



A PHI Company

Atlantic City Electric Company (ACE) Third Party Supplier Application to Participate in Retail Choice (the "Application") in New Jersey

An applicant shall forward this completed and signed application, and accompanying information to the following address:

Mailing Address: Attn: Supplier Relations 79NC82 Atlantic City Electric PO Box 9239 Newark, DE 19714-9239	Shipping Address: Attn: Supplier Relations, 79NC82 Atlantic City Electric 401 Eagle Run Road Newark, DE 19702
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An applicant will not be eligible to be a Third Party Supplier (TPS) until ACE approves the application and the applicant and ACE execute the Third Party Supplier Agreement.

Please provide the following information:

1. Applicant / Company

Applicant Name _____
 State of Incorporation (please mark N/A if not incorporated) _____
 Years in Business _____
 Federal Tax ID _____ D&B DUNS # _____
Credit or Financial Contact Person
 First and Last Name _____
 Title _____
 Address _____
 City, State, Zip Code _____
 E-mail Address _____
 Telephone (____) _____
 Facsimile (____) _____
 Parent Company _____ State of Incorporation _____

Will the Applicant's Parent Company or an Affiliate be the credit support provider (e.g., guarantee)? Yes _____ No _____
 If yes, identify by name the credit support provider:
 Parent Company _____ State of Incorporation _____
 Affiliate _____ State of Incorporation _____

2. Banking Information - ACH Instructions for Customer Remittances

Bank Name: _____ ABA #: _____
 Contact: _____ Account #: _____
 Address: _____ Name on the account: _____
 City, State: _____ Phone #: _____
 Zip Code: _____



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3. Bank Reference

Bank Name: _____ Account Officer: _____
Address: _____ Account #: _____
Telephone #: _____
City, State: _____
Zip Code: _____

4. Supplemental Data

Please provide the following information for you and your parent or affiliate company providing credit support:

- a) Two (2) most recent Annual Reports;
- b) Most recent SEC Form 10-K and 10-Q; or, if SEC Form 10-K is unavailable, please substitute with audited annual financial information (including a balance sheet, income statement, and cash flow statement);
- c) Most recent quarterly or monthly financial information (including a balance sheet, income statement, and cash flow statement) accompanied by an attestation by Applicant's Chief Financial Officer that the information submitted is true, correct and a fair representation of Applicant's financial condition.
- d) Long-Term Bond Rating (LTD Rating) Moody's _____ S&P _____
Fitch _____ Duff & Phelps _____
- e) Credit Support Provider LTD Rating Moody's _____ S&P _____
Fitch _____ Duff & Phelps _____

Please provide proof of the following:

- f) New Jersey BPU License/Exp. Date: _____
- g) PJM Certification _____
- h) Electronic Data Interchange Capabilities Tested on _____
- i) Year 2000 System Compliance



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5. Alternate Credit Arrangements

If the Applicant is unable to provide ACE with the above-mentioned information or to demonstrate that it has and maintains Investment Grade bond ratings from two of the rating agencies listed in the Third Party Supplier Agreement, the Applicant must make alternative credit arrangements in an amount equal to \$2,800 per MW of Capacity Obligation for CIEP customers, \$9,000 per MW of Capacity Obligation for Residential BGS-FP customers, and \$6,000 per MW of Capacity Obligation for non-residential BGS-FP customers. The alternative credit arrangements are described in the Third Party Supplier Agreement in Appendix B1, B2, and B3 and forms are provided as attachments to this Application. There is a minimum credit arrangement of \$25,000.

Please provide an estimate of the initial amount Capacity Obligation in MWs you plan to serve:

Residential _____ X \$9000 = _____
 Commerical _____ X \$6000 = _____
 CIEP _____ X \$2800 = _____
 TOTAL: _____

6. Representations

	<u>Applicant</u>		<u>Parent</u>		<u>Affiliate</u>	
	Yes	No	Yes	No	Yes	No
<i>Is the applicant and/or their parent (and/or the affiliate providing credit support):</i>						
a) Operating under federal bankruptcy laws?	___	___	___	___	___	___
b) Subject to pending litigation or regulatory proceedings in state or federal courts and/or agencies which could impact the Applicant's and/or Parent's financial condition?	___	___	___	___	___	___
c) Subject to collection lawsuits or outstanding judgements which could impact solvency?	___	___	___	___	___	___
d) Mandatory disclosure of prior bankruptcy declarations by Applicant and/or predecessor	_____					



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7. Electronic Exchange of Documents

Please provide the following information as it is required for exchanging business documents via EDI

- a) What VAN service do you currently utilize? _____
- b) What is your Sender/Receiver qualifier and ID? _____
- c) Name of EDI Business Contact: _____
- d) Phone number of EDI Business Contact: _____
- e) E-mail address of EDI Business Contact: _____
- f) Name of EDI Technical Contact: _____
- g) Phone number of EDI Technical Contact: _____
- h) E-mail address of EDI Technical Contact: _____

8. Certification, Authorization, and Signature

ACE will treat all financial statements provided by Applicant in a confidential manner.

Applicant will notify ACE, Retail Settlement Operations, if any financial, credit or electronic document exchange information changes.

Applicant certifies that the information herein is complete and accurate to the best of Applicant's knowledge, information and belief, and that the individual signing below is an authorized Representative of the Third Party Supplier.

Applicant herein authorizes ACE to obtain any information that may be required relative to this Applicant hereby from any source, including Applicant's financial and trade references. Applicant also hereby authorizes each source to provide such information.

Legal Name of Applicant: _____

Signature of Authorized Representative: _____

Name (Please Print): _____

Title: _____

Sworn Before: _____

Date: _____



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Access to Supplier Website Reports and Applications

Atlantic City Electric and Delmarva Power are authorized to provide certain information to a supplier that is not available via EDI. This information is provided via website applications.

- In DE, suppliers can access a list of all DE customers, updated in April and October
- In MD, suppliers can access customer bills
- In NJ, suppliers can access reports on customer arrears
- In DE, MD, and NJ, suppliers can access interval data via a website application
- In DE, MD, and NJ, suppliers can access a report of missing EDI transactions, including charges that were not sent to the utility.

In order to set up access for your company, **you need to designate two people from your company to act as the gatekeepers.** Security information, including any logins and passwords assigned to your company, will only be given to the official contact listed in your executed supplier agreement, or to the designated gatekeepers.

The gatekeepers will be responsible for distributing the login and password information to other employees in your company, changing the password if an employee leaves your company and should no longer have access to the data, and communicating password changes to the employees who have been given access. In addition, the staff of the Supplier Hotline will refer any request for access from employees of your company to the designated gatekeepers.

GATEKEEPER #1

Name _____

Phone Number _____

Email Address _____

GATEKEEPER #2

Name _____

Phone Number _____

Email Address _____



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Third Party Supplier (TPS) Contact Information Form

TPS Name as on Contract: _____

State (where energy will be supplied - to which the information on this form applies): _____

PJM Supplier Short Name (6 chars or less): _____

Registration Contact: _____ Last Name First Name

Contact Phone Number: (____) _____ - _____ Extn: _____

Email: _____

Mailing Address: _____

City: _____ State: _____ Zip _____

Contact for PJM: _____ Last Name First Name

Contact Phone Number: (____) _____ - _____ Extn: _____

Email: _____

Supplier Contact information as it is to appear on the confirmation letters/customer bills (Name limited to maximum of 15 characters if supplier will be using utility consolidated billing):

Supplier Name: _____ Cust. Svc. Phone #: (____) _____ - _____

Address: _____

City: _____ State: _____ Zip: _____

Supplier Billing contact information (for Atlantic billing to TPS):

Primary Billing Contact: _____ Last Name First Name

Contact Phone Number: (____) _____ - _____ Extn: _____

Email address: _____

Mailing Address: _____

City: _____ State: _____ Zip _____

Supplier Retail Billing contact (for Atlantic to send usage information if needed, e.g. EDI difficulties):

Retail Billing Contact: _____ Last Name First Name

Contact Phone Number: (____) _____ - _____ Extn: _____

Email address: _____

Supplier Enrollment contact (for Atlantic to contact Supplier if needed):

Enrollment Contact: _____ Last Name First Name

Contact Phone Number: (____) _____ - _____ Extn: _____

Email address: _____



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Meter Correction Allocation Methodology Acknowledgment

On January 22, 2010, FERC conditionally accepted PJM’s proposal to provide a voluntary billing service for Electric Distributions Companies (EDCs) that elect to have PJM allocate meter correction charges directly to the Load Serving Entities (LSEs) within their respective EDC territory, making the tariff revisions effective February 1, 2010.

FERC stipulated that in order for PJM to implement this provision for an individual EDC to use this optional billing service, both the EDC and the LSEs in the respective EDC zone must consent to use this service before the change in meter correction allocation methodology can be used in that EDC’s zone.

The Atlantic City Electric zone load is fully allocated to the wholesale and retail suppliers providing the energy to meet the Atlantic City Electric load. Any meter corrections to that monthly load at the end of the month should be appropriately shared amongst all of those LSEs. These meter corrections can be charges or credits in any particular month and, in fact, have been net credits in most months for the Atlantic City Electric zone.

Atlantic City Electric and PJM implemented this meter correction allocation methodology policy with the January 2011 PJM invoices.

Please indicate your concurrence with the **meter correction allocation methodology** as outlined above and in the FERC ruling by signing below and returning a copy of the letter to PJM and Pepco Holdings Inc. via electronic signature, fax, or include with the initial ACE or DPL registration.

- Fax to PJM at (610) 666-4540 or email to mSWG@pjm.com
- Email Pepco Holdings Inc. at DESUPPLIER@PEPCOHOLDINGS.COM
- Include with Initial Supplier Registration for ACE or DPL

If you need any further explanation, please contact Supplier Relations at (302) 283-6012.

Sincerely,

Patrick J. Cook, *Mgr. – Wholesale Billing & Administration*

Delmarva Power and Atlantic City Electric
PHI Companies

Signature

Contact Name/Title

Retail Supplier Name

DPL DE PJM Short Name _____

DPL MD PJM Short Name _____

ACE NJ PJM Short Name _____



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GUARANTY

Guaranty, dated as of _____, 20__ by _____ a, _____ corporation (the "Guarantor"), in favor of Atlantic City Electric Company (the "Beneficiary").

1. **Guaranty.** In consideration of the Beneficiary having entered into, or entering into a Third Party Supplier Agreement by and between _____ (the "Company"), an affiliate of the Guarantor, and the Beneficiary (the "Agreement"), the Guarantor irrevocably and unconditionally guarantees to Beneficiary, its successors and assigns, the prompt payment when due, subject to any applicable grace period, of all of the Company's present and future obligations and liabilities of all kinds to Beneficiary arising out of the Agreement. Guarantor's liability under this Guaranty and the Beneficiary's right to recover under same shall be limited to an aggregate amount of \$_____. Guarantor acknowledges that it will benefit directly or indirectly from the transactions to be entered into between the Beneficiary and the Company.

2. **Nature of Guaranty.** This Guaranty constitutes a guarantee of payment when due and not of collection. In the event that any payment of the Company in respect of any Obligations is rescinded or recovered from Beneficiary as a preference or fraudulent transfer under the Federal Bankruptcy Code, or any applicable state law, the Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made. This Guaranty shall continue to be effective whether or not Guarantor, Company, or Beneficiary merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist. **GUARANTOR SHALL NOT BE REQUIRED TO PAY SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES (WHETHER OR NOT ARISING FROM A PARTY'S NEGLIGENCE) TO BENEFICIARY, EXCEPT TO THE EXTENT THAT THE PAYMENTS REQUIRED TO BE MADE PURSUANT TO THE OBLIGATIONS UNDER THE AGREEMENT ARE DEEMED TO BE SUCH DAMAGES. IF AND TO THE EXTENT ANY PAYMENT MADE PURSUANT TO THE OBLIGATIONS UNDER THE AGREEMENT IS DEEMED TO CONSTITUTE LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGE AND AGREE THAT DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THAT SUCH PAYMENT CONSTITUTES A REASONABLE APPROXIMATION OF THE AMOUNT OF SUCH DAMAGES, AND NOT A PENALTY.**

3. **Consents, Waivers and Renewals.** Guarantor agrees that Beneficiary may, at any time and from time to time, without notice to or consent of the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder: (1) make any change in the terms of any Obligation or liability of the Company to Beneficiary, (2) take or fail to take any action of any kind in respect of any security for any Obligation or liability of the Company to Beneficiary, (3) exercise or refrain from exercising any rights against the Company or others, or (4) compromise or subordinate any Obligation or liability of the Company to Beneficiary including any security therefore.

4. **Expenses.** The Guarantor agrees to pay on demand all out-of-pocket expenses (including the reasonable fees and expenses of Beneficiary's counsel) in any way relating to the enforcement or protection of the rights of Beneficiary hereunder; provided, that the Guarantor shall not be liable for any expenses of Beneficiary if no payment under this Guaranty is due.

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5. **Subrogation.** The Guarantor will not exercise any rights which it may acquire by way of subrogation until all the Obligations to Beneficiary shall have been paid in full. Subject to the foregoing, upon payment of all the Obligations, the Guarantor shall be subrogated to the rights of Beneficiary against the Company, and Beneficiary agrees to take such steps as the Guarantor may reasonably request, at the Guarantor's expense, to implement such subrogation.

6. **Setoffs and Counterclaims.** Guarantor reserves to itself all rights, counterclaims and other defenses which the Company is or may be entitled to arising from or out of the Agreement, except for defenses arising out of the bankruptcy, insolvency, dissolution or liquidation of the Company, the power or authority of Beneficiary to enter into the Agreement, and to perform its Obligations thereunder, and the lack of validity or enforceability of the Company's Obligations under the Agreement or any transaction thereunder.

7. **No Waiver; Cumulative Rights.** No failure or delay on the part of Beneficiary to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Beneficiary of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Beneficiary or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Beneficiary from time to time.

8. **Waiver of Notice.** The Guarantor waives notice of the acceptance of this Guaranty presentment, demand, notice of dishonor, protest, notice of any sale of collateral security and all other notices whatsoever.

9. **Representation and Warranties.**

(a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law or of the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.

(c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

10. **Assignment.** The Guarantor shall not assign its rights, interest or obligations hereunder to any other person without the prior written consent of the Beneficiary and any purported assignment absent such consent is void.



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11. **Notices.** All notices or other communications to the Guarantor shall be in writing and shall be given in the same manner and with the same effect as set forth in the Agreement. The Guarantor's address for notices is as follows:

Attn: _____

The Beneficiary's address for notices is as follows:

Mailing Address:

Shipping Address:

Supplier Relations, 79NC82
Atlantic City Electric
PO Box 9239
Newark, DE 19714-9239

Supplier Relations, 79NC82
Atlantic City Electric
401 Eagle Run Road
Newark, DE 19702

or such other address as either the Guarantor or Beneficiary shall from time to time specify to the other party.

12. **Termination.** This is a continuing Guaranty of all present and future Obligations of the Company to the Beneficiary. This Guaranty shall terminate the earlier to occur _____ or at any time upon written notice by Beneficiary to Guarantor, which termination shall become effective on the eleventh (11th) day after the date of receipt by the Guarantor of such notice. Notwithstanding the foregoing, this Guaranty shall continue to apply to all Obligations of the Company to the Beneficiary pursuant to the Agreement entered into before the effective date of termination.

13. **GOVERNING LAW. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE. GUARANTOR AND BENEFICIARY JOINTLY AND SEVERALLY AGREE TO THE NON-EXCLUSIVE JURISDICTION OF STATE AND FEDERAL COURTS LOCATED IN THE STATE OF NEW JERSEY OVER ANY DISPUTES ARISING OR RELATING TO THIS GUARANTY.**

14. **Waiver of Right to Trial by Jury.** Each party hereby irrevocably waives any and all rights to trial by jury with respect to any legal proceeding arising out of or relating to this Guaranty or any Obligations arising under the Agreement.

IN WITNESS WHEREOF, the Guarantor has caused its duly authorized officer to execute and deliver this Guaranty as of the date first above written. The Guaranty becomes effective concurrent with the effective date of the Agreement according to its terms.

Guarantor: _____

By:
Name:
Title: _____



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Date

Atlantic City Electric Company
Supplier Relations 79NC82
PO Box 9239
Newark, DE 19714-9239

RE:

Gentlemen:

We hereby establish our irrevocable Letter of Credit # _____ in your favor for payment of all of _____ (the "Company's") present and future obligations and liabilities of all kinds to Atlantic City Electric Company ("ACE") in an amount not to exceed a total of _____ arising out of the Third Party Supplier Agreement (the "Agreement") including, but not limited to, the cost incurred by ACE of the Company's customers returning to Basic Generation Service due to a Company default as defined in the Agreement. This Letter of Credit shall expire on _____, and is irrevocable except upon mutual written consent of ACE and _____ unless renewed as hereinafter provided.

It shall be a provision of the Letter of Credit that it will automatically renew for one year from the listed expiration date unless we send written notice to ACE at the addresses listed below within 60 days of the expiration date to advise you that this Letter of Credit will not be renewed.

All drafts of this Letter of Credit should be addressed to the undersigned at:

Mailing Address:

Shipping Address:

Supplier Relations, 79NC82
Atlantic City Electric
PO Box 9239
Newark, DE 19714-9239

Supplier Relations, 79NC82
Atlantic City Electric
401 Eagle Run Road
Newark, DE 19702

All drafts of this Letter of Credit must be accompanied by a statement by an authorized office of ACE, indicating that the drafts are made in accordance with Letter of Credit# _____ and stating that the Company is in default with respect to the Agreement.

This Letter of Credit is neither transferable nor assignable.

This Letter of Credit is subject to the Delaware Uniform Commercial Code.

Sincerely,
