

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE PROCUREMENT
OF PERCENTAGE OF INCOME PAYMENT
PLAN PROGRAM GENERATION FOR
CUSTOMERS OF OHIO EDISON
COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY, AND THE
TOLEDO EDISON COMPANY.

CASE NO. 16-936-EL-UNC

FINDING AND ORDER

Entered in the Journal on February 8, 2016

I. SUMMARY

{¶ 1} In this Finding and Order, the Commission approves the rates resulting from the competitive auction to procure generation supply for percentage of income payment plan program customers of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company.

II. DISCUSSION

{¶ 2} Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, FirstEnergy or the Companies) are electric distribution utilities as defined in R.C. 4928.01(A)(6) and public utilities as defined in R.C. 4905.02 and, as such, are subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.54 and 4928.544 require the director of development services to aggregate percentage of income payment plan (PIPP) program customers for the purpose of establishing a competitive procurement process for the supply of competitive retail electric service for those customers, which shall be an auction. Additionally, pursuant to the written request by the director of development services, the Commission shall design, manage, and supervise the competitive procurement process.

{¶ 4} By Order issued on March 2, 2016, in Case No. 16-247-EL-UNC, the Commission adopted a competitive request for proposal (RFP) auction process to procure generation supply to serve the PIPP load. In the Order, the Commission adopted a competitive RFP auction process. The first phase of the competitive RFP auction process consists of an initial RFP auction during which CRES providers submit bids to serve the PIPP load for less than the standard service offer (SSO). If no CRES provider submits a bid to serve the PIPP load for less than the SSO, then a supplemental RFP auction is conducted where CRES providers may submit bids to serve the PIPP load at any price. Finally, if no CRES provider participates in either RFP auction, the electric utility may implement contingency measures to procure supply for the PIPP load. The Commission found that this process satisfies the requirements in R.C. 4928.542 to ensure reliable electric service to PIPP customers, reduce the cost of the PIPP program relative to the otherwise applicable SSO, and results in the best value for persons paying the universal service rider. *In re the Implementation of Sections 4928.54 and 4928.544 of the Revised Code*, Case No. 16-247-EL-UNC, Finding and Order (Mar. 2, 2016) (RFP Auction Order).

{¶ 5} Accordingly, FirstEnergy, in consultation with Staff and the independent auction manager, accepted the bids for its competitive RFP auction on February 6, 2017. The competitive RFP auction procured supply for 100 percent of FirstEnergy's PIPP load for the June 1, 2017, to May 31, 2018, delivery period. CRA and Bates White Economic Consulting (Bates White), a consultant retained by the Commission to monitor the RFP auction, submitted reports regarding the conduct of the auction on February 7, 2017. 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. CRA and Bates White each recommend that the Commission find that the competitive RFP auction, within the limits of its structures, had sufficient competitive attributes and resulted in a winning price that is reasonable.

{¶ 6} The Commission finds that the reports filed by CRA and Bates White do not contain any recommendation or evidence that the auction violated the RFP auction bidding rules in such a manner as to invalidate the auction. Further, the Commission finds that the competitive RFP auction process followed the process adopted by the Commission in the RFP Auction Order and met the requirements of R.C. 4928.542. Accordingly, the Commission will not reject the results of the competitive RFP auction.

{¶ 7} In addition, the Commission notes that the reports filed by CRA and Bates White also contains sensitive information which should be deemed confidential and remain under seal. Therefore, the Commission finds that the names of unsuccessful bidders and the price of unsuccessful bids be protected from public release indefinitely. Further, the Commission finds that certain information regarding the competitive RFP auction contained in the report submitted by CRA should be released to the public after a brief period of time to allow the winning bidder to procure any additional necessary capacity to serve the PIPP load. Accordingly, unless otherwise ordered by the Commission, the Commission finds that the redacted report filed by CRA detailing the competitive RFP auction proceeding shall be subject to public release 21 days after the issuance of this Finding and Order.

{¶ 8} Finally, the Commission finds that the winning bidder and winning bid price shall remain confidential until the scheduled RFP auctions for the delivery year have been completed by each electric utility. Accordingly, the winning bidder and winning bid price shall be subject to public release after all of the competitive RFP auctions have been conducted for the delivery year beginning on June 1, 2017.

III. ORDER

{¶ 9} It is, therefore,

{¶ 10} ORDERED, That the information set forth in Paragraph 7 be deemed confidential. It is, further,


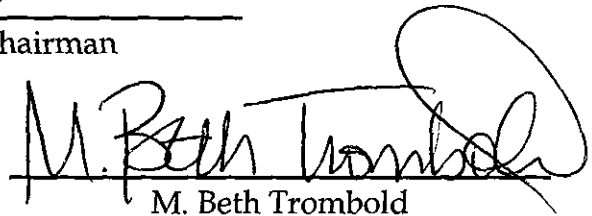

{¶ 11} ORDERED, That unless otherwise ordered by the Commission, the information set forth in Paragraph 8 be subject to public release after all of the competitive RFP auctions have been conducted for the delivery year beginning on June 1, 2017. It is, further,

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

THE PUBLIC UTILITIES COMMISSION OF OHIO



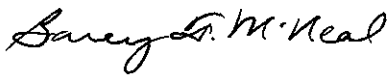
Asim Z. Haque, Chairman


Lynn Slaby
M. Beth Trombold
Thomas W. Johnson

MJA/sc

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Barcy F. McNeal
Secretary