



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

R-009-13953

IN REPLY PLEASE  
REFER TO OUR FILE

JULY 31, 2000

DOCUMENT  
FOLDER

GREGORY K LAWRENCE ESQUIRE  
MCDERMOTT WILL & EMERY  
600 13<sup>TH</sup> STREET NW  
WASHINGTON DC 20005-3096

Re: PECO CDS Program Bidding

Dear Mr. Lawrence:

We have reviewed your proposal to provide competitive default service (CDS) for a portion of the electric residential customers in PECO Energy Company's service territory.

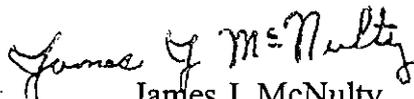
The proposal you have submitted, however, does not conform to the bid qualifications contained in the request for proposal. The purpose of this letter is to inform you that your bid is non-conforming. In order for the Commission to award the bid to your company, the non-conforming portions of your bid must be removed.

Please notify Mr. John Miller of the Commission's Bureau of CEEP at 717-783-1546 within 72 hours whether you would be willing to revise your proposal to meet the bid qualifications of the request for proposal. If Mr. Miller cannot be reached, please contact Assistant Counsel Patricia Krise Burket at 717-787-3464.

If you cannot agree to modify your proposal, you will have the opportunity to participate in direct negotiations with PECO Energy Company to enter into a bilateral CDS agreement, pursuant to the terms of PECO Energy Company's merger settlement approved by the Commission on June 22, 2000. PECO Energy Company's Joint Petition for Settlement of its Application for Approval of (1) A Plan of Corporate Restructuring, Including the Creation of a Holding Company and (2) the Merger of the Newly Formed Holding Company and Unicom Corporation, Docket A-110550F0147. A copy of the portion of the Joint Petition for Settlement relating to PECO's CDS Program is attached for your review. If you have questions concerning the CDS settlement provision please contact Ms. Delia Stroud at PECO Energy Company. Her number is 215-841-4257.

You will be notified by PECO Energy Company when the negotiations will begin. You should be notified on, or before (two weeks from the date of the Commission's letter.)

Very truly yours,

  
James J. McNulty  
Secretary

Attachment

cc: Barbara Bruin, Executive Director  
Veronica A. Smith, Deputy Executive Director  
Kevin Cadden, Manager of Communications  
Patricia Krise Burket, Assistant Counsel  
John C. Miller, Jr., CEEP  
Wayne Williams, FUS  
Al Miller, PECO Energy Company  
Judith W. Burow, Director of Regulatory Affairs and Market Analysis

ADDRESSEES:

Gregory K. Lawrence  
Attorney for Shell Energy Services Co., LLC  
McDermott, Will, & Emery  
600 13th Street, NW  
Washington DC 20005-3096

Daniel Gustafson  
Dominion Retail  
5000 Dominion Blvd.  
Glen Allen VA 23060

CC ADDRESSES:

(CC on Shell's letter only)  
Judith W. Burow  
Director of Regulatory Affairs and Market Analysis  
Shell Energy Services Co., LLC  
One Shell Plaza  
PO Box 2463  
Houston TX 77252

(cc on both letters)  
Al Miller  
PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101-8699