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February 28, 2013

**VIA OVERNIGHT DELIVERY**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**Re:   Petition of PECO Energy Company for Approval of Its Default Service Program  
      Docket No. P-2012-2283641**

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Dear Secretary Chiavetta:

Enclosed for filing is **PECO Energy Company's Second Revised Default Service Plan Compliance Filing** in the above-captioned proceeding (the "Second Revised Plan").

As indicated on the attached Certificate of Service, copies of the Second Revised Plan are being served on the Administrative Law Judge and all parties of record.

Sincerely,



Thomas P. Gadsden

TPG/ap  
Enclosures

c: Per Certificate of Service

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**FEB 28 2013**

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY :  
FOR APPROVAL OF ITS DEFAULT : DOCKET NO. P-2012-2283641  
SERVICE PROGRAM :**

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**SECOND REVISED DEFAULT SERVICE PLAN  
COMPLIANCE FILING**

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**I. INTRODUCTION AND OVERVIEW**

1. On October 12, 2012, the Pennsylvania Public Utility Commission (the “Commission”) issued an Opinion and Order (the “October 12 Order”) approving the Default Service Program of PECO Energy Company (“PECO” or the “Company”) for the period from June 1, 2013 to May 31, 2015, with several revisions. The October 12 Order directed PECO to file a revised plan (the “First Revised Plan”) reflecting the changes directed by the Commission within sixty days (December 11, 2012) and to also submit proposals, in collaboration with electric generation suppliers (“EGSs”) and other interested parties, addressing several Retail Market Enhancement Program (“RME Program”) issues.<sup>1</sup>

2. On December 11, 2012, PECO submitted the First Revised Plan consistent with the October 12 Order. Subsequently, the parties submitted comments and reply comments for consideration by the Commission.

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<sup>1</sup> On November 21, 2012, the Commission issued an Opinion and Order clarifying certain items regarding the October 12 Order, including: (1) permitting PECO’s default service procurement to proceed; (2) allowing proposals regarding the EGS Applications and Form Agreements to be filed along with the Revised Plan; (3) clarifying that parties should consider the possibility that customers as well as EGSs may be responsible for some RME Program costs; and (4) clarifying that EGSs must file the terms and conditions for their eight-month Opt-In Program product at least forty-five days before the offers for that eight-month product are made to customers.

3. On February 14, 2013, the Commission issued an Opinion and Order (the “February 14 DSP Order”) approving the First Revised Plan, with several revisions regarding the RME Programs. The February 14 DSP Order directed PECO to file a revised plan (the “Second Revised Plan”) reflecting changes directed by the Commission within sixty days (April 15, 2013).

4. Also on February 14, 2013, the Commission issued an Opinion and Order (the “February 14 Amendment Order”) approving the amendment of the October 12 Order to include small business customers in the Company’s Standard Offer Program and New/Moving Customer Referral Program. The February 14 Amendment Order directed PECO to: (1) file, within thirty days (March 18, 2013), a tariff supplement to extend the New/Moving Customer Referral Program to small business customers, to take effect no later than sixty days from the Order (April 15, 2013); and (2) include small business customers in the Standard Offer Program and file, sixty days prior to its effective date, a tariff supplement to implement that change.

5. The Second Revised Plan reflects all of the revisions set forth and made final by the February 14 DSP Order and February 14 Amendment Order, except for the inclusion of small business customers in the Standard Offer Program which will be addressed in a subsequent filing in accordance with the filing dates established by the Commission. In particular, the Second Revised Plan: (1) modifies the Request for Proposals and Program Rules (collectively “Rules”) for both the Opt-In Program and Standard Offer Program to reflect proposed publicity language from the Retail Energy Supply Association (“RESA”); (2) modifies the Opt-In Program Rules to provide that EGSs shall pay a fee of the lesser of \$1.00 per assigned customer or the actual program cost per assigned customer; (3) modifies the Standard Offer Program Rules to provide that EGSs shall pay a fee of the lesser of \$30.00 per referred customer or the actual program cost

per referred customer; (4) modifies the Electric Generation Supplier Coordination Tariff to establish a 0.2% Purchase of Receivables (“POR”) discount to recover fifty percent of the implementation and ongoing costs of the Opt-In Program and Standard Offer Program that have not otherwise been recovered by the fees paid by participating EGSs; and (5) modifies the Electric Tariff to provide that administrative costs in the Generation Supply Adjustment (“GSA”) include fifty percent of the implementation and ongoing costs of the Opt-In Program and Standard Offer Program that have not otherwise been collected by the fees paid by participating EGSs.

6. All other provisions of the Company’s Default Service Program were approved without modification as part of the Company’s original filing or First Revised Plan and, therefore, remain unchanged and will be implemented as proposed by PECO.

7. The Second Revised Plan includes the following documents:

- Exhibit A: Revised EGS Opt-In Program Request for Proposals and Program Rules;
- Exhibit B: Revised EGS Standard Offer Program Request for Proposals and Program Rules;
- Exhibit C: Revised Electric Tariff Page Nos. 31, 34; and
- Exhibit D: Revised Electric Generation Supplier Coordination Tariff Page No. 92.

The above documents and the changes therein are discussed in the remainder of this Second Revised Plan. PECO has included a “clean” and “redline” copy of these documents in this filing. The “redline” versions of the Opt-In Program Rules (Exhibit A) and Standard Offer Program Rules (Exhibit B) show changes from the documents submitted with PECO’s Reply Comments

on January 7, 2013. The “redline” versions of the tariffs (Exhibits C and D) show changes to the existing tariffs.

8. PECO respectfully requests that the Commission issue a decision regarding this Second Revised Plan by March 8, 2013 in order to ensure that customers participating in the Opt-In Program will be able to receive generation service from EGSs beginning on June 1, 2013.

## **II. RME PROGRAMS**

### **A. Opt-In Program**

9. In the February 14 DSP Order, the Commission directed the Company as follows regarding cost recovery:

As to the Retail Opt-in program, we agree with RESA that a fee of the lesser of \$1 per assigned customer or actual program costs to EGS participants is appropriate. Any remaining costs should be recovered in either one of two ways – through a non-by-passable surcharge, as proposed by RESA, or shared with 50% from the POR discount and 50% from residential and small commercial default service customers.

February 14 DSP Order, p. 13. The revised Opt-In Program Rules (Exhibit A) reflect the addition of an EGS participant fee of the lesser of \$1.00 per assigned customer or the actual program cost per assigned customer. The revised Electric Tariff (Exhibit C) and Supplier Tariff (Exhibit D) reflect the collection of 50% of remaining program costs through the POR discount and 50% from residential and small commercial default service customers.

10. The Commission also directed the Company to revise the publicity section of its Opt-In Program Rules to reflect changes proposed by RESA. *See* February 14 DSP Order, pp.

20-21<sup>2</sup>. These revisions are reflected in Section 8.8 of the revised Opt-In Program Rules (Exhibit A).

## **B. Standard Offer Program**

11. In the February 14 DSP Order, the Commission directed the Company as follows regarding cost recovery:

As to the [Standard Offer Program], we agree with RESA that a fee of the lesser of \$30/customer or actual costs per referred customer is appropriate. Any remaining costs should be recovered in either one of two ways – through a non-by-passable surcharge, as proposed by RESA, or shared with 50% from the POR discount and 50% from residential and small commercial default service customers.

February 14 DSP Order, p. 13. The revised Standard Offer Program Rules (Exhibit B) reflect the addition of an EGS participant fee of the lesser of \$30.00 per referred customer or the actual program cost per referred customer. The revised Electric Tariff (Exhibit C) and Supplier Tariff (Exhibit D) reflect the collection of 50% of remaining program costs through the POR discount and 50% from residential and small commercial default service customers.

12. The Commission also directed the Company to revise the publicity section of its Standard Offer Program Rules to reflect changes proposed by RESA. *See* February 14 DSP Order, pp. 20-21. These revisions are reflected in Section 6.7 of the revised Standard Offer Program Rules (Exhibit B).

13. Finally, the Commission directed PECO to include small business customers in the Standard Offer Program, *see* February 14 DSP Order, pp. 19-20, and file implementing tariff

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<sup>2</sup> On February 15, 2013, the Commission issued an Errata Notice correcting errors in the February 14 DSP Order regarding RESA's proposed publicity language. The Company's revisions to the Opt-In Program Rules and Standard Offer Program Rules are consistent with these corrections.

changes, *see* February 14 Amendment Order, p. 18. The Company intends to file revised Standard Offer Program Rules reflecting the inclusion of small commercial customers at a later date, but within the sixty-day period provided in the February 14 DSP Order. The revised Electric Tariff (Exhibit C) and Supplier Tariff (Exhibit D) being filed as part of the Second Revised Plan already reflect the appropriate cost recovery mechanisms for the expanded program.

### **C. New/Moving Customer Referral Program**

14. In the February 14 Amendment Order, the Commission directed the Company to include small business customers in the New/Moving Customer Referral Program and file an implementing tariff supplement. *See* February 14 Amendment Order, pp. 13-14, 17.

15. The Company has included language in its revised Electric Tariff (Exhibit C) to appropriately recover costs for the expanded program. The language is consistent with language already proposed as part of the First Revised Plan.

16. In addition, the Company notes that it has worked closely with the Commission's Office of Competitive Market Oversight ("OCMO") on scripts for the New/Moving Customer Referral Program and intends to continue to do so to make the changes necessary to include small commercial customers within the sixty-day period provided in the February 14 Amendment Order.

### **III. AFFILIATED INTEREST AGREEMENTS**

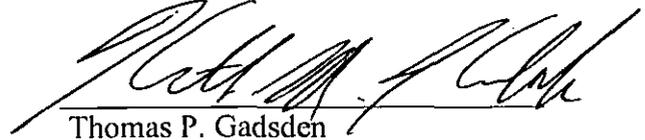
17. In light of the changes made to the Form Agreements in the Opt-In Program and Standard Offer Program Rules included in this Second Revised Plan, the Company requests that

the Commission approve these revised agreements as affiliated interest agreements under 66 Pa.C.S. § 2102.

#### IV. CONCLUSION

WHEREFORE, PECO respectfully requests that the Commission issue an order by March 8, 2013, accepting this Second Revised Default Service Plan, including all exhibits, in compliance with the Orders entered February 14, 2013.

Respectfully submitted,



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*Counsel for PECO Energy Company*

Dated: February 28, 2013

**EXHIBIT A**

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***PECO Energy Company***  
***Electric Generation Supplier***  
***Opt-In Offer Program***  
***Request for Proposals and Program Rules***  
  
***March xx, 2013***

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## 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 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 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 to 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 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 Schedule Update	2 days after PUC Final Approval
Participant Applications Due Date	5 days after PUC Final Approval
Notification of Participant Qualification	8 days after PUC Final Approval
Notification to Qualified Participants of Number of Eligible Customers (by rate class and rate)	9 days after PUC Final Approval
Publication of Price-to-Compare beginning June 1, 2013	March 14, 2013*
Proposal Due Date	March 26, 2013*
Notification of Final Participants and number of customer accounts assigned (by rate class and rate).	March 28, 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.
Commencement of Supply by Opt-In Suppliers pursuant to each eight-month product offering	Beginning October 1, 2013*
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.

\* Note: to be adjusted based on PUC Final Approval date, if after March 8, 2013.

2.2 RFP Overview and Technical Conference. On \_\_\_\_\_, 2013, at \_\_\_ 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 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/\\_\\_\\_\\_/](http://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.
- 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. In the notice of failure to satisfy the Participant Qualifications, PECO shall inform each Participant of any deficiency in its Application, which will result in disqualification of the Participant if such deficiency is not remedied within two business days after written notice.
- 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, 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) were used to develop a “Not-to-Exceed Cost per Allocated Customer” of \$1.00. To the extent that the actual costs per allocated customer are less than \$1.00, the difference between the actual costs and \$1.00 will be refunded. 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 (“POR”) 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 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. This prohibition, however, shall not be construed to require PECO's express consent before a Participant can refer, in a factual manner, to the PECO service territory or the Participant's participation in the PECO program so long as the references are factual and do not 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><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 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><b><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></b></p>			
<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.</p>			
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 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 (including return postage) were used to develop a “Not-to-Exceed Cost per Allocated Customer” of \$1.00. To the extent that the actual costs per allocated customer are less than \$1.00, the difference between the actual costs and \$1.00 will be refunded. 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 (“POR”) 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:  
Website: (Max 30 Total Characters)

**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 Offer Program***  
***Request for Proposals and Program Rules***

***[~~January~~]/March xx, 2013***

RECEIVED

FEB 28 2013

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

## 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 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 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 to 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 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] <u>RFP Schedule Update</u>	[TBD] <u>2 days after PUC Final Approval</u>
Participant Applications Due Date	[February 6, 2013] <u>5 days after PUC Final Approval</u>
Notification of Participant Qualification	[February 11, 2013] <u>8 days after PUC Final Approval</u>
Notification to Qualified Participants of Number of Eligible Customers (by rate class and rate)	[February 19, 2013] <u>9 days after PUC Final Approval</u>
Publication of Price-to-Compare beginning June 1, 2013 [ <del>and notification of "Not to Exceed" Cost per Allocated Customer</del> ]	March 14, 2013*
Proposal Due Date	March [ <del>19;</del> ] <u>26</u> , 2013*
Notification of Final Participants and number of customer accounts assigned (by rate class and rate).	March [ <del>20;</del> ] <u>28</u> , 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.
Commencement of Supply by Opt-In Suppliers pursuant to each eight-month product offering	Beginning October 1, 2013*
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.

**\* Note: to be adjusted based on PUC Final Approval date, if after March 8, 2013.**

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 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/\\_\\_\\_\\_/](http://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.
- 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. In the notice of failure to satisfy the Participant Qualifications, PECO shall inform each Participant of any deficiency in its Application, which will result in disqualification of the Participant if such deficiency is not remedied within two business days after written notice.
- 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~~] were used to develop a “Not-to-Exceed Cost per Allocated Customer[-:]” of \$1.00. To the extent that the actual costs per allocated customer are less than \$1.00, the difference between the actual costs and \$1.00 will be refunded. 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 (“POR”) 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 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]~~ **This prohibition, however, shall not be construed to require PECO's [prior consent, the references must be factual and cannot] express consent before a Participant can refer, in a factual manner, to the PECO service territory or the Participant's participation in the PECO program so long as the references are factual and do not** 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><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 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><b><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></b></p>			
<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.</p>			
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 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-](including return postage) were used to develop a “Not-to-Exceed Cost per Allocated Customer[-]” of \$1.00. To the extent that the actual costs per allocated customer are less than \$1.00, the difference between the actual costs and \$1.00 will be refunded. 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 (“POR”) 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:  
**Website: (Max 30 Total Characters)**

**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: \_\_\_\_\_

**EXHIBIT B**

**RECEIVED**

**FEB 28 2013**

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

*PECO Energy Company*

*Electric Generation Supplier*  
*Standard Offer Program*  
*for Residential Customers*

*Request for Proposals and Program Rules*

*MONTH XX, 2013*

RECEIVED  
FEB 28 2013  
PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

FEB 28 2013

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

## 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 (“Eligible Customers”). Participating EGSs in this program (the “Standard Offer Program” or “Program”) will have the opportunity to submit applications to provide fixed-price electric generation service to Eligible Customers for twelve monthly billing cycle periods, on a month by month basis beginning approximately three weeks after the application is submitted. This document describes the process by which EGSs may qualify and submit applications and the rules with which each accepted applicant (the “Standard Offer Supplier”) must comply and the standard terms and conditions for service provided by the Standard Offer Supplier under this Program.
- 1.2 *Program Duration.* The Standard Offer Program will begin at the conclusion of the enrollment period for PECO’s EGS Opt-In Offer Program, which is expected to conclude on or about May 15, 2013. The initial Standard Offer Month is expected to be June 2013 for residential customers and the final Standard Offer Month will be May 2015.
- 1.3 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.
- 1.4 Participating EGSs must qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications to become a Standard Offer Supplier, as described in detail in Section 3.2. These qualifications include certification to serve load in the PECO territory at the time of Standard Offer Supplier Application Due Date. As part of the qualifying process, an Applicant will be required to execute a Standard Offer Supplier Agreement in which the Applicant agrees to various requirements. In the Standard Offer Supplier Agreement, the Applicant agrees to offer all interested residential customers a fixed price, in cents per kilowatt-hour, for which the supplier is prepared to provide electric generation service to customers for twelve monthly billing cycle periods (the “Standard Offer Period”). The fixed price to be offered by the Applicant must be seven percent (7%) lower than the applicable PECO default service rate (the “Price-to-Compare”) in effect at the time of the offer.
- 1.5 Although applications may be submitted at any time, PECO will activate Standard Offer Suppliers only for whole calendar months. An Applicant must be deemed qualified by PECO at least ten business days in advance of first day of the next calendar month in order to be activated as a Standard Offer Supplier for that month. A Standard Offer Supplier may request removal from the list of Standard Offer Suppliers upon thirty days

written notice to PECO. Absent a request to be removed from the list, Standard Offer Suppliers will continue to be listed from month to month.

1.6 This RFP includes the following attached documents:

Exhibit 1: Standard Offer Supplier Application (including Standard Offer Supplier Agreement)

**ARTICLE 2  
SCHEDULE AND STANDARD OFFER SUPPLIER INFORMATION**

2.1 Monthly RFP Schedule. The following table sets forth significant dates each month (the “Program Schedule”) for the Standard Offer Supplier 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 Technical Conference	Scheduled during the first week of the month prior to the upcoming Standard Offer Month
Standard Offer Supplier Application Due Date	Twenty business days before Standard Offer Month
Notification of Standard Offer Supplier Qualification	Ten business days before Standard Offer Month
Standard Offer Month	Calendar month
Commencement of Supply by Standard Offer Supplier	Based on enrolled customer’s switching date

2.2 RFP Overview and Technical Conference. PECO will post a schedule of technical web conferences to outline the Standard Offer Program, including the RFP process. PECO will notify all registered EGSs of the technical conferences by EGS bulletin and by email to the PUC/OCMO distribution list. Potential Applicants are urged to review this RFP, including exhibits, prior to the web conference. PECO will answer questions raised at each web conference to the extent possible. Any party wishing to participate in each web conference must send an e-mail to *[e-mail address to be provided]* with the subject line “Standard Offer Program” PECO will provide participation information for the web conference by return e-mail.

2.3 Applicant Inquiries. Before each technical conference, participants may submit questions to PECO via electronic mail *[e-mail address to be provided]*. To the extent possible, questions submitted prior to the technical conference will be addressed by PECO at the 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 conference and this Applicant

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 Applicant.

- 2.4 Informational Website and Updates. PECO has established a website – [\[www.peco.com/\\_\\_\\_\\_\\_\]](http://www.peco.com/_____) – for electronic copies of RFP materials, posting of questions and answers, the RFP schedule, and other updates on this RFP. Applicants 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 Applicants.

### **ARTICLE 3 STANDARD OFFER SUPPLIER QUALIFICATION**

- 3.1 Standard Offer Supplier Application. In order to submit an Application in response to this RFP, an Applicant must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 1, Attachment A (Form of Standard Offer Supplier Application). All Applications shall be submitted 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 Standard Offer Supplier Application constitutes an Applicant'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 on the business day immediately following.
- 3.2 Standard Offer Supplier Qualifications. In order to qualify to submit a Proposal, an Applicant must certify in the Application that it satisfies the following criteria (the "Standard Offer Supplier Qualifications"):
- (a) The Applicant is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date.
  - (b) The Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges).
  - (c) The Applicant 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.
- 3.3 Standard Offer Supplier Agreement. Each Applicant must also execute a Standard Offer Supplier Agreement in the form included in the Standard Offer Supplier Application. In the event the Applicant does not become a Standard Offer Supplier, the Standard Offer Supplier Agreement will be returned to the Applicant unexecuted by PECO upon request of the Applicant.
- 3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any Applicant for evaluation of an Application.

Information submitted by an Applicant 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 Standard Offer Supplier Agreement is no longer true, Applicants 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 Applicant and rejection of its Application.

- 3.5 Prior Qualification. An Applicant who has previously qualified under the Standard Offer Supplier Program is not required to submit a second application for succeeding months, but must inform PECO of any change its status or ability to satisfy the qualification requirements as provided in Section 3.4. An Applicant who has previously qualified under the Standard Offer Supplier Program need not execute a new Standard Offer Supplier Agreement unless requested by PECO.
- 3.6 Application Evaluation and Notification of Applicants. PECO will evaluate each Application using a standard protocol for its completeness and satisfaction of the Standard Offer Supplier Qualifications. PECO will provide each Applicant with notice of its satisfaction or failure to satisfy the Standard Offer Supplier Qualifications by the date for Notification of Standard Offer Supplier Qualification set forth in the Program Schedule. In the notice of failure to satisfy the Standard Offer Supplier Qualifications, PECO shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.
- 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 CUSTOMER ENROLLMENT**

- 4.1 Enrollment. Eligible Customers may enroll with the Standard Offer Supplier 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. Customers may select a Standard Offer Supplier from a list, or choose to have PECO randomly assign a Standard Offer Supplier.
- 4.2 Enrollment Report. Once every business day, PECO will electronically transmit a report of enrollment requests received to each EGS serving as Standard Offer Supplier. The Enrollment Report will contain the information needed to enable the EGS to submit EDI 814 enrollment requests to PECO. Each Standard Offer Supplier 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.
- 4.3 Enrollment Processing. Upon receipt by PECO of the EDI 814 enrollment, the standard EDC Enrollment Letter (or other Pennsylvania Public Utility Commission (“Commission”)-approved form of notification) will be mailed by PECO to the customer.

- 4.4 Sales Agreement. Each Standard Offer Supplier shall send a sales agreement, which meets all PUC regulations and complies with the requirements set forth in the terms and conditions set forth in Article 5, to the customer no later than three business days after sending the EDI 814 enrollment transaction. The sales agreement will provide the terms of service for the initial 12-monthly billing cycle period and also provide information about how the terms may change after the initial 12-month period. This shall include the date by which the customer must take action to exercise his or her options at the end of the term.
- 4.5 Report to PA PUC. In order to monitor the success of the Standard Offer Supplier Program, PECO will produce two confidential reports to the Commission and the Office of the Consumer Advocate annually, with the first report submitted within 45 days after PECO has operated the program for 12 complete months. The second report will be submitted by June 15, 2015. In order to obtain statistics to prepare these reports, Standard Offer Suppliers 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 Standard 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 5 STANDARD OFFER SUPPLIER STANDARD TERMS AND CONDITIONS**

The following standard terms and conditions shall apply to all Standard Offer Suppliers:

- 5.1 At the time of the first contact between the Standard Offer Supplier and the Standard Offer Customer, the customer will be reminded of the terms and conditions of the standard offer, including the date by which the customer must take action to exercise his or her options at the end of the term.
- 5.2 All Standard Offer Supplier billing for customers who enroll under the Program shall be Consolidated EDC Billing.
- 5.3 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 5.4 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 a Standard Offer Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Standard Offer Period.

- 5.5 All Standard Offer Suppliers must provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under PA PUC regulations and orders.
- 5.6 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer 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 6 ADDITIONAL PROGRAM PROVISIONS

6.1 Program Costs. All costs associated with implementation of the Standard Offer Supplier Program, including this RFP, will be recovered as follows. Costs include information system implementation costs for website and IVR changes, incremental call center support for the program and other associated administrative costs.

6.1.1 Customer Enrollment Fee. Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Each Standard Supplier shall be responsible for the payment of the product of: (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier under PECO's Purchase of Receivable ("POR") program by the unpaid amount (but not from amounts that are subject to a bona fide POR payment dispute). A Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until the past due payments are paid.

6.1.2 Remaining Program Costs. Any remaining Program costs will be recovered 50% from the Purchase of Receivables discount and 50% from residential default service customers.

6.1.3 Address for submissions. All submissions to PECO for this RFP and Program, unless otherwise communicated at a technical conference and subsequently posted to the \_\_\_\_\_ website, shall be delivered via overnight delivery to the following address:

PECO Standard Offer Supplier Program  
c/o [Name],  
PECO Energy Company

S14-2  
2301 Market Street  
Philadelphia, PA 19103

Applicant 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. Electronic emails shall be sent to: *[e-mail address to be provided]*

- 6.2 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.
- 6.3 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.
- 6.4 Presentation and Formatting. All information submitted by an Applicant must be in the English language.
- 6.5 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any Applicant in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.
- 6.6 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 Standard Offer Supplier Program.
- 6.7 Publicity. Each Applicant understands and agrees that PECO does not participate in, nor does it allow, Applicants to utilize media releases of any kind to publicize Applicant's business relationship with PECO. Each Applicant shall not use any trade name, trademark, service mark or any other information which identifies PECO in such Applicant'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. Standard Offer Suppliers are not permitted to promote their role as Standard Offer Supplier, either before, during or after their Offer Month, without PECO's prior written approval, which PECO may withhold approval in its sole discretion. These prohibitions, however, shall not be construed to require PECO's express consent before an Applicant or Standard Offer Supplier can refer, in a factual manner, to the PECO service territory or their participation in the PECO program so long as the references are factual and do not infer an endorsement by or affiliation with PECO.
- 6.8 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 Applicant 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 Applicant participating in the RFP process. By submitting an Application, Applicant 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 Applicant.

- 6.9 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 Applicant'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 Applicants. 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 Applicants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 6.10 Non-conforming Applications. PECO reserves the right to reject any Application at any time on the grounds that it does not conform to the terms and conditions of this RFP or the Applicant has not complied with the provisions of this RFP.

**EXHIBIT 1 - FORM OF STANDARD OFFER SUPPLIER APPLICATION**

Name of Applicant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<p><b><u>INSTRUCTIONS</u></b></p> <p><b>Two signed originals of Attachment A (Standard Offer Supplier Agreement) must be attached to Applicant'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 Standard Offer Supplier Program Request for Proposals and Program Rules.</b></p>			
<p>As an officer or other authorized representative of the Applicant, I certify that: (a) the Applicant is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date; (b) the Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) the Applicant 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.</p>			
<p><b><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></b></p>			
<p>I am an officer or other authorized representative of the Applicant 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.</p>			
Signature:		Date:	
Name:		Title:	

## EXHIBIT 1 - ATTACHMENT A

### FORM OF STANDARD OFFER SUPPLIER AGREEMENT

This Agreement ("Agreement") is made as of \_\_\_\_\_, 201\_ (the "Effective Date"), by and between [Standard Offer 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 EGS Standard 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 Standard Offer Supplier shall provide Competitive Energy Supply to each customer that enrolls with the Standard Offer Supplier (a "Standard Offer Customer") at effective Standard Offer Price at the time of each customer's date of enrollment. The Standard Offer Price shall be a fixed cents/kWh comprised of a seven percent (7 %) reduction from the effective PECO Energy residential default service Price to Compare on the date the standard offer is made. The Standard Offer Price will be available to the Standard Offer Customer over twelve complete billing cycles ("Standard Offer Period").

**4. Terms and Conditions.** During the Term, the Standard Offer Supplier agrees that: (a) all Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing; (b) each Standard Offer customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Standard Offer 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 a Standard Offer Supplier discontinue service to a Standard Offer Customer before the end of the Standard Offer Period; (e) the Standard Offer Supplier 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 or Policy Statements; (f) Standard Offer Customers may choose to be assigned to the Standard Offer Supplier of their choice or may choose a random assignment by PECO; (g) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer 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; and (h) Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Monthly, each Standard Offer Supplier shall be responsible for the product of : (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable payment by the Standard Offer Program amount due (but not from amounts that are subject to a bona fide POR payment dispute). A

Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until past due payments are paid.

**5. Representations and Warranties of Standard Offer Supplier.** The Standard Offer 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 the Standard Offer Supplier Application Due Date; (b) it has no past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines.

**6. Termination and Withdrawal from Supplier List.** This Agreement may be terminated (i) by PECO upon written notice of a material breach of this Agreement by the Standard Offer Supplier; (ii) by PECO upon the termination of the Program; or (iii) by the Standard Offer Supplier upon thirty (30) days written notice, provided that the Standard Offer Supplier shall no longer be serving any Standard Offer Supplier customers who remain on a fixed rate offered by the Standard Offer Supplier under the Program during the Standard Offer Period applicable to such customer. A Standard Offer Supplier shall be removed from PECO's Standard Offer Supplier list upon 30 days written notice, but the Agreement shall not terminate except as provided in the preceding sentence.

**7. Limitations.** Notwithstanding any provision of this Agreement or the Program, the Standard Offer Supplier acknowledges that (a) the Standard Offer 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 Standard Offer 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 Standard Offer Supplier in the event that the Standard Offer Supplier no longer serves that customer for any reason; and (c) the Standard Offer 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.

**8. Indemnification.** The Standard Offer 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 Standard Offer Supplier'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 Standard Offer 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, and 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 Standard Offer 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 Standard Offer 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

**[STANDARD OFFER SUPPLIER]**

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

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

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

[Company name]

[Address]

Phone:

Fax:

E-mail:

*PECO Energy Company*

*Electric Generation Supplier  
Standard Offer Program  
for Residential Customers  
Request for Proposals and Program Rules*

*[~~January~~]MONTH XX, 2013*

RECEIVED

FEB 28 2013

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

FEB 28 2013

## ARTICLE 1 INTRODUCTION

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

- 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 (“Eligible Customers”). Participating EGSs in this program (the “Standard Offer Program” or “Program”) will have the opportunity to submit applications to provide fixed-price electric generation service to [~~residential customers~~]Eligible Customers for twelve monthly billing cycle periods, on a month by month basis beginning approximately three weeks after the application is submitted. This document describes the process by which EGSs may qualify and submit applications and the rules with which each accepted applicant (the “Standard Offer Supplier”) must comply and the standard terms and conditions for service provided by the Standard Offer Supplier under this Program.
- 1.2 Program Duration. The Standard Offer Program will begin at the conclusion of the enrollment period for PECO’s EGS Opt-In Offer Program, which is expected to conclude on or about May 15, 2013. The initial Standard Offer Month [~~will~~]is expected to be June 2013[;] for residential customers and the final Standard Offer Month will be May 2015.
- 1.3 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.
- 1.4 Participating EGSs must qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications to become a Standard Offer Supplier, as described in detail in Section 3.2. These qualifications include certification to serve load in the PECO territory at the time of Standard Offer Supplier Application Due Date. As part of the qualifying process, an Applicant will be required to execute a Standard Offer Supplier Agreement in which the Applicant agrees to various requirements. In the Standard Offer Supplier Agreement, the Applicant agrees to offer all interested residential customers a fixed price, in cents per kilowatt-hour, for which the supplier is prepared to provide electric generation service to [~~residential~~] customers for twelve monthly billing cycle periods (the “Standard Offer Period”). The fixed price to be offered by the Applicant must be seven percent (7%) lower than the applicable PECO default service rate (the “Price-to-Compare”) in effect at the time of the offer.
- 1.5 Although applications may be submitted at any time, PECO will activate Standard Offer Suppliers only for whole calendar months. An Applicant must be deemed qualified by PECO at least ten business days in advance of first day of the next calendar month in order to be activated as a Standard Offer Supplier for that month. A Standard Offer Supplier may request removal from the list of Standard Offer Suppliers upon thirty days

written notice to PECO. Absent a request to be removed from the list, Standard Offer Suppliers will continue to be listed from month to month.

1.6 This RFP includes the following attached documents:

Exhibit 1: Standard Offer Supplier Application (including Standard Offer Supplier Agreement)

**ARTICLE 2  
SCHEDULE AND STANDARD OFFER SUPPLIER INFORMATION**

2.1 Monthly RFP Schedule. The following table sets forth significant dates each month (the “Program Schedule”) for the Standard Offer Supplier 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 Technical Conference	Scheduled during the first week of the month prior to the upcoming Standard Offer Month
Standard Offer Supplier Application Due Date	Twenty business days before Standard Offer Month
Notification of Standard Offer Supplier Qualification	Ten business days before Standard Offer Month
Standard Offer Month	Calendar month
Commencement of Supply by Standard Offer Supplier	Based on enrolled customer’s switching date

2.2 RFP Overview and Technical Conference. PECO will post a schedule of technical web conferences to outline the Standard Offer Program, including the RFP process. PECO will notify all registered EGSs of the technical conferences by EGS bulletin and by email to the PUC/OCMO distribution list. Potential Applicants are urged to review this RFP, including exhibits, prior to the web conference. PECO will answer questions raised at each web conference to the extent possible. Any party wishing to participate in each web conference must send an e-mail to [e-mail address to be provided] with the subject line “Standard Offer Program” PECO will provide participation information for the web conference by return e-mail.

2.3 Applicant Inquiries. Before each technical conference, participants may submit questions to PECO via electronic mail [e-mail address to be provided]. To the extent possible, questions submitted prior to the technical conference will be addressed by PECO at the 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 conference and this Applicant 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 Applicant.

- 2.4 Informational Website and Updates. PECO has established a website – [\[www.peco.com/\\_\\_\\_\\_\\_\]](http://www.peco.com/) – for electronic copies of RFP materials, posting of questions and answers, the RFP schedule, and other updates on this RFP. Applicants 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 Applicants.

### **ARTICLE 3 STANDARD OFFER SUPPLIER QUALIFICATION**

- 3.1 Standard Offer Supplier Application. In order to submit an Application in response to this RFP, an Applicant must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 1, Attachment A (Form of Standard Offer Supplier Application). All Applications shall be submitted 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 Standard Offer Supplier Application constitutes an Applicant'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 on the business day immediately following.
- 3.2 Standard Offer Supplier Qualifications. In order to qualify to submit a Proposal, an Applicant must certify in the Application that it satisfies the following criteria (the "Standard Offer Supplier Qualifications"):
- (a) The Applicant is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date.
  - (b) The Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges).
  - (c) The Applicant 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.
- 3.3 Standard Offer Supplier Agreement. Each Applicant must also execute a Standard Offer Supplier Agreement in the form included in the Standard Offer Supplier Application. In the event the Applicant does not become a Standard Offer Supplier, the Standard Offer Supplier Agreement will be returned to the Applicant unexecuted by PECO upon request of the Applicant.
- 3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any Applicant for evaluation of an Application. Information submitted by an Applicant 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 Standard Offer Supplier Agreement is no longer true, Applicants 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 Applicant and rejection of its Application.

- 3.5 Prior Qualification. An Applicant who has previously qualified under the Standard Offer Supplier Program is not required to submit a second application for succeeding months, but must inform PECO of any change its status or ability to satisfy the qualification requirements as provided in Section 3.4. An Applicant who has previously qualified under the Standard Offer Supplier Program need not execute a new Standard Offer Supplier Agreement unless requested by PECO.
- 3.6 Application Evaluation and Notification of Applicants. PECO will evaluate each Application using a standard protocol for its completeness and satisfaction of the Standard Offer Supplier Qualifications. PECO will provide each Applicant with notice of its satisfaction or failure to satisfy the Standard Offer Supplier Qualifications by the date for Notification of Standard Offer Supplier Qualification set forth in the Program Schedule. In the notice of failure to satisfy the Standard Offer Supplier Qualifications, PECO shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.
- 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 CUSTOMER ENROLLMENT**

- 4.1 Enrollment. [~~Residential customers~~]**Eligible Customers** may enroll with the Standard Offer Supplier 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. Customers may select a Standard Offer Supplier from a list, or choose to have PECO randomly assign a Standard Offer Supplier.
- 4.2 Enrollment Report. Once every business day, PECO will electronically transmit a report of enrollment requests received to each EGS serving as Standard Offer Supplier. The Enrollment Report will contain the information needed to enable the EGS to submit EDI 814 enrollment requests to PECO. Each Standard Offer Supplier 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.
- 4.3 Enrollment Processing. Upon receipt by PECO of the EDI 814 enrollment, the standard EDC Enrollment Letter (or other Pennsylvania Public Utility Commission (“Commission”)-approved form of notification) will be mailed by PECO to the customer.

- 4.4 Sales Agreement. Each Standard Offer Supplier shall send a sales agreement, which meets all PUC regulations and complies with the requirements set forth in the terms and conditions set forth in Article 5, to the customer no later than three business days after sending the EDI 814 enrollment transaction. The sales agreement will provide the terms of service for the initial 12-monthly billing cycle period and also provide information about how the terms may change after the initial 12-month period. This shall include the date by which the customer must take action to exercise his or her options at the end of the term.
- 4.5 Report to PA PUC. In order to monitor the success of the Standard Offer Supplier Program, PECO will produce two confidential reports to the Commission and the Office of the Consumer Advocate annually, with the first report submitted within 45 days after PECO has operated the program for 12 complete months. The second report will be submitted by June 15, 2015. In order to obtain statistics to prepare ~~[this report]~~ these reports, Standard Offer Suppliers 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 Standard 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 5

### STANDARD OFFER SUPPLIER STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Standard Offer Suppliers:

- 5.1 At the time of the first contact between the Standard Offer Supplier and the Standard Offer Customer, the customer will be reminded of the terms and conditions of the standard offer, including the date by which the customer must take action to exercise his or her options at the end of the term.
- 5.2 All Standard Offer Supplier billing for customers who enroll under the Program shall be Consolidated EDC Billing.
- 5.3 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 5.4 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 a Standard Offer Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Standard Offer Period.

- 5.5 All Standard Offer Suppliers must provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under PA PUC regulations and orders.
- 5.6 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer 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 6 ADDITIONAL PROGRAM PROVISIONS

- 6.1 Program Costs. All costs associated with implementation of the Standard Offer Supplier Program, including this RFP, will be recovered [~~through a discount in the Purchase of Receivables payment to all suppliers serving residential customers~~] **as follows.** Costs include information system implementation costs for website and IVR changes, incremental call center support for the program and other associated administrative costs.

**6.1.1 Customer Enrollment Fee.** Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Each Standard Supplier shall be responsible for the payment of the product of: (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier under PECO's Purchase of Receivable ("POR") program by the unpaid amount (but not from amounts that are subject to a bona fide POR payment dispute). A Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until the past due payments are paid.

**6.1.2 Remaining Program Costs.** Any remaining Program costs will be recovered 50% from the Purchase of Receivables discount and 50% from residential default service customers.

6.1.3 Address for submissions. All submissions to PECO for this RFP and Program, unless otherwise communicated at a technical conference and subsequently posted to the \_\_\_\_\_ website, shall be delivered via overnight delivery to the following address:

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

Applicant 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. Electronic emails shall be sent to: *[e-mail address to be provided]*

- 6.2 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.
- 6.3 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.
- 6.4 Presentation and Formatting. All information submitted by an Applicant must be in the English language.
- 6.5 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any Applicant in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.
- 6.6 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 Standard Offer Supplier Program.
- 6.7 Publicity. Each Applicant understands and agrees that PECO does not participate in, nor does it allow, Applicants to utilize media releases of any kind to publicize Applicant's business relationship with PECO. Each Applicant shall not use any trade name, trademark, service mark or any other information which identifies PECO in such Applicant'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. Standard Offer Suppliers are not permitted to promote their role as Standard Offer Supplier, either before, during or after their Offer Month, without PECO's prior written approval, which PECO may withhold approval in its sole discretion. ~~[For all other references to PECO not requiring PECO's prior consent, the references must be factual and cannot]~~ **These prohibitions, however, shall not be construed to require PECO's express consent before an Applicant or Standard Offer Supplier can refer, in a factual manner, to the PECO service territory or their participation in the PECO program so long as the references are factual and do not** infer an endorsement by or affiliation with PECO.
- 6.8 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 Applicant 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 Applicant participating in the RFP process. By submitting an Application, Applicant 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 Applicant.

- 6.9 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 Applicant'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 Applicants. 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 Applicants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 6.10 Non-conforming Applications. PECO reserves the right to reject any Application at any time on the grounds that it does not conform to the terms and conditions of this RFP or the Applicant has not complied with the provisions of this RFP.

**EXHIBIT 1 - FORM OF STANDARD OFFER SUPPLIER APPLICATION**

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

**INSTRUCTIONS**

**Two signed originals of Attachment A (Standard Offer Supplier Agreement) must be attached to Applicant'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 Standard Offer Supplier Program Request for Proposals and Program Rules.**

As an officer or other authorized representative of the Applicant, I certify that: (a) the Applicant is certified to serve load in the PECO territory at the time of the [~~Opt-In~~]**Standard Offer** Supplier Application Due Date; (b) the Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) the Applicant 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.

**SIGNATURE OF AUTHORIZED REPRESENTATIVE**

I am an officer or other authorized representative of the Applicant 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 STANDARD OFFER SUPPLIER AGREEMENT

This Agreement ("Agreement") is made as of \_\_\_\_\_, 201\_ (the "Effective Date"), by and between [Standard Offer 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 EGS Standard 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 Standard Offer Supplier shall provide Competitive Energy Supply to each customer that enrolls with the Standard Offer Supplier (a "Standard Offer Customer") at effective Standard Offer Price at the time of each customer's date of enrollment. The Standard Offer Price shall be a fixed cents/kWh comprised of a seven percent (7 %) reduction from the effective PECO Energy residential default service Price to Compare on the date the standard offer is made. The Standard Offer Price will be available to the Standard Offer Customer over twelve complete billing cycles ("Standard Offer Period").

**4. Terms and Conditions.** During the Term, the Standard Offer Supplier agrees that: (a) all Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing; (b) each Standard Offer customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Standard Offer 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 a Standard Offer Supplier discontinue service to a Standard Offer Customer before the end of the Standard Offer Period; (e) the Standard Offer Supplier 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 or Policy Statements; (f) Standard Offer Customers may choose to be assigned to the Standard Offer Supplier of their choice or may choose a random assignment by PECO; [and]([f]g) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer 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; **and (h) Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Monthly, each Standard Offer Supplier shall be responsible for the product of: (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable payment by the Standard Offer Program.**

amount due (but not from amounts that are subject to a bona fide POR payment dispute). A Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until past due payments are paid.

**5. Representations and Warranties of Standard Offer Supplier.** The Standard Offer 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 the ~~[Opt-In]~~ **Standard Offer** Supplier Application Due Date; (b) it has no past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines.

**6. Termination and Withdrawal from Supplier List.** This Agreement may be terminated (i) by PECO upon written notice of a material breach of this Agreement by the Standard Offer Supplier; (ii) by PECO upon the termination of the Program; or (iii) by the Standard Offer Supplier upon thirty (30) days written notice, provided that the Standard Offer Supplier shall no longer be serving any Standard Offer Supplier customers who remain on a fixed rate offered by the Standard Offer Supplier under the Program during the Standard Offer Period applicable to such customer. A Standard Offer Supplier shall be removed from PECO's Standard Offer Supplier list upon 30 days written notice, but the Agreement shall not terminate except as provided in the preceding sentence.

**7. Limitations.** Notwithstanding any provision of this Agreement or the Program, the Standard Offer Supplier acknowledges that (a) the Standard Offer 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 Standard Offer 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 Standard Offer Supplier in the event that the Standard Offer Supplier no longer serves that customer for any reason; and (c) the Standard Offer 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.

**8. Indemnification.** The Standard Offer 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 Standard Offer Supplier'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 Standard Offer 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, and 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 Standard Offer 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 Standard Offer 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

**[STANDARD OFFER SUPPLIER]**

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

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

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

[Company name]

[Address]

Phone:

Fax:

E-mail:

**EXHIBIT C**

**RECEIVED**

FEB 28 2013

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

# PECO Energy Company

RECEIVED

Electric Service Tariff

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FEB 28 2013

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

COMPANY OFFICE LOCATION

2301 Market Street  
Philadelphia, Pennsylvania 19101

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For List of Communities Served, See Page 4.

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Issued February 28, 2013

Effective June 1, 2013

ISSUED BY: C. L. Adams – President & CEO  
PECO Energy Distribution Company  
2301 MARKET STREET  
PHILADELPHIA, PA. 19101

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# NOTICE.

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PECO Energy Company

Supersedes Fifty Eighth Revised Page No. 1

**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**Generation Supply Adjustment for Procurement Classes 1, 2, 3 Loads up to 500 kW – 14<sup>th</sup> Revised Page No. 31**

Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued February 14, 2013.

**Reconciliation – 5th Revised Page No. 34**

Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued February 14, 2013.

**PECO Energy Company**

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**PECO Energy Company**

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASSES 1,2,3  
 LOADS UP TO 500KW**

**Applicability:** Effective June 1, 2013 this adjustment shall apply to all customers taking default service from the Company with demands up to 500 kW. The rate contained herein shall be calculated to the nearest one hundredth of a cent. The GSA shall contain the cost of generation supply for each tariff rate.

**Pricing:** The rates below shall include the cost of procuring power to serve the default service customers including the cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The pricing for default service will represent the estimate of the cost to serve the specific tariff rate for the next quarterly period beginning with the three months ended August 31, 2013. The rates in this tariff shall be updated quarterly on June 1, September 1, December 1 and March 1 commencing June 1, 2013. If the balance of over/(under) recovery gets too large, the Company can file a reconciliation that will mitigate the subsequent impact. The generation service charge shall be calculated using the following formula:

$$GSA(n) = (C-E+A)/S * 1 / (1-T) * (1-ALL) / (1-LL) + AEPS/S * 1 / (1-T) + WC$$

where;

**C=** The sum of the amounts paid to the full requirements suppliers providing the power for the quarterly period, the spot market purchases for the quarterly period, plus the cost of any other energy acquired for the quarterly period. Cost shall include energy, capacity and ancillary services, distribution line losses, cost of complying with the Alternative Energy Portfolio Standards, and any other load serving entity charges other than network transmission service and costs assigned under the Regional transmission Expansion Plan. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as the load serving entity charges listed in the Supply Master Agreement Exhibit D as the responsibility of the supplier. This component shall include the proceeds and costs from the exercise of Auction Revenue Rights granted to PECO by PJM.

**AEPS =** The projected total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the C component above for the quarterly period for each procurement class. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

**E =** experienced over or under-collection calculated under the reconciliation provision of the tariff to be effective during the same period as the GSA.

**A = Administrative Cost -** This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement plan, legal fees incurred gaining approval of the plan and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or is approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Retail Opt-In Program and Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in those programs; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 that are not otherwise recovered from EGSs. Costs for the Retail Opt-In Program and Standard Offer Program shall only be recovered from Procurement Classes 1 and 2. (C)

**S =** Estimated sales for the period the rate is in effect for the classes to which the rate is applicable.

**T =** The currently effective gross receipts tax rate.

**n =** The procurement class for which the GSA is being calculated.

**ALL =** average line losses for the procurement class.

**LL =** line losses for the specific rate class provided in the Company's Electric Generation Supplier Coordination Tariff rule 6.6.

**WC =** 0.04¢/kWh to represent the cash working capital for power purchases.

**Auction Revenue Rights (ARR) =** Allocated annually by PJM to Firm transmission customers, the ARR's allow a Company to select rights to specific transmission paths in order to avoid congestion charges

In general the line loss adjustment is applicable to Procurement Class 2 and 3 only as those classes contain rate classes with three different line loss factors. Current charges:

Rate		GSA Price
R	GSA(1)	x.xxxx
RH	GSA(1)	x.xxxx
GS	GSA(2)	x.xxxx
GS	GSA(3)	x.xxxx

(C) Denotes Change

### RECONCILIATION

**Applicability:** Effective June 1, 2013 this adjustment shall apply to all customers who received default service during the period the cost of which is being reconciled. Customers taking default service during the reconciliation period that leave default service prior to the assessment of the collection of the over/(under) adjustment shall still pay or receive credit for the over/(under) adjustment through the migration provision. The Company shall notify the Commission and parties to the Default Service Settlement 15 days in advance of the quarterly or monthly filing if the Migration Provision will be implemented in the filing.

This adjustment shall be calculated on a quarterly basis for Procurement Classes 1, 2 and 3. The reconciliation period will include the three month period beginning December 1, March 1, June 1 and September 1. The initial reconciliation period will include the three month period beginning December 1, 2012 through February 28, 2013 with recovery occurring during the three month period June 1, 2013 through August 31, 2013. For Procurement Class 4 Hourly, the adjustment shall be calculated on a monthly basis with recovery commencing after the occurrence of a quarter. The reconciliation shall be separate for each procurement class. Any resulting over or under recovery shall be assessed on an equal cents per kilowatthour basis to all customers in the relevant procurement group. Any over/(under) recovery shall be collected after the occurrence of three months from the end of the reconciliation period. For Procurement Classes 1, 2 and 3 recovery shall be over a quarter. For Procurement Class 4 Hourly, recovery shall be monthly. For purposes of this rider the reconciliation shall be calculated 45 days before the effective date of recovery. The over or under recovery shall be calculated using the formula below. The calculation of the over/(under) recovery shall be done separately for the following procurement classes – Class 1 – Residential, Class 2 – Small C&I < 100 kW, and Class 3 – Medium C&I 101 kW to 500 kW and Class 4 Large C&I over 500 kW.

#### Reconciliation Formula

$$E_N = \Sigma O/(U) + I$$

$$\text{Migration Provision } E_M = [\Sigma O/(U) + I]/S/(1-GRT)^*(1-ALL)/(1-LL)$$

#### Where:

**E** = experienced over or under collection plus associated interest

**N** = Procurement class

**M** = Migration Rider

**O/(U)** = The monthly difference between revenue billed to the procurement class and the cost of supply as described below in Cost, AEPS Cost and Administrative Cost.

**Revenue** = amount billed to the tariff rates applicable to the procurement class including approved Real Time Price or other time sensitive rates for the period being reconciled through the GSA.

**Cost** = The sum of the amounts paid to all of the full requirements suppliers providing the power for the period being reconciled, the spot market purchases for the period being reconciled, plus the cost of any other energy acquired for the period being reconciled. Cost shall include energy, capacity and ancillary services as well as the proceeds and costs of auction revenue rights for Procurement Classes 1, 2 and 3. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as those costs listed in the Supply Master Agreement as the responsibility of the seller.

**AEPS** = The total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the Cost component above for the reconciliation period for Procurement Classes 1, 2 and 3 and not included in the ancillary services component for Procurement Class 4 Hourly Service. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

Note that no AEPS rate will be filed for April 1, 2013, and costs otherwise recovered under that rate will be included in the GSA. Effective June 1, 2013, all AEPS costs shall be recovered in the GSA. By March 31, 2013, the Company shall file an AEPS over/under reconciliation statement for the 13 months ended February 2013 and any over/under recovery balance shall be combined with the over/under balance in the corresponding GSA at the end of February 2013 for recovery through the reconciliation provision of the GSA. Over/under recoveries occurring during the March 2013 to May 2013 period shall be combined with the corresponding GSA over/under recovery in future GSA reconciliations.

**Administrative Cost** = This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the strategy, and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Retail Opt-In Program and Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in those programs; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 that are not otherwise recovered from EGSs. Costs for the Retail Opt-In Program and Standard Offer Program shall only be recovered from Procurement Classes 1 and 2. (C)

**Full Requirements Supply** = A product purchased by the Company that includes a fixed price for all energy consumed. The only cost added by the Company to the full requirements price is for gross receipts tax, distribution line losses, and administrative cost.

**Ancillary Services** = The following services in the PJM OATT- reactive support, frequency control, operating reserves, supplemental reserves, imbalance charges, PJM annual charges, any PJM assessment associated with non-payment by members, and any other load serving entity charges not listed here but contained in Exhibit D of the Supply Master Agreement. Also included shall be the proceeds and costs from the exercise of auction revenue rights for Procurement Class 4 Hourly Service.

(C) Denotes Change

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# PECO Energy Company

Electric Service Tariff

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**COMPANY OFFICE LOCATION**

2301 Market Street  
Philadelphia, Pennsylvania 19101

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For List of Communities Served, See Page 4.

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Issued February 28, 2013

Effective June 1, 2013

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Deleted: April

ISSUED BY: C. L. Adams – President & CEO  
PECO Energy Distribution Company  
2301 MARKET STREET  
PHILADELPHIA, PA. 19101

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# NOTICE.

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**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

Generation Supply Adjustment for Procurement Classes 1, 2, 3 Loads up to 500 kW – 14<sup>th</sup> Revised Page No. 31  
Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued February 14, 2013.

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Reconciliation – 5th Revised Page No. 34.  
Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued February 14, 2013.

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1<sup>st</sup> Revised Page No. 31A & 1<sup>st</sup> Revised Page No. 32A  
Reflects two month transition period adjustment for Procurement Classes 1, 2 and 3 pursuant to Order at Docket No. ¶  
P-2008-262739 and DSP-2 at Docket No. P-2012-2283641. Rate tables updated for April 1, 2013 through ¶ May 31, 2013 pricing. ¶  
¶  
Generation Supply Adjustment For Procurement Class 4 Loads Greater than 500 kW - RATES THRU 5/31/2013 – 30<sup>th</sup> Revised Page No. 33¶  
Reflects monthly adjustment for Procurement Class 4 – hourly pricing pursuant to Order at Docket No. ¶  
P-2008-262739 and DSP-2 at Docket No. P-2012-2283641. ¶  
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PECO Energy Company

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PECO Energy Company

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASSES 1,2,3  
 LOADS UP TO 500KW**

**Applicability:** Effective June 1, 2013 this adjustment shall apply to all customers taking default service from the Company with demands up to 500 kW. The rate contained herein shall be calculated to the nearest one hundredth of a cent. The GSA shall contain the cost of generation supply for each tariff rate.

**Pricing:** The rates below shall include the cost of procuring power to serve the default service customers including the cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The pricing for default service will represent the estimate of the cost to serve the specific tariff rate for the next quarterly period beginning with the three months ended August 31, 2013. The rates in this tariff shall be updated quarterly on June 1, September 1, December 1 and March 1 commencing June 1, 2013. If the balance of over/(under) recovery gets too large, the Company can file a reconciliation that will mitigate the subsequent impact. The generation service charge shall be calculated using the following formula:

$$GSA(n) = (C - E) \cdot AYS^{1/(1-T)} \cdot (1 - ALL)^{(1-LL)} + AEPS/S^{1/(1-T)} + WC$$

**C** = The sum of the amounts paid to the full requirements suppliers providing the power for the quarterly period, the spot market purchases for the quarterly period, plus the cost of any other energy acquired for the quarterly period. Cost shall include energy, capacity and ancillary services, distribution line losses, cost of complying with the Alternative Energy Portfolio Standards, and any other load serving entity charges other than network transmission service and costs assigned under the Regional transmission Expansion Plan. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as the load serving entity charges listed in the Supply Master Agreement Exhibit D as the responsibility of the supplier. This component shall include the proceeds and costs from the exercise of Auction Revenue Rights granted to PECO by PJM.

**AEPS** = The projected total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the C component above for the quarterly period for each procurement class. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

**E** = experienced over or under-collection calculated under the reconciliation provision of the tariff to be effective during the same period as the GSA.

**A** = Administrative Cost - This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement plan, legal fees incurred gaining approval of the plan and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or is approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Retail Opt-In Program and Standard Offer Program approved by the Commission at Docket No. P-2012-2283841 that have not been otherwise recovered through fees paid by EGSs participating in those programs; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. J-2011-2237852 that are not otherwise recovered from EGSs. Costs for the Retail Opt-In Program and Standard Offer Program shall only be recovered from Procurement Classes 1 and 2.

**S** = Estimated sales for the period the rate is in effect for the classes to which the rate is applicable.

**T** = The currently effective gross receipts tax rate.

**n** = The procurement class for which the GSA is being calculated.

**ALL** = average line losses for the procurement class.

**LL** = line losses for the specific rate class provided in the Company's Electric Generation Supplier Coordination Tariff rule 6.6.

**WC** = 0.04¢/kWh to represent the cash working capital for power purchases.

**Auction Revenue Rights (ARR)** = Allocated annually by PJM to Firm transmission customers, the ARR's allow a Company to select rights to specific transmission paths in order to avoid congestion charges

In general the line loss adjustment is applicable to Procurement Class 2 and 3 only as those classes contain rate classes with three different line loss factors. Current charges: \_

Rate	GSA Price
R	GSA(1) x.xxxx
RH	GSA(1) x.xxxx
GS	GSA(2) x.xxxx
GS	GSA(3) x.xxxx

Rate	
R	All kWh
	1st 500 S
	Over 500 S
RH	1st 600 W
	Over 600 W
	1st 500 S
	Over 500 S
GS	Up to 100 kW
	1st 80 hours use
	Next 80 hrs - S
	Up to 400 Hrs u
	Over 400 Hrs u
	Space Heating
GS	101-500 kW
	1st 80 hours use
	Next 80 hrs - S
	Up to 400 Hrs u
	Over 400 Hrs u
	Space Heating

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PECO Energy Company

**RECONCILIATION**

**Applicability:** Effective June 1, 2013 this adjustment shall apply to all customers who received default service during the period the cost of which is being reconciled. Customers taking default service during the reconciliation period that leave default service prior to the assessment of the over/(under) adjustment shall still pay or receive credit for the over/(under) adjustment through the migration provision. The Company shall notify the Commission and parties to the Default Service Settlement 15 days in advance of the quarterly or monthly filing if the Migration Provision will be implemented in the filing. This adjustment shall be calculated on a quarterly basis for Procurement Classes 1, 2 and 3. The reconciliation period will include the three month period beginning December 1, March 1, June 1 and September 1. The initial reconciliation period will include the three month period beginning December 1, 2012 through February 28, 2013 with recovery occurring during the three month period June 1, 2013 through August 31, 2013. For Procurement Class 4 Hourly, the adjustment shall be calculated on a monthly basis with recovery commencing after the occurrence of a quarter. The reconciliation shall be separate for each procurement class. Any resulting over or under recovery shall be assessed on an equal cents per kilowattour basis to all customers in the relevant procurement group. Any over/(under) recovery shall be collected after the occurrence of three months from the end of the reconciliation period. For Procurement Classes 1, 2 and 3 recovery shall be over a quarter. For Procurement Class 4 Hourly, recovery shall be monthly. For purposes of this rider the reconciliation shall be calculated 45 days before the effective date of recovery. The over or under recovery shall be calculated using the formula below. The calculation of the over/(under) recovery shall be done separately for the following procurement classes - Class 1 - Residential, Class 2 - Small C&I < 100 kW, and Class 3 - Medium C&I 101 kW to 500 kW and Class 4 Large C&I over 500 kW.

**Reconciliation Formula**

$$E_N = \Sigma O/(U) + I$$

$$\text{Migration Provision } E_M = [\Sigma O/(U) + I] / S / (1 - \text{GRT}) * (1 - \text{ALL}) / (1 - \text{LL})$$

**Where:**

**E** = experienced over or under collection plus associated interest  
**N** = Procurement class  
**M** = Migration Rider  
**O/(U)** = The monthly difference between revenue billed to the procurement class and the cost of supply as described below in Cost, AEPS Cost and Administrative Cost.

**Revenue** = amount billed to the tariff rates applicable to the procurement class including approved Real Time Price or other time sensitive rates for the period being reconciled through the GSA.

**Cost** = The sum of the amounts paid to all of the full requirements suppliers providing the power for the period being reconciled, the spot market purchases for the period being reconciled, plus the cost of any other energy acquired for the period being reconciled. Cost shall include energy, capacity and ancillary services as well as the proceeds and costs of auction revenue rights for Procurement Classes 1, 2 and 3. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as those costs listed in the Supply Master Agreement as the responsibility of the seller.

**AEPS** = The total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the Cost component above for the reconciliation period for Procurement Classes 1, 2 and 3 and not included in the ancillary services component for Procurement Class 4 Hourly Service. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

Note that no AEPS rate will be filed for April 1, 2013, and costs otherwise recovered under that rate will be included in the GSA. Effective June 1, 2013, all AEPS costs shall be recovered in the GSA. By March 31, 2013, the Company shall file an AEPS over/under reconciliation statement for the 13 months ended February 2013 and any over/under recovery balance shall be combined with the over/under balance in the corresponding GSA at the end of February 2013 for recovery through the reconciliation provision of the GSA. Over/under recoveries occurring during the March 2013 to May 2013 period shall be combined with the corresponding GSA over/under recovery in future GSA reconciliations.

**Administrative Cost** = This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the strategy, and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Retail Opt-In Program and Standard Offer Program approved by the Commission at Docket No. P-2012-2283841 that have not been otherwise recovered through fees paid by EGSs participating in those programs; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 that are not otherwise recovered from EGSs. Costs for the Retail Opt-In Program and Standard Offer Program shall only be recovered from Procurement Classes 1 and 2.

**Full Requirements Supply** = A product purchased by the Company that includes a fixed price for all energy consumed. The only cost added by the Company to the full requirements price is for gross receipts tax, distribution line losses, and administrative cost.

**Ancillary Services** = The following services in the PJM OATT: reactive support, frequency control, operating reserves, supplemental reserves, imbalance charges, PJM annual charges, any PJM assessment associated with non-payment by members, and any other load serving entity charges not listed here but contained in Exhibit D of the Supply Master Agreement. Also included shall be the proceeds and costs from the exercise of auction revenue rights for Procurement Class 4 Hourly Service.

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Issued February 26, 2013

Effective June 1, 2013

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**EXHIBIT D**

**PECO Energy Company**

**ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF**

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**COMPANY OFFICE LOCATION**

2301 Market Street  
Philadelphia, Pennsylvania 19103

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Issued: February 28, 2013

Effective: June 1, 2013

**ISSUED BY: C. L. Adams – President & CEO  
PECO Energy Distribution Company  
2301 MARKET STREET  
PHILADELPHIA, PA. 19103**

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**NOTICE.**

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Supplement No. 12 to  
Tariff Electric Pa. P.U.C. No. 1S  
Tenth Revised Page No. 1A

PECO Energy Company Superseding Ninth Revised Page No. 1A

**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**EDC Consolidated Billing – 5th Revised Page No. 92**

Reflects provisions for compliance with the Order at Docket No. P-2012-2283641  
issued on February 14, 2013.

**PECO Energy Company**

resulting calculation ("EGS Charges") to PECO Energy via VAN or Internet protocol.

4. PECO Energy will provide the EGS up to two lines, each 80 characters in length, on its standard bill for messages directly related to the calculation or understanding of the EGS portion of the bill.

5. PECO Energy and EGSs will transmit Meter Data and billing charges to each other in accordance with the attached interim monthly billing schedule (Attachment E - Data Transfer Schedule.) PECO Energy will provide 60 days advance notice to EGSs before any modification takes effect so that parties that disagree with the discontinuance of the Data Transfer Schedule may request the Commission to overrule or modify PECO's decision. PECO and EGSs will transmit data in accordance with existing EDI standards as adopted by the Commission's Electronic Data Exchange Working Group.

6. EGS Charges must be received by PECO Energy in accordance with the Data Transfer Schedule.

7. If EGS Charges are not received by PECO Energy in accordance with the Data Transfer Schedule, PECO Energy will not place the EGS Charges into the next billing cycle. The Customer's bill for the current billing period will state that the EGS Charges for the current billing period are not available. The remittance period for EGS charges will begin when EGS charges actually appear on the bill. Any transactions with EGS charges sent to PECO Energy after the time periods outlined in the Data Transfer Schedule will be rejected and the EGS will need to resubmit data the following month.

8. PECO Energy will collect Customer's payments and will process payments in accordance with the Commission's payment priority set forth in Docket No. M-00960890F.001 and Rule 17 of PECO's EDC Tariff.

9. PECO Energy will purchase the account receivable of each Consolidated EDC Billing Customer by paying the EGS for the amount owed for all undisputed Customer EGS Charges regardless of whether the Customer has paid PECO. The payment for the account receivable shall be without recourse and without discount, provided, however, that: (1) PECO shall discount the payment for any past due amounts related to an EGS's participation in a retail market enhancement program approved by the Commission at Docket No. P-2012-2283641; and (2) PECO shall discount the payment by an amount not to exceed 0.2% until it has recovered fifty percent of the implementation and ongoing costs of the Retail Opt-In Program and Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in those programs. Upon termination of those programs, the Company shall refund any over recovery of implementation and ongoing costs. (C)

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Supplement No. 12 to  
Tariff Electric Pa. P.U.C. No. 1S

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## PECO Energy Company

### ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

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#### COMPANY OFFICE LOCATION

2301 Market Street  
Philadelphia, Pennsylvania 19103

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SECRETARY'S BUREAU

Issued: ~~February 28, 2013~~

Effective: June 1, 2013

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ISSUED BY: C. L. Adams – President & CEO  
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PHILADELPHIA, PA. 19103

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# NOTICE.

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**Supplement No. 12 to  
Tariff Electric Pa. P.U.C. No. 1S  
Tenth Revised Page No. 1A**

**PECO Energy Company**      **Superseding Ninth Revised Page No. 1A**

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**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**EDC Consolidated Billing – 5th Revised Page No. 92**  
Reflects provisions for compliance with the Order at Docket No. P-2012-2283641,  
issued on February 14, 2013.

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C. L. Adams replaces D. P. O'Brien  
as the Officer responsible for the  
issuance of the tariff to reflect a  
change in the Company's  
management structure. ¶  
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Issued February 28, 2013      Effective June 1, 2013

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resulting calculation ("EGS Charges") to PECO Energy via VAN or Internet protocol.

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Issued February 28, 2013

Effective June 1, 2013

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY           :**  
**FOR APPROVAL OF ITS DEFAULT                :** **DOCKET NO. P-2012-2283641**  
**SERVICE PROGRAM                               :**

**CERTIFICATE OF SERVICE**

I hereby certify and affirm that I have this day served copies of the **PECO Energy Company's Second Revised Default Service Plan Compliance Filing** on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54.

**VIA ELECTRONIC MAIL AND FIRST CLASS MAIL**

Honorable Dennis J. Buckley  
Administrative Law Judge  
Office of Administrative Law Judge  
400 North Street  
P.O. Box 3265  
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[debuckley@pa.gov](mailto:debuckley@pa.gov)

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**FEB 28 2013**

**PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU**

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*Counsel For PECO Energy Company*

Dated: February 28, 2013

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**PA PUBLIC UTILITY COMMISSION  
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