

2008
MARYLAND STANDARD OFFER SERVICE
REQUEST FOR PROPOSALS FOR
FULL REQUIREMENTS WHOLESALE ELECTRIC POWER SUPPLY

QUESTIONS AND ANSWERS

Q1. If a supplier was qualified to bid in the 2007 MD SOS RFP for Type II service, do any additional documents need to be submitted for the December 1, 2007 and March 1, 2008 contract periods for Type II service?

A1. No. Suppliers who submitted eligibility documents, and were approved to bid under the 2007 procurement process, are not required to re-qualify for bidding on Type II contracts in the October 2007 and January 2008 procurements.

However, bidders interested in bidding on Type I, Residential, and Type II contracts (June and September 2008 contract periods for Type II) must submit new eligibility documents for the 2008 procurement process.

Q2. I am a retail supplier and I am not interested in bidding on the RFP, however I would like to request access to the RFP documents.

A2. Per Article 7 of the RFP, Retail Suppliers that meet the terms outlined below, will be granted access / issued a password upon request.

Article 7. RFP Website

“Information related to this RFP will be posted on Utility RFP website at [utility website address]. This website will be accessible by those parties submitting an Expression of Interest Form or retail electricity suppliers that have been qualified by Utility to provide retail electric supply services in Utility’s service territory pursuant to Utility’s Electricity Supplier Coordination Tariff.”

Q3. Will MS Word versions of the RFP documents be released in order to facilitate submission of completed paperwork?

A3. The appendices to Allegheny’s RFP document and exhibits to the FSA are located on Allegheny Power’s website link “Maryland SOS RFP Information – June 2008 and Beyond Contracts”, under “Word Format Documents”.

BGE has posted word versions under the 2008 Due Diligence - Process Documents section of the BGE website.

Pepco and Delmarva electronically send out documents once an applicant has expressed interest. Additional forms are also posted on their websites.

Q4. If we choose an Alternate LOC, will a word document version of the LOC be sent to us so that we can submit changes? Also, does choosing Alternate LOC lock us into using the LOC and prevent us from using cash if the need arises?

A4. Yes, a Word version of the standard LOC will be provided upon request. If you choose to submit an Alternate LOC, the acceptability of such Alternative LOC form will be at Utility's sole discretion, and such acceptability will be communicated to you no later than the time indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status. Submitting an Alternative LOC does not preclude you from using cash collateral if the need arises.

Q5. What may cause the Maryland PSC not to approve bids? How much discretion do they have?

A5. The utilities are required to reject bids if the Price Anomaly Threshold comparison described in the RFP so dictates. This would occur on bid night, and hence is not a routine consideration at the Commission's hearing on the bid results. The Phase I Settlement at, e.g. Paragraph 9, approved by the Commission in Case No. 8908 states that the Commission may reject bids if it determines that the prescribed bidding procedures were not followed. This has never occurred.

Q6. The rules indicate that there is a "Public Hearing for Commission's review of results" – who exactly attends? Is it truly a "Public Hearing" open to the general public?

A6. The Public Hearing for Commission's review of results is a public hearing open to the general public and announced on the Commission's website (e.g. follow link below and see "Notice of Hearing" dated 2/8/07. During the course of the hearing, the Commission receives testimony from the Technical Consultant and PSC Staff concerning the conduct and results of the bidding. For an example of the testimony presented at past public hearings, visit the following website, and search Case No. 9064, <http://webapp.psc.state.md.us/Intranet/CaseNum/CaseForm.cfm>.

Q7. The rules indicate that certain information related to winning bidders and their awarded bids will be made public. What information will be made public, and when will it be made public?

A7. Pursuant to Section 7-510(c)(4)(ii)(5) of the Maryland Public Utilities Code, "The investor-owned electric company shall publicly disclose the names of all bidders and the names and load allocation of all successful bidders 90 days after all contracts for supply are executed."

Q8. Regarding bids: if a supplier submits a single bid spreadsheet offering to supply 10 bid blocks at price X, can the MD PSC award the supplier ANY number of bid blocks - up to 10 – at price X bid spreadsheet submitted? Or would the supplier be awarded either all 10 bid blocks at price X, or no bid blocks at all?

A8. If other bidders submit lower prices, but fewer bid blocks, the remaining bid blocks will go to the next lowest bidder. For example, if there are lower bids for 5 blocks, you will be awarded the remainder (5) if you are the next lowest bidder. Note that the MD PSC does not "award" the winning contracts. The winners are determined by the utilities, under the

supervision of the MD PSC Staff and its independent bid monitor, and then the MD PSC reviews the utilities' contract awards.

Q9. The FSA indicates that to comply with Maryland Environmental Disclosure Requirements, the Seller must provide to Buyer generation resources used to supply Full Requirements Service, including fuel mix and environmental data within GATS. Exactly what information does a supplier need to disclose? Other than the Renewable Energy Obligation set forth in Exhibit B, are there any other environmental requirements (such as minimum / maximum standard fuel mix)?

A9. Seller must meet the criteria of Tier 1 and Tier II Renewable Energy Credits ("REC's") as defined in Subtitle 7 of the Maryland Public Utility Companies Article, as amended from time to time. The amount of REC's needed is the product of the total generation supplied, times the percentage obligation noted in Exhibit B.

At this time, there are no additional environmental requirements beyond those specified in Exhibit B of the FSA.

Q10. In the FSA, under the definition for "Letter(s) of Credit", it is indicated that "if the issuing bank's Current, Quick, Return on Assets, or Price/Earnings ratios diminish (reflecting the financial stability of the bank); or if the Party determines, for any reason, that the issuing bank's position has deteriorated, then the Party has the right to demand and receive, from the applicant for the Letter of Credit, that the Letter of Credit be reissued from a bank that meets or exceeds the credit ratings and asset valuation listed above." This language seems quite subjective – can you provide any more specifics as to how such evaluations will be made?

A10. It is quite subjective, but the sentence below is the initial criteria we use to monitor the bank in credit -

“a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a credit rating of at least A- from S&P or A3 from Moody's and a minimum of \$10 billion in assets, in a form acceptable to the Party in whose favor the letter of credit is issued”

If there is a material change we would delve further into the financials/ratios to assess the bank's creditworthiness. But basically, it will come down to the ratings and assets; should either fall below the threshold, we are going to ask them to reissue from another bank.

Q11. Please confirm that payments to Maryland SOS suppliers will be made by multiplying their respective \$/MWH bid rate with the "Load without Losses" volume, which is reported through PJM eSchedules as the "Interchange" report titled "Load eSchedules With and Without Losses," reconciled for inadvertent energy etc.

A11. Payments to Maryland SOS suppliers will be made by multiplying their respective \$/MWH bid rate by the energy use at the retail meter. This is not the same number

reported by PJM as the "Load without Losses" volume. This value has Marginal losses removed from the PJM e-schedule reported by the EDC. The energy use at the retail meter is the PJM e-schedule with both transmission and distribution losses removed.

These loss factors are provided respective to each service voltage classification on the RFP web-site.

Q12. On Exhibit A (Transaction confirmation), there is a line that reads as follows: Base PLC per Bid Block (Used for determination of Monthly Settlement Increment Load). The way I am reading this contract, I expect that there will be a volume inserted in that space. This volume appears to be the basis for the MtM calculation that the Buyer will be performing to calculate exposure. Is this correct?

A12. There will be a date inserted in the space indicated on the Transaction Confirmation letter for Type I and Residential contracts. This date will be the first day of the delivery period which is when the Base PLC Per Bid Block is determined. The current Base PLC per Bid Block will be inserted for Type II contracts. The Base PLC per Bid Block is the initial PLC for determination of the Volumetric Risk Mechanism as is more fully discussed in Section 6.2, Base Load and Increment Load Percentages, of the Full Requirements Service Agreement. The Base PLC per Bid Block is not used in the MtM calculation.

Q13. Regarding your answer to question Number 7: Where is this information located pertaining to last year's solicitation?

A13. BGE and PHI have posted winning bidder information as of April 2007 on their websites. Allegheny Power has not had any Type I and Residential contracts awarded since April 2007.

Q14. When reading the Supplier Agreements, the only thing we can find regarding where the energy is to be delivered is the "Delivery Point", defined as follows: "means points on the PJM Control Area, as elected by Seller, and is the location at which Seller will deliver and Buyer will accept the Specified Percentage during the Delivery Period." Can you further specify this "Delivery Point" in terms of PJM zones, aggregate buses or specific buses? Does the Agreement wording really mean seller's choice?

A14. Delivery Point is a defined term in the FSA. Seller is responsible for its Full Requirement Service obligation, also a defined term in the FSA. For PJM settlement purposes, the following PJM Pnode IDs will apply:

Allegheny Power Zone [8394954]

Baltimore Gas & Electric Zone [51292]

Delmarva Power & Light Zone [51293]

Potomac Electric Power PEPCO MD Zone [338269]

Q15. Could you please specify whether renewable energy percentages (as specified in Exhibit B) apply at retail meter or at wholesale level?

A15. Retail meter level.

Q 16A) How many customers and how much load, by utility, is represented by EUSP customers?

A 16A) Following is a breakdown, by utility, of EUSP customers and associated load:

- Allegheny has 12,280 EUSP participants in Maryland. Their total annual load is 182,623 MWH.
- BGE had 44,000 active accounts registered for EUSP for the last plan year in Maryland. Their total annual load was 410,437 MWH.
- Delmarva has **13,961** EUSP participants in Maryland. Their total annual load is **163,673** MWH (163,672,985 KWH).
- Pepco has **8,705** EUSP participants in Maryland. Their total annual load is **92,775** MWH (92,775,295 KWH).

Q 16B) Is the Maryland Public Utility Commission (MDPSC) considering any programs to aggregate EUSP customers? When would such a program get implemented?

A 16B) The MDPSC is considering the aggregation of EUSP customers as part of pending Case No. 9117. There is no indication when or if a program to aggregate EUSP customers will be adopted by the MDPSC.

Q 16C) Are there other similar aggregation programs offered to or under consideration by the MDPSC for other types of customers?

A16C) No other aggregation programs are known to be under consideration at this time.

Q17. In a case where a supplier wins multiple tranches under different prices, will multiple Transaction Confirmations be executed (one for each price?) Or will there be a single Confirmation that indicates multiple prices? For example, if we were to win 3 residential tranches, which were all priced differently by submitting 3 different Bid Forms, would we execute 3 different Confirms?

A17. If a bidder submits multiple bid form spreadsheets with different prices, and is the winning bidder with more than one of those spreadsheets, separate Transaction Confirmations will be executed for each winning price.

Q18. Are all Capacity PLC numbers inclusive of losses?

A18. Yes, the capacity PLCs include both transmission and distribution losses.

Q19. Have the latest bid plans for the January 14th Maryland Auction been approved by the PUC?

A19. All relevant bid plans for the January 14, 2008 auction have been approved by the Maryland PSC.

Q 20. Can you please explain the difference between subtransmission losses and transmission losses? Thank you!

<u>Voltage Served</u>	<u>On-peak line losses</u>	<u>Off-peak line losses</u>
Secondary	9.513%	8.671 %
Primary	7.542%	6.893 %
Subtransmission	3.742%	3.458 %
Transmission	2.245%	2.028 %

A20. The subtransmission losses include transmission losses plus losses through a step down transformer and some distribution line loss. Multiplying the meter load of a customer served at subtransmission voltage by 1+ the subtransmission losses will result in the load value at the source.

BGE has its loss model explained in the PDF picture and Word document; both are included in the ZIP file containing historical data. See RFP.BGE.COM website.

Q 21A) Is capacity obligation determined by the following equation: Capacity Obligation = Customer Allocated PLC x Final Zonal RPM Scaling Factor x FPR?

If the answer to the preceding question is no, then please specify the actual capacity obligation equation.

If the answer is yes, please confirm.

A21A) No

Supplier's Capacity Obligation = (Supplier's Allocated PLC Sum x Daily Zonal Scaling Factor) x Final Zonal RPM Scaling Factor x FPR

This is based on Jim Dolan's response from PJM. Please note that we changed the equation from CUSTOMER to SUPPLIER since that is who really has the calculated obligation. In the case that the supplier has only one customer, the term SUPPLIER and CUSTOMER would be synonymous.

Q21B) Please explain how Customer Allocated PLC is derived.

Please be sure to identify all data adjustment employed to arrive at the PLC value (e.g., loss adjustments, scaling adjustments, etcetera).

Are RPM scaling factors bundled into posted PLC values?

A21B). The PLC is the average of the customer's unrestricted load contribution to the five PJM peak hours of the previous summer period plus transmission and distribution losses. A scaling factor is applied so that the sum of the initial customer population PLCs equate to the LDC's Zonal weather normalized summer peak for the previous year summer (value determined by PJM). The RPM scaling factors are NOT bundled into the PLC values.

Q21C) In reference to customer growth, Daily Zonal RMP Scaling Factors, Base Zonal RMP Scaling Factors, PLC, Obligation Peak Load and UCAP.

- **What is the purpose of the Daily Zonal RPM Scaling Factor and how is it computed?**
- **What is the purpose of the Base Zonal RPM Scaling Factor and how is it computed?**
- **Through what factor is customer growth incorporated?**
Please define the difference between PLC, Obligation Peak Load, and UCAP.

A21C) Refer to the following PJM web link -
<http://www.pjm.com/services/courses/downloads/erpm-users-guide-v0.pdf>

Q21D) What IRM and EFORd numbers are incorporated in the FPR?

A21D). Refer to the following PJM web link -
<http://www.pjm.com/markets/rpm/downloads/planning-period-parameters.xls>

Q 22. If our company was qualified to bid in the January SOS RFP do we need to resubmit all of the qualification documents (Confidentiality agreement, credit application, Binding Bid agreement, etc.) or is there an abbreviated qualification process?

A 22. If you were eligible to bid on Residential and Type I contracts in January 2008, you are deemed eligible to bid on all procurements under the 2008 Request for Proposals for Full Requirements Wholesale Electric Power Supply dated September 10, 2007, including the upcoming bid round on April 21, 2008, consistent with Section 3.1 of the RFP document. However, It is incumbent upon the supplier to notify the Maryland Utilities in the event of any change in its credit rating, its good-standing membership with PJM, or its FERC authorization.

If you were only eligible to bid on Type II contracts in January 2008 (4th quarter Type II 2007 Bid), then you are required to meet the eligibility requirements of the 2008 Request for Proposals for Full Requirements Wholesale Electric Power Supply dated September 10, 2007, in order to participate in subsequent procurements listed as part of that Request for Proposals. Eligibility Requirements must be received by April 7, 2008 in order to qualify for the upcoming bid round on April 21, 2008.

Q23. Our guarantor is a foreign entity and provides annual and semi-annual financial reports but not quarterly reports. Would semi-annual reports in place of quarterly reports be acceptable for purposes of Section 14.5 of the FRSA?

A23. Semi-annual financial reports are acceptable only if the submitted information is in the English language, with financial data denominated in United States currency, and conforming to generally accepted accounting principles (GAAP) of the United States.

Q24. Section 14.6(ii)(c) of the FRSA requires the Guarantor for Seller to provide a "sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as this Guaranty." Our Guarantor's authority to execute guarantees is evidenced by a power of attorney authorized by the Guarantor's executive committee. Therefore, we can establish the authority to

execute guarantees but it won't be from the governing board. Will a certification that the Director who signs the POA has the authority to do so satisfy the Buyer's requirements under this section?

A24. No. The MD Utilities are not making exceptions or accepting changes to the FSA which has been approved by the Maryland PSC. This issue should be raised at the next Procurement Improvement meeting.

Q25. Are Suppliers paid based on energy volumes at the retail meter (where Suppliers will need to factor in T&D Loss Factors) or on the energy volumes provided by PJM eSchedules (where T&D losses are included)? Question 11 references "Load without Losses" volume, but that is reflective of marginal losses only, not T&D losses - is this correct?

A25. Suppliers are paid based on energy volumes at the retail meter. Load without losses refers to without T&D losses.

Q26. If Maryland institutes a cost to loads for carbon due to RGGI, will the SOS Supplier be required to pay for such costs or will it be handled like RECS, where SOS Suppliers may recoup this additional cost?

A26. Under RGGI, affected electric generators are obligated to purchase emissions allowances to offset carbon emissions. Section 4.4 of the Maryland Full Requirements Service Agreement (FSA), which addresses Renewable Energy Obligations, does not cover changes to generator costs, such as fuel or RGGI.

Q27. Can you please provide the NSPL for the AP, BGE, DPL and PEPCO Type II loads?

A27. *Allegheny Power's NSPL data is located in the files entitled: "Type II PLC new definition (update 4/18/2008)" and "Residential Customer PLC and NSPL ((update 4/18/2008)).*

BGE's MW of SOS NSPL (forecast for 6/1/2008):

Type 1 250
Type 2 695
Residential 3450

BGE's MW of eligible NSPL (forecast for 6/1/2008):

Type 1 312
Type 2 1792
Residential 3548

NSPL MW			
Pepco MD		SOS	Eligible
	Residential	1580.2	1703.9
	Type I	94.3	136.3
	Type II	357.4	1014.4
Delmarva MD		SOS	Eligible
	Residential	595.2	605.9
	Type I	45.8	68.3 estimated
	Type II	79.4	200.0 estimated

Q28.

Is the residential laddering approach with 24-month contracts in place going forward. What are the bid dates in 2008 and 2009? I want to understand for example when the residential customer class will be bid out over the next few years assuming nothing changes on the regulatory front. Is the residential load going to be bid out twice per year with 25% of the load bid out each time? If so will these dates be consistent each upcoming year?

A28.

Allegheny-specific response:

Allegheny's residential bid plan information can be found on www.alleghenypower.com/rfp/Maryland/MarylandJuneandBeyond.asp , using the following two document links:

- o [Cases 8908, 9064, 9091 Allegheny Power Residential Filing letter dated April 10, 2008](#)
(new 5/2/2008)
- o [Cases 8908, 9064, 9091 Letter Order dated April 11, 2008](#)
(new 4/16/2008)

The upcoming bid date is June 9, and will be for three 50 MW blocks. The October procurement schedule has not been determined yet.

As you will see from the information provided in the document links above, Allegheny's proposed residential plan is not on a 24-month contract basis, and is subject to change by the Maryland PSC.

BGE-specific response:

The laddering approach with 24-month contracts is in place for residential load and small commercial.

In accordance with current Commission orders, 25% of the residential and small commercial load is auctioned each October with power flow beginning the following June, and 25% of the residential and small commercial load is auctioned each April with power flow beginning the following October.

The exact dates for the October and April auctions are established annually in the procurement improvement process conducted by the Commission's staff with all interested stakeholders. Such stakeholder process generally concludes in mid-summer with Commission review and approval by late summer.

PHI-specific response:

Potomac Electric Power Co. and Delmarva Power and Light Co., Standard Offer Service (SOS) bidding schedules are in compliance with Maryland Public Service Commission (MDPSC) case 9064, Orders 81102 and 81649. These orders are posted on our RFP websites, and can also be

found on the Maryland Public Service Commission website. Schedules and bid plans for residential customers going forward have not been determined or approved by the Commission.

Q29. Will a reset for the PJM PLCs take place for June 1, 2008?

A29. In PJM settlements there are two types of PLC tickets used: Capacity and Network Service. Both PLC sets change on different dates:

- Capacity PLCs are updated on June 1 of each year, and remain constant for the Delivery Year (ie 6/1/08 thru 5/31/09).
- Corresponding Network Service Peak Loads (NSPL) are updated on January 1 of each year, and will change during the Delivery Year.

The new Capacity PLCs effective June 1, 2008, will appear on the 7 day capacity report files not later than on Tuesday May 27th.

Pre-bid Conference Questions and Answers 1-20
September 26, 2007

Q1. If sufficient acceptable bids are not received in a scheduled procurement, a reserve procurement will be held to fill the unfilled blocks. What happens if the reserve procurement similarly fails to fill all of the blocks?

A1. In accordance with provision 6 of the Phase II Settlement, if after conducting all tranches, including reserve tranches, there remains load not covered by executed transactions, then the utility will supply such load from the PJM Market until other contractual arrangements have been made by the utility and approved by the PSC. The Settlement Agreement is included in the Pre-bid Conference handouts and is also on the websites.

Q2. What happens in the PSC hearing in which the Commission considers the winning bids? Can they decide not to accept the bids? Can they decide to reject bids on the basis of the PAT?

A2. The PSC receives testimony in two primary areas. Staff provides an analysis of the retail rate impact on customers and the Technical Consultant provides an analysis of the process and results. Although the PSC has the discretion to reject any or all bids, this has never occurred. Any rejection of bids based on the PAT occurs on bid night, and hence is not a routine consideration at the hearing.

Q3. Is October 22 the bid date for all four utilities? Are there any other bid dates in October?

A3. Yes. As shown in the RFP Section 6, (Schedule for RFP Process) October 22 is the only bid date in October and it applies to all four utilities.

Q4. What is the pricing basis used for actually paying the winning bidders?

A4. Suppliers that are awarded bid blocks are paid the actual price that the bidder enters in each cell of the Bid Form Spreadsheet. The Discounted Average Term Price (DATP) is a calculated value that is the basis for ranking bids – it is not the basis for pricing. Also see the RFP Section 4.6 (Evaluation of Proposals).

Q5. If you bid the same price for all available bid blocks (say 18), can you be awarded less than 18 blocks?

A5. Yes, if other bidders submit lower prices. For example, if there are lower bids offered for 5 blocks, you will only be awarded 13 of the 18 blocks offered.

Q6. Why is the PAT not made public?

A6. The Settlement Agreements defined confidentiality requirements including the provision that the PAT is commercially sensitive information and is strictly confidential.

- Q7.** With respect to the new definitions for Type I and Type II supply, does all the Type I supply to be procured fall under the new definition?
- A7.** Yes. In the October procurement Type I is under the new definition. Type II remains under the old definition for the October procurement.
- Q8. When will the PSC approve the Pepco and Delmarva bid plans?**
- A8.** This is unknown at this time. Upon approval, a notice will be posted on the websites and bidders will also be notified directly.
- Q9. Are the BGE bid plans approved?**
- A9.** Technically no, but there are no changes that are contrary to PSC expectations. Accordingly, it is felt that the current bid plans will very likely be approved as-is.
- Q10. In the Transaction Confirmations for the winning suppliers, are the quantities based on the most recent load data?**
- A10.** Yes.
- Q11. With respect to load reduction response, are suppliers given the load reduction history?**
- A11.** No.
- Q12. With respect to renewables, what information must the supplier disclose?**
- A12.** Suppliers must reveal information suitable to demonstrate compliance with the Renewable Energy Obligation (FSA Exhibit B) and in accordance with the FSA page 16, article 4.4 (c).
- Q13. Does Maryland have any other portfolio standards?**
- A13.** No, just the renewable standards.
- Q14. How, and how often, are the PLC bandwidths defined?**
- A14.** The base load, for which the supplier will be paid at its awarded bid price, is made on a Capacity PLC per Bid Block basis. For Residential and Type I service, the Base PLC per Bid Block is established on the first day of the Delivery Period. Subsequent to establishing the Base PLC per Bid Block, and on each Business Day thereafter, the utilities will track and record the PLC per Bid Block for the duration of the Transaction. If the PLC per Bid Block is less than or equal to the Base PLC per Bid Block plus five (+5) megawatts, then the supplier is paid its awarded price for 100% of its load obligation. If the PLC per Bid Block is less than or equal to the Base PLC per Bid Block minus three (-3) megawatts, then the supplier is paid 100% of its awarded load obligation. See FSA Exhibit H and Article 6.
- Q15. On PLC changes, does PJM or the utilities apply the scaling factors?**
- A15.** The utilities apply the process. When PLC exceeds the bandwidth (+5), the new base (old base +5) is reported to PJM as the supplier's obligation and the excess is reported to PJM as the utility's obligation.

Q16. For decremental changes in PLC, there appears to be no protection for the supplier. Is it correct that all of the downside volumetric risk is the supplier's?

A16. Yes.

Q17. What bid information is made public after the bid process?

A17. Please refer to the websites and specifically the prior testimony of the Staff and Technical Consultant at the PSC hearing after each procurement. For more details, please refer to Page 6 of the Phase II Settlement Agreement (Case 8908) which is included in the Pre-bid Conference handouts and is also on the following utility RFP websites:

AP www.alleghenypower.com/rfp

BGE rfp.bge.com

Delmarva www.delmarva.com/mdrfp

Pepco www.pepco.com/mdrfp

A sample of recent Staff and Consultant post-bid reports may be found on the MDPSC website www.psc.state.md.us under Case 9056 and 9064

Q18. Does the volumetric risk mitigation (the +5 increment and -3 decrement) apply to just residential and Type I contracts?

A18. Yes, it does not apply to Type II.

Q19. Is the capacity obligation calculated at the utility level?

A19. The capacity obligation is based on the specific utility region (SW MAAC for BGE and PEPCO; Eastern MAAC for Delmarva; RTO for AP).

Q20. BGE documents on the website are in PDF. Can these documents be accessed in Word format?

A20. BGE has modified its website to include the documents in Word format.

ALLEGHENY POWER SPECIFIC QUESTIONS AND ANSWERS

- AP Q1. Please provide the corresponding All Eligible and SOS NSPL's for the AP Residential, Type 1, and Type 2 loads.**
- AP A1. Files are posted to Allegheny Power's two website links found on www.alleghenypower.com/rfp.
- AP Q2. Please explain the discrepancies between the AP Type 1 All Eligible load and the AP Type 1 SOS load; the SOS load prior to 9/1/06 is greater than the All Eligible load at first review.**
- AP A2. There is an error in the Type I SOS load and the General Service SOS load prior to 9/1/2006. Corrected files have been posted to the Allegheny Power website.
- AP Q3. In the Residential Load Totals spreadsheet, there are four tabs. One is for Total (kwh), which is clear. The other three are "AE (kwh)", "WOWH (kwh)", and "WWH (kwh)". What do "AE", "WOWH" and "WWH" mean?**
- AP A3. AE, WOWH, WWH are three residential end-use types with distinct load profile. AE is All-Electric - residential customers with electric space heating. WOWH is our general type residential customer - without electric water or space heating. WWH represents residential customer with electric water heating , without electric space heating.
- AP Q4. Is the load data on the Allegheny website given at the wholesale or retail meter?**
- AP A4. Allegheny load data is at the retail meter level.
- AP Q5. Are the loss factors the same for Type I, Type II, and Residential?**
- AP A5. Correct. The loss factors are respective to the customer's service voltage (i.e. secondary, primary, subtransmission, etc.) not customer type.
- AP Q6. This question is regarding the Type II data posted on the Allegheny RFP website. For the class Type II Pri, some of the data is negative. I am referring to the data between the period 4/1/2005 and 5/1/2005. Shouldn't the data be either positive or zero?**
- AP A6. Yes, the data should be either positive or zero. There is an error in the April 2005 data for Type II Pri. Because this data is now more than two years old, we are not able to correct this. Please do not use this information in your analysis.

AP Q7. Given the current credit rating of Potomac Edison, would successful suppliers be entitled to request weekly payments under the FSA at the outset of the Term?

AP A7. Yes.

APQ8. (a). The new data posted on the RFP website for the Type I appears to be the sum of TypeISec and TypeIPri. However, in the past, there used to be a class called TypeISub. Did this class get merged into some other class? If so, in which class did it get merge into?

(b) Also, the new Type I has C,G, C-A, OL, AL, MSL, SL, EMU, MU, Hagerstown and Frederick rate classes. Which of the above fall into TypeISec and which into TypeIPri?

(c). Similarly, the new data posted on the website for the Type II appears to be the sum of TypeIISec, TypeIIPri and TypeIISub. But the bid plan shows PH as the only Type II class. Is PH merely the sum of TypeIISec, TypeIIPri and TypeIISub?

AP A8. (a) Type I is now defined as small commercial - customers with demands less than 25 KW. In the past Type I was defined by the rate schedules you have listed below. Now, some of the customers served on these rate schedules will be classified as Type I and the larger customers with demands greater than 25 kW will be re-classified as Type II for the June 1, 2008 bids (Note: Current Type II bids are for December 1, 2007). The customers previous classified as Type I Sub no longer qualify for Type I.

(b) Please review the Customer Count file. There are 3 C customers served at Primary Voltage and 8 G customers served at primary voltage. The remaining Type I customers are served at secondary.

(c) Yes, that is correct.

AP Q9. Can you please specify what exact delivery location(s) the Supplier would be responsible for when delivering Allegheny Power's load?

AP A9. Delivery is to the Allegheny Power customers in the APS Zone. Suppliers will be responsible to PJM for their Specified Percentage of SOS at the Allegheny Power zonal rate.

AP Q10. What are the Administrative Charges added to Allegheny Residential Customer rates starting January 1, 2009?

AP A10. Per the Phase I Settlement Agreement in Case No. 8908, the Administrative Charge for residential service will be a 4 mill (0.4 cents) per kWh charge.

AP Q11. Allegheny updated its PLCs to change the PLC to 70 MWs for Type II. The web-site states that the NSPL (network service peak load) is only 52 MWs. Wouldn't the NSPL need to be higher than the PLC? The file I am referring to is the Type II Customer PLC and NSPL (updated 1/10/2008) under Password Protected Files at the very bottom of the web-site. Previously, the PLC was stated as being 70 MWs, while the NSPL was 74 MWs. Is this an error?

Likewise, the updated PLC for Type I is 60 MWs and the NSPL is stated as being 53 MWs. It was previously posted as 60.7 as the PLC and 59.8 as the NSPL.

AP A11 This is not an error. The NSPL values were updated to 2008 values on January 1, 2008. The PLCs remain as 2007 values. The PLCs values will be updated to 2008 values on June 1, 2008. This is a PJM rule change that occurred with the implementation of the Reliability Pricing Model last June 1. The Type II PLC does **not** need to be higher than the NSPL value. The Type II peak load values represent the customer class load contribution to the AP Zonal obligations. In this case, our Zonal NSPL represents February 5, 2007 @8pm and the PLC represents summer 2006 at 5pm. Type II load contribution are significantly lower at 8pm as opposed to 5pm. Also contributing to differences are the change of seasons and time periods.

AP Q12. The latest Bid Plan posted by Allegheny for the Maryland SOS RFP does not show any Residential or Type I Non-Residential SOS load to be bid in either the April 21 or June 9 procurements in 2008. Will any Residential or Type I load be procured in either of these procurements? If so, when do you expect to post revised Bid Plans indicating terms, etc?

AP A12. In the January 14, 2008 solicitation, all Type I contracts were awarded for a two-year term, June 1, 2008-May 31, 2010. The April 21 procurement will only be for three 50-MW blocks of Type II with a three-month contract period of June 1, 2008-August 31, 2008. As of today, the June 9 procurement will also be for three 50-MW blocks of Type II with a three-month contract term of September 1, 2008-November 30, 2008. Should the Commission not issue an Order in Case #9117 that deals with future Residential procurements, Allegheny anticipates filing a proposed Residential procurement plan with the Commission prior to the June 9 procurement date. In the event that a Residential procurement is approved for June 9, a revised bid plan will be posted on the website, and all eligible bidders will be notified.

- AP Q13** (a) **In reference to the ARR Allocation file located on the website, can you confirm that this is for PY08/09?**
(b) **Does this include both Stage 1A and 1B results**
(c) **Do you have the results from PY07/08?**
- AP A13 (a) Yes it is 2008/2009.
(b) Yes if is for 1A and 1B
(c) We do not have the 2007/2008 results.
- AP Q14. Does the file only contain ARRs associated with Type II customers? If so, is there a similar file available for all other customers?**
- AP A14. The file is for Type II only. All other ARRs were selected by the wholesale suppliers who won the respective bids for Type I load. We do not have access to that information.
- AP Q15. What about the ARRs for the residential customers?**
- AP A15. Residential customers are under capped rates through 12/31/2008. No data is available for that load.
- AP Q16. Were ARR paths selected for the residential customers? If so, who selected these paths?**
- AP A16. ARR's would have been requested by the current supplier of this load, which is Allegheny Energy Supply, LLC. Those paths would have been selected for the term June 1, 2008 through May 31, 2009. The winners of the 29-month contracts for bid in the April 21st RFP will have the ability to request the ARR paths for the 2009 and 2010 planning year as applicable. ARRs that will transfer with the load on 1/1/2009 will be in accordance with the PJM rules associated with load transfers.
- AP Q17. Why is there a big difference in the SOS Type-II Capacity PLC (173 MW) vs the SOS Type-II NSPL PLC (144 MW) ?**
- AP A17 The difference is due to the fact that the PLC represents the Type II contribution to the PJM peak which is a summer peak and the NSPL represents the Type II contribution to the AP Zonal peak which was a winter peak in 2007.
- AP Q18. Also what is the new Eligible / SOS Capacity PLC based of the 5 Peaks for 2007 which would be going into effect on June 1st?**
- AP A18. The new Eligible/SOS Capacity PLC to be effective on June 1st are not readily available.

AP Q19. We are planning to bid in the upcoming Allegheny Power Residential SOS auction and would like to review the 2007 financials (Balance Sheet & Income Statement) for Allegheny Power. Could you please furnish me these documents? Thanks.

AP A19. This information is no longer considered to be public information (e.g. we no longer post the GAAP basis financial statements to a public website). What is public is the FERC Form 1, which contains financial statements. Following is the link to locate the FERC Form 1 for Allegheny Power.

<http://elibrary.ferc.gov/idmws/search/fercgensearch.asp>

Be sure to enter:

- the date range for the time period you are requesting (i.e. 1/1/2008 through today's date),
- Choose "Form 1 Annual Report for Major Electric Utilities" in the "Class Type/Info" Document Type category, and
- enter Allegheny Power in the "Text Search" box

AP Q20. In regards to the recent order issued by the Maryland PSC as it pertains to the Type I load moving to Type II and the price cap, we are trying to determine how this affects the Type II load we are currently serving. Can you tell me what the SOS and Eligible PLCs were for 5/31/2008 and what they were on 6/1/2008? I am trying to determine what percent of the newly defined load used to be Type I and how much is SOS and Eligible.

AP A20. Two things happened on June 1 - Some Type I customers moved to Type II and new PLCs were implemented for all customers. Therefore, comparing May 31 to June 1 won't result in determining the PLC for those customers that transitioned to Type II. We estimate the PLC for the transition customers to be 99.2 MW for SOS and 147.8 MW for all Eligible.

BGE SPECIFIC QUESTIONS AND ANSWERS

BGE Q1. I am a retail supplier and I am not interested in bidding on the RFP, however I would like to request access to the RFP documents.

BGE A1. Per Article 7 of the RFP, Retail Suppliers that meet the terms outlined below, will be granted access / issued a password upon request. For BGE, they would use the “Contact Us” button.

Article 7. RFP Website

“Information related to this RFP will be posted on Utility RFP website at [utility website address]. This website will be accessible by those parties submitting an Expression of Interest Form or retail electricity suppliers that have been qualified by Utility to provide retail electric supply services in Utility’s service territory pursuant to Utility’s Electricity Supplier Coordination Tariff.”

BGE Q2. This question is in regards to the BGE 2008 FSA. The box for section 12.3a is missing. Will this be corrected?

BGE A2. A corrected version of the BGE 2008 FSA has been uploaded to the website.

BGE Q3. The web page <http://rfp.bge.com/DueDiligence/2008/DueDiligence2008.htm> says “Historical load data (Available October 2)” for Type I and Residential Procurements. When shall the data be available?

BGE A3 BGE experienced a technical system problem where our posted historical data file was not propagated to all servers hosting our RFP site. As a result when a server with no propagated change was assigned to a user it appeared that the data was not posted. We learned about the issue on Oct 4 and the issue was corrected the same day before noon.

BGE Q4. The Type II Due Diligence Historical load data link at <http://rfp.bge.com/DueDiligence/DueDiligence.html> has hourly load data for all classes. However, the aggregation and SOS load for Type I is double the load listed on the Bid Plan which is 261.9 for SOS PLC Sept. 10, 2007. This comes from file named POLRHourlyLoads200708ML.txt. In fact a spot check from file named CapacityHistory20070906.txt has a record which shows the PLC for class G for Type I to be 481 MW. ("PL1GXXX",8/31/2007 0:00:00,481509,80212.00). Could you please explain this anomaly in the data?

BGE A4. There are two Due Diligence areas on the rfp.bge.com web site, one for 2007 and one for 2008 RFP and procurement cycle. In each of the areas there is a different set of historical information. The historical data in the question is derived from 2007 procurement section, while it is compared to data from 2008 type I procurement. Please be careful, both historical data files have the same type labeling (per 2007 and 2008 RFP), but the values are different due to change of the demarcation definition between types I and II. In the case if BGE the type I and II boundary in 2007 RFP was on the BGE tariff boundary of mid size and

small commercial customers set at 60kW of demand. The new definition in 2008 RFP moves that boundary down to 25kW of demand and adds two load conditions in its definition of the type boundary. This causes significant shift of load from type I to Type II when 2007 and 2008 numbers are compared.

If the comparison made in this question is made consistently between 2008 historical data and 2008 type I bid plan the numbers look as follows:

"PL1GSXX",8/31/2007 0:00:00,1905.00kW,224.00

"PL1GXXX",8/31/2007 0:00:00,260015.00kW,70587.00

Compare with Bid Plan which is 261.9 MW for SOS PLC Sept. 10, 2007.

BGE Q5. To determine the historical load data for BGE Type I under the previous definition from the 2007 procurement (G, GS, PL, SL), please confirm that I need to add PL1GSXX, PL1GXXX, PL1PLXX, PL1SLXX, PL2GSXX, and PL2GXXX. Under this assumption, there is a significant decline in Type I load (beginning in September 2006) that does not seem consistent with the daily POLR e-schedules we received for June 2007. Can you please explain this difference?

BGE A5. Your assumption on how to interpret historical load data for BGE Type I under the new load type definition is correct.

In response to the second part of your question we have compared e-schedule data to historical data. While there is a very small difference between the data sets due to rounding in e-schedules we have not detected significant variance.

BGE Q6 In analyzing the BGE Type I load, it seems that starting in 10/1/2005, the sum of the new classification of G class Type I load and the new G class Type II load does not equal the old classification of G class load. The same goes for GS class load. Why is this? How did you break out the historical G and GS classes into the new Type I and Type II classifications?

BGE A6. Your analysis method is correct. In applying this method BGE has looked at stated start date of the reported data discrepancy, 10/1/2005. We were able to reconcile each hour of load for both G and GS classes. G and GS classes were broken out between Type I and Type II in accordance with Maryland Public Service Commission Order 81102 in Case 9064. A copy of the order is posted on the BGE RFP website under Due Diligence

BGE Q7 **BG&E is the only EDC that has not provided T&D losses file as a part of their data package. Please provide the missing information.**

BGE A7. In the Due Diligence section of the rfp.bge.com site, BGE has provided historical load data with hourly detail for both PJM derated load and BGE premise load. The PJM derated load is the load to which LMP is applied on PJM invoice. The BGE premise load is the load to which bid prices are applied by BGE to calculate SOS supplier invoice. The difference between them is therefore effective loss kWh. The explanation of calculation of both loads is explained in the pair of documents contained in the historical data ZIP file. Please read word document while also looking at the picture contained in the PDF document. Both documents have the same file name: 200706MarginalLossLMP. Please note that 500kV loss and deration factor are both calculated by PJM hourly, so providing historical loads with hourly losses as recorded on PJM system is more accurate than single average loss factor. However, if supplier wants to simplify and use average loss factor expressing difference between loads used on PJM and BGE invoices the historical data average hourly loss is the best estimate of this value. Since a large portion of the loss is dependent on voltage service level we advise suppliers to derive separate loss factors for each voltage level.

BGE Q8 **Regarding the data posted on the BGE RFP website for the class PL1GSXC, it appears that on 9/30/2004, 9/30/2005 and 9/30/2006, the data for all the 24 hours spikes up compared to the previous day data. Do you know what could be the reason for this? Is it the incorrect data? If so, can it be corrected soon?**

BGE A8. There was an error in BGE's historical data presentation for the 2008 procurement. On the three days mentioned in the question, 9/30/2004, 9/30/2005, and 9/30/2006, on hours ending 1AM to 11PM, BGE failed to carve out loads for classes G and GS out of type 1 (PL1) and into type 2 (PL2). The new historical data file with the corrected data will be posted by COB 10/15/2007.

BGE Q9. **The bid sheets specify "summer", "non-summer", "summer PJM On-Peak", "non-summer PJM Off-Peak" categories. The Allegheny, Delmarva, and Pepco bid sheets specified exactly what they mean by each pricing category - and they were different (summer for Allegheny is Jun - Sept, but summer for DPL/Pepco is May-Sept). Can you confirm what BG&E means by the specific pricing categories in the Bid Spreadsheet?**

BGE A9. The specific pricing categories for BGE are defined in the BGE's Model RFP Section 4.1 (Price Quote for Bid Block Offered). BGE's summer period begins on June 1 and ends on September 30, and its non-summer period begins on October 1 and ends on May 31. BGE is using the On-Peak Period and Off-Peak Period as defined by PJM.

BGE Q10. **Will BGE post additional load data prior to the bid date?**

BGE A10. There will not be additional load data posted to the website prior to bid date.

BGE Q11. BGE submitted a point of clarification concerning the approval of the bid plans, has there been any subsequent action by the Maryland PSC? If not, will some action be taken by the Maryland PSC prior to the bid date?

BGE A11. Since BGE submitted the letter requesting clarification to the bid plan no action has been taken by the Maryland PSC. It is our understanding that the Maryland PSC will issue a clarification on Friday October 19.

BGE Q12. Will BGE post updated load data, PLC and Customer Count information, and an updated Bid Plan prior to the January 14, 2008 bid date? If so, when will this data be posted?

BGE A12. Updated load data, PLC and customer count and Bid Plans will be posted to the BGE RFP website by close of business Monday, January 7, 2008.

BGE Q13. Please provide the Capacity PLC's for BGE's eligible load, by Service Type (that is, for the Residential, Type I and Type II groups) as of June 1, 2008.

BGE A13. BGE settlement system presents all capacity data on a "floating" basis. Floating refers to the amount of capacity PLC that is on our system at any specific time, and is determined by summing all customers' PLCs at that specific time. This floating amount is different (generally higher) than the amount fixed by PJM for the entire delivery year, which dictates suppliers' obligations. We rely on PJM to scale our daily floating capacity PLC to the fixed capacity amount designated to the BC zone. To answer this question we have decided to provide two sets of total eligible capacity numbers: floating PLC summary set equal to the sum of all PLC tickets based on PLCs effective 6/1/2008, and the scaled/fixed PLC set effective 6/1/2008, which will dictate suppliers' obligations.

Eligible Capacity PLC		
Type	Floating	Scaled/Fixed
I	328	320
II	1833	1790
Residential	3470	3388
Total	5631	5498

BGE Q14. Could you please provide the location on BGE's site where the information related to winning bidders and their awarded bids can be found?

BGE A14. BGE posts all auction results on the www.BGE.com site. To get to the data click along following path:

• [Home](#) > [Energy Choices](#) > [Rates & Tariffs](#) > [POLR Rates](#) > [Auction Results](#).

On the Auction Results page click on desired link marked with the letter X.

BGE Q15. Please provide the following information for BGE Type II Standard Offer Service load including the both the new and old Type II customers:

(1) Latest NSPL

Type II SOS NSPL for 6/4/2008
NSPL PLC Total: 719,794

Scaled to BGE system Total of 7194: 700,439
Type II Eligible NSPL for 6/4/2008
NSPL PLC Total: 1,841,578
Scaled to BGE system Total of 7194: 1,792,059

(2) PLC based on 2007 peak that went into effect on 6/1/2008 (including both old and new Type II customers)

Type II SOS Capacity for 6/4/2008
Capacity PLC Total: 722,964
Scaled to BGE system Total of 6990: 704,901
Type II Eligible Capacity for 6/4/2008
Capacity PLC Total: 1,834,484
Scaled to BGE system Total of 6990: 1,788,652

(3) PLC based on 2006 peak that was in effect through 5/31/2008 (including both old and new Type II customers)

See BGE Historical data posted under Due Diligence on rfp.bge.com site.
Data from posted historical file:
Type II SOS Capacity for 5/31/2008
Capacity PLC Total: 722,883
Type II Eligible Capacity for 5/31/2008
Capacity PLC Total: 1,833,258

BGE Q16. What methodology did BGE use to estimate the load of the customers that are reclassified from Type I to Type II starting 6/1/2008?

BGE A16. There is no change of any data estimation due to customer shift between SOS types. Our settlement data is build "bottom up" from customer level data. When customer is reclassified from one type to another, the customer account data is summed up into a new Type "bucket".

BGE Q17. If we win load, would BGE be able/willing to provide us with hourly load data for the new definition Type II load on a daily basis beginning with 6/1/2008?

BGE A17. FSA assures that you get daily and hourly data after your contract power flow starts, i.e., If you win Type II load starting service on Sept 01, you will receive your detail reports effective Sept 01. The reports you receive match submission of the data to PJM. While theoretically possible, BGE system is not setup to provide data to signed contracts before their power flow starts. The only exception is the 7 Day Capacity Forecast report which is delivered to suppliers of winning bids starting few days after contract is signed (no retroactive data starting June 1 can be currently provided). That report depicts seven day ahead forecast of the capacity PLC served by signed contracts. Reported are aggregated shares of all PLC ticket values by date and SOS Type only. Delivery of 7 day capacity forecast continues to the last day of power delivery under each contract.

See also information sharing section 3.3 of the FSA. Any suggested changes to the process should be submitted in the Procurement Improvement Process (PIP) meeting for the next year's FSA. The MD PSC staff has set up the first PIP meeting for the June 16th, 2008. Any reporting changes if approved by PIP this

summer will be implemented in our systems for the next PJM delivery year auctions (energy delivery start on June 1st, 2009).

PEPCO/DELMARVA SPECIFIC QUESTIONS AND ANSWERS

PEPCO Q1. Will the Efficiency Factor for conversion to MGT-3A Bid Price be the same for all Type II Non-Residential SOS bid blocks going forward? Do you expect the factor to remain at 0.985?

PEPCO A1. Yes, for Pepco the same efficiency factor (0.985) will be used for conversion of the Type II MGT-LV price to a MGT-3A price

PEPCO Q2. In the document entitled "1) Delmarva [or Pepco] Maryland Historic Load Data Defined.doc", the load provided is described as "Annual generation (zone level) in kWh per hour units, restricted (includes Active Load Management impacts) distribution load data". Does this load include both transmission and distribution losses or is it the de-rated load (i.e. only includes distribution losses)?

PEPCO A2. The Pepco historical load data is at the wholesale meter level, and includes PJM EHV losses.

PEPCO Q3. Please specify what exactly LMP delivery location for the PEPCO load will be used to settle energy with PJM.

PEPCO A3. For settlement purposes the Pepco MD PJM Pnode ID is 338269

PEPCO Q4. With regard to the upcoming Pepco Full Requirements auction, who is the beneficiary of the Letter of Credit for Performance Assurance - PepcoHoldings Inc., or Potomac Electric Power Company? Additionally, what address should be used for this entity?

PEPCO A4. If the collateral is for PEPCO, the LOC Beneficiary should be Potomac Electric Power Company, as follows:

PEPCO
Potomac Electric Power Company
701 Ninth Street NW, Suite 6411
Washington DC 20068
Attention: Joseph DeNavas

DELMARVA Q1. Beginning with the October 22, 2007 procurement, Delmarva-MD will be seeking bids for combined Residential and Type I Small Commercial loads, where Type I load is defined as all load in the SGS Class with a PLC of <25kw. The historic load data for the Type I SGS load class are based on loads that are <60kw PLC. Can you please provide revised historic load data for the SGS load class from 2001 - 2007 that shows only the loads <25kw PLC?

DELMARVA A1. Delmarva has provided two sets of historical load data. The first set is based on the old Type I <60kw PLC, and includes data from 2001

thru 2007. The second set contains 13 months of Historical data (May 2006 - June 2007) with the new Type I <25kW PLC and the new Type II 25kw - 600kW PLC. This data may be found on the Delmarva secured website under RFP Data, Historical data with redefined Type I and Type II. The Residential Type and Small Commercial Type I loads are listed separately.

Delmarva cannot provide any historical data with the redefined Type I and Type II for the months prior to May 2006. The data provided are the most reasonable estimates Delmarva was able to develop for the redefined Type I and Type II.

DELMARVA Q2. Please specify what exactly LMP delivery location for the Delmarva load will be used to settle energy with PJM.

DELMARVA A2. For settlement purposes the Pepco MD PJM Pnode ID is 338269, and for Delmarva MD the PJM Pnode ID is 51293

PEPCO/DELMARVA Q1. At the Maryland Utilities RFP pre-bid conference on Sept 26, 2007, the Bid Plans for PEPCO and Delmarva-MD were presented with proposed revisions. Specifically, transition plans were identified that propose to combine Type I loads with Residential loads for the 10/22/07 procurement. These proposals are inconsistent with the 2008 RFPs for Full Requirements Wholesale Energy Supply dated 9/9 & 9/10/07 (posted on PHI's website), which provide for separate bids for the Residential and Type I loads. Are the bid plan changes mentioned in the pre-bid conference valid for the 10/22/07 procurement? Will the RFPs on the website be updated to reflect the proposed changes? Will the 10/22/07 procurement provide separate bids for Residential and Type I loads, or will these loads be combined in one bid?

PEPCO/DELMARVA A1. The Pepco and Delmarva Bid plans included in the 2008 RFPs and currently posted on the websites reflect the results of the 2007 SOS Procurement Improvement Process. The Pepco and Delmarva Bid plans presented at the pre-bid conference are the same as those submitted to the Commission on September 20, 2007 as part of their 2008 compliance plan. These compliance plans included combining a portion of the Type I with the Residential load being bid. On October 3, 2007, the Commission gave notice to all parties, the opportunity to comment on these Compliance Filings. The RFP Bid plans on the Pepco and Delmarva website will be updated to reflect the Commission's findings and recommendations.

PEPCO/DELMARVA Q2. Could you please confirm that the load provided on the PEPCO website (in RFP Data) is at the generation level...That is load that includes Transmission and Distribution losses (Larger than Derated Load).

PEPCO/DELMARVA A2.

The historic hourly load data is at the generation level. Both Pepco and Delmarva gross up the derived loads measured at individual retail meters to account for losses and Unaccounted for energy based on State-filed retail tariffs. These loads are not representative of the derated load used in the PJM Settlement calculations to account for losses using the marginal loss component of LMP.

PEPCO/DELMARVA Q3. For PEPCO and Delmarva could you please provide the Marginal Loss Deration Factors since June of 2007. Current suppliers have this information.

PEPCO/DELMARVA A3. EDC Hourly Loss Deration Factors are available through the PJM eSchedules reporting system (<https://esuite.pjm.com/mui/index.htm>) under the Transmission Losses report type,

PEPCO/DELMARVA Q4. There seems to be an error in the latest bid plan for Delmarva MD, which was posted on May 27th. The SOS and ELIG PLCs for Type II are significantly different from the bid plan released on May 20th, and are also inconsistent with the historical load data. Could you please verify the PLCs and also the number of bid blocks for the auction on June 9th.

PEPCO/DELMARVA A4. The latest bid plan and forwards for Pepco and Delmarva MD Type II reflects capacity PLC values based on the summer of 2007 which will take affect on June 1, 2008. Prior Bid Plans and forwards were based on the capacity PLC values which were based on the summer of 2006 and were in effect until 5/31/08. In addition, our most recent bid plans reflect improvements in our estimation of the capacity PLC values for the customers assigned to MD Type II and the effect of recent customer migration from Type I to Type II.

PEPCO/DELMARVA Q5. Can you please provide updated NSPL data for Type 2 customers for DPL, and PEPCO.

PEPCO/DELMARVA A5.

Delmarva MD (KW) NSPL Reconciled to Zone Total

Type II SOS NSPL for 6/4/2008
NSPL PLC Total: 69,469
Type II Eligible NSPL for 6/4/2008
NSPL PLC Total: 189,357

Pepco MD (KW) NSPL Reconciled to Zone Total

Type II SOS NSPL for 6/4/2008
NSPL PLC Total: 377,161
Type II Eligible NSPL for 6/4/2008
NSPL PLC Total: 1,017,194