

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)	
Edison Company, The Cleveland Electric)	
Illuminating Company, and The Toledo)	
Edison Company for Authority to Establish)	Case No. 08-935-EL-SSO
a Standard Service Offer Pursuant to)	
Section 4928.143, Revised Code, in the)	
Form of an Electric Security Plan.)	
In the Matter of the Application of Ohio)	
Edison Company, The Cleveland Electric)	
Illuminating Company, and The Toledo)	Case Nos. 09-21-EL-ATA
Edison Company for Approval of Rider)	09-22-EL-AEM
FUEL and Related Accounting Authority.)	09-23-EL-AAM

FINDING AND ORDER

The Commission finds:

- (1) Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (FirstEnergy) are electric utilities as defined by Section 4928.01(A)(11), Revised Code.
- (2) Section 4928.141, Revised Code, provides that electric utilities shall provide consumers a standard service offer (SSO) of all competitive retail electric services in accordance with Section 4928.142 or 4928.143, Revised Code.
- (3) On March 25, 2009, the Commission issued its Second Opinion and Order in these proceedings, approving the stipulations filed by various parties. Among other terms, the stipulations provided that, for the period between June 1, 2009, and May 31, 2011, retail generation rates would be determined by a descending-clock format competitive bid process (CBP).
- (4) In the CBP, FirstEnergy agreed to procure, on a slice of system basis, 100 percent of its aggregate, wholesale full requirements SSO supply. Further, the stipulations provided that the CBP would be conducted by an independent bid manager, CRA

International (CRA). Although the stipulations provided that CRA was to select the winning bidder(s), the stipulations also provided that the Commission may reject the results within 48 hours of the auction conclusion based upon a recommendation from the independent bid manager or the Commission's consultant that the auction violated the CBP rules in such a manner so as to invalidate the auction.

- (5) The CBP auction was held May 13-14, 2009. On May 14, 2009, CRA and Boston Pacific Company, Inc., (Boston Pacific) the consultant retained by the Commission to monitor the CBP auction, filed confidential reports, under seal, in this docket regarding the conduct of the auction. A motion for a protective order regarding the reports was filed by Staff.
- (6) According to the post-auction report filed by CRA, there were 12 bidders who registered for the CBP auction, and 9 bidders submitted winning bids during the CBP auction for a load-weighted average winning price for supply of \$61.50 per MWh. The CBP auction consisted of 25 rounds and procured all of the tranches necessary to supply the SSO load. CRA and Boston Pacific each recommended that the Commission find that the CBP auction was sufficiently competitive and resulted in winning prices that are reasonable. A redacted copy of the CRA post-auction report containing the above information also will be docketed in this proceeding.
- (7) The Commission finds that the reports filed by CRA and Boston Pacific do not contain any recommendation or evidence that the auction violated the CBP rules established by CRA in such a manner as to invalidate the auction. Accordingly, the Commission will not reject the results of the CBP auction.
- (8) Therefore, the Commission directs FirstEnergy to file proposed tariffs, for Commission review and approval, containing retail rates consistent with the results of the CBP auction within seven days after the issuance of this Finding and Order.
- (9) Moreover, the Commission finds that certain information regarding the CBP auction should be released to the public after a brief period of time to allow the winning bidders to procure any additional necessary capacity to serve the SSO load. Therefore, unless otherwise ordered by the Commission,

the following information will be subject to public release 21 days after the issuance of this Finding and Order: the names of bidders who won tranches in the CBP auction; the number of tranches won by each bidder; the first round ratio of tranches offered compared to tranches needed; and the redacted reports detailing the CBP auction proceedings.

- (10) In addition, the Commission notes that the reports also contain sensitive information which should be deemed confidential and remain under seal. Therefore, the Commission finds that the following information will be protected from public release: the names of unsuccessful bidders; price information, including starting price methodologies and round prices/quantities for individual bidders; all information contained in Part I and Part II bidder applications; and indicative pre-auction offers.

It is, therefore,

ORDERED, That FirstEnergy file proposed tariffs containing retail rates consistent with the results of the CBP auction within seven days after the issuance of this Finding and Order. It is, further,

ORDERED, That the motion for a protective order filed by Staff be granted. It is, further,

ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Finding (9) be subject to public release 21 days after the issuance of this Finding and Order. It is, further,

ORDERED, That the information set forth in Finding (10) be deemed confidential and remain under seal. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

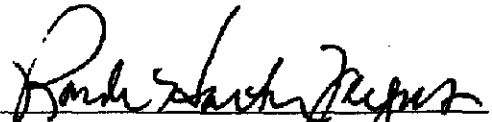
THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



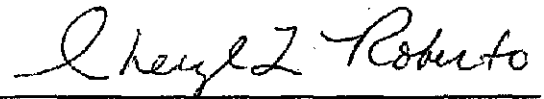
Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie



Cheryl L. Roberto

GAP/CMTP:ct

Entered in the Journal

MAY 14 2009



Renee J. Jenkins
Secretary