



**DELIVERED BY EMAIL**

CRA No. D14673

February 19, 2014

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 January 29, 2014 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 January 28, 2014 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.

Compared to the redacted letter submitted on January 28, the attached letter has fewer redactions pursuant to paragraph 9 of the Finding and Order cited above.

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

January 28, 2014

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, January 28, 2014 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:

Todd A. Snitchler, Chairman, Public Utilities Commission of Ohio  
Lynn Slaby, Commissioner, Public Utilities Commission of Ohio  
M. Beth Trombold, Commissioner, Public Utilities Commission of Ohio  
Steven D. Lesser, Commissioner, Public Utilities Commission of Ohio  
Asim Z. Haque, Commissioner, Public Utilities Commission of Ohio  
Katie Stenman, Chief of Staff, Public Utilities Commission of Ohio  
Charles E. Jones, Senior Vice President and President, FirstEnergy Utilities  
Dennis M. Chack, President, Ohio Operations  
John Skory, Regional President, The Cleveland Electric Illuminating Company  
Randall A. Frame, Regional President, Ohio Edison Company  
Linda L. Moss, Regional President, The Toledo Edison Company  
Frank Mossburg, Boston Pacific Company



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

		Delivery Period	
		June 1, 2014 to May 31, 2015	June 1, 2014 to May 31, 2016
Number of Registered Bidders	9		
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	94	53	41
Number of tranches bid in round 1 divided by tranche target	2.85	3.31	2.41
Number of tranches to procure in auction (tranche target)	33	16	17
Number of tranches procured in auction	33	16	17
Number of rounds in the auction	21		
Number of winning bidders	5	5	4
Starting price range (\$/MWh)		\$80.00-\$105.00	\$80.00-\$105.00
Starting price (\$/MWh)			
Clearing price (\$/MWh)		\$55.83	\$68.31



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

Winning Bidder	Number of Winning Tranches		
	Total	Delivery Period	
		June 1, 2014 to May 31, 2015	June 1, 2014 to May 31, 2016
ConocoPhillips Company	2	2	—
Duke Energy Commercial Asset Management, Inc.	4	1	3
Exelon Generation Company, LLC	12	3	9
FirstEnergy Solutions Corp.	7	5	2
The Dayton Power and Light Company	8	5	3
<b>TOTAL</b>	<b>33</b>	<b>16</b>	<b>17</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?	At the end of round 2, the announced prices for round 3 were reported incorrectly due to human error in manually overriding the default price decrements. The correction to the announced prices temporarily affected the reported price decrements and aggregate eligibility for round 3. Bidders were properly informed of the issue via the Messages page and via the Help Desk. We do not believe this adversely affected bidding in the auction or affected the outcome of the auction. All bidders who bid in round 1 and round 2 bid their full eligibility — i.e., the maximum number of tranches they could bid — in round 3 and for a number of subsequent rounds.
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



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	Question	
9	Were there any unanticipated delays during the auction?	Due to the issue noted in item 6 above, we delayed the opening of round 3 by 10 minutes to confirm the manual error had been corrected and to ensure bidders could submit their bids without being rushed. As noted in item 6 above we do not believe this adversely affected bidding in the auction or affected the outcome of the auction.
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
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



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	Question	
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**

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**Case No(s). 12-2742-EL-UNC**

Summary: Report of Auction Manager - Notification of CBP Auction Results - Updated  
Redacted Version electronically filed by Raymond W. Strom on behalf of PUCO Staff