

Overview of Bidder Application Process

August 18, 2011

FirstEnergy Ohio Utilities' Competitive Bidding Process for SSO Supply Procurement

Auction Date: October 25, 2011

Delivery Period: June 1, 2012 – May 31, 2014

Agenda

Overview of Part 1 and Part 2 Application Process

Key Dates and Deadlines

Demonstration of the Online Application Process

Q&A

Introduction

Questions

3 ways to submit questions during the presentation – questions will be answered only after the prepared presentation

- Use the WebEx “chat room” feature or
- Send an email to cbpmanager@crai.com or
- Use operator assisted call-in number – 888.970.4176
 - Inform the operator you have a question by pressing *1 at any time
 - Operator will place you into queue
 - Your position in queue will be noted, but you will be on mute and unable to ask your questions until prompted later following the prepared presentation

Following the prepared presentation

- Questions will be queued in the order above and answered
- After questions sent via “chat room” and emails are answered, the phone line will be opened for callers who use the call-in number
- Callers will be introduced using an assigned port number
- When asking a question, callers should NOT identify themselves

Introduction

Disclaimer

On March 23, 2010, Ohio Edison, The Cleveland Electric Illuminating Company, and Toledo Edison filed an Electric Security Plan (“ESP”) with the Public Utilities Commission of Ohio (“PUCO”) – Case No. 10-388-EL-SSO, which was approved on August 25, 2010. Under the Plan, which covers the period of June 1, 2011 through May 31, 2014, a competitive bidding process is used to establish generation supply and pricing for SSO customers.

The information contained in this presentation material is intended to provide only generally descriptive and summary information. The information and material provided on the Auction Information Website and filed with the PUCO are controlling. Any conflict with the information conveyed during the bidder information session, or with information or material other than what is provided on the Auction Information Website, is unintentional.

Certain information may be subject to modification and approval by the PUCO in the ESP.

Introduction

FirstEnergy Ohio Utilities' Competitive Bidding Process (CBP)

- Auction Date: October 25, 2011
- Product: 24-month supply period
- Delivery Period: June 1, 2012 through May 31, 2014
- Number of tranches to procure: 17
- Load Cap (tranches): 14

Introduction

Application Process

- **Part 1 Application:** Prospective bidders apply to become Qualified Bidders
 - Start Date: Tuesday, August 23, 2011
 - Due Date: Wednesday, September 7, 2011, 12:00 noon ET
- **Part 2 Application:** Each Qualified Bidder provides certifications, its indicative offer, and pre-bid security in order to become a Registered Bidder
 - Start Date: Tuesday, September 20, 2011
 - Due Date: Wednesday, October 5, 2011, 12:00 noon ET
- Only Registered Bidders can participate in the bidding

Part 1 Application

Important Dates and Deadlines

Timeline for October 2011 Auction	
Activity	Date
WebEx Information Session	Friday, August 12, 2011
WebEx Overview of Online Application Process	Thursday, August 18, 2011
Deadline: CRA announces tranche target and tranche size (% and MW)	Tuesday, August 23, 2011
Part 1 Applications can be submitted	Tuesday, August 23, 2011
Deadline to submit Part 1 Applications	Wednesday, September 07, 2011
Deadline: CRA announces minimum and maximum starting prices	Tuesday, September 20, 2011
Part 2 Applications can be submitted	Tuesday, September 20, 2011
Deadline: CRA announces any update to the tranche size (MW)	Wednesday, September 28, 2011
Deadline to submit Part 2 Applications	Wednesday, October 05, 2011
Bidder User Manuals Distributed	Wednesday, October 12, 2011
Mock Auction for Registered Bidders	Thursday, October 20, 2011
Deadline: CRA announces starting price to Registered Bidders	Thursday, October 20, 2011
Auction for Registered Bidders	Tuesday, October 25, 2011
CRA notifies Companies and PUCO of results (tentative)	Tuesday, October 25, 2011
Master SSO Supply Agreements Signed (tentative)	Friday, October 28, 2011
Power Flow	Friday, June 01, 2012

Part 1 Application

Prospective bidders apply to become Qualified Bidders

- The Part 1 Application process opens on Tuesday, August 23, 2011
- Due Date: Wednesday, September 7, 2011, 12:00 noon ET
- Applicants must submit a new Part 1 Application at least once per year to participate in FirstEnergy Ohio Utilities CBP auctions
 - All applicants that wish to participate in the October CBP auction must complete a new Part 1 Application
 - Prospective bidders that complete a Part 1 Application for the October 2011 CBP auction can re-use their Part 1 Application for the January 2012 CBP auction

Part 1 Application

The Part 1 Application comprises 12 sections and 3 appendices

1.1	Applicant Basic Information
1.2	Authorized Representative
1.3	Designation of the Applicant's Authorized Rep. and Delegate for the CBP
1.4	Applicant's Legal Representative in Ohio
1.5	Applicant's Credit Representative
1.6	General Requirements
1.7	Financial and Credit Information
1.8	Guarantor Information
1.9	Additional Certifications
1.10	Alternative Guaranty Forms
1.11	Bidding Agreements
1.12	Justification of Omissions
Appendix A	Enclosures to the Part 1 Application
Appendix B	Alternate Guaranty Forms (Optional)
Appendix C	Draft Letter of Credit for the Pre-Bid Security (Optional)

Part 2 Application

Important Dates and Deadlines

Timeline for October 2011 Auction	
Activity	Date
WebEx Information Session	Friday, August 12, 2011
WebEx Overview of Online Application Process	Thursday, August 18, 2011
Deadline: CRA announces tranche target and tranche size (% and MW)	Tuesday, August 23, 2011
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Auction for Registered Bidders	Tuesday, October 25, 2011
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Power Flow	Friday, June 01, 2012

Part 2 Application

Qualified Bidders from the Part 1 Application process submit a Part 2 Application to become Registered Bidders

- The Part 2 Application process opens on Tuesday, September 20, 2011
- Due Date: Wednesday, October 5, 2011, 12:00 noon ET
- Each Qualified Bidder will make a number of certifications regarding their associations, in order to ensure that they are participating independently of other Qualified Bidders, and their commitment to the CBP confidentiality agreements
- A Qualified Bidder is associated with another Qualified Bidder if the two bidders have ties that could allow them to act in concert or that could prevent them from competing actively against each other

Part 2 Application

The Part 2 Application comprises 5 sections and 1 appendix

2.1	Applicant Information
2.2	Indicative Offer and Pre-Bid Security
2.3	Certifications by Authorized Representative
2.4	Ongoing Obligations
2.5	Justification of Omissions
Appendix A	Enclosures to the Part 2 Application

Overview of Bidder Application Process

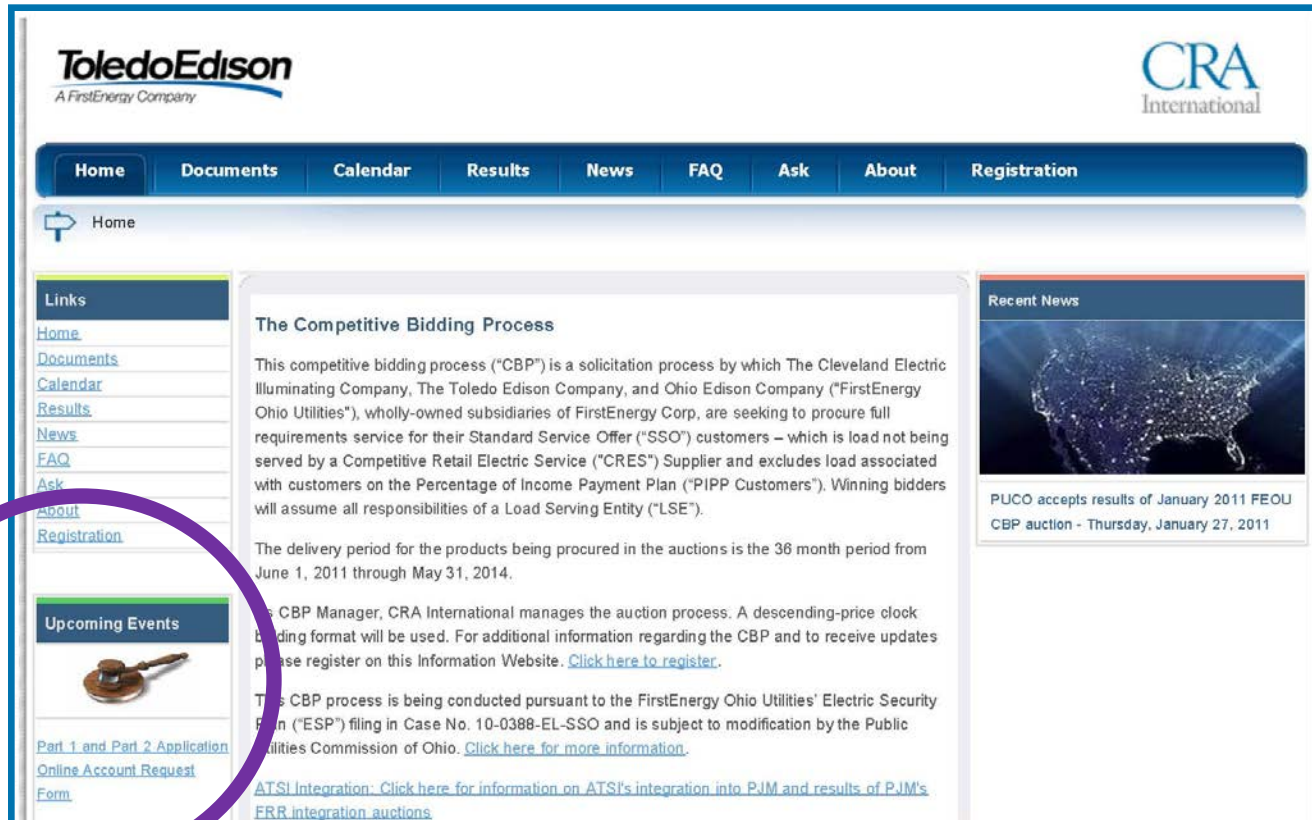
Account Request Form

- In order to access the Part 1 and Part 2 Applications online, Applicants must first fill out an Account Request Form (this needs to be done prior to Part 1 only)
 - Download the Account Request Form from the Information Website www.firstenergyCBP.com
 - Send your completed Account Request Form to the CBP Manager at cbpmanager@crai.com
- Once the Online Account is set up by the CBP Manager, each person listed on the request form will be emailed a username, password and instructions on how to access their individual account

Overview of Bidder Application Process

Account Request Form

- The Account Request Form is available on the Home page of the FEOU CBP Information Website (www.firstenergycbp.com):



The screenshot displays the website for Toledo Edison, a FirstEnergy Company, and CRA International. The navigation menu includes Home, Documents, Calendar, Results, News, FAQ, Ask, About, and Registration. The main content area features a section titled "The Competitive Bidding Process" with a detailed description of the process and a link to register. A purple circle highlights the "Registration" link in the left-hand navigation menu. Below the main content, there is a "Recent News" section with a headline: "PUCO accepts results of January 2011 FEOU CBP auction - Thursday, January 27, 2011".

Overview of Bidder Application Process

Account Request Form

Account Request Form: Request for Part 1 and Part 2 Application Online Account

With access to an Online Account for the Part 1 Application and Part 2 Application process, a prospective bidder will be able to submit and check the status of their Part 1 Application and Part 2 Application as well as upload supporting documentation.

To open an Online Account please fill in the following information:

Company Name: _____ **Date:** _____
MM/DD/YYYY

Please provide the First Name, Last Name, and E-mail Address for every person that you request to be given access to your online Application. Each person listed below will receive a unique username and password combination that they will be able to use to login to the online application of the Company named above.

	First Name	Last Name	E-mail Address
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

***Please email this form to the CBP Manager at cbpmanager@crai.com

Overview of Bidder Application Process

There are 5 steps to submitting each of the Part 1 and Part 2 Applications:

Step 1:	Enter information in the Online Application form
Step 2:	Attach all supporting Supplier Documents
Step 3:	Download, sign (notarize for Part 1), and attach application
Step 4:	Submit Application Online
Step 5:	Send a hardcopy to the CBP Manager

Overview of Bidder Application Process

Step 1: Enter information in the Online Application by filling out all applicable fields in every section

- The Online Application is a working document
 - It can be saved, reopened, and edited as often as necessary before it is officially submitted and locked for CBP Manager review
 - Applicants must enter information into all of the applicable fields in every section so that the application is 100% complete

Note: The layout of the Online Application may look different from the hardcopy, but once downloaded and printed, the layouts are identical

Overview of Bidder Application Process

Step 2: Attach supporting Supplier Documents

Part 1 Documents	Part 2 Documents
<ul style="list-style-type: none">• PJM requirements to participate in the CBP as outlined in [Section 1.6]• Financial statements (10-K, 10-Q, 8-K, etc.) [Section 1.7]• Debt ratings from at least one of the following rating agencies: S&P, Fitch, or Moody's (with supporting documentation) [Section 1.7]• Draft Credit Documents for:<ul style="list-style-type: none">– Letter of Credit– Letter of Intent to Provide a Guaranty– Letter of Reference– Alternate Guaranty– SSO Supplier Letter of Credit	<ul style="list-style-type: none">• One copy of W9 Form (for Tax ID) (if submitting Cash Deposit as Pre-Bid Security) [Section 2.2]• One copy of banking information on the company's letterhead (signed and dated) (if submitting Cash Deposit as Pre-Bid Security) [Section 2.2]• Credit Documents

Note: If an Applicant chooses to have a Guarantor, financial statements and debt ratings for the Guarantor must be provided as well [Section 1.8]

Overview of Bidder Application Process

Step 3: Download, sign, notarize, and attach the Application

- Applications with entered information can be downloaded from the Online Account Home page
 - Download and print the entire application
 - Sign and notarize all sections where applicable
 - Scan the printed, signed, and notarized application and attach it to the Online Account Home page

Overview of Bidder Application Process

Step 4: Submit Application Online

- Before you submit the application through the Online Account, ensure that it is complete:
 - Information has been entered into all applicable fields in every section
 - Supporting Supplier Documents have been attached to the Online Account Home page
 - An application with entered information has been downloaded, printed, signed (and notarized where applicable), and then attached to the Online Account Home page
- Once the Online Application has been submitted, it will be reviewed by the CBP Manager
 - Also, a hardcopy also must be sent to the CBP Manager...

Note: Once an application has been submitted, it will be locked for CBP Manager review

Overview of Bidder Application Process

Step 5: A hardcopy of the completed application (signed and notarized where applicable) must be mailed to the CBP Manager at the following address:

CBP Manager
c/o Brad Miller, Vice President
CRA International, Inc.
John Hancock Tower
200 Clarendon Street, T-33
Boston, MA 02116-5092

Q&As

Please do NOT identify yourself if you have a question

Following the prepared presentation

- Questions received and queued during the prepared presentation will be answered in the following order:
 - WebEx chat room
 - Email
 - Verbal (to enter the queue, notify the operator)
- After questions sent via “chat room” and emails are answered, the phone line will be opened for callers interested in asking questions verbally
- The operator will introduce callers using an assigned port number
- Callers should NOT identify themselves when asking questions

Q&As raised during this bidder information session will be posted on the Auction Information Website

Thank you for your interest in the CBP