



State of West Virginia
Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
PSC10514

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
FRANK WHITTAKER 304-558-2316

VENDOR

*709032521 410-992-7500
EXETER ASSOCIATES INC
5565 STERRETT PLACE #310
COLUMBIA MD 21044

SHIP TO

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
201 BROOKS STREET
CHARLESTON, WV
25301 340-0323

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
09/02/2009				

BID OPENING DATE:

09/22/2009

BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		961-20	\$146.98	\$31,600
CONSULTING SERVICES						
THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE CONSUMER ADVOCATE DIVISION- WEST VIRGINIA PUBLIC SERVICE COMMISSION, IS SOLICITING BIDS FROM RESPONSIBLE VENDORS TO PROVIDE CONSULTING SERVICES IN THE MONONGAHELA POWERCOMPANY/POTOMIC EDISON COMPANY CASE BEFORE THE PUBLIC SERVICE COMMISSION AS CASE NO. 09-1352-E-42T PER THE ATTACHED SPECIFICATIONS.						
EXHIBIT 3						
LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.						
UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT, THE TERMS, CONDITIONS AND PRICING SET HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.						
RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL						

RECEIVED

2003 SEP 21 AM 9:57

WV PURCHASING
DIVISION

SEE REVERSE SIDE FOR TERMS AND CONDITIONS		
SIGNATURE <i>Thomas J. Cotten</i>	TELEPHONE 410-992-7500	DATE 9/17/09
TITLE Vice President	FEIN 52-1220514	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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<p>WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>REV. 05/26/2009</p> <p>NOTICE</p>						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE	<i>Thomas D. Altier</i>			TELEPHONE	410-992-7500	DATE 9/17/09
TITLE	Vice President	FEIN	52-1220514	ADDRESS CHANGES TO BE NOTED ABOVE		

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09/02/2009				

BID OPENING DATE

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01:30PM

LINE	QUANTITY	UOP	CAT NO	ITEM NUMBER	UNIT PRICE	AMOUNT
A SIGNED BID MUST BE SUBMITTED TO: DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130 THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED: SEALED BID BUYER: 44 RFQ. NO.: PSC10514 BID OPENING DATE: 09/22/09 BID OPENING TIME: 1:30 PM PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID: 410-992-3445 CONTACT PERSON (PLEASE PRINT CLEARLY): THOMAS CATLIN						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE <i>Thomas D. Catlin</i>	TELEPHONE 410-992-7500	DATE 9/17/09
TITLE Vice President	FEIN 52-1220514	ADDRESS CHANGES TO BE NOTED ABOVE

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State of West Virginia
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09/02/2009						
BID OPENING DATE: 09/22/2009 BID OPENING TIME 01:30PM						
LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
***** THIS IS THE END OF RFQ PSC10514 ***** TOTAL:						\$31,600
SEE REVERSE SIDE FOR TERMS AND CONDITIONS						
SIGNATURE <i>Thomas D. Atkin</i>			TELEPHONE 410-992-7500		DATE 9/17/09	
TITLE Vice President		FEIN 52-1220514		ADDRESS CHANGES TO BE NOTED ABOVE		

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

EXETER

ASSOCIATES, INC.

CONSULTING ECONOMISTS

5565 Sterrett Place
Suite 310
Columbia, Maryland 21044
(410) 992-7500
(410) 992-3445 FAX
topcat@exeterassociates.com

Thomas S. Catlin
Steven L. Estomin
Dwight D. Etheridge
Jerome D. Mierzwa
Kevin L. Porter
Dale E. Swan

REF: 090903

September 18, 2009

Mr. Frank Whittaker
Department of Administration
Purchasing Division
2019 Washington Street, East
P. O. Box 50130
Charleston, WV 25305-0130

Dear Mr. Whittaker,

Enclosed is Exeter Associates, Inc.'s bid to provide consulting services to the Consumer Advocate Division of the West Virginia Public Service Commission in the Monongahela Power Company/Potomac Edison Company rate proceeding. Exeter Associates is exceptionally qualified to provide the services outlined in the Request for Quotation. Also attached, are resumés of the staff that will be assigned to this proceeding.

If you have any questions, please feel free to contact me. We look forward to working with the Consumer Advocate Division on behalf of the ratepayers of West Virginia.

Very truly yours,



Thomas S. Catlin

TSC/IS

Enclosures

THOMAS S. CATLIN

Mr. Catlin is a principal and Vice-President of Exeter Associates, Inc. He is a senior utility rate analyst with a combination management and analytical background. His areas of specialization are revenue requirements and cost of service. Mr. Catlin is currently a member of the American Water Works Association (AWWA) Rates and Charges Subcommittee and the AWWA Water Utility Council's Technical Advisory Group on Economics.

Mr. Catlin has extensive experience in the review and analysis of the operations of public utilities. The emphasis of this work has been on utility rate regulation and has involved telephone, natural gas, electric and water companies. He is familiar with all aspects of utility ratemaking, the use of economic and engineering analytical techniques, rate base and operating income determination, income taxes, and utility accounting. Mr. Catlin has provided expert testimony before the Arizona, California, Colorado, Delaware, District of Columbia, Florida, Idaho, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Montana, Nevada, New Jersey, Ohio, Oklahoma, Pennsylvania, Rhode Island, Utah, Virginia and West Virginia public utility commissions as well as before the Federal Energy Regulatory Commission. This testimony has addressed all aspects of utility regulation including revenue requirements, cost of service, and rate design. Mr. Catlin has also been responsible for conducting cost of service, rate, and financial studies involving municipal and investor-owned water, wastewater, and storm drainage utilities.

Education:

B.S. (Physics with minor in Math) - State University of New York at Stony Brook, 1974.

M.S. (Water Resources Engineering & Management) - Arizona State University, 1976.

Graduate courses in Accounting - Suffolk University, 1978-79.

Previous Employment:

1978-1981 Utility Rates Specialist, Camp Dresser & McKee, Inc.

1977-1978 Engineer, Camp Dresser & McKee, Inc.

1976-1977 Engineer, Arthur Beard Engineers, Inc.

Professional Work:

Mr. Catlin has participated in rate cases and other regulatory proceedings for telephone, natural gas, electric and water utilities. This work has included the review, analysis and presentation of expert testimony regarding all aspects of revenue requirements including rate base, revenues, expenses, and income taxes. Mr. Catlin has also been extensively involved in analyzing alternatively regulatory mechanisms and regulatory restructuring issues, including the determination of stranded costs. Mr. Catlin's work has also included conducting and testifying on marginal and embedded cost studies and rate design. In the natural gas area, Mr. Catlin has been involved in conducting management audits and similar reviews of the gas supply and procurement policies and practices of natural gas distribution companies, as well as the review of PGA filings at both the state and federal level. In the telecommunications area, Mr. Catlin has conducted and testified with regard to cost of service and rate design studies and analyses for a variety of both monopoly and competitive services. In addition to providing testimony and assisting in the litigation of rate cases, Mr. Catlin has also been involved in negotiating settlements of a number of cases.

At Camp Dresser & McKee, Inc., Mr. Catlin was a project manager for utility rates, financial, and economic studies. He performed studies on approximately 15 municipal and private water, wastewater and storm drainage utilities. His assignments involved: determining the total costs of service; developing capital asset and depreciation bases; preparing cost allocation studies; evaluating alternative rate structures and designing rates; bill analyses; cost and revenue projections; preparing rate filings; and expert testimony.

Prior to transferring to the Camp Dresser & McKee's management service group, Mr. Catlin was an environmental engineer with CDM. He was involved in both project administration and design. Project administration and control responsibilities included budget preparation, labor and cost monitoring and forecasting, and contract preparation.

At Arthur Beard Engineers, Inc., Mr. Catlin served as project coordinator for a major environmental impact statement. He also served as project engineer for a county-wide water supply study and two utility valuation studies.

LAFAYETTE K. MORGAN, JR.

Mr. Morgan is a Senior Regulatory Analyst with Exeter Associates, Inc. At Exeter, Mr. Morgan has been involved in the analysis of the operations of public utilities with particular emphasis on rate regulation. He has reviewed and analyzed utility rate filings, focusing primarily on revenue requirements determination. This work included natural gas, water, electric, and telephone utilities.

Education and Qualifications:

B.B.A. (Accounting) - North Carolina Central University, Durham, North Carolina, 1983

M.B.A. (Finance) - The George Washington University, Washington, District of Columbia, 1993

C.P.A. - Licensed in the State of North Carolina

Previous Employment:

1990 to 1993 - Senior Financial Analyst, Potomac Electric Power Company,
Washington, D.C.

1984 to 1990 - Staff Accountant, North Carolina Utilities Commission
Public Staff, Raleigh, N.C.

Previous Professional Experience:

As a Staff Accountant with the North Carolina Utilities Commission - Public Staff, Mr. Morgan was responsible for analyzing testimony, exhibits, and other data presented by parties before the Commission. In addition, he performed examinations of the books and records of utilities involved in rate proceedings and summarized the results into testimony and exhibits for presentation before the Commission. Mr. Morgan also participated in several policy proceedings involving regulated utilities.

As a Senior Financial Analyst with Potomac Electric Power Company, Mr. Morgan prepared cost of service, rate base, and ratemaking adjustments supporting the Company's request for revenue increases in its retail jurisdictions

REQUEST FOR QUOTATIONS

PSC10514

Consumer Advocate Division
Public Service Commission
PSC Case No. 09-1352-E-42T
Monongahela Power Company/Potomac Edison Company

The Consumer Advocate Division of the Public Service Commission of West Virginia ("CAD") is soliciting bids for the provision of consulting services in connection with the joint general rate case filing of Monongahela Power Company and Potomac Edison Company ("Mon Power/PE") at the Public Service Commission of West Virginia, PSC Case No. 09-1352-E-42T.

The Consumer Advocate Division has formally intervened on behalf of residential customers of the electric utility. Case filings can be reviewed at the Commission's web site at: <http://www.psc.state.wv.us/>. (Direct links to the filings are not available. Search by case number using the "case information" function of the site.)

Mon Power/PE together comprise is the second largest electric utility in West Virginia. The Company's filing indicates that it is seeking an increase in rates of approximately \$122.1 million or at least 14.1 percent for residential customers. Although Mon Power and PE are separate entities, their rates are unified.

We are seeking bids for the general rate case. The consultant will be expected to provide expert testimony on all revenue requirement issues, including rate base, revenues, expenses, service company billings, taxes, operating income, and all of the sub-areas which fall into these categories. The CAD anticipates that some accounting issues will be handled by the Consumer Advocate Division staff.

Attached to this RFQ is a bid form to be used in submitting your quotations. Each bidder needs to submit a list of employees and/or job titles for persons working on this case, their estimated hours and their hourly rates. The hourly rates need to be all-inclusive (i.e. there will be no separate reimbursement for expenses such as travel). The bid will be awarded based upon the estimated not to exceed total price. The consultant will only reimbursed up to the total number of hours estimated for each employee and/or job title.

The general rate case consultant must have at least 10 years experience testifying on revenue requirement issues involving regulated utilities. Consultants must be Certified Public Accountants or have advanced degrees in business, economics, finance or accounting. The consultants must be able to coordinate and incorporate recommendations from multiple witnesses testifying on behalf of the Consumer Advocate Division.

PSC10514 - Case Consulting Bid Form			
Employee/Title	Not to Exceed Number of Hours*	Hourly Rate	Extended Price
Thomas Catlin, V.P.	30.0	\$ 190.00	\$ 5,700.00
Lafayette Morgan, Sr. Analyst	185.0	\$ 140.00	\$ 25,900.00
		Total	\$ 31,600.00

Bidder / Vendor Information:

Name: Exeter Associates, Inc.

Address: 5565 Sterrett Place, Suite 310

Columbia, MD 21044

Phone #: 410-992-7500

Email Address: topcat@exeterassociates.com

Contact Coordinator Information:

Name: Thomas Catlin

Address: 5565 Sterrett Place, Suite 310

Columbia, MD 21044

Phone #: 410-992-7500

Email Address: topcat@exeterassociates.com

The Consultant will not be reimbursed for hours that exceed the total hours for each Employee/Title

STATE OF WEST VIRGINIA
Purchasing Division**PURCHASING AFFIDAVIT****VENDOR OWING A DEBT TO THE STATE:**

West Virginia Code §5A-3-10a provides that: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

PUBLIC IMPROVEMENT CONTRACTS & DRUG-FREE WORKPLACE ACT:

If this is a solicitation for a public improvement construction contract, the vendor, by its signature below, affirms that it has a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code*. The vendor **must** make said affirmation with its bid submission. Further, public improvement construction contract may not be awarded to a vendor who does not have a written plan for a drug-free workplace policy in compliance with Article 1D, Chapter 21 of the *West Virginia Code* and who has not submitted that plan to the appropriate contracting authority in timely fashion. For a vendor who is a subcontractor, compliance with Section 5, Article 1D, Chapter 21 of the *West Virginia Code* may take place before their work on the public improvement is begun.

ANTITRUST:

In submitting a bid to any agency for the state of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the state of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the state of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the state of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership or person or entity submitting a bid for the same materials, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

LICENSING:

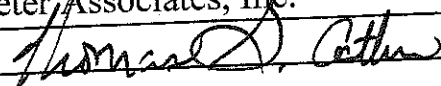
Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY:

The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.

Under penalty of law for false swearing (*West Virginia Code* §61-5-3), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

Vendor's Name: Exeter Associates, Inc.

Authorized Signature:  Date: 9/17/09