

CAPTION SHEET

CASE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/	:	
2. BUREAU: FUS	:	
3. SECTION(S):	:	
5. APPROVED BY:	:	4. PUBLIC MEETING DATE:
DIRECTOR:	:	00/00/00
SUPERVISOR:	:	
6. PERSON IN CHARGE:	:	7. DATE FILED: 07/01/99
8. DOCKET NO: A-110117	:	9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT:

RESPONDENT/APPLICANT: COMMONWEALTH ENERGY CORPORATION

COMP/APP COUNTY:

UTILITY CODE: 110117

ALLEGATION OR SUBJECT

APPLICATION OF COMMONWEALTH ENERGY CORPORATION FOR APPROVAL TO OFFER, RENDER, FURNISH OR SUPPLY ELECTRICITY GENERATION SERVICES AS A BROKER AND/OR MARKETER OF ELECTRICITY AND RELATED SERVICES TO THE PUBLIC IN THE COMMONWEALTH OF PENNSYLVANIA.

27

DOCKETED
JUL 22 1999

DOCUMENT
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 OF ELECTRICITY AND RELATED SERVICES TO THE PUBLIC IN THE COMMONWEALTH OF PENN-
 SYLVANIA.....
 4/26/05 - APPLICATION OF ACN ENERGY, INC., FOR THE TRANSFER OF ASSETS AND
 CUSTOMERS TO COMMERCE ENERGY, INC., AND FOR ACN ENERGY TO ABANDON AT DOCKET
 NUMBER A-110102F2000.

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MAY 16 2005

KJR

THE LAW FIRM OF

MALATESTA HAWKE & McKEON LLP

MAILING ADDRESS:
P.O. BOX 1778
HARRISBURG, PA 17105

JOSEPH J. MALATESTA, JR.
WILLIAM T. HAWKE
KEVIN J. McKEON
LOUISE A. KNIGHT
THOMAS J. SNISCAK
NORMAN JAMES KENNARD
LILLIAN SMITH HARRIS
SCOTT T. WYLAND
CRAIG R. BURGRAFF
JANET L. MILLER
SUSAN J. SMITH
TODD S. STEWART

HARRISBURG ENERGY CENTER
100 NORTH TENTH STREET
HARRISBURG, PENNSYLVANIA 17101
(717) 236-1300
FAX (717) 236-4841

<http://www.MHM-LAW.com>

July 1, 1999

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-18, North Office Building
PO Box 3265
Harrisburg, PA 17120

RECEIVED
99 JUL -1 AM 11:48
PA.P.U.C.
SECRETARY'S BUREAU

RE: Application of Commonwealth Energy Corporation for License as an
Electric Generation Supplier; Docket No. A-110117

Dear Secretary McNulty:

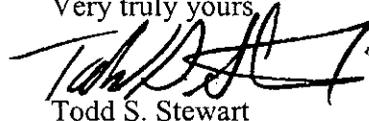
Enclosed, for filing with the Commission, are the original and eight (8) copies of the Application of Commonwealth Energy Corporation to provide service as a licensed electric generation supplier in the Commonwealth of Pennsylvania. Also enclosed is a 3-1/2" computer diskette containing an electronic version of the Application. Included with this letter is our check in the amount of \$350.00 to cover the filing fee of the Application.

Applications for electric generation supplier licenses are required to contain a copy of a bond in the initial amount of \$250,000. A photocopy of that bond is included in the enclosed documents (Appendix F thereto). The original bond will be filed under separate cover.

All government parties required to be served with a copy of this Application have been so served in accordance with attached Certificate of Service. Additionally, effected electric distribution utilities also have been served with a copy of this document, as is also indicated on the Certificate of Service.

If you have any questions regarding the filing of this Application, please direct them to me.

Very truly yours,



Todd S. Stewart

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Counsel for
Commonwealth Energy Corporation

TSS/bes

cc: Per Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that this day a copy of foregoing document has been served upon the parties and in the manner indicated below.

Via Hand Delivery:

Irwin A. Popowsky, Esquire
Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

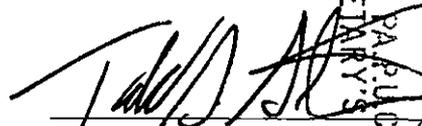
Bernard A. Ryan, Jr., Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

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

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Strawberry Square, 9th Floor
Dept. 280946
Harrisburg, PA 17128-0946

Via First Class U.S. Mail:

Thomas P. Hill
Vice President and Controller
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699


Todd S. Stewart

PA.P.U.C.
SECRETARY'S BUREAU
99 JUL -1 AM 11:48
RECEIVED

Dated: July 1, 1999

EEF

ORIGINAL

BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION

APPLICATION OF
COMMONWEALTH ENERGY CORPORATION

for approval to offer, render, furnish, or supply
electricity generation services
as a broker and/or marketer
of electricity and related services
to the public in the
Commonwealth of Pennsylvania

Docket No. A-110117

RECEIVED
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PA.P.U.C.
SECRETARY'S BUREAU

Commonwealth Energy Corporation
15901 Red Hill Avenue
Suite 100
Tustin, CA 92780
(714) 259-2500

Todd S. Stewart, Esquire

Malatesta Hawke & McKeon LLP
100 North Tenth Street
Harrisburg, PA 17101
(717) 236-1300

Counsel for Commonwealth
Energy Corporation

Dated: July 1, 1999

EEF

DOCUMENT
FOLDER

ORIGINAL

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Commonwealth Energy Corporation, for approval to offer, render, furnish, or supply electricity or electric generation services as a Broker and/or Marketer of Electricity and related services to the public in the Commonwealth of Pennsylvania.

To the Pennsylvania Public Utility Commission:

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

Commonwealth Energy Corporation
15901 Red Hill Avenue
Suite 100
Tustin, CA 92780
(714) 259-2500
(714) 259 2598 (fax)

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.

None

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:

John Barthrop
Chief Counsel and Secretary
Commonwealth Energy Corporation
15901 Red Hill Avenue
Suite 100
Tustin, CA 92780
(714) 259-2500
(714) 259-2598 (fax)

- 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:

Jeff Bailey (714) 258-0470
Operations Manager (714) 259-2516 (fax)
15901 Red Hill Avenue
Suite 100
Tustin, CA 92780

DOCUMENT
FOLDER

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

Todd S. Stewart
Malatesta Hawke & McKeon LLP
PO Box 1778
100 North 10th Street (717) 236-1300
Harrisburg, PA 17101 (717) 236 4841 (fax)

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JUL 22 1999

- 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:

Corporation Service Company

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

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

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.

Applicant's Articles of Incorporation and Department of State filings are attached hereto as Appendix A.

Give name and address of officers.

Frederick M. Bloom, CEO 15901 Red Hill Avenue, Suite 100, Tustin, CA 92780
David Mensch, President 15901 Red Hill Avenue, Suite 100, Tustin, CA 92780
Donald H. Coltrain, Senior V.P. 15901 Red Hill Avenue, Suite 100, Tustin, CA 92780
Eric M. Juarez, CFO and COO 15901 Red Hill Avenue, Suite 100, Tustin, CA 92780
John A. Barthrop, Secretary 15901 Red Hill Avenue, Suite 100, Tustin, CA 92780

The Applicant is incorporated in the state of California.

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
- Other (Describe):

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

Applicant intends to engage in the business of selling electricity to residential, commercial, industrial and governmental customers in the Southeastern Pennsylvania region. Applicant also expects to sell energy efficiency products, and to engage in performance contracting for demand side energy management.

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

Applicant proposes to serve in the region of southeastern Pennsylvania.

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

- Residential Customers
- Commercial Customers - (25 kW and Under)
- Commercial Customers - (Over 25 kW)
- 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 No. ER97-4253-000.

A copy of the FERC order granting certificate is attached hereto as Appendix B.

Not applicable

13. **START DATE:** The Applicant proposes to begin delivering services on **September 15, 1999**.
(approximate date).

14. **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

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

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

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Any of the following Electric Distribution Companies through whose transmission and distribution facilities the applicant intends to supply customers:

Frank M. Nadolny, General
Manager of Regulatory Affairs Unit
Duquesne Light Company
411 Seventh Street
P.O. Box 1930
Pittsburgh, PA 15230-1930

John P. Litz, Division Controller
UGI Utilities, Inc.
Electric Division
400 Stewart Road
P.O. Box 3200
Hanover Industrial Estates
Wilkes-Barre, PA 18773-3200

(Metropolitan Edison Company or Pennsylvania Electric
Company)
Blaine W. Uplinger, Jr., Director of Governmental and
Regulatory Affairs
GPU Energy
100 APC Building
800 North third Street
Harrisburg, PA 17102-2025

Paul E. Russell, Associate
General Counsel
Pennsylvania Power & Light
Company
Two North Ninth Street
Allentown, PA 18108-1179

Thomas P. Hill, Vice President and Controller
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Stephen L. Feld, Attorney
Pennsylvania Power Company
First Energy Corporation
76 South Main Street
Akron, OH 44308

John L. Munsch, Attorney
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

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.

15. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT.

The completed tax certification is attached hereto as Appendix C.

16. **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.

Neither applicant nor any individual identified herein has been convicted of a crime involving fraud or similar activity.

17. **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.*

Martin Charloff, Director, Sales, 15901 Red Hill Ave., Tustin, California 92780
Telephone: (714) 259-2500 Fax Number: (714) 259-6572

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 Applicant's standard "Electric Service Agreement" is attached hereto as Appendix D.

c. If proposing to serve Residential and/or Small Commercial (under 25 kW) customers, provide a disclosure statement. A sample disclosure statement is provided as Appendix C to this Application.

A copy of Applicant's Sample Disclosure Statement for residential customers is attached hereto as Appendix E.

18. **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.

A copy of Applicant's bond in the amount of \$250,000 is attached hereto as Appendix F.

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 \$_____. Applicant is required to provide information supporting an amount less than \$250,000.

At the conclusion of Applicant's first year of operation 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 annual basis.

19. **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:

- 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.

A copy of Applicant's most recent Financial Statement is attached hereto as Appendix G.

- 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 copy of a Dunn and Bradstreet report on Applicant is attached hereto as Appendix H.

- 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.

A description of Applicant's insurance coverage is attached hereto as Appendix I.

B. Applicant must provide the following information:

- Identify Applicant's chief officers including names and their professional resumes.

A list of Applicant's Chief Officers, including their professional resumes is attached hereto as Appendix J.

- Provide the name, title, address, telephone number and FAX number of Applicant's custodian for its accounting records.

**Eric Juarez, CFO
15901 Red Hill Avenue
Suite 100
Tustin, CA 92780
(714) 259-2541
(714-259-2563 (fax))**

20. **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.

**Jeff Bailey
Operations Manager
15901 Red Hill Avenue
Suite 100
Tustin, CA 92780
(714) 258-0470
(714) 259-2516 (fax)**

- Proposed staffing and employee training commitments
- Business plans
- Documentation of membership in ECAR, MAAC or other regional reliability councils shall be submitted if applicable to the scope and nature of the applicant's proposed services.
- 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.

A copy of Applicant's reliability Affidavit is attached hereto as Appendix K.

21. **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.
22. **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.
23. **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.
24. **REPORTING REQUIREMENTS:** Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:
- 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.
 - 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.
 - 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.

25. **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.
26. **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.
27. **FEE:** The Applicant has enclosed the required initial licensing fee of \$350.

Applicant: Commonwealth Energy Corp.

By: Frederick M. Bloom

Title: Chief Executive Officer

Date: June 29, 1999

AFFIDAVIT

State of California

SS.

County of Orange

Frederick M. Bloom, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the Chief Executive Officer of Commonwealth Energy Corporation; That he/she is authorized to

and does make this affidavit for said Applicant;

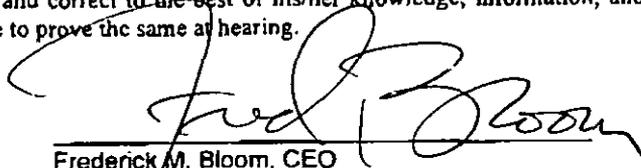
That the Applicant herein Commonwealth Energy Corporation has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein Commonwealth Energy Corporation has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

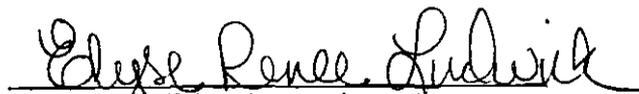
That the Applicant herein Commonwealth Energy Corporation acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein Commonwealth Energy Corporation acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

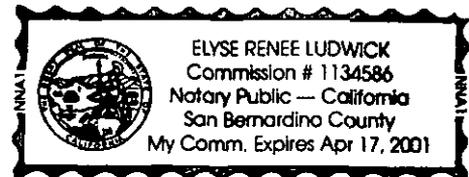
That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.


Frederick M. Bloom, CEO

Sworn and subscribed before me this 29th day of June, 1999.


Signature of official administering oath

My commission expires April 17, 2001.



AFFIDAVIT

State of California

ss.

County of Orange

Frederick M. Bloom, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the Chief Executive Officer of Commonwealth Energy Corporation; That he is authorized to and does make this affidavit for said Applicant;

That Commonwealth Energy Corporation, the Applicant herein, acknowledges that Applicant 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 Commonwealth Energy Corporation, the Applicant herein, asserts that [he/she/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.

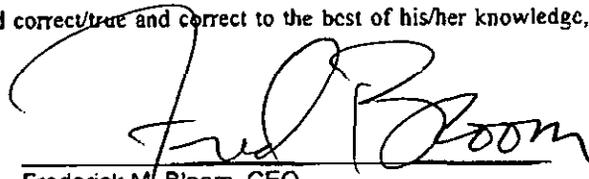
That Commonwealth Energy Corporation, the Applicant herein, certifies to the Commission that it is subject to and will pay, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 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 report to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §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 Commonwealth Energy Corporation, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

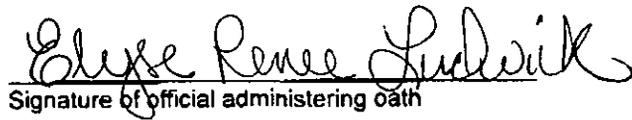
That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the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

That the facts above set forth are true and correct/~~true~~ and correct to the best of his/her knowledge, information, and belief.



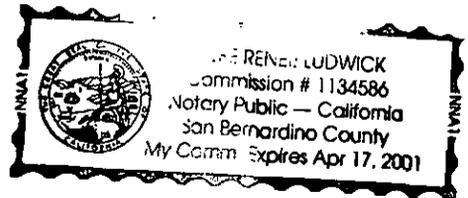
Frederick M. Bloom, CEO

Sworn and subscribed before me this 29th day of June, 1999.



Signature of official administering oath

My commission expires April 17, 2001.



AFFIDAVIT

Commonwealth of Pennsylvania :

SS.

County of Dauphin :

Todd S. Stewart, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the Attorney for Commonwealth Energy Corporation;

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

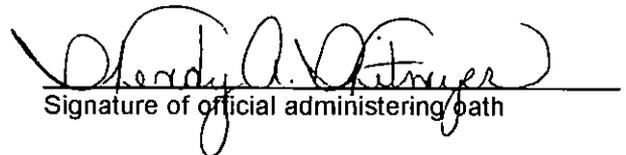
That Commonwealth Energy Corporation, the Applicant herein certifies that it has caused the notice of the filing of its electric generation license application to be published in The Philadelphia Inquirer on July 5, 1999 :

That Commonwealth Energy Corporation, the Applicant will submit to the Commission the proof of publication from each newspaper in which notice of the application filing was published as soon as it is available.

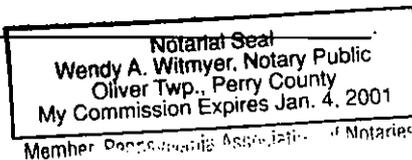
That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.


Signature of Affiant

Sworn and subscribed before me this 30th day of June, 1999.


Signature of official administering oath

My commission expires _____



**PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

NOTICE

Application of Commonwealth Energy Corporation For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services, A Marketer/Broker Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania, Docket No. A-110117.

On July 1, 1999, **Commonwealth Energy Corporation** filed an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. Commonwealth Energy Corporation proposes to sell electricity and related services in southeastern Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Commonwealth Energy Corporation** may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to Todd S. Stewart, attorney at the address listed below. Please include the PUC's "docket number" on any correspondence, which is

A-110117.

By and through Counsel: Todd S. Stewart

Commonwealth Energy Corporation

P.O. Box 1778

Harrisburg, PA 17101

(717)236-1300

(717)236-4841

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ARTICLES OF INCORPORATION
OF
COMMONWEALTH ENERGY CORPORATION

AUG 15 1997

BILL JONES, Secretary of State

ARTICLE ONE

The name of this corporation is:

COMMONWEALTH ENERGY CORPORATION

ARTICLE TWO

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California, other than the banking business, trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE THREE

The name and address in the State of California of this corporation's initial agent for service of process is:

GARY C. WYKIDAL
245 Fischer Ave., Ste. A-1
Costa Mesa, CA 92626

ARTICLE FOUR

This corporation is authorized to issue two classes of shares which shall be designated "common" shares and "preferred" shares. The total amount of common shares that may be issued is fifty million (50,000,000). The total number of preferred shares that this corporation shall have the authority to issue is one million (1,000,000). Said preferred shares shall have the rights, privileges and preferences as determined by the Board of Directors from time to time.

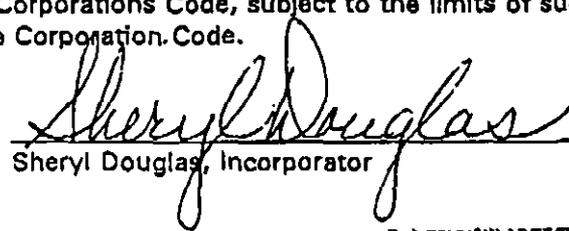
ARTICLE FIVE

The liability of the Directors of the Corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

ARTICLE SIX

This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) for breach of duty to the corporation and its shareholders through bylaw provisions or through agreements with the agents, or both, in excess of the indemnification expressly permitted by Section 317 of the California Corporations Code, subject to the limits of such excess indemnification set forth in Section 204 of the Corporation Code.

DATED: August 14, 1997


Sheryl Douglas, Incorporator

D:\COMMON\ARTICLES

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
COMMONWEALTH ENERGY CORPORATION

07729512
ENDORSED - FILED
In the Office of the Secretary of State
of the State of California

FEB 19 1999

BILL JONES, Secretary of State

The undersigned certify that:

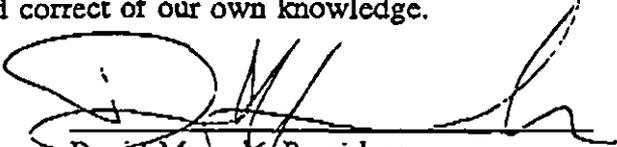
1. They are the president and secretary, respectively of COMMONWEALTH ENERGY CORPORATION, a California corporation.
2. Article Four of the Articles of Incorporation of this corporation is amended to read as follows:

This corporation is authorized to issue two classes of shares which shall be designated "common" shares and "preferred" shares. The total amount of common shares that may be issued is fifty million (50,000,000). The total number of preferred shares that this corporation shall have the authority to issue is ten million (10,000,000). Said preferred shares shall have the rights, privileges and preferences as determined by the board of directors from time to time.

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 and Section 903, California Corporations Code. The total number of outstanding common shares of the corporation is 10,939,931. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%. The total number of outstanding preferred shares of the corporation is 919,000. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: December 31, 1998


David Mensch, President


Donnie E. Price, Secretary



Entity Number _____

Secretary of the Commonwealth

APPLICATION FOR CERTIFICATE OF AUTHORITY
DSCB:15-4124/6124 (Rev 90)

Indicate type of corporation (check one):

Foreign Business Corporation (15 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: Commonwealth Energy Corporation

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):

Commonwealth Energy Corporation

3. (If the name set forth in paragraph 1 or 2 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:

The 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:

California

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

15901 Red Hill Ave., Suite 100 Tustin California 92780
Number and Street City State Zip

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

(a) _____
Number and Street City State Zip County

(b) c/o: Corporation Service Company Dauphin
Name of Commercial Registered Office Provider County

For a 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.

JUN 30 99

PA Dept. of State

JUN 30 11

PA

7. (Check 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 for a Certificate of Authority to be signed by a duly authorized officer thereof this 29th day of June, 19 99.

COMMONWEALTH ENERGY CORPORATION

(Name of Corporation)

BY:

Fred Bloom
Fred Bloom

(Signature)

TITLE: Chief Executive Officer

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426

OCT 07 1997.

To: Commonwealth Energy Corporation

Docket No. ER97-4253-000

You submitted for filing with the Commission a rate schedule under which you will engage in wholesale electric power and energy transactions as a marketer. Pursuant to authority delegated to the Director, Division of Rate Applications, under 18 C.F.R. 375.308, your submittal is accepted for filing and is designated and made effective as shown below.

Commonwealth Energy Corporation

Rate Schedule FERC No. 1

Effective: Date of This Order

Any waivers requested in your application are granted or denied along with the authorizations and subject to the conditions provided in the Appendix.

Under 18 C.F.R. 385.210, interventions are timely if made within the time prescribed by the Secretary. Under 18 C.F.R. 385.214, the filing of a timely motion to intervene makes the movant a party to the proceeding, if no answer in opposition is filed within fifteen days. The filing of a timely notice of intervention makes a State Commission a party to the proceeding.

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against the applicant.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 CFR 385.713.

Sincerely,



Donald J. Gellinas, Director
Division of Rate Applications

APPENDIX B

COMMONWEALTH OF PENNSYLVANIA
PUBLIC UTILITY COMMISSION

TAX CERTIFICATION STATEMENT

A completed Tax Certification Statement must accompany all applications for new licenses, renewals or transfers. Failure to provide the requested information and/or any outstanding state income, corporation, and sales (including failure to file or register) will cause your application to be rejected. If additional space is needed, please use white 8 1/2" x 11" paper. Type or print all information requested.

1. CORPORATE OR APPLICANT NAME Commonwealth Energy Corporation	2. BUSINESS PHONE NO. (714) 259-2541 CONTACT PERSON(S) FOR TAX ACCOUNTS: Eric Juarez
3. TRADE/FICTITIOUS NAME (IF ANY)	
4. LICENSED ADDRESS (STREET, RURAL ROUTE, P.O. BOX NO.) (POST OFFICE) STATE (ZIP) 15901 Red Hill Avenue, Suite 100 Tustin California 92780	
5. TYPE OF ENTITY <input type="checkbox"/> SOLE PROPRIETOR <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> CORPORATION	

8. LIST OWNER(S), GENERAL PARTNERS, OR CORPORATE OFFICER(S)

NAME (PRINT)	SOCIAL SECURITY NUMBER (OPTIONAL)
Frederick M. Bloom, CEO	
David Mensch, President	
Eric M. Juarez, CFO	
John A. Barthrop, Secretary	

9. LIST THE FOLLOWING STATE TAX IDENTIFICATION NUMBERS. (ALL ITEMS: A, B, AND C MUST BE COMPLETED).

A. SALES TAX LICENSE (8 DIGITS) APPLICATION PENDING N/A [] [] - [] [] [] [] [] [] <input type="checkbox"/> <input type="checkbox"/>	C. CORPORATE BOX NUMBER (7 DIGITS) APPLICATION PENDING N/A [1] [9] [0] [9] [8] [0] [5] <input type="checkbox"/> <input type="checkbox"/>
B. EMPLOYER ID (EIN) (9 DIGITS): APPLICATION PENDING N/A [3] [3] - [0] [7] [6] [9] [5] [5] [5] <input type="checkbox"/> <input type="checkbox"/>	

10. Do you have PA employees either resident or non-resident? YES NO

11. Do you own any assets or have an office in PA? YES NO

NAME AND PHONE NUMBER OF PERSON(S) RESPONSIBLE FOR FILING TAX RETURNS

<u>David Reed</u> PA SALES AND USE TAX Controller PHONE (714) 259-2528	<u>David Reed</u> EMPLOYER TAXES Controller PHONE (714) 259-2528	<u>David Reed</u> CORPORATE TAXES Controller PHONE (714) 259-2528
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Telephone inquiries about this form may be directed to the Pennsylvania Department of Revenue at the following numbers:
(717) 772-2673, TDD# (717) 772-2252 (Hearing Impaired Only)



CORPORATE OFFICE
15901 Red Hill Avenue, #100
Tustin, CA 92780
(800) 962-4655 (714) 258-0470

FIELD OFFICE
5405 Morehouse Drive, #100
San Diego, CA 92121
(888) 867-7757 (619) 546-1105

FIELD OFFICE
74-361 Highway 111, #5
Palm Desert, CA 92211
(800) 994-0007 (760) 862-9002

ELECTRIC SERVICE AGREEMENT

THIS ELECTRICITY SUPPLY AGREEMENT (the "Agreement") is entered into by and between Commonwealth Energy Corporation ("Commonwealth"), a California corporation, and _____ ("Customer"), with service to commence on service commencement date ("Effective Date"),

RECITALS

WHEREAS, Commonwealth is in the business of providing electricity and related services to direct access Customers in California and is licensed to do so by the California Public Utilities Commission (ESP #1092) and the Federal Energy Regulatory Commission (FERC);

WHEREAS, Customer is a commercial or industrial enterprise and controls the purchase of electricity and related services for the Account(s) ["Account(s)"] listed on **Attachment A** to this Agreement; and

WHEREAS, Customer desires to purchase electricity and related services from Commonwealth in direct access transactions subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement, Commonwealth and Customer agree as follows:

TERMS AND CONDITIONS

- 1. FULL REQUIREMENTS.** Commonwealth shall sell and deliver and Customer shall purchase and receive one-hundred percent (100%) of the electricity requirements for the Account(s) to the extent that those requirements are not already met by Customer's existing on-site generation.
- 2. EXCLUSIVE AGENT.** Commonwealth shall be Customer's exclusive electricity purchasing agent for the term of this Agreement.

3. **ENERGY CONSUMPTION INFORMATION.** Customer hereby authorizes Commonwealth to obtain Customer's current and historical electricity cost and usage data, payment and credit history, and other data reasonably necessary for Commonwealth to provide electric service pursuant to this Agreement. Customer agrees, upon request, to provide Commonwealth with facility descriptions, operating information, meter identification numbers and locations, and such other information available to Customer as Commonwealth may reasonably require to provide electric service pursuant to this Agreement. Except as otherwise specifically authorized by Customer, or as required by applicable law, regulation, or court order, Commonwealth shall maintain, in confidence, all such information.
4. **SERVICE PROGRAM ELECTION.** Customer shall pay Commonwealth for all electricity delivered by Commonwealth and received by Customer pursuant to the payment provisions in section _____. Customer shall accept delivery of electricity from Commonwealth pursuant to the terms of the service programs indicated below:

A. Qualified Customer Credit Subaccount Program (<20 kW): All accounts below 20 kW demand rate schedule which are eligible for an "Energy Credit" through a cents per kilowatt-hour (kWh) rebate shall receive 100% California-based, Green-e, certified renewable power. The price for electricity delivered to Customer in a billing cycle shall be equal to the resulting sum, (subtrahend) which is 1 cent above the Average Power Exchange Energy Charge for such period less the referenced "Energy Credit".

The amount of Credit shall be advanced to Customer on the bill as part of the calculation method. (For example: if the existing tariff is 10 cents per kWh and the Credit is 1.5 cents per kWh, the tariff for bill calculation will be calculated at $(10 \text{ cents} + 1 \text{ cent} - 1.5 \text{ cents}) = 9.5 \text{ cents}$ per kWh, a savings of 0.5 cent per kWh.

B. Qualified Customer Credit Subaccount Program (>20kW, Max. \$1,000/meter/yr.): All accounts above 20 kW demand rate schedule which are eligible for a "Energy Credit" through a cents per kWh rebate shall receive 100% California-based, Green-e, certified renewable power. Green-e certified power and Credits available up to 66,667 kWh of energy usage. The price for electricity delivered to Customer in a billing cycle shall be 1 cent above the Average Power Exchange Energy Charge for such period less the "Energy Credit". A cap or maximum of \$1,000 per meter per year shall apply at which time the cents per kWh rebate shall suspend.

Should the cents per kWh rebate change for Service Program A or B, Customer has the options upon 30 day written notice to (i) terminate, (ii) seek new price or (iii) default back to Utility Distribution Company (UDC). See **Attachment B** for rate eligibility.

C. Hydropower Electric Program (>20 kW): All accounts above 20 kW demand rate schedule which are not eligible for "Energy Credit" through a cents per kilowatt-hour (kWh) rebate shall receive hydropower generated electric service at a price equal to the Average Power Exchange Energy Charge for such period, essentially at an identical price to the monthly UDC tariff.

Commonwealth reserves the right to substitute alternative reasonably available clean power should the company be unable to supply exclusively hydropower. Alternatives may include natural gas or PX system power. At all times 100% of power needs will be supplied.

Selection: A. Qualified Customer Credit Subaccount Program (<20 kW): (Initials) _____

Selection: B. Qualified Customer Credit Subaccount Program (>20 kW): (Initials) _____

Selection: C. Hydropower Service Program (>20 kW): (Initials) _____

5. **BILLING.** Commonwealth shall bill Customer for services provided pursuant to this Agreement through one of three billing options, at Commonwealth's sole discretion. Commonwealth shall either arrange for:

A. Consolidated UDC Billing Services: Customer's Utility Distribution Company (UDC) [i.e., SCE, PG&E, or SDG&E] to prepare and send Customer a consolidated bill for both UDC and Commonwealth charges, process all Customer payments, and convey the amounts received from Customer for Commonwealth charges to Commonwealth; or

B. UDC and Commonwealth Dual Billing Services: Customer's UDC to prepare and send Customer a partial bill for UDC charges and Commonwealth to prepare and send Customer a partial bill for Commonwealth charges, Customer will convey payment for UDC charges to UDC and Customer will convey payment for Commonwealth charges to Commonwealth and UDC and Commonwealth will process their respective payments received from Customer; or

C. Consolidated Commonwealth Billing Services: Commonwealth to prepare and send Customer a consolidated bill for both UDC and Commonwealth charges, process all Customer payments, and convey the amounts received from Customer for UDC charges to UDC.

In any event, Customer shall be responsible for paying any and all costs, charges, fees, and taxes, including public purpose program and competitive transition charges, related to the transmission, distribution and consumption of electricity provided to Customer pursuant to this Agreement.

Recurring Fees:

Monthly fees may be assessed for ancillary services pertaining to meter maintenance, reading, and billing services. Additional fees may be applied for On-Line Energy Use Tracking.

6. **DELIVERY POINTS.** The delivery points ("Delivery Points") for electricity sold to Customer pursuant to this Agreement shall be the "Point of Delivery" for each Account as defined in the rate schedules of Customer's UDC.
7. **DIRECT ACCESS AUTHORIZATION.** Customer shall execute all authorizations required by state or federal law to enable Commonwealth to provide services pursuant to this Agreement. Upon execution of this Agreement, Commonwealth shall promptly submit a Direct Access Service Request ("DASR") to Customer's UDC. If, for any reason, a DASR is not submitted or Customer's UDC fails to approve a DASR submitted by Commonwealth on Customer's behalf within three (3) months of the Effective Date, this Agreement may be terminated by either party, without penalty, by providing written notice of termination to the party.
8. **DISCLAIMER OF WARRANTY.** COMMONWEALTH EXPRESSLY DISCLAIMS ALL WARRANTIES REGARDING THE QUALITY OF ELECTRICITY DELIVERED TO CUSTOMER PURSUANT TO THIS AGREEMENT, WHETHER WRITTEN, ORALLY EXPRESSED, OR IMPLIED, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
9. **FORCE MAJEURE.** In the event that Commonwealth's performance of its obligations under this Agreement is interrupted or delayed by any occurrence not caused by either party, whether such occurrence is an act of God or public enemy, or whether such occurrence is caused by storm, earthquake, or other natural forces, or by war, riot, public disturbance, or the acts or omissions of anyone not a party to this Agreement, then Commonwealth shall be excused from such performance and any further performance required under this Agreement for whatever period is reasonably necessary to remedy the effects of that occurrence.
10. **LIMITATION OF LIABILITY.** IN THE EVENT COMMONWEALTH FAILS TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT, CUSTOMER'S SOLE REMEDY SHALL BE TO TERMINATE THIS AGREEMENT BY WRITTEN NOTICE TO COMMONWEALTH. COMMONWEALTH SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INJURY, DAMAGES, OR CLAIMS ARISING FROM OR RELATING TO THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO INTENTIONAL TORTS, NEGLIGENCE, AND STRICT LIABILITY), OR OTHERWISE, AND CUSTOMER HEREBY EXPRESSLY WAIVES ANY OTHER LEGAL OR EQUITABLE REMEDY OTHER THAN THAT PROVIDED FOR IN THE FIRST SENTENCE OF THIS SECTION.
11. **INDEMNITY.**
 - 11.1 **General Indemnity** Each party shall indemnify and defend the other from all claims for any loss, damage, or injury to persons or property, including without limitation all consequential, incidental, exemplary, or punitive damages arising from or relating to the indemnifying party's performance under this Agreement.
 - 11.2 **Special Indemnity** Customer shall indemnify and defend Commonwealth from all claims for any loss, damage, or injury to persons or property, including without limitation all consequential, incidental, exemplary, or punitive damages arising from or relating to the distribution or consumption of electricity beyond the Delivery Point for each Account(s).

ATTACHMENT B

A. Eligible "Energy Credit" Rate Schedules – (<20kW)

Pacific Gas & Electric Service Territory – Residential

E-1, E-8, E-13, E-7, E-9, E-6, E-10, E-11, E-12, EE, EM, ES, ESR, ET, E-A7, E-SEG, EL-1, EML, ESL, ESRL, ETL, EL-7, EL-A7, EL-8

Pacific Gas & Electric Service Territory – Small Commercial

A-1, A-6, A-6W, A-6X

Edison Service Territory - Residential

D, D-CARE, DE, DS, TOU-D-1, TOU-D-2, TOU-EV-1, TOU-EV-2, DM, DMS-1, DMS-2, DMS-3, D-APS

Edison Service Territory – Small Commercial

GS-1, TOU-GS-1, TOU-EV-3, GS-APS

San Diego Gas & Electric Service Territory - Residential

DR, DR-L1, DM, DS, DT, DT-RV, D-SMF, EV-TOU, EV-TOU-2, EV-TOU-3, DR-TOU, DR-VTOU

San Diego Gas & Electric Service Territory – Small Commercial

A, A-TC, AD

B. Eligible "Energy Credit" Rate Schedules - (>20kW, Max. \$1,000/meter/yr.)

Pacific Gas & Electric Service Territory – Commercial & Industrial

E-19S, E-25S, E-19P, E-19T, E-25P, E-25T, A-RTP, E-20S, E-20P, E-20T, E-37W, E-37X, A-10, A-15, E-19V, E-19W, E-19X, E36, E36W, E36X

Edison Service Territory - Commercial & Industrial

TOU-8-S, TOU-8-CR-1-S, TOU-8-RTP-S, TOU-8-SOP-S, TOU-8-SOP-RTP-S, TOU-8-P, TOU-8-CR-1-P, TOU-8-RTP-P, TOU-8-SOP-P, TOU-8-T, TOU-8-CR-1-T, TOU-8-RTP-T, TOU-8-SOP-T, TOU-8-SOP-RTP-T, I-6-S, I-6-P, I-6-T, RTP-2-S, RTP-2-1-S, RTP-2-P, RTP-2-I-P, RTP-2-T, RTP-2-I-T, RTP-3-S, RTP-3-P, RTP-3-T, RTP-TPP-1, GS-2, GS-2-RTP, TOU-EV-4, TOU-GS-2, TOU-GS-2-SOP, RTP-GS-3

San Diego Gas & Electric Service Territory – Commercial & Industrial

DR-TOU-2, AL-TOU, AL-TOU-C, AY-TOU, AO-TOU, AO-TOU-C, A6-TOU, A-V1, A-V2, A-V2-O, A-V3, A-V6-C, A-TOU, AL-TOU-2, LR

ATTACHMENT A

Customer Name	Meter Address	Electric Meter No.	Account No.
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		
	Street Address: <hr/> City: _____ State: _____ Zip: _____		

ATTACHMENT C

METER TYPE

- CEC-M1
- CEC-M2
- CEC-M3
- CEC-MQ4

MOUNTING/PHYSICAL COMPONENTS

- Socket Type
- Bottom Connected (A-base)
- Switchboard
- Portable

REAL-TIME SITE METERING SOFTWARE

- \$ _____
- Declined

TYPE SERVICE TO BE METERED

- _____ phase, _____ wire
- wye
- delta

DISPOSITION

- Remove meter from service
- Meter buyout at year _____
- Purchase price \$ _____ or
_____ mos. @ \$ _____/mo.
- Installment: _____ mos. @ \$ _____/mo.
- KYZ Relay \$ 70.00
- RS232/RS485 Port \$ _____
- Outage Callback \$ 40.00
- WAN \$ _____
- Wireless modem connection \$ 250.00
- Power quality monitoring \$ 40.00
- Rental = \$ _____/month

TYPE REGISTER FUNCTION

- Watt hour/demand
- Watt hour/time-of-use
- Watt hour **and** Var hour demand **OR**
- Time-of-use
- Watt hour **and** VA demand time-of-use

OUTPUT RELAYS

- KYZ
- Programmable relay

METER TEST AMPS OR CLASS

- 200 amps
- Over 200 amp

**Sample Disclosure Statement Format
for Electric Generation Suppliers**

This is an agreement for electric generation service, between EGS name and customer's name and full address.

Background

- We at EGS's name are licensed by the Pennsylvania Public Utility Commission to offer and supply electric generation services in Pennsylvania. Our PUC license number is A-110XXX.
- We set the generation prices and charges that you pay. The Public Utility Commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.
- If you ask us, we can bill you directly for our service.
- Right of Recision - You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure.

Definitions

- Generation Charge - Charge for production of electricity.
- Transmission Charge - Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company.
- Nonbasic Charges - *Define each nonbasic service being offered.*

Terms of Service

1. (a) **Basic Service Prices** - *Itemize Basic Services you are billing for and their prices.*

You will pay EGS rate per kWh for electric generation service.
Suppliers are to include any variable pricing conditions and limits, if charging a variable rate.

You will pay EGS rate per kWh for electric transmission service.
Suppliers are to include transmission service prices if billed.

- (b) **Nonbasic Service Prices** - *Itemize Nonbasic Services you are offering and their prices.*

2. **Length of Agreement**

You will buy your electricity generation service for the above street address from EGS's name beginning date through date of expiration, if any.

3. **Special Terms and Conditions** - *List and explain all that apply.*
- Sign-up bonuses
 - Add-ons
 - Limited time offers
 - Other Sales Promotions
 - Exclusions

4. **Special Services** - *Provide explanation of price, terms and conditions, including advanced metering deployment, if applicable.*

5. **Penalties, Fees and Exceptions** - *List any that apply including a late payment charge. The print size for this section must be larger than the print in the rest of the agreement.*

6. **Cancellation Provisions** - *This category may consist of both customer initiated cancellation provisions and supplier initiated cancellation provisions.*

7. **Renewal Provision** - *If this is a fixed term agreement with automatic renewal, explain the procedure here.*

8. **Agreement Expiration/Change in Terms**

If you have a fixed term agreement with us and it is approaching the expiration date or if we propose to change our terms of service, we will send you written notice in each of our last three bills or in separate mailings before either the expiration date or the effective date of the changes. We will explain your options in these three advance notices.

9. **Dispute Procedures**

Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.

10. **Contact Information**

Generation Supplier Name: _____

Address: _____

Phone Number: _____

Internet Address: _____

Electric Distribution Company Name: _____

Provider of Last Resort Name: _____

Address: _____

Phone Number: _____

Public Utility Commission (PUC)

Address: P.O. Box 3265 Harrisburg, PA 17105-3265

Electric Competition Hotline Number: 1-888-782-3228

Universal Service Program Name: _____

Phone Number: _____

APPENDIX F
WITH CONFIDENTIAL DOCUMENTS
(BOND)

COMMONWEALTH ENERGY CORPORATION

**Financial Statements and
Report of Independent Certified Public Accountants**

July 31, 1998 and January 31, 1999

Stephens, Reidinger & Beller LLP

Certified Public Accountants

2201 Dupont Drive, Suite 400

Irvine, CA 92612

Telephone 949 752 7400

Facsimile 949 752 1883

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors and Stockholders
Commonwealth Energy Corporation

We have audited the accompanying balance sheet of Commonwealth Energy Corporation (a California corporation) as of July 31, 1998 and January 31, 1999, and the related statements of operations, stockholders' equity, and cash flows for the period from August 15, 1997 (date of inception) through July 31, 1998 and for the six months ended January 31, 1999. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Commonwealth Energy Corporation as of July 31, 1998 and January 31, 1999, and the results of its operations and its cash flows for the period from August 15, 1997 (date of inception) through July 31, 1998 and for the six months ended January 31, 1999 in conformity with generally accepted accounting principles.

Stephens, Reidinger + Beller LLP

Irvine, California
April 29, 1999

COMMONWEALTH ENERGY CORPORATION

BALANCE SHEET

July 31, 1998 and January 31, 1999

ASSETS

	<u>July 31, 1998</u>	<u>January 31, 1999</u>
Current assets		
Cash and cash equivalents (\$1,339,613 and \$1,754,067 restricted, respectively)	\$ 4,242,966	\$ 3,373,938
Accounts receivable, net of allowance for doubtful accounts of \$1,150,000 at January 31, 1999	520,157	4,462,198
Unbilled energy receivable	1,416,749	1,503,928
Inventory	-	741,305
Prepaid expenses	<u>1,325,738</u>	<u>615,364</u>
Total current assets	7,505,610	10,696,733
Property and equipment		
Furniture, fixtures and equipment, at cost	581,839	1,226,155
Less accumulated depreciation	<u>(53,033)</u>	<u>(125,901)</u>
Total property and equipment	528,806	1,100,254
Other assets		
Deposits and investments	402,105	329,717
Performance bonds	<u>325,000</u>	<u>335,000</u>
Total other assets	<u>727,105</u>	<u>664,717</u>
Total assets	<u>\$ 8,761,521</u>	<u>\$ 12,461,704</u>

See accountants' report and notes to financial statements.

COMMONWEALTH ENERGY CORPORATION

BALANCE SHEET

July 31, 1998 and January 31, 1999

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>July 31, 1998</u>	<u>January 31, 1999</u>
Current liabilities		
Accounts payable	\$ 1,552,655	\$ 2,686,255
Accrued payroll, taxes and other liabilities	165,135	315,763
Total current liabilities	1,717,790	3,002,018
Stockholders' equity		
Preferred stock - 10,000,000 shares authorized with no par value; 1,838,000 shares issued and outstanding	821,000	821,000
Common stock - 50,000,000 shares authorized with no par value; 20,240,402 and 25,085,656 shares issued and outstanding, respectively	11,484,126	22,528,225
Additional contributed capital	983,640	1,483,640
Total contributed capital	13,288,766	24,832,865
Accumulated deficit	(6,245,035)	(15,373,179)
Total stockholders' equity	7,043,731	9,459,686
Total liabilities and stockholders' equity	<u>\$ 8,761,521</u>	<u>\$ 12,461,704</u>

See accountants' report and notes to financial statements.

COMMONWEALTH ENERGY CORPORATION

STATEMENT OF OPERATIONS

For the period from August 15, 1997 (date of inception) through July 31, 1998 and
the six months ended January 31, 1999

	For the period ending	
	<u>July 31, 1998</u>	<u>January 31, 1999</u>
Revenues		
Energy revenues	\$ 667,363	\$ 13,959,357
Power planner sales	-	258,051
Interest income	46,929	17,579
	<hr/>	<hr/>
Net revenues	714,292	14,234,987
Costs and expenses		
Energy purchases	674,965	15,617,020
Service and scheduling costs	24,527	866,144
Power planners	-	137,940
Provision for doubtful accounts	-	1,150,000
Administrative expenses	4,405,889	4,240,854
Selling and marketing expenses	1,853,946	1,351,173
	<hr/>	<hr/>
Total costs and expenses	6,959,327	23,363,131
	<hr/>	<hr/>
Net loss	\$ (6,245,035)	\$ (9,128,144)
	<hr/>	<hr/>

See accountants' report and notes to financial statements.

COMMONWEALTH ENERGY CORPORATION

STATEMENT OF STOCKHOLDERS' EQUITY

For the period from August 15, 1997 (date of inception) through July 31, 1998 and
the six months ended January 31, 1999

	Common Stock	Preferred Stock	Additional Contributed Capital	Accumulated Deficit	Total Stockholders' Equity
Proceeds from common stock issue, net of costs	\$ 11,484,126	\$ -	\$ -	\$ -	\$ 11,484,126
Proceeds from preferred stock issue	-	821,000	-	-	821,000
Stock options granted for services	-	-	983,640	-	983,640
Net loss for the period ended July 31, 1998	-	-	-	(6,245,035)	(6,245,035)
Balance July 31, 1998	11,484,126	821,000	983,640	(6,245,035)	7,043,731
Proceeds from common stock issue, net of costs	11,044,099	-	-	-	11,044,099
Stock options granted for services	-	-	500,000	-	500,000
Net loss for the six months ended January 31, 1999	-	-	-	(9,128,144)	(9,128,144)
Balance at January 31, 1999	\$ 22,528,225	\$ 821,000	\$ 1,483,640	\$ (15,373,179)	\$ 9,459,686

See accountants' report and notes to financial statements.

COMMONWEALTH ENERGY CORPORATION

STATEMENT OF CASH FLOWS

For the period from August 15, 1997 (date of inception) through July 31, 1998 and
the six months ended January 31, 1999

	For the period ended	
	<u>July 31, 1998</u>	<u>January 31, 1999</u>
Cash from operating activities		
Net gain (loss)	\$ (6,245,035)	\$ (9,128,144)
Adjustments to reconcile net income to net cash provided (used) by operating activities		
Depreciation	53,033	72,868
Increase in accounts receivable	(520,157)	(3,942,041)
Increase in unbilled energy receivable	(1,416,749)	(87,179)
Increase in inventory	-	(741,305)
Decrease (increase) in prepaid expenses	(1,325,738)	710,374
Decrease (increase) in deposits and investments	(727,105)	62,388
Increase in accounts payable	1,552,655	1,133,600
Increase in accrued expenses	162,635	150,628
Net cash provided (used) by operating activities	<u>(8,466,461)</u>	<u>(11,768,811)</u>
Cash flows from investing activities		
Purchases of property and equipment	(581,839)	(644,316)
Net cash provided (used) by investing activities	<u>(581,839)</u>	<u>(644,316)</u>
Cash flows from financing activities		
Issuance of note payable	2,500	-
Proceeds from issuance of stock	12,305,126	11,044,099
Additional contributed capital from stock options	983,640	500,000
Net cash provided (used) by financing activities	<u>13,291,266</u>	<u>11,544,099</u>
Net increase (decrease) in cash, and cash equivalents	4,242,966	(869,028)
Cash and cash equivalents at beginning of period	<u>-</u>	<u>4,242,966</u>
Cash and cash equivalents at end of period	<u>\$ 4,242,966</u>	<u>\$ 3,373,938</u>

See accountants' report and notes to financial statements.

COMMONWEALTH ENERGY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

July 31, 1998 and January 31, 1999

ORGANIZATION AND BUSINESS

Commonwealth Energy Corporation (the Company) incorporated on August 15, 1997 to purchase power from generating facilities and resell that power to homes and businesses in California and other states as they become deregulated. The Company is a Federal Energy Regulatory Commission licensed power marketer and is registered with the California Public Utilities Commission as an Energy Service Provider. The operations of the Company initially consisted primarily of marketing efforts to secure a share of the electric power resale market, which has become available as a result of the deregulation of the electric power industry. The Company, which was considered to be a development stage company through July 31, 1998, started serving the public and generating revenue on April 1, 1998, the effective deregulation date. The Company is currently providing power to approximately 40,000 residential, business and governmental customers.

Although the Company commenced billings to its customers in May 1998 and has continued to build its base of business in the succeeding months activities, it has sustained cumulative net losses since inception of \$15,373,179 and losses have continued to date. The Company has financed its development stage and operational losses from the proceeds of common and preferred stock sales to individual investors under a series of private placement memorandums. The Company expects losses to continue until profit margins and the customer base increase sufficiently to offset its operating expenses.

The continuity of the Company and the implementation of its business plan are dependent upon the ability of the Company to generate cash through stock sales, venture capital or long term financing. There is no assurance that such cash proceeds will be available. Management believes that the Company can increase its profit margins and customer base and continue to raise capital through stock sales in amounts sufficient to sustain its activities and fund its operations for the remainder of 1999 and into the year 2000.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Company.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting. Certain prior period amounts have been reclassified to be consistent with the current period presentation.

COMMONWEALTH ENERGY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

July 31, 1998 and January 31, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Cost Recognition

Revenues from energy sales are recognized as energy is delivered to customers. Direct energy costs include energy purchased, independent system operator fees and scheduling coordination fees.

Unbilled Energy Receivable

Unbilled energy receivable represents the amount of energy actually purchased and delivered to customers, but not yet billed. Unbilled receivables are estimated at the number of kilowatt hours delivered times 95% of the PX energy cost as published by Southern California Edison for residential customers. As a result of the constantly changing billing rate, it is management's belief that this method is the best available measure of the cost of energy sold.

Inventories

Inventories consist of residential and industrial Power Planners and are stated at lower of cost (as determined on a first-in first-out basis) or market.

Accounts Receivable

Accounts receivable at January 31, 1999 consists of \$5,451,291 in billings to customers for energy sales, \$147,276 for sales of Power Planners and \$13,631 of employee and other advances. The Company provides an allowance for potential uncollectible accounts based on its collection history. An allowance for doubtful accounts in the amount of \$1,150,000 has been recorded as of January 31, 1999. As of July 31, 1998 accounts receivable include \$517,940 of energy billings and \$2,217 of other receivables.

Fair value of financial instruments

The Company's financial instruments consists primarily of cash, accounts receivable, unbilled energy receivable and accounts payable. The carrying amounts of these financial instruments as of July 31, 1998 and January 31, 1999 approximate their fair values due to their short-term nature.

Property and Equipment

Property and equipment are carried at cost. Maintenance, repairs and renewals are expensed as incurred. Depreciation of property and equipment is provided over their estimated useful lives, which range from five to ten years, using the straight-line method.

COMMONWEALTH ENERGY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

July 31, 1998 and January 31, 1999

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company has incurred a net operating loss to date and has no current income tax liability. A deferred tax asset for the future tax benefit of the net operating loss has not been established since there is no assurance that the Company will be able to utilize the net operating loss in the future and certain limitations may apply to restrict the utilization based on past and future ownership changes.

Deposits and Investments

The Company carries its deposits and investments at the lower of cost or estimated net realizable value. There is no established market for the financial interests of the Company's investments and its holdings do not represent control over investee operations.

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.

NOTE 2: CASH RESTRICTIONS

Cash includes \$1,339,613 as of July 31, 1998 and \$1,754,067 as of January 31, 1999, which are restricted for contracted energy purchase obligations. The Company's purchase contract stipulates that proceeds from sales of energy are to be deposited to a restricted cash account and withdrawals are limited to the purchases of energy. Amounts in excess of outstanding current and forward purchase obligations are available to the Company for operations.

NOTE 3: CONCENTRATIONS OF CREDIT RISK

Cash includes \$4,626,132 (before outstanding checks of \$383,166) as of July 31, 1998 and \$3,501,981 (before outstanding items of \$128,043) as of January 31, 1999, on deposit with financial institutions. The resulting cash balances are \$4,306,809 and \$3,100,893, respectively, in excess of the \$100,000 per institution limit insured by the Federal Deposit Insurance Corporation.

COMMONWEALTH ENERGY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

July 31, 1998 and January 31, 1999

NOTE 4: COMMITMENTS

Leasing Arrangements

The Company conducts its main operations in Tustin from facilities that are leased under a five-year non-cancelable operating lease expiring on April 24, 2004. The Company also leases facilities in Palm Desert and San Diego. The location in Palm Desert is leased under a three-year non-cancelable operating lease expiring on February 15, 2001. In addition to the lease payments the Company is charged for certain operating expenses of the property. There is an option to renew at an increased monthly rental. The location in San Diego is leased under a three-year non-cancelable operating lease expiring on January 31, 2001. There is an option to renew for an additional three years at that time with an annual increase in rent of \$0.05 per square foot.

The following is a schedule of the minimum rental payments required under the above operating leases.

<u>Year</u>	<u>Amount</u>
1999	\$ 305,684
2000	442,644
2001	359,925
2002	370,593
2003	381,252
2004	<u>95,979</u>
Total	<u>\$ 1,956,077</u>

Purchase Commitment

In April of 1999 the Company entered into a three year contractual arrangement ending on June 30, 2002, for the purchase of energy. The Company has agreed to issue letters of credit to finance the purchases of energy in the amounts of \$3,256,200 on April 30, 1999, \$4,572,000 on December 15, 1999, \$5,760,000 on December 15, 2000 and \$5,850,000 on December 15, 2001.

COMMONWEALTH ENERGY CORPORATION
NOTES TO THE FINANCIAL STATEMENTS (Continued)

July 31, 1998 and January 31, 1999

NOTE 5: CONVERTIBLE PREFERRED STOCK

The 10% Convertible Preferred Stock carry annual dividends that are cumulative and are paid at the discretion of management quarterly with interest accruing at 10% from the date of issuance of the stock. Cumulative unpaid dividends were \$101,369 as of January 31, 1999. Each Convertible Preferred share is convertible into one share of Common Stock in the Company at the shareholder's discretion and has full voting rights. In addition, preferred shareholders are entitled to preferential liquidation rights over Common Stock in the amount of \$.50 per share plus all declared but unpaid dividends.

NOTE 6: COMMON STOCK

The Common Stock has no conversion or preemptive shareholder rights as to any securities issued by the Company and are not liable for assessments and further calls. Each share of Common Stock is entitled to one vote on all matters voted on by shareholders, and is entitled to equal dividends when, and as declared by the Board of Directors from funds legally available.

Proceeds from the sale of stock are reported net of issuance costs. During the six months ended January 31, 1999, \$12,550,112 was raised from the sale of common stock. Costs of \$1,506,013 associated with the sale and issuance of this stock have been deducted from the common stock account. Costs of \$1,566,017 associated with the issuance of \$13,050,143 of common stock sold prior to August 1, 1998 have been reclassified for purposes of consistency from accumulated deficit as previously reported to a reduction of the common stock account.

NOTE 7: TWO FOR ONE STOCK SPLIT

On October 7, 1998 the Board of Directors of the Company approved a resolution to split on a two for one basis all shares of common stock, preferred stock, and options to purchase stock of the Company. Approval by the shareholders was granted on December 5, 1998 for the stock split and related amendment to the articles of incorporation increasing the authorized number of shares of preferred stock.

COMMONWEALTH ENERGY CORPORATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

July 31, 1998 and January 31, 1999

NOTE 8: STOCK OPTIONS

Options to purchase a total of 8,134,590 shares of Common Stock have been granted, or committed to be granted, to employees, directors and service providers as of January 31, 1999, for exercise through December 31, 2002. The option price of these shares range between \$.005 and \$1 per share. To date no options have been exercised. The compensation cost of the options granted for services is measured by the excess of estimated market value of the stock over the option price. This cost is recognized at the date of grant since all options for services are fully vested. Options granted as incentive for stock sales do not result in a charge to operations since the related benefit is associated with an increase in common stock. Compensation in the amount of \$983,640 and \$500,000 has been recorded as an expense of the corporation and as additional contributed capital for the periods ended July 31, 1998 and January 31, 1999, respectively.

NOTE 9: YEAR 2000 AWARENESS PROGRAM

The Company recognizes that the arrival of the year 2000 poses unique challenges to the ability of all systems to recognize the date change from December 31, 1999 to January 1, 2000 and has adopted a plan designed to address the issues related to this transition. Ultimately, the potential impact of the year 2000 issues will depend not only on corrective measures the Company undertakes but also on the way in which the year 2000 issue is addressed by governmental entities, vendors, customers, counterparts, and other entities who provide or receive data and services from the Company. Management is addressing these issues and believes its year 2000 plan will permit the Company to function effectively into the year 2000.

Business Information Report™

Page 1 of 6

For: ERIC JUAREZ, CFO
DUN & BRADSTREET INC

June 18, 1999
4: 43 pm

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BUSINESS SUMMARY

COMMONWEALTH ENERGY CORP	DUNS: 17-634-3341	RATING	3A2
15991 RED HILL AVE #201 AND BRANCH(ES) OR DIVISION(S) JUSTIN CA 92780 TEL: 714 258-0470	ELECTRIC SERVICES SIC NO. 4911	STARTED	1997
		WORTH	\$7,018,669
		EMPLOYS	140(110 HERE)
		HISTORY	CLEAR
		FINANCING	SECURED
		FINANCIAL	
		CONDITION	STRONG
		STATEMENT	
CHIEF EXECUTIVE: FREDERICK BLOOM, CEO-CHB		DATE	DEC 31 1998

CUSTOMER SERVICE

If you have questions about this report, please call our Customer Service Center at 1-800-333-0505 from anywhere within the U.S. If you are outside the U.S., contact your local D&B office.

*** Additional Decision Support Available ***

Additional D&B products, credit recommendations and specialized investigations are available to help you evaluate this company or its industry. Call Dun & Bradstreet's Solution Center at 1-800-362-3425 from anywhere within the U.S.

SUMMARY ANALYSIS

The Summary Analysis section reflects information in D&B's file as of June 14, 1999.

RATING SUMMARY

The Rating was changed on February 6, 1999 because the relationship between company's profits and their worth improved. The "3A" portion of the Rating (the Rating Classification) indicates that the company has a worth from \$1 million to \$10 million. The "2" on the right (Composite Credit Appraisal) indicates an overall "good" credit appraisal. This credit appraisal was assigned because of the age of the business, the company's strong financial position, and its payment record.

Below is an overview of the company's D&B Rating(s) since 09/12/97:

RATING	DATE APPLIED
--------	--------------

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SUMMARY ANALYSIS (continued)

-----	-----
3A2	02/06/99
3A4	12/07/98
3A2	03/28/98
1A2	01/10/98
2A2	11/27/97
--	09/12/97

PAYMENT SUMMARY

The Payment Summary section reflects payment information in D&B's file as of the date of this report.

The PAYDEX for this company is 70.

This PAYDEX score indicates that payments to suppliers average 15 days beyond terms, weighted by dollar amounts. When dollar amounts are not considered, approximately 95% of the company's payments are within terms.

Below is an overview of the company's dollar-weighted payments, segmented by its suppliers' primary industries:

	TOTAL RCV' D	TOTAL DOLLAR AMOUNTS	LARGEST HIGH CREDIT	% W/IN TERMS	DAYS SLOW			
					<31	31-60	61-90	91+
	#	\$	\$	%	%	%	%	%
Total in D&B's file	16	69,650	25,000					
Payment By Industry:								
1 Telephone communictns	4	6,550	5,000	100	-	-	-	-
2 Nonclassified	2	8,250	7,500	100	-	-	-	-
3 Short-trm busn credit	2	2,750	2,500	100	-	-	-	-
4 Misc equipment rental	2	1,000	1,000	100	-	-	-	-
5 Electric services	1	25,000	25,000	-	100	-	-	-
6 Ret stationery	1	15,000	15,000	100	-	-	-	-
7 Ret computer/software	1	10,000	10,000	100	-	-	-	-
8 Whol furniture	1	1,000	1,000	100	-	-	-	-
9 Air courier service	1	50	50	100	-	-	-	-
Other Payment Categories:								
Cash experiences	0	0	0					
Payment record unknown	1	50	50					
Unfavorable comments	0	0	0					
Placed for collection with D&B	0	0						

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PAYMENT SUMMARY (continued)

other 0 N/A

The highest "Now Owes" on file is \$25,000
The highest "Past Due" on file is \$20,000

D&B receives over 315 million payment experiences each year. We enter these new and updated experiences into D&B Reports as this information is received.

PAYMENTS

Antic - Anticipated (Payments received prior to date of invoice)
Disc - Discounted (Payments received within trade discount period)
Ppt - Prompt (Payments received within terms granted)

REPORTED	PAYING RECORD	HIGH CREDIT	NOW OWES	PAST DUE	SELLING TERMS	LAST SALE WITHIN
05/99	Ppt	15000	2500	-0-		1 Mo
	Ppt	5000	-0-	-0-		1 Mo
	Ppt	2500	50	-0-		1 Mo
	Ppt	1000	-0-	-0-		1 Mo
	Ppt	50	50	-0-		1 Mo
04/99	Ppt	7500	5000	-0-		1 Mo
	Ppt	1000	-0-	-0-	N30	6-12 Mos
	Ppt	750	750	-0-		1 Mo
	Ppt	250	250	-0-		
	Lease agreement					
	Slow 30	25000	25000	20000	N30	1 Mo
03/99	Ppt	500	-0-	-0-		6-12 Mos
02/99	Ppt					
	Lease agreement					
	Ppt	50	-0-	-0-		6-12 Mos
12/98	(014)	50				4-5 Mos
09/98	Ppt	1000	1000	-0-		1 Mo
	Lease agreement					
06/98	(016)	10000	250	250	Regular terms	4-5 Mos

Satisfactory.

* Payment experiences reflect how bills are met in relation to the terms granted. In some instances payment beyond terms can be the result of disputes over merchandise, skipped invoices etc.

* Each experience shown represents a separate account reported by a supplier. Updated trade experiences replace those previously reported. Amounts may be rounded to nearest figure in prescribed ranges.

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HISTORY (continued)

This data is for informational purposes only. certification can only be obtained through the Sacramento Office of the California Secretary of State.

BUSINESS TYPE: Corporation -
Profit

DATE INCORPORATED: 08/15/1997
STATE OF INCORP: California

Business started 1997 by principal. 100% of capital stock is owned by investors & Frederick M Bloom. As of March 1998 there were approximately 250 investors on record, none of which owned 10% or greater.

FREDERICK BLOOM born 1960. 1997 to present active here as Chairman of the Board and Chief Executive Officer. 1996-present active with affiliate. 18 years experience in investment banking.

DAVID MENSCH. Most recently president of Commonwealth Energy. Prior to Commonwealth Energy, spent four years as general manager of operations for First Commodity Corporation of Boston and eight years as director of operations for American National Franchise Consultants, Inc, where his responsibilities included supervising a staff of sales managers and licensed commodity brokers.

ERIC M JUAREZ. Currently active as chief financial officer. Prior employed as controller and director of finance by Great States Insurance Company. Previously employed by Coopers and Lybrand.

Affiliates: The following are related through common principals, management and/or ownership. Regal Group, Tustin, CA. DUNS #08-809-0923. Intercompany relations: None reported by management.

OPERATION

02/17/99 Provides wholesale and retail sales of electric services, specializing in power distribution and energy saving products (100%). Terms are monthly billings. Sells to general public. Territory: California.
EMPLOYEES: 140 which includes officer(s). 110 employed here.
FACILITIES: Leases 15,000 sq. ft. on second floor of a two story building.
LOCATION: Suburban business section on main street.
BRANCHES: Maintains a branch at 74-361 Hwy 111, #5, Palm Desert, CA 92211 which 1,800 sq ft and an additional location in San Diego, CA.
06-18(727 /727) 99999 098083083 H

-- END OF REPORT --

INSURANCE SCHEDULE

Agency Name: Philip B. Robinson Insurance

Policy Number	Coverage	Company	Limits
CLS0560179	Commercial Liability	Scottsdale	\$1 Mil per occurrence \$2 Mil aggregate
UMS0003586	Commercial Umbrella	Scottsdale	\$1 Mil per occurrence \$2 Mil aggregate
C1000710	EE Practices Liability	Lloyds of London	\$2 Mil per occurrence \$4 Mil aggregate
WC2630913	Workers Compensation	Pacific National	\$1 Million
01CE308154	Commercial Property/Crime	American States	Various up to \$600 K
02CC863427	Commercial Auto	American States	\$1 Million
7511532198	Directors & Officers Liability	Executive Risk	\$3 Million

NOTE: We are getting quotes now for General Liability to be increased from \$3,000,000 to \$15,000,000 and expect it to be in place within two weeks

EXECUTIVE OFFICERS

FREDERICK M. BLOOM- CHIEF EXECUTIVE OFFICER - CHAIRMAN OF THE BOARD

Frederick M. Bloom, 38, is a co-founder, Chairman of the Board and C.E.O. of the Company. During 1995 and 1996, Mr. Bloom was Executive Vice-President in charge of marketing and capitalization for DRTV Holdings, Inc., an infomercial marketing company. While at DRTV, Mr. Bloom's duties included coordination of marketing efforts such as infomercial and commercial production, media scheduling, telemarketing, advertising design, public relations, capitalization and shareholder relations. From 1992 to 1995, Mr. Bloom was an independent marketing and business consultant, assisting numerous companies with capitalization, marketing plan design and implementation and telemarketing call-center set-up, training and operations. Previously, Mr. Bloom operated as a telemarketing consultant assisting firms in establishing inbound and outbound telemarketing centers and coordinating advertising efforts. From 1987 to 1991, Mr. Bloom was founder and co-owner of First Pacific Trading Group, a commodity futures brokerage. From 1983 to 1987, Mr. Bloom was a stockbroker with Bateman Eichler, Hill Richards. Mr. Bloom attended Long Beach State University and studied Business Management.

DAVID MENSCH - PRESIDENT - DIRECTOR

David Mensch, 46, is a co-founder, President and Director of the Company. Prior to becoming President, he served as Senior Executive Vice President of the Company. He also served as C.F.O. and C.O.O. of the Company from its inception until November 15, 1997. Mr. Mensch has over 21 years of diversified experience in business management and corporate finance. During 1995 and 1996 Mr. Mensch was Compliance Officer for DRTV Holdings, Inc. and was responsible for maintaining adherence to securities laws. From 1987 to 1995, Mr. Mensch was Director of Operations for American National Franchise Consultants, Inc., a national and international firm involved in the development and expansion of new franchises. His responsibilities included the interviewing, hiring, training and motivating of the franchise sales staff. He also conducted final closing interviews with new Franchisees and designed, implemented and conducted franchisee training programs. From 1982 to 1986, Mr. Mensch was General Manager of Operations of First Commodity Corporation of Boston. He was responsible for the supervision of a staff of 60, including all sales managers, licensed Commodity Brokers and support staff.

DONALD H. COLTRAIN - SENIOR VICE PRESIDENT - DIRECTOR

Donald H. Coltrain, 56, served as the Manager of Power Services and Contracts of the Power Department of the Imperial Irrigation District from June of 1991 through February, 1998. He was responsible for Power Contracts, Customer Services, System Operations, Purchasing and Stores Department and Energy Conservation. He managed over 90 employees in this position. From 1966 to 1991, Mr. Coltrain was employed by Southern California Edison Company. During Mr. Coltrain's 25 year tenure with SCE, he held several key positions, including Supervisor of the Power Contracts Division, where his responsibilities included supervising and developing senior level engineers to negotiate power contracts and settlement agreements. Mr. Coltrain also negotiated Firm Transmission Services Agreements, Capacity Exchange Agreements, Axis Project Agreements, the Solar Power Pilot Plant Agreements and SCE's purchases from Commission Federal de Electricidad, Mexico. Mr. Coltrain's knowledge and experience in negotiations enabled him to be recognized as a leader in the electric utility industry. Mr. Coltrain has testified before the Federal Energy Regulatory Commission and the California Public Utilities Commission, participated in the analysis, negotiation and development of more than 90 unique generation, transmission, purchases, sales and exchange contracts and has coordinated technical studies for the evolution of resource alternatives. Mr. Coltrain holds a Bachelor of Arts Degree in Economics from California State University, Long Beach. Mr. Coltrain works part time for the Company.

JOHN A. BARTHROP - GENERAL COUNSEL

John A. Barthrop, 57, has over 31 years of practicing business and corporate law. He has been Associate Counsel for Beneficial Standard Group of Companies, General Counsel for a regional shopping center developer and owned and managed his own law firm for over 15 years, specializing in financing and business transactions and business litigation. Mr. Barthrop obtained his Juris Doctorate from Hastings College of Law and is licensed to practice before the Supreme Court in California and the U.S. District Courts.

ERIC M. JUAREZ - TREASURER AND CHIEF FINANCIAL OFFICER

Eric M. Juarez, 37, has twelve years experience in public and private accounting. From March, 1991 to September, 1996, he served as controller of Great States Insurance Company, which was a specialty workers compensation insurance carrier. He was promoted to Vice President of Finance in September, 1996, and later became Director of Finance in 1997. At Great States Insurance Company, he was responsible and accountable to management for all aspects of financial reporting, both internal and external, and, among other things, assisted in the implementation and maintenance of internal controls. From July, 1986, until February, 1991, Mr. Juarez worked at the accounting firm of Coopers & Lybrand, where he was eventually promoted from staff accountant to senior associate. As a senior associate, he had overall responsibility for performance of financial audits, which included design and implementation of audit strategy and testing plan, supervising, directing and training staff accountants and preparing internal budgets and time usage analysis. Mr. Juarez holds a Bachelor of Science degree in accounting from California Polytechnic University, Pomona.

KEY EMPLOYEES

JEFF BAILEY

Jeff Bailey, 51, has over twenty years of diversified management and operations experience and is in charge of administration and call-center oversight for the Company. During 1997 and early 1998, Mr. Bailey was president of the Warehousing, Installation and Transportation Division of Royson Cabinet Manufacturing, Inc. In 1996 and 1997, he served as branch manager of GTE Telnet Services which marketed long distance, 800#, ISDN lines and other telecom services to businesses. From 1989 to 1996, Mr. Bailey was General Manager, District Manager and Regional Sales Manager for Iron Mountain Records Management, a \$150 million leader in the field of critical record storage for Fortune 500 companies. Mr. Bailey earned his degree in criminology from California State University Long Beach.

AFFIDAVIT

State of California

:

ss.

County of Orange

:

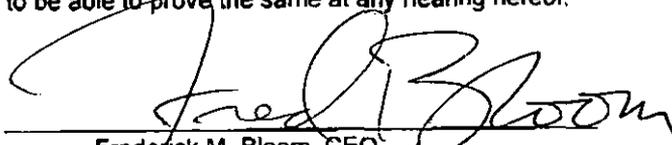
Frederick M. Bloom, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the Chief Executive Officer of Commonwealth Energy Corporation;

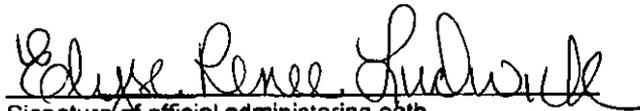
That he is authorized to and does make this affidavit for said Applicant;

That Commonwealth Energy Corporation, the Applicant herein, hereby states that it will comply with, and adhere to, the reliability protocols of the North American Electric Reliability Council in its provision of service as an electric generation supplier in the Commonwealth of Pennsylvania. Commonwealth Energy Corporation also will comply with the reliability protocols of any appropriate regional reliability councils, as well as any rules or orders concerning reliability which might be issued or promulgated by the Pennsylvania Public Utility Commission. Commonwealth Energy Corporation will comply with appropriate and necessary operational requirements of the control areas in which it operates within the Commonwealth of Pennsylvania.

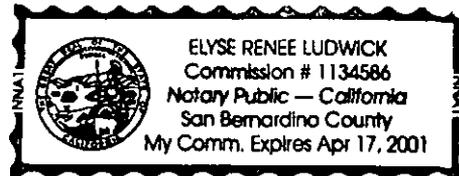
That the facts/statements above set forth are true and correct to the best of his/ knowledge, information, and belief and that he expects said Applicant to be able to prove the same at any hearing hereof.


Frederick M. Bloom, CEO

Sworn and subscribed before me this 29th day of June, 1999


Signature of official administering oath

My commission expires April 17, 2001.



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

IN REPLY PLEASE
REFER TO OUR FILE
Secretary
717-787-8009
A-110117

July 22, 1999

TODD S STEWART
MALATESTA HAWKE AND MCKEON LLP
HARRISBURG ENERGY CENTER
100 NORTH TENTH STREET
HARRISBURG PA 17101

Dear Mr. Stewart:

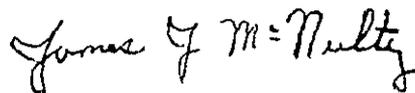
The Application and \$350.00 filing fee of Commonwealth Energy Corporation, received in this Office on July 1, 1999, for approval to supply electric generation services as a broker/marketer is hereby acknowledged.

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 to do business in the Southeastern Region of Pennsylvania. The newspaper in which you need to publish in order to meet the publication requirements is the Philadelphia Inquirer.

This Application will not be considered complete until a notarized Certification of Publication, along with a photostatic copy of the notice, is filed with this Office.

Sincerely,



James J. McNulty
Secretary

JJM:ddt

cc: John Barthrop

EEF

DOCKETED
JUL 22 1999

**DOCUMENT
FOLDER**

COMMONWEALTH OF PENNSYLVANIA

DATE: July 22, 1999
SUBJECT: A-110117
TO: Bureau of Fixed Utility Services
FROM: James J. McNulty, Secretary *ddt*

Attached is a copy of the Application of Commonwealth Energy Corporation, for approval to offer, render, furnish or supply electricity or electric generation services as a broker/marketer.

The applicant has filed a copy of the application on PECO Energy Company and has filed proof of service with this Commission.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: Law Bureau

ddt

EEF

DOCKETED
JUL 22 1999

**DOCUMENT
FOLDER**

PENNSYLVANIA PUBLIC UTILITY COMMISSION
RECEIPT

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

MALATESTA HAWKE & MCKEON LLP
ATTN TODD S STEWART
PO BOX 1778
HARRISBURG PA 17105

DATE 7/29/99
RECEIPT # 250088

In re: Electrical Generation fees for COMMONWEALTH ENERGY CORP

Docket Number A-110117..... \$350.00

REVENUE ACCOUNT: 001780-017601-107

CHECK NUMBER: 8838
CHECK AMOUNT: \$350.00

C. Joseph Meisinger
(for Department of Revenue).

DOCKETED
AUG 4 1999

DOCUMENT
FOLDER

RECEIVED
SECRETARY'S BUREAU

99 JUL 30 AM 11:19

1967961

SRB

THE LAW FIRM OF

MALATESTA HAWKE & McKEON LLP

REP

MAILING ADDRESS:
P.O. BOX 1778
HARRISBURG, PA 17105

JOSEPH J. MALATESTA, JR.
WILLIAM T. HAWKE
KEVIN J. McKEON
LOUISE A. KNIGHT
THOMAS J. SNISCAK
NORMAN JAMES KENNARD
LILLIAN SMITH HARRIS
SCOTT T. WYLAND
CRAIG R. BURGRAFF
JANET L. MILLER
SUSAN J. SMITH
TODD S. STEWART

HARRISBURG ENERGY CENTER
100 NORTH TENTH STREET
HARRISBURG, PENNSYLVANIA 17101

(717) 236-1300

FAX (717) 236-4841

<http://www.MHM-LAW.com>

DOCUMENT
FOLDER

ORIGINAL

August 3, 1999

RECEIVED
99 AUG -3 AM 11:50
SECRETARY'S BUREAU
PA P.U.C.

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-18, North Office Building
PO Box 3265
Harrisburg, PA 17120

RE: Application of Commonwealth Energy Corporation d/b/a Advantage Energy Inc. for Approval to Offer, Render, Furnish or Supply Electricity Generation Services as Broker and/or Marketer of Electricity and Related Services to the Public in the Commonwealth of Pennsylvania; Docket No. A-110117; **AMENDED APPLICATION**

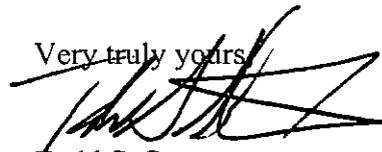
Dear Secretary McNulty:

Enclosed, for filing with the Commission, is an Amended Application of Commonwealth Energy Corporation d/b/a Advantage Energy Inc.

All government parties required to be served with a copy of this Application, as Amended, have been so served in accordance with attached Certificate of Service. Additionally, effected electric distribution utilities also have been served with a copy of this document, as is also indicated on the Certificate of Service.

If you have any questions regarding the filing of this Application, please direct them to me.

Very truly yours,



Todd S. Stewart

Counsel for
Commonwealth Energy Corporation

TSS/bes

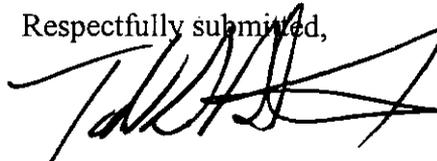
cc: Per Certificate of Service

Attached to this Amendment is a copy of Applicant's Department of State filing under 54 Pa. C.S. §311, Form DSCB: 54-311.

Also attached hereto is a Proof of Publication indicating that Applicant has published its intention to transact business in the Commonwealth of Pennsylvania under its corporate name of Commonwealth Energy Corporation. Applicant will publish separately its intention to conduct business under the fictitious name of Advantage Energy Inc., and will submit that Proof of Publication immediately upon publication.

WHEREFORE, Applicant Commonwealth Energy Corporation transacting business in the Commonwealth of Pennsylvania under the fictitious name Advantage Energy Inc., hereby request that the Commission approve its Application, as amended herein.

Respectfully submitted,



Todd S. Stewart

MALATESTA HAWKE AND MCKEON LLP
Harrisburg Energy Center
100 North Tenth Street
Post Office Box 1778
Harrisburg, PA 17105

Counsel for
Commonwealth Energy Corporation

Dated: August 3, 1999

Proof of Publication in The Philadelphia Inquirer
Under Act. No 160, P.L. 877, July 9, 1976

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

Anna Dickerson 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:

July 5th, 1999

Affiant further deposes and says that he is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that he is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Anna Dickerson

Sworn to and subscribed before me this 6th day of July, 1999.

Margaret C. Ruchalski
Notary Public

My Commission Expires:

NOTARIAL SEAL
Margaret C. Ruchalski, Notary Public
City of Philadelphia, Phila. County
My Commission Expires May 27, 2002

Copy of Notice of Publication

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Application of Commonwealth Energy Corporation For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services, A Marketer/Broker Engaged In The Business Of Supplying Electricity To The Public In The Commonwealth Of Pennsylvania, Docket No. A-110117, 7/2/1999

On July 1, 1999, Commonwealth Energy Corporation filed an application with the Pennsylvania Public Utility Commission (PUC) for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. Commonwealth Energy Corporation proposes to sell electricity and related services in southeastern Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act of 1996. The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Commonwealth Energy Corporation may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3268, Harrisburg, PA 17105-3268. You should send copies of any protest to Todd S. Stewart, attorney at the address listed below. Please include the PUC docket number in any correspondence which is A-110117.

By and through Counsel: Todd S. Stewart
Commonwealth Energy Corporation
P.O. Box 1778
Harrisburg, PA 17101
(717) 238-1300
(717) 238-4841

APPLICATION FOR CERTIFICATE OF AUTHORITY

DSCB:15-4124/6124 (Rev 90)

Indicate type of corporation (check one):

Foreign Business Corporation (15 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: Commonwealth Energy Corporation

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):

3. (If the name set forth in paragraph 1 or 2 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:

Advantage Energy Inc.

The 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:

California

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

15901 Red Hill Ave., Suite 100 Tustin California 92780
Number and Street City State Zip

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

(a) _____
Number and Street City State Zip County

(b) c/o: Corporation Service Company Dauphin
Name of Commercial Registered Office Provider County

For a 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.

20130 19

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PA Dept. of State

7. (Check 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 for a Certificate of Authority to be signed by a duly authorized officer thereof this 29th day of June, 19 99.

COMMONWEALTH ENERGY CORPORATION

(Name of Corporation)

BY:

Fred Bloom
Fred Bloom

(Signature)

TITLE: Chief Executive Officer

CONSENT TO USE OF SIMILAR NAME

DSCB:17.3 (Rev 90)

Pursuant to 19 Pa. Code § 17.3 (relating to use of a confusingly similar name) the undersigned association, desiring to consent to the use by another association of a name which is confusingly similar to its name, hereby certifies that:

1. The name of the association executing this Consent to Use of Similar Name is: _____

Advantage Energy Corporation

2. The (a) address of this association's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) 223 Walnut Avenue Wayne Pennsylvania 19087 Delaware
Number and Street City State Zip County

(b) c/o: _____
Name of Commercial Registered Office Provider County

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

3. The date of its incorporation or other organization is: November 5, 1992

4. The statute under which it was incorporated or otherwise organized is: Pennsylvania Business Corporation Law

5. The association(s) entitled to the benefit of this Consent to Use of Similar Name is (are): _____

Commonwealth Energy Corporation

intending to do business as Advantage Energy Inc.

6. A check in this box: indicates that the association executing this Consent to Use of Similar Name is the parent or primè affiliate of a group of associations using the same name with geographic or other designations, and that such association is authorized to and does hereby act on behalf of all such affiliated associations, including the following (see 19 Pa. Code § 17.3(c)(6)):

IN TESTIMONY WHEREOF, the undersigned association has caused this consent to be signed by a duly authorized

officer thereof this 29 day of July, 1999.

Advantage Energy Inc.
(Name of Association)

BY: Lorrey Ferguson

TITLE: Chief Executive Officer

Patricia W. Curtin

Notarial Seal
Patricia W. Curtin, Notary Public
Radnor Twp., Delaware County
My Commission Expires Apr. 13, 2002

Member, Pennsylvania Association of Notaries

AUG -3 99

PA Dept. of State



Department of State
Corporation Bureau
P.O. Box 8722
Harrisburg, PA 17105-8722
(717)787-1057
Web site: www.dos.state.pa.us/corp.htm

Instructions for Completion of Form:

- A. This form will be deemed to be incorporated by reference into the filing to which it relates, e.g., articles of incorporation, articles of amendment effecting a change of name, articles of merger effecting a change of name, articles of division, application for a certificate of authority, application for an amended certificate of authority, certificate of limited partnership, amended certificate of limited partnership effecting a change of name, documents merging a partnership or other association effecting a change of name, instrument with respect to a business trust, amended instrument with respect to a business trust effecting a change of name, etc. Therefore an executed copy (which may be a photocopy) of this form should be attached to each copy of the filing to which it relates which is submitted to the Department, and no separate Docketing Statement should be submitted with respect to this form.
- B. Under 15 Pa.C.S. § 135(c) (relating to addresses) an actual street or rural route box number must be used as an address, and the Department of State is required to refuse to receive or file any document that sets forth only a post office box address.

Entity Number _____

Secretary of the Commonwealth

APPLICATION FOR REGISTRATION OF FICTITIOUS NAME

DSCB:54-311 (Rev 90)

In compliance with the requirements of 54 Pa.C.S. § 311 (relating to registration), the undersigned entity(ies) desiring to register a fictitious name under 54 Pa.C.S. Ch. 3 (relating to fictitious names), hereby state(s) that:

1. The fictitious name is: Advantage Energy Inc.

2. A brief statement of the character or nature of the business or other activity to be carried on under or through the fictitious name is:

Licensed Electric Generation Supplier

3. The address, including number and street, if any, of the principal place of business of the business or other activity to be carried on under or through the fictitious name is (P.O. Box alone is not acceptable):

15901 Red Hill Avenue, Suite 100 Tustin, California 92780

Number and Street : City State Zip County

4. The name and address, including number and street, if any, of each individual interested in the business is:

Name Number and Street City State Zip

5. Each entity, other than an individual, interested in such business is (are):

Name Form of Organization Organizing Jurisdiction Principal Office Address Pa. Registered Office, if any

Commonwealth Energy Corp. California (same as above) Corporation

Service Company

6. The applicant is familiar with the provisions of 54 Pa.C.S. § 332 (relating to effect of registration) and understands that filing under the Fictitious Names Act does not create any exclusive or other right in the fictitious name.

7. (Optional): The name(s) of the agent(s), if any, any one of whom is authorized to execute amendments to, withdrawals from or cancellation of this registration in behalf of all then existing parties to the registration, is (are):

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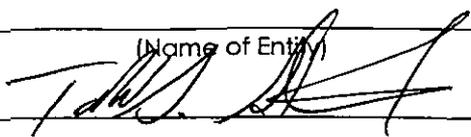
PA Dept. of State

IN TESTIMONY WHEREOF, the undersigned have caused this Application for Registration of Fictitious Name to be executed
this 30th day of July, 1999.

(Individual Signature)

(Individual Signature)

(Name of Entity)

BY:  _____

TITLE: Counsel for Commonwealth Energy Corporation

(Individual Signature)

(Individual Signature)

(Name of Entity)

BY: _____

TITLE: _____

CERTIFICATE OF SERVICE

I hereby certify that this day a copy of foregoing document has been served upon the parties and in the manner indicated below.

Via Hand Delivery:

Irwin A. Popowsky, Esquire
Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

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

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

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Strawberry Square, 9th Floor
Dept. 280946
Harrisburg, PA 17128-0946

Via First Class U.S. Mail:

Thomas P. Hill
Vice President and Controller
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699


Todd S. Stewart

Dated: August 3, 1999

RECEIVED
99 AUG -3 AM 11:50
PA.P.U.C.
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that this day a copy of foregoing document has been served upon the parties and in the manner indicated below.

Via Hand Delivery:

Irwin A. Popowsky, Esquire
Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
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Harrisburg, PA 17101-1921

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

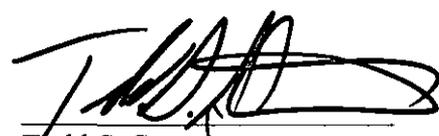
Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Strawberry Square, 9th Floor
Dept. 280946
Harrisburg, PA 17128-0946

Via First Class U.S. Mail:

Thomas P. Hill
Vice President and Controller
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

RECEIVED
99 AUG -3 AM 11:50
PA.P.U.C.
SECRETARY'S BUREAU



Todd S. Stewart

Dated: August 3, 1999