



**DELIVERED VIA EMAIL**

CRA No. D19518-00

April 6, 2016

Amy Spiller  
Deputy General Counsel  
Duke Energy Business Services  
139 E. Fourth Street, 1303-Main  
Cincinnati, Ohio 45202

Re: Notification of CBP Auction Results

Dear Ms. Spiller:

Pursuant to the requirements of paragraph 9 of the March 16, 2016 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 Auction Manager, CRA International, submitted on March 14, 2016 following the conclusion of the Duke Energy Ohio, Inc. ("DEO") Competitive Bidding Process Auction to procure supply for Standard Service Offer customers of DEO.

Other than an update to the redactions pursuant to paragraph 9 of the Finding and Order cited above, the attached redacted letter is no different than the letter sent to you on March 14, 2016.

Sincerely yours,

CRA INTERNATIONAL, INC.

A handwritten signature in black ink, appearing to read "Robert Lee", with a stylized flourish at the end.

Robert Lee  
Vice President

cc:

Jason Rafeld, Public Utilities Commission of Ohio  
Tammy Turkenton, Public Utilities Commission of Ohio  
Ray Strom, Public Utilities Commission of Ohio

Attachment



**DELIVERED BY EMAIL**

CRA No. D19518

March 14, 2016

Amy Spiller  
Deputy General Counsel  
Duke Energy Business Services  
139 E. Fourth Street, 1303-Main  
Cincinnati, Ohio 45202

Re: Notification of CBP Auction Results

Dear Ms. Spiller:

This is to inform you that we have confirmed the results of the Duke Energy Ohio, Inc.'s Competitive Bidding Process Auction ("Auction") to procure supply for Standard Service Offer (SSO) customers of Duke Energy Ohio, Inc. The Auction began on Monday, March 14, 2016 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 Auction Manager's assessment of the conduct of the auction.

In accordance with the Bidding Rules, winning bidders will be contacted directly by Duke Energy Ohio, Inc. to execute the Master SSO Supply Agreement no later than three (3) business days following the close of the auction.



Amy Spiller  
March 14, 2016  
Page 2

Sincerely yours,

CRA INTERNATIONAL, INC.

A handwritten signature in black ink, appearing to read "Robert J. Lee", with a stylized flourish at the end.

Robert J. Lee  
Vice President

cc:

Andre T. Porter, Chairman, Public Utilities Commission of Ohio  
Lynn Slaby, Commissioner, Public Utilities Commission of Ohio  
M. Beth Trombold, Commissioner, Public Utilities Commission of Ohio  
Thomas W. Johnson, Commissioner, Public Utilities Commission of Ohio  
Asim Z. Haque, Commissioner, Public Utilities Commission of Ohio  
Jason Rafeld, Chief of Staff, Public Utilities Commission of Ohio  
Ray Strom, Public Utilities Commission of Ohio  
Tamara Turkenton, Public Utilities Commission of Ohio  
Tim Benedict, Public Utilities Commission of Ohio  
Greg Price, Public Utilities Commission of Ohio  
Angela Hawkins, Public Utilities Commission of Ohio  
Ryan Gentil, Duke Energy Ohio, Inc.  
Frank Mossburg, Boston Pacific Company

Amy Spiller  
 March 14, 2016  
 Page 3

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

|                                                             |                             |
|-------------------------------------------------------------|-----------------------------|
| Period of Delivery                                          | June 1, 2016 - May 31, 2018 |
| 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                           | 106                         |
| Number of tranches bid in round 1 divided by tranche target | 6.24                        |
| 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                             | 20                          |
| Was there a sealed-bid round?                               | No                          |
| Number of winning bidders                                   | 5                           |
| Starting price range                                        | \$80.00 to \$110.00 per MWh |
| Starting price                                              |                             |
| Tranche-weighted average price of winning bids              | \$48.34                     |



Amy Spiller  
 March 14, 2016  
 Page 4

**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 Service Corporation | 4                                 | \$48.34                                                   |
| BTG Pactual Commodities (US) LLC            | 1                                 | \$48.34                                                   |
| Exelon Generation Company                   | 6                                 | \$48.34                                                   |
| FirstEnergy Solutions Corp.                 | 3                                 | \$48.34                                                   |
| Noble Americas Gas & Power Corp.            | 3                                 | \$48.34                                                   |
| <b>TOTAL</b>                                | <b>17</b>                         | <b>\$48.34</b>                                            |

Amy Spiller  
 March 14, 2016  
 Page 5

**Table 3. Auction Manager's Assessment of the Conduct of the Auction**

|    | Question                                                                                                                                                                                          |                                                                                                                                                                                                      |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | Were the competitive bidding rules violated?                                                                                                                                                      | No                                                                                                                                                                                                   |
| 2  | Does the Auction 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 Auction Manager? | No                                                                                                                                                                                                   |
| 7  | Were protocols for communication between bidders and the Auction 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                                                                                                                                                                                                  |

Amy Spiller  
 March 14, 2016  
 Page 6

|    | Question                                                                                                                                                                |                               |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| 12 | Were any security breaches observed with the auction process?                                                                                                           | No                            |
| 13 | Were protocols followed for communications among Duke Energy Ohio, Inc., the Auction 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 Auction 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 Auction 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**

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**in**

**Case No(s). 15-6000-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