COMMONWEALTH OF PENNSYLVANIA
Public Utility Commission

November 5, 1997

SUBJECT: A-110049; PG&E Services Corporation

TO: James J. McNulty, Deputy Prothonotary
Office of Prothonotary

FROM: Donald H. Muth, Director
Bureau of Fixed Utility Services

DHM

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Office of Prothonotary
Public Utility Commissi

On October 23, 1997, the Commission entered a conditional order regarding the issuance of a license to PG&E Services Corporation. The Company has provided proofs of publication to satisfy the Commission's October 23, 1997 Order, and there have been no protests filed during the fifteen day period ended November 4, 1997. In our opinion, it is appropriate to issue **PG&E Services Corporation.**, an interim license to serve as an electric generation supplier in the Commonwealth of Pennsylvania.

If at all possible please FAX a copy of the License to Jennifer Chamberlin at (415) 217-6473.

Thank you.

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

NOVEMBER 6, 1997

IN REPLY PLEASE
REFER TO OUR FILE
A-110049

DOUGLAS A OGLESBY ESQUIRE
PG&E ENERGY SERVICES
353 SACRAMENTO STREET STE 1900
SAN FRANCISCO CA 94111

License Application of PG&E Enegry Services Corporation
to become a Broker/Marketer

KJR

Dear Mr Oglesby:

Receipt is acknowledged of these proofs of publications on October 23, 1997 and the fifteen day protests period ended on November 4, 1997, with no protest being filed..

Please be advised that this complies with the requirements of the Opinion & Order adopted at Public Meeting October 23, 1997, in the above captioned proceeding.

Therefore, enclosed please find an Interim License for Electric Generation Supplier effective November 4, 1997.

Very truly yours,

James J. McNulty,
Acting Secretary

DOCUMENT
FOLDER

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enclosed
cert. mail
HAROLD T JUDD ESQUIRE
PG&E ENERGY SERVICES CORP
ONE CAPITOL STREET
CONCORD NH 03301

A-110049

KJR

PECO ENERGY

Legal Department

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5544
Fax 215 568 3389

Direct Dial: 215 841 4265

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PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

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and General Counsel

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Deputy General Counsel

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Ronald L. Zack
Assistant General Counsel

December 3, 1997

By Overnight Delivery

James McNulty, Acting Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
Harrisburg, PA 17105-3265

RE: PECO Retail Access Pilot

Dear Mr. McNulty:

Enclosed for filing with the Commission are individually executed copies of the Electric Generation Supply Agreement with the following licensed Pennsylvania Generation Suppliers who wish to participate in PECO Energy Company's Retail Access Pilot Program:

American Energy Solutions
DTE-CoEnergy, L.L.C.
PG&E Energy Services
Wheeled Electric Power Company

If you have have any questions, please give the undersigned a call at (215) 841-4265.

Very truly yours,

Vilna Waldron Gaston
VWG/mb

Enclosures

cc: Electric Generation Suppliers Listed Above (w/enclosures)

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DOCUMENT
FOLDER

Electric Generation Supplier Agreement Form

PECO Energy Company and PG&E Energy Services agree to the attached PECO Energy Electric Generation Supplier Policies and Procedures, which will be in force during the term of PECO Energy Company's Retail Access Pilot Program.

By: Dale C. Murdock

Dale A. Murdock

Title: Senior Vice President, Retail Power Services

Company: PG&E Energy Services

By: A J Weigand

Title: Sr. Vice Pres.

PECO Energy Company: ____________________

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DEC 3 1997

PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE

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PECO Energy

Customer Choice Pilot

Electric Generation Supplier

Policies and Procedures

1. Introduction

These Electric Generation Supplier Policies and Procedures describe business policies and procedures that shall be followed by each Electric Generation Supplier (hereinafter, Supplier) that wishes to provide electricity to PECO Energy Company (hereinafter, PECO Energy) electric distribution customers as part of the PECO Energy Retail Access Pilot Program (hereinafter, the Pilot).

The Pilot will be conducted in compliance with the Pennsylvania Public Utility Commission's Final Opinion and Order on Pilot Program Implementation at Docket No. P-00971170 and PECO Energy's approved compliance filing thereunder. The compliance filing contains PECO Energy's Retail Access Pilot Rider, which contains the rules, terms, and conditions of the Pilot.

These Electric Generation Supplier Policies and Procedures will apply only during the Pilot, which will run from November 1, 1997 through December 31, 1998.

1.1 Pilot Overview

The Commonwealth of Pennsylvania's Retail Access Pilot Program is intended to test and demonstrate how a competitive market for generation will operate, in preparation for full retail access that will be phased in beginning on January 1, 1999. Under the Pilot, a set of PECO Energy electric distribution customers will select Electric Generation Suppliers and begin receiving electricity from those Electric Generation Suppliers on November 1, 1997. PECO Energy will continue to provide electric distribution service and metering services to these Participating Customers and will act as agent to the Electric Generation Suppliers for obtaining transmission service and ancillary services.

Because the Pennsylvania-New Jersey-Maryland Interconnection LLC (hereinafter, PJM) manages the transmission system that will be used to transport electricity from Electric Generation Suppliers to the PECO Energy distribution system, it is necessary for Electric Generation Suppliers to coordinate their operation with PJM as well as with PECO Energy.

1.2 Related Documents

The following listed documents provide additional information needed by Electric Generation Suppliers participating in the Pilot.

- PECO Energy Customer Choice Pilot Program Electric Generation Supplier Informational Appendices

These appendices provide detailed technical information and schedules that are subject to change and refinement throughout the Pilot as PECO Energy and Electric Generation Suppliers gain experience.

- PJM eScheduler User Manual

  This user manual describes usage of the PJM eScheduler function. The PJM eScheduler function will be used by Supplier and PECO Energy to submit and confirm load schedules between Supplier and PECO Energy for the purpose of supplying PECO Energy electric distribution customer load requirements.

2. General Pilot Terms and Conditions

2.1 Term of the Agreement

Pilot participation is available to Electric Generation Suppliers from November 1, 1997 through December 31, 1998.

2.2 Duty to Cooperate

The successful implementation of the Pilot depends on the cooperation of Electric Generation Suppliers with PECO Energy. Supplier agrees to cooperate with PECO Energy in its management of the Pilot, and to fully adhere to any emergency directives that PECO Energy may issue to ensure and preserve system integrity.

2.3 Limitations on Liability

- PECO Energy shall not be liable for any loss, cost, damage, or expense, whether direct or consequential, caused by PECO Energy's calculation of customer load forecasts required for scheduling purposes.
- PECO Energy shall have no liability with respect to any electric energy before it is delivered by Supplier to a point of delivery on the PJM System or after its delivery to Participating Customers.
- PECO Energy shall have no liability for any increase in reconciliation dollar amounts owed by Supplier under Section 8.2.2 caused by outages.
- PECO Energy shall have no liability to Supplier in connection with any switch of a Participating Customer's service made in accordance with the Retail Access Pilot Rider.
- PECO Energy shall have no liability or duty to Supplier arising out of an agreement or relationship between Supplier and a Participating Customer, between Suppliers, or between Supplier and any other organization.

2.4 Use of PECO Energy Information

Supplier agrees that all information made available to Supplier by PECO Energy in connection with the administration of the Pilot, including, but not limited to, load curve data, policies and procedures, and information regarding PECO Energy computational and communication systems, will not be used for purposes other than to enable Supplier to comply with these policies and procedures and to perform those tasks necessary to supply the loads of their Participating Customers.

2.5 Dispute Resolution Procedure

Supplier's point of contact for all information, operations, questions, and problems regarding the Pilot shall be the PECO Energy Supplier Administration Group and the Supplier Choice Energy Scheduling System (SUCCESS) web-site that the PECO Energy Supplier Administration Group has set up to facilitate the ongoing business processes with Suppliers. Contact information, such as telephone numbers, mailing addresses, and Internet addresses, is provided in the Electric Generation Supplier Informational Appendices.

In cases where a dispute cannot be resolved between Supplier and the PECO Energy Supplier Administration Group, Supplier and PECO Energy shall continue to operate according to these Policies and Procedures, and the matter shall be resolved by mediation or arbitration as follows:

- All claims, disputes, and other matters concerning the interpretation and enforcement of these Policies and Procedures ("Disputes") that PECO Energy and Supplier cannot resolve, first shall be submitted by either PECO Energy or Supplier to private, non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association (AAA). If the Disputes are not resolved by mediation, within sixty (60) days of the initiation of such procedure or, if either PECO Energy or Supplier fails to participate, Disputes shall be submitted to binding arbitration.

- If the total of all disclosed claims or counterclaims, exclusive of interest and arbitration costs, does not equal or exceed $1,000,000, the arbitration shall be heard by one neutral arbitrator under the AAA's Commercial Arbitration Rules. If the total of all such claims or counterclaims equals or exceeds $1,000,000, then the arbitration shall be heard by three (3) neutral arbitrators under the AAA's Supplementary Procedures then in effect for Large Complex Disputes.

- The arbitration process shall be concluded not later than six (6) months after the date that it is initiated and the award of the arbitrator(s) shall be accompanied by a reasoned opinion if requested by either PECO Energy or Supplier. The arbitrator(s) shall have no authority to award punitive or treble damages. The arbitration shall be conducted as a common law arbitration and the decision of the arbitrator(s) rendered in such a proceeding shall be final. Judgment may be entered upon it in any court having jurisdiction.

3. Supplier Participation

3.1 Supplier Requirements for Participation

3.1.1 Licensing

In order to participate in the Pilot, Supplier must be licensed by the Pennsylvania Public Utility Commission to be an Electric Generation Supplier.

3.1.2 Electric Generation Supplier Agreement

In order to participate in the Pilot, Supplier shall execute an Electric Generation Supplier Agreement with PECO Energy, which obligates Supplier to comply with and adhere to these Electric Generation Supplier Policies and Procedures.

3.1.3 Retail Transmission Service Agency Agreement and Installed Capacity Obligation Allocation Agreement

As per Section IV of the Retail Access Pilot Rider, Supplier must execute a Retail Transmission Agency Agreement, as approved by FERC, to enable PECO Energy to obtain the required network transmission service and secure or arrange for the necessary ancillary services to serve the loads of Supplier's Participating Customers. In addition, Supplier must execute an Installed Capacity Obligation Allocation Agreement through which it will assume responsibility for the PJM installed capacity obligation attributable to its Pilot load. That agreement will also be subject to FERC review and approval.

3.1.4 Participation in PJM

Unless Supplier chooses to participate solely as a Coordinated Supplier as defined in Section 3.3, Supplier shall be a member of the PJM Interconnection LLC by executing the PJM Operating Agreement with the ability to: (1) enter load schedules with PJM, (2) exchange grid accounting payments with PJM, and (3) obtain Energy Imbalance Service through interchange.

3.1.5 Supplier Communications Requirements

In order to participate in the Pilot, Supplier must be equipped with the following communications capabilities:

- Internet electronic mail (e-mail), including the capability to receive ASCII file attachments

- Internet browser (Netscape 4.0 or better) for access to SUCCESS web-site and file uploads and downloads.

3.2 Applying for Participation

Supplier must apply to participate in the Pilot by submitting to PECO Energy, via certified mail to the PECO Energy Supplier Administration group at the address shown in the Electric Generation Supplier Informational Appendices, the executed Electric Generation Supplier Agreement Form, the executed Retail Transmission Agency Agreement, and a completed Electric Generation Supplier Information Form as provided in the Electric Generation Supplier Informational Appendices.

Within three business days following receipt of Supplier's executed Electric Generation Supplier Agreement Form and Supplier Information Form, PECO Energy will execute the Electric Generation Supplier Agreement Form and Retail Transmission Agency Agreement and return them to Supplier via certified mail, assuming successful confirmation that Supplier is licensed by the Pennsylvania Public Utility Commission to be an Electric Generation Supplier. At this time, PECO Energy will also assign to Supplier a supplier identification number to be used in subsequent electronic information exchange between Supplier and PECO Energy.

PJM requires that PECO Energy and Supplier be assigned a PJM contract identification number in order to submit and confirm load schedules through the PJM eScheduler function for the supply of PECO Energy electric distribution customers. PECO Energy will arrange with PJM to obtain the contract identification number. PECO Energy will make this contract identification number available to Supplier via e-mail within one business day of the number being assigned and will confirm this contract identification number to Supplier via certified mail.

3.3 Participation Through a Scheduling Coordinator

If Supplier chooses not to interact directly with PJM for scheduling purposes or cannot schedule directly with PJM because its schedules do not meet the "whole megawatt" requirements set by PJM for scheduling, Supplier may become a Coordinated Supplier by entering into a business arrangement with another Electric Generation Supplier that will act as a Scheduling Coordinator. The Scheduling Coordinator's load forecasting, installed capacity obligation, import capability, scheduling, and reconciliation rights and responsibilities shall include its Participating Customers and the Participating Customers of its Coordinated Suppliers.

Supplier may have either zero or one Scheduling Coordinator at any time. To designate a Scheduling Coordinator, change Scheduling Coordinators, or cease using a Scheduling Coordinator, Supplier and the affected Scheduling Coordinator(s) shall submit written notification to PECO Energy including the month in which the change should be effective. The effective day of the change shall be the first day of the month indicated in the notification letters unless a necessary notification is received by PECO Energy less than ten business days before the first day of that month, in which case the effective day of the change shall be the first day of the subsequent month.

In cases where Supplier ceases using a Scheduling Coordinator, Supplier shall become subject to the requirements for PJM participation and contract identification number defined in Section 3.1.3 and Section 3.2.

3.4 Resigning from Participation

Supplier may notify PECO Energy of Supplier's intent to resign from participation in the Pilot by submitting to PECO Energy via certified mail a letter substantially similar to the following:

"**Supplier Name** hereby provides notice of intent to resign from the PECO Energy Customer Choice Pilot Program."

and signed by an officer of Supplier company.

Following notice of intent to resign, Supplier shall follow the customer drop process (refer to Section 4.5, Notification to PECO Energy of Dropped Customer) for all of Supplier's Participating Customers. Such drops shall be subject to the requirements of Section 4.2, Customer Choice Notification Cycle. All of Supplier's rights and obligations shall continue until 11:59 p.m. of the day on which the last of Supplier's Participating Customers are dropped, at which time Supplier's resignation shall become effective.

Supplier shall provide a minimum of 30 days advance notice to all of its Participating Customers that Supplier intends to resign from the Pilot before notifying PECO Energy of Supplier's intent to resign.

4. Customer Choice

4.1 Identification of Eligible Customers

4.1.1 Initial Notification to Suppliers

An electronic disk containing an ASCII file listing of the Eligible Customers will be provided to all licensed Suppliers not later than October 5, 1997. This Eligible Customers file will include customer information including 1996 summary usage information. Detailed historical usage and demand files, which will be sent to Suppliers as soon as practical after October 5, 1997, will include more detailed usage information consisting of 12 monthly usage values for Supplier's monthly metered customers and 17520 half-hourly usage values for Supplier's hourly metered customers (customers with meters that supply half-hourly readings of kW and power factor via remote communications). Refer to the Electric Generation Supplier Informational Appendices for the format of the Eligible Customers file and the detailed historical usage and demand files.

Suppliers may begin submitting files to PECO Energy on October 6, 1997 to identify Eligible Customers that have selected Supplier, using the process defined in Section 4.3, Customer Change Notification Process.

At or before the time that the Eligible Customers file is sent to Suppliers, typical load curves for all rate class/strata combinations (refer to Section 5 and the Electric Generation Supplier Informational Appendices) will also be provided to all licensed Electric Generation Suppliers. Refer to the Electric Generation Supplier Informational Appendices for the format of the Load Curves file.

If a sufficient number of PECO Energy customers do not volunteer in response to the initial solicitation, PECO Energy will open the Pilot for an extended enrollment period within specific rate classes that have not met the Pilot's participation goals. During this period, PECO Energy will send supplementary Eligible Customer files and Eligible Customer Usage files to all licensed Electric Generation Suppliers on a weekly basis.

4.1.2 Updates

Eligible customers who do not select an Electric Generation Supplier by the extended sign-up deadline, as prescribed by the Commission, will become ineligible for participation in the Pilot. PECO Energy will continue the lottery process to select eligible customers in order to ensure that the required target level of 5% of the non-coincident load for each rate class is reached. See Retail Access Pilot Rider, Pilot Rule 1.2.

4.2 Customer Choice Notification Cycle

PECO Energy customers are assigned to one of 21 billing routes, which define the monthly meter reading schedules for monthly metered customers and the monthly billing cycle for all customers. Notification of customer sign-up with Supplier, Participating Customer switching to Supplier from another Electric Generation Supplier, and the dropping of Participating Customers by Supplier on an individual basis or due to resignation of Supplier will be validated and processed on a calendar month basis and become effective for each customer based on the customer billing cycle according to the following notification cycle rules:

1. Notification may be submitted by Supplier to PECO Energy at any time.

2. PECO Energy will process the notification within five business days of receipt and will notify Supplier of acceptance or rejection of the notification.

3. Changes that are accepted not later than five business days before the end of a month (switching deadline) will be effective beginning on the customer's meter reading date in the following calendar month unless the change has been superseded by a subsequent valid change received from Supplier or another Electric Generation Supplier by the switching deadline. "Effective" means that:

   - If the change resulted in the customer becoming a Participating Customer of Supplier, the customer is accounted for in customer load forecasting, installed capacity obligation, import capability, load scheduling, and reconciliation for Supplier. If PECO Energy is performing customer billing for Supplier, Supplier portion is included in the bill created at the conclusion of the first full billing period after the change becomes effective.

   - If the change resulted in the Participating Customer no longer being served by Supplier (including the case where the Participating Customer was dropped because Supplier has notified PECO Energy of Supplier's intent to resign from the Pilot), the Participating Customer is no longer accounted for in customer load forecasting, installed capacity obligation, import capability, load scheduling, and reconciliation for Supplier.

Refer to the Electric Generation Supplier Informational Appendices for the Monthly Meter Reading Schedule covering the Pilot period.

The deadline for receiving Supplier's initial list of Participating Customers will be extended to October 27, 1997

4.3 Customer Change Notification Process

Customer sign-up with Supplier, Participating Customer switching to Supplier from another Electric Generation Supplier, and the dropping of Participating Customers by Supplier are subject to the general rules of Section 4.2, Customer Choice Notification Cycle, and will use the following process.

- Customer Change Notification files shall be submitted by Supplier to PECO Energy
- PECO Energy will process the Customer Change Notification and will provide a Customer Change Validation file to Supplier via e-mail (prior to November 1, 1997) or on the SUCCESS web-site (on or after November 1, 1997) after processing. The Customer Change Validation file will contain a list of the customer account numbers that passed the validation checks and a list of the customer account numbers that failed the validation checks.
- Supplier resubmission of corrected Customer Change Notification file entries will be treated as a new notification and will be subject to the rules of Section 4.2, Customer Choice Notification Cycle.
- Refer to the Electric Generation Supplier Informational Appendices for the required format and contents of the Customer Change Notification file and the format and contents of the Customer Change Validation file.

4.4 Notification to PECO Energy of Customer Sign-up

Customer sign-up associates an Eligible Customer to an Electric Generation Supplier. The customer sign-up process is the same for initial sign-up of new customers (customers that do not have an electric generation supplier at the time that sign-up occurs) and for switching a Participating Customer to a new Electric Generation Supplier.

Supplier shall notify PECO Energy of a customer sign-up by means of a Customer Change Notification data file. Beginning on November 1, 1997, these files should be transferred to the PECO Energy SUCCESS web-site. Before that date, these files should be sent to the PECO Energy Supplier Administration e-mail address given in the Electric Generation Supplier Informational Appendices. Customer Change Notification files will be processed in the order in which they are received at the PECO Energy Supplier Administration e-mail address or the SUCCESS web-site.

An Eligible Customer will be associated with Supplier upon successful completion of the following checks by PECO Energy:

- Eligible Customer account number is found in the PECO Energy list of eligible customers.
- Supplier has entered into agreement with PECO Energy to participate in the Pilot.
- Supplier is not delinquent on installed capacity obligation charges owed to PECO Energy.

Refer to the Electric Generation Supplier Informational Appendices for the required format of the Customer Change Notification file and for the format of the Customer Change Notification Validation file.

4.5 Notification to PECO Energy of Dropped Customer

Supplier shall notify PECO Energy by means of a Customer Change Notification file when a Supplier intends to drop a Participating Customer for any reason.

Supplier shall provide a minimum of 30 days advance notice to any Participating Customer that Supplier intends to drop.

4.6 Notification to Supplier of Changes to Customer Status

Two types of changes to customer status will be communicated to Supplier by means of the customer status files:

- Customer add - A customer add is initiated only by successful validation of the customer in a Customer Change Notification file received from a Supplier.
- Customer delete - A customer delete may be due to any of the following reasons:
  - Customer was dropped by Supplier
  - Customer has switched to another Supplier
  - Customer has been terminated.

The reason for the customer delete will not be reported in the customer status file.

Before November 1, 1997, the customer status files for Supplier will be transferred via e-mail to Supplier once each day that the file contains entries. After November 1, 1997, the customer status files for Supplier will be available for download from the SUCCESS Web-site by Supplier each day.

Refer to the Electric Generation Supplier Informational Appendices for the format of the customer status files.

4.7 Consequences of Participating Customer Change of Address

If a Participating Customer moves to another location in PECO Energy's service territory, the Participating Customer may retain its then current Electric Generation Supplier. The Participating Customer will receive a new PECO Energy account number for the new location from PECO Energy. Provided a Participating Customer has notified PECO Energy it desires to continue service with its then current Supplier, PECO Energy will notify Supplier of the Participating Customer's new account number and address within 5 business days of the start of service at the new location.

If a Participating Customer moves to another location in PECO Energy's service territory and does not choose to retain its then current Electric Generation Supplier, the Participating Customer will receive a new PECO Energy account number and will receive electric supply at the new location from PECO Energy. The Participating Customer, however, will revert to Eligible Customer status and be able to select any Electric Generation Supplier participating in the Pilot according to the sign-up process and timetable described in Section 4.3, Customer Change Notification Process.

See Retail Access Pilot Rider, Pilot Rule 9.

4.8 Supplier Contractual Arrangements

Supplier is responsible for retaining whatever documentation or other records it will require evidencing or memorializing its agreement with an Eligible Customer for supply. (See Retail Access Pilot Rider, Pilot Rule 1.4). At PECO Energy's request, Supplier shall promptly furnish copies of such documentation or other records, which PECO Energy anticipates it will only do to resolve disputes regarding competing claims by Electric Generation Suppliers to an Eligible Customer (See Retail Access Pilot Rider, Pilot Rule 1.3).

5. Customer Load Forecasting

The customer load forecasting process shall provide an estimate of Supplier's anticipated aggregate hourly customer load. The aggregate hourly load forecast shall define the hourly energy values for Supplier's wholesale energy deliveries to PECO Energy via PJM wholesale power scheduling policies and procedures.

5.1 Forecasting Methodology

5.1.1 Monthly Metered Customer Forecasts

PECO Energy will provide hourly load forecasts for Participating Customers with monthly metering equipment. PECO Energy has developed and will maintain, based on load survey data, load forecast categories corresponding to PECO Energy's current rate classes and strata within the rate classes. The weather-sensitive load curves of these rate classes/usage strata will be the mechanism for preparing the forecasts for the aggregate of Supplier's monthly metered Participating Customers in each rate class/usage strata, using hourly weather forecast data developed by an independent weather service.

Refer to the Electric Generation Supplier Informational Appendices for a description of the rate class and strata definitions.

5.1.2 Hourly Metered Customer Forecasts

Supplier shall provide hourly load forecasts for their Participating Customers with hourly or subhourly metering equipment. For purposes of these Policies and Procedures, "hourly or subhourly metering equipment" shall mean metering equipment that supplies half-hourly readings of kW and power factor via remote communications, and not metering equipment from which half-hourly or hourly demand readings may be obtained through on-site querying of the metering equipment.

5.1.3 Typical Load Curve Data

PECO Energy will make available to Suppliers the typical load curves (including weather sensitivity) that will be used for the Daily Forecasting Process. This information will be available on an ongoing basis for Supplier download from the SUCCESS web-site and will permit Supplier to develop forecasts for any future period using the same methodology as PECO Energy will use. Refer to the Electric Generation Supplier Informational Appendices for the format of the Load Curves file.

5.2 Daily Forecasting Process

5.2.1 Business Days and Scheduling Window

The daily forecasting process shall be performed on each business day. A business day is a weekday excepting PECO holidays. Refer to the Electric Generation Supplier Informational Appendices for a list of PECO holidays. The daily forecasting process shall be performed on each business day for a scheduling window consisting of all following days through the next business day.

For example, the daily forecasting process shall be performed Monday through Thursday (except holidays) for a scheduling window that covers the following day (midnight to midnight). If the following day is a holiday, then the scheduling window shall include the holiday and be extended to include the first business day following the holiday.

Similarly, the daily forecasting process shall be performed on Friday for a scheduling window consisting of the following Saturday, Sunday, and Monday. If the Monday is a holiday, then the scheduling window shall include the holiday and extend through the first business day following the holiday.

5.2.2 Process Description

The following process shall be followed on each business day:

Step 1:

PECO Energy will calculate the Supplier load forecast for each monthly metered rate class and strata by multiplying the weather-adjusted load curve for the appropriate day type by the number of Supplier's Participating Customers (including Participating Customers of any Coordinated Suppliers that have designated Supplier as their Scheduling Coordinator) in that rate class and strata and adjusting the hourly values upward by an amount necessary to cover line losses based on standard line loss percentages for the customer class to which each Participating Customer belongs. Refer to the Electric Generation Supplier Informational Appendices for the loss factors for each rate class. PECO Energy will post these load forecast values on the SUCCESS web-site by 7:00 a.m. of each scheduling day.

Step 2:

By 10:00 a.m. of the business day Supplier shall enter, via the SUCCESS web-site, the load forecast covering the scheduling window for each of Supplier's hourly metered Participating Customers and for each hourly metered Participating Customer of any Coordinated Suppliers that have designated Supplier as their Scheduling Coordinator. Forecasts for hourly metered Participating Customers should include estimated losses based on PECO Energy-furnished loss factors for each rate class. Refer to the Electric Generation Supplier Informational Appendices for the loss factors for each rate class.

If Supplier fails to enter a load forecast for any of required hourly metered Participating Customers by 10:00 a.m., PECO Energy will use Supplier's previously entered values for the most recent day of the same day type. If no previous values exist for the appropriate similar day for an hourly metered Participating Customer, the load forecast for that Participating Customer will be set to zero.

Step 3:

PECO Energy will accept or reject the Supplier load forecast via the SUCCESS web-site by 11:00 a.m. If PECO Energy Supplier Administration personnel determine that a forecast is going to be rejected and conditions permit, then a PECO Energy Supplier Administration staff member will attempt to contact Supplier to explain the reason for rejection and resolve forecast problems. If the reason for rejecting Supplier load forecast values or changes cannot be resolved by 12:00 noon, the scheduling process will continue using the PECO Energy forecast values.

5.3 Real-Time Load Following

To the extent Supplier has installed and pays for the necessary metering and telecommunications equipment for actual load following, Supplier may follow such Participating Customers' load. To the extent that Supplier's total supply is for such Participating Customers, Supplier shall be obligated to follow such Participating Customers' loads on a real-time basis.

For real-time load following, Supplier will have special obligations with respect to both PECO Energy and PJM that must be dealt with on a case-by-case basis to ensure operational integrity. Supplier shall work cooperatively with PECO Energy to address the technical and operational issues posed by real-time load following as the need arises.

5.4 Adequacy of Forecast

Supplier agrees that PECO Energy's forecast for monthly metered Participating Customers will be used for scheduling and will be adequate for this purpose. Supplier's remedies for any claimed deficiency in PECO Energy's forecast for monthly metered Participating Customers shall be either to:

1. Arrange for PECO Energy to install hourly metering equipment at Participating Customer's premises at Supplier's expense in order that the Participating Customer can subsequently be forecasted and reconciled as an hourly Participating Customer, or

2. Enter into a joint load study with PECO Energy at Supplier's expense to develop new load curves.

6. Load Scheduling

The net load schedule for Supplier shall be equal to the aggregate forecast value for all of the monthly metered and hourly metered Participating Customers of Supplier and any Coordinated Suppliers that have designated Supplier as their Scheduling Coordinator. In accordance with PJM requirements, which require the scheduling and delivery of power only in whole MW, PECO Energy will round the aggregate forecast value for each hour to a whole MW value for load scheduling purposes according to the following rules:

- If the aggregate forecast value for an hour is less than 1.0 MW, the value will be rounded to 1 MW
- If the aggregate forecast value for an hour is greater than 1.0 MW, the value will be rounded downward to the nearest whole MW if the decimal portion is less than 0.5.
- If the aggregate forecast value for an hour is greater than 1.0 MW, the value will be rounded upward to the nearest whole MW if the decimal portion is greater than or equal to 0.5.

6.1 Daily Load Scheduling Process

Refer to Section 5.2.1 for a description of the business days on which load scheduling shall be performed and the time window for scheduling.

PECO Energy will upload the load schedule for the scheduling window to PJM by 12:00 noon on each business day. Supplier is responsible for confirming the load schedule using the PJM eScheduler system.

6.2 Load Schedule Changes

Supplier may initiate changes to the load schedule using the PJM eScheduler function. It is the responsibility of Supplier to make any necessary changes and notify PECO Energy via telephone that changes have been made and the reason for the changes. PECO Energy will make reasonable efforts to review and, if the reason for the changes are determined by PECO Energy to be operationally valid, confirm the load schedule changes using the PJM eScheduler function within one hour of the time that Supplier notifies PECO Energy of the change. In the absence of confirmation by PECO Energy, the prior load schedule value will remain in effect.

Because PJM has imposed a cut-off time for accepting load schedule changes, Supplier is encouraged to initiate any necessary changes and notify PECO

Energy well before the cut-off time to increase the likelihood that the changes will be accepted.

6.3 Load Scheduling through a Scheduling Coordinator

Load schedules will not be submitted to PJM independently for Coordinated Suppliers. The load schedules submitted to PJM by a Supplier serving as a Scheduling Coordinator shall satisfy the load requirements for the Supplier and any of its Coordinated Suppliers. Changes to such load schedules may be initiated only by the Supplier serving as the Scheduling Coordinator.

7. Other Scheduling

7.1 Installed Capacity Obligation

7.1.1 Installed Capacity Concepts

As a member of the PJM Power Pool, PECO Energy is obliged to provide capacity reserves to maintain pool reliability. These reserves are intended to cover factors such as load forecast uncertainty, random unit forced outages and planned unit maintenance. The obligated reserves are a fixed percent above the PECO Energy system weather-normalized summer peak load after adjustment for intra-pool load diversity. PECO Energy must meet this megawatt obligation every day of the year.

PECO Energy's PJM capacity obligation has been fixed through May 31, 1999. This obligation is based on all the load within the current PECO Energy electric distribution company (EDC) service territory. By assuming responsibility for serving part of that load, Supplier shall also assume the portion of PECO Energy's capacity obligation that is associated with the transferred load. To accomplish this purpose, all Electric Generation Suppliers must enter into Installed Capacity Obligation Allocation Agreement with PECO Energy.

7.1.2 General Approach to Supplier Capacity Obligation

A portion of PECO Energy's capacity obligation shall be shifted to Supplier based on the aggregate contribution of Supplier's Participating Customers to the PECO Energy EDC weather-normalized annual peak load. On a monthly basis, PECO Energy will inform Supplier of its megawatt capacity obligation for each day of the upcoming month. This obligation can change daily, but is determined by PECO Energy once a month because, after the switching deadline, the number and the type of Participating Customers Supplier has for each day of the following month will be known. Supplier shall nominate capacity to meet the average monthly obligation and the PJM Office of the Interconnection (PJM OI) will determine whether the nominated capacity qualifies for PJM capacity credit. If it qualifies, PECO Energy will include that capacity in its resources to meet the obligation of the aggregate EDC territorial load. If Supplier fails to procure sufficient capacity that qualifies for PJM credit to meet its obligation, PECO Energy will charge Supplier for the deficiency at the prevailing PJM capacity deficiency rate. PECO Energy may also charge Supplier for unavailability of qualified capacity resources.

7.1.3 Procedure

1. PECO shall specify typical summer peak day weather conditions.

2. PECO shall classify the retail customers in its service territory into a number of customer classes on the basis of load, and for each such class shall develop a 24-hour load curve which is representative of the usage, adjusted for losses, of a typical customer in such class under typical summer peak day weather conditions.

3. Based on the 24-hour load curves, PECO shall determine the kilowatt load of a typical customer in each class at the time of the PECO service territory summer peak. If individual customer load data is available and appropriate for certain Retail access customers, that data will be used in place of typical load curves

4. The Retail access customers to be served by Supplier can change from day to day. Prior to the start of each month, PECO shall ascertain for each day of the month the number of Retail access customers in each class that Supplier is committed to serve. Using the data developed in Step 3, PECO shall separately calculate for each day of the month the aggregate load at the time of the PECO summer peak of the entire group of Retail access customers which Supplier is committed to serve on that day.

5. PECO shall determine the average for the month of the individual daily results from Step 4.

6. PECO shall multiply the result from Step 5 by (1+ PECO reserve requirement) to determine the kilowatt capacity obligation of Supplier which shall apply for each day of the month.

   a) Between 1 November 1997 and 31 May 1998, the factor (1+PECO reserve requirement) = 1.2039

   b) Between 1 June 1998 and 31 December 1998, the factor (1+PECO reserve requirement) = 1.2054.

7. By 5:00 p.m. on the third business day before the start of the month, PECO shall inform Supplier of its daily kW capacity obligation for the month as determined in Step 6.

8. To meet its capacity obligation, Supplier shall nominate capacity resources which it owns or to which it has appropriate contractual rights, in whole megawatt increments, by direct communication to PECO no later than 10:00 am of the day on which it desires the capacity credit of the resource to become effective, or if the desired effective date is a holiday or weekend, by no later than 10:00 am of the last regular work day prior thereto. Supplier may change its nominations from time to time in the same manner. Consistent with reporting procedures promulgated by the PJM OI, Supplier shall also provide PECO with all necessary information in accordance with

PJM capacity rules and guidelines, both initially and on a continuing basis. This information includes, but is not limited to, the following:

For specific unit resources located outside the PJM Control Area

- Unit historical performance data
- Daily unit availability
- *Demonstration of firm transmission service rights to deliver capacity to* PJM border

For system *resources located outside the* PJM *Control Area*

- System average historical performance data
- Demonstration of firm transmission service rights to deliver capacity to PJM border

For specific unit resources located within the PJM Control Area

- Daily unit availability

For system resources located within the PJM Control Area (resources such as "slice-of-system installed capacity credits", which are covered by specific unit resources of the system owner which are already receiving installed capacity credit in PJM accounting, and for which the system owner retains all responsibility for unit operation and unavailability)

- MW rating of resources and identity of system owner

9. PECO shall communicate Supplier's capacity resource nominations to the PJM OI. Supplier shall be responsible for resolving any discrepancies between its nominations of resources and the corresponding reports submitted to the PJM OI by the sellers of such resources.

10. Pursuant to the LLC Agreement and its procedures thereunder, the PJM OI assesses the deliverability of nominated resources and determines whether, and to what extent, they qualify as installed capacity for PJM accounting. The PJM OI credits PECO's installed capacity account for all resources that qualify.

11. PECO shall notify Supplier of the capacity value determined for Supplier's nominated resources by the PJM OI.

12. For purposes of this Agreement, PECO shall reduce the capacity value of Supplier's capacity resources from the value determined by the PJM OI

based on the daily availability of Supplier's individual capacity resources. The capacity value of a specific resource determined by the PJM OI shall be reduced by 50% for accounting purposes on any weekday (excluding holidays as prescribed by the PJM OI) when the resource is unavailable at the time of the PJM peak, except that the capacity value of a specific resource shall be zero for accounting purposes on any day (including weekends and holidays) when the resource is on a planned or maintenance outage during a Peak Season as defined pursuant to the LLC Agreement. These capacity reductions will be measured in kilowatts.

13. On every day that the Supplier's capacity value determined in Step 12 is less than its capacity obligation determined in Step 6, PECO shall charge Supplier an amount equal to the difference between its capacity and obligation in kW multiplied by $0.16 per kW.

14. PECO shall bill Supplier monthly for the sum of the charges in Step 13.

15. Supplier agrees to adhere to and abide by all applicable policies, rules and guidelines contained in the LLC Agreement or promulgated thereunder which relate to the nomination of installed capacity, the determination of capacity value of nominated resources for installed capacity accounting purposes, the operation of resources which are accorded capacity credit, and the reporting of status and other information regarding such resources. Such policies, rules and guidelines include, but are not limited to, those pertaining to:

    - Peak Period Maintenance Penalty
    - Discounting of capacity credit for sources outside of the PJM Control Area
    - Advance reporting of installed capacity changes (60 days or such shorter time period prior to the effective date and consistent with the ability of the PJM OI to evaluate requests for Network Transmission Service or designation of Network Resources)
    - Daily submission of price offers to the PJM OI for scheduling and dispatch of capacity resources

16. Supplier agrees to provide PECO upon request a copy of any contract pursuant to which Supplier claims the right to nominate capacity. Such copies may have price terms redacted.

The installed capacity obligation calculated for a Supplier serving as a Scheduling Coordinator will be based on the load requirements of Supplier and all of its Coordinated Suppliers. The firm capacity resources submitted by a Supplier serving as a Scheduling Coordinator shall include the resources required to cover the installed capacity obligation corresponding to the Participating Customer load requirements of Supplier and all of its Coordinated

Suppliers. PECO Energy will charge the Scheduling Coordinator for any failure to meet the total capacity obligations of the Scheduling Coordinator and all of its Coordinated Suppliers.

The actual terms and conditions governing the respective rights and responsibilities of PECO Energy and Supplier with respect to installed capacity are in the Installed Capacity Obligation Allocation Agreement.

7.2 PJM Import Capability

PJM operates the regional transmission system and sets the Available Transfer Capability (ATC) and Total Transfer Capability (TTC) for interchange transactions into and out of PJM. The portion of TTC allocated to PJM members as network transmission service on the PJM jointly-owned transmission network is called Net Import Capability. PJM allocates the Net Import Capability among load-serving entities on a load ratio share basis and posts each company's allocated percentage on the PJM OASIS.

PECO Energy will sub-allocate its Net Import Capability to Supplier in proportion to the ratio of Supplier's forecast peak load to the total PECO Energy EDC forecast peak load on each business day for the scheduling window (refer to Section 6). Supplier shall be eligible to schedule imports into PJM up to its Net Import Sub-Allocation.

Supplier may apply directly to PJM through the PJM Open Access Same-Time Information System (OASIS) for additional non-firm point-to-point transmission service to support imports if needed by Supplier. PJM shall continue to be the final arbiter of whether or not such service is available at any time.

The Net Import Sub-Allocation calculated for a Supplier serving as a Scheduling Coordinator will be based on the forecast load requirements of Supplier and all of its Coordinated Suppliers.

8. Reconciliation

8.1 General Reconciliation Concepts

The reconciliation process shall account for mismatches between the load obligation that was scheduled for a Supplier's Participating Customers and the energy that was actually used by those Participating Customers. Calculation of reconciliation mismatch values will be performed after-the-fact by PECO Energy for all Suppliers (except Coordinated Suppliers) with Participating Customers in the PECO Energy service territory.

Under the terms of the Pilot, PECO Energy and Suppliers recover their costs for the mismatch energy at the prevailing PJM Wholesale Hourly Market Clearing Price (MCP). PJM will perform calculations to determine the monetary value of reconciliation mismatch values and will bill for the monetary value through the PJM grid accounting system.

Reconciliation is distinguished from energy imbalance service, a related process that will be managed and accounted for by PJM. Energy imbalance service results in the development of charges or credits for which Electric Generation Suppliers will be responsible within the PJM grid accounting system due to the difference between an Electric Generation Supplier's scheduled energy obligation and that Electric Generation Supplier's scheduled supply. Energy imbalance service will be provided in real-time and accounted for after-the-fact by PJM for all Electric Generation Suppliers (except Coordinated Suppliers) in the Pilot.

8.2 Reconciliation Process

The reconciliation process is driven by existing PECO Energy retail customer meter data collection processes. Meter data for customers with monthly meters is collected in subsets corresponding to customer billing cycles (billing routes), which close on different days of the month. To reconcile energy mismatches on an hourly basis, monthly-metered usage must be converted to equivalent hourly usage. Rate class/strata load curves adjusted for actual weather values will be applied to metered usage to derive an estimate for the hour-by-hour usage. Calculations to determine usage for customers with hourly meters are also performed monthly on a billing route basis. Thus, it requires at least one month to collect data from all of the meters that measured the energy consumed by all customers in a particular day. In general, on each day that new metered-usage data is posted, one or more days in the previous month will become "fully metered."

8.2.1 Daily Reconciliation

Each business day that new fully metered days are available, PECO Energy will determine hourly reconciliation mismatch values for that portion of the previous month's usage corresponding to new fully metered days. This information will be posted on the SUCCESS web-site to enable Suppliers and PECO Energy to track the day-by-day buildup toward the monthly reconciliation billing that will be performed by PJM.

The following calculations will be used to determine the reconciliation mismatch amounts:

Step 1:

Monthly-metered Participating Customers' actual usage (the billing usage reported by PECO Energy) will be spread over each hour in the usage period based on each customer's weather-adjusted hourly usage curve using actual hourly weather data for the usage period. The monthly-metered customer's weather-adjusted usage by hour will be multiplied by the loss factor determined by Participating Customer rate class to determine the Participating Customer's gross usage by hour.

Each hourly-metered Participating Customer's hourly usage will be multiplied by a loss factor determined by Participating Customer rate class to determine the Participating Customer's gross usage by hour.

Step 2:

The gross hourly usage amount for each Participating Customer will be aggregated by Supplier to arrive at a total gross customer usage amount by hour by Supplier. This aggregation will account for usage of Coordinated Suppliers' Participating Customers.

Step 3:

The hourly reconciliation mismatch value for each hour will be calculated by subtracting the Supplier hourly total gross customer usage amount from the hourly load schedule submitted to PJM for that Supplier, including the effect of any confirmed changes to the load schedule entered before the PJM accounting deadline.

Step 4:

The hourly reconciliation mismatch values will be posted on the SUCCESS web-site. Refer to the Electric Generation Supplier Informational Appendices for the contents and format of the Daily Reconciliation Data file.

8.2.2 Monthly Reconciliation

By the third business day after a calendar month becomes fully metered, PECO Energy will compute and post the complete hourly reconciliation mismatch data for the entire month to the SUCCESS web-site. Refer to the Electric Generation Supplier Informational Appendices for the contents and format of the Monthly Reconciliation Data file.

By the third business day after a calendar month becomes fully metered, PECO Energy will also transfer the monthly reconciliation mismatch data to PJM. PJM will multiply the Supplier hourly reconciliation energy amount by the corresponding hourly Market Clearing Price (MCP) to calculate the Supplier reconciliation dollar amounts for each hour. PJM will include the Supplier reconciliation dollar amounts in the monthly PJM bills to Supplier.

9. Customer Billing

9.1 General Customer Billing Concepts

9.1.1 Customer Billing by PECO Energy

If requested by Supplier, PECO Energy will act as agent for Supplier to perform customer billing for the energy charges of a Supplier's Participating Customers in some or all rate classes. This billing service is limited to energy charges only and excludes all other types of billing services, including, but not limited to, collection of deposits for Supplier, crediting Supplier rebates of any kind, or administering and billing Supplier payment agreements.

If Supplier chooses to have PECO Energy act as agent for Supplier to perform customer billing, Supplier may subsequently elect to cease having PECO Energy perform customer billing by following the notification process described in Section 9.2. If Supplier ceases to have PECO Energy perform customer billing, PECO Energy will not subsequently resume performing customer billing for Supplier during the Pilot.

If Supplier does not initially choose to have PECO Energy act as agent for Supplier to perform customer billing, Supplier may subsequently elect to have PECO Energy perform customer billing for the remainder of the Pilot by following the notification process described in Section 9.2.

9.1.2 Participating Customer Billing by Supplier

If Supplier does not request PECO Energy to perform customer billing for the energy charges of Supplier's Participating Customers of all rate classes within PECO Energy's service territory, Supplier may perform or arrange to have performed customer billing for the energy charges of all of its Participating Customers in the remaining rate classes within PECO Energy's service territory.

Supplier shall not be entitled to undertake the obligation to bill Participating Customers for PECO Energy's charges for distribution and transmission service and for transition or stranded costs, or any other PECO Energy charges.

9.1.3 Meter Data Provided by PECO Energy to Supplier

Regardless of whether PECO Energy or Supplier performs customer billing for Supplier's energy charges, PECO Energy will make available to Supplier, via the SUCCESS web-site, daily files containing meter readings, usage, registered demand (where applicable), and reading type information (i.e., actual or estimated) about each of Supplier's Participating Customers.

Refer to the Electric Generation Supplier Informational Appendices for the format of the Customer Usage/Read Data file.

9.2 Customer Billing by PECO Energy

In order for PECO Energy to perform customer billing for a Supplier's customers, Supplier shall request this service from PECO Energy via certified mail. The notification shall specify that PECO Energy is authorized to perform customer billing for Supplier and shall be accompanied by a complete Customer Billing Parameters file. Billing will begin for Participating Customers according to the conditions of Section 9.2.2, Billing Notification Cycle and Process.

In order for PECO Energy to cease performing billing for a Supplier's Participating Customers, Supplier shall request this from PECO Energy via certified mail. The notification shall request that PECO Energy cease performing customer billing for Supplier. Billing will end according to the conditions of Section 9.2.2, Billing Notification Cycle and Process.

9.2.1 Billing Formats

Standard billing formats that PECO Energy offers to Suppliers are as follows:

1. Dollars per kWh
2. Dollars per kWh
   Dollars per kW
3. Fixed dollars per month per rate class.

Fixed dollars per month is a new billing format introduced for the Pilot. Supplier assignment of the remaining billing formats to rate classes shall be consistent with PECO Energy's current billing restrictions as filed in PECO Energy's current tariffs.

Supplier may specify a different billing format for use in billing for its Participating Customers in each rate class. Supplier may also specify that PECO Energy exclude Supplier-designated rate classes from customer billing by PECO Energy for Supplier's charges.

9.2.2 Billing Notification Cycle and Process

In order for PECO Energy to perform customer billing for Supplier, Supplier shall request this service from PECO Energy and shall submit billing formats and prices via the Customer Billing Parameters file as defined in the Electric Generation Supplier Informational Appendices. Billing formats and prices are required for all rate classes, even if Supplier does not have Participating Customers in all rate classes.

PECO Energy customers are assigned to one of 21 billing routes, which define the monthly meter reading schedules for monthly metered customers and the monthly billing cycle for all customers. Notification of changes to customer billing service or parameters will be validated and processed on a calendar month basis and become effective for each customer based on the customer billing cycle according to the following notification cycle rules:

1. Notification may be submitted by Supplier to PECO Energy at any time.

2. PECO Energy will process the notification within five business days of receipt and will notify Supplier of acceptance or rejection of the notification.

3. Changes that are accepted before the switching deadline will be effective beginning on the customer's meter reading date in the later of either the following calendar month or the calendar month specified in the notification. "Effective" means that:

   - If PECO Energy is performing customer billing for Supplier and the notification is for changes to billing format or price, the billing format or price apply to subsequent energy usage for the Participating Customer.

   - If PECO Energy was previously not performing customer billing for Supplier and the notification is a request for PECO Energy to begin performing customer billing for Supplier, the billing will account for subsequent energy usage by the Participating Customer.

   - If PECO Energy was previously performing customer billing for Supplier and the notification is a request for PECO Energy to cease performing customer billing for Supplier, subsequent energy usage by the Participating Customer will not be billed by PECO Energy for Supplier.

Refer to the *Electric Generation Supplier Informational Appendices* for the Monthly Meter Reading Schedule covering the Pilot period.

Notification by Supplier of changes to customer billing service or parameters will use the following process:

1. Customer Billing Parameters files may be submitted by Supplier to PECO Energy at any time.

2. PECO Energy will process the Customer Billing Parameters file and will post a Customer Billing Parameters Validation file on the SUCCESS Web-Site following processing. The Customer Billing Parameters Validation file will

include the submitted data and the status of the submitted data (accepted or rejected).

Supplier resubmission of corrected Customer Billing Parameters files is treated as a new notification Only one valid Customer Billing Parameters file will be accepted during any period between the switching deadline of a month and the switching deadline of the following month.

PECO Energy shall not be responsible for billing errors resulting from incorrect price information received from Supplier.

Refer to the Electric Generation Supplier Informational Appendices for the required format and contents of the Customer Billing Parameters file and the format and contents of the Customer Billing Parameters Validation file.

9.2.3 Monthly Customer Billing Process

If PECO Energy is providing billing for Supplier, then on the day that PECO Energy normally prepares its bill for a Participating Customer, PECO Energy will include the following billing line items for Supplier on the Participating Customer's bill:

- Generation Energy Charge ($)
- Generation Demand Charge ($) (if billing format 2 is selected by Supplier)

State sales tax for Supplier's new charges will also be calculated and included in the total state sales tax line item of the Participating Customer bill. State sales tax will be collected by PECO Energy as agent for Supplier and paid directly to the Commonwealth of Pennsylvania. Documentation of said payment will be provided to Supplier. This policy is under review by PECO Energy with possible revision by the end of the first quarter of 1998.

9.2.4 Collections and Remittances to Supplier When PECO Energy is Providing Supplier Billing

If payment made by a Participating Customer for whom PECO Energy is providing billing for the Participating Customer's Supplier is less than the total owed, PECO Energy will follow the order of payment prescribed in Pilot Rule 5 of PECO Energy's Retail Access Pilot Rider.

If a Participating Customer switches to a new Electric Generation Supplier, PECO Energy will, subject to the order of applying payments described in Pilot Rule 5 of PECO Energy's Retail Access Pilot Rider, apply subsequent remittances from Participating Customer to the previous Electric Generation Supplier until the balance due to the previous Electric Generation Supplier is satisfied, or until 60 days have elapsed from the due date of the last bill that included new charges due to the previous Electric Generation Supplier, whichever occurs first.

PECO Energy assumes no responsibility for assessing late payment charges for Supplier's charges or for collection from Participating Customers who are delinquent in their obligations to Supplier. PECO Energy shall have no liability for uncollected Supplier charges.

All payments from PECO Energy to Supplier will be via electronic funds transfer.

9.2.5 Customer Financial Adjustment Data

Once per business day, PECO Energy will prepare a Customer Financial Adjustment Data file for Supplier to summarize amounts billed and posted on Supplier's behalf for Suppliers' Participating Customers. Refer to the Electric Generation Supplier Informational Appendices for the format of the Customer Financial Adjustment Data file.

10. Supplier Billing

10.1 Supplier Billing for Obligations to PECO Energy

Once per month PECO Energy will prepare and submit a billing statement to Supplier for any installed capacity deficiency. The PECO Energy Supplier Administration Group will issue all Supplier billing statements by the end of the third business day of each month unless data are missing or other problems prevent such issuance. In such circumstances, PECO Energy will notify the Supplier via e-mail and PECO Energy will issue the billing statement as soon as possible.

10.2 Payment Terms

The standard payment and credit terms applicable to Rate HT Customers, as set forth in Rules 5 and 17 of PECO Energy's Tariff Electric PA.P.U.C. No. 2, shall apply to Supplier.

10.3 Remittance Method

All remittances from Supplier to PECO Energy shall be by electronic funds transfer to the account listed in the Electric Generation Supplier Informational Appendices

10.4 Billing for Supplier Obligations to Other Parties

PECO Energy will assume no responsibility for billing between Supplier and PJM, Supplier and any energy source, or a Scheduling Coordinator and any Coordinated Suppliers.

DOCUMENT FOLDER

PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIPT

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

KJR.

DATE 1/15/98
RECEIPT # 193924

PG&E ENERGY SERVICES
353 SACRAMENTO ST
SAN FRANCISCO, CA 94111

DOCKETED
JAN 23 1998

RECEIVED
98 JAN 16 AM 9:17
PA. P.U.C.
PROTHONOTARY'S OFFICE

IN RE: Application fees for PG&E ENERGY SRVS TO SUPPLY ELECTRICITY
Docket Number A-110049.............................. $350.00

REVENUE ACCOUNT: 001780-017601-102

CHECK NUMBER: 4374
CHECK AMOUNT: $350.00

C. Joseph Meisinger
(for Department of Revenue)

392

Via Regular Delivery

PG&E Energy Services

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98 APR 23 AM 9:17

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PROTHONOTARY'S OFFICE

DOCUMENT FOLDER

April 20, 1998

James J. McNulty
Secretary of State
Commonwealth of Pennsylvania
P. O. Box 3265
Harrisburg, PA 17105-3265

A-110049

Re: Address of PG&E Energy Services Corporation

Dear Sir or Madam:

PG&E Energy Services Corporation is a registered energy service provider in the state of Pennsylvania. The correct address for the corporation is:

345 California Street, Suite 3200
San Francisco, California 94104
Phone: (415) 477-4500
Fax: (415) 733-4950

Please do not hesitate to contact me at (415) 733-4747 if you have any questions regarding this information.

Sincerely,

Joan Searls

Joan Searls
Legal Assistant

PG&E Energy Services is not the same company as Pacific Gas and Electric Company, the utility. PG&E Energy Services is not regulated by the California Public Utilities Commission; and you do not have to buy PG&E Energy Services' products in order to receive quality regulated services from Pacific Gas and Electric Company, the utility.

PG&E Energy Services

ORIGINAL

April 23, 1998

DOCKETED
MAY 06 1998

James J. McNulty
Pennsylvania Public Utility Commission
Harrisburg
PA 17105

DOCUMENT FOLDER

Dear James:

Re: Docket #: A-110049

Please make a note in your records of our new address as follows:

PG&E Energy Services
345 California Street, 32nd Floor
San Francisco, CA 94104

Tel: (415) 733-4500
Fax: (415) 733-4950

145158

KJR

98 APR 28 AM 8:43
RECEIVED
PROTHONOTARY'S OFFICE

If you have any questions, give me a call at (415) 733-4589.

Sincerely,

Jennifer Chamberlin

Jennifer Chamberlin

PG&E Energy Services is not the same company as Pacific Gas and Electric Company, the utility. PG&E Energy Services is not regulated by the California Public Utilities Commission; and you do not have to buy PG&E Energy Services' products in order to continue to receive quality regulated services from Pacific Gas and Electric Company, the utility.

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