



**DELIVERED BY EMAIL**

CRA No. D14673

November 15, 2011

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 11 of the October 26, 2011 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 25, 2011 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.

Please note that the attached redacted letter has three differences from the redacted letter sent to you on October 25, 2011. First, the attached letter has fewer redactions pursuant to paragraph 11 of the Finding and Order cited above. Second, the redacted letter sent to you on October 25 incorrectly had 2010 rather than 2011 as the year throughout the letter; that has been corrected in the attached version. Third, the redacted letter sent to you on October 25 inadvertently used the term "Auction Monitor" in item 13 on page 6. In the attached letter here, that has been corrected to "PUCO's consultant" consistent with the confidential version of the letter sent to you on October 25.

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:

Eric Weldele, Chief of Staff, Public Utilities Commission of Ohio  
Ray Strom, Public Utilities Commission of Ohio

Attachment



**DELIVERED BY EMAIL**

CRA No. D14673

October 25, 2011

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 Tuesday, October 25, 2011 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 and the tranche-weighted average price to be paid.
- 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:

Todd A. Snitchler, Chairman, 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  
Andre Porter, Commissioner, Public Utilities Commission of Ohio  
Eric Weldele, Chief of Staff, Public Utilities Commission of Ohio  
Charles E. Jones, Senior Vice President and President, FirstEnergy Utilities  
Dennis M. Chack, President, Ohio Operations  
Trent A. Smith, Regional President, The Cleveland Electric Illuminating Company  
Donald A. Moul, Regional President, Ohio Edison Company  
Randall A. Frame, Regional President, The Toledo Edison Company  
Frank Mossburg, Boston Pacific Company

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**Table 1. Summary of SSO Auction Results**

Period of Delivery	June 1, 2012 - May 31, 2014
Number of Registered Bidders	13
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	85
Number of tranches bid in round 1 divided by tranche target	5.00
Number of tranches to procure in auction (tranche target)	17 tranches
Number of tranches procured in auction	17 tranches
Number of rounds in clock phase	14
Was there a sealed-bid round?	Yes
Number of winning bidders	5
Starting price range	\$75.00-\$90.00 per MWh
Starting price	
Tranche-weighted average price of winning bids	\$52.83 per MWh

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**Table 2. Winning Bidders and Tranches Won**

<b>Winning Bidder</b>	<b>Number of Winning Tranches</b>	<b>Tranche-Weighted Average Price to be Paid (\$/MWh)</b>
American Electric Power	5	\$52.80
Constellation Energy Commodities Group, Inc.	3	\$52.78
DTE Energy Trading, Inc.	4	\$52.78
Duke Energy Commercial Asset Management, Inc.	4	\$52.98
FirstEnergy Solutions Corp.	1	\$52.78
<b>TOTAL</b>	<b>17</b>	<b>\$52.83</b>

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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
11	Were appropriate data back-up procedures planned and carried out?	Yes

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	Question	
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.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**11/16/2011 12:58:16 PM**

**in**

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

Summary: Report - Updated Auction Manager Report electronically filed by Raymond W. Strom on behalf of PUCO Staff