

# **EXHIBIT D**

***PECO Energy Company***

***Electric Generation Supplier  
Opt-In Competitive Offer Program  
Request for Proposals and Program Rules***

***January xx, 2013***

## **ARTICLE 1 INTRODUCTION**

- 1.1 In this Request for Proposals (“RFP”), PECO Energy Company (“PECO” or the “Company”) is soliciting proposals by electric generation suppliers (“EGSs”) to provide competitive retail offers to one hundred percent (100%) of its non-shopping default service residential customers, exclusive of Customer Assistance Program (“CAP”) customers and to one hundred percent (100%) of its non-shopping default service small commercial customers with annual peak loads less than 25 kW (“Eligible Customers”). Participating EGSs in this program (the “Opt-In Competitive Offer Program” or “Program”) will provide twelve-month fixed-price electric generation service offers (a four-month introductory price, followed by an eight-month price) to Eligible Customers beginning on or after June 1, 2013 (the “Opt-In Service Period”). This document describes the process by which EGSs may qualify to participate in the Program, the rules with which participating suppliers (the “Opt-In Suppliers”) must comply, the process for allocation of Eligible Customer accounts to Opt-In Suppliers for offer mailings, and the standard terms and conditions for Opt-In Supplier offers to customers under this Program. In addition, although marketing, notifications, and consumer education efforts for this Program will be targeted to Eligible Customers, Opt-In Suppliers must extend offers to residential and small commercial (less than 25 kW) shopping customers, upon a customer’s request, under the same terms and conditions.
- 1.2 PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Philadelphia, Pennsylvania. PECO is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 1.6 million retail customers in Southeastern Pennsylvania. PECO is also the default service provider in its service territory, and currently provides electric generation service to approximately [ ] residential customers and approximately [ ] small commercial customers with annual peak loads less than 25 kW.
- 1.3 PECO is implementing this RFP in two stages. RFP Participants (“Participant”) must first qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications, as described in detail in Section 3.2. These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission (“the PA PUC”) and the ability to comply with provisions of PECO’s Electric Generation Supplier Tariff (“Supplier Tariff”). As part of the qualifying process, a Participant will be required execute a Participant Agreement in which the Participant agrees to various requirements, including payment of a pro rata portion of the costs of this RFP in the event the Participant becomes an Opt-In Supplier.
- 1.4 Following qualification, Participants may submit a proposal (“Proposal”) which consists of two components: (1) the maximum number, if any, of residential customers to which the Participant is prepared to offer its fixed price product; and (2) the maximum number, if any, of small commercial customers to which the Participant is prepared to offer its fixed price product. The initial four months of the fixed-price product offered by a

Participant must be five percent (5%) lower than the PECO's applicable price-to-compare for the quarterly period beginning on June 1, 2013 (the "June 2013 PECO PTC").

- 1.5 Residential Eligible Customers will be allocated to Opt-In Suppliers on a random basis with the assistance of an independent statistical consultant. If any Opt-In Supplier's initial allocation is greater than the maximum specified in its Proposal, the excess Eligible Customers will be allocated to the remaining Opt-In Suppliers whose maximums have not been reached or who did not specify a maximum. This process will be repeated until all residential Eligible Customers are assigned. If all Opt-In Suppliers specify maximums which are met and Eligible Customers have not yet been allocated, those Eligible Customers will not receive an offer. This same allocation process will be used for Eligible Customers that are small commercial customers (less than 25kW).
- 1.6 PECO will mail, at the Opt-In Supplier's expense, a standardized offer letter and prepaid return envelope to the allocated Eligible Customers for each Opt-In Supplier. If a customer wishes to accept the offer and become an Opt-In Supplier Customer, the customer will be required to contact the Opt-In Supplier and the Opt-In Supplier will then submit a switching request in accordance with the Supplier Tariff.
- 1.7 The PA PUC has approved the procedures and rules described in this RFP by order dated \_\_\_\_\_, 2012, in Pa. PUC Docket No. P-2012-\_\_\_\_\_. The RFP process will be managed by PECO. **Potential Participants are strongly urged to review this RFP and to consult with counsel with respect to requirements and obligations under this RFP and the Participant Agreement.**
- 1.8 This RFP includes the following attached documents:
  - Exhibit 1: Participant Application (including Participant Agreement)
  - Exhibit 2: Proposal Form

## ARTICLE 2 SCHEDULE AND PARTICIPANT INFORMATION

- 2.1 RFP Schedule. The following table sets forth significant dates (the "Program Schedule") for the Competitive Offer Program. The time for each deadline on each specified date is 5:00 pm Eastern Prevailing Time (EPT). PECO reserves the right to modify these dates at its discretion.

RFP Overview and Pre-Proposal Technical Conference	January 18, 2013
Participant Inquiries Deadline	TBD
Participant Applications Due Date	February 6, 2013
Notification of Participant Qualification	February 11, 2013
Notification to Qualified Participants of Number of Eligible Customers (by rate class and rate)	February 19, 2013
Publication of Price-to-Compare beginning June 1, 2013 and notification of “Not-to-Exceed” Cost per Allocated Customer	March 14, 2013
Proposal Due Date	March 19, 2013
Notification of Final Participants and number of customer accounts assigned (by rate class and rate).	March 20, 2013
PECO Sends Offer Letters to Customers	April 1-15, 2013
Customer Opt-In Period	30 days
Deadline for Opt-In Supplier Submission of Customer Enrollments to PECO	May 20, 2013
Commencement of Supply by Opt-In Suppliers	Beginning June 1, 2013
Report by Opt-In Suppliers and PECO on Results of the Program	August 1, 2013
Each Opt-In Supplier must file the terms and conditions of its eight-month product offering with the PA PUC for review and approval	At least 45 days before offer for the eight-month product is extended to Opt-In Customers.
Each Opt-In Supplier must provide the eight-month product offering and associated notices to Opt-In Customers	In accordance with PUC regulations.
Opt-In Suppliers mail \$50 bonus checks to all Opt-In Customers who have been participating in the Opt-In Program for four billing cycles	After customers qualify and in time for customers to receive bonus check before the end of the customer’s fifth billing cycle.

- 2.2 RFP Overview and Technical Conference. On January 18, 2013, at \_\_\_ p.m. EPT, PECO will conduct a web conference to outline the Program, including the RFP process. PECO will notify all registered EGSs of the Participant conference by EGS bulletin and by email to the PA PUC/OCMO email distribution list. Potential Participants are urged to review this RFP, including exhibits, prior to the teleconference. PECO will answer questions raised at this teleconference to the extent possible. Any party wishing to participate in this web conference must send an e-mail to \_\_\_\_\_@peco-energy.com with the subject line “Opt-In Competitive Offer Program” PECO will provide participation information for the web conference by return e-mail.

- 2.3 Participant Inquiries. On or before the Participant Inquiries Deadline, Participants may submit questions to PECO via electronic mail (\_\_\_\_@peco-energy.com). To the extent possible, questions submitted prior to the RFP Overview Conference will be addressed by PECO at the web conference. Additional questions submitted and answered by PECO thereafter shall be posted with answers. The person or company submitting the question shall not be identified. While PECO will review and attempt to answer questions in good faith, PECO reserves the right not to answer any question. The RFP Overview Conference and this Participant inquiry procedure are the exclusive methods for inquiring about this RFP, and questions submitted to individual PECO employees or the Company by other means will not be answered and may result in disqualification of the Participant.
- 2.4 Informational Website and Updates. PECO has established a website – [www.peco.com/\_\_\_\_] – for electronic copies of RFP materials, posting of questions and answers, and other updates on this RFP. The website also includes the standard offer letter and other materials that will be used with customers by Opt-In Suppliers. Participants are encouraged to review this website regularly. In its sole discretion, PECO will endeavor to provide e-mail notification of important website updates to qualified Participants.

### **ARTICLE 3 PARTICIPANT QUALIFICATION**

- 3.1 Participant Application. In order to submit a Proposal in response to this RFP, a Participant must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 2 (Participant Application). All Applications shall be submitted by overnight delivery to the submission address specified in Section 8.2. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a Participant Application constitutes a Participant's agreement to and acceptance of all terms and conditions of this RFP. An electronic copy of the Applications may be provided initially via electronic email to \_\_\_\_@peco-energy.com to meet the Participant application deadline as long as the required hard copies are received by 5:00 p.m. EPT the business day immediately following the application deadline day.
- 3.2 Participant Qualifications. In order to qualify to submit a Proposal, a Participant must demonstrate and document in the Application that it satisfies the following criteria (the "Participant Qualifications"):
- (a) The Participant is certified to serve load in the PECO territory at the time of the Participant Applications Due Date.
  - (b) The Participant agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines. No Program charges may be separately billed.

- (c) The Participant certifies that it has the financial resources to make a bonus payment under the offer of \$50.00 to all customers who enroll with them and who remain with the Program for four complete billing cycles.
  - (d) The Participant certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.
- 3.3 Participant Agreement. Each Participant must also execute a Participant Agreement in the form included in the Participant Application. In the event the Participant does not become an Opt-In Supplier, the Participant Agreement will be returned to the Participant unexecuted by PECO.
- 3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any Participant for evaluation of an Application. Information submitted by a Participant absent a request by PECO which is not in the nature of a correction or clarification to the Application will not be considered by PECO. If any information in an Application is no longer true, Participant shall immediately notify PECO of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the Participant and rejection of any Proposal. PECO shall have no duty to inform any Participant of any deficiency in its Application.
- 3.5 Application Evaluation and Notification of Applicants. PECO will evaluate each Application using a standard protocol for its completeness and satisfaction of the Participant Qualifications. PECO will provide each Participant with notice of its satisfaction or failure to satisfy the Participant Qualifications by the date for Notification of Participant Qualification set forth in Section 2.1 hereof.
- 3.6 PECO Affiliates. Affiliates of PECO are permitted to submit Applications and to participate in this RFP to the same extent as any other entity.

#### **ARTICLE 4**

##### **PROCEDURE FOR SUBMISSION OF PROPOSALS**

- 4.1 Notification of Number of Eligible Customers, Price-to-Compare, and “Not-to-Exceed” Cost per Allocated Customer. In accordance with the Program Schedule, PECO will provide qualified Participants with the following information: (1) the total number of Eligible Customers (by rate class and rate); (2) the applicable June 2013 PECO PTCs; and (3) a “Not-to-Exceed” Cost per Allocated Customer. Qualified Participants will not be required to submit Proposals until this information has been provided. The “Not-to-Exceed” cost or actual cost (whichever is lower) will be the cost used to invoice Opt-In Suppliers to recover the cost of the Program.

- 4.2 Submission of Proposals. As described in the Introduction, a Proposal consists of two components: (1) the maximum number, if any, of residential customers to which the Participant is prepared to offer its fixed-price product; and (2) the maximum number, if any, of small commercial customers to which the Participant is prepared to offer its fixed-price product. The initial four months of the fixed-price product offered by a Participant must be five percent (5%) lower than the applicable June 2013 PECO PTC. Only Participants who submit an Application and receive notice of qualification as provided in Article 3 will be permitted to submit a Proposal. PECO will provide Proposal forms to qualified Participants substantially in the form of Exhibit 2. A Participant must submit an original and two copies of its Proposal to the address specified on the Proposal form provided by PECO no later than the Proposal Due Date. Each Proposal shall be submitted in a sealed envelope clearly marked "OPT-IN OFFER PROPOSAL."
- 4.3 Price. The price in all Proposals must be a fixed price in cents per kilowatt-hour, which is five percent (5%) lower than the June 2013 PECO PTC. The price is the price at which the supplier must be ready and willing to serve a residential or small commercial customer for four monthly billing periods under the standard terms and conditions of the Program beginning on a customer's next meter read date on or after June 1, 2013.
- 4.4 Reserved.
- 4.5 Reserved.
- 4.6 Other Limitations. Proposals that are incomplete, unsigned, or otherwise do not conform to the form of the Proposal shall be rejected by PECO. No Proposal may be conditioned on any other Proposal. Any bid that is contingent in any way shall be rejected as non-conforming. Each Participant must act independently and without knowledge of other bids, and PECO may reject any Proposal which it determines, in its sole discretion, is submitted by a Participant in violation of these limitations or in coordination or in concert with any other Participant. Nothing in this RFP shall restrict a Participant from seeking relief from the PA PUC in the event that the Participant believes that PECO has not acted in accordance with the terms of this RFP.

## **ARTICLE 5 EVALUATION OF PROPOSALS**

- 5.1 Evaluation of Proposals. PECO will evaluate Proposals to ensure consistency with these RFP rules. All compliant Proposals will be accepted. Once a Proposal is accepted, the qualified Participant becomes an Opt-In Supplier.
- 5.2 Selection of Successful Participants. Upon completion of the evaluation of Proposals, the PECO shall prepare a report of the RFP results, summarizing the Participant qualification process and the Proposals and identifying the successful and unsuccessful Participants (if any), along with successful and unsuccessful Proposals (if any). PECO will notify Participants of their individual results and will provide the RFP report to the PA PUC, the OSBA, and the OCA, on a confidential basis, for their information.

**ARTICLE 6**  
**CUSTOMER ALLOCATION AND CUSTOMER OFFERS**

- 6.1 Allocation Methodology. Eligible Customer accounts shall be selected for allocation to Opt-In Suppliers as described in Section 1.5 pursuant to a random selection process employed by a neutral independent third party who has expertise in the use of established statistical procedures for random selection (the “Statistical Expert”). Prior to such selection, Opt-In Suppliers shall be entitled to review the random selection and allocation methodology and procedure with the Statistical Expert and PECO.
- 6.2 Provision of Customer Accounts. Not later than two (2) business days following the selection and allocation of Eligible Customer accounts by the Statistical Expert, PECO shall provide each Opt-In Supplier a list of customer accounts with account information (including account number, rate class, and rate) for the customer accounts selected by the Statistical Expert for offers from that supplier.
- 6.3 Offer Process. All Opt-In Suppliers shall provide offers to their allocated customers in the following manner:
- 6.3.1 At the sole expense of the Opt-In Supplier, determined based on the lesser of the “Not-to-Exceed” cost or actual cost and the number of allocated customers, PECO shall mail all of an Opt-In Supplier’s allocated customers an offer package which includes an offer letter with the 4-month fixed price which is 5% lower than the June 2013 PECO PTC, a description of the Program terms and conditions for the 4-month offer, an explanation that the Opt-In Supplier will provide a fixed-price offer for the subsequent 8 month period in advance of the end of the 4-month period, and the procedure by which the customer can accept the initial 4-month offer. This procedure shall include three ways to accept the 4-month offer: 1) a response post card, included in the offer mailing, and pre-populated with as much customer information as possible; 2) a toll-free phone number provided by the Opt-In Supplier; and 3) a website provided by the Opt-In Supplier. The offer shall be valid until the end of the Customer Opt-In Period specified in the Program Schedule. The Opt-In Supplier shall provide PECO with the following information, within three business days of being notified as a final Participant: mailing address for the response post card; toll-free phone number for enrollments under the Program; and website address for enrollments under the Program. The offer package will instruct the customer to contact the Opt-In Supplier for more information and to enroll in the Program, and will not include a PECO phone number. Offer packages will provide information about the customer participation cap. The PA PUC staff, OCA, OSBA, and EGSs will have the opportunity to review a draft of the Offer Package template. PECO will make a good faith effort to resolve all feedback and will provide a final version by February 19, 2013.
- 6.3.2 The offer packages will be mailed by PECO at a rate of approximately 50,000 mailings per day in accordance with a schedule provided by PECO based on the

number of Opt-In Suppliers, the number of total offers and the billing cycles of the Eligible Customers.

- 6.3.3 As described in Section 6.3.1, customers will be able to accept an Opt-In Supplier offer by either mailing the enrollment post card to the Opt-In Supplier, or by calling the Opt-In Supplier, or by submitting information electronically on the Opt-In Supplier's website. Contact information for PECO will not be included in the offer package; however, PECO will process any timely "Opt-In" requests it receives from default service customers by notifying the Opt-In Supplier of the customer's decision to participate in the Program.
  - 6.3.4 Offers are open to default service residential and small commercial customers and shopping residential and small commercial customers. If PECO receives a request to enroll by a shopping customer who becomes aware of the offer, PECO will notify the Opt-In Supplier of the customer's request. PECO will enable the customer to select from participating Opt-In Suppliers if the customer does not specify a particular Opt-In Supplier during the inquiry.
  - 6.3.5 The Program will cap customer participation at 50% of Eligible Customers in a particular rate class as follows. Each Opt-In Supplier may enroll a number of customers up to 50% of the number of customers allocated to the Opt-In Supplier in a particular rate class under the Program. Opt-In Suppliers shall be solely responsible for administering this requirement.
- 6.4 EDI Enrollment. Opt-In Suppliers must submit the EDI enrollment transactions for the customers who have accepted the supplier's offer to PECO on or before sixteen (16) days prior to the respective customer's meter read date to ensure that the customer's switch is effective as of that date.
  - 6.5 Reporting to PA PUC. In order for PECO to comply with its reporting obligations to the PA PUC (which includes providing a confidential copy to the Office of Consumer Advocate and the Office of Small Business Advocate) and in accordance with the Program Schedule, each Opt-In Supplier shall prepare and submit a confidential report to PECO, with the following Program Statistics. Any tracking of enrolled accounts after allocation will be the sole responsibility of Opt-In Suppliers:
    - 6.5.1 Number of customer accounts sent offer packages (by Rate); Number of customer accounts that accepted the offer (by Rate); Form of acceptance (by Rate) (i.e. % Post Card, % Website; and % Phone, totaling 100%).
    - 6.5.2 Upon PECO's request, each Opt-In Supplier shall prepare and submit this confidential report to PECO within thirty days of the conclusion of the Program.

**ARTICLE 7**  
**OPT-IN SUPPLIER STANDARD TERMS AND CONDITIONS**

The following standard terms and conditions shall apply to all Opt-In Suppliers:

- 7.1 All Opt-In Supplier billing for customers who accept offers under the Program shall be Consolidated EDC Billing.
- 7.2 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 7.3 The Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the Program for four complete billing cycles as a condition for receiving the bonus.
- 7.4 The bonus shall be in the form of a check to the customer name on the account, and mailed to the billing address for the account.
- 7.5 All bonus checks shall be mailed shortly after the customer completes four complete billing cycles on the program, and such that the customer receives the check before the end of the subsequent billing cycle.
- 7.6 The Opt-In Supplier may not impose any additional requirements on the customer as a condition of receiving the bonus payment.
- 7.7 The Opt-In Supplier shall track the following information related to the payment of bonus checks and shall provide this information to PA PUC Staff and/or the Office of Consumer Advocate and/or the Office of Small Business Advocate, on a confidential basis, upon request: Customer Name; Address; Account Number; Date that the customer qualified to receive the bonus check; Date the bonus check was mailed; and an indicator of whether the bonus check was cashed.
- 7.8 Within ten business days of satisfying all of its bonus payment obligations under the Program, the Opt-In Supplier shall provide written notice (by email) of such satisfaction to the PA PUC Staff, the OCA (for residential customers) and the OSBA (for small commercial customers).
- 7.9 Any offers made by a customer's Opt-In Supplier to the customer to switch to another product before the completion of the four billing cycles required to qualify for the bonus check shall include clear language explaining the risk of forfeiting the bonus.
- 7.10 The Opt-In Supplier shall have sole responsibility to make bonus payments. PECO has no liability to the customer for bonus payments if the Opt-In Supplier defaults on its obligation.
- 7.11 Only PECO shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. Except as

otherwise permitted in the Supplier Tariff, in no event may an Opt-In Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Opt-In Service Period.

- 7.12 Each Opt-In Supplier must offer an eight-month fixed price product, with terms and conditions, for the eight months immediately following the initial 4-month 5% discount period. Such offers and associated notices of any renewal and/or price change shall be as required under PA PUC regulations and orders.
- 7.13 Each Opt-In Supplier must file the terms and conditions of its eight-month product offering with the PA PUC at least forty-five days before the offers for the *eight-month fixed price product* are extended to customers. An EGS that elects to participate in the Opt-In Program *may* submit its filing in advance of that deadline (including the submission of its filing before its initial customer offer letter is mailed), but will not be required to do so.
- 7.14 All Opt-In Suppliers must provide notice prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under PA PUC regulations and orders.
- 7.15 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

## **ARTICLE 8 ADDITIONAL PROGRAM PROVISIONS**

- 8.1 RFP Costs. All estimated costs of this RFP incurred by PECO, including the service of the Statistical Expert, and all incremental costs of developing, printing, and mailing the offer package (including return postage) will be used to develop a “Not-to-Exceed Cost per Allocated Customer.” Each Opt-In Supplier shall be responsible for the product of : (1) the Not-to-Exceed Cost per Allocated Customer or actual cost per allocated customer (whichever is smaller); and (2) the number of Eligible Customers allocated to that Opt-In Supplier. PECO shall invoice each Opt-In Supplier within thirty days of the Opt-In Supplier receipt of its allocated customer list, with the amount due payable within thirty days of the date of the invoice. If an Opt-In Supplier fails to make the required payment, PECO may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier’s next Purchase of Receivable payment by the Opt-In Program amount due (but not from that amounts are subject to a bona fide POR payment dispute).
- 8.2 Address for submissions. All submissions to PECO, unless otherwise communicated at the Participant Conference and subsequently posted to the \_\_\_\_\_ website , for this RFP shall be delivered via overnight delivery to the following address:

PECO Competitive Opt-In Supplier Program  
c/o [Name],  
PECO Energy Company  
S14-2  
2301 Market Street  
Philadelphia, PA 19103

Participant is solely responsible for the timely delivery of any submission for this RFP. Applications and other materials received after the applicable date specified in this RFP shall be accepted only in PECO's sole discretion; however, any Proposal submitted after the date and time specified will be returned unopened and without consideration. Electronic emails of materials other than Proposals (which may not be sent electronically) shall be sent to: \_\_\_\_\_@peco-energy.com.

- 8.3 No Unauthorized Modifications. No interpretation or change to this RFP shall be valid unless it is signed by a duly authorized representative designated by an Officer of PECO.
- 8.4 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.
- 8.5 Presentation and Formatting. All information submitted by a Participant must be in the English language.
- 8.6 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any Participant in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.
- 8.7 Use of PECO Mark. PECO will have final approval regarding the use of any PECO mark and any other reference to PECO in the offer package and/or on the offer package envelope.
- 8.8 Publicity. Each Participant understands and agrees that PECO does not participate in, nor does it allow, Participants to utilize media releases of any kind to publicize Participant's business relationship with PECO. Each Participant shall not use any trade name, trademark, service mark or any other information which identifies PECO in such Participant's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without PECO's express prior written consent. For all other other references to PECO not requiring PECO's prior consent, the references must be factual and cannot infer an endorsement by or affiliation with PECO
- 8.9 Disclaimer. PECO makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of PECO during the RFP process. Each Participant is responsible for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause PECO to incur

any liability (whether contractual, financial or otherwise) to any Participant participating in the RFP process. By submitting an Application, Participant releases PECO, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this RFP and agrees to indemnify PECO, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these RFP rules by Participant.

- 8.10 Not an Offer. This RFP is issued to elicit responses to PECO's inquiry and is not an offer. The issuance of the RFP and the submission of Participant's information do not create any obligation upon PECO, and PECO reserves the right to accept or reject any or all proposals received. PECO also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more Participants. No contract or other binding obligation on PECO will be implied unless and until an agreement has been executed on terms and conditions acceptable to PECO. PECO also reserves the right to not execute agreements with any or all Participants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 8.11 Non-conforming Applications and Proposals. PECO reserves the right to reject any Application or Proposal at any time on the grounds that it does not conform to the terms and conditions of this RFP or the Participant has not complied with the provisions of this RFP.

## EXHIBIT 1 - FORM OF PARTICIPANT APPLICATION

Name of Participant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<p style="text-align: center;"><b><u>INSTRUCTIONS</u></b></p> <p><b>Two signed originals of Attachment A (Participant Agreement) must be attached to Participant's original Application, with a copy attached to each of the three required additional copies. All terms used herein have the meaning set forth in PECO's Opt-In Competitive Offer Program Request for Proposals and Program Rules.</b></p>			
<p>As an officer or other authorized representative of the Participant, I certify that: (a) the Participant is certified to serve load in the PECO territory at the time by the Participant Applications Due Date; (b) the Participant agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines, and no Program charges may be separately billed; (c) the Participant certifies that it has the financial resources to make a bonus payment equal to \$50.00 to each customer who enrolls with them and who remain with the Program for four complete billing cycles; and (d) the Participant certifies that it has the capability to provide customers with three ways to accept its offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.</p> <p style="text-align: center;"><b><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></b></p>			
I am an officer or other authorized representative of the Participant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the RFP.			
Signature:		Date:	
Name:		Title:	

## EXHIBIT 1 - ATTACHMENT A - FORM OF OPT-IN SUPPLIER AGREEMENT

### AGREEMENT

This Agreement ("Agreement") is made as of March 22, 2013 (the "Effective Date"), by and between *[Opt-In Supplier]* and PECO Energy Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("PECO") (each a "Party", and collectively "the Parties").

**1. Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Electric Generation Supplier Opt-In Competitive Offer Program Request for Proposals and Program Rules issued by PECO on January 18, 2013 (the "Program") and PECO's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

**2. Term.** This Agreement shall commence on the Effective Date and shall remain in effect through the Opt-In Service Period (the "Term") unless terminated as provided in this Agreement.

**3. Opt-In Enrollment Offer.** In accordance with the Program, PECO shall mail a standardized offer letter for electric generation service to the Eligible Customers allocated to the Opt-In Supplier.

**4. Fixed Price to Customers.** In accordance with the Program, the Opt-In Supplier shall provide fixed-price Competitive Energy Supply for a twelve-month period to each customer that accepts its offer under the Program (an "Opt-In Supplier Customer"). The initial four months of the fixed-price product must be five percent (5%) lower than the applicable June 2013 PECO PTC.

**5. Bonus Payment.** In accordance with the Program, the Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the Program for four complete billing cycles at the Opt-In Supplier's sole expense. PECO will have no obligation whatsoever with respect to the bonus payment due to any customers, which shall be the sole responsibility of the Opt-In Supplier.

**6. Terms and Conditions.** During the Term, the Opt-In Supplier agrees that: (a) all Opt-In Supplier billing for each Opt-In Supplier Customer shall be Consolidated EDC Billing; (b) each Opt-In Supplier Customer shall have the option to return to PECO default service or to switch to another EGS, or to the Opt-In Supplier under a different Opt-In Supplier offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Opt-In Supplier Customers for non-payment of EGS charges under the terms of PECO's approved Purchase of Receivables program in the Supplier Tariff; (d) except as otherwise permitted in the Supplier Tariff, in no event may an Opt-In Supplier discontinue service to an Opt-In Supplier Customer before the end of the Opt-In Service Period; (e) the Opt-In Supplier shall provide notice to the Opt-In Supplier Customer prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations or Policy Statements; and (f) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

**7. Representations and Warranties of Opt-In Supplier.** The Opt-In Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) it is certified to serve load in the PECO territory at the time of Participant Applications Due Date; and (b) any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines.

**8. Termination.** This Agreement may be terminated by PECO upon written notice of a material breach of this Agreement by the Opt-In Supplier.

**9. Payment of Program Costs.** All estimated costs of this RFP incurred by PECO, including the service of the Statistical Expert, and all incremental costs of developing, printing, and mailing the offer package will be used to develop a "Not-to-Exceed Cost per Allocated Customer." Each Opt-In Supplier shall be responsible for the product of : (1) the Not-to-Exceed Cost per Allocated Customer or actual cost per Allocated Customer (whichever is smaller); and (2) the number of Eligible Customers allocated to that Opt-In Supplier. PECO shall invoice each Opt-In Supplier within thirty days of the Opt-In Supplier receipt of its allocated customer list, with the amount due payable within thirty days of the date of the invoice. If an Opt-In Supplier fails to make the required payment, PECO may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier's next Purchase of Receivables payment by the Opt-In Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

**10. Limitations.** Notwithstanding any provision of this Agreement or the Program, the Opt-In Supplier acknowledges that (a) the Opt-In Supplier has obtained certain benefits from participating in the Program, but that PECO has made no representation regarding the number of customers (if any) the Opt-In Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) PECO has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Opt-In Supplier in the event that the Opt-In Supplier no longer serves that customer for any reason; and (c) the Opt-In Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from PECO of any kind whatsoever arising from or relating to this Agreement or the Program.

**11. Indemnification.** The Opt-In Supplier shall indemnify, save and hold PECO harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Opt-In Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

**12. Other Provisions.** This Agreement represents the entire agreement between PECO and Opt-In Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. Each Party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order. Neither Party may assign this Agreement without consent of the other Party, not to be unreasonably withheld. All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other Party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Opt-In Supplier and PECO, and no third party shall have the right to enforce the provisions of this Agreement, except that the PA PUC may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or PA PUC regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between PECO and the Opt-In Supplier, and neither Party shall have the power to bind or obligate the other Party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either Party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the event of any conflict between this Agreement, the Program, and the Supplier Tariff,

this Agreement shall be controlling.

**PECO ENERGY COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PECO Energy Company

ATTN:

2301 Market Street

Philadelphia, PA

Phone:

Fax:

E-mail: \_\_\_\_@peco-energy.com

**[OPT-IN SUPPLIER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[Company name]

[Address]

Phone:

Fax:

E-mail:

**EXHIBIT 2  
PROPOSAL FORM**

*(not to be submitted with Participant Application)*

Legal Name of Participant:

**RESIDENTIAL CUSTOMER PROGRAM:**

Fixed Price for initial four monthly billing cycle periods: (xx.xx cents/kwh): (amount to be specified and equal to 0.95 x the June 2013 PECO PTC)

Desired Number of Allocated Eligible Customers (CHECK ONE):

- ☐ We do not wish to participate in the Residential Customer Program
- ☐ No Maximum
- ☐ Maximum of \_\_\_\_\_ Eligible Customers (specify maximum)

**SMALL COMMERCIAL CUSTOMER PROGRAM (with annual peak loads less than 25 kW):**

Fixed Price for initial four monthly billing cycle periods (cents/kwh): xx.xx (different prices for different rates will be specified equal to the June 2013 PECO PTC for each small commercial customer rate class)

Desired Number of Allocated Eligible Customers (CHECK ONE):

- ☐ We do not wish to participate in the Small Commercial Customer Program
- ☐ No Maximum
- ☐ Maximum of \_\_\_\_\_ Eligible Customers (specify maximum)

I hereby certify that I am an officer or other authorized representative of the Participant named above and submit this Proposal on behalf of the Participant. By submitting this Proposal, Participant acknowledges and accepts all terms of PECO's Request for Proposal dated \_\_\_\_\_.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



***PECO Energy Company***  
***Electric Generation Supplier***  
***Opt-In Competitive Offer Program***  
***Request for Proposals and Program Rules***

***[\_\_\_\_\_]January xx, 2013***

## ARTICLE 1 INTRODUCTION

- 1.1 In this Request for Proposals (“RFP”), PECO Energy Company (“PECO” or the “Company”) is soliciting proposals by electric generation suppliers (“EGSs”) to provide competitive retail offers to one hundred percent (100%) of its non-shopping default service residential customers, exclusive of Customer Assistance Program (“CAP”) customers and to one hundred percent (100%) of its non-shopping default service small commercial customers with annual peak loads less than 25 kW (“Eligible Customers”). Participating EGSs in this program (the “Opt-In Competitive Offer Program” or “Program”) will ~~[submit bids to]~~ provide twelve-month fixed-price electric generation service offers ~~[to residential customers for a six-month period]~~ (a four-month introductory price, followed by an eight-month price) to Eligible Customers beginning on or after June 1, ~~[2013-]~~ 2013 (the “Opt-In Service Period”). This document describes the process by which ~~[bidders]~~ EGSs may qualify ~~[and submit bids and]~~ to participate in the Program, the rules with which ~~[winning bidders]~~ participating suppliers (the “Opt-In Suppliers”) must comply, the process for allocation of ~~[default service residential customer]~~ Eligible Customer accounts to Opt-In Suppliers for offer mailings, and the standard terms and conditions for Opt-In Supplier offers to customers under this Program. In addition, although marketing, notifications, and consumer education efforts for this Program will be targeted to ~~[non-shopping residential default service customers]~~ Eligible Customers, Opt-In Suppliers must extend offers to residential and small commercial (less than 25 kW) shopping customers, upon a customer’s request, under the same terms and conditions.
- 1.2 PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Philadelphia, Pennsylvania. PECO is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 1.6 million retail customers in Southeastern Pennsylvania. PECO is also the default service provider in its service territory, and currently provides electric generation service to approximately [\_\_\_\_\_] residential customers and approximately [\_\_\_\_\_] small commercial customers with annual peak loads less than 25 kW.
- 1.3 PECO is implementing this RFP in two stages. ~~[Bidders]~~ RFP Participants (“Participant”) must first qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications, as described in detail in Section 3.2. These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission (“the ~~[Commission]~~ PA PUC”) and the ability to comply with provisions of PECO’s Electric Generation Supplier Tariff (“Supplier Tariff”). As part of the qualifying process, a ~~[bidder]~~ Participant will be required execute a ~~[Bidder]~~ Participant Agreement in which the ~~[bidder]~~ Participant agrees to various requirements, including payment of a pro rata portion of the costs of this RFP in the event the ~~[bidder]~~ Participant becomes an Opt-In Supplier.

1.4 Following qualification, ~~[bidders]~~**Participants** may submit a ~~[bid-]~~proposal (“~~[Bid-]~~Proposal”) which consists of two components: (1) ~~[a fixed price, in cents per kilowatt-hour, which the bidder is prepared to offer residential customers for six monthly billing cycle periods (the “Opt-In Service Period”); and (2) the number of tranches of residential]~~**the maximum number, if any, of residential customers to which the Participant is prepared to offer its fixed price product; and (2) the maximum number, if any, of small commercial** customers to which the ~~[bidder]~~**Participant** is prepared to offer its fixed price~~[-with a minimum quantity of one tranche, where one tranche is equal to 5% of Eligible Customers and a maximum quantity of ten tranches, or fifty percent (50%) of the number of Eligible Customers. The]~~**product. The initial four months of the fixed-price product** offered by a ~~[bidder]~~**Participant** must be ~~[at least]~~ five percent (5%) lower than ~~the~~ PECO’s applicable price-to-compare for the quarterly period beginning on June 1, 2013 (the “June 2013 PECO PTC”) ~~[. In order to determine which EGSs are successful bidders, the bids will be tabulated in ascending order, with the price associated with the bid that results in the cumulative number of potential customers equaling or exceeding the number of Eligible Customers establishing a final price for Eligible Customers (the “Clearing Price”). Upon approval of the results by the Commission, each winning bidder who offered the Clearing Price (or a lower price) will be an Opt-In Supplier and allocated a portion of the Eligible Customers corresponding to its winning bid].~~

**1.5 Residential Eligible Customers will be allocated to Opt-In Suppliers on a random basis with the assistance of an independent statistical consultant. If any Opt-In Supplier’s initial allocation is greater than the maximum specified in its Proposal, the excess Eligible Customers will be allocated to the remaining Opt-In Suppliers whose maximums have not been reached or who did not specify a maximum. This process will be repeated until all residential Eligible Customers are assigned. If all Opt-In Suppliers specify maximums which are met and Eligible Customers have not yet been allocated, those Eligible Customers will not receive an offer. This same allocation process will be used for Eligible Customers that are small commercial customers (less than 25kW).**

1.6 PECO will mail, at the Opt-In Supplier’s expense, a standardized offer letter **and prepaid return envelope** to the allocated ~~[customers]~~**Eligible Customers** for each Opt-In Supplier. If a customer wishes to accept the offer **and become an Opt-In Supplier Customer**, the customer will be required to contact the Opt-In Supplier and the Opt-In Supplier will then submit a switching request in accordance with the Supplier Tariff.

1.7 The ~~[Pennsylvania Public Utility Commission (“PA PUC”)]~~ has approved the procedures and rules described in this RFP by order dated \_\_\_\_\_, 2012, in Pa. PUC Docket No. P-2012-\_\_\_\_\_. The RFP process will be managed by PECO~~[-with the qualification of bidders and opening and ranking of bids monitored by [company name] (the “RFP Monitor”).~~ **Potential bidders]. Potential Participants** are strongly urged to review this RFP and to consult with counsel with respect to requirements and obligations under this RFP and the ~~[Bidder]~~**Participant Agreement**.

1.8 This RFP includes the following attached documents:

- Exhibit 1: ~~[Bidder]~~**Participant** Application (including ~~[Bidder]~~**Participant** Agreement)
- Exhibit 2: ~~[Bid]~~ Proposal Form

## ARTICLE 2

### SCHEDULE AND ~~[BIDDER]~~**PARTICIPANT** INFORMATION

- 2.1 **RFP Schedule.** The following table sets forth significant dates (the “Program Schedule”) for the Competitive Offer Program. The time for each deadline on each specified date is 5:00 pm Eastern Prevailing Time (EPT). PECO reserves the right to modify these dates at its discretion.

RFP Overview and Pre- <del>[Bid]</del> <b>Proposal</b> Technical Conference	January 18, 2013
<b>Participant Inquiries Deadline</b>	<b>TBD</b>
<del>[Bidder]</del> <b>Participant</b> Applications Due Date	February 6, 2013
Notification of <del>[Bidder]</del> <b>Participant</b> Qualification	February 11, 2013
Notification to Qualified <del>[Bidders]</del> <b>Participants</b> of Number of Eligible Customers <u>(by rate class and rate)</u>	February 19, 2013
Publication of Price-to-Compare beginning June 1, 2013 <u>and notification of “Not-to-Exceed” Cost per Allocated Customer</u>	March 14, 2013
<del>[Bid]</del> Proposal Due Date	March <del>[18,]</del> <b>19</b> , 2013
Notification of <del>[Winning Bidders]</del> <b>Final Participants and number of customer accounts assigned (by rate class and rate).</b>	March <del>[22,]</del> <b>20</b> , 2013
PECO Sends Offer Letters to Customers	April 1-15, 2013
Customer Opt-In Period	30 days
Deadline for Opt-In Supplier Submission of Customer Enrollments to PECO	May <del>[15,]</del> <b>20</b> , 2013
Commencement of Supply by Opt-In Suppliers	Beginning June 1, 2013
Report by Opt-In Suppliers and PECO on Results of the Program	<del>[July]</del> <b>August</b> 1, 2013
<u>Each Opt-In Supplier must file the terms and conditions of its eight-month product offering with the PA PUC for review and approval</u>	<u>At least 45 days before offer for the eight-month product is extended to Opt-In Customers.</u>
<u>Each Opt-In Supplier must provide the eight-month product offering and associated notices to Opt-In Customers.</u>	<u>In accordance with PUC regulations.</u>
<u>Opt-In Suppliers mail \$50 bonus checks to all Opt-In Customers who have been participating in the Opt-In Program for four billing cycles</u>	<u>After customers qualify and in time for customers to receive bonus check before the end of the customer’s fifth billing cycle.</u>

- 2.2 RFP Overview and Technical Conference. On January 18, 2013, at \_\_\_\_ p.m. EPT, PECO will conduct a web conference to outline the ~~[-Competitive Offer]~~ Program, including the RFP process. ~~[Potential bidders]~~ **PECO will notify all registered EGSs of the Participant conference by EGS bulletin and by email to the PA PUC/OCMO email distribution list. Potential Participants** are urged to review this RFP, including exhibits, prior to the teleconference. PECO will answer questions raised at this teleconference to the extent possible. Any party wishing to participate in this web conference must send an e-mail to \_\_\_\_\_@peco-energy.com with the subject line "Opt-In Competitive Offer Program" PECO will provide participation information for the web conference by return e-mail.
- 2.3 ~~[Bidder]~~ **Participant** Inquiries. On or before the ~~[Bidder]~~ **Participant** Inquiries Deadline, ~~[bidders]~~ **Participants** may submit questions to PECO via electronic mail (\_\_\_\_@peco-energy.com). To the extent possible, questions submitted prior to the RFP Overview Conference will be addressed by PECO at the web conference. Additional questions submitted and answered by PECO thereafter shall be posted with answers. The person or company submitting the question shall not be identified. While PECO will review and attempt to answer questions in good faith, PECO reserves the right not to answer any question. The RFP Overview Conference and this ~~[bidder]~~ **Participant** inquiry procedure are the exclusive methods for inquiring about this RFP, and questions submitted to individual PECO employees[, ~~or~~ the Company[, ~~or the RFP Monitor~~]] by other means will not be answered and may result in disqualification of the ~~[bidder]~~ **Participant**.
- 2.4 Informational Website and Updates. PECO has established a website – /www.peco.com/\_\_\_\_/ – for electronic copies of RFP materials, posting of questions and answers, and other updates on this RFP. The website also includes the standard offer letter and other materials that will be used with customers by Opt-In Suppliers. ~~[Bidders]~~ **Participants** are encouraged to review this website regularly. In its sole discretion, PECO will endeavor to provide e-mail notification of important website updates to qualified ~~[bidders]~~ **Participants**.

### ARTICLE 3

#### **[BIDDER] PARTICIPANT QUALIFICATION**

- 3.1 ~~[Bidder]~~ **Participant** Application. In order to submit a ~~[bid proposal]~~ **Proposal** in response to this RFP, a ~~[bidder]~~ **Participant** must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 2 (~~[Bidder]~~ **Participant** Application). All Applications shall be submitted by overnight delivery to the submission address specified in Section 8.2. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a ~~[Bidder]~~ **Participant** Application constitutes a ~~[bidder]~~ **Participant**'s agreement to and acceptance of all terms and conditions of this RFP. An electronic copy of the Applications may be provided initially via electronic email to \_\_\_\_\_@peco-energy.com to meet the ~~[bidder]~~ **Participant** application deadline as long as the required hard copies are received by 5:00 p.m. EPT the business day immediately following the application deadline day.

3.2 ~~[Bidder]~~**Participant** Qualifications. In order to qualify to submit a ~~[bid-proposal]~~**Proposal**, a ~~[bidder]~~**Participant** must demonstrate and document in the Application that it satisfies the following criteria (the “[~~Bidder~~]**Participant** Qualifications”):

- (a) The ~~[bidder is licensed to operate as an EGS in Pennsylvania;]~~**Participant is certified to serve load in the PECO territory at the time of the Participant Applications Due Date.**
- ~~[(b) The bidder is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements;]~~
- ~~[(c) The bidder is in compliance, and agrees to continue to comply, with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO’s Electric Service Tariff;]~~
- ~~[(d) The bidder does not have any past due outstanding supplier-related charges owed to PECO;]~~
- ~~[(e) The bidder has been certified by PECO to have the data exchange capabilities required for all applicable EDI/EDEWG transactions, or submits a plan with its proposal (acceptable to PECO in its sole discretion) demonstrating that the bidder will be certified in such EDI capabilities by June 1, 2013; and]~~
- ~~[(f) The bidder agrees to comply with the following operational requirements:]~~
  - ~~[(i) Maintenance of the ability to cancel supplier charges via the 810-Bill Purpose Codes 17 and 18 as described in the EDEWG-Implementation Guidelines for Electronic Data Interchange, and]~~
  - ~~[(ii) Maintenance of the ability to submit ‘rate level’ 810-EDI transactions. For customers with two rates on the same account, the supplier will be required to submit separate billing charges for each rate.]~~
- (b) The ~~[bidder]~~**Participant** agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group “Final Bill” implementation guidelines. No Program charges may be separately billed.
- (c) The ~~[bidder agrees to comply with any increased bonding requirements imposed by the PA-PUC during the Opt-In Service Period;]~~
- ~~[(i) The bidder]~~**Participant** certifies that it has the financial resources to make a bonus payment under the offer of \$50.00 to all customers who enroll with them and who remain with the ~~[program]~~**Program** for ~~[three]~~**four** complete billing cycles.

- (d) The ~~[bidder]~~**Participant** certifies that it has the capability to provide customers with three ways to accept ~~[their]~~**its** offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website provided by the Opt-In Supplier.

- 3.3 [Bidder]Participant Agreement. Each ~~[bidder]~~**Participant** must also execute a [Bidder]Participant Agreement in the form included in the [Bidder]Participant Application. In the event the ~~[bidder]~~**Participant** does not become an Opt-In Supplier, the [Bidder]Participant Agreement will be returned to the ~~[bidder]~~**Participant** unexecuted by PECO.
- 3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any ~~[bidder]~~**Participant** for evaluation of an Application. Information submitted by a ~~[bidder]~~**Participant** absent a request by PECO which is not in the nature of a correction or clarification to the Application will not be considered by PECO. If any information in an Application is no longer true, [Bidder]Participant shall immediately notify PECO of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the ~~[bidder]~~**Participant** and rejection of any ~~[Bid-]~~Proposal. PECO shall have no duty to inform any ~~[bidder]~~**Participant** of any deficiency in its Application.
- 3.5 Application Evaluation and Notification of Applicants. PECO~~[-in its sole discretion,]~~ will evaluate each Application using a standard protocol for its completeness and satisfaction of the [Bidder]Participant Qualifications~~[-The RFP Monitor will oversee this evaluation]~~. PECO will provide each ~~[bidder]~~**Participant** with notice of its satisfaction or failure to satisfy the [Bidder]Participant Qualifications by the date for Notification of [Bidder]Participant Qualification set forth in Section ~~[2.3]~~**2.1** hereof. ~~[Qualified bidders will be provided with a unique bidder number for use in this RFP.]~~
- 3.6 PECO Affiliates. Affiliates of PECO are permitted to submit Applications and to participate in this RFP to the same extent as any other entity.

#### ARTICLE 4

##### [BID]PROCEDURE [AND BID]FOR SUBMISSION OF PROPOSALS

- 4.1 Notification of Number of Eligible Customers~~[-and]~~, Price-to-Compare~~[-]~~, and “Not-to-Exceed” Cost per Allocated Customer. In accordance with the Program Schedule, PECO will provide qualified ~~[bidders with]~~**Participants with the following information: (1)** the total number of Eligible Customers (by rate class and rate); (2) the ~~[June 2013 PECO PTC in accordance with the Program Schedule.]~~**applicable June 2013 PECO PTCs; and (3) a “Not-to-Exceed” Cost per Allocated Customer. Qualified Participants will not be required to submit Proposals until this information has been provided. The “Not-to-Exceed” cost or actual cost (whichever is lower) will be the cost used to invoice Opt-In Suppliers to recover the cost of the Program.**

- 4.2 Submission of ~~[Bid]~~ Proposals. As described in the Introduction, a ~~[Bid]~~ Proposal consists ~~[of a fixed price in cents per kilowatt hour and a number of tranches the bidder]~~ **of two components: (1) the maximum number, if any, of residential customers to which the Participant is prepared to offer its fixed-price product; and (2) the maximum number, if any, of small commercial customers to which the Participant is prepared to [serve during the Opt-In Service Period at that]offer its fixed[ price. Bidders must bid a whole number of tranches up to a maximum of 10 tranches. Only bidders]-price product. The initial four months of the fixed-price product offered by a Participant must be five percent (5%) lower than the applicable June 2013 PECO PTC. Only Participants** who submit an Application and receive notice of qualification as provided in Article 3 will be permitted to submit a ~~[Bid]~~ Proposal. PECO will provide ~~[Bid]~~ Proposal forms to qualified ~~[bidders]~~**Participants** substantially in the form of Exhibit 2. A ~~[bidder]~~**Participant** must submit an original and two copies of its ~~[Bid]~~ Proposal to the address specified on the ~~[Bid]~~ Proposal form provided by PECO no later than the ~~[Bid]~~ Proposal Due Date. Each ~~[Bid]~~ Proposal shall be submitted in a sealed envelope clearly marked “~~[BID]~~**OPT-IN OFFER PROPOSAL**,” ~~[with bidder’s previously assigned bid number on the outside of the sealed envelope.]~~
- 4.3 ~~[Bid]~~ Price. The price in all ~~[Bid]~~ Proposals must be a fixed price in cents per kilowatt-hour, which is ~~[at least]~~ five percent (5%) lower than the June 2013 PECO PTC. The ~~[bid]~~ price is the price at which the supplier must be ready and willing to serve a residential **or small commercial** customer for ~~[six]~~**four** monthly billing periods under the standard terms and conditions of the Program beginning on a customer’s next meter read date on or after June 1, 2013.
- 4.4 ~~[Minimum and Maximum Bid Quantities.~~ ~~Eligible Customers will be divided into twenty tranches, each equal to five percent (5%) of Eligible Customers. Bidders must bid to serve a minimum of one tranche, or 5% of Eligible Customers, and may not bid to serve more than ten tranches, or fifty percent (50%) of the Eligible Customers. Any bid greater than the permitted maximum bid will be deemed to be equal to the permitted maximum bid.]Reserved.~~
- 4.5 ~~[Multiple Bids.~~ ~~A bidder may submit up to five bids at different prices, all of which may be accepted by PECO. The total number of Eligible Customers in multiple bids may not exceed the maximum bid quantity. In the event a bidder submits multiple bids cumulatively totaling a number more than the number of Eligible Customers, the bid(s) with the highest price will be disqualified until the remaining bids are within the number of Eligible Customers.]Reserved.~~
- 4.6 Other Limitations. ~~[Bid]~~ Proposals that are incomplete, unsigned, or otherwise do not conform to the form of the ~~[Bid]~~ Proposal shall be rejected by PECO. No ~~[Bid]~~ Proposal may be conditioned on any other ~~[Bid]~~ Proposal. Any bid that is contingent in any way shall be rejected as non-conforming. Each ~~[bidder]~~**Participant** must act independently and without knowledge of other bids, and PECO may reject any ~~[Bid]~~ Proposal which it determines, in its sole discretion, is submitted by a ~~[bidder]~~**Participant** in violation of these limitations or in coordination or in concert with any other ~~[bidder]~~**Participant**. **Nothing in this RFP shall restrict a Participant from seeking relief from the PA PUC**

in the event that the Participant believes that PECO has not acted in accordance with the terms of this RFP.

## ARTICLE 5 EVALUATION OF ~~[BID]~~ PROPOSALS

- 5.1 ~~Evaluation of [Bid Proposals]. All Bid Proposals will be opened by the RFP Monitor, who will rank proposals from the lowest price to the highest price and record the cumulative number of Eligible Customers bid for each bid price. The price offered under the bid, or bids, whose quantity of Eligible Customers result in the cumulative tally equaling or exceeding the number of Eligible Customers will determine a common Clearing Price for offers. A bidder who offers the Clearing Price (or a lower price) will be a successful bidder (an Opt-In Supplier). If necessary, the bid quantity of bidders which bid at the clearing price will be equally reduced so that the total number customers to receive offers from winning bidders will be equal to the number of Eligible Customers.~~ **Proposals. PECO will evaluate Proposals to ensure consistency with these RFP rules. All compliant Proposals will be accepted. Once a Proposal is accepted, the qualified Participant becomes an Opt-In Supplier.**
- 5.2 ~~Selection of Successful [Bidders and PA PUC Approval]~~ **Participants.** Upon completion of the evaluation of ~~[Bid]~~ Proposals, the ~~[RFP Monitor]~~ **PECO** shall prepare a report of the RFP results~~[in consultation with, and on behalf of PECO]~~, summarizing the ~~[bidder]~~ **Participant** qualification process and the ~~[Bid]~~ Proposals and identifying the successful and unsuccessful ~~[bidders]~~ **Participants (if any)**, along with successful and unsuccessful ~~[Bid Proposals]~~. The PA PUC will have three business days to review and approve, or disapprove results. **Proposals (if any). PECO will notify Participants of their individual results and will provide the RFP report to the PA PUC, the OSBA, and the OCA, on a confidential basis, for their information.**
- ~~[5.3 Release of Winning Bid Price Information. Upon approval of any results by the PA PUC, PECO will inform all bidders of the total number of bidders, the names of the winning bidders, the number of customers to be allocated to each bidder, and the applicable clearing price. The names and other information of the non-winning bidders will not be reported.]~~

## ARTICLE 6 CUSTOMER ALLOCATION AND CUSTOMER OFFERS

- 6.1 **Allocation Methodology.** Eligible ~~[Customers will be randomly allocated to Opt-In Suppliers in accordance with the number of customers contained in their respective winning bids, as may be adjusted as provided in this RFP. Customers]~~ **Customer accounts** shall be selected for allocation to Opt-In Suppliers **as described in Section 1.5** pursuant to a random selection process employed by a neutral independent third party who has expertise in the use of established statistical procedures for random selection (the "Statistical Expert"). Prior to such selection, Opt-In Suppliers shall be entitled to review the random selection and allocation methodology and procedure with the Statistical Expert and PECO.

- 6.2 Provision of Customer Accounts. Not later than two (2) business days following the selection and allocation of Eligible ~~[Customers]~~Customer accounts by the Statistical Expert, PECO shall provide each Opt-In Supplier a list of customer accounts with account information (including account number, ~~rate class,~~ and rate~~[-class]~~) for the ~~[customers]~~customer accounts selected by the Statistical Expert for offers from that supplier.
- 6.3 Offer Process. All Opt-In Suppliers shall provide offers to their allocated customers in the following manner:
- 6.3.1 At the sole expense of the Opt-In Supplier, determined based on the lesser of the “Not-to-Exceed” cost or actual cost and the number of allocated customers, PECO shall mail all of an Opt-In Supplier’s allocated customers an offer package which includes an offer letter with the ~~[Clearing Price]~~4-month fixed price which is 5% lower than the June 2013 PECO PTC, a description of the Program terms and conditions for the ~~[six-month offer]~~4-month offer, an explanation that the Opt-In Supplier will provide a fixed-price offer for the subsequent 8 month period in advance of the end of the 4-month period, and the procedure by which the customer can accept the initial 4-month offer. This procedure shall include three ways to accept the 4-month offer: 1) a response post card, included in the offer mailing, and pre-populated with as much customer information as possible; 2) a toll-free phone number provided by the Opt-In Supplier; and 3) a website provided by the Opt-In Supplier. The offer shall be valid until the end of the Customer Opt-In Period specified in the Program Schedule. The Opt-In Supplier shall provide PECO with the following information, within three business days of being notified as a ~~[winning-bidder]~~final Participant: mailing address for the response post card; toll-free phone number for enrollments under the ~~[program]~~Program; and website address for enrollments under the ~~[program]~~Program. The offer package will instruct the customer to contact the Opt-In Supplier for more information and to enroll in the ~~[program]~~Program, and will not include a PECO phone number. Offer packages will provide information about the customer participation cap. The PA PUC staff, OCA, OSBA, and EGSs will have the opportunity to review a draft of the Offer Package template. PECO will make a good faith effort to resolve all feedback and will provide a final version by February 19, 2013.
- 6.3.2 The offer packages will be mailed by PECO at a rate of approximately 50,000 mailings per day in accordance with a schedule provided by PECO based on the number of Opt-In Suppliers~~[-and],~~ the number of total offers and the billing cycles of the Eligible Customers.
- 6.3.3 As described in Section 6.3.1, customers will be able to accept an Opt-In Supplier offer by either mailing the enrollment post card to the Opt-In Supplier, or by calling the Opt-In Supplier, or by submitting information electronically on the Opt-In Supplier’s website. Contact information for PECO will not be included in the offer package; however, PECO will process any timely “Opt-In” requests it

receives from default service customers by notifying the Opt-In Supplier of the customer's decision to ~~[Opt-In]~~ **participate in the Program.**

- 6.3.4 Offers are open to ~~[both residential]~~ default service ~~[and]~~ residential **and small commercial customers and** shopping **residential and small commercial** customers. If PECO receives a request to enroll by a shopping customer who becomes aware of the offer, PECO will notify the Opt-In Supplier of the customer's request. PECO will enable the customer to select from participating Opt-In Suppliers if the customer does not specify a particular Opt-In Supplier during the inquiry.
- 6.3.5 The Program will cap customer participation at 50% of Eligible Customers **in a particular rate class** as follows. Each Opt-In Supplier may enroll a number of customers up to 50% of the number of customers allocated to the Opt-In Supplier **in a particular rate class** under the Program. Opt-In Suppliers shall be solely responsible for administering this requirement.
- 6.4 EDI Enrollment. Opt-In Suppliers must submit the EDI enrollment transactions for the customers who have accepted the supplier's offer to PECO on or before sixteen (16) days prior to **the** respective customer's meter read date to ensure that the customer's switch is effective as of that date.
- 6.5 Reporting to PA PUC. In order for PECO to comply with its reporting obligations to the **PA PUC** (which includes providing a confidential copy to the Office of Consumer **Advocate and the Office of Small Business** Advocate) and in accordance with the Program Schedule, each Opt-In Supplier shall prepare and submit a confidential report to PECO, ~~[listing the customer accounts sent offer packages, the customer accounts that enrolled with the Opt-In Supplier, and statistics on the form of offer acceptance (i.e. post card, website or phone call)]~~ **with the following Program Statistics.** Any tracking of enrolled accounts after allocation will be the sole responsibility of Opt-In Suppliers ~~[— Upon PECO's request, each Opt-In Supplier shall prepare and submit an updated confidential report to PECO within thirty days of the conclusion of the Program.]~~
- 6.5.1 Number of customer accounts sent offer packages (by Rate); Number of customer accounts that accepted the offer (by Rate); Form of acceptance (by Rate) (i.e. % Post Card, % Website; and % Phone, totaling 100%).**
- 6.5.2 Upon PECO's request, each Opt-In Supplier shall prepare and submit this confidential report to PECO within thirty days of the conclusion of the Program.**

## ARTICLE 7 OPT-IN SUPPLIER STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Opt-In Suppliers:

- 7.1 All Opt-In Supplier billing for customers who accept offers under the Program shall be Consolidated EDC Billing.
- 7.2 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 7.3 The Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the ~~[program]~~**Program** for ~~[three]~~**four** complete billing cycles as a condition for receiving the bonus.
- 7.4 The bonus shall be in the form of a check to the customer name on the account, and mailed to the billing address for the account.
- 7.5 All bonus checks shall be mailed ~~[within five business days]~~**shortly** after the customer completes ~~[three]~~**four** complete billing cycles on the program, **and such that the customer receives the check before the end of the subsequent billing cycle.**
- 7.6 The Opt-In Supplier may not impose any additional requirements on the customer as a condition of receiving the bonus payment.
- 7.7 The Opt-In Supplier shall track the following information related to the payment of bonus checks and shall provide this information to ~~[Commission]~~**PA PUC** Staff and/or the Office of Consumer **Advocate and/or the Office of Small Business** Advocate, on a confidential basis, upon request: **Customer Name; Address; Account Number; Date that the customer qualified to receive the bonus check; Date the bonus check was mailed; and an indicator of whether the bonus check was cashed.**
- ~~[7.7.1 Customer Name; Address; Account Number; Date that the customer qualified to receive the bonus check; Date the bonus check was mailed; and an indicator of whether the bonus check was cashed.—]~~
- 7.8 Within ~~[three]~~**ten** business days of satisfying all of its bonus payment obligations under the Program, the Opt-In Supplier shall provide written notice **(by email)** of such satisfaction to ~~[PECO at ]~~~~[\_\_\_\_\_@peco-energy.com]~~~~[-]~~**the PA PUC Staff, the OCA (for residential customers) and the OSBA (for small commercial customers).**
- 7.9 Any offers made by a customer's Opt-In Supplier to the customer to switch to another product before the completion of the ~~[three]~~**four** billing cycles required to qualify for the bonus check shall include clear language explaining the risk of forfeiting the bonus.

- 7.10 The Opt-In Supplier shall have sole responsibility to make bonus payments. PECO has no liability to the customer for bonus payments if the Opt-In Supplier defaults on its obligation.
- 7.11 Only PECO shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. ~~[In]~~**Except as otherwise permitted in the Supplier Tariff, in** no event may an Opt-In Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Opt-In Service Period.
- 7.12 **Each Opt-In Supplier must offer an eight-month fixed price product, with terms and conditions, for the eight months immediately following the initial 4-month 5% discount period. Such offers and associated notices of any renewal and/or price change shall be as required under PA PUC regulations and orders.**
- 7.13 **Each Opt-In Supplier must file the terms and conditions of its eight-month product offering with the PA PUC at least forty-five days before the offers for the eight-month fixed price product are extended to customers. An EGS that elects to participate in the Opt-In Program may submit its filing in advance of that deadline (including the submission of its filing before its initial customer offer letter is mailed), but will not be required to do so.**
- 7.14 All Opt-In Suppliers must provide notice prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under~~[the Supplier Tariff and/or]~~ PA PUC regulations and orders.
- 7.15 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

## ARTICLE 8 ADDITIONAL PROGRAM PROVISIONS

- 8.1 **RFP Costs. All estimated costs of this RFP incurred by PECO, including the service of the**~~[RFP Monitor and]~~ Statistical Expert, and all incremental costs of developing, printing, and mailing the offer package **(including return postage)** will be ~~[prorated and charged to Opt-In Suppliers in proportion to]~~ **used to develop a “Not-to-Exceed Cost per Allocated Customer.” Each Opt-In Supplier shall be responsible for the product of : (1) the Not-to-Exceed Cost per Allocated Customer or actual cost per allocated customer (whichever is smaller); and (2) the number of Eligible Customers allocated to**~~[the supplier]~~**that Opt-In Supplier.** PECO shall invoice each Opt-In Supplier within thirty days of the Opt-In Supplier receipt of its allocated customer list, with the amount due payable within thirty days of the date of the invoice. **If an Opt-In Supplier fails to make the required payment, PECO may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier’s next Purchase of Receivable**

**payment by the Opt-In Program amount due (but not from that amounts are subject to a bona fide POR payment dispute).**

- 8.2 Address for submissions. All submissions to PECO, unless otherwise communicated at the ~~[Bider]~~**Participant** Conference and subsequently posted to the \_\_\_\_\_ website, for this RFP shall be delivered via overnight delivery to the following address:

PECO Competitive Opt-In Supplier Program  
c/o [Name],  
PECO Energy Company  
S14-2  
2301 Market Street  
Philadelphia, PA 19103

~~[Bidder]~~**Participant** is solely responsible for the timely delivery of any submission for this RFP. Applications and other materials received after the applicable date specified in this RFP shall be accepted only in PECO's sole discretion; however, any~~[-Bid]~~ Proposal submitted after the date and time specified will be returned unopened and without consideration. Electronic emails of materials other than~~[-Bid]~~ Proposals (which may not be sent electronically) shall be sent to: \_\_\_\_\_@peco-energy.com.

- 8.3 No Unauthorized Modifications. No interpretation or change to this RFP shall be valid unless it is signed by a duly authorized representative designated by an Officer of PECO.
- 8.4 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.
- 8.5 Presentation and Formatting. All information submitted by a ~~[bidder]~~**Participant** must be in the English language.
- 8.6 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any ~~[bidder]~~**Participant** in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.
- 8.7 Use of PECO Mark. PECO will have final approval regarding the use of any PECO mark and any other reference to PECO in the offer package and/or on the offer package envelope.
- 8.8 Publicity. ~~[Bidders are not permitted to announce or release any information regarding this RFP or PECO's evaluation process without PECO's prior written approval, which PECO may withhold approval in its sole discretion. Each bidder]~~**Each Participant** understands and agrees that PECO does not participate in, nor does it allow, ~~[bidders]~~**Participants** to utilize media releases of any kind to publicize ~~[bidder]~~**Participant's** business relationship with PECO. Each ~~[bidder]~~**Participant** shall not use any trade name, trademark, service mark or any other information which identifies PECO in such ~~[bidder]~~**Participant's** sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without PECO's express prior written consent. ~~[Successful bidders agree to cooperate with PECO in preparation of any press release announcing the results of this RFP.]~~**For all other other references to PECO not requiring PECO's prior consent, the references must be factual and cannot infer an endorsement by or affiliation with PECO**

- 8.9 Disclaimer. PECO makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of PECO during the RFP process. Each ~~[bidder]~~**Participant** is responsible for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause PECO to incur any liability (whether contractual, financial or otherwise) to any ~~[bidder]~~**Participant** participating in the RFP process. By submitting an Application, ~~[bidder]~~**Participant** releases PECO, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this RFP and agrees to indemnify PECO, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these RFP rules by ~~[bidder]~~**Participant.**
- 8.10 Not an Offer. This RFP is issued to elicit responses to PECO's inquiry and is not an offer. The issuance of the RFP and the submission of ~~[bidder]~~**Participant**'s information do not create any obligation upon PECO, and PECO reserves the right to accept or reject any or all proposals received. PECO also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more ~~[bidders]~~**Participants.** No contract or other binding obligation on PECO will be implied unless and until an agreement has been executed on terms and conditions acceptable to PECO. PECO also reserves the right to not execute agreements with any or all ~~[bidders]~~**Participants** should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 8.11 Non-conforming Applications and~~[-Bid]~~ Proposals. PECO reserves the right to reject any Application or ~~[Bid-]~~Proposal at any time on the grounds that it does not conform to the terms and conditions of this RFP or the ~~[bidder]~~**Participant** has not complied with the provisions of this RFP.

## EXHIBIT 1 - FORM OF [Bidder]Participant APPLICATION

Name of <b>[Bidder]Participant</b> <b>nt:</b>			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:

### INSTRUCTIONS

**Two signed originals of Attachment A ([Bidder]Participant Agreement) must be attached to [Bidder]Participant's original Application, with a copy attached to each of the three required additional copies. All terms used herein have the meaning set forth in PECO's Opt-In Competitive Offer Program Request for Proposals and Program Rules.**

[ ]As an officer or other authorized representative of the [Bidder]Participant, I certify that: (a) the [Bidder] is licensed to operate as an EGS in Pennsylvania; (b) the Bidder is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements; (c) the Bidder is in compliance, and agrees to continue to comply, with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO's Electric Service Tariff; (d) the Bidder does not have any past due outstanding supplier related charges owed to PECO; (e) the Bidder has been certified by PECO to have the data exchange capabilities required for all applicable EDI/EDEWG transactions, or submits the attached plan for PECO's consideration which demonstrates that the bidder will be certified in such EDI capabilities before submitting bids; (f) the Bidder will comply with the following operational requirements: (1) maintenance of the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and (2) maintenance of the ability to submit 'rate level' 810 EDI transactions; (g) the bidder Participant is certified to serve load in the PECO territory at the time by the Participant Applications Due Date; (b) the Participant agrees that any delayed charges must be billed pursuant to all applicable [EDEWG]Electronic Data Exchange Working Group "Final Bill" implementation guidelines, and no Program charges may be separately billed; (h) the Bidder will comply with any increased bonding requirements imposed by the PA PUC during the Opt In Service Period; and (i) the bidder c) the Participant certifies that it has the financial resources to make a bonus payment [under the offer of]equal to \$50.00 to [all customers]each customer who [enroll]enrolls with them and who remain with the [program]Program for [three]four complete billing cycles; and ([j]d) the [bidder]Participant certifies that it has the capability to provide customers with three ways to accept [their]its offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) [providing]through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) [providing]through a website provided by the Opt-In Supplier.

### SIGNATURE OF AUTHORIZED REPRESENTATIVE

I am an officer or other authorized representative of the [Bidder]Participant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes

acceptance and agreement to all terms of the RFP.	
Signature:	Date:
Name:	Title:

## EXHIBIT 1 - ATTACHMENT A - FORM OF OPT-IN SUPPLIER AGREEMENT

### AGREEMENT

This Agreement ("Agreement") is made as of March 22, 2013 (the "Effective Date"), by and between [*Opt-In Supplier*] and PECO Energy Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("PECO") (each a "Party", and collectively "the Parties").

**1. Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Electric Generation Supplier Opt-In Competitive Offer Program Request for Proposals and Program Rules issued by PECO on January 18, 2013 (the "Program") and PECO's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

**2. Term.** This Agreement shall commence on the Effective Date and shall remain in effect through the Opt-In Service Period (the "Term") unless terminated as provided in this Agreement.

**3. Opt-In Enrollment Offer.** In accordance with the Program, PECO shall mail a standardized offer letter for electric generation service to the Eligible Customers allocated to the Opt-In Supplier.

**4. Fixed Price to Customers.** In accordance with the Program, the Opt-In Supplier shall provide fixed-price Competitive Energy Supply for a twelve-month period to each customer that accepts its offer under the Program (an "Opt-In Supplier Customer") ~~[at the Clearing Price]~~. The initial four months of the fixed-price product must be five percent (5%) lower than the applicable June 2013 PECO PTC.

~~[4.]~~**5. Bonus Payment.** In accordance with the Program, the Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the ~~[program]~~**Program** for ~~[three]~~**four** complete billing cycles at the Opt-In Supplier's sole expense. PECO will have no obligation whatsoever with respect to the bonus payment due to any customers, which shall be the sole responsibility of the Opt-In Supplier.

~~[5.]~~**6. Terms and Conditions.** During the Term, the Opt-In Supplier agrees that: (a) all Opt-In Supplier billing for each Opt-In Supplier Customer shall be Consolidated EDC Billing; (b) each Opt-In Supplier ~~[customer]~~**Customer** shall have the option to return to PECO default service or to switch to another EGS, or to the Opt-In Supplier under a different Opt-In Supplier offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Opt-In Supplier Customers for non-payment of EGS charges under the terms of PECO's approved Purchase of Receivables program in the Supplier Tariff; (d) except as otherwise permitted in the Supplier Tariff, in no event may an Opt-In Supplier discontinue service to an Opt-In Supplier Customer before the end of the Opt-In Service Period; (e) the Opt-In Supplier shall provide notice to the Opt-In Supplier Customer prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations or Policy Statements; and (f) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

~~[6.]~~**7. Representations and Warranties of Opt-In Supplier.** The Opt-In Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) it is ~~[licensed to operate as an EGS in~~

Pennsylvania; (b) it is a member of PJM and meets all applicable PJM obligations for load-serving entities, including credit requirements; (c) it is in compliance with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO's Electric Service Tariff; (d) it has no past due outstanding supplier-related charges owed to PECO; (e) it has been certified by PECO to have the data exchange capabilities required for all applicable Electronic Data Interchange ("EDI")/Electronic Data Exchange Working Group ("EDEWG") transactions under this Agreement; (f) it has the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and submit 'rate level' 810 EDI transactions. For customers with two rates on the same account; (g) certified to serve load in the PECO territory at the time of Participant Applications Due Date; and (h) any delayed charges must be billed pursuant to [EDEWG] all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines; and (h) it will comply with any increased bonding requirements imposed by the PA PUC during the Opt-In Service Period].

**[7.]8. Termination.** This Agreement may be terminated by PECO upon written notice of a material breach of this Agreement [or] by the [Supplier Tariff by] Opt-In Supplier.

**[8.]9. Payment of Program Costs.** [The Opt-In Supplier agrees to pay all Program costs incurred by PECO on a pro rata basis with all other Opt-In Suppliers in the Program based upon the number of customers allocated to the Opt-In Supplier by the Statistical Expert] All estimated costs of this RFP incurred by PECO, including the service of the Statistical Expert, and all incremental costs of developing, printing, and mailing the offer package will be used to develop a "Not-to-Exceed Cost per Allocated Customer." Each Opt-In Supplier shall be responsible for the product of : (1) the Not-to-Exceed Cost per Allocated Customer or actual cost per Allocated Customer (whichever is smaller); and (2) the number of Eligible Customers allocated to that Opt-In Supplier. PECO shall invoice [the] each Opt-In Supplier within thirty days of the Opt-In Supplier receipt of its allocated customer list [under the Program, and the Opt-In Supplier shall pay the invoice in full], with the amount due payable within thirty days of the date of the invoice. If an Opt-In Supplier fails to make the required payment, PECO may reduce the amount due to that Opt-In Supplier from that Opt-In Supplier's next Purchase of Receivables payment by the Opt-In Program amount due (but not from amounts that are subject to a bona fide POR payment dispute).

**[9.]10. Limitations.** Notwithstanding any provision of this Agreement or the Program, the Opt-In Supplier acknowledges that (a) the Opt-In Supplier has obtained certain benefits from participating in the Program, but that PECO has made no representation regarding the number of customers (if any) the Opt-In Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) PECO has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Opt-In Supplier in the event that the Opt-In Supplier no longer serves that customer for any reason; and (c) the Opt-In Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from PECO of any kind whatsoever arising from or relating to this Agreement or the Program.

**[10.]11. Indemnification.** The Opt-In Supplier shall indemnify, save and hold PECO harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Opt-In Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

**[11.]12. Other Provisions.** This Agreement represents the entire agreement between PECO and Opt-In Supplier and no amendment of this Agreement will be valid unless in writing and signed by

representatives of both parties. Each ~~[party]~~**Party** represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order. ~~[Opt-In Supplier]~~**Neither Party** may~~[-not]~~ assign this Agreement without ~~[PECO's]~~consent **of the other Party, not to be unreasonably withheld.** All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other ~~[party]~~**Party**. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Opt-In Supplier and PECO, and no third party shall have the right to enforce the provisions of this Agreement, except that the PA PUC may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or PA PUC regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between PECO and the Opt-In Supplier, and neither ~~[party]~~**Party** shall have the power to bind or obligate the other ~~[party]~~**Party**. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either ~~[party]~~**Party**. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the event of any conflict between this Agreement, the Program, and the Supplier Tariff, this Agreement shall be controlling.

**PECO ENERGY COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PECO Energy Company

ATTN:

2301 Market Street

Philadelphia, PA

Phone:

Fax:

E-mail: \_\_\_\_@peco-energy.com

**[OPT-IN SUPPLIER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[Company name]

[Address]

Phone:

Fax:

E-mail:

**EXHIBIT 2**  
**[~~BID~~]-PROPOSAL FORM**

*(not to be submitted with [~~Bidder~~Participant Application)*

Legal Name of [~~Bidder~~Participant]:

[~~Bidder~~ #:]

**RESIDENTIAL CUSTOMER PROGRAM:**

Fixed Price for [~~six~~initial four monthly billing cycle periods: (~~xx.xx~~ cents/kwh):  
[\_\_\_\_\_] (amount to be specified and equal to 0.95 x the June 2013 PECO PTC)

**Desired Number of Allocated Eligible Customers (CHECK ONE):**

- ☐ **We do not wish to participate in the Residential Customer Program**  
☐ **No Maximum**  
☐ **Maximum of \_\_\_\_\_ Eligible Customers (specify maximum)**

**SMALL COMMERCIAL CUSTOMER PROGRAM (with annual peak loads less than 25 kW):**

[Bid Quantity (Number of Tranches, not to exceed 10 tranches): \_\_\_\_\_]

**Fixed Price for initial four monthly billing cycle periods (cents/kwh): xx.xx (different prices for different rates will be specified equal to the June 2013 PECO PTC for each small commercial customer rate class)**

**Desired Number of Allocated Eligible Customers (CHECK ONE):**

- ☐ **We do not wish to participate in the Small Commercial Customer Program**  
☐ **No Maximum**  
☐ [☐] **Bidder has submitted multiple bids in response to this RFP (check box if applicable; multiple bids may not exceed 100%) Maximum of \_\_\_\_\_ Eligible Customers[.] (specify maximum)**

I hereby certify that I am an officer or other authorized representative of the [~~Bidder~~Participant named above and submit this [~~Bid~~]-Proposal on behalf of the [~~Bidder~~Participant. By submitting this [~~Bid~~]-Proposal, [~~Bidder~~Participant acknowledges and accepts all terms of PECO's Request for Proposal dated \_\_\_\_\_.[:]

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_  
Date: \_\_\_\_\_