

DELMARVA POWER
SUPPLIER COORDINATION AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between Delmarva Power & Light Company (“Company”), a corporation and a public utility organized and existing under the laws of the State of Delaware and Commonwealth of Virginia and _____, a _____ organized and existing under the laws of _____, (“Supplier” or “Electric Supplier”), both the Company and the Supplier hereinafter sometimes referred to collectively as the “Parties”, or individually as a “Party”,

WITNESSETH:

WHEREAS, the Company is currently a public utility engaged in the production, transmission, distribution and sale of electric energy with an exclusive franchise to serve customers located within certain areas of the State of Maryland; and

WHEREAS, certain Maryland Statutes and certain Rules and Regulations of the Public Service Commission of Maryland (“Commission”) (generally, the “Applicable Legal Authorities”) provide for the restructuring of the electric industry in Maryland from that of a regulated public utility service to allow direct access to the distribution system by entities that have successfully completed the certification process set forth in the Applicable Legal Authorities; and

WHEREAS, the Applicable Legal Authorities provide that, with implementation of such access to the distribution system, the Company will continue to serve as the exclusive electric distribution provider within its Service Territory; and

WHEREAS, the Supplier is thus certified to supply electric service to customers in the State of Maryland; and

WHEREAS, the Supplier intends to negotiate with customers for the sale of electric supply services and to make such sales; and

WHEREAS, an agreement between the Company and the Supplier is needed in order for the Supplier to engage in the provision of electric supply services in the Company's Service Territory;

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

1.0 This Supplier Coordination Agreement ("Agreement"), dated as of _____ Is entered into, by and between the Company and _____ (Electricity Supplier).

2.0 The Company agrees to supply, and the Electricity Supplier ("Supplier") hereby requests and agrees to take all "DPL/Supplier Services" pursuant to the DPL/Supplier Tariff ("Tariff"),. Both Parties agree that such services are necessary to coordinate the delivery of Competitive Power Supply to Customers located within the Company's service territory.

3.0 Representations and Warranties.

a) The Supplier hereby represents, warrants and covenants as follows:

(i) The Supplier is a [corporation/partnership/_____] duly organized and validly existing under the laws of the State of _____ is duly registered and authorized to do business and is in good standing in the State of Maryland;

(ii) The Supplier is a member of PJM, is a signatory to all applicable PJM Agreements, and is in compliance, and will continue to comply either directly or through its Scheduling Coordinator, with all obligations, rules and regulations, as established and interpreted by the PJM OI, that are applicable to Electricity Companies as defined by the PJM Agreements;

(iii) The Supplier is licensed by the Maryland PSC to provide Competitive Energy Supply to Customers in Maryland and has and will continue to satisfy all other Maryland PSC requirements applicable to Supplier;

(iv) The execution and delivery of this Agreement and Supplier's performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Supplier and does not and will not conflict with or result in a breach of the Supplier's charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Supplier is a party or by which the Supplier or any of its properties is bound or subject;

(v) There are no actions at law, suits in equity, proceedings or claims pending or, to the Supplier's knowledge, threatened against the Supplier before any federal, state, foreign or local court, tribunal or government agency or authority that might materially delay, prevent or hinder the Supplier's performance of its obligations hereunder; and

b) The Supplier shall provide notice to the Company via facsimile, with the original delivered via overnight mail, at such time that the Supplier learns that any of the representations, warranties, or covenants in Paragraph 3 (a) of this Agreement have been violated.

4.0 Supplier and the Company will comply with any and all information and data transfer protocols that may be adopted by the Maryland Public Service Commission and set forth in the Electronic Data Exchange Standards for Electric Deregulation in the State of Maryland, or with mutually-acceptable protocols adopted by Supplier and the Company.

5.0 This Agreement is a valid and binding obligation of the Company and the Supplier, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general principles of equity.

6.0 As consideration for Utility/Supplier Services provided by the Company, the Supplier shall pay the Company those Utility/Supplier Services Charges billed to the Supplier in accordance with the terms and conditions of the DPL/Supplier Tariff.

7.0 Utility/Supplier Services between the Company and the Supplier will commence pursuant to Section 4.2 of the DPL/Supplier Tariff.

8.0 **Indemnification.**

8.1. Notwithstanding any provision to the contrary, the Company shall have the same duties and limitations on liability for distribution service to the Electricity Supplier and its Customers as to those customers receiving electric supply service from the Company in accordance with the Company's Retail Electric Service Tariff, as it may change from time to time.

8.2. Each party ("indemnifying party") indemnifies and holds harmless the other party ("indemnified party") from and against any and all claims and/or liabilities, expenses and costs, including reasonable attorneys' fees, that were caused by an act or omission of the indemnifying party, that relate to the performance of its obligations under this Agreement and that are subject to the provisions of the Company's approved tariffs and the rules and regulations promulgated by the Maryland Public Service Commission, except to the extent that such losses, expenses or damages were caused wholly or in part by any negligent or willful act or omission of the indemnified party.

8.3 The obligation of either Party to indemnify, and hold harmless the other Party under this Article shall survive termination or expiration of this Agreement.

9.0 Assignment. The Supplier Coordination Agreement hereunder may not be assigned by either the Company or the Electricity Supplier without first obtaining (a) any and all necessary regulatory approvals and (b) the consent of the other party, which consent shall not be unreasonably withheld. Any assignment occurring in accordance with this provision shall be binding upon, and oblige and inure to the benefit of, the successors and assigns of the parties to the Agreement.

10.0 Governing Law. To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment and termination of this Supplier Coordination Agreement shall be governed by the laws of the State of Maryland.

11.0 Third Party Beneficiaries. The Supplier Coordination Agreement is intended solely for the benefit of the Parties hereto. Nothing in the Supplier Coordination Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a party to the Supplier Coordination Agreement.

12.0 General Miscellaneous Provisions.

12.1 The Supplier Coordination Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the parties, or to impose any partnership obligation or liability upon either party. Neither party shall have any right, power, or authority to enter into any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other party.

- 12.2 Cancellation, expiration or earlier termination of the Supplier Coordination Agreement shall not relieve the parties of obligations that by their nature survive such cancellation, expiration or termination, including without limitation warranties, remedies, promises of indemnity and confidentiality.
- 12.3 Should any provision of this Tariff or the Supplier Coordination Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof unless it materially changes the Agreement of the parties.
- 12.4 This Supplier Coordination Agreement, is intended by the parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. All prior written or oral understandings, offers or other communications or every kind pertaining to this Agreement are hereby abrogated and withdrawn.

13.0 Rights Upon Default. Notwithstanding anything stated herein, (1) upon the occurrence of a monetary Default by the Electricity Supplier, the Company may draw upon the Electricity Supplier's Credit Resources to pay the amount of the monetary Default; and (2) upon the occurrence of any Default, the party not in Default shall be entitled to file a complaint with the Commission to require the party in Default to remedy such default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof. Monetary default includes but is not limited to

- (a) Special mailings by the Company to the Supplier's Customers to inform them of the discontinuance of service and their options;
- (b) Non-standard/manual bill calculation and production performed by the Company;
- (c) Company performance of any of the Supplier's data transfer responsibilities;
- (d) Charges or penalties imposed on the Company by third parties resulting from the Supplier's non-performance;
- (e) Unplanned replacement capacity and/or energy obligations; and
- (f) Other expenses associated with such failure.

14.0 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

To the Company:
Delmarva Power
401 Eagle Run Road
Newark, DE 19702

Attn: Scott Razze, 79NC82
Title: Manager, Supplier Relations
Telephone: 302-283-6012
Facsimile: 302-283-6090
Internet e-mail: MDSupplier@pepcoholdings.com

To the Electricity Supplier:
(Address)
(City & State)

Attn:
Title:
Telephone:
Facsimile:
Internet e-mail:

15.0 Company Creditworthiness Evaluation. To be deemed Creditworthy, the Supplier must first have acquired a Supplier Certificate from the Commission, meeting the Commission's creditworthiness standards. The Supplier must then complete and submit to the Company an application form containing certain basic information regarding the Supplier, which includes at least two (2) years of audited financial statements, three (3) relevant trade references and a reference from a lending institution. The Company will apply, on a non-discriminatory and consistent basis, reasonable financial evaluation standards to assess and examine the Supplier's financial condition. The intent of the foregoing sentence is to use standards that are comparable to those relied on by PJM.

15.1 Alternative Creditworthiness Evaluation. Alternatively, to be deemed Creditworthy, the Supplier shall provide the Credit Amount to the Company in the form of a Letter of Credit, performance bond, surety bond by a surety licensed to do business in Maryland, unconditional financial guarantee of a Creditworthy parent or affiliated company, or other mutually agreeable security.

16.0 The DPL/Supplier Tariff and the PJM Open Access Transmission Tariff (collectively "Tariffs") are incorporated herein by reference and made a part hereof. By signing below, Supplier acknowledges that it has read and understands the Tariffs and will strictly comply with the terms and conditions contained in the Tariffs. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the Supplier Tariff.

17.0 The Company and the Supplier acknowledge that the Supplier's Customers are within the Company's service territory and that metered Customer loads must be translated into Supplier load obligations in order for both the Company and the Supplier to equitably meet their respective PJM obligations as Load Serving Entities. These Supplier load obligations include, but are not limited to, hourly energy obligations, Unforced Capacity obligations, and firm transmission obligations under the PJM Tariff. The procedures for developing and transmitting load obligations for the Supplier's hourly energy are described in the prevailing Conectiv Operating Manual: Procedures for Determining Peak Load Contribution for Capacity and Transmission Service and Total Hourly Energy Obligation (the "Operating Manual"), incorporated herein by reference, as provided by the Company, and as may be modified by the Company from time to time in its sole and exclusive discretion. The procedures for developing and transmitting the Supplier's peak load contribution to be used by PJM to determine the Supplier's Unforced Capacity obligations are described in the prevailing Operating Manual, incorporated herein by reference, as provided by the Company, and as may be modified by the Company from time to time in its sole and exclusive discretion. The procedures for developing and transmitting the peak load contribution based upon which the Supplier will meet its obligations under the PJM Tariff are described in the prevailing Operating Manual, incorporated herein by reference, as provided by the Company, and as may be modified by the Company from time to time in its sole and exclusive discretion.

18.0 Capitalized terms used herein shall have the meaning ascribed to them herein and if not defined herein shall have the meaning ascribed to them in the DPL/Supplier Tariff, or applicable tariffs or documents of the PJM Interconnection, L.L.C., as the case may be.

IN WITNESS WHEREOF, and intending to be legally bound thereby, [Company] and the Supplier identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

Delmarva Power & Light Company

ELECTRICITY SUPPLIER

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

CONECTIV POWER DELIVERY
SCHEDULING COORDINATOR DESIGNATION FORM

1.0 This Scheduling Coordinator Designation Form, dated _____, is being submitted to Delmarva Power & Light Company ("Company") by _____ ("Supplier").

2.0 By submitting this form, the Supplier hereby notifies Company that it has appointed the following entity to act as its Scheduling Coordinator, effective the first day of _____, in accordance with Article 3.0 of the Company's Electricity Supplier Coordination Tariff (Tariff): _____

3.0 Company will utilize the Scheduling Coordinator as the sole point of contact with the Supplier in connection with Company's provision of Utility/Supplier Services to the Supplier. Likewise, the Scheduling Coordinator appointed by the Supplier shall be responsible for the performance of all Supplier Obligations of the Supplier that are specifically delegated to said Scheduling Coordinator in this Form.

4.0 The Supplier agrees that Company will bill the Scheduling Coordinator directly for all Utility/Supplier Services Charges attributable to the Supplier and that the Scheduling Coordinator will pay the Company such charges on behalf of the Supplier in accordance with the terms and conditions in the Tariff.

5.0 The Supplier and its appointed Scheduling Coordinator shall comply with all terms and conditions of the Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.

6.0 All inquiries, communications or notices relating to the Supplier's use of the Scheduling Coordinator designated above may be directed to the following representatives:

To the Supplier:

Attn: _____
Title: _____
Telephone: _____
Facsimile: _____
E-mail: _____

To the Scheduling Coordinator:

Attn: _____
Title: _____
Telephone: _____
Facsimile: _____
E-mail: _____

7.0 The Tariff is incorporated herein by reference and made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the Tariff.

8.0 The Supplier has executed this designation form below by its duly authorized representative as follows:

Company Name _____
Signature: _____
Name: _____
Title: _____
Date: _____

9.0 The Supplier has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

Acknowledgment and Consent

Intending to be legally bound thereby, the duly authorized representative of above-designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the Supplier, including the terms and conditions of the Tariff which is incorporated therein by reference.

Company Name _____

Signature: _____

Name: _____

Title: _____

Date: _____