

2010
MARYLAND STANDARD OFFER SERVICE
REQUEST FOR PROPOSALS FOR
FULL REQUIREMENTS WHOLESALE ELECTRIC POWER SUPPLY

QUESTIONS AND ANSWERS

- Q1. Who has the Maryland Public Service Commission chosen as a consultant for this procurement process?**
- A1. The Maryland Public Service Commission has chosen Boston Pacific Company, Inc.
- Q2. Will the volumetric Risk Adjustment mechanism (inc / dec) apply to all products (Residential, Type 1 and Type II)?**
- A2. The volume risk mitigation (VRM) mechanism applies only to Residential and Type I.
- Q3. In the current FSA, there is a requirement for the Seller to supply Federal Renewable Requirements which are in effect as of the "Initial Bid Date". Please define "Initial Bid Date"**
- A3. The "Initial Bid Date" will be the date that price proposals are first due under the 2010 RFP, which is scheduled to be October 19, 2009.
- Q4. Will there be any additional hourly data provided prior to the October 19 bid date? If so, when will this data be posted?**
- A4. Pepco and Delmarva will have new hourly data posted by COB October 9. That update will include 60 day settlement load data for July 2009, and estimated hourly load data for the period August 1st through October 5th
BGE will have new data posted by COB October 9. That update will include historical hourly load data with last 60 day month (July), finalized bid plan, and finalized bid form spreadsheets.
Allegheny does not plan to update any hourly data prior to October 19th.
- Q5. Similar to DPL and PEPCO, can AP and BGE provide bidders with estimated hourly data for the period August 1 through October 5th?**
- A5. Allegheny will not be providing estimated hourly data. All hourly data provided is the final settled profile data using actual metered data.
- BGE provides the final settlement, also called settlement B or sixty day settlement, hourly load data. No other hourly data can be provided before this procurement.
- Q6. I would like to confirm that in the increment/decrement provisions for mitigation of volume risk, the Base PLC per Bid Block can be reduced, but never increased. As such, should customers migrate to third party suppliers resulting in a reduction of the Base PLC per Bid Block and subsequently return, to the degree that the influx is above the 5 MW PLC threshold over the Base PLC per Bid Block, that excess PLC**

obligation is the responsibility of the MD Utility for however long those customers remain on SOS. Is this understanding correct?

- A6. In general the understanding of INC/DEC presented in scenario described in the question is correct. There are two points which can be added to make this understanding more precise:
- It is not that “those customers” must “remain on SOS”, but rather that certain amount of load remains on SOS. Customers can change into and out of SOS supply, and as long as load coming back to SOS is equal to load leaving SOS supply, SOS contract will not experience any INC/DEC change.
 - MD utility is not responsible for INC load “however long those customers remain on SOS”, but rather until enough load remains on SOS to trigger INC (see first bullet) or until the contract having INC is ended, whichever comes first. The RFP process renewing contracts for the load share associated with contracts having an INC, will pick back all load. For new contracts, new Base Bid Block is established on the first day of service. The new contracts will always serve all load associated with their share of load, even if expiring contracts they replace had an INC. In short, utility responsibility for INC load is replaced by new contracts replacing contracts in INC state.

Q7. Our question would be if you could explain in greater detail how the increment/decrement concept works to mitigate volume risk. From the RFP presentation we understand there is a dead band of +5 MW and -3 MW of the base. How often is the base reset? For example the presentation say more than one reduction is allowed per day. I'm not sure how this would reduce the suppliers risk if the load can be reduced multiple times. Please explain how the increment and decrement works. If you could provide us 4 examples of the how the VRM would work if the load obligation were to cross the dead band under these scenarios it would be appreciated. Please include how the suppliers obligation and what the base load would be reset to and when the base load is reset.

- A7. The volumetric risk mitigation mechanism assures that the supplier obligation to serve load is capped by the INC amount of 5MW above the current Base PLC Per Bid Block (“Base PLC”). The Base PLC can only be reduced by a DEC event when the daily Capacity PLC per block is equal to or less than the Base PLC minus 3MW. This INC/DEC mechanism assures that: (i) in the event of load growth in SOS, the INC limits the wholesale suppliers obligation to serve. and (ii) in the event of a load decrease in SOS the DEC allows the supplier to redeploy its resources elsewhere and does not force supplier to unnecessarily reserve service for the loads that have left SOS. Also note that the INC of 5MW and the DEC of 3MW of Block size pertain to each block served not to one transaction.

Few examples:

- Q1. Day one Base PLC set at 50 MW. Day 2 load increases to 65 MW.
- A1. The supplier in this example is responsible for 55 MW (Base PLC plus 5 MW). The additional 10 MW of load would be purchased at spot under the INC provision of FSA section 6.3.1.a.i.

- Q2. Day one Base PLC set to 50 MW. Day 2 load decreases to 42 MW. Day 3 load decreases to 38 MW.
- A2. On day 2 the suppliers Base PLC would drop to 44 MW since the DEC provision occurs in multiples of 3 off of the original Base PLC. On day 3 their Base PLC Per Bid Block would drop to 38MW.
- Q3. Day one Base PLC set to 50 MW. Day 2 load increases to 60 MW. Days 3, 4, etc. load stays at 60 MW.
- A3. Supplier in this example is responsible for 55 MW (Base PLC of 50 MW plus 5 MW) on day 2, day 3, day 4, etc. The additional 5 MW above the 55 MW of load would be purchased at spot under the INC provision of FSA section 6.3.1.a.i.
- Q4. Day one Base PLC is set to 50 MW. Day two load decreases to 38 MW. Day 3 load increases to 60 MW.
- A4. On day 2 the Base PLC would drop to 38 MW. On day 3 the supplier would be responsible for 43 MW (Base PLC of 38 MW plus 5 MW) and the EDC would be responsible for the additional 17 MW at spot under the INC provision of FSA section 6.3.1.a.i.

Q8. Are winning suppliers responsible for paying gross receipts tax or other taxes?

A8. Tax responsibility is addressed in Article 8 of the FSA. Per Article 8.2 a, “As between the Parties: (i) Seller is responsible for the payment of all taxes imposed by any Governmental Authority on the wholesale sales of Full Requirements Service under this Agreement; and (ii) Buyer is responsible for the payment of all taxes imposed by any Governmental Authority on retail sales of Full Requirements Service under this Agreement.” Thus there are no taxes, gross receipts or otherwise, that the wholesale supplier is responsible for associated with retail sales to the SOS customers.

Q9. If a guarantor or an applicant is not extended any unsecured credit and will therefore post cash or LC for margin will a guarantee be required to be put in place if the applicant is awarded a supply contract?

A9. A Guaranty would not be required if the exposure is fully covered by cash or LC.

Q10. When will the utilities update their hourly data for the auction on January 11, 2010?

A10. **Allegheny** will post reconciled hourly load data through September on or before December 18th. We will not be posting any un-reconciled (preliminary data) from October 1 and beyond.

BGE posts historical final settlement hourly data on rfp.bge.com on or before the 5th business day of each month.

Pepco and Delmarva have posted reconciled hourly load data through September. Preliminary load data starting with October 1, will be posted during the last week of December.

Q11. With respect to the Performance Assurance required in Article 14 of the agreement, is it acceptable to post a combination of cash and a letter of credit, or does it have to be 100% cash or 100% LC?

A11. Yes, it is acceptable to post a combination of cash and letter of credit.

Q12. With respect to the Performance Assurance required in Article 14 of the agreement, is it acceptable during the term of the agreement to switch part or all of the posted amount from cash to a letter of credit or from LC to cash?

A12. Yes, it is acceptable to switch between cash and LC.

Q13. Please provide 2010 NSPL values for the rate classes in each of the four utilities.

A13. BGE NSPL data:

12/22/2009 SCALED NSPL

<u>Type</u>	<u>SOS</u>	<u>Eligible</u>
PL1	221.3	301.0
PL2	514.9	1,633.8
Res	3,076.5	3,249.7

PHI NSPL data:

Updated NSPLs were posted on the 2009 Pepco and Delmarva MD RFP Websites on December 11th. This data will next be updated on January 4th.

Allegheny NSPL data

Updated NSPL's were posted on Allegheny's 2009 and 2010 websites on Monday, December 21.

Q14. The September 14, 2009 RFP says "Type II March 2010 contracts will be governed by the 2009 Model FSA." However, we are looking for guidance on the Bid Assurance LoC, which are part of the RFP, not the FSA. We currently have Letters of Credit in place that follow the language of the old (September 10, 2008) RFP. Should we re-issue the Letters of Credit to match the new (2009) RFP, or may we use the existing LoC?

A14. If the Letters of Credit your company has in place follow the language of the September 10, 2008 RFP (2009 Model RFP and FSA), they can only be used on bids for the Type II load.

If bidding on Type I or Residential load, your company must submit the Bid Assurance Letter of Credit issued in the September 14, 2009 RFP (2010 Model).

This is the last procurement for the remaining Type II load from the September 10, 2008 RFP. Future scheduled procurements will be governed only by the September 14, 2009 Model 2010 RFP and FSA

Q15. Can the 4 Maryland utilities could update the NSPLs for the products that are offered to bid in the Jan10 bid? We are requesting data after 1/1/2010.

A15. Following is information regarding the Maryland Utilities' updated NSPLs:

Allegheny Power has updated NSPL information in the following file located on its RFP website:

[Maryland PLC NSPL by Type for PAT calculation](#) (update 01/04/2010)

PHI:

**Delmarva MD PLCs and Number of Customer Accounts (SOS and Eligible)
for January 11, 2010**

Service Type	Class	KW SOS CPLC	KW SOS NSPLC	Number of SOS Customer Accounts	KW Eligible CPLC	KW Eligible NSPLC	Number of Eligible Customer Accounts
Type I	OL & ORL	12	34	4137	12	76	4,393
Type I	GS-SH	9,156	10,011	1505	17,627	19,368	1,926
Type I	GS-WH	26	28	30	26	28	31
Type I	SGS-S <25 kW	46,545	42,678	17228	60,380	56,918	20,697
Total Type I		55,740	52,751	22,900	78,045	76,389	27,047
Type II	GS-P	3,035	3,403	45	23,784	25,446	135
Type II	LGS-S	8,176	7,672	50	59,573	61,765	266
Type II	SGS-S	66,685	66,416	2570	152,191	152,408	4,633
Total Type II		77,897	77,490	2,665	235,548	239,618	5,034
Residential	R	465,981	497,072	170708	475,448	507,035	173,178
Residential	R-TOU-ND	257	266	84	263	272	87
Total Residential		466,238	497,338	170,792	475,711	507,307	173,265
Total		599,874	627,579	196,357	789,304	823,315	205,346

BGE:

**Floating Capacity PLC & Scaled Transmission PLC
For January 11, 2010**

Pseudo	Floating 09CapPlc	Scaled 10TrnPlc	Cust
PL1GSXC	588	656	127
PL1GSXX	2,020	1,624	228
PL1GXXC	82,087	78,554	25,946
PL1GXXX	256,998	220,060	69,379
PL1PLXX			

	-	-	8,985
PL1SLXC	-	-	15
PL1SLXX	-	-	309
PL2GLXC	984,220	913,345	6,991
PL2GLXX	382,504	336,158	3,942
PL2GSXC	14,636	13,584	495
PL2GSXX	7,785	6,835	349
PL2GXXC	175,540	157,306	6,357
PL2GXXX	179,618	167,765	7,871
PL2PXXC	31,064	34,426	91
PL2PXXX	2,152	2,308	7
PRLPRLC	21,552	19,010	4,583
PRLPRLX	282,820	247,431	63,387
PRXPRXC	175,667	157,526	49,572
PRXPRXX	3,198,494	2,822,650	999,734
OTHER--	1,512,691	1,416,762	679

Q 16. In Reference to Q15, what is the definition of Scaled Transmission PLC as used in the data for BGE? Is it same as NSPL?

A 16. Scaled Transmission PLC is a part of the NSPL submitted to PJM by EDC daily. It reflects zonal annual NSPL amount assigned to the load's zone by PJM. The daily Scaled Transmission PLC is calculated in three steps: (i) zone transmission PLCs are summed up for the population of customer accounts active at a given day, (ii) scaling factor is calculated by dividing zonal annual NSPL amount assigned to the load's zone by the calculated total PLC from step (i), and (iii) each detail sum of PLC for that day is multiplied by the scaling factor to obtain scaled transmission PLC.

Q17. Assuming no migration of load, is the supplier obligated to serve the full proportion of load irrespective of weather variations? For example, say the Base PLC is at 100% and 1500 MW. If during the summer extreme weather drives load up to 2000

MW, are the supplier(s) obligated to serve all of the increase in load or will their obligation be capped by the increment calculation?

- A17. The supplier is obligated to serve 100% of the base load as defined in the section 6.3 of the FSA irrespective of the weather variances. The inc/dec caps are based on PLC MW and they are in place to address customer migration between shopping and Default Service only.

ALLEGHENY POWER-SPECIFIC QUESTIONS AND ANSWERS

AP Q1. Why did the type II load of AP increased significantly from March 08 to April 08 (indicated in the file MD TypeII_072009.xls)? Where can I find the definition of Type II Sec, Pri, and Sub?

AP A1. The wrong files for Type II All Eligible were posted. The data prior to April 2008 represents the old definition of Type II. The files have been corrected on the website. The definition of Type II is provided in the AP Bid Plan.

The designations of Sec, Pri and Sub are simply service voltage designations – secondary, primary, and subtransmission service voltages. We segmented the loads in this fashion because different line loss factors are needed to convert the meter level loads to the supply level.

AP Q2. Would you please briefly describe the difference between the four tabs of residential load spreadsheet? They are labeled as follows:

Residential-Total

AE (kWh)

WOWH (kWh)

WWH (kWh)

AP A2. We have provided hourly load data for the Residential customer class respective to three distinct profile types -

The Residential-Total tab represents the sum of these three residential types or the total Maryland Residential customer load.

AE - Residential customers with electric space heating

WOWH - Residential customers without electric water or space heating

WWH - Residential customers with electric water heater and no electric space heating

AP Q3. The Type 1 data provided by AP, for the classes General Service Secondary and General Service Primary, contains a sharp increase in April 2008. The data then returns to historical levels in the second half of April. Can you please explain this sudden increase? The Type 2 data provided by AP, for General Service Secondary, contains a drop that occurs on April 2008. The data seems to return to historical levels in the second half of April. Can you please explain this sudden decrease?

AP A3. The definition of Type 1 and Type 2 changed effective June 1, 2008. In order to handle the new definitions we had to add new rate codes on Schedules C, CA and G to distinguish the Type 1 customers from Type 2. We moved the newly defined Type 2 accounts to the new rate codes during the month of April 2008. Because this customer migration from Type 1 to Type 2 occurred throughout the month of April we were not able to normalize the loads for the one month. The data for the months prior to April 2008 were normalized to reflect the change in the definition of Types 1 and 2.

AP Q4. Could you provide AP residential SOS hourly load? On the AP RFP website there is link for "Residential SOS", but it does not provide the hourly SOS load. It tells you to check the link "Residential". However, the "Residential" only provides the total hourly residential load, not hourly SOS load.

The AP bid plan indicates very small migration (707MW eligible vs. 701MW SOS). Will this situation continue in the future?

AP A4. Because the residential load migration has been so very small for Allegheny, we have not developed any Residential SOS profiles to date. The differential remains insignificant. We will reevaluate for the next bid round based on updated customer migration data.

AP Q5. The AP type II total load (indicated by the file: MDTypeII_072009.xls, updated on 10/5/09)is the same as AP type II SOS load before 3/31/06 (indicated by the file: TypeIISOS_072009.xls, updated on 9/9/09), and start on 4/1/06,and the type II total load is greater than type II SOS load? Is there anything wrong in one of the file (or both files)?

AP A5. No, there is not anything wrong with these files. The Type II SOS load excludes shopping customer load. The Type II total load should be either greater or equal to the Type II SOS load.

AP Q6. Where can bidders find an updated tariff for Allegheny Maryland that includes the rates for Type 2 load from December 1, 2010 through February 28, 2010? The link on the website

<http://www.alleghenypower.com/Tariffs/MD/Attachments/MDRetailTariff.pdf> only contains Type 2 rates through November 30, 2009.

AP A6. The website link has been updated as of December 18, 2009.

AP Q7. Please update the MD PLC NSPL by Type for PAT calculation file with current PLC data as well as 2010 NSPL data.

AP A7. This file will be updated on or around January 4.

AP Q 8 . My question is about the migration of AP type I load. In the bid plan dated on Oct. 16, 09, the load for AP type I is 46MW (SOS) vs. 58MW(Eligible), which indicates a migration of about 21%. However, based on the Historic data files

GeneralServiceTypeI_new definition 122009.xls and GeneralServiceTypeISOS_new definition_122009.xls, the SOS load is about 40% of total load in September 09, which indicates a migration of about 60%. Why they are so different?

AP A 8 . Our comparison of the September 2009 General Service Type 1 historical data files does not indicate the difference of 40% indicated. The September total energy from GeneralServiceTypeI_new definition 122009.xls is 19,345,631.649 Mwh and the September 2009 usage from GeneralServiceTypeISOS_new definition_122009.xls is 15,316,519.768 MWh. This difference is about 21%.which is in line with the bid plan data

AP Q 9 . Please provide an example of how a bidder can calculate the average clearing price for Type 2 load in the October 2009 auction using the Allegheny MD Tariff (<http://www.alleghenypower.com/Tariffs/MD/Attachments/MDRetailTariff.pdf>).

AP A9. Winning bid pricing is confidential per the terms of the Commission approved RFP process. Available public data on the bids can be found on the Commission's website under Case Numbers 9056 and 9064 and through the Allegheny Power updated Tariff pages at <http://www.alleghenypower.com/Tariffs/MD/Attachments/MDRetailTariff.pdf>. Additional non-price data on the bidding process can be found on the Allegheny Power website 90 days after each bid round in accordance with the Commission's regulations at <http://www.alleghenypower.com/rfp/Maryland/PreviousSolicitationResults.asp>.

AP Q10. What is the difference in the NSPL values (NSPL Values for Res, Type 1 and Type 2 respectively are 935.1, 49.8, 123.9) posted in the file Maryland PLC NSPL by Type for PAT calculation (update 01/04/2010) and NSPL values (NSPL Values for Res, Type 1 and Type 2 respectively are 739.6, 49.1, 145.0) posted in files Residential Customer PLC and NSPL (update 12/18/2009), Type I Customer PLC (update 12/18/2009), and Type II PLC new definition (update 12/18/2009)? Which one is the most accurate value? Most concerning in the data is the 200 mw difference in the residential class.

AP A10. The NSPL values are effective for a calendar year. The 12/18 files depicted the 2009 values based on a July summer peak value from 2008. The updated calendar 2010 values appear in the PAT calculation file. These are the new values currently effective and are the most accurate. The 2010 NSPL values are based on the January 2009 peak. There are some significant differences between the 2009 and 2010 NSPL values due to the change in the season - 2009 based on a summer peak and 2010 based on a winter peak.

AP Q11. Is there a schedule for the results of the recent Potomac Edison RFP to be publicly released?

AP A11. For Potomac Edison (MD) the official posting of the winning suppliers will be available on Allegheny Power's Maryland RFP website 90 days (April 15, 2010) from the MDPSC approval of the contracts

PEPCO-SPECIFIC QUESTIONS AND ANSWERS

Pepco Q1 Where do I find the Pepco Pre-Bid Eligibility Documents?

Pepco A1 Upon logging into the Energy Procurement System, you will go directly to your home page. Under **My Active RFP's** you will see a list of the RFPs for which you have expressed interest. Clicking on the desired RFP will take you to the selected RFP Dashboard. Here under **My RFP Active Tasks** you will be able to complete all your RFP related tasks. The Upload tasks contain the eligibility documents which can be downloaded for your completion, and then uploaded.

Pepco Q2 Where do I find the Pepco Bidder Information?

Pepco A2 To access bidder information (e.g. historical load data, RFP documents) click on the **Bidder Info** button located in the upper right of your home page. If you do not see the Bidder Information folders and documents for the RFP you are interested in, please click on **Click here to subscribe to this Knowledge Center** below the listed RFP.

Pepco Q3. Similar to AP and BGE, can DPL and PEPCO provide bidders with monthly historical customer counts, by rate class, for customers on SOS service and on Competitive Supplier service?

Pepco A3. PEPCO provides this information before each bid round. PEPCO does provide historical daily SOS Capacity PLCs by Customer Type. PEPCO will not be providing monthly historical customer counts, by rate class, for customers on SOS service and on Competitive Supplier service at this time.

Pepco Q4. I have the following questions regarding the upcoming PEPCO solicitation:

1. **Please confirm that PEPCO R-TM hours are as follows:**
 - a. **On-Peak: HE13-HE20**
 - b. **Intermediate-Peak: HE09-HE12 And HE21-HE24**
 - c. **Off-Peak: HE01-HE08**
2. **Given PEPCO's definition of Summer, 5/1 -9/31, is it correct to state that offers for the Summer period within the framework of a PJM planning year will apply to non-contiguous months? For example, a Summer offer for 6/1/10-5/31/11 will be apply to load in the delivery periods 6/1/10-9/31/10 and 5/1/11-5/31/11. Is this correct?**

Pepco A4. PEPCO's R-TM hours are as follows:

- a. On-Peak: HE13 to HE20
- b. Intermediate-Peak: HE09 to HE12 and HE21 to HE24
- c. Off-Peak: HE01 to HE08
Saturdays, Sundays and Holidays
Off-Peak Period All Hours
Holidays
New Year's Day, Rev. Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day, as designated by the Federal

Government.

2. **PEPCO SEASONAL DEFINITION**

Summer Calendar Months = May - September

Winter Calendar Months = October - April

You are correct in your example for the PJM 2010 planning period (6/1/10 thru 5/31/11)

The summer period would include 6/1/10 thru 9/31/10 and 5/1/11 thru 5/31/11.

Pepco Q5. Regarding, PEPCO RTM class hour:

In RFP, it specifies that

On peak : 12:00 to 8:00PM,

Int peak: 8:00 to 12:00 noon, 8:00 pm to 12:00 midnight

Off peak 12:00 midnight to 8:00 am,

I interpreted this as follows,

On peak: HE(hour ending) 1:00pm to 8:00pm,(actual hour 12:01 ~ 8:00)

Int peak: HE(hour ending) 9:00AM to 12:00 noon, (actual hour 8:01~12:00),

9:00pm to 12:00 midnight

Off peak; HE 1:00AM to 8:00 AM,(actual hour 12:01 ~ 8:00AM)

1. Is this interpretation correct?

2. Other than RTM class, do other classes follow PJM standard on/off peak hour definition?

Pepco A5

1. See response to Pepco Q4

2. No, there no customer classes in the Pepco or Delmarva RFP which use PJM standard on/off peak hour definitions.

Pepco Q6

Is the “Generation” section of the PEPCO electric tariff for Type 2 load the average price (\$0.09573/kWh for MGTLV II and 0.09438/kWh for MGT3A II) of all winning bidders? Do the values presented in this section of the tariff include any other adjustments such as Transmission, Gross Receipt Taxes, Procurement Cost Adjustment, etc.

Pepco A6.

The Pepco MD SOS Type II rates are calculated as the sum of the weighted average price if the winning bids plus the administrative charge. It does not include other adjustments such as Transmission, Gross Receipt Taxes, or the Procurement Cost Adjustment.

DELMARVA-SPECIFIC QUESTIONS AND ANSWERS

Delmarva Q1

Delmarva A1

Where do I find the Delmarva Pre-Bid Eligibility Documents?

Upon logging into the Energy Procurement System, you will go directly to your home page. Under **My Active RFP's** you will see a list of the RFPs for which

you have expressed interest. Clicking on the desired RFP will take you to the selected RFP Dashboard. Here under **My RFP Active Tasks** you will be able to complete all your RFP related tasks. The Upload tasks contain the eligibility documents which can be downloaded for your completion, and then uploaded.

Delmarva Q2
Delmarva A2

Where do I find the Delmarva Bidder Information?

To access bidder information (e.g. historical load data, RFP documents) click on the **Bidder Info** button located in the upper right of your home page. If you do not see the Bidder Information folders and documents for the RFP you are interested in, please click on **Click here to subscribe to this Knowledge Center** below the listed RFP.

Delmarva Q3.

Similar to AP and BGE, can DPL provide bidders with monthly historical customer counts, by rate class, for customers on SOS service and on Competitive Supplier service?

Delmarva A3.

Delmarva provides this information before each bid round. DPL does provide historical daily SOS Capacity PLCs by Customer Type. DPL will not be providing monthly historical customer counts, by rate class, for customers on SOS service and on Competitive Supplier service at this time.

Delmarva Q4.

Is the rate of \$0.092875/kWh in “Standard Offer Service for Type II Customers” section of the DPL MD electric tariff for Type 2 load the average price of all winning bidders? Do the values presented in this section of the tariff include any other adjustments such as Transmission, Gross Receipt Taxes, Procurement Cost Adjustment, etc.

Delmarva A4.

The Delmarva MD SOS Type II rates are calculated as the sum of the weighted average price of the winning bids plus the administrative charge. It does not include other adjustments such as Transmission, Gross Receipt Taxes, or the Procurement Cost Adjustment.

BGE-SPECIFIC QUESTIONS AND ANSWERS

BGE Q1. Could you please confirm whether BGE will pay suppliers weekly (ie. inline with PJM's weekly settlement schedule).

BGE A1. Yes, BGE will continue paying suppliers weekly (in line with PJM settlement schedule) as it has been doing since the PJM weekly settlement change was implemented on June 1, 2009.

BGE Q2. The BGE bid plan prepared on October 07, 2009 has a block size of 1.388889% and an approximate block size MW of 48.7.

The RFP and the pre-bid webinar have a block size of 1.470588% and 51.5MW.

Can you please confirm which block size is correct for the auction on Monday October 19th?

BGE A2. The bid plan specified on the website, rfp.bge.com, is the one to be used for the October 19, 2009 auction. The bid plan presented in the webinar was for illustrative purposes only.

Q&As From September 23, 2009 MD SOS Pre-Bid Webinar

Q1: Is the PAT calculated separately for Residential and Type I products?

A: Yes. The PAT is developed individually for each utility and for each Residential or Type I product. However, Delmarva and Pepco have combined the Type I and Residential products. Thus, only one PAT will be calculated for this combined product. Also, within each type of product a separate PAT will be produced for each contract term.

Q2: Are submissions of eligibility necessary for both Delmarva and Pepco since they are both PHI companies?

A: Yes. Bidders will have to submit eligibility documents individually for Delmarva and Pepco. Note that bidders which have submitted eligibility forms for the 2010 MD SOS Procurement need not resubmit such forms when applying for 2010 eligibility in other PHI jurisdictions (e.g. Delaware and the District of Columbia).

Q3: Do the credit exposure calculations take into account weekly settlements?

A: Yes. All utilities account for weekly settlements in their calculation of exposure to determine performance assurance.

Q4: Regarding the Guarantor: if the Guarantor qualifies for \$50 million in unsecured credit but the Supplier only qualifies for \$25 million, does the \$50 million apply?

After review of the conference recording, the correct response should have been

~~A: No. The unsecured credit limit is the lower of the amounts qualified by the Guarantor and the Supplier's credit rating. Thus, in this case the \$25 million would apply.~~

A4: Yes, the unsecured credit of the guarantor (\$50 million) would apply if they are named as the guarantor in Section 2 of the Credit Application, unless the guarantor limits its guarantee to a level below what it qualifies for.