

PART 2 FORM
DEFAULT SERVICE RFP
APPENDIX 5
PART 2 DATE: September 15, 2009

This Part 2 Form is the form to submit a Part 2 Proposal in the PECO Energy Company (“Company” or “PECO”) Default Service Request for Proposals (“RFP”).

Before completing this Part 2 Form, please review the RFP including the Default Service Supply Master Agreement so that you understand the conditions under which the RFP will be conducted. These documents are posted at www.XXXX.com when they become available.

By having submitted a Part 1 Proposal in response to this RFP, you agreed to all terms and conditions of this RFP.

Any information provided by an RFP Bidder in this Part 2 Proposal is provided on a confidential basis to the Independent Evaluator, and may be provided on a confidential basis to the Staff of the Pennsylvania Public Utility Commission (“Commission”). PECO representatives will review the information provided to fulfill the requirements of Section 4 and Section 5, and will participate in the evaluation of the Pre-Bid Letter of Credit with the name of the RFP Bidder and the amount redacted.

INSTRUCTIONS FOR PROPOSAL

RFP Bidders submit the Part 1 Form and all documents required therein to respond to the qualification standards for the RFP. An RFP Bidder that is qualified after complying with all qualification requirements of the Part 1 Proposal may submit a Part 2 Proposal.

This Part 2 Form must be used to submit a Part 2 Proposal in the RFP.

Please complete all sections.

I. Part 2 Proposal Submission

An RFP Bidder must:

- Submit **three (3) original** completed Part 2 Forms (with original signatures);
 - Submit documents required to support the Part 2 Form as specified in Sections 2 and 3;
- and
- Manually insert the name of the RFP Bidder **on every page** of the Part 2 Form.

In addition, an RFP Bidder must respond to Sections 4 and 5 of the Part 2 Form and submit documents requested as applicable to the RFP Bidder.

The completed Part 2 Proposal MUST be received by the Independent Evaluator no later than 12:00 PM (noon) EPT¹ on September 15, 2009 (the Part 2 Date) at:

PECO RFP Independent Evaluator
TBD

Inquiries may be directed to the Independent Evaluator by:

- telephone TBD
- fax TBD
- through the “Ask a Question” page on the web site at
www.XXXX.com

Photocopies and facsimiles of completed forms will not be accepted under any circumstances.

¹ Unless noted otherwise, all times refer to the Eastern Prevailing Time (EPT) zone.

II. Part 2 Proposal Submission

Confirmation

If your Part 2 Proposal is received by post, a confirmation consisting of a photocopy of the first page of your Part 2 Form stamped with the time and the date that it was received will be faxed to you. This confirmation of receipt will be faxed after an initial review, either with a confirmation that your proposal is complete, or with a deficiency notice (see below). If your Part 2 Proposal is hand-delivered, a confirmation consisting of a photocopy of the first page of your Part 2 Form stamped with the time and the date that it was received will be provided to the deliverer.

Timing of Part 2 Proposal Review

The Part 2 Proposal Window opens at 8:00 AM on September 8, 2009 and closes at 12:00 PM (noon) on September 15, 2009. The last day of the Part 2 Proposal Window, September 15, 2009, is called the Part 2 Date. The Independent Evaluator performs an initial review of all Part 2 Proposals during the Part 2 Proposal Window. Part 2 Proposals received prior to the Part 2 Proposal Window are processed on September 8, 2009. Part 2 Proposals received during the Part 2 Proposal Window are processed on the day they are received. Proposals received after the proposal window are late proposals and are not processed.

Incomplete Part 2 Proposals

If your Part 2 Proposal is incomplete or requires clarification, the Independent Evaluator will send a deficiency notice to you by fax. If the deficiency or request for clarification concerns your Pre-Bid Letter of Credit, or your guaranty, or documents required to fulfill the requirements of Section 4 and Section 5 of this Part 2 Form, you will have until noon on the Part 2 Date, or until 6:00 PM of the second business day following the business day during which you are notified, whichever comes later, to respond. For any other deficiencies or requests for clarification you will have until 12:00 PM (noon) on the Part 2 Date, or until 6:00 PM on the business day following the business day during which a deficiency notice is faxed to you, whichever comes later, to respond. If you do not correct or adequately explain the deficiency within the time allowed, your Part 2 Proposal may be rejected and you may be unable to participate in the RFP. One (1) copy of the Part 2 Form and all documents except for the Pre-Bid Letter of Credit will be returned to you.

Late Part 2 Proposals

No late Part 2 Proposals will be accepted under any circumstances.

Part 2 Notification

When your Part 2 Proposal is complete, the Independent Evaluator will send a complete notice to your Representative by fax with a photocopy of the first page of your Part 2 Form stamped "complete". Each RFP Bidder that submits a Part 2 Proposal will be notified whether it has qualified to submit a Bid on Bid Date for the RFP no later than 6 PM on September 18, 2009 (Part 2 Notification Date).

Name of RFP Bidder

RFP Bidders Under Agency Agreements

An RFP Bidder submitting a Proposal under an Agency Agreement is required to submit additional documents as specified in Section 4.

Foreign RFP Bidders and Foreign Entities

An RFP Bidder that has not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia (“Foreign RFP Bidder”), or an RFP Bidder that is relying on the financial standing of an entity (an RFP Guarantor or a Principal) that has not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia (a “Foreign Entity”), is required to provide additional information in Section 5 of this Part 2 Form.

Name of RFP Bidder

PART 2 FORM

1. Contact Information and Representations

COMPLETE ALL INFORMATION IN THIS SECTION 1 OF THIS PART 2 FORM.

Name and Address of the RFP Bidder

The Independent Evaluator sent you a Record of Contact Information along with your Part 1 Notification. This Record of Contact Information contains the contact information that we have on record for you from the Part 1 Proposal.

PLEASE CHECK HERE IF THE INFORMATION IN THE RECORD OF CONTACT INFORMATION IS CORRECT AND PROCEED TO THE REPRESENTATIONS ON PAGE 7 OF THIS FORM. OTHERWISE, PLEASE MAKE ANY CORRECTIONS IN THE SPACE PROVIDED BELOW.

Please note that fields will expand to accommodate text.

Legal Name of RFP Bidder

Street Address

City

State

Zip Code

Last Name of Officer of the RFP Bidder

Given Name(s)

Mr./Mrs./Ms./Dr/(other)

Title of Officer of the RFP Bidder

Company

The Officer of the RFP Bidder named in the Part 1 Proposal will make all representations and certifications in this Part 2 Proposal and will execute the Default Service Supply Master Agreement (“Default Service SMA”) including all necessary exhibits, as required in Section 3. If the RFP Bidder must change the individual who serves as Officer of the RFP Bidder, the RFP Bidder must re-submit by the Part 2 Date its Part 1 Form in its entirety naming the new individual as Officer of the RFP Bidder, and that Officer of the RFP Bidder must make all representations and certifications required in this RFP for this solicitation.

Name of RFP Bidder

Street Address

City

State

Zip Code

Telephone No.

Fax No.

Email Address

The Representative and the Officer of the RFP Bidder are the contacts between the RFP Bidder and the Independent Evaluator. The Representative will receive all documentation related to the RFP including confidential information required to submit bids on the Bid Date.

Last Name of Representative

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Title

Company

Street Address

City

State

Zip Code

Telephone No. of Representative

Alternate Telephone No.

Email Address of Representative

Fax No. of Representative

Name of RFP Bidder

Representations of the Officer of the RFP Bidder

THE FOLLOWING CERTIFICATIONS MUST BE SIGNED BY THE OFFICER OF THE RFP BIDDER AND THE SIGNATURE MUST BE NOTARIZED OR ATTESTED WITH THE CORPORATE SEAL.

- (1) I certify that this Part 2 Proposal will remain valid and remain in full force and effect until five (5) business days after the Bid Date.
- (2) I certify that all information provided in this Part 2 Proposal is true and accurate to the best of my knowledge and belief.
- (3) I certify that the RFP Bidder is bidding independently and that it has no knowledge of any information concerning a Proposal being submitted by another RFP Bidder in response to this solicitation or any future solicitation in this RFP. Such information includes, but is not limited to: the fact that another RFP Bidder is submitting a Proposal in response to this RFP; another RFP Bidder's Bids in this or in a subsequent solicitation under this RFP; the number of tranches bid by another RFP Bidder for any product in this or in a subsequent solicitation under this RFP; another RFP Bidder's estimation of the value of a tranche of a product; another RFP Bidder's estimation of the risks associated with providing supply under the Default Service SMA; the preference of another RFP Bidder for bidding on specific products in this or in a subsequent solicitation under this RFP; and the contractual arrangements for power of another RFP Bidder to serve tranches of Default Service Load were that RFP Bidder to become a Default Service Supplier. This certification must be binding and in effect until the Commission has either approved or rejected each of the winning Bids for this solicitation.
- (4) I certify that the RFP Bidder has maintained and will continue to maintain the confidentiality of its Proposal during the preparation of the Proposal, including in communicating with its financial institution for the purpose of preparing the Pre-Bid Letter of Credit or in communicating with advisors, if any.
- (5) I certify that, with only the exceptions noted in (4) above, the RFP Bidder has not disclosed, and will not otherwise disclose, publicly or to any other party any information relating to its Proposal, which could have an effect on whether another party submits a Proposal in any solicitation under this RFP, or on the contents of such Proposal that another RFP Bidder would be willing to submit in response to this RFP. Such information includes, but is not limited to: the fact that the RFP Bidder is submitting a Proposal in response to this RFP; the RFP Bidder's Bids in this or in a subsequent solicitation under this RFP; the RFP Bidder's number of tranches bid for any product in this or in a subsequent solicitation under this RFP; the RFP Bidder's estimation of the value of a tranche of a product; the RFP Bidder's estimation of the risks associated with providing supply under the Default Service SMA; and the RFP Bidder's preference for bidding on specific products in this or in a subsequent solicitation under this RFP. This certification must be binding and in effect until the Commission has either approved or rejected each of the winning Bids for this solicitation.

Name of RFP Bidder

- (6) I certify that any Bid on any product submitted in response to this RFP for this solicitation is binding until five (5) business days after the Bid Date and constitutes a binding and irrevocable offer to provide service under the terms of the Default Service SMA at the price specified in the Bid.
- (7) I certify that if the Commission approves some or all of the RFP Bidder's Bids, I will execute all Transaction Confirmation(s) required by the Commission's decision under the Default Service SMA by 2:00 PM of the fourth business day after the Bid Date.
- (8) I confirm that the RFP Bidder has received all information from the Independent Evaluator for the submission of Bids, including the RFP Bidder's username, password, and security codes. I further certify that the information was received intact and that no one but authorized personnel of the RFP Bidder has had access to this information.

Signature of Officer

Date

Signature and Seal from Notary Public

Date

Name of RFP Bidder

3. Default Service SMA Documents

PROVIDE ALL INFORMATION REQUESTED IN THIS SECTION 3 OF THIS PART 2 FORM.

The Default Service SMA including all necessary Exhibits

Check the boxes below to indicate the documents that you are including with your Part 2 Form. If any documents are not included with your Part 2 Form, please indicate in Section 6 how and when these documents will be provided.

- Two (2) signed originals of the Default Service SMA with the following exhibits:
- Two (2) copies of the schedule for the Independent Credit Requirement (Exhibit B);
 - Two (2) copies of the sample PJM invoice (Exhibit D);
 - Two (2) copies of the Mark-to-Market exposure calculation methodology (Exhibit E);
 - Two (2) completed originals of the form of Notice (Exhibit H);
 - Two (2) copies of the Alternate Energy Portfolio Standards obligations (Exhibit I);
 - Two (2) signed originals of the PJM Declaration of Authority (Exhibit J).

THE TWO (2) ORIGINALS OF THE DEFAULT SERVICE SMA, INCLUDING ALL NECESSARY EXHIBITS, MUST BE SIGNED BY THE OFFICER OF THE RFP BIDDER DESIGNATED IN THE PART 1 PROPOSAL AND WHOSE CONTACT INFORMATION IS CONFIRMED IN SECTION 1 OF THIS PART 2 FORM.

RFP Bidders Relying on the Financial Standing of an RFP Guarantor

THE FOLLOWING ITEMS APPLY ONLY TO RFP BIDDERS RELYING ON THE FINANCIAL STANDING OF AN RFP GUARANTOR. IF THIS DOES NOT APPLY TO YOU, PLEASE CHECK HERE AND PROCEED TO SECTION 4.

An RFP Bidder relying on the financial standing of an RFP Guarantor must provide two (2) signed originals of the guaranty with the Part 2 Proposal. If any of the RFP Bidder's Bids are approved by the Commission, this guaranty will be used to post security for the Independent Credit Requirement ("ICR") upon execution of the Transaction Confirmation(s).

Please check the box below to indicate that you are providing the guaranty with this Part 2 Form. If the guaranty is not included with your Part 2 Form, please indicate in Section 6 how and when this document will be provided.

- Two (2) signed originals of the guaranty

FOR RFP BIDDERS USING THE FORM OF GUARANTY, INCLUDING ANY APPROVED MODIFICATIONS, THE GUARANTY AMOUNT MUST EQUAL OR EXCEED THE LESSER OF: (A) THE TANGIBLE NET WORTH ("TNW") AMOUNT AS DEFINED IN THE DEFAULT SERVICE SMA; AND (B) THE TOTAL NUMBER OF TRANCHES BID (FOR ALL PRODUCTS) TIMES \$650,000.

Name of RFP Bidder

RFP Bidders using an alternate guaranty form approved by PECO are required to provide an executed enforceability opinion for this alternate guaranty form on the letterhead of a law firm of national standing. Please check the box below to indicate that you are providing the required enforceability opinion with this Part 2 Form. If the enforceability opinion is not included with your Part 2 Form, please indicate in Section 6 how and when this document will be provided.

Enforceability Opinion

AN RFP BIDDER USING AN ALTERNATE GUARANTY FORM APPROVED BY PECO PURSUANT TO THE GUARANTY PROCESS MUST SUBMIT A GUARANTY WITH NO MONETARY LIMIT.

Name of RFP Bidder

4. RFP Bidders Under Agency Agreements

THIS APPLIES ONLY TO RFP BIDDERS SUBMITTING A PROPOSAL UNDER AN AGENCY AGREEMENT. IF YOU ARE NOT SUBMITTING A PROPOSAL UNDER AN AGENCY AGREEMENT, PLEASE CHECK HERE AND PROCEED TO THE NEXT SECTION.

Please check the box below to indicate that you are providing the required Officers' Certificate, signed by an officer of each Principal, with this Part 2 Form. If the Officers' Certificate is not included with your Part 2 Form, please indicate in Section 6 how and when this document will be provided. The Independent Evaluator and PECO will determine whether the document provided is sufficient, without any liability or obligation to the RFP Bidder or its Principal(s).

Officers' Certificate

IF A REPRESENTATIVE OF THE RFP BIDDER IS AUTHORIZED TO EXECUTE TRANSACTION CONFIRMATIONS PURSUANT TO THE DEFAULT SMA, PLEASE CHECK HERE AND PROCEED TO THE NEXT SECTION. OTHERWISE, PLEASE PROVIDE THE INFORMATION REQUESTED BELOW.

If no representative of the RFP Bidder is authorized to execute a Transaction Confirmation pursuant to the Default Service SMA, the RFP Bidder must name a representative of a Principal that is so authorized. This individual must also execute the two (2) originals of the Default Service SMA signature page and the two (2) originals of the PJM Declaration of Authority that are submitted with the Part 2 Proposal.

Please provide the name and contact information of this representative below.

Last Name of Representative

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Telephone No. of Representative

Alternate Telephone No.

Email Address of Representative

Fax No. of Representative

5. Foreign RFP Bidders and Foreign Entities

ONLY FOREIGN RFP BIDDERS OR RFP BIDDERS RELYING ON THE FINANCIAL STANDING OF A FOREIGN ENTITY (RFP GUARANTOR OR PRINCIPAL) ARE REQUIRED TO COMPLETE THIS SECTION. IF THIS DOES NOT APPLY TO YOU, PLEASE CHECK HERE AND PROCEED TO THE SECTION 6. IF YOU ARE A FOREIGN RFP BIDDER OR AN RFP BIDDER RELYING ON THE FINANCIAL STANDING OF A FOREIGN ENTITY, PLEASE COMPLETE ALL INFORMATION REQUIRED IN THIS SECTION 5 OF THIS PART 2 FORM.

A FOREIGN RFP BIDDER MUST PROVIDE THE ADDITIONAL DOCUMENTS LISTED BELOW FOR THE FOREIGN RFP BIDDER TO BE GRANTED UNSECURED CREDIT UNDER THE TERMS OF THE DEFAULT SERVICE SMA.

Please check the boxes below to indicate that you are providing the documents listed below with this Part 2 Form. If one or more of these documents is not included with your Part 2 Form, please indicate in Section 6 whether this document or these documents will be provided.

one (1) executed original legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Foreign RFP Bidder is incorporated or otherwise formed that the Default Service SMA is, or upon the completion of execution formalities will become, the binding obligation of the Foreign RFP Bidder in the jurisdiction in which it has been incorporated or otherwise formed. Exhibit G to the Default Service SMA includes a sample of this legal opinion.

one (1) executed original sworn certificate of the corporate secretary (or similar officer) of such Foreign RFP Bidder that the person executing the Default Service SMA on behalf of the Foreign RFP Bidder has the authority to execute the Default Service SMA and that the governing board of such Foreign RFP Bidder has approved the execution of the Default Service SMA.

one (1) executed original sworn certificate of the corporate secretary (or similar officer) of such Foreign RFP Bidder that the Foreign RFP Bidder has been authorized by its governing board to enter into agreements of the same type as the Default Service SMA.

If the Foreign RFP Bidder does not submit these documents, or if these documents are not sufficient, the Foreign RFP Bidder is not granted unsecured credit under the terms of the Default Service SMA.

AN RFP BIDDER RELYING ON THE FINANCIAL STANDING OF AN RFP GUARANTOR THAT IS A FOREIGN ENTITY MUST PROVIDE THE ADDITIONAL DOCUMENTS LISTED BELOW FOR THE RFP GUARANTOR TO BE GRANTED UNSECURED CREDIT UNDER THE TERMS OF THE DEFAULT SERVICE SMA.

Please check the boxes below to indicate that you are providing the documents listed below with this Part 2 Form. If one or more of these documents is not included with your Part 2 Form, please indicate in Section 6 whether this document or these documents will be provided.

one (1) executed original legal opinion of counsel qualified to practice in the foreign jurisdiction in which the RFP Guarantor is incorporated or otherwise formed that the guaranty pursuant to the Default Service SMA is, or upon the completion of execution formalities will become, the binding obligation of the RFP Guarantor in the jurisdiction in which it has been incorporated or otherwise formed. Exhibit G to the Default Service SMA includes a sample of this legal opinion.

Name of RFP Bidder

one (1) executed original sworn certificate of the corporate secretary (or similar officer) of such RFP Guarantor that the person executing the guaranty pursuant to the Default Service SMA on behalf of the RFP Guarantor has the authority to execute the guaranty pursuant to the Default Service SMA and that the governing board of such RFP Guarantor has approved the execution of the guaranty pursuant to the Default Service SMA;

one (1) executed original sworn certificate of the corporate secretary (or similar officer) of such RFP Guarantor that the RFP Guarantor has been authorized by its governing board to enter into agreements of the same type as the guaranty pursuant to the Default Service SMA.

If the RFP Bidder does not submit these documents, or if these documents are not sufficient, the Foreign RFP Guarantor is not granted unsecured credit under the terms of the Default Service SMA. In that case, the RFP Bidder may not rely on the financial standing of the RFP Guarantor. Any guaranty submitted with the Part 2 Proposal will be removed from consideration and the Independent Evaluator may request additional financial or credit information regarding the RFP Bidder.

AN RFP BIDDER SUBMITTING A PROPOSAL UNDER AN AGENCY AGREEMENT WITH A PRINCIPAL THAT IS A FOREIGN ENTITY MUST PROVIDE THE ADDITIONAL DOCUMENTS LISTED BELOW FOR THE RFP BIDDER AND ITS PRINCIPAL TO BE GRANTED UNSECURED CREDIT UNDER THE TERMS OF THE DEFAULT SERVICE SMA.

Please check the boxes below to indicate that you are providing the documents listed below with this Part 2 Form. If one or more of these documents is not included with your Part 2 Form, please indicate in Section 6 whether this document or these documents will be provided.

one (1) executed original legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Principal is incorporated or otherwise formed that the Default Service SMA is, or upon the completion of execution formalities will become, the binding obligation of the Principal in the jurisdiction in which it has been incorporated or otherwise formed. Exhibit G to the Default Service SMA includes a sample of this legal opinion.

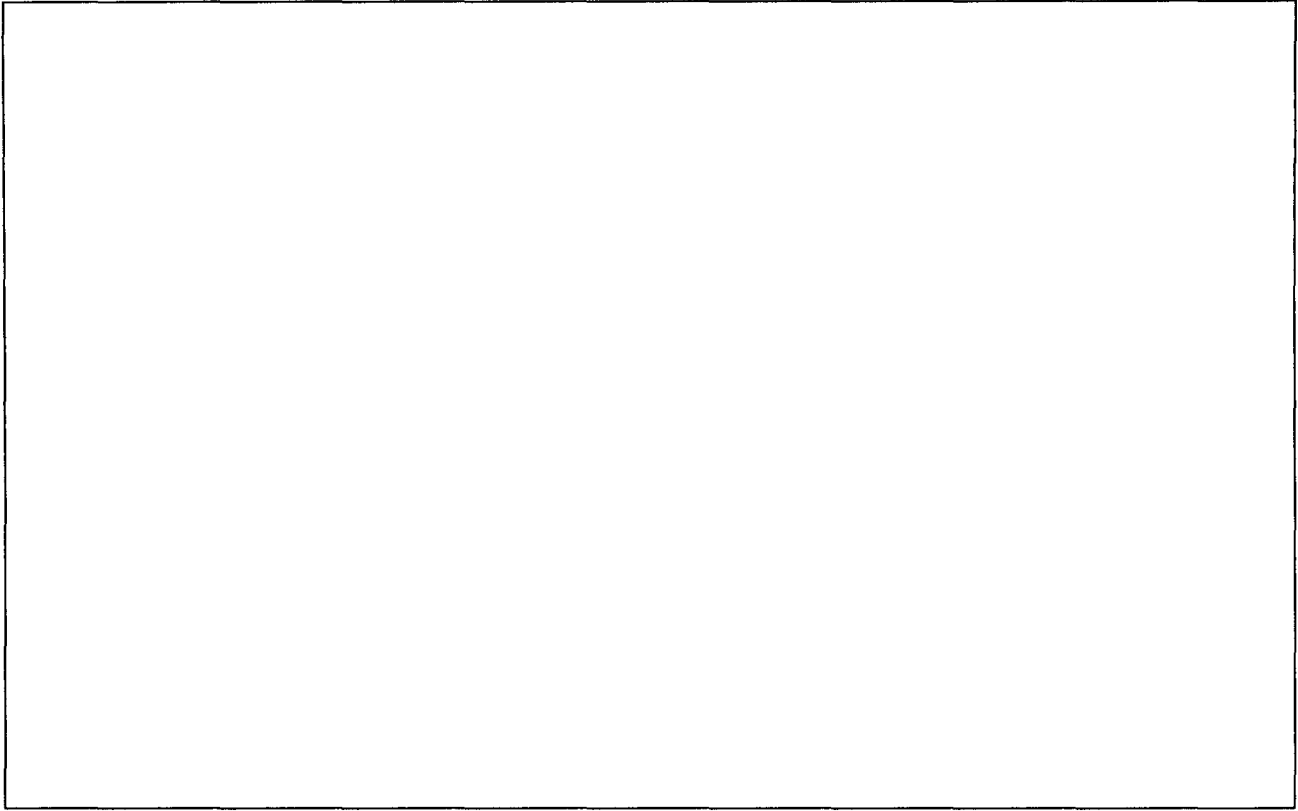
one (1) executed original sworn certificate of the corporate secretary (or similar officer) of such Principal that the Principal has been authorized by its governing board to enter into agreements of the same type as the Default Service SMA.

If the RFP Bidder does not submit these documents, or if these documents are not sufficient, the RFP Bidder and its Principal(s) are not granted unsecured credit under the terms of the Default Service SMA.

Name of RFP Bidder

6. Justification of Omissions

If you are unable to provide all documents or information with this Part 2 Form, please justify fully any omissions in the space provided below.

A large, empty rectangular box with a thin black border, intended for the bidder to provide a justification for any omissions in their bid. The box is currently blank.

Name of RFP Bidder

Checklist

This is a checklist of documents that must be included in the Part 2 Proposal.

- Three (3) originals** of the completed Part 2 Form (with original signatures and original notarized signatures where required) *[Instructions Part I]*
- One (1) executed original** Pre-Bid Letter of Credit, drawn for the account of the RFP Bidder in an amount of \$250,000 per tranche bid that either uses the Standard Pre-Bid Letter of Credit provided in Appendix 9 to the RFP Rules, or a Pre-Bid Letter of Credit that incorporates only those modifications to the Standard Pre-Bid Letter of Credit accepted as a result of the evaluation of the Part 1 Proposals. *[Section 2]*
- Two (2) signed originals** of the Default Service SMA, including all necessary exhibits *[Section 3]*
- Two (2) signed originals** of the guaranty if the RFP Bidder is relying on the financial standing of an RFP Guarantor. *[Section 3]*
- One (1) executed original** Enforceability Opinion Letter if the RFP Bidder is submitting an alternate guaranty approved by PECO pursuant to the Guaranty Process. *[Section 3]*
- One (1) executed** Officers' Certificate if the RFP Bidder is submitting a Proposal under an Agency Agreement. *[Section 4]*

An RFP Bidder submitting a Proposal under an Agency Agreement with a Principal that is a Foreign Entity, as a condition of being granted unsecured credit, must also provide the following executed documents:

- One (1) executed** legal opinion of counsel qualified to practice in the foreign jurisdiction that the Default Service SMA is binding. *[Section 5]*
- One (1) executed** sworn certificate of the corporate secretary (or similar officer) of the Principal that its governing board has authorized the execution of agreements of the same type as the Default Service SMA in the past. *[Section 5]*

Name of RFP Bidder

A Foreign RFP Bidder, as a condition of being granted unsecured credit, must also provide the following documents:

- One (1) executed** legal opinion of counsel qualified to practice in the foreign jurisdiction that the Default Service SMA is binding. *[Section 5]*
- One (1) executed** sworn certificate of the corporate secretary (or similar officer) of the Foreign RFP Bidder that the person executing the Default Service SMA is so authorized and that its governing board has approved the execution of the Default Service SMA. *[Section 5]*
- One (1) executed** sworn certificate of the corporate secretary (or similar officer) of the Foreign RFP Bidder that its governing board has authorized the execution of agreements of the same type as the Default Service SMA in the past. *[Section 5]*

An RFP Bidder relying on the financial standing of an RFP Guarantor that is a Foreign Entity, as a condition of being granted unsecured credit, must also provide the following documents:

- One (1) executed** legal opinion of counsel qualified to practice in the foreign jurisdiction that the guaranty pursuant to the Default Service SMA is binding. *[Section 5]*
- One (1) executed** sworn certificate of the corporate secretary (or similar officer) of the RFP Guarantor that the person executing the guaranty is so authorized and that its governing board has approved the execution of the guaranty pursuant to the Default Service SMA. *[Section 5]*
- One (1) executed** sworn certificate of the corporate secretary (or similar officer) of the RFP Guarantor that its governing board has authorized the execution of a guaranty of the same type as the guaranty pursuant to the Default Service SMA in the past. *[Section 5]*

End of Part 2 Form
