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CRA No. D14181-00

June 5, 2009

Mark A. Hayden
Attorney, FirstEnergy Service Company
76 S. Main St.
Akron, OH 44308

Re: Clarification of May 14 Letter Notifications of SSO Auction Results

Dear Mr. Hayden:

Pursuant to the requirements of paragraph 9 of the May 14 Finding and Order of the Public Utility Commission of Ohio ("PUCO" or "Commission"), please find attached a redacted version of the post-auction letter addressed to you (and cc'd to others) that the Auction Manager, CRA International, submitted on May 14, 2009 following the conclusion of the FirstEnergy Ohio Utilities' Competitive Bidding Process Auction to procure supply for Standard Service Offer customers for the FirstEnergy Ohio Utilities.

Other than an update to the redactions pursuant to paragraph 9 of the Finding and Order cited above, the attached redacted letter is no different than the letter sent to you on May 14. The one item that now appears to contain more text than the redacted version of May 14 — the row for item 3 in Table 3 — is due only to the way the redacting was done.

Sincerely yours,

CRA INTERNATIONAL, INC.

Bradley A. Miller

Bradley A. Miller
Vice President

cc:

Ray Strom, Public Utilities Commission of Ohio

Attachment

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CRA No. D14181-00

May 14, 2009

Mark A. Hayden
Attorney, FirstEnergy Service Company
76 S. Main St.
Akron, OH 44308

Re: Notification of SSO Auction Results

Dear Mr. Hayden:

This is to inform you that we have confirmed the results of the FirstEnergy Ohio Utilities' Competitive Bidding Process Auction ("Auction") to procure supply for Standard Service Offer (SSO) customers for the FirstEnergy Ohio Utilities. The Auction began on Wednesday, May 13, 2009 and concluded on Thursday, May 14, 2009.

There are three tables attached to this letter.

- Table 1 summarizes the results of the Auction.
- Table 2 shows, for each winning bidder, the number of tranches won and the tranche-weighted average price to be paid to the winning bidder.
- Table 3 provides the Auction Manager's assessment of the conduct of the auction.

In accordance with section 2.1 of the Bidding Rules, winning bidders will be contacted directly by the FirstEnergy Ohio Utilities to execute the SSO Supply Agreement no later than three (3) business days following the close of the auction.



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Sincerely yours,

CRA INTERNATIONAL, INC.

A handwritten signature in cursive script that reads "Bradley A. Miller".

Bradley A. Miller
Vice President

cc:

Alan R. Schriber, Chairman, Public Utilities Commission of Ohio
Ronda Hartman Fergus, Commissioner, Public Utilities Commission of Ohio
Valerie A. Lemmie, Commissioner, Public Utilities Commission of Ohio
Paul A. Centolella, Commissioner, Public Utilities Commission of Ohio
Cheryl L. Roberto, Commissioner, Public Utilities Commission of Ohio
Steven D. Lesser, Chief of Staff, Public Utilities Commission of Ohio
Richard R. Grigg, President, FirstEnergy Utilities
Steven E. Strah, Regional President, Ohio Edison Company
Trent A. Smith, Regional President, The Toledo Edison Company
Dennis M. Chack, Regional President, The Cleveland Electric Illuminating Company
Frank Mossburg, Boston Pacific Company



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Table 1. Summary of SSO Auction Results

Period of Delivery	June 1, 2009 - May 31, 2011
Number of Registered Bidders	12
Total initial eligibility of Registered Bidders	
Total initial eligibility divided by tranche target	
Number of bidders that submitted bids in round 1	
Number of tranches bid in round 1	
Number of tranches bid in round 1 divided by tranche target	1.99
Number of tranches to procure in auction (tranche target)	100 tranches
Number of tranches procured in auction	100 tranches
Number of rounds in clock phase	25
Was there a sealed-bid round?	No
Number of winning bidders	9
Starting price range	\$95.00-\$125.00 per MWh
Starting price	
Tranche-weighted average price of winning bids	\$61.50 per MWh



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Table 2. Winning Bidders

Winning Bidder	Number of Winning Tranches	Tranche-Weighted Average Price to be Paid (\$/MWh)
American Electric Power Service Corporation	11	
Constellation Energy Commodities Group Inc.	10	
DTE Energy	1	
Duke Energy Ohio, Inc.	5	
Dynegy Power Marketing Inc.	10	
FirstEnergy Solutions Corp	51	
JP Morgan Ventures Energy Corp.	6	
PPL Energy Plus	1	
Sempra Energy Trading	5	
TOTAL	100	\$61.50



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Table 3. Auction Manager's Assessment of the Conduct of the Auction

	Question	Comment
1	Were the competitive bidding rules violated?	No
2	Does the Auction Manager believe the auction was open, fair, transparent, and competitive?	Yes
3	Did bidders have sufficient information to prepare for the auction?	Yes. Bidders received information from the competitive bidding process documents, the information Website, questions-and-answers posted to the information Website, and bidder information sessions.
4	Was the information generally provided to bidders in accordance with the published timetable? Was the timetable updated appropriately as needed?	Yes
5	Were there any issues and questions left unresolved prior to the auction that created material uncertainty for bidders?	We do not believe that there were any unresolved issues or questions that created material uncertainty for bidders.
6	Were there any procedural problems or errors with the auction, including the electronic bidding process, the back-up bidding process, and communications between bidders and the Auction Manager?	No
7	Were protocols for communication between bidders and the Auction Manager adhered to?	Yes
8	Were there any hardware or software problems or errors, either with the auction system or with its associated communications systems?	No
9	Were there any unanticipated delays during the auction?	No
10	Did unanticipated delays appear to adversely affect bidding in the auction?	No



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	Question	Comment
11	Were appropriate data back-up procedures planned and carried out?	Yes
12	Were any security breaches observed with the auction process?	No
13	Were protocols followed for communications among FirstEnergy Ohio Utilities, the Auction Manager, the PUCO, and the Auction Monitor during the auction?	Yes
14	Were the protocols followed for decisions regarding changes in auction parameters (e.g., volume adjustments and price decrements)?	Yes
15	Were the calculations (e.g., for price decrements or bidder eligibility) produced by the auction software double-checked or reproduced off-line by the Auction Manager?	Yes
16	Was there evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the auction?	No
17	Were the communications between the Auction Manager and bidders timely and effective?	Yes
18	Was there evidence that bidders felt unduly rushed during the process?	No
19	Was there any evidence of collusion or improper coordination among bidders?	No
20	Was there any evidence of anti-competitive behavior in the auction?	No
21	Was information made public appropriately? Was confidential and sensitive information treated appropriately?	Yes



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	Question	Comment
22	Were there factors exogenous to the auction (e.g., changes in market environment) that materially affected the auction in unanticipated ways?	No, not that we are aware of.