

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 24th day of September 2025.

CASE NO. 25-0396-E-P

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY

Joint Petition to require focused management audit of electric service reliability.

COMMISSION ORDER

The Commission modifies a request for proposal (RFP) for a focused management audit of electric service reliability (Reliability Audit) to extend deadlines.

BACKGROUND

On April 22, 2025, Appalachian Power Company and Wheeling Power Company (jointly Companies), along with Commission Staff (Staff) (collectively Joint Petitioners), filed a Joint Petition for Focused Management Audit of Appalachian Power Company's and Wheeling Power Company's Electric Service Reliability (Joint Petition).

Joint Petitioners believe that a Reliability Audit is in the public interest and that the audit should be conducted by a qualified outside independent auditing firm similar to the approach followed in Case No. 22-0421-E-P. The Companies should pay for the Reliability Audit. Joint Petitioners recommended six specific focus areas for the Reliability Audit. Those areas are described in Attachment A of this Order. Joint Petitioners recommended that the auditing firm concentrate the Reliability Audit on opportunities to improve distribution operations, excluding vegetation management practices which were recently audited.

On May 2, 2025, the Consumer Advocate Division (CAD) filed a Petition to Intervene and Response of the Consumer Advocate Division to the Joint Petition.

On May 22, 2025, the Commission granted the CAD intervenor status and required the Companies and Staff to develop a proposed RFP for the Reliability Audit. The Joint Petitioners filed a proposed RFP on June 23, 2025.

On July 17, 2025, the Commission approved an RFP for a Reliability Audit of the Companies and set timelines for that audit including an August 15, 2025 deadline for bidders to submit proposals to the Commission Staff Liaison.

The Companies filed an affidavit on August 19, 2025, certifying that they sent the RFP via electronic mail and Certified U.S. Mail on or about July 30, 2025, to potential bidders to which the Companies and Staff agreed. Additionally, the Companies certified that they published electronically the affidavit in Public Utilities Fortnightly.

On August 28, 2025, Staff filed a Motion to Modify Timelines and Submission Guidelines in RFP. Staff also recommended that, in addition to Karen Macon, Director, Utilities Division, James Ellers, PE, Director, Engineering Division be made a Commission Liaison.

DISCUSSION

A complete audit of the Companies' electric service reliability is in the best interest of the customers and the Companies. The Commission, therefore, will extend the timelines for the RFP and Reliability Audit as suggested by Staff. The Commission will also add James Ellers as a Commission liaison.

FINDING OF FACT

The only proposal to the RFP received by the Commission was incomplete.¹

CONCLUSIONS OF LAW

1. The RFP attached to this Order as Attachment 1 and the Commission Order entered May 22, 2025, complete with attachments, should be provided to all potential bidders and published as indicated above.

¹ Motion at Bates 5, Aug. 28, 2025.

2. The Commission liaisons should be:

Karen Macon, Director, Utilities Division
Public Service Commission of West Virginia
201 Brooks St., Charleston, WV 25301
kmacon@psc.state.wv.us

and

James Ellars, PE, Director, Engineering Division
Public Service Commission of West Virginia
201 Brooks St., Charleston, WV 25301
jellars@psc.state.wv.us

ORDER

IT IS THEREFORE ORDERED that Appalachian Power Company and Wheeling Power Company publish the request for proposal attached as Attachment A in trade newspapers, magazines, or other format common to their industry; and mail the request for proposal by United States Postal Service first class mail to each of the potential bidders to be identified by Commission Staff and the Companies.

IT IS FURTHER ORDERED that Appalachian Power Company and Wheeling Power Company shall file within five days of the publication and mailing, an affidavit from a representative of the Companies attesting to publication, including dates and a listing of publication media, in trade newspapers, magazines, or other format common to their industry, and an affidavit that each of the potential bidders identified by the Companies and Commission Staff were mailed a copy of the request for proposal by United States Postal Service first class mail.

IT IS FURTHER ORDERED that the Commission liaisons shall be:

Karen Macon, Director, Utilities Division; Public Service Commission of West Virginia; 201 Brooks St., Charleston, WV 25301
kmacon@psc.state.wv.us

and

James Ellars, PE, Director, Engineering Division; Public Service Commission of West Virginia; 201 Brooks St., Charleston, WV 25301
jellars@psc.state.wv.us

IT IS FURTHER ORDERED that the following procedural schedule is adopted in place of the procedural schedule adopted in the July 17, 2025 Commission Order:

RFP Issued	October 1, 2025
Proposal Submission Deadline	December 12, 2025
Selection of Firm	To be determined. Anticipated within 35 days after December 12, 2025
Project Kick-off	To be determined. Anticipated not later than February 1, 2026
Initial Status Report due to Staff Liaisons and Companies' Liaison	End of month, two full months after Kick-off
Initial Status Report due to Staff Liaisons and Companies' Liaison	Monthly
Draft Final Report Due to Companies and Commission Staff	October 30, 2026
Companies and Commission Staff Comments on Draft to Firm	November 20, 2026
Final Report Submission Deadline	December 15, 2026

IT IS FURTHER ORDERED that the Commission will select the audit firm. The Companies will then contract with the selected firm on the behalf of the Commission and will be responsible for paying for the cost of the audit.

IT IS FURTHER ORDERED that the Companies identify a contact employee that will be responsible for cooperation with Staff and the auditing firm during the conduct of the audit.

IT IS FURTHER ORDERED that the Companies will exercise no control over the audit firm and will cooperate fully in providing full and complete access to records and employees as requested by the audit firm.

IT IS FURTHER ORDERED that the Staff liaisons are authorized to resolve any issues that may arise during the conduct of the audit and the Companies will comply with such resolution unless otherwise ordered by the Commission.

IT IS FURTHER ORDERED that the Staff will evaluate the proposals and advise the Commission regarding the proposals, which advice shall be provided directly to the Commission and will be confidential.

IT IS FURTHER ORDERED that the Executive Secretary of the Commission serve a copy of this Order by electronic service on all parties of record who have filed an e-service agreement, and by United States First Class Mail on all parties of record who have not filed an e-service agreement, and on Commission Staff by hand delivery.

A True Copy, Teste,

A handwritten signature in cursive script that reads "Karen Buckley".

Karen Buckley, Executive Secretary

SMS/pkb
250396cb

**REQUEST FOR PROPOSAL
TO INTERESTED CONSULTANTS/FIRMS
FOR A FOCUSED MANAGEMENT AUDIT OF
APPALACHIAN POWER COMPANY AND WHEELING POWER COMPANY**

Overview

At the direction of the Public Service Commission of West Virginia ("Commission"), Appalachian Power Company and Wheeling Power Company (together, the "Companies") are soliciting proposals to conduct a focused management audit of the Companies' distribution operations in the State of West Virginia, as further explained below. Interested parties should review the enclosed and referenced materials and submit a proposal via email no later than **5:00pm EST on December 12, 2025**, delivered to:

Attn: [contact person]
Email: [email address]

The Commission has reissued this RFP to allow more time for development of proposals and to clarify the involvement of the Commission, the Commission Staff and the Companies in the process. Previously filed proposals will not be considered as responsive to this RFP, but may be resubmitted intact or modified.

The winning proposal firm will be chosen by the Commission and shall then contract with the Companies and be compensated by the Companies.

The Commission reserves the right to modify or reject all proposals at the discretion of the Commission.

Procedural Background

On April 22, 2025, the Companies and Commission Staff filed a "Joint Petition for Focused Management Audit of Appalachian Power Company's and Wheeling Power Company's Electric Service Reliability." The Joint Petition was designated as Case No. 25-0396-E-P. The Commission's web docket for the matter is: <https://www.psc.state.wv.us/scripts/WebDocket/tblCaseActivitiesList.cfm?CaseID=84768>

On May 22, 2025, the Commission approved the Joint Petition and directed the Companies and Staff to prepare and file, within 30 days, a proposed Request for Proposal and list of audit firm candidates. A copy of the Commission's Order is provided herewith as "Attachment 1" and contains a description of the specific areas on which the selected auditor should focus.

Background on the Companies

The Companies are subsidiaries of American Electric Power Company, Inc. Their principal office in West Virginia is 200 Association Drive, Charleston, WV 25311. The Companies are electric utilities who, subject to Commission regulation, furnish electric service in West Virginia to approximately 461,000 customers in the cities, towns, villages, unincorporated municipalities, and rural areas in the counties of Boone, Brooke, Cabell, Clay, Fayette, Greenbrier, Jackson, Kanawha, Lincoln, Logan, Marshall, Mason, McDowell, Mercer, Mingo, Monroe, Nicholas, Ohio, Putnam, Raleigh, Roane, Summers, Wayne, Wetzel, and Wyoming.

Scope of Work

A description of the Commission-approved scope of work can be found in the May 22, 2025 Commission Order which is "Attachment 1" to this RFP and outlined below. The audit shall consist of six parts, be completed within the timeframes set forth therein and contain the information/analysis described therein, and the auditor is expected to work with the Companies and Staff as explained in Attachment 1. These parts are not individually separable and will not be separately awarded.

The Scope of Work shall include:

- Part 1 will consist of a review of staffing levels, including line mechanics, line servicers, and front-line supervision. The goal is to determine whether the existing employee complement:
 - (1) has the level of skills and expertise required to improve service quality;
 - (2) is sufficient in quantity to respond to multiple contemporaneous outage events;
 - (3) is sufficient in quantity and practices to provide adequate rest periods under normal working conditions;
 - (4) is sufficient in quantity and practices to provide coverage for evenings and weekends; and
 - (5) has sufficient quantity and expertise of distribution line supervision within the service areas.
 - (6) The review should also examine potential methods for using contract staff effectively as a supplement to permanent staff in improving reliability in relation to historical outage trends.
- Part 2 will consist of a review of the Companies' service center facilities, including the level and capability of the staffing at each facility with the goal of

determining if the facility provides an optimal coverage of the customer base served from each location. This part shall include a review of customer density addressed by each location, the frequency of outages occurring in a particular area, drive times involved in outage response, any unique operational features or terrain that must be considered, and the optimal number and location of service centers to reduce duration of outages.

- Part 3 will include a review of how the utility manages the operations of the distribution system, including how maintenance prioritization is determined, how personnel are managed during outage recovery, and Company management and internal policies and procedures regarding outages, distribution management, and planning.
- Part 4 will identify opportunities for improving accuracy of Estimated Time of Restoration (ETR) reported to customers.
- Part 5 will compare the Companies' distribution systems to the systems of similar peer utilities to determine the impact that circuit length, terrain, inaccessibility, and configuration may have on system reliability along with recommendations on improvements/modifications and estimated costs.
- Part 6 will provide recommendations to make improvements on a short term (one to three-year basis) and on a longer term (three to ten-year basis) with recommendations ranked on effectiveness in both terms of cost and improvements in reliability.

In conducting the audit, the selected firm will be responsible for the following tasks:

- 1. Assessment of Current Reliability Metrics**
 - Review existing reliability data and metrics.
 - Analyze historical performance and trends.
- 2. Field Inspections and Observations**
 - Conduct on-site inspections of facilities and equipment.
 - Observe operational practices and maintenance procedures.
- 3. Stakeholder Interviews**
 - Engage with key personnel to gather insights on reliability challenges and successes.
- 4. Data Analysis**
 - Utilize statistical methods to analyze reliability data.
 - Identify root causes of reliability issues.
- 5. Reporting and Recommendations**
 - Provide a detailed written report of findings, including but not limited to:

- Current reliability status
- Identified gaps and weaknesses
- Actionable recommendations for improvement

Proposal Requirements

Interested firms should submit a proposal that includes the following:

1. Company Profile

- Overview of the firm's experience and qualifications.
- Relevant projects completed in the past.

2. Proposed Approach

- Description of the methodology for conducting the reliability audit.
- Timeline for completion of the audit.

3. Team Composition

- Profiles of key team members who will be involved in the audit.

4. Cost Proposal

- Detailed breakdown of costs associated with the audit including estimated number of people and people-hours for each of the component parts of the audit as described herein, hourly rate, or, if applicable, hourly rates for levels of expertise identified as participating in the breakdown of people-hours, incidental direct expenses, not to exceed cost proposal, and requested payment terms.

5. References

- Contact information for references from similar projects.

Submission Guidelines

Proposals must be submitted electronically to Karen Macon, Director, Utilities Division, kmacon@psc.state.wv.us and James Ellers, PE, Director Engineering Division, jellars@psc.state.wv.us by **5:00pm EDT on December 12, 2025**. Late submissions will not be considered.

The Staff may contact each proposer and may request clarification of any information which the Staff believes requires clarification. Staff may, but is not required, to conduct, in person or virtual interview meeting. Notwithstanding Staff review of the proposals, the Commission may, but is not required to, conduct an in-person or virtual interview meeting.

Evaluation Criteria

Proposals will be evaluated by the Commission based on the following criteria:

- Relevant experience and qualifications

- Demonstrated understanding of the scope and intent of the Management Audit and completeness of the proposed approach and methodology
- Cost-effectiveness
- Feedback from references

Timeline

- RFP Issued: October 1, 2025
- Proposal Submission Deadline: December 12, 2025
- Selection of Firm: To be determined. Anticipated within thirty-five days after December 12, 2025.
- Project Kick-off: To be determined. Anticipated not later than February 1, 2026.
- Initial Status Report due to Staff Liaisons and Companies' Liaison: End of month, two full months after Kick-off.
- Subsequent Status Reports due to Staff Liaisons and Companies' Liaison: Monthly
- Draft Final Report Due to Companies and Commission Staff: October 30, 2026
- Companies/Commission Staff Comments on Draft to Firm: November 20, 2026
- Final Report Submission Deadline: December 15, 2026

Contact Information

For any inquiries regarding this RFP, please contact:

Karen Macon
Director, Utilities Division
Public Service Commission of West Virginia
201 Brooks St., Charleston, WV 25301
kmacon@psc.state.wv.us

and

James Ellers, PE
Director, Engineering Division
Public Service Commission of West Virginia
201 Brooks St., Charleston, WV 25301
jellars@psc.state.wv.us

Thank you for your interest in this opportunity. We look forward to receiving your proposal.

Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0300
Fax: (304) 340-0325



September 24, 2025

Do not mail Letter - only place in case file.

Service via email

Keith Fisher, Esq.
Senior Counsel
Appalachian Power Company
200 Association Drive, Ste 201
Charleston, WV 25311-1278

Robert F. Williams, Esq.
Heather B. Osborn, Esq.
John Auville, Esq.
Consumer Advocate Division
300 Capitol Street, Ste. 810
Charleston, WV 25301

RE: Case No. 25-0396-E-P
Appalachian Power Company and Wheeling Power Company

Ladies/Gentlemen:

All parties in this case have provided the Executive Secretary with their email address. The Commission Order issued today was served by email on the above-listed parties.

Documents submitted to the Public Service Commission of West Virginia may be 1) uploaded to its public website, 2) subject to public disclosure under the West Virginia Freedom of Information Act, and/or 3) subject to disclosure under the West Virginia Open Governmental Proceedings Act. Do not submit personal information with your filings. The Commission is not responsible for confidential or personal information included with your submission. A list of personal information is available here: http://www.psc.state.wv.us/Privacy_Policy/WhatisPII.htm

If you have provided an email address you will automatically receive notifications as documents are filed in this proceeding. The email notifications allow recipients to view a document within an hour from the time the filing is processed. If you have not provided your email address, please send an email to caseinfo@psc.state.wv.us and state the case number in the email subject field.

Sincerely,


Karen Buckley
Executive Secretary

KB/al