

**"Procurement Cases" (Docket Nos. 05-0159 and 05-0160, 05-0161, 05-0162)
Overview of Proposed Orders**

	ComEd	Ameren
Type of Auction	Vertical tranche multi-round descending clock auction.	Same as ComEd.
Authority	<ul style="list-style-type: none"> • Position that the proposed process is prohibited by Section 16-103(c), except for those customer groups whose service has been declared competitive under Section 16-113, is not adopted. • The Commission has authority to approve, through a rider, a pass-through of the costs of supply procured through an auction process, subject to a prudency review. • The proposed use of an auction to obtain wholesale supply, and resulting wholesale supply contracts, are subject to FERC review. • Even assuming the Commission is pre-empted from prohibiting the use of an auction to obtain wholesale supply, the Commission is not pre-empted in all instances from reviewing the prudency of passing through those costs to retail ratepayers. 	Same as ComEd. Ameren order at III.E.
Date of Auction	Initial auction conducted during first 10 days of September 2006 for January 2007 delivery. Subsequent auctions conducted January 15-31 for June delivery.	Conducted concurrently with ComEd auctions. Ameren order at V.F.

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Nature of Supply	Full requirements, load-following supply contracts for "tranches" or slices of demand. Tranche size represents a fixed percentage of load, or approximately 50MW of peak demand, for a customer group.	Same as ComEd. Ameren order at V.B, V.C.7.
Load Caps	Any single supplier is limited to supplying 35% of tranches for the fixed price auction and 35% of tranches for the hourly price auction.	Same as ComEd. Ameren order at V.C.1.
Bid switching during Auction	<ul style="list-style-type: none"> • Permitted between ComEd and Ameren fixed-price auctions. • Permitted between ComEd and Ameren hourly price auctions. • Not permitted between fixed price and hourly auctions. 	Same as ComEd. Ameren order at V.G.1.
Load Categories	<ul style="list-style-type: none"> • Residential and small business (<400 kW). • Large commercial and industrial (400 kW-3MW). • Large customers whose service has been declared competitive (3 MW+). 	<ul style="list-style-type: none"> • Residential and small business (<1 MW). Ameren order at V.H. • Large commercial and industrial (1 MW+). Ameren order at V.I.
Contract supply periods and blending of prices	<ul style="list-style-type: none"> • CPP-B 1-year, 3-year and 5-year blended fixed-price products to service residential and small business (<400 kW). (Initial auction employs blend of 17, 41 and 65-month terms.) 	<ul style="list-style-type: none"> • BGS-FP rolling 3-year blended fixed-price product to serve residential and small business (<1 MW). (First auction employs blend of 17, 29 and 41-month terms.) Ameren order at V.H.

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- CPP-A 1-year fixed-price product to serve large business that do not opt for CPP-H and not declared competitive (400 kW+).
- CPP-H 1-year hourly price product to serve large business customers whose service has been declared competitive (3 MW+) and other customers who elect real time pricing, and certain self-generators.

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- BGS-LFP 1-year fixed price product to serve large business that do not opt for BGS-LRTP (1 MW+). Ameren order at V.I.
- BGS-LRTP optional 1-year hourly product to serve large business.

Description of Auction mechanics

The Auction would proceed in rounds. In the first round, after the Auction Manager announces the starting price for each product in the Fixed Price Section, each bidder specifies the number of tranches of each product the bidder wishes to supply at the announced starting price. Bidding in the Hourly Price Section proceeds in the same manner.

After each round of bidding, if the number of tranches bid on a product by all bidders still exceeds the number of tranches that are needed for that product, the Auction Manager reduces or "ticks down" the price and announces new prices for each product before bidding in the next round opens.

The Auction continues and the prices continue to decline until, for each product, the total number of tranches bid falls to the point where it equals the number of tranches needed, thereby establishing the clearing price. All winners for a given product receive that price.

Same as ComEd.

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Three-day Post-auction review	Three business days for ICC rejection or acceptance of auction results.	Same as ComEd. Ameren order at V.K.2.
Contingency Plans	Contingency purchase plans exist for three scenarios: volume reductions, ICC rejection of auction, and supplier default.	Same as ComEd. Ameren order at V.J.
Enrollment window and switching	<ul style="list-style-type: none"> • Residential and small business customers (<400 kW) may take service from a RES at any time. If they return, they have a one-year minimum stay. • Larger commercial customers (400 kW+ whose service has not been declared competitive) either default to, or have a 45-day window to opt-in to a fixed-price service depending on their prior election (50 days in the first auction). • Larger commercial customers opting into fixed price service have a one-year minimum stay. 	<ul style="list-style-type: none"> • Residential and small business customers (< 1 MW) may take service from a RES at any time. If they return, they have a one-year minimum stay. • Large commercial and industrial customers taking current bundled service just prior to 2007 will be placed onto fixed-price product unless they opt-out during the enrollment period. The enrollment window is 30 days for customers greater than 3 MW and 40 days for customers between 1 MW and 3 MW. Ameren order at VII.B.4.

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Rate mitigation plan	If the overall bill increase (total bill) for customers within an approved auction is 13.33% or less, the maximum increase for any group of customers within the auction would be 20%. For an overall increase greater than 13.33%, the 150% of auction average limit would apply. Also creates a separate subgroup for nonresidential space heat customers for purposes of implementing the rate mitigation plan. (The mitigation plan was proposed by Staff.)	Same as ComEd except for the space heat subgroup. (The mitigation plan was proposed by Staff.) Ameren order at VII.B.12.
Cost recovery and review	Rider mechanism with annual docketed reconciliation and prudency review, subject to certain presumptions. (Reconciliation and prudency review are opposed by ComEd.)	Rider mechanism with annual docketed reconciliation and prudency review, subject to certain presumptions. (Prudency review is opposed by Ameren.) Ameren order at III.E.
Auction process review	Formal annual review of auction process after each of first two auctions. (Opposed by ComEd.)	Formal annual review of auction process after each of first two auctions. Ameren order at V.K.3.