

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 a standard service offer (SSO) of all competitive retail electric services in accordance with Sections 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 (10-388), 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).
- (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.
- (5) The first CBP auction, for 50 percent of the SSO supply, was held on October 20, 2010. The second CBP auction was held on January 25, 2011.

- (6) By entry issued September 7, 2011, the Commission permitted a modification of the auction format pursuant to CRA's request. Unlike the first two auctions, the four remaining auctions under the ESP, scheduled for October 2011, January 2012, October 2012, and January 2013, will be for only one product; thus, CRA will use a two-phase auction format consisting of a descending-price clock format and a sealed-bid round.
- (7) The third CBP auction was held on October 25, 2011. On October 25, 2011, 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.
- (8) According to the reports filed by CRA and Boston Pacific, there were 13 bidders who registered for the CBP auction, and 5 bidders submitted winning bids during the CBP auction for a clearing price of \$52.83 per MWh for the June 1, 2012 to May 31, 2014, delivery period. The CBP auction consisted of 14 rounds in a descending-price clock format and a sealed-bid round. CRA and Boston Pacific each recommended that the Commission find that the CBP auction, within the limits of its structures, had sufficient competitive attributes and resulted in winning prices that are reasonable.
- (9) 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.
- (10) 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.

- (11) However, the Commission finds that certain information regarding the CBP auction contained in the reports 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 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 supplied compared to tranches needed; and the redacted report filed by CRA detailing the CBP auction proceedings, subject only to redaction of any confidential information enumerated in Finding (10).
- (12) Finally, the Commission notes that, pursuant to 10-388, Opinion and Order (August 25, 2010) at 34, all bidders are required to immediately disclose to the Commission and Staff all prices, terms and conditions for any post-auction assignments of tranches obtained through the CBP, subject to appropriate protections for confidential or proprietary information.


It is, therefore,

ORDERED, That the information set forth in Finding (10) 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, unless otherwise ordered by the Commission, the information set forth in Finding (11) be subject to public release 21 days after the issuance of this Finding and Order. It is, further,

ORDERED, That a copy of this Finding and Order be served upon all parties of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Paul A. Centolella

  
Steven D. Lesser

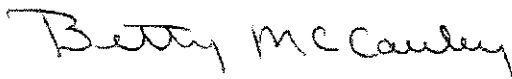
  
Andre T. Porter

  
Cheryl L. Roberto

MLW/sc

Entered in the Journal

**OCT 26 2011**



Betty McCauley  
Secretary