

PECO Energy Company

***Supplier Of The Month Program
Request for Proposals and Program Rules***

_____ , 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 service to residential customers. Participating EGSs in this program (the “Supplier of the Month Program” or “Program”) will have the opportunity to submit bids to provide fixed-price electric generation service for a twelve-month period beginning approximately six weeks after the bid date. This document describes the process by which bidders may qualify and submit bids and the rules with which each winning bidder (the “Supplier of the Month”) must comply and the standard terms and conditions for service provided by the Supplier of the Month under this Program.
- 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.
- 1.3 PECO is implementing this RFP in two stages. Bidders 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”) and the ability to comply with provisions of PECO’s Electric Generation Supplier Tariff (“Supplier Tariff”). As part of the qualifying process, a bidder will be required execute a Bidder Agreement in which the bidder agrees to various requirements.
- 1.4 Following qualification, bidders may submit a bid proposal (“Bid Proposal”) which consists of a fixed price, in cents per kilowatt-hour, for which the bidder is prepared to provide electric generation service to residential customers for a twelve-month period (the “Standard Offer Period”). The fixed price offered by a bidder must be lower than the PECO default service rate in effect at the time of the monthly RFP Bid Proposal Due Date, or, if the RFP Bid Proposal Due Date occurs after a default service rate is filed but before it becomes effective, less than the filed default service rate for the next GSA period. The winning bid will be determined based on the lowest bid price. In the event that the RFP results in more than one EGS with the lowest price, each of the lowest price bidders will be notified that there are multiple lowest price bidders and asked for a best and final offer price. After the best and final offer prices are received, the lowest offer price will be selected as the winner. If there are any tie bidders after the best and final offer round, a single winner will be randomly selected from the tie bidders.
- 1.5 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 are strongly urged to review this RFP and to consult with counsel

with respect to requirements and obligations under this RFP and the Bidder Agreement.

1.6 This RFP includes the following attached documents:

- Exhibit 1: Bidder Application (including Bidder Agreement)
- Exhibit 2: Bid Proposal Form

**ARTICLE 2
SCHEDULE AND BIDDER INFORMATION**

2.1 Monthly RFP Schedule. The following table sets forth significant dates each month (the “Program Schedule”) for the Supplier of the Month 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-Bid Technical Conference	Ten business days before Bidder Applications Due Date
Bidder Applications Due Date	Five business days before Notification of Bidder Qualification Date
Notification of Bidder Qualification	Five business days before Bid Proposal Due Date
Bid Proposal Due Date	First business day of the month
Notification of Winning Bidder	Third business day of the month
Customer Enrollment Period	Following calendar month
Commencement of Supply by Supplier of the Month	Based on enrolled customer’s switching date
Monthly Report by Supplier of the Month to PECO on Results of the Program	Within ten business days after each month of the Standard Offer Period

2.2 RFP Overview and Technical Conference. On _____, at ___ p.m. EPT, PECO will conduct a web conference to outline the Supplier of the Month Program, including the RFP process. Potential bidders are urged to review this RFP, including exhibits, prior to the web conference. PECO will answer questions raised at this web conference to the extent possible. Any party wishing to participate in this web conference must send an e-mail to *[e-mail address to be provided]* with the subject line “Supplier of the Month Program” PECO will provide participation information for the web conference by return e-mail.

2.3 Bidder Inquiries. Before each technical conference, bidders may submit questions to PECO via electronic mail *[e-mail address to be provided]*. 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 inquiry procedure are the exclusive methods for inquiring about this RFP, and questions submitted to individual PECO employees, the Company, or the RFP Monitor by other means will not be answered and may result in disqualification of the bidder.

- 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, the RFP schedule, RFP results, and other updates on this RFP. Bidders 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.

ARTICLE 3 BIDDER QUALIFICATION

- 3.1 Bidder Application. In order to submit a bid proposal in response to this RFP, a bidder 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 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 Application constitutes a bidder’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 [*e-mail address to be provided*] to meet the bidder 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 Qualifications. In order to qualify to submit a bid proposal, a bidder must certify in the Application that it satisfies the following criteria (the “Bidder Qualifications”):
- (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 a plan with its proposal (acceptable to PECO in its sole discretion) demonstrating that the bidder will be certified in such EDI capabilities by before submitting bids; 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.
- (g) The bidder 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.
- (h) The bidder agrees to comply with any increased bonding requirements imposed by the PA PUC during the Standard Offer Period.

3.3 Bidder Agreement. Each bidder must also execute a Bidder Agreement in the form included in the Bidder Application. In the event the bidder does not become a Supplier of the Month, the Bidder Agreement will be returned to the bidder unexecuted by PECO upon request of the bidder.

3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any bidder for evaluation of an Application. Information submitted by a bidder 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 or Bidder Agreement is no longer true, Bidder 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 and rejection of any Bid Proposal. PECO shall have no duty to inform any bidder of any deficiency in its Application.

3.5 Prior Qualification. A bidder who has previously qualified under the Supplier of the Month Program is not required to submit a second application, but must inform PECO of any change its status or ability to satisfy the qualification requirements as provided in Section 3.4 before submitting a Bid Proposal. A bidder who has previously qualified under the Supplier of the Month Program need not execute a new Bidder Agreement unless requested by PECO.

3.6 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 Qualifications. The RFP Monitor will oversee this evaluation. PECO will provide each bidder with notice of its satisfaction or failure to satisfy the Bidder Qualifications by the date for Notification of Bidder Qualification set forth in the Program Schedule.

- 3.7 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 PROPOSALS

- 4.1 Submission of Bid Proposals. As described in the Introduction, a Bid Proposal consists of a fixed price, in cents per kilowatt-hour, for which the bidder is prepared to provide electric generation service to residential customers for the Standard Offer Period. Only bidders 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 substantially in the form of Exhibit 2. A bidder 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 PROPOSAL".
- 4.2 Bid Price. The price in all Bid Proposals must be a fixed price in cents per kilowatt-hour which is lower than the PECO default service rate in effect at the time of the RFP Bid Proposal Due Date, or, if the RFP Bid Proposal Due Date occurs after a default service rate is filed but before it becomes effective, less than the filed default service rate for the next GSA period. The bid price is the price at which the supplier must be ready and willing to serve a residential customer for a twelve-month period under the standard terms and conditions of the Program beginning on the first day of the following month.
- 4.3 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. Any bid that is contingent in any way shall be rejected as non-conforming. Each bidder 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 in violation of these limitations or in coordination or in concert with any other bidder.

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. The winning bid will be determined based on the lowest bid price. In the event that the RFP results in more than one EGS with the lowest price, each of the lowest price bidders will be notified that there are multiple lowest price bidders and asked for a best and final offer price. After the best and final offer prices are received, the lowest offer price will be selected as the winner. If there are any tie bidders after the best and final offer round, a single winner will be randomly selected from the tie bidders by the RFP Monitor.
- 5.2 Release of Winning Bid Price Information. After the winner bidder is determined, PECO will inform all bidders of the total number of bidders, the name of the winning bidder and

the winning bidder's bid price. PECO will post this information publicly on www.peco.com/xxx. The names and other information of the non-winning bidders will not be reported.

ARTICLE 6 CUSTOMER ENROLLMENT

- 6.1 Enrollment. Residential customers may enroll with the winning bidder through the PECO website or by telephone using an interactive voice response (“IVR”) system maintained and operated by PECO or a dedicated call center referral group.
- 6.2 Enrollment Report. Once every business day, PECO will electronically transmit a report of enrollment requests received to the EGS serving as Supplier of the Month. The Enrollment Report will contain the information needed to enable the EGS to submit EDI 814 enrollment requests to PECO. The Supplier of the Month shall submit EDI 814 enrollments within one business day of receipt of the enrollment request report from PECO. The contract date in the EDI 814 transaction must match the date of the applicable Enrollment Report.
- 6.3 Enrollment Processing. Upon receipt by PECO of the EDI 814 enrollment, the standard EDC Enrollment Letter (or other Commission-approved form of notification) will be mailed by PECO to the customer.
- 6.4 Sales Agreement. The Supplier of the Month shall send a sales agreement, which meets all PUC regulations and includes the terms and conditions set forth in Article 7, to the customer within one business day after sending the EDI 814 enrollment transaction. The sales agreement will provide the terms of service for the initial 12-month period and also provide information about how the terms may change after the initial 12-month period.
- 6.5 Report to PA PUC. In order to monitor the success of the Supplier of the Month Program, PECO will produce a confidential report to the Commission and the Office of the Consumer Advocate (“OCA”) annually, with the first report submitted within 45 days after PECO has operated the program for 12 complete months. In order to obtain statistics to prepare this report, Suppliers of the Month shall provide metrics on a monthly basis in the form of electronic reports to PECO, including, for each offer month, the number of accounts that enrolled in the program for the offer month, the number of accounts that have dropped from the program in each month before the end of the 12-month Standard Offer Period (e.g. number of accounts dropped in the first month of the term, number of accounts dropped in the second month, etc.); and the number of accounts retained by the EGS for at the end of the 12-month Standard Offer Period. PECO will provide a template for this reporting to facilitate compilation of data.

ARTICLE 7 SUPPLIER OF THE MONTH STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Suppliers of the Month:

- 7.1 All Supplier of the Month billing for customers who enroll 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 Supplier of the Month under a different offer, at any time and without incurring switching fees or other penalties.
- 7.3 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 no event may a Supplier of the Month discontinue service to a customer who accepted its offer under the Program before the end of the Standard Offer Period.
- 7.4 All Suppliers of the Month must provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations.
- 7.5 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Supplier of the Month 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 Program Costs. All costs associated with implementation of the Supplier of the Month Program, including this RFP and use of an RFP Monitor, will be recovered through a discount in the Purchase of Receivables payment to all suppliers. Costs include IT implementation costs for website and IVR changes, incremental call center support for the program and other associated administrative costs.
- 8.2 Address for submissions. All submissions to PECO, unless otherwise communicated at the Bidder Conference and subsequently posted to the _____ website, for this RFP shall be delivered via overnight delivery to the following address:

PECO Supplier of the Month Program
c/o [Name],
PECO Energy Company
S14-2
2301 Market Street
Philadelphia, PA 19103

Bidder 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: *[e-mail address to be provided]*

- 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 must be in the English language.
- 8.6 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any bidder 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 materials related to the Supplier of the Month Program.
- 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 understands and agrees that PECO does not participate in, nor does it allow, bidders to utilize media releases of any kind to publicize bidder's business relationship with PECO. Each bidder shall not use any trade name, trademark, service mark or any other information which identifies PECO in such bidder'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. Winning bidders are not permitted to promote their role as Supplier of the Month, either before, during or after their Offer Month, without PECO's prior written approval, which PECO may withhold approval in its sole discretion.
- 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 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 participating in the RFP process. By submitting an Application, bidder 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.

- 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'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. 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 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 has not complied with the provisions of this RFP.

EXHIBIT 1 - FORM OF BIDDER APPLICATION

Name of Bidder:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:

INSTRUCTIONS

Two signed originals of Attachment A (Bidder Agreement) must be attached to Bidder’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 Supplier Of The Month Program Request for Proposals and Program Rules.

As an officer or other authorized representative of the Bidder, 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: (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; (g) the bidder agrees that any delayed charges must be billed pursuant to all applicable EDEWG “Final Bill” implementation guidelines, and no Program charges may be separately billed; and (h) the Bidder will comply with any increased bonding requirements imposed by the PA PUC during the Standard Offer Period.

SIGNATURE OF AUTHORIZED REPRESENTATIVE

I am an officer or other authorized representative of the Bidder 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:
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Name:	Title:
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EXHIBIT 1 - ATTACHMENT A

FORM OF BIDDER AGREEMENT

This Agreement (“Agreement”) is made as of _____, 201_ (the “Effective Date”), by and between [Supplier of the Month] and PECO Energy Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania (“PECO”).

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the Supplier of the Month Offer Program Request for Proposals and Program Rules issued by PECO on _____, 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 unless terminated as provided in this Agreement.

3. Fixed Price to Customers. In accordance with the Program, the Supplier of the Month shall provide Competitive Energy Supply to each customer that enrolls in the Program (a “Supplier of the Month Customer”) at a winning bid price submitted by the Supplier of the Month.

4. Terms and Conditions. During the Term, the Supplier of the Month agrees that: (a) all Supplier of the Month billing for each Supplier of the Month Customer shall be Consolidated EDC Billing; (b) each Supplier of the Month customer shall have the option to return to PECO default service or to switch to another EGS, or to the Supplier of the Month under a different Supplier of the Month offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Supplier of the Month Customers for non-payment of EGS charges under the terms of PECO’s approved Purchase of Receivables program in the Supplier Tariff; (d) in no event may a Supplier of the Month discontinue service to a Supplier of the Month Customer before the end of the Standard Offer Period; (e) the Supplier of the Month shall provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations; and (f) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Supplier of the Month 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.

5. Representations and Warranties of Supplier of the Month. The Supplier of the Month 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) any delayed charges must be billed pursuant to EDEWG “Final Bill” implementation guidelines; and (h) it will comply with any increased bonding requirements imposed by the PA PUC during the Standard Offer Period.

6. Termination. This Agreement may be terminated (i) by PECO upon written notice of a material breach of this Agreement or the Supplier Tariff by the Supplier of the Month; (ii) by PECO upon the termination of the Program; or (iii) by the Supplier of the Month upon thirty (30) days written notice, provided that the Supplier of the Month shall no longer be serving any Supplier of the Month customers who remain on a fixed rate offered by the Supplier of the Month under the Program during the Standard Offer Period applicable to such customer.

7. Limitations. Notwithstanding any provision of this Agreement or the Program, the Supplier of the Month acknowledges that (a) the Supplier of the Month has obtained certain benefits from participating in the Program, but that PECO has made no representation regarding the number of customers (if any) the Supplier of the Month 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 Supplier of the Month in the event that the Supplier of the Month no longer serves that customer for any reason; and (c) the Supplier of the Month 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.

8. Indemnification. The Supplier of the Month 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 Supplier of the Month's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

9. Other Provisions. This Agreement represents the entire agreement between PECO and Supplier of the Month 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, and any applicable law, rule, regulation or order. Supplier of the Month may not assign this Agreement without PECO's consent. 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 Supplier of the Month 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 Supplier of the Month, 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

[SUPPLIER OF THE MONTH]

By: _____

By: _____

Name: _____

Title: _____

PECO Energy Company

ATTN:

2301 Market Street

Philadelphia, PA

Phone:

Fax:

E-mail: ____@peco-energy.com

Name: _____

Title: _____

[Company name]

[Address]

Phone:

Fax:

E-mail:

**EXHIBIT 2
BID PROPOSAL FORM**

(not to be submitted with Bidder Application)

Legal Name of Bidder:

Bidder #:

Fixed Price for twelve-month period (cents/kwh): _____

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

By: _____

Name: _____

Title: _____

Date: