



DELIVERED BY EMAIL

CRA No. D20048 / D20049

January 31, 2017

Robert M. Endris
FirstEnergy Corp.
76 South Main Street
Akron, OH 44308

Re: Notification of CBP Auction Results

Dear Bob:

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 31, 2017 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.



Bradley A. Miller
Vice President

cc:

Asim Z. Haque, 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
Ray Strom, Public Utilities Commission of Ohio
Tamara Turkenton, 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
Sonny Fanelli, Director of Ohio Rates
Frank Mossburg, Bates White



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Table 1. Summary of SSO Auction Results

| | |
|--|------------------------------|
| Delivery Period (12 months) | June 1, 2017 to May 31, 2018 |
| Number of Registered Bidders | 12 |
| 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 | |
| Number of tranches bid in round 1 divided by tranche target | |
| Number of tranches to procure in auction (tranche target) | 16 |
| Number of tranches procured in auction | 16 |
| Number of rounds in clock phase | 15 |
| Was there a sealed-bid round? | Yes |
| Number of winning bidders | 5 |
| Starting price range | \$70-\$95 |
| Starting price | |
| Tranche-weighted average price of winning bids | \$52.03 |



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Table 2. Winning Bidders and Tranches Won

| Winning Bidder | Number of Winning Tranches | Tranche-Weighted Average Price to be Paid (\$/MWh) |
|--------------------|----------------------------|--|
| [Redacted Content] | | |
| TOTAL | 16 | \$52.03 |

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Table 3. Auction Manager’s Assessment of the Conduct of the Auction

| | Question | |
|----|---|--|
| 1 | Were the competitive bidding rules violated? | |
| 2 | Does the Auction Manager believe the auction was open, fair, transparent, and competitive? | |
| 3 | Did bidders have sufficient information to prepare for the auction? | |
| 4 | Was the information generally provided to bidders in accordance with the published timetable? Was the timetable updated appropriately as needed? | |
| 5 | Were there any issues and questions left unresolved prior to the auction 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? | |
| 7 | Were protocols for communication between bidders and the Auction Manager adhered to? | |
| 8 | Were there any hardware or software problems or errors, either with the auction system or with its associated communications systems? | |
| 9 | Were there any unanticipated delays during the auction? | |
| 10 | Did unanticipated delays appear to adversely affect bidding in the auction? | |
| 11 | Were appropriate data back-up procedures planned and carried out? | |

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| | Question | |
|----|---|--|
| 12 | Were any security breaches observed with the auction process? | |
| 13 | Were protocols followed for communications among FirstEnergy Ohio Utilities, the Auction Manager, the PUCO, and the PUCO's consultant during the auction? | |
| 14 | Were the protocols followed for decisions regarding changes in auction parameters (e.g., volume adjustments and price decrements)? | |
| 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? | |
| 16 | Was there evidence of confusion or misunderstanding on the part of bidders that delayed or impaired the auction? | |
| 17 | Were the communications between the Auction Manager and bidders timely and effective? | |
| 18 | Was there evidence that bidders felt unduly rushed during the process? | |
| 19 | Was there any evidence of collusion or improper coordination among bidders? | |
| 20 | Was there any evidence of anti-competitive behavior in the auction? | |
| 21 | Was information made public appropriately? Was confidential and sensitive information treated appropriately? | |
| 22 | Were there factors exogenous to the auction (e.g., changes in market environment) that materially affected the auction in unanticipated ways? | |

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