

DELIVERED BY EMAIL

CRA No. D20048 / D20049

May 5, 2016

James W. Burk
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308

Re: Notification of SSO CBP Auction Results

Dear Mr. Burk:

Pursuant to the requirements of paragraph 9 of the April 14, 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 April 13, 2016 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 April 13, the attached letter has fewer redactions pursuant to paragraph 9 of the Finding and Order cited above.

Sincerely yours,

CRA INTERNATIONAL, INC.



Bradley A. Miller
Vice President

cc:

Jason Rafeld, Chief of Staff, Public Utilities Commission of Ohio
Ray Strom, Public Utilities Commission of Ohio
Tamara Turkenton, Public Utilities Commission of Ohio

Attachment

DELIVERED BY EMAIL

CRA No. D20048 / D20049

April 13, 2016

James W. Burk
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308

Re: Notification of SSO 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 Wednesday, April 13, 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 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:

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
Steven E. Strah, Senior Vice President and President, FirstEnergy Utilities
Mark A. Julian, Vice President, Utility Operations
John Skory, Regional President, The Cleveland Electric Illuminating Company
Randall A. Frame, Regional President, Ohio Edison Company
Richard S. Sweeney, 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, 2016 to May 31, 2017	June 1, 2016 to May 31, 2018	June 1, 2016 to May 31, 2019
Number of Registered Bidders	10			
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	202	67	73	62
Number of tranches bid in round 1 divided by tranche target	4.04	4.19	4.29	3.65
Number of tranches to procure in auction (tranche target)	50	16	17	17
Number of tranches procured in auction	50	16	17	17
Number of rounds in the auction	17			
Number of winning bidders	6	5	6	5
Starting price range (\$/MWh)		\$70.00-\$90.00	\$70.00-\$90.00	\$70.00-\$90.00
Starting price (\$/MWh)				
Clearing price (\$/MWh)		\$48.46	\$49.36	\$50.49

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Table 2. Winning Bidders and Tranches Won

Winning Bidder	Number of Winning Tranches			
	Total	Delivery Period		
		June 1, 2016 to May 31, 2017	June 1, 2016 to May 31, 2018	June 1, 2016 to May 31, 2019
AEP Energy Partners, Inc.	6	3	2	1
BTG Pactual Commodities (US) LLC	4	2	1	1
ConocoPhillips Company	4	2	2	—
DTE Energy Trading, Inc.	10	4	3	3
Exelon Generation Company, LLC	16	5	5	6
FirstEnergy Solutions Corp.	10	—	4	6
TOTAL	50	16	17	17

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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?	A high parameter value in the auction database required the end-of-round bid processing following round 16 to be extended. The parameter itself is not used in these auctions and this had no effect on the auction results.
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?	See item #6
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

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	Question	
13	Were protocols followed for communications among FirstEnergy Ohio Utilities, 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

5/6/2016 11:54:52 AM

in

Case No(s). 16-0776-EL-UNC

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