

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Procurement of)
Standard Service Offer Generation for)
Customers of Ohio Edison Company, The) Case No. 10-1284-EL-UNC
Cleveland Electric Illuminating Company,)
and The Toledo Edison Company.)

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, Revised Code.
- (2) Section 4928.141, Revised Code, provides that electric utilities shall provide consumers with a standard service offer (SSO) of all competitive retail electric services in accordance with Section 4928.142 or 4928.143, Revised Code.
- (3) On August 25, 2010, the Commission issued its Opinion and Order in *In re FirstEnergy*, Case No. 10-388-EL-SSO, approving the stipulations filed by various parties. Among other terms, the stipulations provided that, for the period between June 1, 2011, and May 31, 2014, retail generation rates would be determined by a descending-clock format competitive bid process (CBP), conducted in six separate auctions. The first two auctions, held in October 2010 and January 2011, will determine retail generation rates for the period of June 1, 2011 through May 31, 2012.
- (4) In the CBP, FirstEnergy agreed to procure, on a slice of system basis, 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 bidders, the stipulations also provided that the Commission may reject the results within 48 hours of the auction conclusion.

- (5) The first CBP auction, for 50 percent of the SSO supply, was held on October 20, 2010. On October 22, 2010, CRA and Boston Pacific Company, Inc., (Boston Pacific) a consultant retained by the Commission to monitor the CBP auction, filed reports regarding the conduct of the auction. These reports consisted of confidential versions, filed under seal, and a redacted version of the report filed by CRA, which is publically available in this docket.
- (6) According to the reports filed by CRA and Boston Pacific, there were 10 bidders who registered for the CBP auction, and 4 bidders submitted winning bids during the CBP auction for a clearing price of \$54.55 per MWh for the June 1, 2011 to May 31, 2012, delivery period, \$54.10 per MWh for the June 1, 2011 to May 31, 2013, delivery period, and \$56.58 per MWh for the June 1, 2011 to May 31, 2014, delivery period. The CBP auction consisted of 12 rounds. CRA and Boston Pacific each recommended that the Commission find that the CBP auction was competitive and resulted in winning prices that are reasonable. The Commission notes that, although four bidders submitted winning bids, Boston Pacific reported that multiple bidders submitted bids within five percent of the clearing prices.
- (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 in such a manner as to invalidate the auction. Accordingly, the Commission will not reject the results of the CBP auction.

- (8) In addition, the Commission notes that the reports filed by CRA and Boston Pacific also contain sensitive information which should be deemed confidential and remain under seal for an 18-month period from the date of this Finding and Order. Therefore, the Commission finds that the following information will be protected from public release for a period of 18 months: 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. Extensions of the 18-month period may be considered pursuant to Rule 4901-1-24(F), Ohio Administrative Code.
- (9) However, the Commission finds that certain information regarding the CBP auction contained in the report submitted by CRA 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 released 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 supplied compared to tranches needed; and the report filed by CRA detailing the CBP auction proceedings, subject only to redaction of any confidential information enumerated in Finding (8).

It is, therefore,

ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Finding (8) 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 (9) be deemed confidential and remain under seal for an 18-month period from the date of this Finding and Order. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record in this proceeding and all parties of record in Case No. 10-388-EL-SSO.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



Paul A. Centolella



Valerie A. Lemmie



Steven D. Lesser



Cheryl L. Roberto

GAP/sc

Entered in the Journal

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Renee J. Jenkins
Secretary