

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00
- 2. BUREAU: FUS
- 3. SECTION(S):
- 5. APPROVED BY: DIRECTOR: SUPERVISOR:
- 6. PERSON IN CHARGE:
- 8. DOCKET NO: A-110041
- 4. PUBLIC MEETING DATE: 00/00/00
- 7. DATE FILED: 09/10/97
- 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: T/A APPI

RESPONDENT/APPLICANT: AFFILIATED POWER PURCHASERS INC

COMP/APP COUNTY:

UTILITY CODE: 110041

ALLEGATION OR SUBJECT

APPLICATION OF AFFILIATED POWER PURCHASERS, INC., D/B/A APPI, FOR APPROVAL TO OFFER, RENDER, FURNISH OR SUPPLY ELECTRICITY OR ELECTRIC GENERATION SERVICES AS A BROKER/MARKETER ENGAGED IN THE BUSINESS OF SUPPLYING ELECTRICITY TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA.

**DOCKETED**  
SEP 18 1997

**DOCUMENT  
FOLDER**

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Application of Affiliated Power Purchasers, Inc.,  
d/b/a APPI, for approval  
to offer, render, furnish, or supply electricity or electric  
generation services as a(n)  
Broker/Marketer  
to the public in the Commonwealth of Pennsylvania.

Application Docket No. A-110041  
F \_\_\_\_\_  
19 \_\_\_\_\_

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SEP 10 1997

PA PUBLIC UTILITY COMMISSION  
PROTHONOTARY'S OFFICE

To the Pennsylvania Public Utility Commission:

1. **IDENTITY OF THE APPLICANT:** The name, address, telephone number, and FAX number of the Applicant are:

Affiliated Power Purchasers, Inc.	<u>Location:</u>	APPI
P.O. Box 99		808 Priscilla Street, 2 <sup>nd</sup> Floor
Eden, MD 21822		Salisbury, MD 21804
Phone: (800) 520-6685		
Fax: (410) 749-8769		

Please identify any predecessor(s) of the Applicant and provide other names under which the Applicant has operated within the preceding five (5) years, including name, address, and telephone number.

APPI has no predecessors or previous names.

2. a. **CONTACT PERSON:** The name, title, address, telephone number, and FAX number of the person to whom questions about this Application should be addressed are:

Walter W. Moore, President  
APPI  
P.O. Box 99  
Eden, MD 21822  
Phone: (800) 520-6685  
Fax: (410) 749-8769

DOCKETED  
SEP 18 1997

DOCUMENT  
FOLDER

b. **CONTACT PERSON-PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY:** The name, title, address telephone number and FAX number of the person with whom contact should be made by PEMA:

APPI believes that the licensed suppliers with whom they contract, those who are physically supplying the power to APPI's customers, are the parties that will need to be responsive to the PEMA. These suppliers have provided PEMA contact information in their license applications. Nonetheless, if an APPI contact is required for the PEMA, the contact will be Walter W. Moore. Mr. Moore's contact information is provided in 2.a., above.

3.a. **ATTORNEY:** If applicable, the name, address, telephone number, and FAX number of the Applicant's attorney are:

A. Gillis Allen, II  
Allen & Associates, Chartered  
P.O. Box 990  
207 Downtown Plaza  
Salisbury, MD 21803-0990  
Phone: (410) 860-2580  
Fax: (410) 860-2774

b. REGISTERED AGENT: If the Applicant does not maintain a principal office in the Commonwealth, the required name, address, telephone number and FAX number of the Applicant's Registered Agent in the Commonwealth are:

Robert Worthington, Jr.  
M. Burr Keim Company  
2021 Arch Street  
Philadelphia, PA 19103-1491  
Phone: (215) 562-8112  
Fax: (215) 977-9386

4. FICTITIOUS NAME: (select and complete appropriate statement)

The Applicant will be using a fictitious name or doing business as ("d/b/a"):

Affiliated Power Purchasers, Inc. has been advised that the use of APPI as a d/b/a name does not require registration or filing with the Department of State as would be required of a fictitious name.

Attach to the Application a copy of the Applicant's filing with the Commonwealth's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

**OR**

The Applicant will not be using a fictitious name.

5. BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS: (select and complete appropriate statement)

The Applicant is a sole proprietor.

If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

**OR**

The Applicant is a:

- domestic general partnership (\*)
- domestic limited partnership (15 Pa. C.S. §8511)
- foreign general or limited partnership (15 Pa. C.S. §4124)
- domestic limited liability partnership (15 Pa. C.S. §8201)
- foreign limited liability general partnership (15 Pa. C.S. §8211)
- foreign limited liability limited partnership (15 Pa. C.S. §8211)

Provide proof of compliance with appropriate Department of State filing requirements as indicated above.

Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business nature of the partner entity and identify its partners or officers.

- \* If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

or

The Applicant is a :

- domestic corporation (none)  
 foreign corporation (15 Pa. C.S. §4124)  
 domestic limited liability company (15 Pa. C.S. §8913)  
 foreign limited liability company (15 Pa. C.S. §8981)  
 Other \_\_\_\_\_

Provide proof of compliance with appropriate Department of State filing requirements as indicated above. Additionally, provide a copy of the Applicant's Articles of Incorporation.

APPI's Articles of Incorporation are attached as Attachment No. 2.

Give name and address of officers.

Walter W. Moore  
APPI  
P.O. Box 99  
Eden, MD 21822

David V. Downes  
APPI  
P.O. Box 99  
Eden, MD 21822

George E. Owens  
APPI  
P.O. Box 99  
Eden, MD 21822

Proof of compliance with Department of State filing requirements pursuant to 15 Pa. C.S. §4124 will be submitted to the Commission upon acceptance by the Department of State.

The Applicant is incorporated in the state of Delaware.

6. **AFFILIATES AND PREDECESSORS WITHIN PENNSYLVANIA:** (select and complete appropriate statement)

- Affiliate(s) of the Applicant doing business in Pennsylvania are:

Give name and address of the affiliate(s) and state whether the affiliate(s) are jurisdictional public utilities.

- If the Applicant or an affiliate has a predecessor who has done business within Pennsylvania, give name and address of the predecessor(s) and state whether the predecessor(s) were jurisdictional public utilities.

or

- The Applicant has no affiliates doing business in Pennsylvania or predecessors which have done business in Pennsylvania.

7. **APPLICANT'S PRESENT OPERATIONS:** (select and complete the appropriate statement)

- The Applicant is presently doing business in Pennsylvania as a
- vertically-integrated provider of generation, transmission, and distribution services.
  - municipal electric corporation providing service outside its municipal limits.
  - electric cooperative
  - local gas distribution company
  - nonintegrated provider of electric generation, transmission or distribution services.
  - Other. (Identify the nature of service being rendered.)

or

- The Applicant is not presently doing business in Pennsylvania.

8. **APPLICANT'S PROPOSED OPERATIONS:** The Applicant proposes to operate as a:

- Generator and supplier of electric power.
- Municipal generator and supplier of electric power.
- Electric Cooperative and supplier of electric power
- Broker/Marketer engaged in the business of supplying electricity.
- Aggregator engaged in the business of supplying electricity

9. **PROPOSED SERVICES:** Generally describe the electric services or the electric generation services which the Applicant proposes to offer.

The Applicant's proposed services include providing a simple way for consumers to benefit from competition in the electric industry. APPI will act as a buyer's representative for affinity groups of consumers, making arrangements with licensed suppliers for low-cost, reliable electricity. APPI will analyze customer load data, prepare bids, negotiate and manage contracts, and generate interim reports for its clients.

10. **SERVICE AREA:** Generally describe the geographic area in which Applicant proposes to offer services.

All of Pennsylvania

11. **CUSTOMERS:** Applicant proposes to initially provide services to:

- Residential Customers
- Commercial Customers
- Industrial Customers
- Governmental Customers
- All of above
- Other (Describe):

- 12 **FERC FILING:** Applicant has:

Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.

Received approval from FERC to be a Power Marketer at Docket or Case Number \_\_\_\_\_.

The Applicant is not required to file as a Power Marketer with FERC as APPI has no wholesale energy operations.

13. **START DATE:** The Applicant proposes to begin delivering services on November 1, 1997 (approximate date).
14. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur in the information upon which the Commission relied in approving the original filing.
15. **NOTICE:** Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14, serve a copy of the signed and verified Application with attachments on the following:

Irwin A. Popowsky  
Consumer Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Bernard A. Ryan, Jr.  
Commerce Building, Suite 1102  
Small Business Advocate  
300 North Second Street  
Harrisburg, PA 17101

Office of the Attorney General  
Bureau of Consumer Protection  
Strawberry Square, 14th Floor  
Harrisburg, PA 17120

Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, attach Proof of Service of the Application and attachments upon the above named parties. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14.

APPI has sent a signed and verified copy of this License Application to the above parties. Proof of service of the Application and attachments upon the above named parties will be submitted to the Commission upon its receipt.

# AFFIDAVIT

State of   Maryland   :

: ss.

County of   Wicomico   :

  Walter W. Moore  , Affiant, being duly sworn according to law, deposes and says that:

He is the   President   (Office of Affiant) of   Affiliated Power Purchasers, Inc.   (Name of Applicant);

That he is authorized to and does make this affidavit for said Applicant;

That   Affiliated Power Purchasers, Inc.  , the Applicant herein, acknowledges that Affiliated Power Purchasers, Inc may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That   Affiliated Power Purchasers, Inc.  , the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That the facts above set forth true and correct to the best of his knowledge, information, and belief and that he expects said Applicant to be able to prove the same at any hearing hereof.

  Walter W. Moore    
Signature of Affiant

Sworn and subscribed before me this   tenth   day of   September  , 19   97  .

  Bonnie Starks    
Signature of official administering oath

My commission expires   11-1-98  .





17. **TAXATION:** Provide the State Tax Account number or similar number of the Applicant. \_\_\_\_\_

APPI has applied with the Department of State for a Certificate of Authority. In conjunction with this application, APPI has requested a State Tax Account number. Upon receipt of the State Tax Account number, the number will be forwarded to the Commission.

In certification that the supplier will pay in full all taxes due from the supplier as required by 66 Pa. C.S. Section 2809 (C)(1)(II)(IV), the Applicant will attach to the Application and affidavit as follows:

### AFFIDAVIT

State of Maryland \_\_\_\_\_ :

: ss.

County of Wicomico \_\_\_\_\_ :

Walter W. Moore, Affiant, being duly sworn according to law, deposes and says that:

That he is the President (office of Affiant) of Affiliated Power Purchasers, Inc. (Name of Applicant);

That he is authorized to and does make this affidavit for said Applicant;

That Affiliated Power Purchasers, Inc., the Applicant herein, certifies to the Commission that it is subject to, will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall provide to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission and is subject to Title 66, Section 506.

As provided by Section 2810 (C)(6)(IV), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

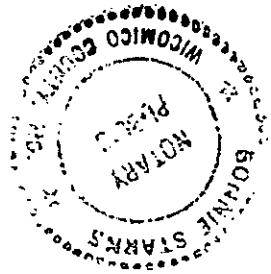
That the facts above set forth true and correct to the best of his knowledge, information, and belief and that he expects said Applicant to be able to prove the same at any hearing hereof.

Walter W. Moore  
Signature of Affiant

Sworn and subscribed before me this tenth day of September, 19 97.

Bonnie Starks  
Signature of official administering oath

My commission expires 11-1-98.



18. **COMPLIANCE:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application has been convicted of a crime involving fraud or similar activity. Identify all proceedings, by name, subject and citation, dealing with business operations, in the last five (5) years, whether before an administrative body or in a judicial forum, in which the Applicant, an affiliate, a predecessor of either, or a person identified herein has been a defendant or a respondent. Provide a statement as to the resolution or present status of any such proceedings.

19. **STANDARDS, BILLING PRACTICES, TERMS AND CONDITIONS OF PROVIDING SERVICE AND CONSUMER EDUCATION:** Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used. All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

a. **Contacts for Consumer Service and Complaints:** Provide the name, title, address, telephone number and FAX number of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission or other agencies.

Walter W. Moore  
President  
P.O. Box 99  
Eden, MD 21822  
Phone: (800) 520-6685  
Fax: (410) 749-8769

Patricia S. Lederman  
Customer Service Representative  
P.O. Box 99  
Eden, MD 21822  
Phone: (800) 520-6685  
Fax: (410) 749-8769

b. Provide a copy of all standard forms or contracts that you use, or propose to use, for service provided to residential customers.

A copy of the standard contract for service provided to residential customers, entitled "Membership Agreement," is enclosed as Attachment No. 3. The enclosed contract is formatted for use with a single particular APPI client. The same form, adjusted only for client designation, will also be used for APPI's residential customers.

APPI considers its membership agreement form to be privileged information. It has been submitted under seal with the original Application. The document contains details of APPI's managerial and financial relationship with its customers that are proprietary information. This document is presented only to individuals within an affiliated organization doing business with APPI. The Applicant requests that the Commission consider APPI's membership agreement form as confidential information.

c. Attach to the Application an Affidavit as follows:

# AFFIDAVIT

State of Maryland :

ss.

County of Wicomico :

Walter W. Moore, Affiant, being duly sworn according to law, deposes and says that:

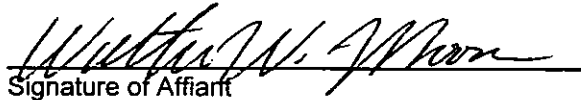
He is the President (Office of Affiant) of Affiliated Power Purchasers, Inc. (Name of Applicant);

That he is authorized to and does make this affidavit for said Applicant;

That Affiliated Power Purchasers, Inc., the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 PA. C.S. Section 506, 2807 (C), 2807(D)(2), 2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission or designee to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief and that he expects said Applicant to be able to prove the same at any hearing hereof.

  
Signature of Affiant

Sworn and subscribed before me this tenth day of September, 19 97.

  
Signature of official administering oath

My commission expires 11-1-98



20. **BONDING:** In accordance with 66 PA. C.S. Section 2809(C) (1)(I), the Applicant is:

- Furnishing a copy of initial bond , letter of credit or proof of bonding to the Commission in the amount of \$250,000.
- Furnishing proof of other initial security for Commission approval, to ensure financial responsibility.
- Filing for a modification to the \$250,000 and furnishing a copy of an initial bond, letter of credit or proof of bonding to the Commission for the amount of \$ 0 . Applicant is required to provide information supporting an amount less than \$250,000.

APPI believes that given its proposed role as a buyer's representative, the bonding requirements are not applicable. Support of this position is provided in the response to 23.A., Financial Fitness, in Attachment No. 4.

At the conclusion of Applicant's first year of operation or when a permanent license is issued, whichever comes first, it is the intention of the Commission to tie security bonds to a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. The amount of the security bond will be reviewed and adjusted on an semi-annual basis.

21. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

22. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.

23. **ASSESSMENT:** The Applicant acknowledges that Title 66, Chapter 5, Section 510 grants to the Commission the right to make assessments to recover regulatory expenses and that as a supplier of electricity or an electric generation supplier it will be assessed under that section of the Pennsylvania Code. The Applicant also acknowledges that the continuation of its license as a supplier of electricity or an electric generation supplier will be dependent upon the payment of all prior years assessments.

24. **FINANCIAL FITNESS:**

- A. Applicant shall provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:
- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.
  - Published parent company financial and credit information.
  - Applicant's balance sheet and income statement for the most recent fiscal year. Published financial information such as 10K's and 10Q's may be provided, if available.
  - Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form or other independent financial service reports.
  - A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.
  - Such other information that demonstrates Applicant's financial fitness.

B. Applicant must provide the following information:

- Identify Applicant's chief officers including names and their professional resumes.
- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

Documentation for 24. A. and B., Financial Fitness, is attached in Attachment No. 4.

25. **TECHNICAL FITNESS:** To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- The identity of the Applicant's officers directly responsible for operations, including names and their professional resumes.
- General information concerning the energy sources to be employed by the Applicant in providing services.
- Documentation of membership in ECAR, MAAC or other regional reliability councils.
- *An affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service.*

Documentation for 25, Technical Fitness, is attached in Attachment Nos. 5 and 5A.

26. **UNIFORM STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission.

27. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:

- a. **Reports of Gross Receipts:** Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.
- b. The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.
- c. Applicant shall report to the Commission the following information on an annual basis:
  - the percentages of total electricity supplied by each fuel source

**Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.**

28. FEE: The Applicant has enclosed the required initial licensing fee of \$35.

Applicant: Affiliated Power Purchasers, Inc.

By: Walter W. Moore

Title: President

### VERIFICATION

State of Maryland :

: ss.

County of Wicomico :

Walter W. Moore, Affiant, being duly sworn according to law, deposes and says that:

He is the President (Office of Affiant) of Affiliated Power Purchasers, Inc. (Name of Applicant);

That he is authorized to and does make this affidavit for said corporation;

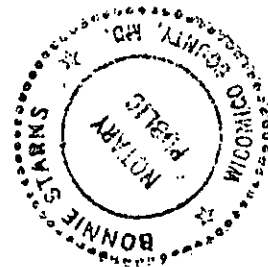
That the facts above set forth are true and correct to the best of his knowledge, information, and belief and that he expects said Applicant to be able to prove the same at any hearing hereof.

Walter W. Moore  
Signature of Affiant

Sworn and subscribed before me this tenth day of September, 19 97.

Bonnie Starns  
Signature of official administering oath

My commission expires 11-1-98



Text of Public Notice Required to be Published in Six Major Pennsylvania Newspapers.

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. \_\_\_\_\_.

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 3285, 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 \_\_\_\_\_. 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.

STATE OF DELAWARE  
 SECRETARY OF STATE  
 DIVISION OF CORPORATIONS  
 FILED 09:00 AM 08/03/1997  
 971262354 - 2170245

CERTIFICATE OF INCORPORATION

OF

AFFILIATED POWER PURCHASERS, INC.

FIRST. The name of this corporation is Affiliated Power Purchasers, Inc.

SECOND. Its registered office in the State of Delaware is located at 107 West Market Street, Georgetown, Sussex County, Delaware 19947, and its registered agent in charge thereof is the corporation itself.

THIRD. The nature of the business and the objects and purposes to be transacted, promoted and carried on are to do any and all of the things herein mentioned as fully and to the same extent as natural persons might or could do, and in any part of the world, viz: to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH. The total number of shares of stock which this corporation is authorized to issue is 1,000 at no par value.

FIFTH. The name and mailing address of the incorporator is as follows:

<u>NAME</u>	<u>ADDRESS</u>
Eric C. Howard, Esquire WILSON, HALBROOK & BAYARD	107 West Market Street P.O. Box 698 Georgetown, DE 19947

SIXTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the board of directors is expressly authorized:

To make, alter, amend and repeal the by-laws;

To set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and to alter or abolish any such reserve; to authorize and cause to be executed mortgages and liens upon the property and franchises of this corporation;



To designate, by resolution passed by a majority of the whole board, one or more committees, each to consist of two or more directors, which committees, to the extent provided in each resolution or in the by-laws of the corporation shall have and may exercise any or all of the business and affairs of this corporation and have power to authorize the seal of this corporation to be affixed to all papers which may require it;

From time to time to determine whether and to what extent and to what times and places and under what conditions and regulations the books and accounts of this corporation, or any of them other than the stock ledger, shall be open to the inspection of the stockholders, and no stockholder shall have the right to inspect any account or book or document of the corporation, except as conferred by law or authorized by resolution of the directors or of the stockholder;

To sell, lease, or exchange all of its property and assets, including its good will and its corporate franchises, upon such terms and conditions and for such consideration, which may be in whole or in part shares of stock in, and/or other securities of, any other corporation or corporation, when and authorized by the affirmative vote of the holders of a majority of the stock issued and outstanding having voting power given at a stockholders' meeting duly called for that purpose, or when authorized by the written consent of the holders of a majority of the voting stock issued and outstanding.

This corporation may in its by-laws confer powers additional to the foregoing upon the directors, in addition to the powers and authorities expressly conferred upon them by law.

SEVENTH. Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 279 of Title 8 of the Delaware Code order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in

value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this corporation as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of this corporation, as the case may be, and also on this corporation (Title 8, Del. C. §102 (b)(2)).

EIGHTH. If the by-laws so provide, the stockholders and directors shall have the power to hold their meetings, to have an office or offices and to keep the books of this corporation (subject to the provisions of the statute) outside of the State of Delaware at such places as may from time to time be designated by the by-laws or by resolution of the directors.

NINTH. This corporation reserves the right to amend, alter, change, or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by law and all rights conferred on officers, directors and stockholders herein are granted subject to this reservation.

TENTH. No director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

I, the undersigned, being an incorporator for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make and file the Certificate of Incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly I have hereunto set my hand and seal this 4<sup>th</sup> day of August, A.D. 1997.

IN THE PRESENCE OF:

\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
Eric S. Howard

(SEAL)

Affiliated Power Purchasers, Inc. Before the Pennsylvania Public Utility Commission  
Application to Provide Electric Power Broker/Marketer Services

**24 Financial Fitness**

**24A.** Affiliated Power Purchasers, Inc. (APPI) proposes to act as a "buyer's representative," negotiating with electric generation suppliers on behalf of APPI's clients. As such, APPI will not own generation and will not generate, purchase, or sell electric power, but will select licensed electric generation suppliers on behalf of APPI's clients. **All legal and fiduciary responsibilities for which the Pennsylvania Public Utility Commission has regulatory oversight will be held by the selected electric generation supplier.** Payments to APPI for its services will be made either directly by the end-use customer or through arrangements with the billing entity (distribution provider or generation provider). Consequently, APPI will not be liable for the collection of power supply payments or taxes. Commensurate with the services proposed to be provided, it is APPI's understanding that no bonding of the company or the company's principal officers is required.

Page 6 of this attachment is an affidavit stating that the bonding requirements of 66 PA. C.S. Section 2809(C) 91)(l) will be required in all contracts arranged by APPI between electric generation suppliers and end-use customers.

**24B (1) - The names of APPI's chief officers and their professional resumes are provided on the pages that follow.**

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**President of APPI: Walter W. Moore**

**Professional Resume**

**Education:** Mr. Moore earned a Bachelor of Science degree in Accounting from Pennsylvania State University. In 1984 he received his Master of Business Administration from Loyola College.

**Experience:** Mr. Moore has over 20 years of experience working as a consultant specializing in rapidly changing, deregulating industries. In 1980, Mr. Moore co-founded Trans Data Corporation (TDC), a market research and consulting firm specializing in the banking and financial services industry. Under his direction, TDC assisted the top 300 commercial banks, major manufacturers, and services companies to understand the dynamics of market deregulation. Mr. Moore worked with clients in creating industry tracking databases, developing new products, and formulating corporate competitive strategies. TDC was acquired by the American Banker/Bond Buyer in 1984.

In 1987, Mr. Moore founded NEX, Inc., a research and consulting firm specializing in the health care industry. NEX works with nursing associations, healthcare facilities, the military, manufacturers, and services companies to develop products and strategic and competitive plans for the healthcare industry.

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**Vice President of APPI: George E. Owens, P. E.**

**Professional Resume**

**Education:** Mr. Owens received his Bachelor of Engineering Science Degree in Electrical Engineering from the Johns Hopkins University in 1969. Subsequently, Mr. Owens attended the Graduate College of Texas A & M University. In 1971, he received his Master of Science Degree in Physical Oceanography with his graduate research performed in the field of underwater acoustics. Mr. Owens then completed 2 1/2 years of further graduate study in the area of tidal hydraulics with the Coastal and Ocean Engineering Section of the Civil Engineering Graduate Department of Texas A & M. Additional field engineering experience was then received through the Engineer Officer Basic Course taught by the U.S. Army Corps of Engineers, Fort Belvoir, Virginia. Since that time, Mr. Owens has attended professional short courses in industrial power systems coordination and electrical power equipment taught by the General Electric Company, utility fuse and relay coordination taught by the Westinghouse Electric Corporation, power plant and transmission line relay protection taught by the Institute of Electrical and Electronic Engineers, and polyphase meter systems taught by North Carolina State University.

**Experience:** Since January 1974, Mr. Owens has served as chief power engineer and President of Downes Associates, Inc. In those roles, Mr. Owens has served in the capacity of design engineer in the areas of utility and industrial electrical power systems. Project areas have included utility power system studies, utility power system design, utility electrical rate studies, industrial power system studies, industrial electrical cost evaluations, high and low voltage electrical apparatus specification, high and lower voltage electrical system layout and design, electrical conservation studies, energy cost studies, system coordination studies, electrical power substation design, energy management systems studies, utility construction practices, meter and relay system maintenance and repair, meter and relay installation and calibration.

**Memberships:** Mr. Owens is a member of the Maryland Society of Professional Engineers (MSPE), National Society of Professional Engineers (NSPE), Institute of Electric and Electronic Engineers (IEEE), the Association of Energy Engineers (AEE), and the National Fire Protection Association. He is also a charter member of American Institute of Plant Engineers (AIPE).

**Registrations:** Mr. Owens is a registered Professional Engineer in the states of Pennsylvania, Maryland, Ohio, Delaware, New Jersey, North Carolina, and Virginia.

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**Chief Executive Officer of APPI: David V. Downes, P.E.**

**Professional Resume**

**Education:** Mr. Downes holds Bachelor of Science degrees in Electrical Engineering and Biology. Mr. Downes has subsequently completed post graduate work in accounting, business system design, assessment of technology, energy conservation, and cost analysis plus numerous seminars and professional development courses in project risk analysis, cogeneration, energy management, electrical testing, and energy conservation.

**Experience:** For almost thirty years, Mr. Downes has been involved in negotiations for power supply agreements at the wholesale level with Downes Associates, where he serves as Chief Executive Officer. In conjunction with that activity he has analyzed and negotiated interchange, wheeling, standby maintenance, and avoided costs rates, and has participated in P.U.R.P.A. proceedings. Mr. Downes has served as an expert witness in various cost-to-serve matters on several occasions before various regulatory bodies including the Delaware Public Service Commission, Maryland Public Service Commission, Federal Energy Regulatory Commission, and Federal Communications Commission.

Previous experience as a design and project engineer includes various system designs and management projects. Project areas have included energy conservation analysis, energy system designs, electric tariff cost analysis and design as well as cost-of-service studies for electric utilities.

**Membership:** Mr. Downes is a member of the Institute of Electrical and Electronics Engineers (IEEE), Maryland Society of Professional Engineers (MPSE), the National Society of Professional Engineers (NSPE), and the Association of Energy Services Professionals (AESP). Mr. Downes is also a charter member of the local American Institute of Plant Engineers (AIPE) chapter.

**Registrations:** Mr. Downes is a registered Professional Engineer in the states of Pennsylvania, Maryland, Delaware, New Jersey, New York, Ohio, North Carolina, and Virginia.

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**24B (2) - The name, title, address, telephone number, and FAX number of APPI's custodian for its accounting records are listed below.**

Glenn D. Marvel, CPA  
Holloway and Marvel, PA  
105 Milford Street  
Salisbury, MD 21803  
Ph: 410-546-5567  
FAX: 410-548-3276

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**AFFIDAVIT**

State of Maryland :  
 :  
 : SS.  
 County of Wicomico :

Walter W. Moore, Affiant, being duly sworn according to law, deposes and says that:

He is the President of Affiliated Power Purchasers, Inc., (hereinafter known as "APPI"), and that he is authorized to and does make this affidavit for said Applicant;

That APPI, the Applicant herein, certifies to the Commission that as a buyer's representative, licensed by the Commission as a Broker/Marketer, APPI will require in contracts negotiated and arranged between electric generation suppliers and end-use customers compliance with the bonding requirements in accordance with 66 PA. C.S. Section 2809(C) (1)(l).

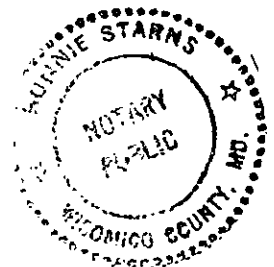
That the facts above set forth are true and correct to the best of his knowledge, information, and belief and that he expects said Applicant to be able to prove the same at any hearing hereof.

Walter W. Moore  
 Signature of Affiant

Sworn and subscribed before me this tenth day of September 1997.

Bonnie Starns  
 Signature of official administering oath

My commission expires 11-1-98.





Affiliated Power Purchasers, Inc. Before the Pennsylvania Public Utility Commission  
Application to Provide Electric Power Broker/Marketer Services

**25. Technical Fitness**

**Principals of the Firm**

President of APPI: Walter W. Moore  
Vice President of APPI: George E. Owens, P. E  
Chief Executive Officer of APPI: David V. Downes, P.E.

The resumes for APPI's officers directly responsible for operations are provided in the response to application item 24B, Attachment No. 4.

**Technical Expertise Available to APPI**

Affiliated Power Purchasers, Inc. will be utilizing the management and technical expertise of Downes Associates, Inc., Engineering and Management Consultants, for many of the functions required to identify, evaluate, and select qualified retail power suppliers for APPI's clients. Downes Associates' officers, as stated in the professional resumes, have more than fifty years of combined experience in evaluating and negotiating purchased power arrangements for a variety of wholesale and retail purchasers of power.

In its role as primary consultant to APPI, the full range of Downes Associates' technical expertise will also be available to APPI. Listed below are the names of key individuals and services anticipated to be utilized by APPI and its clients.

**Department of Regulatory Practice and Economic Analysis**

Faith B. Miller - Cost of service analysis and power supplier billing issues  
Steven D. Hirsch - Retail rates and economic analysis  
Mary E. Layshock - Pennsylvania regulations and standards of conduct  
John H. Sharpe - Load data analysis and procedures

**Department of Metering and Field Engineering**

Jack D. Jester - Load profile and real-time metering  
Rick C. Garner - Load management and SCADA systems

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**Energy Sources**

In its role as a buyer's representative, licensed as a "Broker/Marketer," APPI will arrange electric power supply for its clients only from other electric generation suppliers licensed with the Pennsylvania Public Service Commission.

As additional evidence of APPI's expertise and the services the company proposes to offer its clients, APPI's standard marketing brochure is included as Attachment No. 5A.

**Reliability Affidavit**

Page 3 of this attachment is an affidavit stating that APPI will adhere to the various reliability protocols as specified in the Commission's application form.

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AFFIDAVIT

State of Maryland :
:
: ss.
County of Wicomico :

Walter W. Moore, Affiant, being duly sworn according to law, deposes and says that:

He is the President of Affiliated Power Purchasers, Inc., (hereinafter known as "APPI"), and that he is authorized to and does make this affidavit for said Applicant;

That APPI, the Applicant herein, certifies to the Commission that as a buyer's representative, licensed by the Commission as a Broker/Marketer, APPI will require that contracts negotiated and arranged between electric generation suppliers and end-use consumers be in adherence to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Pennsylvania Public Service Commission, and in compliance with the operational requirements of the control area(s) within which retail service is arranged.

That the facts above set forth are true and correct to the best of his knowledge, information, and belief and that he expects said Applicant to be able to prove the same at any hearing hereof.

Signature of Affiant

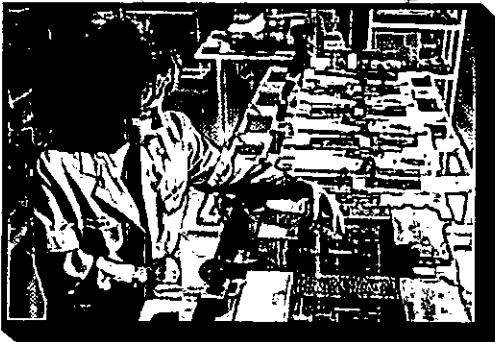
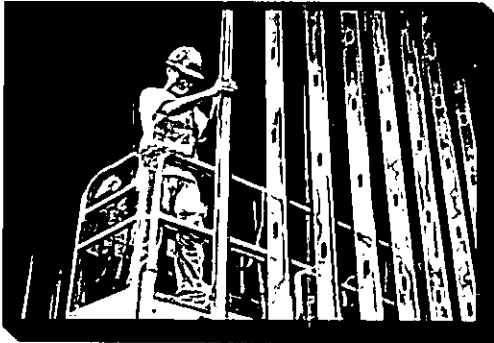
Sworn and subscribed before me this tenth day of September 1997.

Signature of official administering oath

My commission expires 11-1-98



The simple way for business and industry  
to benefit from electric utility deregulation.

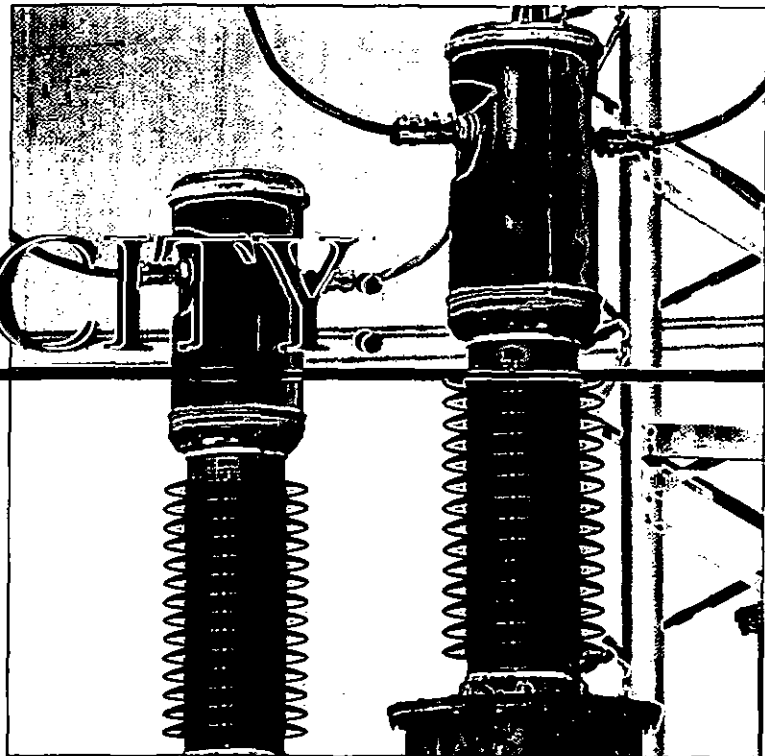


*A*ffiliated  
Power  
Purchasers, Inc.

THE ELECTRICITY  
BUYERS POOL

# ELECTRICITY

*It's No Longer  
Business As  
Usual*



“Soon, every company in America will have to vie for its energy needs in a deregulated electric power market.”

**D**

eregulation of the electric utility industry is one of the most significant opportunities for business and industry in American history. Affiliated Power Purchasers, Inc. (APPI) provides your company with a simple way to benefit from deregulation without worrying about its complexities. By joining an APPI-managed electricity buyers pool, you'll receive lower electric rates and the assurance that a team of industry experts is meeting your energy needs.

AS A BUYERS REPRESENTATIVE specializing in working with trade associations, APPI aggregates the purchasing power of an association's membership and negotiates volume discounts based on the total electric load.

**STRENGTH IN  
NUMBERS:  
The Electricity  
Buyers Pool**

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It costs you nothing to belong to the pool. Moreover, the pool provides a revenue-sharing opportunity for your participating association. Regardless of the amount of electricity your firm uses, APPI can negotiate larger and more substantial discounts.

**A** PPI DRAWS UPON AN UNPARALLELED THREE DECADES OF EXPERIENCE managing the energy needs of business and industry to ensure members receive low-cost, highly reliable electricity. Unlike brokers who purchase and resell power, or independent marketers who receive commissions from power suppliers, APPI is a buyers representative. That means APPI is solely motivated to obtain the best possible price for its clients.

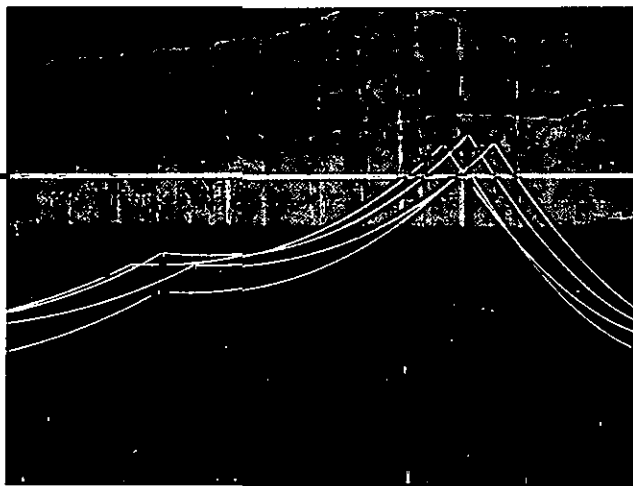
ACTING AS THE POOL ADMINISTRATOR, APPI analyzes customer data, prepares bids, negotiates and manages contracts, and generates interim reports for

**THE APPI  
ADVANTAGE:  
Experience &  
Expertise**

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participating members. Its team of engineers and regulatory experts possess unmatched experience in every aspect of electric power, including industry analysis, contract negotiation, and technical support.

IN ADDITION, APPI OFFERS EDUCATIONAL SERVICES — from customized presentations at annual and regional meetings, to industry white papers, special executive summaries, and its *Power Strategies* newsletter.



**THE SIMPLE CHOICE:  
Save With APPI**

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**J** OINING AN APPI ELECTRICITY BUYERS POOL is your simple way to lower electric power-related production and operating expenses. To learn more about this cost-saving opportunity, contact your APPI representative at (800) 520-6685.

# Insider Knowledge Needed to Negotiate Deregulation Maze

## *Trade Associations Enlist Maryland Energy Services Company*

Deregulation of the \$230 billion electric utility industry offers business and industry the opportunity to reduce operating and production expenses through lower electric rates. However, the most substantial savings will go to those who have the insider knowledge and clout required to successfully select a power supplier and negotiate a contract.

In concept, electric utility deregulation appears simple. Deregulation separates the actual

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**“APPI provides business and industrial users with a way to gain the benefits of deregulation while avoiding its potential risks.”**

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production of electricity (the generation) from its transportation to the customer (transmission and delivery). Customers remain connected to the same power lines, but will be able to “shop around” for the best price and most reliable generation available.

Instead of dealing with one local utility, business owners, executives, and plant managers will need to know how to *select, negotiate with, contract with, and manage* multiple vendors. To do so, they will need a working knowledge of power generation and delivery.

They must also understand the effect of potential legislation, recognize all the major players, and, specifically, address provider reliability issues.

“Knowing what to ask, what to demand, and what to expect will prove essential to truly benefiting from deregulation,” says one business consultant. Given the complexity of the issues, he adds, many businesses will find it difficult to make informed decisions without expert assistance. That is why a number of trade associations are turning to Affiliated Power Purchasers, Inc. (APPI), a Maryland-based energy services company.

APPI brings to trade associations the dual benefits of industry expertise and volume discounts. APPI creates and manages electricity buyers pools comprised of trade association members and negotiates volume discounts based on the total electric load.

APPI provides business and industrial users with a way to gain the benefits of deregulation while avoiding its potential risks. Clients have the assurance of knowing that expert analysts have assessed the reliability of potential power providers.

“Customers will be faced with numerous and sometimes confusing options in the deregulated electric power market,” says one analyst. “So it’s not surprising to find trade organizations selecting a company such as APPI to provide their members a way of saving on their electricity costs while maintaining reliability.”