies & Multi-Pollutant Regulation,” July 26, 2001, Coal-GEN 2001
- Letzelter, James C., Public Utilities Fortnightly, “The New Venture Capitalists: Utilities Go Shopping For Deals,” December 2000
- “Power Plant Emissions: Modeling Market Implications,” September 22, 2000, EPIS Electric Market Forecasting Conference
- “Emissions Modeling for Optimum Compliance,” July 1999, Infocast SIP Call Conference
- Letzelter, James C., Public Utilities Fortnightly, “Surviving the SIP Call: Fossil Plant Economics Under NO_x Control,” May 1, 1999
- “Managing Emission Limit Changes: Challenges & Opportunities,” January 29, 1999, CBI Merchant Plant Conference
- Letzelter, James C., Power Finance & Risk, “The Impact of NO_x Limits on U.S. Energy Markets,” January 11, 1999
- “Valuation of Electric Generating Assets,” May 27, 1998, Gas Daily Conference
- Letzelter, James C. and Axelrod, Howard A., Resource Magazine, “Risk Analysis in Resource Planning,” Summer 1992 issue

Randall E. Vickroy

Areas of Specialization

Mr. Vickroy has over 20 years of experience in the utility industry, including ten years as a management consultant. He has managed and performed numerous high-level consulting assignments at companies and utility commissions in over 25 states. His areas of expertise include corporate finance and treasury management; capital markets and financing vehicles; utility industry restructuring; utility rates and pricing; non-regulated lines of business and affiliations; strategy and planning issues; asset valuations and decision-making; capital and expense budgeting and forecasting; corporate resource allocation; and financial and economic analysis.

Relevant Experience

Lead Consultant on electrical energy and capacity purchases and sales and hedging and capital budgeting on Liberty's management and operations audit of the electricity and natural gas of Iberdrola SA/Iberdrola USA/NYSEG and RG&E for the New York Public Service Commission.

Lead Consultant on electrical energy and capacity purchases and sales and hedging and capital budgeting on Liberty's management and operations audit of the electricity, natural gas, and steam operations of ConEd for the New York Public Service Commission.

Lead Consultant for Liberty's comprehensive, detailed affiliate relationships and transactions audit of Duke Energy Carolinas for the North Carolina Utilities Commission staff.

Lead Consultant for the performance of Liberty's audit for the Delaware Public Service Commission of a diagnostic audit of the affiliate costs borne by Delmarva Power, a member of the multi-state holding company, PHI.

Lead Consultant for Liberty's audit of Arizona Electric Power Cooperative for the Arizona State Corporation Commission which included reviews of fuel procurement and management, bulk electricity purchases and sales, power plant management, operations and maintenance, energy clause design and operation, and other issues affecting the prudence, reasonableness, and accuracy of costs that passing through the fuel and energy clause.

Lead Consultant for Liberty's audit of Southwestern Public Service for the New Mexico Public Regulation Commission of SPS that included a management review of the prudence of SPS transactions under the Renewable Energy Credit tracker as conditionally approved by the Commission and a financial review of both revenues and expenses in order to provide an

analysis of any under-recovery or over-recovery. Similarly, Liberty performed an evaluation of SPS' fuel clause process and regulations and a financial audit of fuel clause computation.

In addition reviews of purchases of coal, natural gas, oil, and purchased power, power plant operations, line losses, and cost allocation and assignment were also performed.

Lead Consultant for Liberty's audit of East Kentucky Power Cooperative, which included examinations of Governance, Planning, Finance, and Budgeting. Liberty performed for the Kentucky Public Service Commission an examination of governance at a generation and transmission cooperative serving 16 distribution cooperatives across the state. This study came in the wake of significant financial difficulties and also addressed planning, budgeting, financial, and risk functions and activities.

Lead Consultant for Liberty's audit for the Virginia State Corporation Staff of Potomac Edison Distribution System Transfer. Liberty examined the public interest questions associated with the transfer by an Allegheny Energy's utility operating subsidiary (Potomac Electric) of all of its electricity distribution operations business and facilities in Virginia to two rural electric cooperatives.

Served as Lead Consultant in an audit of the fuel and purchased-power procurement practices and costs of Arizona Public Service Company for the Arizona Corporation Commission. Responsible for reviews of its contracting and supply-management practices for natural gas. His assignment in the Arizona project included an examination of the reasons for differences in off-system sales between Arizona Public Service, including specifically PNM and Salt River Project.

Led the review of finance and the protection and insulation of the utility from parent and non-utility operations and finances on Liberty's focused and general management audits of NJR, New Jersey Natural Gas, and affiliates for the New Jersey Board of Public Utilities. This project included detailed examinations of affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other code-of-conduct issues.

Lead Consultant in Liberty's audit of Duke Energy Carolinas for the North Carolina Utilities Commission, focusing on issues of compliance with regulatory conditions and code of conduct.

Led the review of finance and the protection and insulation of the utility from parent and non-utility operations and finances on Liberty's focused and general management audits of SJI, South Jersey Gas, and affiliates for the New Jersey Board of Public Utilities. This project included detailed examinations of affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other code-of-conduct issues.

Lead for examination of financing and risk management on Liberty's focused audit of NUI Corporation and NUI Utilities. This audit included a detailed examination of the reasons for poor financial performance of non-utility operations, affect of affiliate operations, including commodity trading on utility credit and finance, downgrades of utility credit beneath investment grade, and retail and wholesale gas supply and trading operations. The audit included detailed examinations of financial results, sources and uses of funds, accounting systems and controls, credit intertwining, cash commingling, and affiliate transactions, among others. Liberty's examination included very detailed, transaction-level analyses of commodities trading undertaken by a utility affiliate both for its own account and for that of utility operations.

Served as Lead Consultant in Liberty's review of acquisitions of UniSource (Arizona) and Portland General Electric (Oregon) focusing on utility financial insulation, governance, service reliability, access to information, and community presence issues.

Lead Consultant in Liberty's comprehensive analysis of the ratemaking implications of Commonwealth Edison's Chicago electric service outages for the Illinois Commerce Commission. Responsible for investigating and analyzing ComEd's capital budgeting, resource allocation, project management, expenditure levels and rate base impacts for operations leading up to and in response to the outages.

Lead Consultant in Liberty's review of the financial integrity and earnings of Verizon New Jersey's rate regulated and competitive businesses for the New Jersey BPU. Responsible for the financial evaluation of VNJ's earnings, capital structure, rates of return, dividend policies, credit ratings, financial reporting, SEC reporting, and BPU surveillance reports.

Lead Consultant in Liberty's financial audit for ratemaking purposes of Verizon New Hampshire for the New Hampshire Public Utilities Commission. Responsible for a broad and comprehensive analysis of the financial status of VNH, including an audit of the books and records of the Verizon parent, in order to assist the commission in determining rate base, rates of return and appropriate adjustments for the test year.

Project Manager for the development and implementation of regulatory financial systems and models for deregulated ratemaking at Pacific Gas and Electric Company. The project involved developing regulatory strategy, California PSC earnings monitoring models, data bases, analytical models and reporting for all regulatory requirements of PG&E's regulated businesses.

Led the development of a framework and strategy to resolve all electric industry restructuring issues between the State of New Hampshire, Public Service Company of New Hampshire, and the NHPSC. Project included assessment and valuation of all key assets and development of a disposition strategy for all generation assets, contracts and obligations. The project also included the assessment of alternative rate paths; planning for the securitization and recovery of stranded costs; and the development of provisions for power supply purchases during a transition period.

Team leader for the review of the New York Power Authority's profitability, financial reporting, rate competitiveness, pricing policies, power plant economics and economic development programs in this management audit for the state of New York. NYPA is the largest generator and carrier of power in New York, providing over 25 percent of the electricity sold.

Team leader in providing consulting assistance to Kentucky Utilities in preparing its 1993 application for implementing an environmental surcharge. Responsibilities included analyzing legislation, analysis of capital expenditures, analysis of KU's Clean Air Act compliance plan, analysis of costs recoverable under the surcharge, and developing testimony, exhibits, special accounting systems, and rate tariffs.

Project Leader for providing consulting assistance to Big Rivers Electric in preparing its 1994 application for implementing an environmental surcharge. Responsibilities included a review and evaluation of the economics of a major investment in a flue gas scrubber, analysis of Big Rivers' Clean Air Act compliance plan, evaluating cost recoverable under the surcharge, and developing surcharge testimony, exhibits, accounting systems and rate tariffs.

Consultant in Liberty's management audit of GTE South - Kentucky for the Kentucky Public Service Commission. Responsible for the analysis of the financial-management of GTE as it relates to the operation of its GTE South subsidiary.

Lead Consultant in Liberty's management audit of Bell Atlantic- Pennsylvania and Bell Atlantic - District of Columbia for their respective commissions. Responsible for reviewing Bell Atlantic's capital structure, finance and controller functions, financial systems, and treasury operations. Focus areas included the impact of telephone industry competition on capital budgeting, financial management strategy, and treasury operations.

Leader for all financial areas in the review of affiliate transactions among Public Service Electric and Gas, its holding company parent, and the extensive diversified businesses of the holding company. Responsible for evaluating PSE&G's consolidated finance functions to determine whether the financial integrity, flexibility, and cost of capital of the regulated utility had been adversely affected by the activities of diversified affiliates. Work included the review and analysis of the long-term financing, cash management, direct and indirect credit support mechanisms, investor relations, and all transactions between and among the affiliates.

Led the review of finance, cash management, budgeting, and rates in Liberty's comprehensive management audit of Southern Connecticut Gas for the Connecticut DPUC. Responsibilities included operational audits of all finance, regulatory and budgeting processes of SCG.

Led the review of the finance, cash management, budgeting, accounting and rate functions in Liberty's comprehensive management audit of Connecticut Natural Gas for the Connecticut DPUC. Work also included a focus on the financial impacts of CNG's non-regulated businesses, which includes a large steam system in downtown Hartford.

Led the review of the finance, cash management, budgeting, rates, and tax functions in Liberty's comprehensive management audit of Yankee Gas for the Connecticut DPUC. Evaluation included an in-depth analysis of the effectiveness of Yankee's capital and expense budgeting processes and the integration of market and competitive components into these processes.

Led the review of the finance, regulatory and accounting functions in Liberty's management audit of United Cities Gas for the Tennessee Public Service Commission. Responsibilities included a review of all financial functional areas, as well as a review of the impact of all affiliate transactions between the regulated and non-regulated businesses.

Led the evaluation of the financial relationships between Hawaiian Electric Industries and Hawaiian Electric Company for the Hawaii Department of Commerce and Consumer Affairs. The focus of the review was the credit and financial support provided by the utility company to the holding company and its diversified businesses.

Led the review and analysis of corporate governance, financial relationships and affiliate transactions between Virginia Power and its parent, Dominion Resources for the Virginia State Corporation Commission. The review included an evaluation of all utility and non-utility financing, governance and economic impacts. The engagement was in response to a well-publicized dispute between the holding company and Virginia Power.

Led the consulting and monitoring of contracting for electric supply by Western Massachusetts Power following the sale of its generation assets under electric deregulation.

Led the review and evaluation of the financial management practices of a major utility holding company. Engagement included an assessment of overall financial management and crisis liquidity plans; strategic and business planning; asset valuations and their accounting impacts upon deregulation; independent power contract buy-downs; and rate reduction strategies.

Led the evaluation and recommendation of strategic lines of business for a major municipal utility facing industry deregulation.

Led the development of a strategic framework for the establishment and growth of non-regulated businesses for a major international electric holding company.

Led the development, analysis, and recommendation of alternative electric generation and power resource strategies for a regional generation and transmission company in preparation for electric deregulation.

Led the review and evaluation of all utility and non-utility financing, financial relationships, and affiliate transactions between a major utility holding company and its electric company subsidiary.

Leader for all financial areas in the evaluation of the diversified businesses of a major utility holding company. Engagement determined the impact on financial integrity, financial flexibility, credit mechanisms, and the cost of capital of the substantially diversified businesses of the holding company.

Led the development of an overall gas business strategy, capital asset allocation methods, financial analysis programs and gas main extension policy for a Midwestern combination utility.

Education

M.B.A., Finance, University of Denver

B.A., Business Administration, Monmouth College

Michael Antonuk

Areas of Specialization

Energy and telecommunications data system analysis and research, project management and business planning.

Relevant Experience

Senior Analyst on Liberty's management and operations audit of the electricity and natural gas operations of Iberdrola SA/Iberdrola USA/NYSEG and RG&E for the New York Public Service Commission.

Senior Analyst on Liberty's management and operations audit of the electricity, natural gas, and steam operations of ConEd for the New York Public Service Commission.

Senior Analyst for Liberty's management/performance audit and financial audit of coal procurement and management of Duke Energy Ohio for the Public Utilities Commission of Ohio (PUCO).

Senior Analyst on four audits of fuel procurement and management practices of Nova Scotia Power, a review of the merits and mechanics of a company-proposed automatic recovery method for energy costs, and an audit of affiliate relationships (including coal, electric power, and natural gas procurement activities) performed for the Nova Scotia Utility and Review Board.

Senior Analyst in an audit of the fuel and purchased-power procurement practices and costs of Arizona Public Service Company for the Arizona Corporation Commission. Responsible for reviews of the gas and power transactions of the utility and a wholesale marketing affiliate.

Senior Analyst on Liberty's management and operations audit of Columbia Gas of Ohio for the Public Utilities Commission of Ohio.

Project Coordinator and Senior Analyst for Liberty's focused and general management audits of NJR, New Jersey Natural Gas, and affiliates for the New Jersey Board of Public Utilities. Personally performed the reviews of all gas transactions of the Utility and a wholesale gas marketing affiliate, assisted in the review of EDECA requirements compliance.

Project Coordinator and Senior Analyst on Liberty's focused management and affiliates audit of People's Energy/Integrus for the Illinois Commerce Commission. Responsible for reviews of natural gas transactions of two regulated utilities, a retail energy affiliate, and a wholesale marketing affiliate.

Project Coordinator for Liberty's focused and general management audits of SJI, South Jersey Gas, and affiliates for the New Jersey Board of Public Utilities. This project included detailed examinations of affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other code-of-conduct issues. Analyzed commodity trade transaction and accounting information for gas purchases and sales by an affiliate conducting trades for utility and non-utility operations. Examined financial results, sources and uses of funds, accounting systems and controls, credit intertwining, cash commingling and affiliate transactions.

Analyst for Liberty's work with staff of the Virginia State Corporation Commission to evaluate the services of an affiliate providing gas portfolio management services under an asset management agreement with Virginia Natural Gas, an operating utility subsidiary of Atlanta-based AGLR. Analyzed commodity trade transaction and accounting information for gas purchases and sales by an affiliate conducting trades for utility and non-utility operations. Reviewed and assessed controls systems related to transactions and sharing of value between the utility and the affiliates.

Project Coordinator on Liberty's focused audit of NUI Corporation and NUI Utilities, responsible for communication and data exchange between Liberty and NUI. Analyzed commodity trade transaction and accounting information for gas purchases and sales by an affiliate conducting trades for utility and non-utility operations. Examined financial results, sources and uses of funds, accounting systems and controls, credit intertwining, cash commingling and affiliate transactions.

Performed research and analysis as part of Liberty's audit of the competitive service offerings of New Jersey's four main electric companies on behalf of the New Jersey Board of Public Utilities, focusing on cost allocation issues and compliance with the separation guidelines within the New Jersey Energy Competition Standards.

Responsible for designing and implementing sample reviews and analysis of cost data sets as part of Liberty's transmission and distribution revenue requirements audit of Commonwealth Edison for the Illinois Commerce Commission. Performed extensive, detailed examinations of utility cost and operations data.

Analyst for Liberty's audit of Ameritech-Ohio policies, procedures and compliance with service quality performance requirements under Ohio's Minimum Telephone Service Standards (MTSS). Performed in-depth analysis of methods used by Ameritech to calculate performance measures, and conducted extensive recalculation of MTSS and merger-related performance measures.

Analyst for Liberty's review of performance measures of Verizon New Jersey on behalf of the New Jersey Board of Public Utilities. Examined metric change control notifications and ordering, billing and collection measures.

Education

B.S. in Business and Economics, Finance Major, Lehigh University

Appendix B: Project Summaries and References



A list of Liberty clients and a summary of the work performed follows. Liberty’s strong rate of growth in customer base demonstrates Liberty’s ability to provide cost-effective, timely work products for its clients.

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A. Directly Relevant Projects

1. Standard Offer Service

Client: Delaware Public Service Commission
Client Contact: Pamela Knotts
Delaware Public Service Commission
861 Silver Lake Blvd.
Cannon Bldg., Suite 100
Dover, DE. 19904
(302-736-7500)

Summary: Liberty was retained by the Delaware Public Service Commission to monitor Delmarva Power & Light’s 2013-2014 Request for Proposals for Full Requirements Supply for its Standard Offer Service. For two tranches, Liberty monitored the auction process in its entirety. Pre-bid monitoring included monitoring of announcements, bidder communication, bidder certification, bid system training, and bid system performance and market assessment. Bid day monitoring included live monitoring of the auction on-site, verification of bids, notification of winners, and contract signing. Liberty provided the DE PSC with pre-bid estimates of likely bid price ranges and a review of market conditions that could impact bidder behavior. This included a review of short and long-term market parameters.

Client: Maryland Public Service Commission (MDPSC)
Client Contact: Gregory V. Carmean, Executive Director
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street
Baltimore, MD 21202-6806
(410) 767-8002

Summary: Liberty worked for the Maryland Public Service Commission in the conduct of five auctions held to provide supply for Standard Offer Service by the state’s four major electric utilities. Liberty provided this assistance through a series of pre-bid, bid-day, and post-bid activities. Liberty first assured that all pre-bid activities (pre-bid conference, supplier solicitation, bidder qualification, web postings, bid plans, bid form spreadsheets, and other important documents, bid room and communications setups, information security) were adequately addressed by the

utilities. Second, on bid-day, Liberty observers at bid rooms for each of the four companies assured effective security measures, equipment functionality, regular bidding, independent bid logging and establishment of reference prices for bid comparisons, validation of winning bidders, compilation of a Commission database for analysis of all historical bids since SOS bidding inception, and verifying the execution of appropriate transaction documents. Liberty also calculated the benchmark price for determining whether bids were at a level that justified their acceptance, considering market conditions, worked with utilities and other stakeholders to address issues and concerns about that calculation. Third, following bid completion, but before a Commission decision on accepting the winning bids, Liberty prepared comprehensive analyses of the bid results and current and expected market conditions, provided a confidential briefing on that analysis to the Commission, and then provided testimony at hearings whose purpose was to provide a record for the Commission's decision on bid acceptance.

2. Procurement Audits

Client: Arizona Corporation Commission
Client Contact: Chris Kempley, General Counsel
Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, AZ 85007-2996
(602)542-4251

Summary: Liberty completed audits relating to fuel procurement and management and on rate and regulatory accounting for related costs at Arizona Public Service Company for the Arizona Corporation Commission. The fuel and purchased power audit included extensive reviews of all physical and financial transactions of both the utility and a wholesale marketing affiliate, including the relationship between the two entities.

Client: Nova Scotia Utility and Review Board
Client Contact: Mr. Ross Young
Nova Scotia Utility and Review Board
3rd Floor, 1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, Nova Scotia B3J 3S3
(902) 424-4448

Summary: Liberty performed a review of affiliate relationship of Nova Scotia Power for the Nova Scotia Utility and Review Board. This review included examinations of procurement activities (both power and natural gas), and affiliate transactions, including those with a wholesale marketing affiliate.

Client: Illinois Commerce Commission
Client Contact: Bill Voss
527 East Capitol Avenue
Springfield, IL 62701
Phone: (217) 782-2061

Summary: Liberty is performing for the Illinois Commerce Commission a major focused audit of natural gas forecasting, portfolio design and implementation, gas purchase and sale transactions, controls, organization and staffing, asset management, off-system sales, storage optimization, and all other issues related to gas supply over a period of eight years.

Client: Public Utilities Commission of Ohio (*auditing Dominion East Ohio Gas*)
Client Contact: Thomas C. Pearce II, Natural Gas Specialist
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-1846

Summary: Liberty performed the 2005 Gas Cost Recovery management/performance audit of Dominion East Ohio Gas Company for the Public Utilities Commission of Ohio. The areas of focus of the audit included supply planning; organization, staffing and controls; management of gas transportation assets; commodity procurement, pricing and price risk management; and operational issues. The overall mission of the audit was to assess the Company's effectiveness in natural gas procurement and determine if the Company was able to achieve an adequate and reliable supply of gas at minimum prices, while at the same time minimizing transition costs associated with the Choice Program. The audit also addressed revenues generated from non-traditional capacity and commodity arrangements. Liberty did find that internal controls were weak, and that steps should be taken to improve documentation associated with the utility's gas buying strategies. Liberty's report to the Commission also documented those areas where management and operations were working effectively and efficiently.

Client: State Corporation Commission Commonwealth of Virginia (*evaluation of Virginia Natural Gas' Asset Management Agreement*)

Client Contact: Lawrence Oliver, Assistant Director, Division of Economics & Finance
State Corporation Commission Commonwealth of Virginia
P.O. Box 1197
Richmond, VA 23218
(804) 371-9358

Summary: Liberty worked with staff of the Virginia State Corporation Commission to evaluate the services of an affiliate providing gas portfolio management services under an asset management agreement with Virginia Natural Gas, an operating utility subsidiary of Atlanta-based AGLR.

Client: New Hampshire Public Utilities Commission (*Focused Audit of EnergyNorth Natural Gas, Inc.*)

Client Contact: Stephen Frink, Assistant Director, Gas & Water Division
New Hampshire Public Utilities Commission
21 South Fruit Street
Concord, NH 03301-2429
(603) 271-7965

Summary: Liberty assisted the Commission's Staff in evaluating the demand forecasting and gas-supply planning of EnergyNorth Natural Gas Company, Inc. (ENGI), the New Hampshire subsidiary of KeySpan Energy Delivery New England. As part of that review, Liberty evaluated ENGI's use of a Gas Resource Portfolio Management and Gas Purchase Agreement between ENGI and Entergy-Koch Trading, an asset manager. The review was conducted as part of a formal investigation of these issues conducted by the New Hampshire PUC. The Liberty team filed a report and presented testimony in the investigation proceeding, and in related purchased-gas-cost recovery proceedings. The issues in the associated proceedings were settled between the Staff and the Company, to the satisfaction of the Commission.

Client: Tennessee Public Service Commission (*auditing United Cities Gas Company*)

Client Contact: William H. Novak, Utility Rate Division Manager
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
(615) 741-2792

Summary: This comprehensive management audit covered the traditional functional areas of executive management and corporate planning, financial systems, system operations, customer services, human resources, and support functions, as well as specific issues, including: main extension policies; vehicle management; affiliate interests and leases; advertising, sales, and promotion expenses; continuing property records; procurement and vendor relations; comparative rates; and comparative salaries and wages. Liberty's review of financial systems included requirements planning, accounting, budget management and control, rates, internal auditing, cash management, taxes, forecasting, compensation and benefits, and construction management. United Cities Gas Company accepted most of Liberty's 70 recommendations for improvements. The Tennessee Public Service Commission asked Liberty's consultants to testify on a few areas of disagreement as expert witnesses in a rate case.

Client: Connecticut Department of Public Utility Control (*auditing Southern Connecticut Natural Gas Company*)

Client Contact: David Shapiro
Connecticut Department of Public Utility Control
Utilities Operations and Management Analysis Unit
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2687

Summary: Liberty conducted a comprehensive diagnostic management audit of Southern Connecticut Natural Gas Company (SCG). The scope of the study also included the following special issues: policies and procedures in the area of credit and collections and the collection of uncollectibles; expenditures for coal-tar remediation; the internal-audit function; purchasing and contracting; SCG's new service center in Orange; SCG's customer-service center in Bridgeport, with particular attention on how complaints, terminations, inquiries, and billing disputes are handled; how SCG is preparing to unbundle its services; and gas-procurement operations, in light of increasing competition and FERC orders, including FERC Order 636.

Client: Public Utilities Commission of Ohio (*auditing Vectren Energy Delivery of Ohio, Inc.*)

Client Contact: Thomas C. Pearce II, Natural Gas Specialist
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-1846

Summary: Liberty conducted the 2002 Gas Cost Recovery management/performance audit of Vectren Energy Delivery of Ohio, Inc. The focus areas included supply planning; organization, staffing and control; gas acquisition; transportation; balancing; regulatory management; response to changes in regulation (primarily new Customer Choice programs in Ohio); follow-up to issues raised in the last audit; and several company-specific issues that were important to the PUCO.

Client: Public Utilities Commission of Ohio (*auditing Cincinnati Gas and Electric Company*)

Client Contact: Thomas C. Pearce II, Natural Gas Specialist
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-1846

Summary: Liberty conducted the 2003 Gas Cost Recovery management/performance audit of Cincinnati Gas and Electric Company. The focus areas included supply planning; organization, staffing and control; gas acquisition; transportation; balancing; regulatory management; response to changes in regulation (primarily new Customer Choice programs in Ohio); follow-up to issues raised in the last audit; and several company-specific issues that were important to the PUCO.

Client: The Kentucky Public Service Commission (*auditing 5 major Kentucky LDCs*)

Client Contact: John A. Rogness III, Manager, Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
(502) 564-3940

Summary: Liberty conducted a focused management and process audit of the gas supply and procurement functions of Kentucky's five major gas local distribution companies (collectively referred to as "LDCs") conducted for the Kentucky Public Service Commission (*Commission*). The LDCs include Columbia Gas of Kentucky, Inc. (*Columbia*), Delta Natural Gas Company, Inc. (*Delta*), Louisville Gas and Electric Company (*LG&E*), The Union Light, Heat, and Power Company (*ULH&P*), and Western Kentucky Gas Company (*Western*).

There were two equally important primary objectives in this audit. The first primary objective was to examine and evaluate each of the major Kentucky LDCs' gas planning, procurement, and supply management processes and strategies, and make recommendations on a going forward basis. The Commission was especially concerned about the increased volatility being experienced in wholesale gas markets and how that has been translated to retail

markets. The focus of the audit was therefore on determining whether the LDCs' planning, procurement, and supply management organizations were designed to produce a gas supply portfolio which adequately addressed the issues of minimizing cost to retail customers, reasonably mitigating price volatility, and maintaining a reasonable level of reliability.

The second equally important objective was to provide training to select Commission Staff during the course of the audit in order to help Staff understand, review and evaluate LDC gas procurement, gas portfolio management, and gas supply management related issues in the future. This training included both "classroom" training, and also more hands-on type instruction.

Client: Connecticut Department of Public Utility Control
Client Contact: David G. Shapiro
Connecticut Department of Public Utility Control
Utilities Operations and Management Analysis Unit
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2687

Summary: Liberty served as an extension of the Department's staff in a rate case for Yankee Gas Services Company. Liberty evaluated certain aspects of the company's proposals, through review of filed materials; preparation of interrogatories; conducting cross-examination of company and other witnesses; advising commissioners regarding the appropriate disposition of each aspect; and drafting parts of the Department's final order.

Client: Public Utilities Commission of Ohio (*auditing Eastern Natural Gas Company and Pike Natural Gas Company*)
Client Contact: Adam Pyles
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573
(614) 466-8203

Summary: Liberty conducted the 1993 Gas Cost Recovery management/performance audits of Eastern Natural Gas and Pike Natural Gas, which are local distribution operating units of Clearfield Ohio Holdings, Inc. The focus areas included: supply planning, organization, staffing and control, gas acquisition, transportation, unaccounted-for gas, regulatory management, response to changes in regulation (primarily FERC Order 636), follow-up to issues raised in the last audit, and several company-specific issues that were important to the PUCO.

Client: Public Utilities Commission of Ohio (*auditing The East Ohio Gas Company*)
Client Contact: Roger Sarver, GCR Supervisor
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-7647

Summary: Liberty conducted the 1999 Gas Cost Recovery management/performance audit of The East Ohio Gas Company, which is one of four local-distribution operating units of Consolidated Natural Gas Company. The focus areas included supply planning; organization, staffing and control; gas acquisition; transportation; balancing; regulatory management; response to changes in regulation (primarily new Customer Choice programs in Ohio); follow-up to issues raised in the last audit; and several company-specific issues that were important to the PUCO.

Client: Wyoming Public Service Commission (*auditing K N Energy*)
Client Contact: Dave Mosier
Wyoming Public Service Commission
700 West 21st Street
Cheyenne, Wyoming 82002
(307) 777-5709

Summary: Liberty performed an evaluation of gas supply operations at K N Energy, which prior to FERC Order 636 had served as an integrated supply system stretching from Wyoming and Colorado to Kansas. K N Energy had supplied the full range of vertically integrated gas supply functions, including production, gathering, transmission,

marketing, sales, and service. The breadth of its operations required it to deal with virtually every facet of operations affected by Order 636. Liberty assisted the Wyoming Commission in examining the implications of the company's post-Order 636 restructuring for the state's gas customers.

3. Management and Operations Audits

Client: New York Public Service Commission
Client Contact: Benjamin Stein, Management Audit Unit
NYS Department of Public Service
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350
(518) 486-2478

Summary: Liberty performed a management and operations audit of the electricity, natural gas, and steam operations of ConEd for the New York Public Service Commission. Task areas include: Corporate Planning, Forecasting, System Planning, Supply Procurement, Budgeting, Program and Project Planning and Management, Workforce Management, and Performance and Results Measurement.

Client: New Jersey Board of Public Utilities (*Focused and Management Audit of ETG/AGLR and its Affiliates*)
Client Contact: Arthur Gallin, Division of Audits
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-4437

Summary: Liberty performed a focused and general management audit of AGLR, Elizabethtown Gas, and affiliates for the New Jersey Board of Public Utilities. This project includes detailed examinations of energy procurement, cost allocations, affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other *code-of-conduct* issues.

Client: New Jersey Board of Public Utilities (*Focused and Management Audit of SJI and its Affiliates*)
Client Contact: Arthur Gallin, Division of Audits
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-4437

Summary: Liberty conducted a focused and general management audit of SJI, South Jersey Gas, and affiliates for the New Jersey Board of Public Utilities. This project included detailed examinations of affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other *code-of-conduct* issues.

Client: New Jersey Board of Public Utilities (*Focused Audit of NUI Corp. and its Affiliates*)
Client Contact: Walter Szymanski, Director, Division of Audits
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-2162

Summary: Liberty performed a focused audit of NUI Corp. and its affiliates, which included operating gas LDCs in three states, an energy trading and brokering affiliate, a competitive retail energy supplier, an energy services company, a telecommunications equipment company, a local/long-distance/wireless telecommunications service provider, and environmental remediation subsidiary, and international ventures company, a utility billing and

customer information system subsidiary, and a utility engineering services company. The board commissioned the audit after a series of credit downgrades, in the wake of poor non-utility financial performance which caused the utility subsidiary to experience downgrades to below investment-grade. Liberty conducted detailed reviews of the planning for, investments in, performance of, and sources and uses of funds involving all of the subsidiaries. Liberty also examined in detail financial and accounting systems and controls, affiliate transaction cost assignment and allocation, energy commodity trading transactions, corporate governance, executive compensation, and all other matters with the potential for affecting utility cost and service reliability and cross-subsidization of affiliates.

Client: New Jersey Board of Public Utilities (*Focused and Management Audit of NJR and its Affiliates*)
Client Contact: Arthur Gallin, Division of Audits
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-4437

Summary: Liberty conducted a focused and general management audit of NJR, New Jersey Natural Gas, and affiliates for the New Jersey Board of Public Utilities. This project included detailed examinations of affiliate relationships, governance, financing and utility ring-fencing, compliance with New Jersey EDECA requirements for affiliate separation, protection of confidential information, non-discrimination against third-party competitors with utility affiliates, and other *code-of-conduct* issues.

Client: Alabama Electric Cooperative, Inc.
Client Contact: Gary L. Smith, Vice President, Legal & Corporate Affairs
Alabama Electric Cooperative, Inc.
P.O. Box 550
Andalusia, Alabama 36420
(334) 427-3214

Summary: Liberty assisted this generation-and-transmission cooperative on a project to improve processes, reduce costs, and improve operational efficiency, in anticipation of competitive changes in the electric-power industry. This project included analysis of operations and development of recommendations for improvement of policies, practices, processes and procedures in the areas of fuel management for electric generating stations, and operations and maintenance of these electricity-generating stations. An important component of the project included assessment and recommendations for improvement on the interplay between coal and natural gas, and the market for electric power.

Client: Arkansas Public Service Commission (*APSC*), Arkansas Western Gas Company (*AWG*), and the Office of the Attorney General (*AG*) of the State of Arkansas. (*auditing AWG*)
Client Contacts: Donna Gray, Ricky Gunter, and Shawn McMurray
Ms. Donna Gray, Director
Arkansas Public Service Commission
1000 Center Street
Little Rock, AR 72201
(501) 682-5720
Mr. Ricky Gunter
Arkansas Western Gas Company
1083 Sain Street
P.O. Box 1408
Fayetteville, AR 72702-1408
(501) 582-8482
Mr. Shawn McMurray
Senior Assistant Attorney General
200 Tower Building
323 Center Street
Little Rock, AR 72201
(501) 682-1053

Summary: Liberty conducted an independent audit of AWG for the APSC, AWG, and the AG. The areas of inquiry were cost allocation, executive compensation, and the company's staffing and allocation of labor costs to and from affiliated companies.

Client: Connecticut Department of Public Utility Control (*auditing Southern Connecticut Natural Gas Company*)

Client Contact: David Shapiro
Connecticut Department of Public Utility Control
Utilities Operations and Management Analysis Unit
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2687

Summary: Liberty conducted a comprehensive diagnostic management audit of Southern Connecticut Natural Gas Company (SCG). The scope of the study also included the following special issues: policies and procedures in the area of credit and collections and the collection of uncollectibles; expenditures for coal-tar remediation; the internal-audit function; purchasing and contracting; SCG's new service center in Orange; SCG's customer-service center in Bridgeport, with particular attention on how complaints, terminations, inquiries, and billing disputes are handled; how SCG is preparing to unbundle its services; and gas-procurement operations, in light of increasing competition and FERC orders, including FERC Order 636.

Client: The Dayton Power and Light Company

Client Contact: Judy W. Lansaw, Group Vice President
The Dayton Power and Light Company
P. O. Box 8825
Dayton, Ohio 45401
(513) 259-7201

Summary: Liberty assisted this combination gas- and electric-utility company with a review of its strategy for its gas business. The focus of this review was preparing for competition. Principal areas of concern were gas-main extension policy, gas rates and service offerings, financial performance of the gas business, the company's approach to gas marketing, and the potential for competitors to affect the company's electric business.

Client: Kentucky Public Service Commission (*auditing East Kentucky Power Cooperative, Inc.*)

Client Contact: Charles Bright, Staff Project Officer
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
(502) 564-3940

Summary: Liberty completed the 2001 management and operations audit of East Kentucky Power Cooperative, Inc. (EKPC). EKPC is a 2300 MW not-for-profit generation and transmission cooperative supplying electric power to 17 member distribution cooperatives and non-member utilities. The overall objective of this project was to perform a detailed, focused review of EKPC's efforts to prepare itself to effectively compete in deregulated energy markets and its efforts to enhance the quality and delivery of services offered to its member cooperatives and their customers.

Client: New Hampshire Public Utilities Commission (*NHPUC*)

Client Contact: Thomas B. Getz, Chairman
New Hampshire Public Utilities Commission
8 Old Suncook Road
Building No. 1
Concord, New Hampshire 03301-7319
(603) 271-2431

Summary: Liberty performed a management and financial audit of Public Service Company of New Hampshire (PSNH) for the Commission. This audit was conducted during the course of the Commission's review of a rate filing by the company. A significant component of this investigation was an examination of the fuel management practices and procedures of the utility that burned a mix of coal, fuel oil and natural gas. The examination of such costs was of material assistance to the Commission in examining the projected profitability of the various business segments under a range of assumptions about the future regulatory and market environments in which those segments would operate. Liberty assumed a principal role in negotiating outstanding restructuring issues and litigation between the NHPUC and PSNH, and is supporting the settlement in testimony before the Commission and the New Hampshire

legislature. Liberty also provided on-going oversight of PSNH's preparations to sell its fossil-fueled and hydroelectric power plants through an auction, on behalf of the NHPUC. Monitoring activities included: meeting with PSNH and its investment banker and counsel to check on preparation progress, reviewing draft descriptive memoranda, providing comments to PSNH about terms and conditions of the proposed divestiture, and reporting on progress and issues to the NHPUC's senior Staff.

Client: New York Public Service Commission (*auditing New York State Electric & Gas Corp.*)
Client Contact: Ron Pelinski, Management Audit Section
New York Public Service Commission
State of New York
Three Empire Plaza
Albany, New York 12223
(518) 486-2480

Summary: Liberty performed a comprehensive management and operations audit of all areas of the company affected by a major corporate reorganization. Additional, special focus areas included business unit restructuring, change management, performance planning and measurement, human resources, construction program planning, affiliate transactions, and central services for multiple utility and non-utility units.

Client: The New York Public Service Commission (*auditing Central Hudson Gas & Electric*)
Client Contact: James Lyons, Management Audit Section
New York Public Service Commission
Three Empire Plaza
Albany, New York 12223
(518) 486-2480

Summary: Liberty performed a management and operations study of Central Hudson Gas & Electric, focusing on the designated areas of human resources, construction program planning, corporate budgeting, consumer services, computerized information systems, and economic development.

Client: Office of the State Comptroller (*auditing the New York Power Authority*)
Client Contact: Gerald Tysiak, Audit Manager
Office of the State Comptroller, State of New York
A. E. Smith State Office Building
Albany, New York 12236
(518) 473-6015

Summary: Liberty conducted the 2002 management audit of New York Power Authority (NYPA), the nation's largest non-federal public-power organization in the United States. NYPA operates 10 generating facilities that produce one quarter of the electricity consumed in the state of New York. The purpose of the audit was to evaluate NYPA's plans to build and operate power plants in New York City. NYPA's plans were evaluated and compared to other power supply alternatives available. Liberty concluded that NYPA management had not effectively evaluated its power market alternatives prior to committing to its power.

Client: Pennsylvania Public Utility Commission (*auditing West Penn Power Company*)
Client Contact: Glenn Bartron, Bureau of Audits
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17120
(717) 783-5000

Summary: Liberty performed a broadly-based management and operations audit of all areas of the company, including activities of the Allegheny Power System of which West Penn Power Company is a part. Additionally, special focus areas included affiliate costs, staffing and compensation, management information services, bulk power transactions, engineering and construction, transmission and distribution, Clean Air Act Amendment planning, and power interruptions.

Clients: Pennsylvania Public Utility Commission (*auditing Bell Atlantic - Pennsylvania*) and District of Columbia Public Service Commission (*auditing Bell Atlantic - District of Columbia*)

Client Contacts: Kathy Swords, Bureau of Audits (PA) and Dwayne Boyd, Chief Auditor (D.C.)
Pennsylvania Public Utility Commission
901 N. Seventh Street - Rear
Harrisburg, Pennsylvania 17105-3265
(717) 772-0315

Public Service Commission of the District of Columbia
450 5th Street, N.W.
Washington, D.C. 20001
(202) 626-5100

Summary: Liberty performed a comprehensive management audit of the functional operations of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia, operating companies of Bell Atlantic, one of the largest telecommunications organizations in the world. The audit included in-depth reviews of accounting functions and finance, including cost accounting, managerial accounting, budgeting and control, internal auditing, rates, cash management, financial-requirements planning, financing methods, and asset transfers. Liberty's review of compensation and benefits was performed because the area was identified as a special area warranting focused review. The review also included an in-depth analysis of the relationships and transactions of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia and their Bell Atlantic affiliates.

Client: City of Stillwater, Oklahoma

Client Contact: Carl Weinang, City Manager
P.O. Box 1449
723 South Lewis
Stillwater, Oklahoma 74074
(405) 742-8201

Summary: To help the City of Stillwater prepare for changes in the electric-power industry, Liberty performed a competitive assessment of its electric utility. The municipality owns and operates about 30 megawatts of generation, and purchases a considerable amount of electricity. Loss of any of the utility's large industrial customers would threaten the revenue stream the city derives from operations. Liberty, in a teaming arrangement with another consultant, evaluated operations efficiency, developed a strategy to improve competitiveness, and helped the utility move to a more-competitive business position. All business and operations functions were evaluated, with particular emphasis on customer service, management of key industrial accounts, operations efficiency, maintenance policies and practices, and work-control and workforce management.

Client: Tennessee Public Service Commission (*auditing United Cities Gas Company*)

Client Contact: William H. Novak, Utility Rate Division Manager
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
(615) 741-2792

Summary: This comprehensive management audit covered the traditional functional areas of executive management and corporate planning, financial systems, system operations, customer services, human resources, and support functions, as well as specific issues, including: main extension policies; vehicle management; affiliate interests and leases; advertising, sales, and promotion expenses; continuing property records; procurement and vendor relations; comparative rates; and comparative salaries and wages. Liberty's review of financial systems included requirements planning, accounting, budget management and control, rates, internal auditing, cash management, taxes, forecasting, compensation and benefits, and construction management. United Cities Gas Company accepted most of Liberty's 70 recommendations for improvements. The Tennessee Public Service Commission asked Liberty's consultants to testify on a few areas of disagreement as expert witnesses in a rate case.

4. Transmission Line Necessity and Siting Procedures

Client: Public Utilities Commission, State of Maine
Client Contacts: Mr. Ralph Howe or Mr. Charles Cohen
Public Utilities Commission, State of Maine
242 State Street, State House Station 18
Augusta, ME 04333
207-287-1371

Summary: Liberty provided technical expertise to the Commission on the public necessity and convenience of a new 345 kV and a new 138 kV transmission interconnection with New Brunswick Power.

Client: Public Utilities Commission, State of Maine
Client Contacts: Mr. Ralph Howe or Mr. Charles Cohen
Public Utilities Commission, State of Maine
242 State Street, State House Station 18
Augusta, ME 04333
207-287-1371

Summary: Bangor Hydro-Electric Company (“BHE”) filed a petition for a certificate of public convenience and necessity to construct a \$99 million, 85-mile, 345kV transmission line to the Canadian border, in order to provide an interconnection (called the *Northeast Reliability Interconnect*, or “NRI”) with New Brunswick Power. The interconnection’s purpose is to provide an additional transmission link (to the single existing one) to improve system reliability, increase import/export transmission capacity and reduce line losses. Liberty assisted the Maine Public Utilities Commission in the proceedings addressing the BHE request. The proceedings included 19 parties. The Commission eventually approved the petition upon stipulation. The stipulation, accepted by many of the parties to the proceeding, came after extensive data requests and five technical conferences, in which Liberty participated as part of Commission advisory staff. The issues addressed were similar in nature to those described in connection with the MPS New Brunswick Interconnection and included evaluation of inter-regional power pool economics under differing market paradigms.

Client: Public Utilities Commission, State of Maine
Client Contacts: Mr. Ralph Howe or Mr. Charles Cohen or Mr. James Buckley
Public Utilities Commission, State of Maine
242 State Street, State House Station 18
Augusta, ME 04333
207-287-1371

Summary: Central Maine Power Company filed a petition for certificate of public convenience and necessity to construct a double circuit 115kV transmission line from the Loudon Substation in Loudon, Maine to the new Ross Road Substation 7 miles distant near Old Orchard Beach to maintain the reliability of the local Saco Bay region. The case is currently in settlement with the intervenors trying to provide an alternative location for the facilities for a portion of the line. Liberty reviewed the engineering aspects of the proposed line and assisted the Commission in analyzing the technical benefit of the proposed line.

Client: Public Utilities Commission, State of Maine
Client Contacts: Mr. Ralph Howe or Mr. Charles Cohen or Mr. James Buckley
Public Utilities Commission, State of Maine
242 State Street, State House Station 18
Augusta, ME 04333
207-287-1371

Summary: Bangor Hydro-Electric Company filed a petition for certificate of public convenience and necessity to construct a 15kV transmission line from the Ellsworth Substation in Ellsworth, Maine to the new Trenton Substation 14 miles distant in Trenton, Maine to maintain the reliability of the local Mount Desert Island region. Liberty reviewed the engineering aspects of the proposed line and assisted the Commission in analyzing the technical benefit of the proposed line.

Client: Public Service Commission, District of Columbia
Client Contact: Dr. Joseph Nwude, Deputy Executive Director
District of Columbia Public Service Commission
1333 H Street, NW
Suite 200, West Tower
Washington, DC 20005
202-626-5156

Summary: Liberty provided technical expertise to the Commission on the public necessity and convenience of four new 69kV and 230 kV transmission line to replace the Potomac River Generating Plant shutdown because of its inability to meet environmental requirements.

Client: Kentucky Public Service Commission (*Big Rivers*)
Client Contact: John Rogness, III, Manager – Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
502-564-3940

Summary: Liberty reviewed the Big Rivers’ analysis of the ability of existing 161 kV and 69 kV facilities to reliably serve existing and expected load in the Meade County area of Kentucky. Included in the work was Liberty’s analysis of Big Rivers’ power flow analyses and long range plans. Liberty also performed an assessment of the actual need for the proposed transmission line and alternative solutions, including upgrading existing facilities, wheeling through neighboring systems, as well as the use of generation, in terms of long-range system development.

Client: Kentucky Public Service Commission (*Louisville Gas and Electric Co. and Kentucky Utilities*)
Client Contact: John Rogness, Manager – Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
502-564-3940

Summary: Liberty reviewed the LG&E/KU analyses of the need for three separate 345 kV and 138 kV transmission lines in Kentucky, and the ability of these proposed lines to reliably serve existing and expected load in Kentucky. Included in the work was Liberty’s analysis of the LG&E/KU power flow analyses and long range plans. Also included in Liberty’s assessment of the need for the facilities was an evaluation of alternative solutions, including upgrading existing facilities, wheeling through neighboring systems, as well as the use of generation, in terms of long-range system development.

Client: Kentucky Public Service Commission (*Louisville Gas and Electric Co. and Kentucky Utilities*)
Client Contact: John Rogness, Manager – Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
502-564-3940

Summary: Liberty reviewed the LG&E/KU analyses of the need for a 345 kV transmission line originally denied by the Commission. Included in the work was Liberty’s analysis of the applicability of previous LG&E/KU power flow and other analyses. Also included in Liberty’s assessment of the facilities was an evaluation of the process used by LG&E/KU to identify alternative solutions.

Client: Kentucky Public Service Commission (*East Kentucky Power Cooperative -EKPC*)
Client Contact: John Rogness, III, Manager – Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
502-564-3940

Summary: Liberty reviewed EKPC’s analysis of the need for a 345kV transmission line in Clark, Garrard and Madison counties of Kentucky. Included in the work was Liberty’s analysis of EKPC’s power flow analyses and long range plans. Liberty also performed an assessment of the actual need for the proposed transmission line and

alternative solutions, including upgrading existing facilities, wheeling through neighboring systems, as well as the use of generation, in terms of long-range system development.

Client: Vermont Public Service Board
Client Contacts: Mr. John D. Burke, Commissioner
Mr. Kurt R. Janson, General Counsel
Vermont Public Service Board
112 State Street
Montpelier, VT 05620
802-828-2358

Summary: Liberty provided technical expertise to the Commission on the public necessity and convenience of a new 345 kV and a new 138 kV transmission interconnection with New Brunswick Power.

5. Transmission and Distribution System Projects

Client: Illinois Commerce Commission
Client Contact: Roy Buxton
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 785-5424

Summary: Liberty conducted a comprehensive investigation into the reliability of Commonwealth Edison's transmission and distribution systems. This year-long project involved all aspects of the design, planning, management, operation, and maintenance of T&D systems and components. There are two follow-on projects to this original project. The first is an ongoing audit to assess ComEd's compliance with Liberty's recommendations from the first audit. The second project is Liberty's audit of the transmission and distribution revenue requirements of ComEd with respect to the proper revenue requirements associated with ComEd's reliability programs, as analyzed in the first referenced project.

Client: Illinois Commerce Commission
Client Contact: Roy Buxton
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 785-5424

Summary: Liberty investigated the causes of a substation outage that affected downtown Chicago in 2000. Liberty also evaluated and made recommendations regarding the corrective actions that the utility should take to prevent similar occurrences.

Client: Illinois Commerce Commission (*auditing Commonwealth Edison*)
Client Contact: John Stutsman
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 524-0337

Summary: Liberty conducted a focused audit of Commonwealth Edison's transmission protection system. This project involved an evaluation of the design and maintenance of the protection against cascading electric outages. It also included an assessment of the ratings used on protective equipment, studies of the stability of the electric delivery system, and the settings of protective relays.

Client: Illinois Commerce Commission (*auditing Commonwealth Edison*)
Client Contact: John Stutsman
Illinois Commerce Commission
527 E. Capitol Avenue

Springfield, IL 62706
(217) 524-0337

Summary: Liberty performed a root cause analysis of a substation fire that left many customers without power, some for up to two days. Liberty's work included an assessment of the likelihood of similar events and a method to prioritize mitigation efforts. Liberty also provided a template for evaluating the complete loss of any substation.

Client: Public Utilities Commission, State of Maine (*auditing Four Maine Electric Utilities*)
Client Contacts: Mr. Ralph Howe or Mr. Charles Cohen
Public Utilities Commission, State of Maine
242 State Street, State House Station 18
Augusta, ME 04333
207-287-1371

Summary: Liberty examined the reliability of the T&D systems for the four largest electric utilities in the state of Maine. The review considered budgeting, maintenance, inspections, planning, and other matters.

Client: Nova Scotia Utility and Review Board
Client Contact: Mr. George Smith
Nova Scotia Utility and Review Board
3rd Floor, 1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, Nova Scotia B3J 3S3
(902) 424-4448

Summary: Liberty provided an assessment of the transmission system and customer communications of the Nova Scotia Power Inc. This assessment included a broad review transmission system design and engineering, operations, planning, staffing, and maintenance. Liberty also performed specific analyses of (1) the separate effects of the storm resulting from failures in the transmission system and from the distribution system, and (2) the failure of several transmission structures. Liberty testified before the Board regarding its findings and recommendations. As a follow-up to issues raised during the hearings, the Board retained Liberty to (1) conduct an on-site inspection and evaluation of portions of the company's distribution system and to assess the reliability of the distribution system, (2) to perform a structural evaluation of distribution system poles, and (3) to assess the frequency of transmission system relay testing and calibration.

Client: Illinois Commerce Commission
Client Contact: Roy Buxton
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 785-5424

Summary: Liberty was selected by the Illinois Commerce Commission to perform an audit of whether Ameren Illinois appropriately planned, designed, constructed, inspected, and maintained their electric delivery systems, and specifically, whether Ameren Illinois adequately planned, prepared, and executed storm-service restoration efforts following a July 2006 windstorm and a November 2006 ice storm that affected hundreds of thousands of customers. The windstorm caused service interruptions to almost one million customers in St. Louis and parts of southern and central Illinois. Over 300,000 electric customers lost service in Illinois. Restoring service completely took over a week. The winter storm caused nearly 235,000 Ameren Illinois customers to lose electric service and caused extensive tree damage, broken poles, downed lines, and the loss of nearly 100 distribution feeder circuits. On December 4, the company announced that about 150,000 customers remained without electric service.

Client: NorthWestern Energy and Montana PSC (*auditing Northwestern Energy*)
Client Contact: Mr. William T. Rhoads, General Manager,
Montana Distribution Operations,
Butte, MT
(406) 497-3496

Summary: Liberty performed an operations audit and reliability assessment of the company's electric and gas T&D systems.

Client: The New York Public Service Commission (*auditing Central Hudson Gas & Electric*)
Client Contact: James Lyons, Management Audit Section
New York Public Service Commission
Three Empire Plaza
Albany, New York 12223
(518) 486-2480

Summary: Liberty performed a management and operations study of Central Hudson Gas & Electric, focusing on the designated areas of human resources, construction program planning, corporate budgeting, consumer services, computerized information systems, and economic development.

Client: Kentucky Public Service Commission (*auditing East Kentucky Power Cooperative, Inc.*)
Client Contact: Charles Bright, Staff Project Officer
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
(502) 564-3940

Summary: Liberty completed the 2001 management and operations audit of East Kentucky Power Cooperative, Inc. (EKPC). EKPC is a 2300 MW not-for-profit generation and transmission cooperative supplying electric power to 17 member distribution cooperatives and non-member utilities. The overall objective of this project was to perform a detailed, focused review of EKPC's efforts to prepare itself to effectively compete in deregulated energy markets and its efforts to enhance the quality and delivery of services offered to its member cooperatives and their customers.

Client: New York Public Service Commission (*auditing New York State Electric & Gas Corp.*)
Client Contact: Ron Pelinski, Management Audit Section
New York Public Service Commission
State of New York
Three Empire Plaza
Albany, New York 12223
(518) 486-2480

Summary: Liberty performed a comprehensive management and operations audit of all areas of the company affected by a major corporate reorganization. Additional, special focus areas included business unit restructuring, change management, performance planning and measurement, human resources, construction program planning, affiliate transactions, and central services for multiple utility and non-utility units.

Client: Office of the State Comptroller (*auditing the New York Power Authority*)
Client Contact: Gerald Tysiak, Audit Manager
Office of the State Comptroller, State of New York
A. E. Smith State Office Building
Albany, New York 12236
(518) 473-6015

Summary: Liberty conducted the 2002 management audit of New York Power Authority (NYPA), the nation's largest non-federal public-power organization in the United States. NYPA operates 10 generating facilities that produce one quarter of the electricity consumed in the state of New York. The purpose of the audit was to evaluate NYPA's plans to build and operate power plants in New York City. NYPA's plans were evaluated and compared to other power supply alternatives available. Liberty concluded that NYPA management had not effectively evaluated its power market alternatives prior to committing to its power.

Client: New Hampshire Public Utilities Commission (NHPUC)
Client Contact: Thomas B. Getz, Chairman
New Hampshire Public Utilities Commission
8 Old Suncook Road
Building No. 1
Concord, New Hampshire 03301-7319
(603) 271-2431

Summary: Liberty performed a management and financial audit of Public Service Company of New Hampshire (PSNH) for the Commission. This audit was conducted during the course of the Commission's review of a rate filing by the company. A significant component of this investigation was an examination of the fuel management practices and procedures of the utility that burned a mix of coal, fuel oil and natural gas. The examination of such costs was of material assistance to the Commission in examining the projected profitability of the various business segments under a range of assumptions about the future regulatory and market environments in which those segments would operate. Liberty assumed a principal role in negotiating outstanding restructuring issues and litigation between the NHPUC and PSNH, and is supporting the settlement in testimony before the Commission and the New Hampshire legislature. Liberty also provided on-going oversight of PSNH's preparations to sell its fossil-fueled and hydroelectric power plants through an auction, on behalf of the NHPUC. Monitoring activities included: meeting with PSNH and its investment banker and counsel to check on preparation progress, reviewing draft descriptive memoranda, providing comments to PSNH about terms and conditions of the proposed divestiture, and reporting on progress and issues to the NHPUC's senior Staff.

Client: Pennsylvania Public Utility Commission (*auditing West Penn Power Company*)
Client Contact: Glenn Bartron, Bureau of Audits
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17120
(717) 783-5000

Summary: Liberty performed a broadly-based management and operations audit of all areas of the company, including activities of the Allegheny Power System of which West Penn Power Company is a part. Additionally, special focus areas included affiliate costs, staffing and compensation, management information services, bulk power transactions, engineering and construction, transmission and distribution, Clean Air Act Amendment planning, and power interruptions.

Client: Southern Company Services – Alabama Power Company
Client Contact: Dan Lane
Manager, Internal Auditing
dllane@southernco.com
(205) 257-3011

Summary: Liberty assessed the T&D standards and practices of Alabama Power Company against good utility practices. The review considered all aspects of T&D design, planning, maintenance, and operations.

Client: Belize Electricity Limited
Client Contact: Lynn R. Young, CEO
Belize Electricity Limited
115 Barrack Road
P. O. Box 327
Belize City, Belize, C. A.
(501) 2-33357

Summary: Liberty undertook a re-engineering and organization study for Belize Electricity Limited, the electric utility that serves the country of Belize. Liberty designed a new organization structure for the company, which was implemented. Major areas of emphasis in the re-engineering include customer service (eliminating business offices, reducing theft of service, and improving installations of new services), distribution operations (work management), materials management (forecasting material needs,) economic dispatch and system control, and human-resources management (streamlining and automating transactions).

Client: Southern Company Services – Georgia Power Company
Client Contact: Dan Lane
Manager, Internal Auditing
dllane@southernco.com
(205) 257-3011

Summary: Liberty assessed the T&D standards and practices of Georgia Power Company against good utility practices. The review considered all aspects of T&D design, planning, maintenance, and operations.

Client: Rochester Gas & Electric Corporation
Client Contact: Charles Keele
Rochester Gas & Electric Corporation
89 East Avenue
Rochester, NY 14649
(716) 724-8662

Summary: Liberty worked with a group of RG&E managers to re-engineer the project-controls, work-management, and manpower-planning processes for electric T&D operations. The group included the work-scheduling section, general foremen, and T&D department managers. The Liberty/RG&E team built a system that ties together all identified projects, spreads resource requirements across the duration of each project, and calculates aggregate manpower requirements, along with administrative and non-work time, such as training, sick days, safety meetings, etc. The idea was to draw together all work requirements, assign priorities, and compare the results to available T&D crews. The project was generated by senior management's concern that labor costs, and specifically contractor crews, were increasing, but projects were not getting accomplished, and outages were too high. Most outages were linked to identified, but still-open, system-deficiency reports. By using the system RG&E was able to eliminate the problems and cut contractor costs in half.

Client: City of Stillwater, Oklahoma
Client Contact: Carl Weinang, City Manager
P.O. Box 1449
723 South Lewis
Stillwater, Oklahoma 74074
(405) 742-8201

Summary: To help the City of Stillwater prepare for changes in the electric-power industry, Liberty performed a competitive assessment of its electric utility. The municipality owns and operates about 30 megawatts of generation, and purchases a considerable amount of electricity. Loss of any of the utility's large industrial customers would threaten the revenue stream the city derives from operations. Liberty, in a teaming arrangement with another consultant, evaluated operations efficiency, developed a strategy to improve competitiveness, and helped the utility move to a more-competitive business position. All business and operations functions were evaluated, with particular emphasis on customer service, management of key industrial accounts, operations efficiency, maintenance policies and practices, and work-control and workforce management.

6. Affiliates Audits

Client: Arkansas Public Service Commission (APSC), Arkansas Western Gas Company (AWG), and the Office of the Attorney General (AG) of the State of Arkansas. (*auditing AWG*)

Client Contacts: Donna Gray, Ricky Gunter, and Shawn McMurray

Ms. Donna Gray, Director Arkansas Public Service Commission 1000 Center Street Little Rock, AR 72201 (501) 682-5720	Mr. Ricky Gunter Arkansas Western Gas Company 1083 Sain Street P.O. Box 1408 Fayetteville, AR 72702-1408 (501) 582-8482
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Mr. Shawn McMurray
Senior Assistant Attorney General
200 Tower Building
323 Center Street
Little Rock, AR 72201
(501) 682-1053

Summary: Liberty conducted an independent audit of AWG for the APSC, AWG, and the AG. The areas of inquiry were cost allocation, executive compensation, and the company's staffing and allocation of labor costs to and from affiliated companies.

Client: Connecticut Department of Public Utility Control (*auditing Southern Connecticut Natural Gas Company*)
Client Contact: David Shapiro
Connecticut Department of Public Utility Control
Utilities Operations and Management Analysis Unit
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2687

Summary: Liberty conducted a comprehensive diagnostic management audit of Southern Connecticut Natural Gas Company (SCG). The scope of the study also included the following special issues: policies and procedures in the area of credit and collections and the collection of uncollectibles; expenditures for coal-tar remediation; the internal-audit function; purchasing and contracting; SCG's new service center in Orange; SCG's customer-service center in Bridgeport, with particular attention on how complaints, terminations, inquiries, and billing disputes are handled; how SCG is preparing to unbundle its services; and gas-procurement operations, in light of increasing competition and FERC orders, including FERC Order 636.

Client: Delmarva Power & Light Company
Client Contact: James Lavin, Controller
Delmarva Power & Light Company
800 King Street
Wilmington, Delaware 19899
(302) 429-3359

Summary: Liberty assisted Delmarva Power & Light Company in developing and implementing self-assessment and continuous-improvement processes in the following areas: affiliate transactions, strategic planning, management organization, customer service, conservation, regulatory affairs, gas procurement for electric generation, and compensation. Liberty also provided specialized training and consulting with respect to stakeholder management and external reviews.

Client: Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, State of Hawaii
Client Contact: Charles W. Totto, Executive Director
Division of Consumer Advocacy
Department of Commerce and Consumer Affairs
State of Hawaii
250 South King Street
Honolulu, Hawaii 96813
(808) 586-2770

Summary: Liberty evaluated a report prepared by a consultant to the Hawaii Public Utilities Commission on the relationship between Hawaiian Electric Industries (HEI), a diversified utility-holding company, and Hawaiian Electric Company (HECO), its principal subsidiary and operating electric utility. The impetus for the original study was public concern about the bankruptcy of an insurance subsidiary, the size of HEI's investment in non-utility investments, and the relatively high frequency of HECO's outages. The issues included in Liberty's assessment included corporate governance; affiliate transactions and cost allocations; credit support; and service reliability.

Client: Kentucky Public Service Commission
Client Contact: Aaron Greenwell, Manager - Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

Summary: Liberty conducted a management audit of GTE South of Kentucky on behalf of the Kentucky Public Service Commission. The audit is focused primarily on evaluating the Kentucky operations of this national telecommunications company, with particular emphasis on the quality of service provided to Kentucky customers, alternative-regulatory methods, and the company's readiness for competition. The audit also included other traditional focus areas, such as strategic planning, organization, affiliate relationships, finance, marketing, and human resources.

Client: New Hampshire Public Utilities Commission (NHPUC)
Client Contact: Thomas B. Getz, Chairman
New Hampshire Public Utilities Commission
8 Old Suncook Road
Building No. 1
Concord, New Hampshire 03301-7319
(603) 271-2431

Summary: Liberty performed a management and financial audit of Public Service Company of New Hampshire (PSNH) for the Commission. This audit was conducted during the course of the Commission's review of a rate filing by the company. A significant component of this investigation was an examination of the fuel management practices and procedures of the utility that burned a mix of coal, fuel oil and natural gas. The examination of such costs was of material assistance to the Commission in examining the projected profitability of the various business segments under a range of assumptions about the future regulatory and market environments in which those segments would operate. Liberty assumed a principal role in negotiating outstanding restructuring issues and litigation between the NHPUC and PSNH, and is supporting the settlement in testimony before the Commission and the New Hampshire legislature. Liberty also provided on-going oversight of PSNH's preparations to sell its fossil-fueled and hydroelectric power plants through an auction, on behalf of the NHPUC. Monitoring activities included: meeting with PSNH and its investment banker and counsel to check on preparation progress, reviewing draft descriptive memoranda, providing comments to PSNH about terms and conditions of the proposed divestiture, and reporting on progress and issues to the NHPUC's senior Staff.

Client: New Hampshire Public Utilities Commission
Client Contact: ChristiAne G. Mason
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301-7319
(603)271-2431

Summary: Liberty conducted a financial audit of the operations of Verizon New Hampshire. The audit included any services provided by affiliates, the allocation of costs between regulated and non-regulated activities, all other expense areas, assets, and revenues. This audit was conducted in the context of the company and Commission considering a change from traditional ratemaking.

Client: New Jersey Board of Public Utilities (*audits of the competitive-service offerings of New Jersey's four electric-distribution companies*)
Client Contact: Pasquale Salvemini
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-2162

Summary: Liberty performed audits of the competitive-service offerings of New Jersey's four electric-distribution companies to assure that the utilities were complying with the Board's Affiliate Relations, Fair Competition and Accounting Standards and Related Reporting Requirements, which implement New Jersey statutes that regulate utility-affiliate transactions and establish standards of conduct in providing competitive services to end users in New Jersey. The objectives of these audits are to assure that neither the utilities nor their related competitive business segments enjoy an unfair competitive advantage over their competitors, and that there is no form of cross-subsidization of competitive services by utility operations or affiliates with which they are associated.

Client: New Jersey Board of Regulatory Commissioners (*auditing Public Service Electric & Gas Company*)

Client Contact: Walter P. Szymanski, Director, Division of Audits
New Jersey Board of Regulatory Commissioners
Two Gateway Center
Newark, New Jersey 07102
(201) 648-2026

Summary: Liberty performed a focused evaluation of The Public Service Enterprise Group (PSEG) and its subsidiaries, which include, among others, Public Service Electric & Gas Company, one of the largest combination electricity and natural-gas utilities in the United States. The scope included a review of the management of resources, cash, and property of each company and their impacts on short- and long-term performance. The focus areas included documentation of the scope, nature, and controls on cost-allocation methods; prices of goods and services; and the financial, economic, and operating impacts of the holding-company structure and affiliates on utility rates and service. The financial performance and business plans of the company's unregulated subsidiaries were evaluated. Liberty also reviewed the appropriateness of executive compensation packages. Liberty conducted this audit in accordance with the U.S. General Accounting Office's audit standards. Liberty completed this assignment in only a few months, and within budget, despite the size and complexity of PSEG's operations and number of subsidiary companies. Liberty's client, the New Jersey Board of Regulatory Commissioners, accepted our recommendations.

Client: Illinois Commerce Commission (*auditing Illinois Bell Telephone Company*)

Client Contact: Sam McClerren
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62794-9280
(217) 782-0597

Summary: Liberty consultants served as technical advisors in the areas of affiliate interests, marketing, and operations planning to the Staff of the Illinois Commerce Commission in its conduct of a reconnaissance audit of the Illinois Bell Telephone Company.

Client: New York Public Service Commission (*auditing New York Telephone Company*)

Client Contact: Cheryl Callahan, Assistant Counsel
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223
(518) 474-7072

Summary: Liberty performed an analysis of the propriety and reasonableness of transactions between New York Telephone and its affiliates. This review involved the development of a comprehensive collection of factual information, determining the reasonableness of affiliate transactions and the management processes and performance associated with them, and quantifying the financial impact of transactions and performance on ratepayers.

Client: Public Utilities Commission of Ohio (*auditing Vectren Energy Delivery of Ohio, Inc.*)

Client Contact: Thomas C. Pearce II, Natural Gas Specialist
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-1846

Summary: Liberty conducted the 2002 Gas Cost Recovery management/performance audit of Vectren Energy Delivery of Ohio, Inc. The focus areas included supply planning; organization, staffing and control; gas acquisition; transportation; balancing; regulatory management; response to changes in regulation (primarily new Customer Choice programs in Ohio); follow-up to issues raised in the last audit; and several company-specific issues that were important to the PUCO.

Clients: Pennsylvania Public Utility Commission (*auditing Bell Atlantic - Pennsylvania*) and District of Columbia Public Service Commission (*auditing Bell Atlantic - District of Columbia*)

Client Contacts: Kathy Swords, Bureau of Audits (PA) and Dwayne Boyd, Chief Auditor (D.C.)
Pennsylvania Public Utility Commission
901 N. Seventh Street - Rear
Harrisburg, Pennsylvania 17105-3265
(717) 772-0315

Public Service Commission of the District of Columbia
450 5th Street, N.W.
Washington, D.C. 20001
(202) 626-5100

Summary: Liberty performed a comprehensive management audit of the functional operations of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia, operating companies of Bell Atlantic, one of the largest telecommunications organizations in the world. The audit included in-depth reviews of accounting functions and finance, including cost accounting, managerial accounting, budgeting and control, internal auditing, rates, cash management, financial-requirements planning, financing methods, and asset transfers. Liberty's review of compensation and benefits was performed because the area was identified as a special area warranting focused review. The review also included an in-depth analysis of the relationships and transactions of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia and their Bell Atlantic affiliates.

Client: Tennessee Public Service Commission (*auditing United Cities Gas Company*)

Client Contact: William H. Novak, Utility Rate Division Manager
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
(615) 741-2792

Summary: This comprehensive management audit covered the traditional functional areas of executive management and corporate planning, financial systems, system operations, customer services, human resources, and support functions, as well as specific issues, including: main extension policies; vehicle management; affiliate interests and leases; advertising, sales, and promotion expenses; continuing property records; procurement and vendor relations; comparative rates; and comparative salaries and wages. Liberty's review of financial systems included requirements planning, accounting, budget management and control, rates, internal auditing, cash management, taxes, forecasting, compensation and benefits, and construction management. United Cities Gas Company accepted most of Liberty's 70 recommendations for improvements. The Tennessee Public Service Commission asked Liberty's consultants to testify on a few areas of disagreement as expert witnesses in a rate case.

Client: State Corporation Commission Commonwealth of Virginia (*evaluation of Virginia Natural Gas' Asset Management Agreement*)

Client Contact: Lawrence Oliver, Assistant Director, Division of Economics & Finance
State Corporation Commission Commonwealth of Virginia
P.O. Box 1197
Richmond, VA 23218
(804) 371-9358

Summary: Liberty worked with staff of the Virginia State Corporation Commission to evaluate the services of an affiliate providing gas portfolio management services under an asset management agreement with Virginia Natural Gas, an operating utility subsidiary of Atlanta-based AGLR.

Client: Virginia State Corporation Commission (*examining relationships between Virginia Power Company and its parent company, Dominion Resources, Inc.*)

Client Contact: James Douglas
Virginia State Corporation Commission
Box 1197
Richmond, Virginia 23209
(804) 371-9422

Summary: Liberty examined corporate and financial relationships between Dominion Resources, Inc. (DRI) and its

wholly-owned and largest subsidiary, Virginia Power Company, in the wake of an unprecedented public dispute between the two about control over public utility operations. This unique study, which Liberty performed for the State Corporation Commission, addressed all significant facets of the corporate governance, operating relationships, and affiliate-arrangement interrelationships between the two. Liberty specifically examined whether organization, staffing, planning, and authority for conducting activities gave Virginia Power adequate authority and capability to move forward in a changing electric utility environment. Among the authorities Liberty examined were the arrangements governing the operations of the Treasury and Cash Management departments. Liberty performed its study at the same time that Virginia Power was undergoing a major strategic planning effort specifically designed to assist it in preparing to meet the challenges of a more competitive marketplace. This was another study that Liberty had to complete in only a few months because of the tremendous notoriety that the issues had attracted in the news media and state legislature.

7. Holding Company/Utility Governance and Financial Insulation

Client: Arizona Corporation Commission
Client Contact: Chris Kempley, General Counsel
Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, AZ 85007-2996
(602)542-4251

Summary: Liberty performed an evaluation of the proposed acquisition of UniSource (including Tucson Electric) by private investment firms, and prepared testimony commenting upon the merits of the merger, and recommending conditions necessary and appropriate to insulate utility finances, assure continued service quality and reliability, provide for appropriate utility governance, address access to affiliate information, control affiliate transactions, provide for a proper code of conduct, and assure continued community presence and support.

Client: Connecticut Department of Public Utility Control (*auditing Southern Connecticut Natural Gas Company*)
Client Contact: David Shapiro
Connecticut Department of Public Utility Control
Utilities Operations and Management Analysis Unit
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2687

Summary: Liberty conducted a comprehensive diagnostic management audit of Southern Connecticut Natural Gas Company (SCG). The scope of the study also included the following special issues: policies and procedures in the area of credit and collections and the collection of uncollectibles; expenditures for coal-tar remediation; the internal-audit function; purchasing and contracting; SCG's new service center in Orange; SCG's customer-service center in Bridgeport, with particular attention on how complaints, terminations, inquiries, and billing disputes are handled; how SCG is preparing to unbundle its services; and gas-procurement operations, in light of increasing competition and FERC orders, including FERC Order 636.

Client: Kentucky Public Service Commission
Client Contact: Aaron Greenwell, Manager - Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602
(502) 564-3940

Summary: Liberty conducted a management audit of GTE South of Kentucky on behalf of the Kentucky Public Service Commission. The audit is focused primarily on evaluating the Kentucky operations of this national telecommunications company, with particular emphasis on the quality of service provided to Kentucky customers, alternative-regulatory methods, and the company's readiness for competition. The audit also included other

traditional focus areas, such as strategic planning, organization, affiliate relationships, finance, marketing, and human resources.

Client: New Hampshire Public Utilities Commission (*NHPUC*)
Client Contact: Thomas B. Getz, Chairman
New Hampshire Public Utilities Commission
8 Old Suncook Road
Building No. 1
Concord, New Hampshire 03301-7319
(603) 271-2431

Summary: Liberty performed a management and financial audit of Public Service Company of New Hampshire (*PSNH*) for the Commission. This audit was conducted during the course of the Commission's review of a rate filing by the company. A significant component of this investigation was an examination of the fuel management practices and procedures of the utility that burned a mix of coal, fuel oil and natural gas. The examination of such costs was of material assistance to the Commission in examining the projected profitability of the various business segments under a range of assumptions about the future regulatory and market environments in which those segments would operate. Liberty assumed a principal role in negotiating outstanding restructuring issues and litigation between the NHPUC and PSNH, and is supporting the settlement in testimony before the Commission and the New Hampshire legislature. Liberty also provided on-going oversight of PSNH's preparations to sell its fossil-fueled and hydroelectric power plants through an auction, on behalf of the NHPUC. Monitoring activities included: meeting with PSNH and its investment banker and counsel to check on preparation progress, reviewing draft descriptive memoranda, providing comments to PSNH about terms and conditions of the proposed divestiture, and reporting on progress and issues to the NHPUC's senior Staff.

Client: New Hampshire Public Utilities Commission
Client Contact: ChristiAne G. Mason
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301-7319
(603)271-2431

Summary: Liberty conducted a financial audit of the operations of Verizon New Hampshire. The audit included any services provided by affiliates, the allocation of costs between regulated and non-regulated activities, all other expense areas, assets, and revenues. This audit was conducted in the context of the company and Commission considering a change from traditional ratemaking.

Client: Nova Scotia Utility and Review Board
Client Contact: Mr. George Smith
Nova Scotia Utility and Review Board
3rd Floor, 1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, Nova Scotia B3J 3S3
(902) 424-4448

Summary: Liberty conducted a review and analysis of the utility's affiliate transactions report to the board. The work included filing and reviewing the responses to supplemental information requests, a meeting with the company to discuss the operations of one of its major non-utility subsidiaries, an examination of allocations, and detailed questions about certain test transactions. Liberty filed with the board a report of its findings and recommendations for further inquiries.

Client: Pennsylvania Public Utility Commission (*auditing West Penn Power Company*)
Client Contact: Glenn Bartron, Bureau of Audits
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17120
(717) 783-5000

Summary: Liberty performed a broadly-based management and operations audit of all areas of the company, including activities of the Allegheny Power System of which West Penn Power Company is a part. Additionally, special focus areas included affiliate costs, staffing and compensation, management information services, bulk power transactions, engineering and construction, transmission and distribution, Clean Air Act Amendment planning, and power interruptions.

Clients: Pennsylvania Public Utility Commission (*auditing Bell Atlantic - Pennsylvania*) and District of Columbia Public Service Commission (*auditing Bell Atlantic - District of Columbia*)

Client Contacts: Kathy Swords, Bureau of Audits (PA) and Dwayne Boyd, Chief Auditor (D.C.)
Pennsylvania Public Utility Commission
901 N. Seventh Street - Rear
Harrisburg, Pennsylvania 17105-3265
(717) 772-0315

Public Service Commission of the District of Columbia
450 5th Street, N.W.
Washington, D.C. 20001
(202) 626-5100

Summary: Liberty performed a comprehensive management audit of the functional operations of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia, operating companies of Bell Atlantic, one of the largest telecommunications organizations in the world. The audit included in-depth reviews of accounting functions and finance, including cost accounting, managerial accounting, budgeting and control, internal auditing, rates, cash management, financial-requirements planning, financing methods, and asset transfers. Liberty's review of compensation and benefits was performed because the area was identified as a special area warranting focused review. The review also included an in-depth analysis of the relationships and transactions of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia and their Bell Atlantic affiliates.

Client: Tennessee Public Service Commission (*auditing United Cities Gas Company*)

Client Contact: William H. Novak, Utility Rate Division Manager
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
(615) 741-2792

Summary: This comprehensive management audit covered the traditional functional areas of executive management and corporate planning, financial systems, system operations, customer services, human resources, and support functions, as well as specific issues, including: main extension policies; vehicle management; affiliate interests and leases; advertising, sales, and promotion expenses; continuing property records; procurement and vendor relations; comparative rates; and comparative salaries and wages. Liberty's review of financial systems included requirements planning, accounting, budget management and control, rates, internal auditing, cash management, taxes, forecasting, compensation and benefits, and construction management. United Cities Gas Company accepted most of Liberty's 70 recommendations for improvements. The Tennessee Public Service Commission asked Liberty's consultants to testify on a few areas of disagreement as expert witnesses in a rate case.

Client: Virginia State Corporation Commission (*examining relationships between Virginia Power Company and its parent company, Dominion Resources, Inc.*)

Client Contact: James Douglas
Virginia State Corporation Commission
Box 1197
Richmond, Virginia 23209
(804) 371-9422

Summary: Liberty examined corporate and financial relationships between Dominion Resources, Inc. (DRI) and its wholly-owned and largest subsidiary, Virginia Power Company, in the wake of an unprecedented public dispute between the two about control over public utility operations. This unique study, which Liberty performed for the State Corporation Commission, addressed all significant facets of the corporate governance, operating relationships, and affiliate-arrangement interrelationships between the two. Liberty specifically examined whether organization,

staffing, planning, and authority for conducting activities gave Virginia Power adequate authority and capability to move forward in a changing electric utility environment. Among the authorities Liberty examined were the arrangements governing the operations of the Treasury and Cash Management departments. Liberty performed its study at the same time that Virginia Power was undergoing a major strategic planning effort specifically designed to assist it in preparing to meet the challenges of a more competitive marketplace. This was another study that Liberty had to complete in only a few months because of the tremendous notoriety that the issues had attracted in the news media and state legislature.

8. Customer Service

Client: Colorado Springs Utilities
Client Contact: Bruce J. Swain, Customer Services Director
Colorado Springs Utilities
111 South Cascade Avenue, Suite 208
Colorado Springs, Colorado 80947-1026
(719) 448-8205

Summary: Liberty performed a study to assist this utility in addressing the organizational impacts associated with a transition to automated meter reading (AMR). Transitions to AMR mean organizational change and consideration of the issues of human-resource management in conjunction with technical changes were a large part of this work. This study also addressed the technical compatibility between meters and the three different metered-utility services (electric, gas, and water), and how these technical issues will influence operational techniques, management philosophy, and organizational interfaces. Liberty's work included a survey of the experiences and lessons learned by about 25 utilities who have already adopted AMR.

Client: Connecticut Department of Public Utility Control (*auditing Southern Connecticut Natural Gas Company*)
Client Contact: David Shapiro
Connecticut Department of Public Utility Control
Utilities Operations and Management Analysis Unit
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2687

Summary: Liberty conducted a comprehensive diagnostic management audit of Southern Connecticut Natural Gas Company (SCG). The scope of the study also included the following special issues: policies and procedures in the area of credit and collections and the collection of uncollectibles; expenditures for coal-tar remediation; the internal-audit function; purchasing and contracting; SCG's new service center in Orange; SCG's customer-service center in Bridgeport, with particular attention on how complaints, terminations, inquiries, and billing disputes are handled; how SCG is preparing to unbundle its services; and gas-procurement operations, in light of increasing competition and FERC orders, including FERC Order 636.

Client: The Dayton Power and Light Company
Client Contact: Judy W. Lansaw, Group Vice President
The Dayton Power and Light Company
P. O. Box 8825
Dayton, Ohio 45401
(513) 259-7201

Summary: Liberty assisted this combination gas- and electric-utility company with a review of its strategy for its gas business. The focus of this review was preparing for competition. Principal areas of concern were gas-main extension policy, gas rates and service offerings, financial performance of the gas business, the company's approach to gas marketing, and the potential for competitors to affect the company's electric business.

Client: Kentucky Public Service Commission (*auditing East Kentucky Power Cooperative, Inc.*)
Client Contact: Charles Bright, Staff Project Officer
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
(502) 564-3940

Summary: Liberty completed the 2001 management and operations audit of East Kentucky Power Cooperative, Inc. (EKPC). EKPC is a 2300 MW not-for-profit generation and transmission cooperative supplying electric power to 17 member distribution cooperatives and non-member utilities. The overall objective of this project was to perform a detailed, focused review of EKPC's efforts to prepare itself to effectively compete in deregulated energy markets and its efforts to enhance the quality and delivery of services offered to its member cooperatives and their customers.

Client: New Hampshire Public Utilities Commission (*NHPUC*)
Client Contact: Thomas B. Getz, Chairman
New Hampshire Public Utilities Commission
8 Old Suncook Road
Building No. 1
Concord, New Hampshire 03301-7319
(603) 271-2431

Summary: Liberty performed a management and financial audit of Public Service Company of New Hampshire (PSNH) for the Commission. This audit was conducted during the course of the Commission's review of a rate filing by the company. A significant component of this investigation was an examination of the fuel management practices and procedures of the utility that burned a mix of coal, fuel oil and natural gas. The examination of such costs was of material assistance to the Commission in examining the projected profitability of the various business segments under a range of assumptions about the future regulatory and market environments in which those segments would operate. Liberty assumed a principal role in negotiating outstanding restructuring issues and litigation between the NHPUC and PSNH, and is supporting the settlement in testimony before the Commission and the New Hampshire legislature. Liberty also provided on-going oversight of PSNH's preparations to sell its fossil-fueled and hydroelectric power plants through an auction, on behalf of the NHPUC. Monitoring activities included: meeting with PSNH and its investment banker and counsel to check on preparation progress, reviewing draft descriptive memoranda, providing comments to PSNH about terms and conditions of the proposed divestiture, and reporting on progress and issues to the NHPUC's senior Staff.

Client: New York Public Service Commission (*auditing New York State Electric & Gas Corp.*)
Client Contact: Ron Pelinski, Management Audit Section
New York Public Service Commission
State of New York
Three Empire Plaza
Albany, New York 12223
(518) 486-2480

Summary: Liberty performed a comprehensive management and operations audit of all areas of the company affected by a major corporate reorganization. Additional, special focus areas included business unit restructuring, change management, performance planning and measurement, human resources, construction program planning, affiliate transactions, and central services for multiple utility and non-utility units.

Client: The New York Public Service Commission (*auditing Central Hudson Gas & Electric*)
Client Contact: James Lyons, Management Audit Section
New York Public Service Commission

Three Empire Plaza
Albany, New York 12223
(518) 486-2480

Summary: Liberty performed a management and operations study of Central Hudson Gas & Electric, focusing on the designated areas of human resources, construction program planning, corporate budgeting, consumer services, computerized information systems, and economic development.

Client: Office of the State Comptroller (*auditing the New York Power Authority*)
Client Contact: Gerald Tysiak, Audit Manager
Office of the State Comptroller, State of New York
A. E. Smith State Office Building
Albany, New York 12236
(518) 473-6015

Summary: Liberty conducted the 2002 management audit of New York Power Authority (NYPA), the nation's largest non-federal public-power organization in the United States. NYPA operates 10 generating facilities that produce one quarter of the electricity consumed in the state of New York. The purpose of the audit was to evaluate NYPA's plans to build and operate power plants in New York City. NYPA's plans were evaluated and compared to their power supply alternatives available. Liberty concluded that NYPA management had not effectively evaluated its power market alternatives prior to committing to its power.

Client: Public Utilities Commission of Ohio
Client Contact: Jason Well, Staff
Public Utilities Commission of Ohio
180 East Broad Street, 7th Floor
Columbus, OH 43215-3793
614-995-5707

Summary: Liberty performed a comprehensive investigation of Ameritech-Ohio's service delivery quality. This engagement included an assessment of Ameritech-Ohio's installation and repair operations and processes, and an in-depth review of performance measures and service quality benchmarks.

Client: Pennsylvania Public Utility Commission (*auditing West Penn Power Company*)
Client Contact: Glenn Bartron, Bureau of Audits
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17120
(717) 783-5000

Summary: Liberty performed a broadly-based management and operations audit of all areas of the company, including activities of the Allegheny Power System of which West Penn Power Company is a part. Additionally, special focus areas included affiliate costs, staffing and compensation, management information services, bulk power transactions, engineering and construction, transmission and distribution, Clean Air Act Amendment planning, and power interruptions.

Clients: Pennsylvania Public Utility Commission (*auditing Bell Atlantic - Pennsylvania*) and District of Columbia Public Service Commission (*auditing Bell Atlantic - District of Columbia*)
Client Contacts: Kathy Swords, Bureau of Audits (PA) and Dwayne Boyd, Chief Auditor (D.C.)
Pennsylvania Public Utility Commission
901 N. Seventh Street - Rear
Harrisburg, Pennsylvania 17105-3265
(717) 772-0315

Public Service Commission of the District of Columbia
450 5th Street, N.W.
Washington, D.C. 20001
(202) 626-5100

Summary: Liberty performed a comprehensive management audit of the functional operations of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia, operating companies of Bell Atlantic, one of the largest telecommunications organizations in the world. The audit included in-depth reviews of accounting functions and

finance, including cost accounting, managerial accounting, budgeting and control, internal auditing, rates, cash management, financial-requirements planning, financing methods, and asset transfers. Liberty's review of compensation and benefits was performed because the area was identified as a special area warranting focused review. The review also included an in-depth analysis of the relationships and transactions of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia and their Bell Atlantic affiliates.

Client: City of Stillwater, Oklahoma
Client Contact: Carl Weinang, City Manager
P.O. Box 1449
723 South Lewis
Stillwater, Oklahoma 74074
(405) 742-8201

Summary: To help the City of Stillwater prepare for changes in the electric-power industry, Liberty performed a competitive assessment of its electric utility. The municipality owns and operates about 30 megawatts of generation, and purchases a considerable amount of electricity. Loss of any of the utility's large industrial customers would threaten the revenue stream the city derives from operations. Liberty, in a teaming arrangement with another consultant, evaluated operations efficiency, developed a strategy to improve competitiveness, and helped the utility move to a more-competitive business position. All business and operations functions were evaluated, with particular emphasis on customer service, management of key industrial accounts, operations efficiency, maintenance policies and practices, and work-control and workforce management.

Client: Tennessee Public Service Commission (*auditing United Cities Gas Company*)
Client Contact: William H. Novak, Utility Rate Division Manager
Tennessee Public Service Commission
460 James Robertson Parkway
Nashville, Tennessee 37243-0505
(615) 741-2792

Summary: This comprehensive management audit covered the traditional functional areas of executive management and corporate planning, financial systems, system operations, customer services, human resources, and support functions, as well as specific issues, including: main extension policies; vehicle management; affiliate interests and leases; advertising, sales, and promotion expenses; continuing property records; procurement and vendor relations; comparative rates; and comparative salaries and wages. Liberty's review of financial systems included requirements planning, accounting, budget management and control, rates, internal auditing, cash management, taxes, forecasting, compensation and benefits, and construction management. United Cities Gas Company accepted most of Liberty's 70 recommendations for improvements. The Tennessee Public Service Commission asked Liberty's consultants to testify on a few areas of disagreement as expert witnesses in a rate case.

B. Electric Utility Projects

Client: Illinois Commerce Commission
Client Contact: Roy Buxton
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 785-5424

Summary: Liberty was selected by the Illinois Commerce Commission to perform an audit of whether Ameren Illinois appropriately planned, designed, constructed, inspected, and maintained their electric delivery systems, and specifically, whether Ameren Illinois adequately planned, prepared, and executed storm-service restoration efforts following a July 2006 windstorm and a November 2006 ice storm that affected hundreds of thousands of customers. The windstorm caused service interruptions to almost one million customers in St. Louis and parts of southern and central Illinois. Over 300,000 electric customers lost service in Illinois. Restoring service completely took over a week. The winter storm caused nearly 235,000 Ameren Illinois customers to lose electric service and caused extensive tree damage, broken poles, downed lines, and the loss of nearly 100 distribution feeder circuits. On December 4, the company announced that about 150,000 customers remained without electric service.

Liberty's audit included reviews of Storm Description and Analysis, T&D Planning, Design and Construction, Maintenance, Integrity and System Conditions, Emergency Planning, and Restoration Performance.

Client: Illinois Commerce Commission
Client Contact: Roy Buxton
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 785-5424

Summary: Liberty conducted a comprehensive investigation into the reliability of Commonwealth Edison's transmission and distribution systems. This year-long project involved all aspects of the design, planning, management, operation, and maintenance of T&D systems and components. There are two follow-on projects to this original project. The first is an ongoing audit to assess ComEd's compliance with Liberty's recommendations from the first audit. The second project is Liberty's audit of the transmission and distribution revenue requirements of ComEd with respect to the proper revenue requirements associated with ComEd's reliability programs, as analyzed in the first referenced project.

Client: Illinois Commerce Commission
Client Contact: Roy Buxton
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 785-5424

Summary: Liberty investigated the causes of a substation outage that affected downtown Chicago in 2000. Liberty also evaluated and made recommendations regarding the corrective actions that the utility should take to prevent similar occurrences.

Client: Illinois Commerce Commission (*auditing Commonwealth Edison*)
Client Contact: John Stutsman
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 524-0337

Summary: Liberty conducted a focused audit of Commonwealth Edison's transmission protection system. This project involved an evaluation of the design and maintenance of the protection against cascading electric outages. It also included an assessment of the ratings used on protective equipment, studies of the stability of the electric delivery system, and the settings of protective relays.

Client: Illinois Commerce Commission (*auditing Commonwealth Edison*)
Client Contact: John Stutsman
Illinois Commerce Commission
527 E. Capitol Avenue
Springfield, IL 62706
(217) 524-0337

Summary: Liberty performed a root cause analysis of a substation fire that left many customers without power, some for up to two days. Liberty's work included an assessment of the likelihood of similar events and a method to prioritize mitigation efforts. Liberty also provided a template for evaluating the complete loss of any substation.

Client: Public Utilities Commission, State of Maine (*auditing Four Maine Electric Utilities*)
Client Contacts: Mr. Ralph Howe or Mr. Charles Cohen
Public Utilities Commission, State of Maine
242 State Street, State House Station 18
Augusta, ME 04333
207-287-1371

Summary: Liberty examined the reliability of the T&D systems for the four largest electric utilities in the state of Maine. The review considered budgeting, maintenance, inspections, planning, and other matters.

Client: NorthWestern Energy and Montana PSC (*auditing NorthWestern Energy*)
Client Contact: Mr. William T. Rhoads, General Manager,
Montana Distribution Operations,
Butte, MT
(406) 497-3496

Summary: Liberty performed an operations audit and reliability assessment of the company's electric and gas T&D systems.

Client: Nova Scotia Utility and Review Board
Client Contact: Mr. George Smith
Nova Scotia Utility and Review Board
3rd Floor, 1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, Nova Scotia B3J 3S3
(902) 424-4448

Summary: Liberty provided an assessment of the transmission system and customer communications of the Nova Scotia Power Inc. This assessment included a broad review transmission system design and engineering, operations, planning, staffing, and maintenance. Liberty also performed specific analyses of (1) the separate effects of the storm resulting from failures in the transmission system and from the distribution system, and (2) the failure of several transmission structures. Liberty testified before the Board regarding its findings and recommendations. As a follow-up to issues raised during the hearings, the Board retained Liberty to (1) conduct an on-site inspection and evaluation of portions of the company's distribution system and to assess the reliability of the distribution system, (2) to perform a structural evaluation of distribution system poles, and (3) to assess the frequency of transmission system relay testing and calibration.

Client: Southern Company Services – Georgia Power Company
Client Contact: Dan Lane
Manager, Internal Auditing
dllane@southernco.com
(205) 257-3011

Summary: Liberty assessed the T&D standards and practices of Georgia Power Company against good utility practices. The review considered all aspects of T&D design, planning, maintenance, and operations.

Client: Southern Company Services – Alabama Power Company
Client Contact: Dan Lane
Manager, Internal Auditing
dllane@southernco.com
(205) 257-3011

Summary: Liberty assessed the T&D standards and practices of Alabama Power Company against good utility practices. The review considered all aspects of T&D design, planning, maintenance, and operations.

Client: Southern Company Services – Alabama Power Company
Client Contact: Dan Lane
Manager, Internal Auditing
dllane@southernco.com
(205) 257-3011

Summary: Liberty assessed the T&D standards and practices of Alabama Power Company against good utility practices. The review considered all aspects of T&D design, planning, maintenance, and operations.

Client: BEC Energy
Client Contacts: Neven Rabadjija, Associate General Counsel
BEC Energy
800 Boylston Street

Boston, Massachusetts 02199
(617) 424-2461

Roscoe Trimmier, Jr., Esq.
Ropes and Gray
One International Place
Boston, Massachusetts 02110
(617) 951-7000

Summary: Liberty supported BEC Energy, an electric utility whose participation in a new non-regulated venture became subject to regulatory scrutiny. This support included efforts in the regulatory proceeding initiated by an information-services competitor and the structuring of the newly-formed holding company.

Client: Belize Electricity Limited
Client Contact: Lynn R. Young, CEO
Belize Electricity Limited
115 Barrack Road
P. O. Box 327
Belize City, Belize, C. A.
(501) 2-33357

Summary: Liberty undertook a re-engineering and organization study for Belize Electricity Limited, the electric utility that serves the country of Belize. Liberty designed a new organization structure for the company. Major areas of emphasis in the re-engineering include customer service (eliminating business offices, reducing theft of service, and improving installations of new services), distribution operations (work management), materials management (forecasting material needs,) economic dispatch and system control, and human-resources management (streamlining and automating transactions).

Client: Rochester Gas & Electric Corporation
Client Contact: Charles Keele
Rochester Gas & Electric Corporation
89 East Avenue
Rochester, NY 14649
(716) 724-8662

Summary: Liberty worked with a group of RG&E managers to re-engineer the project-controls, work-management, and manpower-planning processes for electric T&D operations. The group included the work-scheduling section, general foremen, and T&D department managers. The Liberty/RG&E team built a system that ties together all identified projects, spreads resource requirements across the duration of each project, and calculates aggregate manpower requirements, along with administrative and non-work time, such as training, sick days, safety meetings, *etc.* The idea was to draw together all work requirements, assign priorities, and compare the results to available T&D crews. The project was generated by senior management's concern that labor costs, and specifically contractor crews, were increasing, but projects were not getting accomplished, and outages were too high. Most outages were linked to identified, but still-open, system-deficiency reports. By using the system RG&E was able to eliminate the problems and cut contractor costs in half.

Client: Public Utilities Commission, State of Maine
Client Contacts: Mr. Ralph Howe or Mr. Charles Cohen
Public Utilities Commission, State of Maine
242 State Street, State House Station 18
Augusta, ME 04333
207-287-1371

Summary: Liberty provided technical expertise to the Commission on the public necessity and convenience of a new 345 kV and a new 138 kV transmission interconnection with New Brunswick Power.

Client: Kentucky Public Service Commission (*auditing Big Rivers*)
Client Contact: John Rogness, Manager – Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard

Frankfort, Kentucky 40601
502-564-3940

Summary: Liberty reviewed the Big Rivers' analysis of the ability of existing 161 kV and 69 kV facilities to reliably serve existing and expected load in the Meade County area of Kentucky. Included in the work was Liberty's analysis of Big Rivers' power flow analyses and long range plans. Liberty also performed an assessment of the actual need for the proposed transmission line and alternative solutions, including upgrading existing facilities, wheeling through neighboring systems, as well as the use of generation, in terms of long-range system development.

Client: Kentucky Public Service Commission (*auditing Louisville Gas and Electric Co. and Kentucky Utilities*)

Client Contact: John Rogness, Manager – Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
502-564-3940

Summary: Liberty reviewed the LG&E/KU analyses of the need for three separate 345 kV and 138 kV transmission lines in Kentucky, and the ability of these proposed lines to reliably serve existing and expected load in Kentucky. Included in the work was Liberty's analysis of the LG&E/KU power flow analyses and long range plans. Also included in Liberty's assessment of the need for the facilities was an evaluation of alternative solutions, including upgrading existing facilities, wheeling through neighboring systems, as well as the use of generation, in terms of long-range system development.

Client: Vermont Public Service Board

Client Contacts: Mr. Michael H. Dworkin, Chairman
Mr. Kurt R. Janson, General Counsel
Vermont Public Service Board
112 State Street
Montpelier, VT 05620
802-828-2358

Summary: Liberty provided technical expertise to the Commission on the public necessity and convenience of a new 345 kV and a new 138 kV transmission interconnection with New Brunswick Power.

Client: Nova Scotia Utility and Review Board

Client Contact: Mr. George Smith
Nova Scotia Utility and Review Board
3rd Floor, 1601 Lower Water Street
P.O. Box 1692, Unit "M"
Halifax, Nova Scotia B3J 3S3
(902) 424-4448

Summary: Liberty completed providing assistance to the Nova Scotia Utility and Review Board on a project associated with the 2005 Rate Application of Nova Scotia Power Inc. Liberty's focus on this project was on the fuel aspects of the rate application including the costs of coal, oil and natural gas. Liberty also evaluated the Fuel Adjustment Mechanism proposed by Nova Scotia Power. During the course of the project, Liberty prepared information requests, reviewed the information requests submitted by others, and provided expert testimony during the hearing associated with the rate application.

Client: Illinois Commerce Commission (*auditing Commonwealth Edison Company*)

Client Contact: Tony Visnesky, Manager of Energy Programs
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62794-9280
(217) 782-1021

Summary: Liberty conducted an evaluation of the reasonableness of nuclear-plant management and the costs of significant modifications to operating nuclear-power plants. The review involved a comprehensive assessment, beginning with the initial decision to undertake each project, an analysis of the subsequent decisions to continue the project, and an evaluation of the management, financing, and start-up of each project. The evaluations focused on

Commonwealth Edison Company's Zion and Dresden nuclear stations. (Both of these plants have been on the NRC's Watch List.) Liberty presented the results of its review in testimony before the ICC.

Client: Pennsylvania Public Utility Commission under subcontract to Deloitte & Touche (*auditing Metropolitan Edison Company and Pennsylvania Electric Company*)

Client Contacts: Glenn Bartron, Director, Bureau of Audits
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, Pennsylvania 17120
(717) 783-5000

Ken Hagstrom, Partner Deloitte & Touche
Deloitte & Touche
1700 Market Street, 24th floor
Philadelphia, Pennsylvania
(215) 246-2351

Summary: Liberty performed the review of nuclear-fuel procurement and management, and played a key role in the review of planning, forecasting, and demand management, both of which involved service company or multiple-operating-company coordination in a multi-state holding-company structure.

Client: Kentucky Public Service Commission (*auditing Kentucky Utilities Company & Louisville Gas & Electric Company*)

Client Contact: John Rogness, Manager – Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
(502) 564-3940

Summary: Liberty completed a focused management audit that examined all operational and managerial aspects of the fuel procurement functions of KU and LG&E. The audit included an examination of the organizational structure and the operational interrelationship of fuel procurement management among LG&E Energy, KU and LG&E. Although the greatest effort of the audit was a focus on coal procurement, the procurement of natural gas and fuel oil was included as well.

Client: Public Utilities Commission of Ohio (*auditing Columbus Southern Power Company and Ohio Power Company - both subsidiaries of AEP*)

Client Contact: Raymond Strom, EFC Supervisor
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-7707

Summary: Liberty performed the 1999 management and performance audit of fuel-related policies and practices of Columbus Southern Power Company and Ohio Power Company, both subsidiaries of American Electric Power Company, Inc. This audit sought to determine whether fuel-management practices and policies were reasonably designed to assure availability of sufficient fuel supplies of adequate quality to permit efficient operation of electric-generating stations at the least cost. Important to the audit were the coal related transactions with affiliated coal mining operations. The audit also sought to determine whether bulk-power system dispatch, economy sales, and emergency and reliability transfers were conducted to promote least-cost operation, and whether plans and activities for compliance with the Clean Air Act Amendments were reasonably designed and cost-effective. The audit resulted in a report used in the Public Utilities Commission of Ohio's EFC hearing.

Client: Public Utilities Commission of Ohio (*auditing Cincinnati Gas & Electric Company*)

Client Contact: Raymond Strom, EFC Supervisor
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573
(614) 466-7707

Summary: Liberty performed the 1999 management and performance audit of fuel-related policies and practices of Cincinnati Gas & Electric Company. This audit sought to determine whether fuel-management practices and policies were reasonably designed to assure availability of sufficient fuel supplies of adequate quality to permit efficient operation of electric-generating stations at the least cost. The audit also sought to determine whether bulk-power system dispatch, economy sales, and emergency and reliability transfers were conducted to promote least-cost operation, and whether plans and activities for compliance with the Clean Air Act Amendments were reasonably

designed and cost-effective. The audit resulted in a report used in the Public Utilities Commission of Ohio's EFC hearing.

Client: Public Utilities Commission of Ohio (*auditing Monongahela Power Company*)
Client Contact: Raymond Strom, EFC Supervisor
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573
(614) 466-7534

Summary: Liberty performed the 1997 and 1998 management and performance audits of fuel-related policies and practices of Monongahela Power Company. These audits seek to determine whether fuel-management practices and policies are reasonably designed to assure availability of sufficient fuel supplies of adequate quality to permit efficient operation of electric-generating stations at the least cost. The audits also seek to determine whether bulk-power system dispatch, economy sales, and emergency and reliability transfers are conducted to promote least-cost operation, and whether plans and activities for compliance with the Clean Air Act Amendments are reasonably designed and cost effective. The audits resulted in reports used in the Public Utilities Commission of Ohio's EFC hearings.

Client: Public Utilities Commission of Ohio (*auditing Ohio Edison Company*)
Client Contact: Raymond Strom, EFC Supervisor
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573
(614) 466-7534

Summary: Liberty performed the 1995 management and performance audit of fuel-related policies and practices of Ohio Edison Company. This audit sought to determine whether fuel management practices and policies were reasonably designed to assure availability of sufficient fuel supplies of adequate quality to permit efficient operation of electric generating stations at the least cost. The audit sought to determine whether bulk power system dispatch, economy sales, and emergency and reliability transfers were conducted to promote least-cost operation and to determine whether plans and activities for Clean Air Act Amendments compliance were reasonably designed and cost effective. This audit resulted in a report used in the Public Utilities Commission of Ohio's EFC hearings.

Client: Public Utilities Commission of Ohio (*auditing Cleveland Electric Illuminating Company and Toledo Edison Company*)
Client Contact: Raymond Strom, EFC Supervisor
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573
(614) 466-7534

Summary: Liberty performed the 1993 and 1994 fall series management and performance audits of fuel related policies and practices of Cleveland Electric Illuminating and Toledo Edison. These audits seek to determine whether fuel management practices and policies are reasonably designed to assure the availability of sufficient fuel stocks of adequate quality efficiently and at least cost, and whether bulk power system dispatch, economy of sales and emergency and reliability transfers are conducted to promote least cost operation and to determine whether plans for Clean Air Act Amendments compliance are designed to capture the most reasonable and cost effective manner. These audits resulted in reports used in the Public Utilities Commission of Ohio's EFC hearings.

Client: Illinois Commerce Commission (*auditing Illinois Power Company*)
Client Contact: Michael Adams, Manager, Management Studies Division
Illinois Commerce Commission
527 East Capital Avenue
Springfield, Illinois 62794-9280
(217) 782-0595

Summary: Liberty conducted an independent review of Illinois Power Company's plans to comply with the Clean Air Act Amendments of 1990 by installing pollution control devices at the Baldwin Station. The investigation assessed the reasonableness of IPC's selected technology, plans and estimates to ensure that IPC provides reliable,

efficient, utility service at the least-cost to customers. Liberty's work contributed to the utility's decision to alter its plans and change to a more cost effective approach.

Client: Maryland Public Service Commission (*auditing Baltimore Gas & Electric Company*)
Client Contacts: Allen Freifeld and Ronald Alper
Maryland Public Service Commission
6 St. Paul Center
Baltimore, Maryland 21202
(410) 767-8000

Summary: Liberty performed for the Maryland Public Service Commission an extensive review of management and the productive capacity of Baltimore Gas & Electric Company's (BG&E) Calvert Cliffs Nuclear Power Plant. The focus of the study concerns issues and events pertinent to extended outages at both units of Calvert Cliffs. Testimony has been filed in a BG&E fuel rate adjustment proceeding.

C. Natural Gas Distribution Company Projects

Client: Public Utilities Commission of Ohio (*auditing Cincinnati Gas and Electric Company*)
Client Contact: Thomas C. Pearce II, Natural Gas Specialist
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-1846

Summary: Liberty conducted the 2003 Gas Cost Recovery management/performance audit of Cincinnati Gas and Electric Company. The focus areas included supply planning; organization, staffing and control; gas acquisition; transportation; balancing; regulatory management; response to changes in regulation (primarily new Customer Choice programs in Ohio); follow-up to issues raised in the last audit; and several company-specific issues that were important to the PUCO.

Client: The Kentucky Public Service Commission (*auditing 5 major Kentucky LDCs*)
Client Contact: John A. Rogness III, Manager, Management Audit Branch
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601
(502) 564-3940

Summary: Liberty conducted a focused management and process audit of the gas supply and procurement functions of Kentucky's five major gas local distribution companies (collectively referred to as "LDCs") conducted for the Kentucky Public Service Commission (*Commission*). The LDCs include Columbia Gas of Kentucky, Inc. (*Columbia*), Delta Natural Gas Company, Inc. (*Delta*), Louisville Gas and Electric Company (*LG&E*), The Union Light, Heat, and Power Company (*ULH&P*), and Western Kentucky Gas Company (*Western*).

There were two equally important primary objectives in this audit. The first primary objective was to examine and evaluate each of the major Kentucky LDCs' gas planning, procurement, and supply management processes and strategies, and make recommendations on a going forward basis. The Commission was especially concerned about the increased volatility being experienced in wholesale gas markets and how that has been translated to retail markets. The focus of the audit was therefore on determining whether the LDCs' planning, procurement, and supply management organizations were designed to produce a gas supply portfolio which adequately addressed the issues of minimizing cost to retail customers, reasonably mitigating price volatility, and maintaining a reasonable level of reliability.

The second equally important objective was to provide training to select Commission Staff during the course of the audit in order to help Staff understand, review and evaluate LDC gas procurement, gas portfolio management, and gas supply management related issues in the future. This training included both "classroom" training, and also more hands-on type instruction.

Client: Connecticut Department of Public Utility Control
Client Contact: David G. Shapiro
Connecticut Department of Public Utility Control
Utilities Operations and Management Analysis Unit
10 Franklin Square
New Britain, Connecticut 06051
(860) 827-2687

Summary: Liberty served as an extension of the Department's staff in a rate case for Yankee Gas Services Company. Liberty evaluated certain aspects of the company's proposals, through review of filed materials; preparation of interrogatories; conducting cross-examination of company and other witnesses; advising commissioners regarding the appropriate disposition of each aspect; and drafting parts of the Department's final order.

Client: Public Utilities Commission of Ohio (*auditing The East Ohio Gas Company*)
Client Contact: Roger Sarver, GCR Supervisor
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793
(614) 466-7647

Summary: Liberty conducted the 1999 Gas Cost Recovery management/performance audit of The East Ohio Gas Company, which is one of four local-distribution operating units of Consolidated Natural Gas Company. The focus areas included supply planning; organization, staffing and control; gas acquisition; transportation; balancing; regulatory management; response to changes in regulation (primarily new Customer Choice programs in Ohio); follow-up to issues raised in the last audit; and several company-specific issues that were important to the PUCO.

Client: Wyoming Public Service Commission (*auditing K N Energy*)
Client Contact: Dave Mosier
Wyoming Public Service Commission
700 West 21st Street
Cheyenne, Wyoming 82002
(307) 777-5709

Summary: Liberty performed an evaluation of gas supply operations at K N Energy, which prior to FERC Order 636 had served as an integrated supply system stretching from Wyoming and Colorado to Kansas. K N Energy had supplied the full range of vertically integrated gas supply functions, including production, gathering, transmission, marketing, sales, and service. The breadth of its operations required it to deal with virtually every facet of operations affected by Order 636. Liberty assisted the Wyoming Commission in examining the implications of the company's post-Order 636 restructuring for the state's gas customers.

Client: Philadelphia Gas Commission
Client Contact: G. Christian Kimmerle, Executive Director
Philadelphia Gas Commission
1600 Arch Street, 2nd Floor
Philadelphia, PA 19103-2028
(215) 686-0909

Summary: Liberty made a presentation at a retreat the Commission sponsored. Participants included Commissioners, Staff, the executive management of the Philadelphia Gas Works, members of the City Council, and consumer advocates. The topic of the presentation was who will pay for social programs as the provision of utility services becomes competitive.

Client: Public Utilities Commission of Ohio (*auditing Eastern Natural Gas Company and Pike Natural Gas Company*)
Client Contact: Adam Pyles
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573
(614) 466-8203

Summary: Liberty conducted the 1993 Gas Cost Recovery management/performance audits of Eastern Natural Gas and Pike Natural Gas, which are local distribution operating units of Clearfield Ohio Holdings, Inc. The focus areas included: supply planning, organization, staffing and control, gas acquisition, transportation, unaccounted-for gas, regulatory management, response to changes in regulation (primarily FERC Order 636), follow-up to issues raised in the last audit, and several company-specific issues that were important to the PUCO.

D. Projects for Private-Sector Clients

Client: Swidler & Berlin for South Carolina Public Service Authority/Santee Cooper
Client Contact: Andrew Weisman
Swidler & Berlin
3000 K Street, NW, Suite 300
Washington, DC 20013
(202) 944-4300

Summary: Liberty provided consulting services to attorneys representing non-operating owners of a nuclear-power plant. The subject matter was monitoring by a non-operating owner of plant operations.

Client: Vinson & Elkins L.L.P.
Client Contact: William H. Church, Jr., Esq.
Vinson & Elkins L.L.P.
3700 Trammell Crow Center and 2001 Ross Avenue
Dallas, Texas 75201-2975
(214) 220-7700

Summary: Liberty provided expert testimony in an arbitration involving claims made by a non-operating owner of a nuclear-power plant against an insurance provider.

Client: DuPont and Westinghouse
Client Contact: Mike Kidd, Director of Special Projects
Savannah River Laboratory
Aiken, SC 29808
(803) 725-5281

Summary: Liberty assisted with the design and implementation of self-assessment programs. The objective was to transfer effective methods used in the commercial-nuclear-power industry to the weapons plant.

Client: Westinghouse Electric Corporation
Client Contact: Mindy Spector, Esq.
Weil, Gotshal & Manges
767 Fifth Ave
New York, N.Y. 10153
(212) 310-8000

Summary: Liberty provided expert assistance in connection with a dispute between Furnas (of Brazil) and Westinghouse Electric Corporation over problems at the Angra nuclear plant.

Client: Colorado Independent Energy Association
Client Contact: Nicholas G. Muller
475 17th Street, Suite 950
Denver, Colorado 80202
(303) 297-1970

Summary: Liberty assessed the effects of electric-industry restructuring on all of the members of the Colorado Independent Energy Association (CIEA). CIEA represents about 20 owners of small power-generation projects (qualifying facilities -QF- as defined under PURPA) that sell power to the local electric utility. The project involved detailed assessment of the current regional market for electric-power sales, evaluation of existing power-sales agreements, and analysis of the operations and economics of the QF facilities. The project included a review of

national electric-industry initiatives and programs, and a formal presentation of findings and strategies to CIEA's members.

Client: Powder River Energy Corporation
Client Contact: Ron Harper (Ron Harper is now CEO at Basin Electric, @ 1-800-242-2372).
Powder River Energy Corporation
221 Main Street
P.O. Box 930
Sundance, Wyoming 82729
(307) 283-3531

Summary: For this mid-sized Wyoming distribution coop, Liberty first acted as facilitator of a strategic planning process that included the coop's board and senior staff. Subsequently, Liberty assessed the utility's readiness for competition, and developed the coop's first ever strategic business plan for provision of new offerings of service to its members.

Client: Confidential
Client Contact: Confidential

Summary: Liberty assisted a major southern public-power entity to examine several of its core business practices and processes with the objective of identifying methods for enhancing their competitiveness in a more-open electricity marketplace. This project involved structural, staffing, and methods issues that affect the client's competitiveness.

Client: Major Electric Cooperative
Client Contact: Confidential

Summary: Liberty facilitated the development of a strategic plan for the client. Liberty performed a review of the operations of the member companies and the generating and transmission company to determine: missions, functions, environmental factors and other strategy drivers, strengths and weaknesses, opportunities and threats, and roles and responsibilities. Liberty then led a group of about 50 managers, directors, and other executives in writing the basic elements of the strategic plan.

Client: Potomac Electric Power Company
Client Contacts: Thomas E. Graves, Manager, Fuels Procurement
Susann D. Felton, Vice President - Materials
Potomac Electric Power Company
1900 Pennsylvania Avenue, N.W.
Washington, D.C. 20068-0001
(202) 872-3415

Summary: Liberty prepared a comprehensive set of fuel-management policies, practices, and procedures for the Fuel Department of Potomac Electric Power Company (PEPCO). This project was highly interactive with PEPCO personnel from all departments involved in the fuel management process. The project included identification of all significant fuel management processes and the subsequent development of policies, practices, and procedures to cover these processes. Major processes included requirements planning, procurement, transportation, utilization, contract administration and inventory management of coal, oil, and natural gas used as fuels for electric power generation.

Client: East Kentucky Power Cooperative, Inc.
Client Contact: Randy Dials, Vice President, Power Production
East Kentucky Power Cooperative, Inc.
P. O. Box 707
Winchester, Kentucky 40392-0707
(606) 744-4812

Summary: Liberty assisted the Fuels staff of this generation and transmission electric power cooperative with the development of a supply strategy for its first-ever gas-fired generating capacity. Gas requirements were estimated through generation simulations, a solicitation for supply offers was conducted, and responses to the solicitation were evaluated.

Client: Atmos Energy Corporation
Client Contact: Mark G. Thessin
United Cities Gas Company
810 Crescent Center Drive
Suite 600
Franklin, Tennessee 37067
(615) 771-8300

Summary: For this multi-state gas distributor, Liberty worked with the company to develop a strategy for unbundling its gas-supply services. The strategy was developed at the parent-company level, with a working group composed of representatives of each of Atmos's five operating divisions. The strategy was implemented through unbundling plans filed in each state where the company operates, accompanied by internal plans focused on developing the capabilities necessary to meet the commitments undertaken as part of each plan filed in the states. The project was being directed internally by an officer of one of the operating divisions (United Cities Gas Company).

Client: Alabama Electric Cooperative, Inc.
Client Contact: Gary L. Smith, Vice President, Legal & Corporate Affairs
Alabama Electric Cooperative, Inc.
P.O. Box 550
Andalusia, Alabama 36420
(334) 427-3214

Summary: Liberty assisted this generation-and-transmission cooperative on a project to improve processes, reduce costs, and improve operational efficiency, in anticipation of competitive changes in the electric-power industry. This project included analysis of operations and development of recommendations for improvement of policies, practices, processes and procedures in the areas of fuel management for electric generating stations, and operations and maintenance of these electricity-generating stations. An important component of the project included assessment and recommendations for improvement on the interplay between coal and natural gas, and the market for electric power.

Client: Major Electric Cooperative
Client Contact: Confidential

Summary: Liberty facilitated the development of a strategic plan. Liberty performed a review of the operations of the member cooperatives and the generating and transmission unit to determine missions, functions, environmental factors and other strategy drivers; strengths and weaknesses; opportunities and threats; and roles and responsibilities. Liberty then led a group of about 50 managers, directors, and other executives in writing the basic elements of the strategic plan.

Client: Confidential
Client Contact: Confidential

Summary: Liberty assisted an electric utility in exploring diversification into related businesses. Options considered included distribution of other fuels, including natural gas, propane and heating oil, and ventures in telecommunications. Liberty activities included industry analysis, leading to identification of target business segments, and development of entry strategies for selected segments. Pilot ventures are planned.

Client: Confidential
Client Contact: Confidential

Summary: Liberty assisted a major western public-power entity in evaluating the marketability and the value of major electricity-generating stations because of expected changes in a power-sales agreement. The evaluation examined the baseline value of the units, *i.e.*, what their worth would be assuming no changes in use, the costs to operate them, and the methods for assigning support costs to their operations. The evaluation also assessed how the plants' value can be enhanced by changes to the operational or other factors that affect them.

Client: Confidential

Client Contact: Confidential

Summary: Liberty provided consulting assistance related to the marketing of power from a western water and power cooperative. This project included development of options for sale of electric power from the facility, training in the operation of local and regional electric-power markets, and assistance with the evaluation and selection of the most attractive market for this electricity.

Client: Confidential

Client Contact: Confidential

Summary: For an investment banking group, Liberty identified themes for enhancing the value of gas-distribution and transmission/storage business segments through acquisitions, and used those themes to develop criteria for acquisitions.

Client: The Dayton Power and Light Company

Client Contact: Judy W. Lansaw, Group Vice President

The Dayton Power and Light Company

P. O. Box 8825

Dayton, Ohio 45401

(513) 259-7201

Summary: Liberty assisted this combination gas- and electric-utility company with a review of its strategy for its gas business. The focus of this review was preparing for competition. Principal areas of concern were gas-main extension policy, gas rates and service offerings, financial performance of the gas business, the company's approach to gas marketing, and the potential for competitors to affect the company's electric business.

Client: The Dayton Power and Light Company

Client Contact: Maria Werling

The Dayton Power and Light Company

P. O. Box 8825

Dayton, Ohio 45401

(513) 259-7233

Summary: Liberty assisted this combination electric- and gas-utility company with a review of its peak-load forecasting method for gas. Included in the review were alternative formulations of equations for projecting peak-day sendout to firm customers, and expected levels of weather parameters for use in setting design-day conditions.

Client: The Dayton Power and Light Company

Client Contact: Thomas D. Tatham, Manager, Information Resources

The Dayton Power and Light Company

3931 South Dixie Drive

Dayton, Ohio 45439

Summary: Liberty was engaged to develop a new gas-main-extension policy. The policies of the surrounding gas utilities were compared to DP&L's prior policy, and then benchmarked against the policies of four companies of comparable size who were aggressively expanding their businesses. Criteria for a new policy were developed, and the performance of old and proposed new policies was examined for sample projects. Liberty's recommendations were adopted.

Client: Confidential

Client Contact: Confidential

Summary: Provided consulting services to an Independent Power Producer to determine the feasibility of Cogeneration at a New York marine terminal.

Client: Ahlstrom Development Corporation)
Client Contact: Neil Cody
(703) 631-6075

Summary: Liberty completed a 2½-year assignment to revitalize a steam-heating company in Scranton, PA. The client for the project was a Finnish developer of cogeneration projects who wanted to develop a cogeneration project that would burn waste-coal deposits using circulating fluidized-bed technology. Liberty's contribution to this effort included development and implementation of a strategic business plan; implementation of an early-retirement offer; resizing the distribution plant; changing production from old, high-sulfur (#5) oil boilers to new gas #2 oil boilers; and development and introduction of work-planning and production modeling.

Client: NOVA Corporation of Alberta
Client Contact: C. Kent Jespersen, Senior Vice President, Corporate Development
NOVA Corporation of Alberta
P. O. Box 2535
Postal Station M
Calgary, Alberta T2P 2N6
CANADA

Summary: For this Canadian gas-pipeline and petrochemicals concern, Liberty performed an analysis of strategic factors in U. S. natural-gas-pipeline mergers. The financial context for the activity in the early 1980s was analyzed, then strategic *drivers* were developed for a series of transactions identified by the client as being of interest. Liberty's analysis was presented at an off-site meeting of the company's Corporate Strategy and Policy Committee.

Client: North Mississippi Gas Storage Company, LLC
Client Contact: D. Keith Miller
North Mississippi Gas Storage Company, LLC
C/o Ames Financial, Inc.
416 Travis Street, Suite 1106
Shreveport, Louisiana 71101
(318) 227-8944

Summary: Liberty assisted the owners of this proposed natural gas storage complex, to be located near Aberdeen, Mississippi, with finding partners to participate in the project. Liberty's role was to identify prospective users of the project's facilities, and then to approach them regarding their possible participation.

Client: Public Service Company of Colorado
Client Contact: Bruce L. Shults, Manager - Support Services Division
Public Service Company of Colorado
1225 17th Street, Suite 1200
Denver, Colorado 80202-5533
(303) 294-2375

Summary: Liberty performed an assessment of the manpower planning and workforce-management activities of the Gas & Electric Distribution unit. The focus of the work was on tracking and timekeeping as they related to workforce-management processes. This project included interviews with selected managers, and concluded with a workshop involving these same individuals to identify opportunities for process improvement and develop specific near-term action plans in workforce management.

Client: Colorado Springs Utilities
Client Contact: Bruce J. Swain, Customer Services Director
Colorado Springs Utilities
111 South Cascade Avenue, Suite 208
Colorado Springs, Colorado 80947-1026
(719) 448-8205

Summary: Liberty performed a study to assist this utility in addressing the organizational impacts associated with a transition to automated meter reading (AMR). Transitions to AMR mean organizational change and consideration of the issues of human-resource management in conjunction with technical changes were a large part of this work. This study also addressed the technical compatibility between meters and the three different metered-utility services (electric, gas, and water), and how these technical issues will influence operational techniques, management

philosophy, and organizational interfaces. Liberty's work included a survey of the experiences and lessons learned by about 25 utilities who have already adopted AMR.

Client: National Fuel Gas Distribution Corporation
Client Contact: Ronald J. Tanski, VP & General Counsel
National Fuel Gas Supply Corporation
10 Lafayette Square
Buffalo, NY 14203
(716) 857-6891

Summary: Liberty prepared National Fuel's local gas-distribution company for comprehensive management audits by the New York and Pennsylvania public-utility commissions. Liberty performed focused reviews of gas-supply management and legal services, to identify strengths and vulnerabilities and, where applicable, recommend corrective actions. A significant part of this project included preparation of detailed procedures for improved operation of the legal department. In addition to these and other focused reviews, Liberty prepared organizations and individuals for interviews.

Client: National Fuel Gas Supply Corporation
Client Contact: Dale Rowekamp
National Fuel Gas Supply Corporation
10 Lafayette Square
Buffalo, NY 14203
(716) 857-6890

Summary: For this gas pipeline and storage company, Liberty performed a preliminary analysis of markets for gas in the electricity-generation sector in Pennsylvania. Electric-utility companies' plans for new generating capacity were examined, along with the influence of the Clean Air Act Amendments of 1990.

Client: Florida Power Corporation
Client Contact: Bruce Hickle
Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733
(352) 563-4591

Summary: Liberty developed a revised set of performance indicators for the nuclear plant that could be directly related to annual business goals.

Client: Big Rivers Electric Corporation
Client Contact: John West, Vice General Manager of Finance
Big Rivers Electric Corporation
201 Third Street
Henderson, Kentucky 42420
(502) 827-2561

Summary: Liberty designed and facilitated a self-assessment process for Big Rivers' review of its plan for compliance with the Clean Air Act Amendments of 1990. Under Kentucky statute, costs of compliance with new federal, state, and local environmental regulations are recoverable through a unique environmental surcharge. Liberty assisted Big Rivers in the definition of applicable expenses and surcharge mechanics. Liberty also assisted Big Rivers with the preparation of documentation to support an application for surcharge implementation.

Client: Kentucky Utilities Company
Client Contact: Ron Willhite, Director of Rates and Rate Research
Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507
(606) 288-1136

Summary: Liberty assisted Kentucky Utilities in preparing an application for, and implementation of, an environmental surcharge allowable by Kentucky law. This unique surcharge provides for current recovery of the

cost of compliance with federal, state, and local environmental regulations, including the Clean Air Act Amendments and coal-combustion wastes and by-products. Liberty's work, which involved all aspects of the application, surcharge implementation, and formal proceedings, was the first application under the implementing legislation, with an emphasis on the analysis of financial effects and investment alternatives.

Client: Delmarva Power & Light Company
Client Contact: Ralph Klesius, Vice President of Engineering and Operations
Delmarva Power & Light Company
800 King Street
Wilmington, Delaware 19899
(302) 429-3625

Summary: Liberty provided advice regarding selection of planning, scheduling, and monitoring software systems. Made recommendations for work-process improvements and established an enhanced quality-assurance organization.

Client: Central Illinois Public Service Company
Client Contacts: Clifford Greenwalt, CEO, CIPS and Boyd Springer, Esq.
Central Illinois Public Service Company
607 East Adams Street
Springfield, Illinois 62739
(217) 523-3600

Boyd Springer, Esq.
Jones, Day, Reavis & Pogue
77 West Wacker Street
Chicago, Illinois 60601-1692
(312) 269-4151

Summary: Liberty President John Antonuk testified to the results of a procurement-performance review of fuel management, and identified steps to improve utility efficiency and accountability for coal procurement and management. He also conducted a retrospective evaluation of major coal-contracting processes and decisions. The retrospective study formed part of expert testimony before the Illinois Commerce Commission, which largely accepted the findings and conclusions of the retrospective study.

Client: Commonwealth Electric Company
Client Contact: Andrew Weisman, of Counsel
Swidler & Berlin
3000 K Street, N.W.
Washington, D.C. 20007-3841
(202) 944-4351

Summary: As part of proceedings before the FERC, Liberty performed an extensive investigation and evaluation of utility-management performance in connection with a nuclear plant that suffered performance decline, was placed on the NRC's Watch List, and experienced an extended outage. Liberty coordinated the activities of several consulting firms involved in the investigation. Liberty's experts quantified damages resulting from unreasonable performance of the managing owner in operation of a nuclear-power plant. Liberty also analyzed the need for, and management of, major capital and maintenance projects. Liberty's analyses were instrumental in settlement of the proceedings before FERC.

Client: Public Service Company of Colorado
Client Contact: Larry Brey, Manager of Licensing
Public Service Company of Colorado
2420 West 26th Street, Suite 100-D
Denver, CO 80211
(303) 480-6900

Summary: Liberty provided consulting assistance regarding the compliance of the fitness-for-duty program at Fort St. Vrain with the requirements of the Nuclear Regulatory Commission.

Client: Rochester Gas & Electric Company
Client Contact: Paul Wilkins, Department Manager for Nuclear Engineering Services
Rochester Gas & Electric Company
89 East Avenue
Rochester, New York 14649
(716) 546-2700

Summary: Liberty evaluated all elements of the design-modification process for RG&E's Nuclear Engineering Services department, and formulated a set of wide-ranging recommendations to re-engineer and improve work processes. Recommendations were implemented through procedure changes that streamlined the approval process, eliminated unnecessary steps, ensured compliance with regulatory requirements, improved plant interfaces, and reduced the time and cost of plant modifications.

Client: Florida Power Corporation
Client Contact: Paul McKee, Plant Manager
Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733
(352) 866-5257

Summary: Liberty conducted a series of prudence inquiries related to several forced outages at the Crystal River 3 nuclear-power plant. Liberty assisted Florida Power with the development of testimony in preparation for hearings before the Florida Public Service Commission. Separately, Liberty also provided prudence-awareness and document-preparation training for senior managers responsible for nuclear-plant management.

Client: Florida Power Corporation
Client Contact: Paul McKee, Plant Manager
Florida Power Corporation
3201 34th Street South
St. Petersburg, Florida 33733
(352) 866-5257

Summary: Liberty conducted a seminar that dealt with the issues, documentation requirements, and criteria for judging the prudence of the operation of a nuclear-power plant.

Client: Pennsylvania Power & Light Company
Client Contact: Terence Bannon
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, Pennsylvania 18101
(610) 774-7911

Summary: Liberty performed several nuclear-plant and management-performance assessments of Pennsylvania Power & Light's Susquehanna Steam Electric Station using NRC SALP-based standards. Liberty also provided consultation supporting efforts to optimize communications programs with the NRC, and to identify performance indicators that merited management attention. This assignment was carried out as part of the client's efforts to continue to be recognized as a leader in its nuclear operations.

Client: Philadelphia Thermal Electric Company
Client Contact: Joseph Martino
Philadelphia Thermal Electric Company
2600 Christian Street
Philadelphia, Pennsylvania 19146
(215) 875-6900

Summary: Liberty provided regulatory-accounting, fuel-clause-adjustment, and rate consulting.

Client: Louisiana Power & Light Company
Client Contacts: Jerold Dewease, former Senior Vice President, Nuclear and Fred Drummond, former Director of Nuclear Excellence

Louisiana Power & Light Company
317 Baronne Street
New Orleans, LA 70160
(504) 595-3100

Summary: Liberty helped to develop a program to establish and maintain excellence in operations at the Waterford 3 nuclear-power plant. The assistance included extensive review of management and operations at the site and in-home office-support functions, addressing all functions of the nuclear organization. It also included assistance in developing goals and objectives, and instituting a communications program to assure that they were understood and accepted. The assignment also included measurement of performance results against regulatory and industry standards, and providing recommendations and implementation plans for improving performance. Following Liberty's work, the Institute of Nuclear Power Operations gave the plant the highest rank attainable.

Client: Louisiana Power & Light Company
Client Contacts: Jerold Dewease, former Senior Vice President, Nuclear and Fred Drummond, former Director of Nuclear Excellence
Louisiana Power & Light Company
317 Baronne Street
New Orleans, LA 70160
(504) 595-3100

Summary: Liberty performed an assessment of the systems, procedures, and organization associated with the cost monitoring and control of outages. Liberty compared the outage cost-control approach and practices with the range of industry practices. Liberty provided specific recommendations for achieving improvements in the outage cost-control effectiveness. Liberty also developed guidelines for the development of a post-outage critique document.

Client: Soyland Power Cooperative
Client Contacts: Peter Herzog
Bryan, Cave, McPheeters & McRoberts
500 North Broadway
St. Louis, Missouri 63102
(314) 231-8600

Jeffrey S. Wolff
Fulbright & Jaworski
1301 McKinney
Houston, Texas 77010
(713) 651-5151

Summary: Liberty helped the client to assess liability for, and the extent of damages from, imprudent management performance found by the Illinois Commerce Commission in proceedings concerning Illinois Power Company's management of the Clinton Nuclear Project.

Client: Houston Lighting & Power Company
Client Contacts: Scott Rozzell and Finis Cowan of Baker & Botts
Jack Greenwade, Hugh Rice Kelly, and Steve Letbetter, of Houston Lighting & Power Company
Houston Lighting & Power Company
611 Walker Street
Houston, TX 77002
(713) 207-3700

Baker & Botts
One Shell Plaza
Houston, Texas 77002
(713) 229-1502

Summary: Liberty provided extensive consulting assistance related to a regulatory review of the management and costs of a nuclear-construction project. The client needed to respond to an extensive and intensive review of management and costs, and prepare for formal proceedings before the Texas PUC. Liberty's assistance in

responding to the audit sponsored by the Commission resulted in that report being stricken from the record. Liberty's advice on substantive matters was important guidance to company management and its counsel in decisions throughout the process. Liberty also provided ongoing support and assistance to implement the response strategy and meet the needs of the administrative proceedings. Liberty implemented, for the team (in-house and outside legal resources, including numerous expert witnesses) a project-control and work-management system to efficiently manage the various legal proceedings, including a multi-disciplinary litigation, rate-case, and prudence docket. In addition, Robert Stright, a Liberty Principal, provided expert testimony on the quantification of alleged imprudence on the part of the managing owner.

Client: Houston Lighting & Power Company
Client Contacts: C. Janie Mitcham (Houston Lighting & Power Company) and Scott Rozzell (Baker & Botts)
Houston Lighting & Power Company
611 Walker Street
Houston, TX 77002
(713) 207-3700

Baker & Botts
One Shell Plaza
Houston, Texas 77002
(713) 229-1502

Summary: Liberty assisted Houston Lighting & Power by independently assessing the reasonableness of management actions at its two nuclear units at the South Texas Project (STP). STP had been under close NRC scrutiny because of perceived weaknesses in several plant programs that affected safety, and had experienced an extended two-unit outage in 1992-1994 to make equipment upgrades and program improvements. Liberty reviewed the reasonableness of HL&P's management of the plant from a viewpoint that considered all factors involved in decision making, and helped HL&P fairly portray its performance in regulatory proceedings affecting rates. Liberty's role included the evaluation of management effectiveness in the planning and budgeting processes, in plant operations, engineering support, maintenance, training, material control, and several other areas.

Client: Cleveland Electric Illuminating Company
Client Contact: Mike Lyster, former Vice President of Nuclear Operations
Cleveland Electric Illuminating Company
10 Center Road
Perry, OH 44081
(216) 259-3737

Summary: Liberty performed an independent review of CEI's operating-experience program at the Perry nuclear plant. Liberty reviewed operating-experience documentation to identify performance areas that indicated possible opportunities for improvement based on evaluation standards applicable to reviews by industry and regulatory agencies. The client used Liberty's study result to focus management attention on priority-improvement areas.

Client: Cleveland Electric Illuminating Company
Client Contact: Mike Lyster, former Vice President of Nuclear Operations
Cleveland Electric Illuminating Company
10 Center Road
Perry, OH 44081
(216) 259-3737

Summary: Liberty provided assistance to improve outage management at the Perry nuclear plant. Liberty performed a consulting engagement designed to help improve and implement planning and control systems used to plan and schedule plant outages, estimate costs, and track cost and schedule performance. The assistance included development and implementation of training programs to address general and plant-specific elements of outage planning and management.

Client: Georgia Power Company
Client Contact: Arthur Domby, of Counsel
Troutman, Sanders, Lockerman and Ashmore
1400 Candler Building

Atlanta, Georgia 30043
(404) 658-8000

Summary: Liberty performed an independent evaluation of the replacement of recirculating-water pipe at the Plant Hatch nuclear station. The evaluation addressed the propriety of the planning, decision making, and management of an extended outage. Testimony was submitted before the Georgia Public Service Commission in the regulatory review of management and the schedule and costs of this major project.

Client: Gulf States Utilities
Client Contact: James Booker, former Vice President of Nuclear Operations
Gulf States Utilities
P.O. Box 220
St. Francisville, LA 70775
(504) 635-6094

Summary: Liberty performed a review of the effectiveness of the operating-experience program for the River Bend Station. The review addressed a broad spectrum of activities, including plant- operating experience at River Bend and other nuclear-power plants. Station events were reviewed to determine the adequacy of root-cause determinations, and corrective actions in response to INPO findings were also assessed.

Client: Georgia Power Company
Client Contacts: Douglas Miller, Mark VanderBroek, and Kevin Green
Troutman, Sanders, Lockerman and Ashmore
1400 Candler Building
Atlanta, Georgia 30043
(404) 658-8000

Summary: Liberty consultants testified before the Georgia Public Service Commission in a regulatory review of the management and costs of a major construction project. The testimony was based on an assessment of the sources of delay in design, construction, and start-up, including the development of an as-built critical-path schedule.

Client: El Paso Electric Company
Client Contact: Davis Wiggs, President
El Paso Electric Company
303 North Oregon Street
El Paso, Texas 79960
(915) 543-5711

Summary: Liberty evaluated and provided expert testimony concerning the reasonableness and prudence of efforts by a non-managing owner to provide monitoring and oversight to protect its interests as a minority owner of a major generating facility during design and construction.

Client: Duquesne Light Company
Client Contact: Steve Lacey, General Manager
Duquesne Light Company
P.O. Box 4
Shippingport, PA 15077
(412) 393-7622

Summary: Liberty performed an independent assessment of the effectiveness of performance-improvement initiatives and programs at the Beaver Valley nuclear-power plant. Liberty's assistance was part of a concerted management effort to achieve overall performance enhancements, and to promote and achieve excellence in nuclear-plant operations. Liberty provided specific recommendations and implementation plans for achieving improvements in performance.

Client: Enbridge Midcoast Energy, Inc.
Client Contact: Chris Kaitson, General Counsel
Enbridge Midcoast Energy, Inc.
1100 Louisiana Street, Suite 2900
Houston, Texas 77002-5217
(713) 821-2028

Summary: Liberty provided an expert witness to this mid-continent pipeline system in an investigation by the Missouri Public Service Commission of the gas-purchasing practices of Midcoast's customer, Missouri Gas Energy (MGE). MGE was operating under an Experimental Gas Cost Incentive Mechanism (EGCIM) during the periods in question. Both the structure of the EGCIM and MGE's operations under it have been at issue in the proceedings.

Client: Colorado Springs Utilities
Client Contact: Bruce J. Swain, Customer Services Director
Colorado Springs Utilities
111 South Cascade Avenue, Suite 208
Colorado Springs, Colorado 80947-1026
(719) 448-8205

Summary: Liberty performed a study to assist this utility in addressing the organizational impacts associated with a transition to automated meter reading (AMR). Transitions to AMR mean organizational change and consideration of the issues of human-resource management in conjunction with technical changes were a large part of this work. This study also addressed the technical compatibility between meters and the three different metered-utility services (electric, gas, and water), and how these technical issues will influence operational techniques, management philosophy, and organizational interfaces. Liberty's work included a survey of the experiences and lessons learned by about 25 utilities who have already adopted AMR.

Client: Electric Power Research Institute
Client Contact: Dr. Veronica Rabl
Electric Power Research Institute
3412 Hillview Avenue
P.O. Box 10412
Palo Alto, California 94303
(415) 855-2000

Summary: Liberty conducted an assessment of the issues and forces that were likely to affect demand-side management activities in the industry. This strategic-planning study was performed to assist EPRI in devising its demand-management direction and programs.

Client: Kentucky Utilities Company
Client Contact: Ron Willhite, Director of Rates and Rate Research
Kentucky Utilities Company
One Quality Street
Lexington, Kentucky 40507
(606) 288-1136

Summary: Liberty assisted Kentucky Utilities in preparing an application for, and implementation of, an environmental surcharge allowable by Kentucky law. This unique surcharge provides for current recovery of the cost of compliance with federal, state, and local environmental regulations, including the Clean Air Act Amendments and coal-combustion wastes and by-products. Liberty's work, which involved all aspects of the application, surcharge implementation, and formal proceedings, was the first application under the implementing legislation, with an emphasis on the analysis of financial effects and investment alternatives.

Client: District of Columbia Public Schools
Client Contact: William H. McAfee III, Director
District of Columbia Public Schools
Office of Admin. Services
Division of Facilities Management
1709 3rd Street, N.E.
Washington, D.C. 20002
(202) 576-6612

Summary: Liberty provided a two-day seminar to senior-level managers in the District of Columbia public-schools system, introducing them to the role of reliability-centered maintenance in an effective facilities-management program. Liberty then performed a work-control process assessment to identify areas needing improvement. The assessment included interviews with principals, regional service-center managers, and staff involved in work

planning and scheduling. A new system for initiating work requests was developed, as well as a new system for estimating backlog and work schedules.

Client: Central Illinois Public Service Company
Client Contacts: Clifford Greenwalt, CEO, CIPS and Boyd Springer, Esq.
Central Illinois Public Service Company
607 East Adams Street
Springfield, Illinois 62739
(217) 523-3600

Boyd Springer, Esq.
Jones, Day, Reavis & Pogue
77 West Wacker Street
Chicago, Illinois 60601-1692
(312) 269-4151

Summary: Liberty Principal John Antonuk testified to the results of a procurement-performance review of fuel management, and identified steps to improve utility efficiency and accountability for coal procurement and management. He also conducted a retrospective evaluation of major coal-contracting processes and decisions. The retrospective study formed part of expert testimony before the Illinois Commerce Commission, which largely accepted the findings and conclusions of the retrospective study.

Client: Commonwealth Electric Company
Client Contact: Andrew Weisman, of Counsel
Swidler & Berlin
3000 K Street, N.W.
Washington, D.C. 20007-3841
(202) 944-4351

Summary: As part of proceedings before the FERC, Liberty performed an extensive investigation and evaluation of utility-management performance in connection with a nuclear plant that suffered performance decline, was placed on the NRC's Watch List, and experienced an extended outage. Liberty coordinated the activities of several consulting firms involved in the investigation. Liberty's experts quantified damages resulting from unreasonable performance of the managing owner in operation of a nuclear-power plant. Liberty also analyzed the need for, and management of, major capital and maintenance projects. Liberty's analyses were instrumental in settlement of the proceedings before FERC.

Client: Non-managing owners of the Seabrook nuclear-power plant
Client Contact: Michael Ward, Esq.
Swidler & Berlin
3000 K St., NW, Suite 300
Washington, DC 210013
(202) 944-4300

Summary: Liberty performed various reviews and analyses for the attorney's representing non-managing owners of the Seabrook nuclear-power project. The subject was the prudence of the construction of the plant.

Client: Washington Public Power Supply System
Client Contact: Dr. G.D. Bouchey, former Director of Licensing and Assurance
Washington Public Power Supply System
P.O. Box 968
Richland, WA 99352
(509) 372-5344

Summary: Liberty performed an effectiveness review of the overall quality program at the WPPSS 2 nuclear plant. Liberty evaluated the degree to which client programs supported self-improvement efforts and provided detailed recommendations to help to achieve the desired level of performance.

Client: U.S. Attorney's Office (in the state of Alaska)
Client Contact: Neil Evans, Assistant U.S. Attorney

Summary: Liberty was engaged to provide expert analysis (in the context of criminal-fraud proceedings) concerning a public-works program of more than \$1 billion involving many different individual projects. The projects included public housing, school facilities, municipal-services buildings, domestic-utility systems, and airport facilities. Liberty Principal John Antonuk had previously overseen an extensive review of the: organization; management; vendor and contractor selection; contract administration; and contractor performance on the projects.

Client: Arizona Public Service Company
Client Contact: Jack Bailey, former Vice President
Arizona Public Service Company
411 North Central Avenue
Phoenix, Arizona 85004
(602) 393-7622

Summary: Liberty performed an independent assessment of the effectiveness, progress, and status of operations-performance improvements at the three-unit Palo Verde nuclear-power station. The objective was to establish and maintain excellence in nuclear-power-plant operations at a plant that experienced significant performance problems. Liberty's work included an extensive review of the client's efforts to monitor management and operations improvements at the site and home-office-support functions. The assignment also included measurement of performance results against industry standards. Liberty provided recommendations and detailed implementation plans for improving performance. Subsequent improvement in the client's operations was demonstrated by improved evaluation results from the Institute of Nuclear Power Operations.

Client: Nebraska Public Power District
Client Contact: Guy Horn, Division Manager
Nebraska Public Power District
P.O. Box 98
Brownville, NE 68321

Summary: Liberty provided management-consulting assistance to the client in responding to an INPO evaluation of the Cooper Nuclear Station.

Client: Omaha Public Power District
Client Contacts: Jim Chase and Merl Core
Omaha Public Power District
1623 Harney Street
Omaha, NE 68102
(402) 536-4000

Summary: Liberty performed an assessment of power-plant maintenance and support activities at the Fort Calhoun nuclear-power plant. Liberty developed a comprehensive action plan to improve planning, scheduling, monitoring, and other support of maintenance activities.

Liberty also performed a more broadly-based review of plant management, identifying corrective actions to improve plant management and performance, assessing the effectiveness of corrective actions and the status of their implementation, and then provided recommendations to accomplish client goals in an effective manner. The recommendations were integrated into client plans for subsequent improvement activities. The improvements were recognized and documented in subsequent industry evaluations.

E. Telecommunications Projects

Client: Maryland Public Service Commission (*auditing C&P Telephone of Maryland*)
Client Contact: Gregory V. Carmean, Executive Director
Maryland Public Service Commission
6 St. Paul Center
Baltimore, Maryland 21202
(410) 767-8000

Summary: Liberty performed an audit of the affiliate transactions of the Chesapeake & Potomac Telephone Company of Maryland (*C&P, now Bell Atlantic - Maryland*). The study encompassed a detailed review of C&P's

relationships with Bell Atlantic Corporation and other Bell Atlantic subsidiaries and affiliates. Liberty team members presented testimony in rate-case proceedings with regard to Liberty's findings.

Client: DC Public Service Commission
Client Contact: Ken Hughes, Office of the General Counsel, DC Public Service Commission
District of Columbia Public Service Commission
1333 H St NW Suite 200, West Tower
Washington, DC 20005
(202) 626-5157

Summary: Liberty's president served as arbitrator for by the District of Columbia Public Service Commission to address industry-wide need for amendments to interconnection agreements as a result of the FCC's Triennial Review Order.

Client: New Jersey Board of Public Utilities
Client Contact: James Corcoran, Staff, Board of Public Utilities
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(973) 648-4197

Summary: Liberty conducted a comprehensive review of Verizon-New Jersey's wholesale performance measures and incentive plan. The review involved interaction with CLEC customers of Verizon, evaluation of change management policies and practices, detailed analyses of algorithms and code used to produce performance measures, and recalculation of performance measure results.

Client: Public Utilities Commission of Ohio
Client Contact: Jason Well, Staff
Public Utilities Commission of Ohio
180 East Broad Street, 7th Floor
Columbus, OH 43215-3793
(614) 995-5707

Summary: Liberty performed a comprehensive investigation of Ameritech-Ohio's service delivery quality. This engagement included an assessment of Ameritech-Ohio's installation and repair operations and processes, and an in-depth review of performance measures and service quality benchmarks.

Client: Regional Oversight Committee
Client Contact: Bob Rowe, Commissioner
Montana Public Service Commission
701 Prospect Avenue
P.O. Box 202601
Helena, Montana 59620-2601
(406) 444-6167

Summary: Liberty performed a comprehensive audit of Qwest's performance measures for 13 state commissions in Qwest's service territory.

Client: Pennsylvania Public Utility Commission
Client Contact: Nora Mead Brownell, Commissioner
Pennsylvania Public Utility Commission
P.O. Box 3265
North Office Building, Room 107
Harrisburg, PA 17105
(717) 772-0692

Summary: Liberty provided advice to the commission about many issues associated with local competition in the Pennsylvania global-telecommunications-settlement proceeding.

Client: Delaware Public Service Commission
Client Contact: G. Arthur Padmore, Administrative Law Judge
Delaware PSC
861 Silver Lake Blvd.
Cannon Building, Suite 100
Dover, DE 19904
(302) 739-3232

Summary: Liberty assisted an ALJ in the examination and resolution of seven different disputes regarding a wide range of service and interconnection issues between the incumbent and various types of carriers, including paging and wireless.

Client: Virginia State Corporation Commission (*Bell Atlantic - Virginia arbitration hearings with competing local-exchange carriers*)
Client Contact: William Irby
Virginia State Corporation Commission
P.O. Box 1197
Richmond, Virginia 23218
(804) 371-9967

Summary: Liberty served as a technical advisor to Staff in its support of arbitrators in various BA-VA arbitrations with competing local-exchange carriers, such as AT&T, MCI, TCG, Cox, and MFS related to the Telecommunications Act of 1996 and the FCC Interconnection Order. Liberty provided technical assistance in reviewing each party's positions on wholesale pricing, unbundled-element pricing, TELRIC models, branding issues, and a variety of operational issues subject to arbitration. Liberty also assessed the issues raised in each petition and has designed a database that was used to help categorize, compare, manage, and report on the issues. Liberty identified, requested, and reviewed additional information needed from the petitioners, and also conducted informal interviews of them. Liberty aided in identifying opportunities to consolidate issues among petitioners. Liberty determined whether the responses to petitions and information requests showed differences in understanding of the issues or positions between petitioners and respondents. Liberty consultants John Antonuk, Robert Stright, and Paul Hlavac, all served as witnesses in hearings on the terms and conditions of interconnection.

Client: Virginia State Corporation Commission (*Bell Atlantic - Virginia permanent pricing for unbundled network elements and assessment of non-price interconnection issues with competing local-exchange carriers*)
Client Contact: James Douglas
Virginia State Corporation Commission
Tyler Building
P.O. Box 1197
Richmond, Virginia 23218
(804) 371-9422 (Jim Douglas)

Summary: Liberty served as the Staff in this important proceeding that determined the permanent prices for Bell Atlantic-VA's unbundled network elements and to evaluate non-price terms and conditions offered by Bell Atlantic-VA in connection with its application for providing inter-LATA service. Other participants in the proceeding included AT&T, MCI, TCG, MFS, and VCTA. Liberty prepared and filed reports in the case, and consultants Robert Stright and Paul Hlavac testified before the Commissioners.

Client: New Jersey Board of Public Utilities (*Bell Atlantic - New Jersey arbitration hearings with competing local-exchange carriers*)
Client Contact: James Murphy
New Jersey Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
(201) 648-4626

Summary: Liberty served as a technical advisor to Staff in its support of several judges who acted as arbitrators in various BA-NJ arbitrations with competing local-exchange carriers, such as AT&T, MCI, TCG, and MFS related to the Telecommunications Act of 1996 and the FCC's Interconnection Order. Liberty provided technical assistance in

reviewing each party's' positions on wholesale pricing, unbundled-element pricing, TELRIC models, branding issues, and a variety of operational issues subject to arbitration.

Client: Nebraska Public Service Commission
Client Contacts: Mary Tribby, AT&T, and James Stroo, GTE
AT&T Law Department
1875 Lawrence Street, Room 1575
Denver, Colorado 80202
(303) 298-6508

GTE Telephone Operations
1000 GTE Drive
Wentzville, Missouri 63385
(314) 332-7663

Summary: Liberty served as the arbitrator for AT&T and GTE in a case involving implementation of the Telecommunications Act of 1996.

Client: Oklahoma Corporation Commission
Client Contact: Denise Bodie, Commissioner
Oklahoma Corporation Commission
Jim Thorpe Office Building
Oklahoma City, OK 73105
(405) 521-2518

Summary: Liberty served as the Staff in this important proceeding that determined the permanent prices for Southwestern Bell's unbundled-network elements. Other participants in the proceeding included AT&T, Brooks Fiber, and Cox. Liberty's consultants Robert Stright and Paul Hlavac prepared and filed testimony in the case.

Client: Mississippi Public Service Commission
Client Contacts: Mary Tribby, AT&T, and John McCullouch, General Counsel - Mississippi BellSouth
AT&T Law Department
1875 Lawrence Street, Room 1575
Denver, Colorado 80202
(303) 298-6508

BellSouth Telecommunications, Inc.
P.O. Box 811
Jackson, Mississippi 39205
(601) 961-1700

Summary: Liberty served as the co-arbitrator for AT&T and Bell South in a case involving implementation of the Telecommunications Act of 1996.

Client: Idaho Public Utilities Commission
Client Contacts: Michelle Singer, AT&T, and Doug Owens, US West
AT&T Law Department
1875 Lawrence Street, Room 1575
Denver, Colorado 80202
(303) 298-6508

US West
1801 California Street, Room 5100
Denver, Colorado 80202
(303) 672-2810

Summary: Liberty served as the arbitrator for AT&T and US West in a case involving implementation of the Telecommunications Act of 1996.

Client: North Dakota Public Service Commission
Client Contacts: Mary Tribby, AT&T, and William P. Heaston, US West
AT&T Law Department
1875 Lawrence Street, Room 1575
Denver, Colorado 80202
(303) 298-6508

US West
1801 California Street, Room 5100
Denver, Colorado 80202
(303) 672-2810

Summary: Liberty served as the arbitrator for AT&T and US West in a case involving implementation of the Telecommunications Act of 1996.

Client: Idaho Public Utilities Commission
Client Contact: Weldon B. Stutzman, Deputy Attorney General, Idaho Public Utilities Commission
Idaho Public Utilities Commission
P.O. Box 83702
472 West Washington Street
Boise, ID 83702
(208) 334-0318

Summary: A Liberty-supplied professional served as the arbitrator for AT&T and US West in a case involving implementation of the Telecommunications Act of 1996.

Client: Idaho Public Utilities Commission
Client Contact: Weldon B. Stutzman, Deputy Attorney General, Idaho Public Utilities Commission
Idaho Public Utilities Commission
P.O. Box 83702
472 West Washington Street
Boise, ID 83702
(208) 334-0318

Summary: A Liberty-supplied professional served as the arbitrator for AT&T and GTE in a case involving implementation of the Telecommunications Act of 1996.

Clients: District of Columbia Public Service Commission (*auditing Bell Atlantic - District of Columbia*)
and Pennsylvania Public Utility Commission (*auditing Bell Atlantic - Pennsylvania*)
Client Contacts: Dwayne Boyd, Deputy Chief Auditor (D.C.) and Thomas Sheets, Bureau of Audits (PA)
Public Service Commission of the District of Columbia
717 14th Street, N.W.
Washington, D.C. 20005
(202) 626-5139

Pennsylvania Public Utility Commission
901 N. Seventh Street - Rear
Harrisburg, Pennsylvania 17105-3265
(717) 772-0315

Summary: Liberty performed a comprehensive management audit of the functional operations of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia, operating companies of Bell Atlantic, one of the largest telecommunications organizations in the world. This review also included an in-depth analysis of the relationships and transactions of Bell Atlantic - Pennsylvania and Bell Atlantic - District of Columbia and their Bell Atlantic affiliates.

Client: Public Service Commission of the District of Columbia (*auditing Bell Atlantic - District of Columbia*)

Client Contact: Dwayne Boyd, Deputy Chief Auditor
Public Service Commission of the District of Columbia
717 14th Street, N.W.
Washington, D.C. 20005
(202) 626-5139

Summary: Liberty examined the accounting for, and allocation of, lobbying costs of Bell Atlantic - District of Columbia between 1988 and 1995. This engagement also included an examination of the propriety of current policies and procedures governing the assignment and allocation of lobbying costs.

Client: Public Service Commission of the District of Columbia (*auditing Bell Atlantic - District of Columbia*)

Client Contact: Daryl Avery, General Counsel
Public Service Commission of the District of Columbia
717 14th Street, N.W.
Washington, D.C. 20005
(202) 626-5100

Summary: Liberty assisted the Commission in its review of the recommendations presented in a report by the Quality of Service Working Group, which is made up of individuals from Bell Atlantic, The Office of People's Counsel, Commission Staff, and other interested parties. Liberty also assisted the Commission in a review of Bell Atlantic - District of Columbia's construction-program planning.

Client: Prosecutorial Unit, Connecticut Department of Public Utility Control (*Docket investigating alternative regulation for Southern New England Telephone Company*)

Client Contact: Cindy Jacobs, Attorney
Connecticut Department of Public Utility Control
Prosecutorial Unit
10 Franklin Square
New Britain, CT 06051
(860) 827-2853

Summary: Liberty assisted in reviewing total-service long-run incremental-cost models filed in this docket by Southern New England Telephone. Prepared an alternative rate design based on incremental-cost data. Assisted the Prosecutorial Unit in addressing related issues in briefs.

Appendix C: Attachments



CONTRACT NO.: STA15129PSCDPLSOSR
CONTRACT TITLE: Consulting Services to Review Utility Standard Offer Service Electricity Procurement
OPENING DATE: January 16, 2015 at 4:30 PM (Local Time)

NON-COLLUSION STATEMENT

This is to certify that the undersigned Vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, and further certifies that it is not a sub-contractor to another Vendor who also submitted a proposal as a primary Vendor in response to this solicitation submitted this date to the State of Delaware, Public Service Commission

It is agreed by the undersigned Vendor that the signed delivery of this bid represents the Vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

NOTE: Signature of the authorized representative MUST be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Public Service Commission.

COMPANY NAME The Liberty Consulting Group Check one)

Form with checkboxes for Corporation (checked), Partnership, and Individual.

NAME OF AUTHORIZED REPRESENTATIVE (Please type or print) Virginia A. Lowe

SIGNATURE Virginia A. Lowe TITLE Corporate Secretary

COMPANY ADDRESS 279 Zinns Mill Rd Suite H Lebanon PA 17042

PHONE NUMBER 717-270-4500 FAX NUMBER 717-270-0555

EMAIL ADDRESS admin@libertyconsultinggroup.com

STATE OF DELAWARE LICENSE NUMBER 1997112007

FEDERAL E.I. NUMBER 23-2470302

Table with columns: COMPANY CLASSIFICATIONS, CERT. NO., Certification type(s), and Circle all that apply. Rows include Minority Business Enterprise (MBE), Woman Business Enterprise (WBE), Disadvantaged Business Enterprise (DBE), Veteran Owned Business Enterprise (VOBE), and Service Disabled Veteran Owned Business Enterprise (SDVOBE).

[The above table is for informational and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO: (COMPANY NAME)

ADDRESS

CONTACT

PHONE NUMBER FAX NUMBER

EMAIL ADDRESS

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

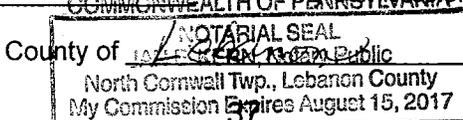
YES NO X if yes, please explain

THIS PAGE SHALL HAVE ORIGINAL SIGNATURE, BE NOTARIZED AND BE RETURNED WITH YOUR PROPOSAL

SWORN TO AND SUBSCRIBED BEFORE ME this 13th day of January, 2015

Notary Public Jane E. Kern My Commission expires Aug 15 2017

City of Lebanon



State of Pennsylvania

STATE OF DELAWARE
Public Service Commission Staff

Attachment 5

Contract No. **STA15129PSCDPLSOSR**

Contract Title: Consulting Services to Review Utility Standard Offer Service Electricity Procurement

BUSINESS REFERENCES

List a minimum of three business references, including the following information:

- Business Name and Mailing address
- Contact Name and phone number
- Number of years doing business with
- Type of work performed

Please do not list any State Employee as a business reference. If you have held a State contract within the last 5 years, please provide a separate list of the contract(s).

- | | | |
|----|---|--|
| 1. | Contact Name & Title: | Dr. Grace Hu, Chief Economist |
| | Business Name: | District of Columbia PSC |
| | Address: | 1333 H St NW, 2nd FL, West Tower
Washington DC 20005 |
| | Email: | ghu@psc.dc.gov |
| | Phone # / Fax #: | (202) 626-5148 |
| | Current Vendor (YES or NO): | No |
| | Years Associated & Type of Work Performed: | Liberty has performed various projects for the DC PSC over the course of 20 years. Dr. Hu was Liberty's project manager at the DC PSC for our recently completed management and operations audit of PEPSCO |
| 2. | Contact Name & Title: | Davida Dwyer |
| | Business Name: | Public Utility Commission of Texas |
| | Address: | 1701 North Congress Ave.
Austin, TX 78701 |
| | Email: | dauida.dwyer@puc.texas.gov |
| | Phone # / Fax #: | (512) 936-7256 |
| | Current Vendor (YES or NO): | Yes |
| | Years Associated & Type of Work Performed: | Davida Dwyer is Liberty's staff project manager for out prior and current projects for the PUCT involving the Entergy Texas exit from the Entergy Sys. Agreement. |
| 3. | Contact Name & Title: | Debra Howland Executive Director |
| | Business Name: | New Hampshire Public Utilities Commission |
| | Address: | 21 South Fruit St., Suite 10
Manchester NH 03101 |
| | Email: | debra.howland@puc.nh.gov |
| | Phone # / Fax #: | (603) 695-8542 |
| | Current Vendor (YES or NO): | No |
| | Years Associated & Type of Work Performed: | Liberty has performed various projects for the NH PUC over the course of 20 years. Deb Howland is most familiar with Liberty's 2013-14 work examining the competitiveness of PSNH's generation fleet, and of alternatives that might further or totally remove PSNH from the generation side of the business |

STATE OF DELAWARE PERSONNEL MAY NOT BE USED AS REFERENCES.

STATE OF DELAWARE
Public Service Commission Staff

Attachment 9

Contract No. STA15129PSCDPLSOSR

Contract Title: Consulting Services to Review Utility Standard Offer Service Electricity Procurement

EMPLOYING DELAWAREANS REPORT

As required by House Bill # 410 (Bond Bill) of the 146th General Assembly and under Section 30, No bid for any public works or professional services contract shall be responsive unless the prospective bidder discloses its reasonable, good-faith determination of:

1. Number of employees reasonable anticipated to be employed on the project: 4
2. Number and percentage of such employees who are bona fide legal residents of Delaware: 0
Percentage of such employees who are bona fide legal residents of Delaware: 0
3. Total number of employees of the bidder: 9
4. Total percentage of employees who are bona fide resident of Delaware: 0

If subcontractors are to be used:

1. Number of employees who are residents of Delaware: _____
2. Percentage of employees who are residents of Delaware: _____

"Bona fide legal resident of this State" shall mean any resident who has established residence of at least 90 days in the State.