



DELIVERED BY EMAIL

August 25, 2011

Tammy Turkenton
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Re: PUCO Case No. 10-1284-EL-UNC, IN THE MATTER OF THE PROCUREMENT OF STANDARD SERVICE OFFER GENERATION FOR CUSTOMERS OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY AND THE TOLEDO EDISON COMPANY

Dear Ms. Turkenton:

This is in regards to the auction format used in the auctions for the FirstEnergy Ohio Utilities' Competitive Bidding Process (CBP) for Standard Service Offer (SSO) supply procurement. For the October 2010 and January 2011 auctions, CRA International (CRA or CBP Manager) designed and implemented a single-phase, multiple-product, descending-price clock auction format. Pursuant to the Electric Security Plan (ESP) approved by the Public Utilities Commission of Ohio (PUCO) on August 25, 2010 in Case No. 10-388-EL-SSO, this auction format is described in the Bidding Rules document found on the Information Website (www.firstenergycbp.com).

Unlike the first two auctions, the remaining four auctions under the ESP — scheduled for October 2011, January 2012, October 2012, and January 2013 — will be for one product only. For these four single-product auctions we intend to use a two-phase auction format: the first phase is a descending-price clock format and the second phase is a sealed-bid round. In some cases the auction may close without the need for a sealed-bid round, but in other cases this 2-phase auction format uses a sealed-bid round to close the auction pursuant to pre-specified criteria. This auction format is similar to the two-phase, single-product auction format we used for the May 2009 procurement in Case No. 08-0935-EL-SSO (which pre-dated the ESP).

As CBP Manager, we intend to update the Bidding Rules document that is on the Information Website to reflect the 2-phase auction format.

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: Jim Burk, FirstEnergy Corp.

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 10-1284-EL-UNC

Summary: Request - Letter from Auction Manager Regarding Procedures for Upcoming Auction electronically filed by Raymond W. Strom on behalf of PUCO Staff