

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Procurement of)
Standard Service Offer Generation for) Case No. 11-6000-EL-UNC
Customers of Duke Energy Ohio, Inc.)

FINDING AND ORDER

The Commission finds:

- (1) Duke Energy Ohio, Inc. (Duke) is an electric utility 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 Section 4928.142 or 4928.143, Revised Code.
- (3) On November 22, 2011, the Commission issued its Opinion and Order in *In re Duke Energy Ohio, Inc.*, Case Nos. 11-3549-EL-SSO, et al., approving the stipulation filed by various parties. Among other terms, the stipulation provided that, for the period between January 1, 2012, and May 31, 2015, retail generation rates would be determined by a descending-price clock format competitive bid process (CBP).
- (4) Duke agreed to procure all of its energy, capacity, market-based transmission service, and market-based transmission ancillary services requirements for its SSO load, for the duration of the ESP, through the CBP. Further, the stipulation provided that the CBP would be conducted by an independent bid manager, CRA International (CRA). The stipulation provided that the Commission may reject the results within 48 hours of the auction conclusion.
- (5) A CBP auction was held on November 12, 2013. The auction was for 16 tranches of a 12-month product, with a delivery period of June 2014 through May 2015. On November 13, 2013, 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 publicly available in this docket.

- (6) According to the reports filed by CRA and Boston Pacific, there were 11 bidders who registered for the CBP auction, and five bidders submitted winning bids during the CBP auction for a tranche-weighted average clearing price of \$50.11 per megawatt hour for June 2014 through May 2015 delivery period. The CBP auction consisted of 15 rounds in a descending-price clock format and a sealed bid phase. 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.
- (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) On November 13, 2013, Staff filed a motion for protective order, pursuant to Rule 4901-1-24, Ohio Administrative Code (O.A.C.), requesting that both the report of the Commission's consultant regarding Duke's November 2013 SSO auction and the notification of the CBP auction results filed on November 13, 2013, be kept confidential. In support of the motion, Staff submits that these documents are highly competitively sensitive, in that they identify the details of various bids and parties making the bids in the auction. According to Staff, disclosure of this information would be highly prejudicial to the bidding parties and the viability of any future auction in Ohio.
- (9) Rule 4901-1-24, O.A.C., provides that, unless otherwise ordered, protective orders issued pursuant to this rule, automatically expire after 18 months. However, given that the highly competitive sensitive nature of the reports filed by CRA and Boston Pacific, the Commission finds that it would be appropriate to grant protective treatment indefinitely, until the Commission orders otherwise. Therefore, we find that Staff's motion for protective order of the information filed on November 13, 2013, is reasonable and should be granted, to the

extent set forth in this Finding and Order. Accordingly, the Boston Pacific report and the following information in the CRA report will be protected from public release: 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 of the bidder applications; and indicative preauction offers.

- (10) 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, or on December 4, 2013: 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 (9). The Commission's docketing division is directed to work with Staff to assure the appropriate public release of information.
- (11) Finally, 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.
- (12) Accordingly, the Commission finds that Duke should be authorized to file final tariffs consistent with this Order.

It is, therefore,

ORDERED, That Staff's motion for protective order is granted and the information set forth in Finding (9) be deemed confidential and remain under seal indefinitely, until otherwise ordered by the Commission. It is, further,

ORDERED, That, unless otherwise ordered by the Commission, the information set forth in Finding (10) be subject to public release 21 days after the issuance of this Finding and Order, or on December 4, 2013. It is, further,

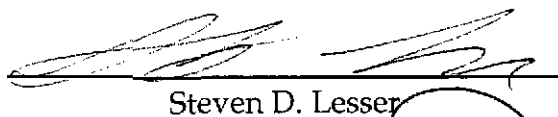
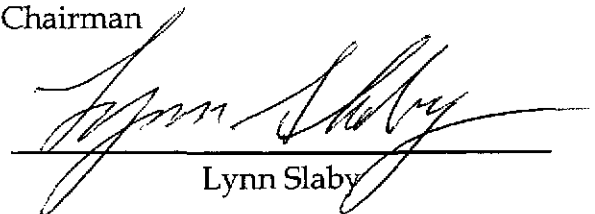
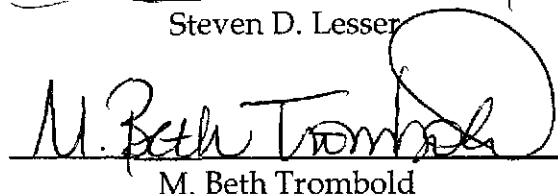
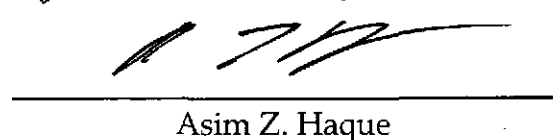
ORDERED, That Duke is authorized to file final tariffs consistent with this Order and the effective date of the new tariffs shall be no earlier than June 1, 2014. It is, further,

ORDERED, That Duke file in final form complete copies of tariffs consistent with this Finding and Order. Duke shall file one copy in this case docket and one copy shall be filed in Duke's TRF docket. It is, further,

ORDERED, That Duke notify its customers of the changes to the tariff via bill message or bill insert within 30 days of the effective date. A copy of this notice shall be submitted to the Commission's Service Monitoring and Enforcement Department at least 10 days prior to distribution to customers. It is, further,

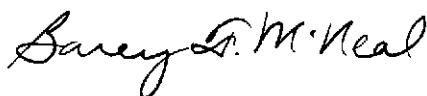
ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Todd A. Sutchler, Chairman
Steven D. Lesser
Lynn Slaby
M. Beth Trombold
Asim Z. Haque

CMTP/vrm

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Barcy F. McNeal

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Secretary