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September 7, 2016

**THE POTOMAC EDISON COMPANY,
BALTIMORE GAS AND ELECTRIC COMPANY,
DELMARVA POWER, AND PEPCO
REQUEST FOR PROPOSALS FOR
FULL REQUIREMENTS WHOLESALE ELECTRIC POWER SUPPLY**

Ladies and Gentlemen:

The Potomac Edison Company (“PE”), Baltimore Gas and Electric Company (“BGE”), Delmarva Power and Pepco (all jointly referred to as “the Maryland Utilities”) currently offer electric Standard Offer Service (“SOS”) to their Maryland customers through fixed and variable price power supply tariffs in accordance with the Maryland Public Service Commission orders in Case Nos. 8908, 9037, 9056 and 9064. The Maryland Utilities will provide generation supply for specified periods, procured through a competitive wholesale bidding process. Each of the Maryland Utilities will conduct a separate, yet simultaneous, wholesale, multi-procurement process under identical rules and schedules.

The Maryland Utilities are soliciting competitive bids for full requirements wholesale supply service for the load associated with the supply obligation as is more fully described in the Request for Proposal (“RFP”) documents. Each of the Maryland Utilities is issuing their own RFP soliciting supply contracts ranging in term from three to twenty-four months.

- For BGE, Delmarva Power, and Pepco, the bidding for Residential contracts will occur in two procurements – October 2016 and April 2017, contract terms will be twenty-four months, and will be for supply services to begin June 1, 2017 and October 1, 2017, respectively.
- For PE, the bidding for Residential contracts will occur in four procurements – October 2016, January, April, and June 2017, and the contract terms will range from twelve- to twenty-four months, for supply services to begin June 1, 2017 and June 1, 2018.
- For BGE, the bidding for small commercial Type I contracts will occur in two procurements -- October 2016 and April 2017, contract terms will be for twenty-four months, and will be for supply services to begin June 1, 2017 and October 1, 2017.
- For Delmarva Power, the bidding for small commercial Type I is combined with Residential contracts and will occur in two procurements -- October 2016 and April 2017, contract terms will be for twenty-four months, and will be for supply services to begin June 1, 2017 and October 1, 2017.

- For Pepco, the bidding for small commercial Type I is combined with Residential contracts and will occur in two procurements -- October 2016 and April 2017, contract terms will be for twenty-four months, and will be for supply services to begin June 1, 2017 and October 1, 2017.
- For all the Maryland Utilities, the bidding for larger commercial Type II contracts will be for three-month term contracts and will occur quarterly. The quarterly procurements will occur on October 17, 2016, January 30, April 24, and June 12, 2017 for supply to begin December 1, 2016, March 1, 2017, June 1, 2017 and September 1, 2017, respectively.

The load to be bid upon in the Maryland Utilities' RFPs is divided into three service types. An approximation of the load being bid for this procurement cycle (stated in Capacity PLC megawatts) associated with customers currently receiving utility supply service for each service type for each utility, is indicated in the following table. The load figures will be updated prior to the bid due dates.

<u>Service Type</u>	<u>PE</u>	<u>BGE</u>	<u>Delmarva Power</u>	<u>Pepco</u>
Residential	385	1,320	205	553
Type I Non-Residential SOS ⁽¹⁾	n/a	96	20	24
Type II Non-Residential SOS ⁽²⁾	104	400	59	194
TOTAL	489	1,816	284	771

(1) Type I Non-Residential SOS load generally represents non-residential customers with peak loads up to 25 kW.

(2) Type II Non-Residential SOS load generally represents non-residential customers with peak loads greater than 25 kW, but smaller than 600 kW.

Further details regarding the procurement schedule, including the bid due dates for this multi-procurement process, can be found in the RFP documents. All RFP documents are located on the individual Maryland Utilities' RFP websites as noted below. The websites are scheduled to go live Friday, September 9, 2016.

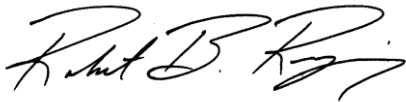
PE	www.firstenergycorp.com/mdsorsfp
BGE	rfp.bge.com
Delmarva Power	www.delmarva.com/mdrfp
Pepco	www.pepco.com/mdrfp

If you are interested in participating in any of the RFPs, you must submit an Expression of Interest Form for each utility in which you have interest. The Expression of Interest Form for each of the Maryland Utilities can be found on that utility's RFP website under the Expression of Interest icon. Prospective bidders who have submitted the Expression of Interest Form, or retail electricity suppliers that have been qualified by a Maryland Utility to provide retail electric supply services in that utility's Maryland service territory pursuant to that utility's Electricity Supplier Coordination Tariff, will be given access to that utility's password protected RFP material.

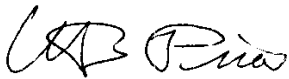
All questions related to these RFPs should be submitted through one of the four Maryland Utilities RFP websites. Answers to all questions will be posted on all four of the Maryland Utilities websites.

The Maryland Utilities will be holding a joint-utility web-based **pre-bid webinar on Wednesday, September 14, 2016**, beginning at 1:00 EDT, to review the general RFP structure and process, the specific utility bid plans, and the Full Requirements Service Agreement (the contract that will be used to purchase generation supply under the RFP). On each of the Maryland Utilities' RFP websites, you will find: a webinar registration link, documents associated with the 2017 RFP and the slides to be used in the webinar (available the morning of the webinar). We encourage your review of such documents as posted on the RFP websites prior to the webinar.

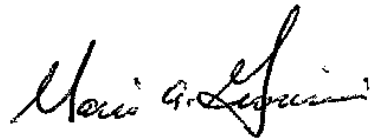
Sincerely,



Robert B. Reeping
Manager, Regulated Commodity Sourcing
The Potomac Edison Company



William B. Pino
Director, Energy Acquisition
Baltimore Gas and Electric Company



Mario A. Giovannini
Director, Energy Acquisition
Pepco Holdings