

Part 2 Application
For Fixed-Price and Hourly-Priced Auctions
To Procure Default Service Products
Under Default Service Program DSP-VI for
Metropolitan Edison Company (“Met-Ed”)
Pennsylvania Electric Company (“Penelec”)
Pennsylvania Power Company (“Penn Power”)
West Penn Power Company (“West Penn”)

Appendix 2 to Bidding Rules

Name of Applicant

PART 2 APPLICATION

AUCTIONS TO PROCURE DEFAULT SERVICE PRODUCTS FOR MET-ED / PENELEC / PENN POWER / WEST PENN

INSTRUCTIONS

There are two parts to the application process.

- **Part 1 Application:** Applicants submit the Part 1 Application and all documents required therein to become Qualified Bidders for the fixed-price auction (“FP Auction”) and/or the hourly-priced auction (“HP Auction”) used to procure default service products for Met-Ed, Penelec, Penn Power, and West Penn (“Companies”). A Qualified Bidder for an auction need not submit a new Part 1 Application for subsequent auctions in the same calendar year unless the information in the Qualified Bidder’s Part 1 Application has changed. In any case, a Qualified Bidder must submit its most recent financial statements during the Part 1 Application process before each auction.
- **Part 2 Application:** Qualified Bidders for the FP Auction and/or the HP Auction submit the Part 2 Application in which they will: (a) agree to comply with the Bidding Rules, (b) agree to accept the terms of the Supplier Master Agreement (“SMA”) should they become a winning supplier, (c) make certifications regarding associations and the handling of Confidential Information, (d) submit Indicative Offers, and (e) post Pre-Bid Security to become Registered Bidders.

This document is the Part 2 Application.

For further information, consult the Information Website.

Unless otherwise defined, capitalized terms in this document have the definitions provided in the SMA. “Communications Protocols” refers to the section “Communications Protocols” and related sections in the Bidding Rules.

Name of Applicant

PART 2 APPLICATION SUBMISSION

To become a Registered Bidder for the FP Auction and/or the HP Auction, Applicants must submit the following to the Independent Evaluator electronically through the Secure Online Application Process by the Part 2 Application Due Date:

- **Electronic Application Form:** Completed Part 2 Application submitted online;
- **PDF Copy Application Form:** A copy of the Part 2 Application document with signatures and the name of the Applicant on every page of the Application;

In addition to the completed Part 2 Application Forms, each Qualified Bidder must:

- Submit an Indicative Offer for each auction — either the FP Auction, the HP Auction, or both auctions;
- Submit a Pre-Bid Security Letter of Credit and/or cash to support the Indicative Offers. The Letter of Credit can be submitted either as a hardcopy or electronically; and
- Make required certifications on Applicant Associations and Confidential Information and, if unable to do so, make required information disclosures.

Please note that interest will not be paid by the Companies for cash posted as Pre-Bid Security.

It is in your interest to seek independent legal and financial advice before deciding to participate in the FP Auction and/or the HP Auction.

Name of Applicant

The completed Part 2 Application and Pre-Bid Security MUST be received by the Independent Evaluator no later than 12:00 p.m. noon prevailing Eastern Time on the Part 2 Application Due Date as posted in the timeline on the Information Website.

Name of Applicant

CONFIDENTIALITY OF PART 2 APPLICATION SUBMISSIONS

Confidentiality requirements specific to the Part 2 Application are provided below.

CONFIDENTIALITY OF CREDIT INFORMATION

Any information and materials that you submit in this Part 2 Application may be provided on a confidential basis to the Independent Evaluator team and the Pennsylvania Public Utility Commission (the "Commission") and their representatives. Representatives from the Companies will decide whether the form of Pre-Bid Security submitted is acceptable; Pre-Bid Security documents will be redacted prior to the closing of the bidding process so as not to reveal an Applicant's identity or the amount of the Applicant's Indicative Offer.

CONFIDENTIALITY OF REGISTERED BIDDERS AND INITIAL ELIGIBILITY

Upon completion of the Part 2 Application process, the names of Registered Bidders will be provided to other Registered Bidders on a confidential basis for each auction independently, as well as the total Initial Eligibility aggregated across all Registered Bidders for each auction. As part of this Part 2 Application, you are required to certify that you agree to release your name to other Registered Bidders and that you will keep confidential the list of Registered Bidders and total Initial Eligibility that is provided to you.

Name of Applicant

PART 2 APPLICATION

Fixed-Price Auction and Hourly-Priced Auction to Procure Default Service Products

This Part 2 Application is the application form to become a Registered Bidder in the FP Auction and/or the HP Auction.

Background Information

Before completing this application, please review the Bidding Rules document, the SMA, and other documents posted on the Information Website so that you understand the conditions under which the FP Auction and HP Auction will be conducted.

Confirmation of Receipt

When your Part 2 Application is submitted online through the Secure Online Application Process, an email will be sent to the Authorized Representative and the Delegate of the Applicant to confirm receipt.

Incomplete Applications

If your Part 2 Application is incomplete or requires clarification, the Independent Evaluator will send a deficiency notice to your Authorized Representative by email. You will have until 12:00 p.m. noon prevailing Eastern Time on the Part 2 Application Due Date, or until 5:00 p.m. prevailing Eastern Time on the Business Day following the Business Day during which a deficiency notice is sent to you, whichever comes later, to respond. If you do not correct or adequately explain the deficiency within the time allowed, your Part 2 Application may be rejected and you may be unable to participate in the FP Auction or the HP Auction. All corrections to remedy deficiencies within an Applicant's Part 2 Application must be submitted online. The Authorized Representative needs to sign and date next to the correction(s) to the Part 2 Application and send a copy as an email attachment to the Independent Evaluator at fepaauction@crai.com or through the Secure Online Application Process.

Late Applications

Part 2 Applications received after the Part 2 Application Due Date will NOT be accepted under any circumstances.

Changes to Part 1 Application

If changes to the Part 1 Application are warranted in order to fulfill the requirements of the Part 2 Application, those changes to the Part 1 Application must be received by the Independent Evaluator no later than 12:00 p.m. noon prevailing Eastern Time seven (7)

Name of Applicant

Business Days prior to the Part 2 Application Due Date. All changes to an Applicant's Part 1 Application must be signed and dated by the Authorized Representative and sent as an email attachment to the Independent Evaluator at fepaauction@crai.com or through the Secure Online Application Process.

Deficient Pre-Bid Security

If your Pre-Bid Security Letter of Credit is not in a form acceptable to the Companies, your Authorized Representative will be emailed a deficiency notice. You will have until 12:00 p.m. noon prevailing Eastern Time on the Part 2 Application Due Date or 5:00 p.m. prevailing Eastern Time of the second Business Day following the Business Day during which you are notified, whichever comes later, to submit a revised Pre-Bid Security Letter of Credit. If you fail to meet this deadline, your Part 2 Application will be rejected.

If your Pre-Bid Security amount is insufficient for your Indicative Offer, your Authorized Representative will be emailed a deficiency notice. You will have until 12:00 p.m. noon prevailing Eastern Time on the Part 2 Application Due Date or 5:00 p.m. prevailing Eastern Time of the second Business Day following the Business Day during which you are notified, whichever comes later, to submit acceptable Pre-Bid Security. If you cannot correct the deficiency, your Part 2 Application may be rejected or your Initial Eligibility may be reduced by the Independent Evaluator so that your Pre-Bid Security is sufficient to cover your Indicative Offer.

Certifications Regarding Associations

You may be required to provide additional information to the Independent Evaluator and to the Commission and its representatives if you are unable to make the certifications in this Part 2 Application.

Notification to Registered Bidders

If you become a Registered Bidder for the FP Auction and/or the HP Auction, the Independent Evaluator will send your Authorized Representative a Notice of Registration by email after the Part 2 Application Due Date. If there are material changes to the Applicant's information provided in this Part 2 Application, you are obligated to notify the Independent Evaluator.

Prior to the auction date, Registered Bidders will receive information on how to participate in the auction(s) using the Independent Evaluator's secure Bidding Website.

Part 2 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

Name of Applicant

Please select one of the following. This application is for:

The Fixed-Price Auction	<input type="checkbox"/>
The Hourly-Priced Auction	<input type="checkbox"/>
Both Auctions	<input type="checkbox"/>

Name of Applicant

PART 2 APPLICATION FORMS

Applicant Information

Name of Applicant (Company Name)

Authorized Representative's Contact Information

Last Name

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Title

Street Address 1

Street Address 2

City

State

Zip Code

Telephone No.

Cell Phone No.

Fax No.

Email Address

Name of Applicant

Delegate's Contact Information

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Company Name	Title		
<input type="text"/>	<input type="text"/>		
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

NOTE: The contact information for the Authorized Representative and the Delegate in the Part 2 Application should be the same contact information that was provided in the Part 1 Application. Please email fepaauction@crai.com if there are any changes to this information prior to the deadline for making changes as outlined in the section above, "Changes to Part 1 Application."

Name of Applicant

Indicative Offers and Pre-Bid Security

Provide your Indicative Offers in Table 1 and Table 2 below. For each auction that you are applying for, you will provide an Indicative Offer at the Minimum Starting Prices and you will provide an Indicative Offer at the Maximum Starting Prices for the products in the auction. For each auction, your Indicative Offer should be the maximum number of tranches that you would be willing to supply at the applicable starting prices subject to the limitations of any applicable load cap for the auction. In each auction itself, you are not required to bid the number of tranches in your Indicative Offer. However, your Initial Eligibility to bid in each auction will be determined by the total number of tranches across the products in your Indicative Offer at the Maximum Starting Prices for that auction.

For the FP Auction, you are required to submit Pre-Bid Security in the form of cash or a Pre-Bid Security Letter of Credit for an amount equal to \$500,000 multiplied by the total number of tranches in your Indicative Offer at the Maximum Starting Prices for the FP Auction.

For the HP Auction, you are required to submit Pre-Bid Security in the form of cash or a Pre-Bid Security Letter of Credit for an amount equal to \$500,000 multiplied by the total number of tranches in your Indicative Offer at the Maximum Starting Prices for the HP Auction.

If using a Pre-Bid Security Letter of Credit for your Pre-Bid Security, it should be in the form provided on the Information Website or as approved in modified form during the Part 1 Application process.

After completing Tables 1 and 2, complete Table 3 to include the amount of the cash deposit or Pre-Bid Security Letter of Credit that you are providing in support of this Part 2 Application.

Part 2 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

Name of Applicant _____

Table 1. Indicative Offer at Minimum Starting Prices (prices in \$/MWh)

FP Auction	Met-Ed		Penelec		Penn Power		West Penn	
	Min Starting Price	Possible Interest (# tranches)	Min Starting Price	Possible Interest (# tranches)	Min Starting Price	Possible Interest (# tranches)	Min Starting Price	Possible Interest (# tranches)
Product								
Residential X-months								
Commercial X-months								

Enter Your Indicative Offer for the FP Auction at the Minimum Starting Prices:

<-- Does not need to be the sum of the tranches above at the Minimum Starting Prices. This can be less than the sum of the tranches at the Minimum Starting Prices across the products.

HP Auction	Met-Ed		Penelec		Penn Power		West Penn	
	Min Starting Price	Possible Interest (# tranches)	Min Starting Price	Possible Interest (# tranches)	Min Starting Price	Possible Interest (# tranches)	Min Starting Price	Possible Interest (# tranches)
Product								
Industrial X-months								

Enter Your Indicative Offer for the HP Auction at the Minimum Starting Prices:

<-- Does not need to be the sum of the tranches above at the Minimum Starting Prices. This can be less than the sum of the tranches at the Minimum Starting Prices across the products.

Part 2 Application: FEPA Fixed-Price and Hourly-Priced Auctions to Procure Default Service Products

Name of Applicant _____

Table 2. Indicative Offer at Maximum Starting Prices (prices in \$/MWh)

FP Auction	Met-Ed		Penelec		Penn Power		West Penn	
Product	Max Starting Price	Possible Interest (# tranches)	Max Starting Price	Possible Interest (# tranches)	Max Starting Price	Possible Interest (# tranches)	Max Starting Price	Possible Interest (# tranches)
Residential X-months	<input type="text"/>	<input type="text"/>						
Commercial X-months	<input type="text"/>	<input type="text"/>						

In Box [A] Enter Your Indicative Offer for the FP Auction at the Maximum Starting Prices:

[A] <-- Does not need to be the sum of the tranches above at the Maximum Starting Prices. This can be less than the sum of the tranches at the Maximum Starting Prices across the products.

HP Auction	Met-Ed		Penelec		Penn Power		West Penn	
Product	Max Starting Price	Possible Interest (# tranches)	Max Starting Price	Possible Interest (# tranches)	Max Starting Price	Possible Interest (# tranches)	Max Starting Price	Possible Interest (# tranches)
Industrial X-months	<input type="text"/>	<input type="text"/>						

In Box [B] Enter Your Indicative Offer for the HP Auction at the Maximum Starting Prices:

[B] <-- Does not need to be the sum of the tranches above at the Maximum Starting Prices. This can be less than the sum of the tranches at the Maximum Starting Prices across the products.

Name of Applicant

If you are submitting a Pre-Bid Security Letter of Credit, in the space below please provide instructions for returning the Pre-Bid Security Letter of Credit once it can be cancelled.

If you are submitting a cash deposit, you must attach a copy of your W9 (for tax ID) and a copy of your banking information on your company's letterhead, signed and dated. Furthermore, in the space below, please provide wiring instructions for returning your cash deposit.

Name of Applicant

Certifications by Authorized Representative

Please consult the list of Qualified Bidders for the FP Auction and/or the list of Qualified Bidders for the HP Auction provided to you upon qualification. The following certifications are those contained in the “Association and Confidential Information Rules” of the Bidding Rules. Please consult the criteria for associations and the definition of Confidential Information in the Bidding Rules.

Please make the following certifications. All Qualified Bidders, including each party to a Bidding Consortium, Bidding Agreement or Joint Venture for the purpose of bidding in the FP Auction and/or the HP Auction, must make these certifications. The following certifications (1) to (8) will apply from the time of qualification until the results of the Default Service Auctions, are finalized. Completion of the following certifications also signifies your acknowledgement that you do not know of or cannot reasonably anticipate, at the time of this Part 2 Application, any events that might cause these certifications to become untrue during the period to which each certification applies. If you cannot make one or more of these certifications, please disclose the necessary information to explain why you cannot make these certifications.

- (1) Please certify that you are not associated with another Qualified Bidder according to the criteria as defined in the Bidding Rules.

Signature of Authorized Representative

Date

If unable to make certification (1) requested above, please identify the Qualified Bidder(s) in the FP Auction and/or the HP Auction, with whom you are associated along with the nature of the association.

Name of Applicant

- (2) Please certify that, other than parties explicitly named in Section 1.11 of your Part 1 Application as parties with whom you have entered into a Bidding Agreement, Joint Venture, Bidding Consortium, or other arrangement pertaining to bidding in the FP Auction and/or the HP Auction, you have not entered into any agreement with another Qualified Bidder, directly or indirectly, regarding bids in the FP Auction and/or the HP Auction, including, but not limited to, the amount to bid at certain prices, and when or at what prices bids are to be withdrawn.

Signature of Authorized Representative

Date

- (3) Please certify that any person who will be advising or assisting you with bidding strategy in the FP Auction and/or the HP Auction, with estimation of the value of tranches, or with the estimation of the risks associated with serving Default Service Load (an **advisor**), will either (i) not provide any similar advice or assistance to any other Qualified Bidder; or (ii) if such person will provide similar advice or assistance to another Qualified Bidder, or if such person will be privy to Confidential Information relative to any other Qualified Bidder's bidding strategy, that appropriate protections have been put into place to ensure that the advisor does not serve as a conduit of information among, or as a coordinator of the bidding strategies of, multiple bidders, and please describe such appropriate protections in the space below.

Signature of Authorized Representative

Date

If unable to make certification (3) requested above, please name the advisor(s) and the Qualified Bidder(s) concerned.

Name of Applicant

- (4) Please certify that you are not a party to any contract for the purchase of power that might be used as a source of supply for Default Service, and that (i) would require the disclosure of any Confidential Information (Confidential Information relative to the bidding strategy or Confidential Information regarding the FP Auction and/or the HP Auction) to the counterparty under such a contract; or (ii) that would require the disclosure of any Confidential Information (Confidential Information relative to the bidding strategy or Confidential Information regarding the FP Auction and/or the HP Auction) to any other party; or (iii) that would provide instructions, direct financial incentives, or other inducements for the Bidder to act in a way determined by the counterparty in the agreement and/or in concert with any other Bidder in the FP Auction and/or the HP Auction. Notwithstanding the above, you may, during negotiations prior to the FP Auction and/or the HP Auction for contractual arrangements for power to serve Default Service Load were you to be a winner at the FP Auction and/or the HP Auction, discuss with the counterparty to such arrangements the nature of the standard products to be purchased, the volume, and the price at which you are willing to buy these products, so long as such arrangements do not result in violation of (i), (ii) or (iii) above.

Signature of Authorized Representative

Date

If unable to make certification (4) requested above please disclose the contractual terms that prevent you from making the certification. Please identify the counterparty and if applicable, the party to whom information disclosure must be made under the terms of the contract.

- (5) Please certify that you do not have any knowledge of Confidential Information that is relevant to the bidding strategy of any other Qualified Bidder.

Signature of Authorized Representative

Date

Name of Applicant

If unable to make certification (5) requested above please name the other Qualified Bidder(s) and the nature of the Confidential Information

- (6) Please certify that you will not disclose Confidential Information relative to your bidding strategy except to bidders that were explicitly named in your Part 1 Application as parties with whom you have entered into a Bidding Agreement, Joint Venture, or Bidding Consortium, or other arrangement pertaining to bidding in the FP Auction and/or the HP Auction, Bidders with which you are associated as disclosed through certification (1), to your advisors, and to your financial institution.

Signature of Authorized Representative

Date

If unable to make certification (6) requested above, please explain.

- (7) Please certify that, other than entities with which you are affiliated and other than bidders with which you have entered a Bidding Agreement, or Joint Venture, or Bidding Consortium, or other arrangement pertaining to the FP Auction and/or the HP Auction, no party has agreed to defray any of the costs of participating in the FP Auction and/or the HP Auction, including the cost of preparing the bid, the cost of any financial guarantees, the cost to be paid upon winning a tranche, and any other participation cost.

Signature of Authorized Representative

Date

Name of Applicant

If unable to make certification (7) requested above, please explain.

- (8) Please certify your agreement that the submission of any bid in the FP Auction and/or the HP Auction creates a binding and irrevocable offer to provide service under the terms set forth in the SMA and that a binding and enforceable contract to provide service with respect to the number of tranches for which you were a winner in the FP Auction and/or the HP Auction shall arise under the SMA. Please note that failure to execute the SMA within three (3) Business Days following the date of the Commission's approval of the auction results may result in the forfeiture of the Pre-Bid Security Letter of Credit.

Signature of Authorized Representative

Date

If unable to make certification (8) requested above, please explain.

The following certifications (9), (10) and (11) will apply from the date on which you make the certifications.

- (9) Please certify that if you are registered to participate in the FP Auction and/or the HP Auction, you will not disclose at any time information regarding the Initial Eligibility in the FP Auction and/or the HP Auction or the list of Registered Bidders, including the number of Registered Bidders, the identity of any one or all entities that have been registered, or the fact that an entity has not been registered for participation in the FP Auction and/or the HP Auction.

Signature of Authorized Representative

Date

Name of Applicant

- (10) Please certify that you will not disclose any Confidential Information regarding the FP Auction and/or the HP Auction to any party except your advisors and Bidders with which you are associated as disclosed in certification (1).

Signature of Authorized Representative

Date

If unable to make certification (10) requested above, please explain.

- (11) Please certify that you will continue to abide by your prior confidentiality certifications. You will not disclose any Confidential Information regarding the FP Auction and/or the HP Auction to any party except to your advisor and Bidders with which you are associated. Please certify that you will destroy all documents, written or electronic, provided by the Independent Evaluator that contain Confidential Information regarding the FP Auction and/or the HP Auction within five (5) days of the close of the bidding, or earlier if so instructed by the Independent Evaluator

Signature of Authorized Representative

Date

If unable to make certification (11) requested above, please explain.

Name of Applicant

Ongoing Obligations

Please note that all obligations, terms and conditions set forth in the Bidding Rules and SMA remain in effect and apply to the certifications made herein, including but not limited to the following:

- Section 4.2.3 of the Bidding Rules - Sanctions may be imposed on a Bidder for failing to abide by any of the certifications that it will have made in its Part 1 and Part 2 Applications. Such sanctions can include, but are not limited to, termination of the SMA, loss of all rights to provide supply for the Companies to serve any load won by such bidder, forfeiture of financial guarantees and other fees posted or paid, prosecution under applicable state and federal laws, debarment from participation in future solicitations, and other sanctions that may be appropriate.

Justification of Omissions

If you are unable to provide all documents or all information requested in this Part 2 Application, please justify fully any omissions in the space provided below.

Name of Applicant

Appendix A – Enclosures to the Part 2 Application

This is a checklist of documents to be enclosed with this Part 2 Application.

- One copy of completed Part 2 Application forms (with original signatures)
- One copy of W9 Form (for Tax ID) and one copy of banking information on your company's letterhead (signed and dated) (if submitting cash deposit as Pre-Bid Security) [Section 2.2]
- Pre-Bid Security Letter of Credit (if applicable) [Section 2.2]

End of Part 2 Application
