

A-110041

**Affiliated Power Purchasers, Inc.**

P.O. Box 99  
Eden, MD 21822

September 10, 1997

DOCUMENT  
FOLDER

RECEIVED

SEP 10 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

Pennsylvania Public Utility Commission  
Office of the Prothonotary  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Dear Pennsylvania Public Utility Commission:

Re: Application of Affiliated Power Purchasers, Inc. for Approval to Offer Electricity as a Broker/Marketer in the Commonwealth of Pennsylvania

With this Application, Affiliated Power Purchasers, Inc. (APPI) is requesting approval from the Pennsylvania Public Utility Commission to provide service as a Broker/Marketer in the Commonwealth of Pennsylvania. The principals of APPI have much knowledge and experience in communications, customer service, and power supply and seek to provide additional options to Pennsylvania's consumers as they enter the competitive market for electricity.

APPI plans to act as a "buyers representative," engaged in the business of arranging electric power supply for consumers in the Commonwealth of Pennsylvania. As such, APPI is unsure if a license is required for its proposed activities, but nevertheless, is applying for the Commission's approval to serve as a Broker/Marketer. Due to the limited scope of APPI's proposed activities, some portions of the Interim License Application do not seem to apply to APPI. These areas have been noted with supporting documentation of APPI's position.

As recognized in the Commission's Final Order on Licensing Requirements for Electric Generation Suppliers (Docket No. M-00960890, F. 0004), some license applicants will be newly formed entities, without an individual business history. This situation describes APPI. Affiliated Power Purchasers, Inc. is incorporated in the state of Delaware and has filed an application for a Certificate of Authority with the Pennsylvania Department of State to operate as a corporation in Pennsylvania.

APPI is applying for this license such that it may be able to offer services to Pennsylvania's electric consumers in the upcoming pilot programs scheduled to begin on November 1, 1997. Hence, we would appreciate the Commission's cooperation in obtaining the license in a timely manner. Although, some additional information is still forthcoming, APPI is requesting Commission acceptance of its application and is seeking full license approval.

In accordance with the Commission's Interim Licensing Instructions and Procedures, APPI will, upon receipt of a Commission Docket Number, place public notices in the six specified

Pennsylvania newspapers. The text of this public notice is included as Attachment No. 1 in the license application. Certified notice of publication will be filed with the Commission upon receipt.

APPI would like to thank the Commission in advance for its consideration of APPI's License Application and for its understanding of APPI's request for timely treatment. APPI looks forward to serving consumers in Pennsylvania and to helping them secure the benefits associated with competition in the electric industry.

Sincerely,

AFFILIATED POWER PURCHASERS, INC.

A handwritten signature in cursive script that reads "Walter W. Moore" with a circled number "2" at the end.

Walter W. Moore  
President

WWM/sle

cc: Irwin A. Popowsky, Pennsylvania Consumer Advocate  
Bernard A. Ryan, Jr., Pennsylvania Small Business Advocate  
Bureau of Consumer Protection, Office of the Attorney General

*Affiliated Power Purchasers, Inc.*

P.O. Box 99  
Eden, MD 21822

September 10, 1997

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SEP 10 1997

Pennsylvania Public Utility Commission  
Office of the Prothonotary  
P.O. Box 3265  
Harrisburg, PA 1710-3265

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

To Whom It May Concern:

Re: Application of Affiliated Power Purchasers, Inc.

Please find enclosed an original and eight copies of Affiliated Power Purchasers, Incorporated's application for approval to offer electricity as a Broker/Marketer in the Commonwealth of Pennsylvania.

Also enclosed is one 3-1/2" floppy diskette with the required electronic filing.

If there are any questions concerning this filing, please call me at 1-800-520-6685. Thank you.

Sincerely,

AFFILIATED POWER PURCHASERS, INC.

*Walter W. Moore*

Walter W. Moore  
President

DOCUMENT  
FOLDER

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

IN REPLY PLEASE  
REFER TO OUR FILE  
Deputy Prothonotary  
717-787-8009  
A-110041

September 18, 1997

A GILLIS ALLEN, II  
ALLEN AND ASSOCIATES, CHARTERED  
P O BOX 990  
207 DOWNTOWN PLAZA  
SALISBURY MD 21803-0990

Dear Mr. Allen:


The Application and \$350.00 filing fee of Affiliated Power Purchasers, Inc., d/b/a APPI, received in this Office on September 10, 1997, to supply Electricity or Electric Generation Services as a Broker/Marketer engaged in the business of supplying electricity, is hereby acknowledged. It is noted that you have requested modification of the \$250,000.00 bonding amount.

Pursuant to the Commission's Final Order, entered February 13, 1997, at M-00960890F0004, Notice of filing of this Application must be published in newspapers of general circulation covering each county in which you intend to provide service.

You have requested state-wide authority. Attached is a list of the six newspapers in which you must publish in order to meet the publication requirement.

Please note that this Application will not be considered complete until the original proof of publication is filed with this Office.

Very truly yours,

  
James J. McNulty  
Acting Secretary

JJM:ddt

cc: Walter W. Moore, President

**DOCKETED**  
SEP 18 1997

**DOCUMENT  
FOLDER**

LICENSING OF ELECTRIC GENERATION SUPPLIERS  
NEWSPAPER PUBLICATION FOR STATE-WIDE AUTHORITY

Philadelphia Inquirer

Pittsburgh Post Gazette

Harrisburg Patriot News

Scranton Times

Erie Morning News

Williamsport Sun Gazette

DOCUMENT  
FOLDER

COMMONWEALTH OF PENNSYLVANIA

**DATE:** September 18, 1997  
**SUBJECT:** A-110041  
**TO:** Bureau of Fixed Utility Services  
**FROM:** James J. McNulty, Acting Secretary *ddt*

Attached is a copy of the Application of Affiliated Power Purchasers, Inc., d/b/a APPI, for a license to supply Electricity or Electric Generation Services as a Broker/Marketer engaged in the business of supplying electricity.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: Law Bureau

ddt

**DOCKETED**  
SEP 18 1997

**DOCUMENT  
FOLDER**

**Affiliated Power Purchasers, Inc.**

P.O. Box 99  
Eden, MD 21822

**ORIGINAL**

September 30, 1997

010474

97 OCT -3 11:59

RECEIVED  
PROTHONOTARY'S OFFICE

KJR

Pennsylvania Public Utility Commission  
Office of the Prothonotary  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Dear Pennsylvania Public Utility Commission:

Re: Application of Affiliated Power Purchasers, Inc. for Approval to Offer Electricity as a Broker/Marketer in the Commonwealth of Pennsylvania  
Docket No. A-110041

Enclosed please find two pieces of information in support of the Supplier License Application for Affiliated Power Purchasers, Inc. (APPI) as follows.

1. Application Item No. 5  
**Business Entity and Department of State Filings**  
Enclosed find proof of compliance with Department of State filing requirements 15 Pa. C.S. §4124. A copy of the Application for Certificate of Authority - Foreign Corporation, filed September 11, 1997, at the Department of State is attached. APPI has been assigned Entity No. 2774703.
2. Application Item No. 15  
**Notice**  
As Proof of Service of the Application and attachments, copies of the shipping documents from delivery to the Consumer Advocate, the Small Business Advocate and the Bureau of Consumer Protection are enclosed.

In addition to the above information, the License Application Procedure requires Public Notice to be published in six major Pennsylvania newspapers. The Notice of APPI's License Application was published on Thursday and Friday, September 25 and 26, 1997. Verification from some newspapers has been received. This verification will be forwarded to the Commission when all six confirmations of publication have been received.

Sincerely,  
AFFILIATED POWER PURCHASERS, INC.

*Walter W. Moore*  
Walter W. Moore  
President

WWM/sle  
Enclosures

cc: Irwin A. Popowsky, Pennsylvania Consumer Advocate  
Bernard A. Ryan, Jr., Pennsylvania Small Business Advocate  
Bureau of Consumer Protection, Office of the Attorney General

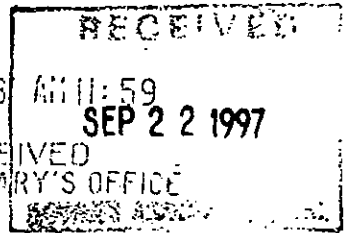
**DOCKETED**  
OCT 27 1997

47

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU  
ROOM 308 NORTH OFFICE BUILDING  
P.O. BOX 8722

HARRISBURG PA 17105-8722

82



AFFILIATED POWER PURCHASERS, INC.

THE CORPORATION BUREAU IS HAPPY TO SEND YOU YOUR FILED DOCUMENT. PLEASE NOTE THE FILE DATE AND THE SIGNATURE OF THE SECRETARY OF THE COMMONWEALTH. THE CORPORATION BUREAU IS HERE TO SERVE YOU AND WANTS TO THANK YOU FOR DOING BUSINESS IN PENNSYLVANIA. IF YOU HAVE ANY QUESTIONS PERTAINING TO THE CORPORATION BUREAU, CALL (717) 787-1057.

ENTITY NUMBER: 2774703

MICROFILM NUMBER: 09768

0295-0296

DOWNES ASSOCIATES INC  
2129 NORTHWOOD DR  
SALISBURY MD 21801



SEP 11 1997

Microfilm Number \_\_\_\_\_

Filed with the Department of State on \_\_\_\_\_

Entity Number 2774703

*[Signature]*  
Secretary of the Commonwealth

### APPLICATION FOR CERTIFICATE OF AUTHORITY FOREIGN CORPORATION

DSCB:16-4124/6124 (Rev 91)

Indicate type of corporation (check one):

Foreign Business Corporation (16 Pa.C.S. § 4124)

Foreign Nonprofit Corporation (15 Pa.C.S. § 6124)

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) the undersigned association hereby states that:

1. The name of the corporation is: Affiliated Power Purchasers, Inc.

2. The name which the corporation adopts for use in this Commonwealth is (complete only when the corporation must adopt a corporate designator for use in Pennsylvania):

APPI

3. (If the name set forth in Paragraph 1 is not available for use in this Commonwealth, complete the following):

The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is:

N/A

This corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors under the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

4. The name of the jurisdiction under the laws of which the corporation is incorporated is:

State of Delaware

5. The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

<u>808 Priscilla Street</u>	<u>Salisbury</u>	<u>MD</u>	<u>21804</u>	<u>Wicomico</u>
Number and Street	City	State	Zip	County

SEP 11 97

9768 296

124/6124 (Rev 91)-2

address of this corporation's proposed registered office in this Commonwealth or (b) name of its commercial office provider and the county of venue is:

Number and Street	City	State	Zip	County
M. Burr Keim Company				Philadelphia
Name of Commercial Registered Office Provider				County

corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

pick one of the following):

business corporation): The corporation is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

nonprofit corporation): The corporation is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this application to be signed by a duly authorized officer this 9th day of September, 1997.

Affiliated Power Purchasers, Inc.  
(Name of Corporation)

BY: Walter W. Moore  
Walter W. Moore (Signature)

TITLE: President

**UPS Next Day Air**  
**UPS Worldwide Express**  
 Shipping Document

See instructions on back. Call 1-800-PICK-UPS (800-742-5877) for additional information.

TRACKING NUMBER: **N214 163 228 4**

SHIPMENT FROM:  
 SHIPPER'S UPS ACCOUNT NO. **4034X5**  
 UPS SHIPPER NO. / UPS BILLING NO. \_\_\_\_\_  
 FOR UPS USE \_\_\_\_\_

REFERENCE NUMBER  
**1.06 APPI**

NAME: **Walter W. Moore** TELEPHONE: **410-546-4422**

COMPANY: **DOWNES ASSOC INC**

STREET ADDRESS: **2129 NORTHWOOD DR**

CITY AND STATE: **SALISBURY MD** ZIP CODE: **21801**

EXTREMELY URGENT DELIVERY TO:

NAME: **Office of the Attorney General** TELEPHONE: \_\_\_\_\_  
 COMPANY: \_\_\_\_\_

STREET ADDRESS: **Bureau of Consumer Protection**

CITY AND STATE: **Strawberry Square, 14th Floor**  
 (INCLUDE COUNTRY IF INTERNATIONAL) ZIP CODE: \_\_\_\_\_

**Harrisburg, PA** ZIP CODE: **17120**



3 WEIGHT AND ZONE: **LTR** DIMENSIONAL WEIGHT: \_\_\_\_\_ ZONE: **1,0,2** SHIPPER'S COPY

4 TYPE OF SERVICE:  NEXT DAY AIR  WORLDWIDE EXPRESS (INTERNATIONAL)  
 FOR WORLDWIDE EXPRESS SHIPMENTS:  DOCUMENTS ONLY  
 Mark an "X" in this box if shipment only contains documents of no commercial value.

5 SATURDAY PICKUP:  SATURDAY DELIVERY:

OPTIONAL SERVICES:  DECLARED VALUE \$ \_\_\_\_\_ AMOUNT \$ \_\_\_\_\_  
 Contents are automatically protected up to \$100. For declared value over \$100, see instructions.

C.O.D. \$ \_\_\_\_\_ AMOUNT \$ \_\_\_\_\_  
 If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package.

6 ADDITIONAL HANDLING CHARGE:  An Additional Handling Charge applies for certain items. See instructions.

TOTAL CHARGES: \$ \_\_\_\_\_

7 METHOD OF PAYMENT:  BILL SHIPPER  BILL RECEIVER  BILL THIRD PARTY  CREDIT CARD  American Express  Diner's Club  MasterCard  Visa  
 RECORD ACCOUNT NO. IN SECTION 8

8 RECEIVERS / THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE: \_\_\_\_\_

THIRD PARTY'S COMPANY NAME: \_\_\_\_\_

STREET ADDRESS: \_\_\_\_\_

CITY AND STATE: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

SHIPPER'S SIGNATURE: **X. Steven Exelridge** DATE OF SHIPMENT: **9/10/97**

010191120 3/97 W

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 97 OCT -3 AM 11:59

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**UPS Next Day Air**  
**UPS Worldwide Express**  
**Shipping Document**

See instructions on back. Call 1-800-PICK-UPS (800-742-5877) for additional information.

TRACKING NUMBER **N214 163 226 6**

1 SHIPMENT FROM  
 SHIPPER'S UPS ACCOUNT NO. **4034X5** UPS SHIPPER NO. / UPS BILLING NO. FOR UPS USE

REFERENCE NUMBER **1.06 APPI**

NAME **Walter W. Moore** TELEPHONE **410-546-4422**

COMPANY **DOWNES ASSOC INC**

STREET ADDRESS **2129 NORTHWOOD DR**

CITY AND STATE **SALISBURY MD** ZIP CODE **21801**

2 EXTREMELY URGENT DELIVERY TO  
 NAME **Irwin A. Popowsky** TELEPHONE

COMPANY **Consumer Advocate**

STREET ADDRESS **1425 Strawberry Square** DEPT./FLOOR

CITY AND STATE (INCLUDE COUNTRY IF INTERNATIONAL) **Harrisburg, PA** ZIP CODE **17120**



3 WEIGHT AND ZONE **LTR** DIMENSIONAL WEIGHT If Applicable **1.02** ZONE

SHIPPER'S COPY

4 TYPE OF SERVICE  NEXT DAY AIR  WORLDWIDE EXPRESS (INTERNATIONAL) FOR WORLDWIDE EXPRESS SHIPMENTS Mark an "X" in this box if shipment only contains documents of no commercial value.  DOCUMENTS ONLY

CHARGES \$

5  SATURDAY PICKUP  SATURDAY DELIVERY

\$

OPTIONAL SERVICES  DECLARED VALUE \$  C.O.D. \$

\$

C.O.D. If C.O.D., enter amount to be collected and attach completed UPS C.O.D. tag to package. AMOUNT \$

\$

6 ADDITIONAL HANDLING CHARGE  An Additional Handling Charge applies for certain items. See instructions. \$

\$

7 TOTAL CHARGES \$

\$

METHOD OF PAYMENT  BILL SHIPPER  BILL RECEIVER  BILL THIRD PARTY  CREDIT CARD  American Express  Diner's Club  MasterCard  Visa

CHECK  UPS USE (CASH)

8 RECEIVERS / THIRD PARTY'S UPS ACCT. NO. OR MAJOR CREDIT CARD NO. EXPIRATION DATE

THIRD PARTY'S COMPANY NAME

STREET ADDRESS

CITY AND STATE

ZIP CODE

SHIPPER'S SIGNATURE **X Sheryl K. Kedge** DATE OF SHIPMENT

010191120 3/97 W

Value of each package covered by the guarantee is \$100. Maximum value of any one shipment is \$5000. Maximum value of any one package is \$5000. Contents are automatically protected up to \$100. For declared value over \$100, see instructions. An Additional Handling Charge applies for certain items. See instructions. The carrier's liability is limited to the actual value of the contents at the time of shipment. The carrier's liability is limited to the actual value of the contents at the time of shipment. The carrier's liability is limited to the actual value of the contents at the time of shipment.

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**RECEIPT**

*The addressee named here has paid the PA P.U.C. for the following bill:*

AFFILIATED POWER PURCHASERS INC  
PO BOX 99  
EDEN, MD 21822

DATE 9/30/97  
RECEIPT # 250026

**DOCKETED**  
OCT 3 1997

IN RE: ELECTRIC GENERATION FEES FOR: AFFILIATED POWER PURCHASERS IN  
A-110041.....\$350.00

0990.0

REVENUE ACCOUNT: 001780-017601-104

**DOCUMENT  
FOLDER**

CHECK NUMBER: 1001  
CHECK AMOUNT: \$350.00

C. Joseph Meisinger  
(for Department of Revenue)

October 7, 1997

011824

97 OCT -9 AM 9:13

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PROTHONOTARY'S OFFICE

Pennsylvania Public Utility Commission  
Office of Prothonotary  
P.O. Box 365  
Harrisburg, PA 17105-3265  
Docket No. A-110041

KJR

Dear Sir:

Affiliated Power Purchasers, Inc. (APPI) has filed an application at PaPUC to be granted a license as a power broker/marketer in Pennsylvania - Docket No. A-110041. APPI proposes to operate as a buyer's representative for power supply consumers. Mr. Robert Bennett suggested that further description of APPI's role as a buyer's representative may aid the commission in its understanding of APPI's proposed operations.

APPI's role is to serve affiliated groups of consumers, arranging for their power supply requirements so they may enjoy the benefits of economies of scale. For example, APPI has signed an agreement to aggregate the 19,000 corporate members of Associated Builders & Contractors, Inc. (ABC). Currently, more than 1,400 of ABC's member firms are located throughout the state of Pennsylvania. ABC has been serving its members for over 40 years as one of the largest associations in the construction trade industry. In support of its 1,400 Pennsylvania members alone, ABC maintains five fully staffed offices located in Norristown, Bethlehem, Manheim, Milesburg, and Pittsburgh. ABC's 80 offices nationwide support the needs of its 19,000 members with a full-time staff of over 400 people. ABC exercised extensive due diligence and determined that APPI met all its criteria to serve its members nationwide in the procurement of their electricity.

ABC members in Pennsylvania have enrolled in six of eight available pilot programs. Response from ABC members to join the ABC Electricity Buyers Pool has been very high with over five percent responding within the first ten days of enrollment. Applications continue to stream in, although only a small number are expected to be selected in the pilot program. ABC members are very interested in reducing their electricity bills in order to become more competitive with out-of-state firms. Pennsylvania ABC members feel fortunate to have APPI to help them find savings and to assist them in navigating these complex issues. To quote one member of the ABC Electricity Buyers Pool as she sent her Buyers Pool Membership Agreement to APPI: "Your newsletter *Power Strategies* helped me to understand many of the issues. Thank you so much for walking me through this procedure and I look forward to being involved in this program. Thank you again" (June D. Bachman, Bill Bachman Roofing Company, 09/16/97).

OCT 17 1997

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61

For organizations like ABC, APPI will:

- Educate members on the issues of deregulation and assist them in becoming better energy consumers
- Assist in the formation of an electricity buyers pool
- Help members step through the procedures for enrollment in pilot programs or retail access phase-in
- Evaluate and analyze member load data
- Identify, qualify, and select prospective licensed power suppliers to serve member load
- Enter into negotiations with selected power provider(s) on behalf of pool membership
- Select licensed supplier(s) and terms for a good value to membership
- Execute final agreement(s) as necessary and appropriate
- Implement and manage contract(s) with selected licensed supplier(s)
- Continue education about changes in retail competition and benefits to pool members

Thank you for your consideration in the matter of APPI's license application. We look forward to working with PaPUC and in bringing the considerable benefits of electricity deregulation to the more than 1,400 ABC corporate members doing business in the state of Pennsylvania. If you have any questions or desire additional information, please call me directly.

Sincerely,



Walter W. Moore  
President  
Affiliated Power Purchasers, Inc.

# POWER *Strategies*

UNDERSTANDING AND BENEFITTING FROM ELECTRIC POWER DEREGULATION

PUBLISHED BY AFFILIATED POWER PURCHASERS, INC. FOR MEMBERS OF ASSOCIATED BUILDERS AND CONTRACTORS, INC.

VOLUME 1, NUMBER 1

## Strategic Advantages

### Grooming for Deregulation

As states move toward deregulation, power suppliers and purchasers will begin their courtships. Providers will offer the most attractive concessions to users they can serve most efficiently. Remember, power suppliers need to meet peak demand — the periods of highest consumption. That means they may have excess generating capacity during off-peak periods. Customers who can adjust their demand profiles — the amount of power they use at different times — can negotiate for lower-cost off-peak power. Methods to control demand include:

- **Moving power intensive operations to off-peak hours.** High power demand industries have significantly lowered electricity costs by moving such operations as ore smelting to nights and/or weekends.
- **Employing co-generation.** Shave peak demand by installing an in-house generator to supplement power from outside sources during peak periods.
- **Starting high demand equipment sequentially.** Much electrical equipment uses a large amount of power when switched on. Starting your entire operation at the same time increases peak demand, even if only for a few moments.
- **Improving efficiency.** Anything you can do to increase energy conservation reduces your overall usage.

## Finding the Bottom-Line Savings on Your Electric Bill

For most customers, future electric bills will show savings brought by deregulation of the power market — but they will also demonstrate the complexity of restructuring a \$230 billion industry.

### NEW PRICING MODELS

Deregulation will change the driving forces that determine power prices. As regulated monopolies, electric utilities base power prices on a cost-plus pricing system. An investor-owned utility functioning as a for-profit entity relies on a rate of return, which is set by its governing public utilities commission. Customers pay a rate of return plus the cost

of producing and delivering electricity. If the utility's costs increase — for example, by building a new generation plant — those expenses are passed on to consumers through higher rates, providing the utility a consistent profit.

Likewise, if its customer base erodes, the utility can spread its cost over a small customer base by petitioning regulators for a rate increase. Generally, the request would be approved as public utilities commissions assumed ensuring financial viability of utilities was a sound way to foster abundant, reliable power.

Deregulation casts aside this economic

*continued on page 3*

## PA's Deregulation Plan: A Blueprint for the Future?

Pennsylvania began 1997 as the fourth state to deregulate electric power generation, implementing the first stage of a plan that will bring full customer choice by 2001. States looking for deregulation models — as well as utilities and business and industrial users wondering what the future may hold — will closely watch developments in the Keystone state.

Saddled with electricity rates above the national average and a wide disparity of prices among the state's utilities, Pennsylvania stood ready for deregulation. The state's average utility rates ranked 15 percent above the national average, while Peco customers saw bills as high as 50 percent above average. Nonetheless, legislators and regulators initially turned a cold shoulder toward deregulation — until industrial groups touted its economic benefits. Observers say that spurred Pennsylvania Public Utilities Commission (PaPUC) to spearhead deregulation efforts.

Deregulation moved through legislative committees rapidly, passed the state house and senate handily, and was quickly signed into law by Governor Tom Ridge, who called deregulation "the next logical step in Pennsylvania's transformation to a job-friendly state."

Despite its rapid implementation, the Pennsylvania plan was developed with substantial input from business and industry, as well as power suppliers, including investor owned utilities (IOUs) and rural cooperatives. As with most plans, it separates generation from transmission and distribution. Generation will be open to competition, while local utilities will continue to provide regulated transmission and distribution service.

### A CAREFUL APPROACH

Pennsylvania will phase in customer choice, beginning with pilot programs in late 1997. Pilots will give utility companies and

*continued on page 4*



# POWER Strategies

## PUBLISHER

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**POWER STRATEGIES** is published by Affiliated Power Purchasers, Inc., (APPI) as an educational service to ABC association members.

Affiliated Power Purchasers, Inc.  
P.O. Box 99  
Eden, MD 21822

For more information on electricity savings available to members of APPI's ABC Electricity Buyers Pool, call 800-520-6685.

## Insights

# Introducing the Simple Way to Benefit from Deregulation

**D**eregulation of the electric utility industry in Pennsylvania is off to a fast start. In fact, ten percent of each utility's customer base may now apply to participate in phase one of the state's pilot program. So that its members can take full advantage of deregulation's cost savings, ABC has signed an agreement with Affiliated Power Purchasers, Inc. (APPI) to create the ABC Electricity Buyers Pool.

Through the ABC Electricity Buyers Pool, APPI — on behalf of ABC's pool members — will file with the state for participation in the pilot program. In addition, by combining the purchasing power of ABC's members, APPI will negotiate reduced electric rates for participants — regardless of the amount of electricity your firm uses. APPI will aggregate your electric load with those of other association members, negotiating larger and more substantial discounts on behalf of each individual member. The larger the pool, the more negotiating leverage APPI has in generating savings (reduced electric bills) for members and their employees.

ABC has selected APPI — based upon its extensive knowledge of the electric utility industry — to manage the ABC Electricity Buyers Pool. APPI's principals have more than 50 years of combined electric utility experience, and the company offers three decades of corporate experience managing the energy needs of business and industry. This background ensures members receive low-cost, highly reliable electricity.

In concept, electric utility deregulation appears simple. Deregulation separates the actual production of electricity (the generation) from its transportation to the customer (transmission and delivery). Customers will remain connected to the same utility that currently delivers electricity to their business or home but will be able to "shop around" for the best price and most reliable generation available. Despite this superficial simplicity, customers are left with the daunting responsibility of selecting a provider — and then negotiating a favorable contract. This is where APPI will go to work for ABC members, using its background to analyze customer data, prepare bids, and negotiate and manage contracts with power providers.

*The selection of power providers will remain transparent to ABC member companies. Pool participants will see no change in terms of delivery, service, or billing, with the same local utility continuing to provide these services. In fact, the only noticeable difference will be in reduced electricity costs.*

There are no charges or fees imposed on ABC Electricity Buyers Pool members. APPI is a buyers representative; its sole motivation — and compensation — is based on the amount of savings it generates through contract negotiations with energy suppliers.

Joining the ABC Electricity Buyers Pool provides Pennsylvania members a simple and immediate way to lower electric power-related production and operating expenses. To enroll your company or for additional information, please contact your chapter's Executive Director.

*APPI will go to work  
for ABC members,  
using its industry  
background to analyze  
customer data,  
prepare bids, and  
negotiate and manage  
electricity contracts.*

**BOTTOM LINE***continued from page 1*

model, opening the retail power market to competition. This competition should drive down prices, especially in areas with higher power costs. Under deregulation, market forces will determine the cost of electric power. Electric utilities will lose their monopoly provider status, and will have to offer a combination of price and non-price benefits to attract and retain customers.

**LOWER POWER PRICES**

Recent reductions brought about by competition in the wholesale electric power market indicate retail consumers can expect deregulation to bring significant savings in generation costs. However, those who have been following deregulation closely stress only generation will be affected.

Transmission and distribution networks will continue to operate as regulated monopolies. Customers will be able

to shop for competitively priced power, but likely will remain wedded to existing substations, transformers and power lines.

**UNBUNDLED RATES**

Deregulation will cause the unbundling of electric rates — including generation, transmission, distribution, metering, and marketing. These components will appear as separate expenses and may represent charges from different service providers.

In fact, most state deregulation proposals prohibit the same entity from controlling both generation and transmission. Under this revised regulatory model, existing utilities who wish to retain their transmission and distribution networks will have to operate them as regulated utilities separate and distinct from their deregulated generating operation. Most states will likely adopt some means to isolate power marketing from transmission and distribution to ensure fair access to the grid for all power providers.

With deregulation, even customers who stay with their present local utility likely will see separate line items on their bill for power generation and for transmission and distribution. Purchasers who acquire power from multiple sources — such as those who purchase peak power from one supplier and off-peak from another — will see separate charges for generation from each power supplier plus transmission and distribution costs. If power travels through multiple networks, the electric bill will show charges from each transmission and distribution company.

**Hedging Your Bets**

If your business operates in a state considering high transitional fees, you might benefit from contracting power before deregulation. You may be able to sign an agreement with a grandfather clause protecting you from new charges. Plus, utilities facing deregulation may be willing to offer significant advantages to keep customers. However, regulatory experts stress understanding all relevant restructuring proposals. Remember, power contracts can be legally complex, especially in a rapidly changing industry.

**Protecting Your Interests**

How states in which your firm operates decide to reimburse utilities for stranded costs will impact your business. Expensive fees or elevated transmission and distribution charges will limit initial savings. However, utilities forced to absorb stranded costs may offset losses through reductions in maintenance. For utilities that retain their transmission and distribution systems, this could mean lowered reliability for everyone connected to their grids. Likewise, utilities with generating capacity may also cut back on maintenance, or choose to shut down less efficient power plants, possibly diminishing a region's overall energy supplies.

Those familiar with regulatory action stress making your concerns known to state lawmakers and public utilities commissions. Remember, deregulation is a high stakes game involving powerful players, many of whom have substantial political clout.

- Communicate with state legislators, especially those sympathetic to you and those spearheading deregulation debate.
- Attend public hearings; ask to be put on public utilities commission and utility mailing lists.
- Use business networks and industry, trade and professional associations to maximize lobbying efforts.

**NEW CHARGES**

Deregulation will bring new charges to many customers as states find ways to reimburse utilities for stranded costs. Many utilities have successfully argued that competition will deprive them of the opportunity to recover capital investments. States have proposed various methods for recouping these stranded costs, including margins on transmission and distribution charges or exit fees for customers choosing alternative suppliers.

Some states may allow utilities to levy "transition charges" for a set period of time. These charges would reimburse power companies the cost of preparing for competition — such as installing new meters or billing systems — and may also include recovery of stranded costs.

Taxes, too, may become more complex. States will tax power regardless of its origin. In addition, some states may offer credits for environmentally friendly "green power" or

collect surcharges to fund programs for low-income utility customers.

In addition, traditional utilities are expanding into new markets, offering non-power products such as Internet access or security monitoring. These charges may also appear on future power bills.

**BOTTOM LINE SAVINGS**

The vast majority of businesses can expect deregulation to reduce corporate electric bills, but competition will affect only generation. The actual percentage of savings on individual bills will vary depending upon transmission and distribution costs and other charges. In fact, exit fees — which could be paid in a lump sum — may translate to a short-term increase in a consumer's overall electric bill. Customers in most states may not realize full savings until utilities recover stranded costs.

**PA's PLAN***continued from page 1*

regulators an opportunity to test the retail choice mechanism and other aspects of the plan. Following the pilot program, one-third of customers will be eligible to choose suppliers in 1999. Another third will gain choice in 2000 and the remaining third in 2001.

PaPUC will closely monitor deregulation during the transition period and has authority to delay each phase-in period if it finds the current plan is not serving the commonwealth's best interest.

**CHEAPER GENERATION, BUT NEW COSTS**

The legislation, which gained support of high volume users and investor and consumer owned utilities, includes recovery of "stranded costs" for utilities and a rate cap for all consumers. Supporters claim it will reduce generation costs to consumers by as much as 15 percent. However, some advocates complained consumers would see little relief during the nine-year period over which utilities can recover stranded costs.

According to a *Philadelphia Inquirer* story (November 17, 1996), Peco customers can expect only a six percent savings during the transition period. Large volume users will be able to negotiate their own confidential contracts with Pennsylvania's existing utilities or with new suppliers.

PaPUC will require licensing for power providers, but observers expect the process to be simple — providers will have to demonstrate they are financially and

technically sound, and will have to establish an agent within the state to facilitate Pennsylvania's tax collection.

**PAYING FOR DEREGULATION**

Customers will see new expenses in the form of a Competitive Transition Charge (CTC), a PaPUC approved margin that investor-owned utilities will tack onto transmission and distribution charges to recoup stranded investments in unrecoverable generation — such as old nuclear or out-of-compliance plants. PaPUC is authorized to grant utilities "just and reasonable" stranded costs, which will be passed on to consumers. Utilities are expected to offset remaining losses through lower financing rates, accelerated depreciation, and increased efficiency.

IOUs can also petition PaPUC for compensation for new costs incurred because of competition. These might include installation of new meters, severance pay for employees laid off because of downsizing, or decommissioning of power plants. Even with the mandated rate cap, PaPUC can authorize increases if current transmission and distribution charges are insufficient to cover a utility's losses and new expenses.

The mechanism for stranded cost recovery eased IOU concerns. However, when utilities presented their stranded cost estimates, PaPUC rejected all claims as being too high. Subsequent debates were spirited, with adamant protests from some residential consumer groups.

Observers say stranded cost recovery is likely to remain a volatile issue. "There is no real model to justify stranded

costs," says one regulatory expert. "It's all very complex."

**MAINTAINING COOPERATIVE AND MUNICIPAL SYSTEMS**

Pennsylvania's cooperatives will continue as self-regulated, consumer-owned utilities with the authority to set their own rates. They can sell power outside their service areas and must allow their members to choose generation suppliers. However, they can levy exit fees against departing members. The charges are designed to put the burden of stranded costs on those who leave the cooperative.

Municipal systems may elect to close their borders to competition. However, some municipals may allow competitors access to their systems if it benefits key businesses or industries. Also, municipals wishing to sell power outside their service area will have to open their systems to competitors — and their operation outside municipal boundaries will come under PaPUC regulation.

**FORWARD MOMENTUM**

Despite some contentious debate over stranded costs, Pennsylvania's electric generation deregulation is moving steadily forward from legislation to implementation. New power suppliers are entering the market, and businesses and industries are negotiating generation contracts. Meanwhile, legislators, regulators, and consumers with a substantial stake in the process will continue to watch the Keystone state carefully, assessing Pennsylvania's efforts to use competition to lower high electric utility rates.

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**A** Affiliated  
Power  
Purchasers, Inc.

# ORIGINAL

## Affiliated Power Purchasers, Inc.

P.O. Box 99  
Eden, MD 21822

October 15, 1997

DOCUMENT  
FOLDER

RECEIVED

KJR OCT 15 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

Pennsylvania Public Utility Commission  
Office of the Prothonotary  
P.O. Box 3265  
Harrisburg, PA 17105-3265

To Whom It May Concern:

Re: Affiliated Power Purchasers, Inc.  
Electric Generation Supplier License  
Docket No. A-110041

Affiliated Power Purchasers, Inc. ("APPI") on September 10, 1997 filed an application for a license to do business as a broker/marketer supplying electricity in Pennsylvania (Docket No. A-110041). Two items remain to complete the application and are addressed herein.

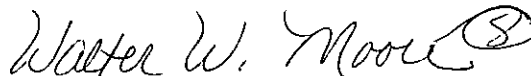
1. APPI's State Tax Account Number from the Department of Revenue is 6944-796.
2. Proof of Publication of Legal Notice of APPI's License Application in six designated newspapers is required. Enclosed, please find copies of the six proofs of publication showing publication dates of September 25 and 26, 1997.

We understand that discussion of Affiliated Power Purchasers, Inc.'s license application is currently scheduled for the October 23, 1997 Public Meeting, and therefore, request expeditious processing of this submission.

Sincerely,

**DOCKETED**  
OCT 27 1997

AFFILIATED POWER PURCHASERS, INC.

Walter W. Moore   
Walter W. Moore, President

WWM/sle

OATH of PUBLICATION  
In  
THE MORNING NEWS  
And THE ERIE DAILY TIMES

RECEIVED

OCT 15 1997

A PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

AFFILIATED POWER PURCHASERS, INC  
808 PRISCILLA ST 2ND FLOOR  
SALISBURY MD 21804

REFERENCE: L0000411  
0001518222 ELECTRICIT

STATE OF PENNSYLVANIA)  
COUNTY OF ERIE ) SS:

Michael Mead being duly sworn, desposes and says  
that he is the Publisher of the Times Publishing  
Company, which publishes:

the Morning News, established, January 1957, and  
the Erie Daily Times, established April 1888,  
daily newspapers of general circulation, and  
published at Erie, Erie County, Pennsylvania, and  
that the notice of which the attached is a copy  
cut from said newspapers, was printed and  
published in the regular editions of said  
newspapers of the dates referred to below.

Affiant further desposes that he is duly  
authorized by THE TIMES PUBLISHING COMPANY,  
publisher of the Morning News and Erie Daily Times  
to verify the foregoing statement under oath, and  
affiant is not interested in the subject matter of  
the aforesaid notice or advertisement, and that all  
allegations in the foregoing statement as to time,  
place and character of publication are true.

PUBLISHED ON: 09/25

TOTAL COST: 124.74 AD SPACE: 66 LINE  
FILED ON: 09/25/97

PENNSYLVANIA PUBLIC  
UTILITY COMMISSION  
NOTICE  
Application of Affiliated  
Power Purchasers, Inc.  
For Approval to Arrange  
For The Supply Of Elec-  
tricity or Electricity Gen-  
eration Services As A  
Marketer/Broker En-  
gaged In The Business Of  
Arranging For The Supply  
Of Electricity To The Pub-  
lic In The Commonwealth  
of Pennsylvania, Docket  
No. A-110041.  
On September 10, 1997, Af-  
filiated Power Pur-  
chasers, Inc., ("APPI"),  
filed an application with  
the Pennsylvania Public  
Utility Commission  
("PUC") for a license to  
act as a broker/marketer  
engaged in the business of  
arranging electric power  
supply. APPI proposes to  
arrange for the sale of  
electricity and related ser-  
vices throughout all of  
Pennsylvania. APPI's ap-  
plication results from the  
new Electricity Genera-  
tion Customers Choice and  
Competition Act.  
The PUC may consider  
this application without a  
hearing. Protests directed  
to the technical or finan-  
cial fitness of APPI may  
be filed within 15 days of  
the date of this notice with  
the Office of the Prothono-  
tary, Pennsylvania Public  
Utility Commission, P.O.  
Box 3265, Harrisburg,  
Pennsylvania 17105-3265.  
You should send copies of  
any protest to APPI's at-  
torney at the address list-  
ed below. As a reference  
aid, be sure to include the  
PUC's "docket number",  
which is A-110041. If you  
have any questions about  
this application, please  
write or call APPI at the  
name and address listed  
below.  
By and through Walter W.  
Moore, President, Affiliat-  
ed Power Purchasers,  
Inc., P.O. Box 99, Eden,  
Maryland 21822; Phone  
(800) 520-6685.  
(9-10306-NT-25)

Sworn to and subscribed before me this

29th day of September 1997

Affiant:

*Michael Mead*

NOTARY:

*Charlene A. Rupert*

My Commission Expires:

Notarial Seal  
Charlene A. Rupert, Notary Public  
Erie, Erie County  
My Commission Expires May 8, 2000

Member, Pennsylvania Association of Notaries

# THE PATRIOT NEWS

## THE SUNDAY PATRIOT NEWS

### Proof of Publication

Under Act No. 587, Approved May 16, 1929

Commonwealth of Pennsylvania, County of Daupin} ss

**Frank J. Epler** being duly sworn according to law, deposes and says:

That he is the Controller of THE PATRIOT-NEWS CO., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 812 to 818 Market Street, in the City of Harrisburg, County of Dauphin, State of Pennsylvania, owner and publisher of THE PATRIOT-NEWS and THE SUNDAY PATRIOT-NEWS newspapers of general circulation, printed and published at 812 to 818 Market Street, in the City, County and State aforesaid; that THE PATRIOT-NEWS and THE SUNDAY PATRIOT-NEWS were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday and Metro editions/issues which appeared on the 25th day(s) of September 1997. That neither he nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That he has personal knowledge of the facts aforesaid and is virtue and pursuant to a resolution unanimously passed and adopted severally by the stockholders and board of directors of the said Company and subsequently duly recorded in the office for the Recording of Deeds in and for said County of Dauphin in Miscellaneous Book "M", Volume 14, Page 317

### COPY OF PUBLICATION

**PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE**

Application of Affiliated Power Purchasers, Inc. For Approval to Arrange For The Supply of Electricity Or Electricity Generation Services As A Marketer/Broker Engaged In The Business of Arranging For The Supply Of Electricity To The Public In The Commonwealth Of Pennsylvania, Docket No. A-110041.

On September 10, 1997, Affiliated Power Purchasers, Inc., ("APPI"), filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to act as a broker/marketer engaged in the business of arranging electric power supply. APPI proposes to arrange for the sale of electricity and related services throughout all of Pennsylvania. APPI's application results from the new Electricity Generation Customers Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of APPI may be filed within 15 days of the date of this notice with the Office of the Prothonotary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania 17105-3265. You should send copies of any protest to APPI's attorney at the address listed below. As a reference aid, be sure to include the PUC's "docket number", which is A-110041. If you have questions about this application, please write or call APPI at the name and address listed below.

By and through Walter W. Moore, President, Affiliated Power Purchasers, Inc., P.O. Box 99, Eden, Maryland 21622; Phone (800)520-6685.

*Frank J. Epler*  
Sworn to and subscribed before me this 25th day of September 1997.

Notarial Seal  
Terry L. Russell, Notary Public  
Harrisburg, Dauphin County  
My Commission Expires June 6, 1998  
Member, Pennsylvania Association of Notaries

RECEIVED  
OCT 15 1997  
PROTHONOTARY'S OFFICE

AFFILIATED POWER PURCHASERS, INC.  
P.O. BOX 99  
EDEN, MD 21622

### Statement of Advertising Costs

To THE PATRIOT-NEWS CO., Dr. PA PUBLIC UTILITY COMMISSION  
For publishing the notice or publication attached hereto on the  
above stated dates \$133.00  
Probating same \$ 1.00  
Total \$134.00

### Publisher's Receipt for Advertising Cost

THE PATRIOT-NEWS CO., publisher of THE PATRIOT-NEWS and THE SUNDAY PATRIOT-NEWS, newspapers of general circulation, hereby acknowledge receipt of the aforesaid notice and publication costs and certifies that the same have been duly paid.

THE PATRIOT-NEWS CO.

By.....

# Proof of Publication of Notice in The Philadelphia Inquirer

Under Act No. 160, P.L. 877, July 9, 1976

Commonwealth of Pennsylvania }  
County of Philadelphia } ss.:

M. Ruchalski

..... being duly sworn, deposes and says that THE PHILADELPHIA INQUIRER is a daily newspaper published at Broad and Callowhill Streets, Philadelphia County, Pennsylvania, which was established in the year 1829, since which date said daily newspaper has been regularly published and distributed in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of said daily newspaper on the following dates, viz.:

.....  
.....  
..... and the 26th day of September A. D. 19 97 .....

Affiant further deposes that he is duly authorized by Philadelphia Newspapers, Inc., a corporation, publisher of THE PHILADELPHIA INQUIRER, a daily newspaper, to verify the foregoing statement under oath, and also declares that affiant is not interested in the subject matter of the aforesaid notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

*M. Ruchalski*

### Copy of notice or publication

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**NOTICE**  
Application of Affiliated Power Purchasers, Inc. For Approval To Arrange For The Supply Of Electricity Or Electricity Generation Services As A Marketer/Broker Engaged In The Business Of Arranging For The Supply Of Electricity To The Public In The Commonwealth Of Pennsylvania, Docket No. A-11004.  
On September 10, 1997, Affiliated Power Purchasers, Inc. ("APPI"), filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to act as a broker/marketer engaged in the business of arranging electric power supply. APPI proposes to arrange for the sale of electricity and related services throughout all of Pennsylvania. APPI's application results from the new Electricity Generation Customers Choice and Competition Act.  
The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of APPI may be filed within 15 days of the date of this notice with the Office of the Prothonotary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania 17105-3265. You should send copies of any protest to APPI's attorney at the address listed below. As a reference aid, be sure to include the PUC's "docket number", which is A-11004. If you have questions about this application, please write or call APPI at the name and address listed below.  
By and through Walter W. Moore, President, Affiliated Power Purchasers, Inc., P.O. Box 99, Eden, Maryland 21822; Phone (800) 320-6685.

Sworn to and subscribed before me this 26th

day of September 19 97

*Elaine Smith*  
Notary Public.

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OCT 15 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

My Commission Expires:

NOTARIAL SEAL  
ELAINE SMITH, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires April 29, 2000

SUN-GAZETTE  
 252 W FOURTH ST  
 P O BOX 728  
 WILLIAMSPORT PA  
 17703-0728

ADVERTISING INVOICE/STATEMENT

YOUR SALESPERSON IS: LEGAL ADS  
 PHONE: 717 326 1551

AFFILIATED POWER  
 PURCHASERS INC.  
 PO BOX 99  
 EDEN MD 21822  
 ATTN: WALTER MOORE

STATEMENT NUMBER	BILLING DATE
12762SW	10/10/97
ACCOUNT NUMBER	BILLING PERIOD
LA0018	OCTOBER 1997
TERMS OF PAYMENT	
BALANCE DUE UPON RECEIPT OF THIS INVOICE/STATEMENT	
NAME OF ADVERTISER	
AFFILIATED POWER	

TE	REFERENCE NUMBER	CHARGE OR CREDIT DESCRIPTION / PRODUCT CODE	SAL/ DIMENSIONS	BILLED UNITS	RATE	AMOUNT
0		PREVIOUS BALANCE APP TO PUC		53	2.28	120.84
						6.94-

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OCT 15 1997

PA PUBLIC UTILITY COMMISSION  
 PROTHONOTARY'S OFFICE

SEND YOUR MESSAGE TO OVER 33,000 HOMES  
 DAILY AND OVER 43,000 SUNDAY WITH THE  
 SUN GAZETTE. DON'T FORGET THE CAREERS  
 SPECIAL SECTION ON OCT 21.

DEDUCT \$	IF PAID WITHIN DAYS	AGING				TOTAL AMOUNT DUE
		CURRENT	30 DAYS	60 DAYS	90 DAYS	
APPLIES TO CURRENT PERIOD ONLY		114.00	.00	.00	.00	114.00

**NOTICE**  
 Application of Affiliated Power Purchasers, Inc., For Approval To Arrange For The Supply Of Electricity Or Electricity Generation Services As A Nonutility Broker Engaged In The Business Of Arranging For The Supply Of Electricity To The Public In The Commonwealth Of Pennsylvania, Docket No. A-1108-110 On September 16, 1997, Affiliated Power Purchasers, Inc. (APPPI) filed an application with the Pennsylvania Public Utility Commission (PUC) for a license to act as a broker/arranger in the business of arranging electric power supply. APPPI proposes to arrange for the sale of electricity and related services throughout all of Pennsylvania. APPPI's application results from the new Electricity Generation Customers

REMITTANCE SLIP

PLEASE DETACH AND SEND WITH PAYMENT.

ACCOUNT NUMBER	ACCOUNT NAME
LA0018	AFFILIATED POWER

REMITTANCE ADDRESS

SUN-GAZETTE  
 252 W FOURTH ST  
 P O BOX 728  
 WILLIAMSPORT PA 17703-0728

WRITE AMOUNT ENCLOSED

CONTRACT INFORMATION	
EXPIRATION DATE	REQUIREMENT
CURRENT MONTH	CUMULATIVE



# Proof of Publication of Notice in Pittsburgh Post-Gazette

Under Act No. 587, Approved May 16, 1929, P.L. 1784, as last amended by Act No. 409 of September 29, 1951

Commonwealth of Pennsylvania, County of Allegheny, ss: S. Honchar, being duly sworn, deposes and says that the Pittsburgh Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 by the merging of the Pittsburgh Post-Gazette and Sun-Telegraph and The Pittsburgh Press and the Pittsburgh Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Pittsburgh Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Pittsburgh Post-Gazette a newspaper of general circulation on the following dates, viz:

25, of September, 1997.

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Pittsburgh Post-Gazette; that, as such agent, affiant is duly authorized to verify the foregoing statement under oath; that affiant is not interested in the subject matter of the aforesaid notice or publication; and that all allegations in the foregoing statement as to time, place and character of publication are true.

### COPY OF NOTICE OR PUBLICATION

**PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE**

Application of Affiliated Power Purchasers, Inc. For Approval to Arrange For The Supply Of Electricity Or Electricity Generation Services As A Marketer/Broker. Engaged In The Business Of Arranging For The Supply Of Electricity To The Public In The Commonwealth Of Pennsylvania: Docket No. A-110041.

On September 10, 1997, Affiliated Power Purchasers, Inc. ("APPI") filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to act as a broker/marketer engaged in the business of arranging electric power supply. APPI proposes to arrange for the sale of electricity and related services throughout all of Pennsylvania. APPI's application results from the new Electricity Generation Customers Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of APPI may be filed within 15 days of the date of this notice with the Office of the Prothonotary, Pennsylvania Public Utility Commission, P.O. Box 3265, Harrisburg, Pennsylvania 17105-3265. You should send copies of any protest to APPI's attorney at the address listed below. As a reference aid, be sure to include the PUC's docket number, which is A-110041. If you have questions about this application, please write or call APPI at the name and address listed below.

By and through Walter W. Moore, President, Affiliated Power Purchasers, Inc., P.O. Box 99, Eden, Maryland 21822; Phone (800) 520-6685.

S. Honchar  
PG Publishing Company  
Sworn to and subscribed before me this day of:  
September 29, 1997.

Mary E. Waznegg  
**RECEIVED**

Notarial Seal  
Mary E. Waznegg, Notary Public  
Pittsburgh, Allegheny County  
My Commission Expires Feb. 18, 2003

OCT 15 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

**STATEMENT OF ADVERTISING COSTS**  
**AFFILIATED POWER PURCHASERS, INC.**  
P.O. BOX 99  
EDEN MD 21822  
To PG Publishing Company

Total ----- \$ 434.35

### Publisher's Receipt for Advertising Costs

PG PU  
acknowl

I, Walter W. Moore, President, Affiliated Power Purchasers, Inc., P.O. Box 99, Eden, Maryland 21822; Phone (800) 520-6685, publisher of the Pittsburgh Post-Gazette, a newspaper of general circulation, hereby received advertising and publication costs and certifies that the same have been fully paid.

Office  
34 Boulevard of the Allies  
PITTSBURGH, PA 15222  
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of  
Pittsburgh Post-Gazette, a Newspaper of General Circulation

By \_\_\_\_\_

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

# The Scranton Times

PENN AVENUE AT SPRUCE STREET • P.O. BOX 3311 • SCRANTON, PA 18505-3311

PHONE (717) 348-9100

ADVERTISER CLIENT

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146613

2 BILLED ACCOUNT

AFFILIATED POWER PURCHASERS  
PO BOX 99  
EDEN MA 21822

6 TERMS OF PAYMENT

SEE OTHER SIDE

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OCT 15 1997

LEGAL BILL

10 DATE	11 REFERENCE NUMBER	12 CHARGES OR CREDITS DESCRIPTION/PRODUCT CODE	13 SAU/ DIMENSIONS	14 TIMES	17 BILLED UNITS	18 RATE	19 GROSS AMOUNT	20 NET AMOUNT
25	610943	APPROVAL ARRANGE EL ECTRICITY	64	1	64.00	2.73	PROTHONOTARY'S OFFICE	5.00
25	610943	AFF. 9/25/97						

THE SCRANTON TIMES (UNDER ACT P.L. 877 NO. 160, JULY 9, 1976)  
COMMONWEALTH OF PENNSYLVANIA, COUNTY OF LACKAWANNA

LUCY RUSNAK BEING DULY SWORN ACCORDING TO LAW DEPOSES AND SAYS  
THAT SHE IS ACCOUNTING CLERK FOR THE SCRANTON TIMES, OWNER AND PUBLISHER OF  
THE SCRANTON TIMES, A NEWSPAPER OF GENERAL CIRCULATION, ESTABLISHED IN 1870,  
PUBLISHED IN THE CITY OF SCRANTON, COUNTY AND STATE AFORESAID, AND THAT  
THE PRINTED NOTICE OR PUBLICATION HERETO ATTACHED IS EXACTLY AS PRINTED IN THE  
REGULAR EDITIONS OF THE SAID NEWSPAPER ON THE FOLLOWING DATES,  
VIZ.: 9/25/97

AFFIANT FURTHER DEPOSES AND SAYS THAT NEITHER THE AFFIANT NOR  
THE SCRANTON TIMES IS INTERESTED IN THE SUBJECT MATTER OF THE AFORESAID  
NOTICE OR ADVERTISEMENT AND THAT ALL ALLEGATIONS IN THE FOREGOING STATEMENT AS  
TIME, PLACE AND CHARACTER OF PUBLICATION ARE TRUE

SWORN AND SUBSCRIBED TO BEFORE ME  
THIS 26 DAY OF SEPT. A.D., 1997.

*Romayne A. Washner* (NOTARY PUBLIC)

Notarial Seal  
Romayne A. Washner, Notary Public  
Scranton, Lackawanna County  
My Commission Expires Sept. 23, 1999  
Member, Pennsylvania Association of Notaries

24 AGING			

29 CONTRACT PERFORMANCE			
EXPIRATION DATE	REQUIREMENT	CURRENT MONTH	CUMULATIVE

**PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE**

Application of Affiliated Power Purchasers, Inc. For Approval To Arrange For The Supply Of Electricity Or Electricity Generation Services As A Marketer/ Broker Engaged In The Business Of Arranging For The Supply Of Electricity To The Public In The Commonwealth Of Pennsylvania, Docket No. A-110041.

On September 10, 1997, Affiliated Power Purchasers, Inc. ("APPI"), filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to act as a broker/ marketer engaged in the business of arranging electric power supply. APPI proposes to arrange for the sale of electricity and related services throughout all of Pennsylvania. APPI's application results from the new Electricity Generation Customers Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of APPI may be filed within 15 days of the date of this notice with the Office of the Prothonotary, Pennsylvania Public Utility Commission, PO Box 65, Harrisburg, Pennsylvania 17105-3265. You should send copies of any protest to APPI's attorney at the address listed below. As a reference aid, be sure to include the PUC's "docket number", which is A-110041. If you have questions about this application, please write or call APPI at the name and address listed below.

By and through *Walter Y. Moore*, President,  
Affiliated Power Purchasers, Inc., PO Box 99, Eden, Maryland 21822; Phone (800) 520-6685.

CURRENT NET AMOUNT

179.72

TOTAL NET AMOUNT DUE

# TERMS OF PAYMENT

## MONTHLY

PAYABLE LAST DAY OF MONTH FOLLOWING BILLING DATE.  
A 1% PER MONTH FINANCE CHARGE WILL BE ADDED TO PAST  
DUE BALANCES. THIS IS AN ANNUAL PERCENTAGE RATE OF 12%

WEEKLY: PAYABLE ON RECEIPT OF THIS INVOICE

## LEGEND

The 29 elements of the Standard Advertising Invoice (SAI)

- |  |                                     |
|--|-------------------------------------|
| 1. Name and Address of Newspaper, and<br>Phone No. | 15. SAU/Dimensions                  |
| 2. Billed Account Name and Address                 | 16. Times Published                 |
| 3. Invoice/Document Number                         | 17. Billed Units                    |
| 4. Billing Date                                    | 18. Applicable Rate                 |
| 5. Billing Period                                  | 19. Gross Amount                    |
| 6. Terms of Payment                                | 20. Net Amount                      |
| 7. Billed Account Number                           | 21. Current Gross Amount            |
| *8. Advertiser/Client Number                       | 22. Current Net Amount Due          |
| 9. Advertiser/Client Name                          | *23. Cash Discount                  |
| 10. Date of Insertion                              | 24. Aging of Past Due Amounts       |
| 11. Newspaper's Reference Number                   | 25. Total Net Amount Due            |
| 12. Other Charges or Credits                       | 26. Billed Account Number           |
| 13. Description                                    | 27. Billed Account Name             |
| 14. Product/Service Code                           | 28. Name and Address for Remittance |
|  | 29. Contract Performance            |

*The elements shown above appear on the face of the invoice and are identified by number.*

\* NOT APPLICABLE

Department 430-A  
537 Venard Road  
Clarks Summit, PA 18411  
EOE

### City Chicken & Deli

seeking Deli Clerk & ex-  
perienced meat cutter. 40  
hours a week. 876-3016.

### CLEANING/ KITCHEN HELP

Evening/Weekends Clarks  
Summit Area. 825-9444

### CLEANING

VIEWMONT MALL  
Days, nights, weekends.  
Full and part time. Floor  
experience a plus. Apply  
Tues - Sat 10am-4:30pm at  
the Viewmont Mall Man-  
agement Office. 346-5506.

Cobol Application



ORIGINAL

*Affiliated Power Purchasers, Inc.*

P.O. Box 99  
Eden, MD 21822

October 15, 1997

KJR

Pennsylvania Public Utility Commission  
Office of the Prothonotary  
North Street and Commonwealth Avenue  
B-20 North Office Building  
P.O. Box 3265  
Harrisburg, PA 17105-3265

RECEIVED

OCT 16 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

To Whom It May Concern:

RE: Application of Affiliated Power Purchasers, Inc.  
Docket No. A-110041

Please find additional information to be included with Affiliated Power Purchasers, Inc.'s application for approval to offer electricity as a Broker/Marketer in the Commonwealth of Pennsylvania. The following items are enclosed:

Item 20: Bonding. The original and two copies of a Letter of Credit for \$250,000.00.

Item 24: Financial Fitness. The most recent financial statements of Affiliated Power Purchasers, Inc.

If there are any questions concerning this filing, please call me at 1-800-520-6685.

Sincerely,

AFFILIATED POWER PURCHASERS, INC.

*Walter W. Moore*

Walter W. Moore, President

WWM/sle

Enclosures

DOCUMENT  
FOLDER

DO

OCT 21 1997

AFFILIATED POWER PURCHASERS, INC.  
(A Development Stage Enterprise)

FINANCIAL STATEMENTS

73 DAYS ENDED OCTOBER 16, 1997

C O N T E N T S

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	PAGES
ACCOUNTANTS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement Of Operations	3
Statement Of Stockholders' Equity	4
Statement Of Cash Flows	5
Notes To Financial Statements	6

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**HOLLOWAY & MARVEL, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS  
AFFILIATED POWER PURCHASERS, INC.  
(A Development Stage Enterprise)  
Eden, Maryland

We have compiled the accompanying balance sheet of Affiliated Power Purchasers, Inc. (a development stage enterprise) as of October 16, 1997, and the related statements of income, retained earnings, and cash flows for the 73 days then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Salisbury, Maryland  
October 16, 1997

*Holloway & Marvel, P.A.*



AFFILIATED POWER PURCHASERS, INC.  
(A Development Stage Enterprise)

BALANCE SHEET

OCTOBER 16, 1997

A S S E T S

CURRENT ASSETS

Cash

\$ 1,970

TOTAL CURRENT ASSETS

\$ 1,970

OTHER ASSETS

Cash - Restricted

250,000

Registration Costs

1,599

TOTAL OTHER ASSETS

251,599

TOTAL ASSETS

\$ 253,569

L I A B I L I T I E S

CURRENT LIABILITIES

Due To Stockholder

\$ 2,000

TOTAL CURRENT LIABILITIES

\$ 2,000

LONG-TERM LIABILITIES

Note Payable - Stockholders

250,000

TOTAL LONG-TERM LIABILITIES

250,000

TOTAL LIABILITIES

252,000

S T O C K H O L D E R S ' E Q U I T Y

COMMON STOCK

Authorized: 1,000 Shares, No Par Value

Issued And Outstanding: None

Stock Subscribed: 300 Shares

3,000

DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE

( 1,431)

TOTAL STOCKHOLDERS' EQUITY

1,569

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$ 253,569

See Accountants' Compilation Report And  
Accompanying Notes To Financial Statements.



AFFILIATED POWER PURCHASERS, INC.  
(A Development Stage Enterprise)

STATEMENT OF OPERATIONS

73 DAYS ENDED OCTOBER 16, 1997

NET SALES	\$ -
COST OF SALES	<u>-</u>
GROSS PROFIT	<u>-</u>
OPERATING EXPENSES	
Office Supplies	791
Postage	12
Telephone	19
Travel	<u>609</u>
TOTAL OPERATING EXPENSES	<u>1,431</u>
INCOME (LOSS) FROM OPERATIONS	<u>( 1,431)</u>
NET INCOME (LOSS)	<u><u>\$ ( 1,431)</u></u>

See Accountants' Compilation Report And  
Accompanying Notes To Financial Statements.

AFFILIATED POWER PURCHASERS, INC.  
(A Development Stage Enterprise)

STATEMENT OF STOCKHOLDERS' EQUITY

73 DAYS ENDED OCTOBER 16, 1997

	<u>COMMON STOCK</u>		<u>DEFICIT</u>
	<u>SHARES</u>	<u>PAR VALUE</u>	<u>ACCUMULATED</u>
			<u>DURING THE</u>
			<u>DEVELOPMENT</u>
			<u>STAGE</u>
BALANCES, AT INCEPTION	-	\$ -	\$ -
COMMON STOCK SUBSCRIBED	300	3,000	-
NET INCOME (LOSS) FOR 73 DAYS ENDED OCTOBER 16, 1997	<u>-</u>	<u>-</u>	<u>( 1,461)</u>
BALANCES, OCTOBER 16, 1997	<u>300</u>	<u>\$ 3,000</u>	<u>\$( 1,461)</u>

See Accountants' Compilation Report And  
Accompanying Notes To Financial Statements.

AFFILIATED POWER PURCHASERS, INC.  
(A Development Stage Enterprise)

STATEMENT OF CASH FLOWS

73 DAYS ENDED OCTOBER 16, 1997

OPERATING ACTIVITIES		
Net Income (Loss)	<u>\$ ( 1,431)</u>	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		<u>\$ ( 1,431)</u>
INVESTING ACTIVITIES		
Registration Costs	<u>( 1,599)</u>	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>( 1,599)</u>
FINANCING ACTIVITIES		
Common Stock Subscriptions	3,000	
Proceeds From Stockholders Loans	<u>252,000</u>	
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		<u>255,000</u>
INCREASE IN CASH AND CASH EQUIVALENTS		<u>251,970</u>
CASH AND CASH EQUIVALENTS AT INCEPTION		<u>-</u>
CASH AND CASH EQUIVALENTS AT OCTOBER 16, 1997		<u>\$ 251,970</u>

See Accountants' Compilation Report And  
Accompanying Notes To Financial Statements.

AFFILIATED POWER PURCHASERS, INC.  
(A Development Stage Enterprise)

NOTES TO BALANCE SHEET

OCTOBER 16, 1997

BUSINESS ACTIVITY

Affiliated Power Purchasers, Inc. is a buyer's representative, specializing in working with trade associations, to negotiate the purchase of electric power. The Company was formed in 1997 and as of October 16, 1997 had not yet begun operating.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments with a maturity of six months or less to be cash equivalents.

RESTRICTED CASH

Restricted cash is being used to collateralize a letter of credit, which has been acquired to meet the bonding requirements of the Pennsylvania Public Utility Commission.

NOTES PAYABLE

The Company's long-term note payable consists of a note payable to the stockholders. Interest is charged at a rate equal to the C.D. rate paid by The Bank of Delmar.

CASH FLOW INFORMATION

The Company has not paid any interest or income taxes for the 73 days ended October 16, 1997.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of the Company's liabilities approximate their fair value.

See Accountants' Compilation Report.



A-110041

# THE BANK OF DELMAR, N.A.

2727 North Salisbury Boulevard, Salisbury, Maryland 21801  
IRREVOCABLE STANDBY LETTER OF CREDIT

ISSUER: The Bank of Delmar  
2727 North Salisbury Blvd.  
Salisbury, MD 21801

DATE OF ISSUE: November 1, 1997

LETTER OF CREDIT NO.: 73

KJR  
DOCUMENT  
FOLDER

BENEFICIARY:  
Pennsylvania Public Utility Comm.  
P.O. Box 3265  
Harrisburg, PA 17105-3265

APPLICANT:  
Affiliated Power Purchasers, Inc.  
2129 Northwood Dr.  
Salisbury, MD 21801

DOCKETED  
OCT 27 1997

AMOUNT: \$250,000.00

EXPIRY DATE: October 31, 1998

PROJECT: Electric Generator Supplier  
License

To Whom It May Concern:

This Irrevocable Standby Letter of Credit is issued in favor of the Pennsylvania Public Utility Commission, which is available by one or more sight drafts drawn on us accompanied by the following:

1. The original of the Letter of Credit.
2. A written statement from the Beneficiary that the Applicant has not complied with applicable provisions of the Public Utility Code, 66 Pa. C.S. 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Applicant as a licensed electric generation supplier or the Applicant has not paid the Gross Receipts Tax as required by Section 2810 of the Public Utility Code 66 Pa C.S. 2810 or the Applicant has not supplied electricity at retail in accordance with contracts, agreements or arrangements. Therefore, reimbursement is required in the amount up to \$250,000.00.

The Letter of Credit is written in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. 2909(c)(1)(i), to assure compliance with applicable provisions of the Public Utility Code, 66 Pa. C.S. 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation

Pennsylvania Public Utility Commission

November 1, 1997

Page Two

supplier; to ensure the payment of Gross Receipts Tax as required by Section 2810 of the Public Utility Code, 66 Pa. C.S. 2810; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this Letter of Credit shall ensure first to the benefit of the Commonwealth, and second, to any and all retail electric generation customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contract, agreements or arrangements. Any claims made by the Commonwealth shall have priority over claims made by private individuals. Proceeds of the bond may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth.

This Letter of Credit sets forth the full terms of Issuer's obligation to Pennsylvania Public Utility Commission. It is separate from and shall not be subject to or supplemented or modified by any agreement which refers to this Letter of Credit or to which this Letter of Credit relates.

Except as otherwise stated, this Letter of Credit is governed by the Maryland Uniform Commercial Code and is subject to the "Uniform Customs and Practice for Documentary Credits" (1983 Revision) International Chamber of Commerce Publication No. 400. In case of conflict between the Maryland Uniform Commercial Code and the Uniform Customs and Practice for Documentary Credits, the Maryland Uniform Commercial Code shall control.

We hereby agree to honor each draft drawn under and in compliance with the terms of this Letter of Credit if duly presented at the address of Issuer given above and at a branch office of Issuer within Wicomico County on or before the expiry day set forth above.

THE BANK OF DELMAR, N.A.



Edward M. Thomas  
President and Chief Executive Officer

EMT/alm

cc: Affiliated Power Purchasers, Inc.



# THE BANK OF DELMAR, N.A.

2727 North Salisbury Boulevard, Salisbury, Maryland 21801

## IRREVOCABLE LETTER OF CREDIT

DOCKETED  
NOV 17 1997

ISSUER: The Bank of Delmar  
2727 North Salisbury Blvd.  
Salisbury, MD 21801

DATE OF ISSUE: November 1, 1997

LETTER OF CREDIT NO.: 76

BENEFICIARY:  
Pennsylvania Public Utility Comm.  
P.O. Box 3265  
Harrisburg, PA 17105-3265

APPLICANT:  
Affiliated Power Purchasers, Inc.  
2129 Northwood Dr.  
Salisbury, MD 21801

AMOUNT: \$250,000.00

EXPIRY DATE: October 31, 1998

PROJECT: Electric Generator Supplier  
License

DOCUMENT  
FOLDER

To Whom It May Concern:

This Irrevocable Letter of Credit is issued in favor of the Pennsylvania Public Utility Commission, which is available by one or more sight drafts drawn on us accompanied by the following:

1. The original of the Letter of Credit.
2. A written statement from the Beneficiary that the Applicant has not compiled with applicable provisions of the Public Utility Code, 66 Pa. C.S. 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Applicant as a licensed electric generation supplier or the Applicant has not paid the Gross Receipts Tax as required by Section 2810 of the Public Utility Code 66 Pa C.S. 2810 or the Applicant has not supplied electricity at retail in accordance with contracts, agreements or arrangements. Therefore, reimbursement is required in the amount up to \$250,000.00.

The Letter of Credit is written in accordance with Section 2809(c)(1)(i) of the Public Utility Code, 66 Pa. C.S. 2909(c)(1)(i), to assure compliance with applicable provisions of the Public Utility Code, 66 Pa. C.S. 101, et seq. and the rules and regulations of the Pennsylvania Public Utility Commission by the Principal as a licensed electric generation supplier; to ensure the payment of Gross Receipts Tax as required by Section 2810 of the

Member Federal Reserve System and FDIC

(410) 742-9401 FAX (410) 742-9588 E-MAIL: BOD@BANKOFDELMAR.COM

Pennsylvania Public Utility Commission  
November 1, 1997  
Page Two

Public Utility Code, 66 Pa. C.S. 2810; and to ensure the supply of electricity at retail in accordance with contracts, agreements or arrangements. Payments made pursuant to this Letter of Credit shall ensure first to the benefit of the Commonwealth, and second, to any and all retail electric generation customers to whom the Principal may be held legally liable for failure to supply electric generation pursuant to contract, agreements or arrangements. Any claims made by the Commonwealth shall have priority over claims made by private individuals. Proceeds of the bond may not be used to pay any penalties or fines levied against the Principal for violations of the law, or for payment of any other tax obligations owed to the Commonwealth.

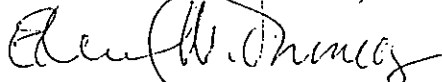
This Letter of Credit sets forth the full terms of Issuer's obligation to Pennsylvania Public Utility Commission. It is separate from and shall not be subject to or supplemented or modified by any agreement which refers to this Letter of Credit or to which this Letter of Credit relates.

Except as otherwise stated, this Letter of Credit is governed by the Pennsylvania Uniform Commercial Code and is subject to the "Uniform Customs and Practice for Documentary Credits" (1983 Revision) International Chamber of Commerce Publication No. 400. In case of conflict between the Pennsylvania Uniform Commercial Code and the Uniform Customs and Practice for Documentary Credits, the Pennsylvania Uniform Commercial Code shall control.

We hereby agree with you that sight drafts drawn under this Letter of Credit will be honored in accordance with the terms and conditions stated herein provided the sight draft and required documents are presented to us at the above address within 60 days from the date of expiry. Payment of any draft drawn under this Letter of Credit in an amount less than the maximum amount available hereunder shall be recorded by us on the reverse side hereof and this Letter of Credit shall then be returned to you.

Letter of Credit Number 76 replaces Letter of Credit Number 73, which becomes null and void after the receipt of Letter of Credit Number 76 by the Beneficiary. The Beneficiary must return Letter of Credit Number 73 to the Issuer upon receipt of Letter of Credit Number 76.

THE BANK OF DELMAR, N.A.



Edward M. Thomas  
President and Chief Executive Officer

cc: Affiliated Power Purchasers, Inc.



**ORIGINAL**

**Affiliated Power Purchasers, Inc.**

P.O. Box 99  
Eden, MD 21822

RECEIVED

NOV 4 1997

November 4, 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

Mr. James J. McNulty  
Pennsylvania Public Utility Commission  
Office of the Prothonotary  
North Street and Commonwealth Avenue  
B-20 North Office Building  
P.O. Box 3265  
Harrisburg, PA 17105-3265

KJR

Dear Mr. McNulty:

RE: Application of Affiliated Power Purchasers, Inc.  
Docket No. A-110041

Please find additional information to be included with Affiliated Power Purchasers, Inc.'s application for approval to offer electricity as a Broker/Marketer in the Commonwealth of Pennsylvania. The following items are enclosed:

Item 20: Bonding. The original and two copies of a revised Letter of Credit for \$250,000.00. This Letter #76 replaces Letter #73 as per our discussions with Cindi Muriceak in the Bureau of Fixed Utility Services.

If there are any questions concerning this Letter of Credit, please call me at (800) 520-6685 or Ellen Di Cintio at (410) 546-4422.

Sincerely,

AFFILIATED POWER PURCHASERS, INC.

*Walter W. Moore* (2)

Walter W. Moore, President

DOCUMENT  
FOLDER

WWM/sle  
Enclosures  
cc: Ellen Di Cintio

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Uniform Cover and Calendar Sheet**

1. <b>REPORT DATE:</b> October 30, 1997	2. <b><u>BUREAU AGENDA NO.</u></b>  NOV-97-FUS-1436*
3. <b>BUREAU:</b> Fixed Utility Services	5. <b><u>PUBLIC MEETING DATE:</u></b>  November 6, 1997
4. <b>SECTION(S):</b> Energy	
6. <b>APPROVED BY:</b> <i>[Handwritten initials]</i> Director: Muth -3-5242 Supervisor: Bennett 7-5553 Legal Review: <i>[Handwritten signature]</i> 7-3464	<p align="right">November 6, 1997</p> <p align="center">KJR</p> <p align="right"><b>DOCKETED</b></p> <p align="right">NOV 17 1997</p>
7. <b>PERSONS IN CHARGE:</b> Glunz/Muriceak 3-6163	
8. <b>DOCKET NO.:</b> A-110041	

9. (a) **CAPTION** (abbreviate if more than 4 lines)  
 (b) **Short summary of history & facts, documents & briefs**  
 (c) **Recommendation**

- (a) Application of Affiliated Power Purchasers, Inc., d/b/a APPI, for issuance of a license to become an electric generation supplier.
- (b) On September 10, 1997, Affiliated Power Purchasers, Inc., d/b/a APPI, filed an application seeking to become a licensed electric generation supplier in the Commonwealth of Pennsylvania. The application was filed pursuant to a Final Order entered on February 18, 1997, at Docket No. M-00960890 F.0004. The February 18, 1997 Order dealt with Chapter 28 Electricity Generation Customer Choice and Competition Act licensing requirements for electric generation suppliers.
- (c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed draft Opinion and Order which approves the interim license.

**DOCUMENT  
FOLDER**

10. **MOTION BY:** Commissioner Brownell    Commissioner Bloom - Yes  
 Commissioner Hanger - Yes  
**SECONDED:** Commissioner Chm. Quain    Commissioner Rolka - Yes

**CONTENTS OF MOTION:** Postponement to Public Meeting of November 21, 1997, for the Commission's further consideration.

<b>SENDER:</b> <input type="checkbox"/> Check box at right if you require restricted delivery. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
2. Article Address A GILLIS ALLEN II ALLEN & ASSOCIATES 207 DOWNTOWN PLAZA PO BOX 990 SALISBURY MD 21803-0990 A-110041 SEC/LTR		4a. Article Number P 968 910 512	
		4b. Service Type <input checked="" type="checkbox"/> CERTIFIED	
		7. Date of Delivery <b>NOV 13</b>	
5. Received By: (Print Name)		8. Addressee's Address  KJR	
6. Signature: (Addressee or Agent) <b>X</b> <i>R. Riley</i>			
PS Form 3811, December 1994		Domestic Return Recd	

11