

FILE

10-1284-EL-UNC 7

CRA
International

DELIVERED BY EMAIL

CRA No. D14673

November 12, 2010

James W. Burk
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308

Re: Notification of CBP Auction Results

Dear Mr. Burk:

Pursuant to the requirements of paragraph 9 of the October 22, 2010 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 CBP Manager, CRA International, submitted on October 20, 2010 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 October 20.

Sincerely yours,

CRA INTERNATIONAL, INC.



Bradley A. Miller
Vice President

cc:

Kim Bojko, Chief of Staff, Public Utilities Commission of Ohio
Ray Strom, Public Utilities Commission of Ohio

Attachment

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DELIVERED BY EMAIL

CRA No. D14673

October 20, 2010

James W. Burk
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308

Re: Notification of CBP Auction Results

Dear Mr. Burk:

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, October 20, 2010 and concluded the same day.

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 for each contract in the auction.
- Table 3 provides the CBP Manager's assessment of the conduct of the auction.

In accordance with the Bidding Rules, winning bidders will be contacted directly by the FirstEnergy Ohio Utilities to execute the Master 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 black ink that reads "Bradley A. Miller". The signature is written in a cursive, flowing style.

Bradley A. Miller
Vice President

cc:

Alan R. Schriber, Chairman, 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, Commissioner, Public Utilities Commission of Ohio
Kim Bojko, Chief of Staff, Public Utilities Commission of Ohio
Charles E. Jones, 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

		Delivery Period		
		June 1, 2011 to May 31, 2012	June 1, 2011 to May 31, 2013	June 1, 2011 to May 31, 2014
Number of Registered Bidders	10			
Total initial eligibility of Registered Bidders (# tranches)				
Total initial eligibility divided by tranche target				
Number of bidders that submitted bids in round 1				
Number of tranches bid in round 1	211	98	73	40
Number of tranches bid in round 1 divided by tranche target	4.22	5.76	4.29	2.50
Number of tranches to procure in auction (tranche target)	50	17	17	16
Number of tranches procured in auction	50	17	17	16
Number of rounds in the auction	12			
Number of winning bidders	4	4	3	4
Starting price range (\$/MWh)		\$65.00-\$90.00	\$65.00-\$90.00	\$65.00-\$90.00
Starting price (\$/MWh)				
Clearing price (\$/MWh)		\$54.55	\$54.10	\$56.58



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Table 2. Winning Bidders and Tranches Won

Winning Bidder	Number of Winning Tranches			
	Total	Delivery Period		
		June 1, 2011 to May 31, 2012	June 1, 2011 to May 31, 2013	June 1, 2011 to May 31, 2014
American Electric Power Service Corporation	12	4	6	2
Constellation Energy Commodities Group, Inc.	10	1	4	5
Duke Energy Ohio, Inc	8	2	0	6
FirstEnergy Solutions Corp	20	10	7	3
TOTAL	50	17	17	16



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

	Question	
1	Were the competitive bidding rules violated?	No
2	Does the CBP 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 CBP Manager?	No
7	Were protocols for communication between bidders and the CBP 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	
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 CBP Manager, the PUCO, and the PUCO's consultant 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 CBP 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 CBP 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
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.