

DELMARVA POWER & LIGHT COMPANY

**ELECTRIC SUPPLIER
AGREEMENT**

Consistent with the Settlement

Approved by the Delaware Public Service Commission

By Order No. 5454 in Docket No. 99-163

By Order No. 5941 in Docket No. 01-194

And By Order No. 9020 in Docket No. 49

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Scheduling Coordinator Designation Form
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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 _____, with Delaware Taxpayer Identification Number _____, (“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 Delaware; and

WHEREAS, certain Delaware Statutes and certain Rules and Regulations of the Public Service Commission of Delaware (“Commission”) (generally, the “Applicable Legal Authorities”) provide for the restructuring of the electric industry in Delaware 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 Delaware; 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:

ARTICLE 1: DEFINITIONS

The following definitions are applicable to the Electric Supplier Agreement:

Account - An account for a Customer is one metered or unmetered rate or service classification which normally has one electric delivery point of service. Each Account shall have only one electricity Supplier providing the electric supply requirements for that one Account. Multiple Accounts under the same name are considered multiple Customers.

Advanced Metering - metering equipment that provides for the monitoring and/or recording of electric consumption data to enable the interval measurement of energy and demand.

Ancillary Services – services that are necessary for the transmission and distribution of electricity from supply sources to loads and for maintaining reliable operation of the transmission and distribution system.

Business Day – day on which the Company’s corporate offices are open for business.

Commission - the Delaware Public Service Commission

Charge - any fee or charge that is billable by the Company to the Supplier under this Agreement, including any charge for Supplier Services.

Company’s System - the transmission and distribution facilities owned, operated, or maintained by the Company or its agent.

Competitive Electric Supply Service - unbundled energy, capacity, transmission and ancillary services, including all losses on all of the aforementioned, provided by an Electric Supplier to a Customer.

Coordinated Supplier - an Electric Supplier that has appointed a Scheduling Coordinator as its designated agent for the purpose of submitting energy schedules to the PJM OI.

Credit Amount - an amount equal to two months of customer payments to the Supplier.

Credit Resources – the Supplier must demonstrate sufficient financial resources, including but not limited to an investment-grade bond rating, a guarantee from a parent entity with an investment-grade bond rating, and/or a letter of credit or deposit in the Credit Amount.

Creditworthy - in the judgment of the Company, the Supplier timely pays the Company's

Charges as and when due, maintains Credit Resources as determined by the Company, and otherwise complies with this Agreement and the Commission's regulations and procedures. To determine whether a Supplier is Creditworthy, the Company will evaluate the Supplier's record of paying the Company Charges, and may also take into consideration the Supplier's credit history.

Customer - any person, partnership, association, corporation, or other entity: (i) in whose name a service Account is listed, (ii) who occupies or is the ratepayer for a premises, building, structure, etc., and (iii) who is primarily responsible for payment of bills. A Customer includes anyone taking Delivery Service or combined Electric Supply & Delivery Service from the Company under one service classification for one Account. Multiple Accounts under the same name are considered multiple Customers.

Deliver - to "Deliver" a document or other item under this Agreement shall mean to tender by certified mail, hand delivery, or overnight express package delivery service.

Delivery Service – the provision of electric distribution and other services provided by the Company to a Customer who has exercised his right and buys all of his electric supply services (i.e., capacity, energy, transmission and ancillary) for an Account from an Electric Supplier, other than the Company.

Demand – the rate of use of energy during a specified time interval, expressed in kilowatts.

Distribution Facilities – electric facilities owned by the Company that operate at voltages of 34,500 volts or less and that are used to deliver electricity to Customers, up through and including the point of physical connection with electric facilities owned by the Customer.

Electric Supply & Delivery Service – the provision of electric distribution and other services provided by the Company to a Customer who buys all of its electric supply services (i.e., capacity, energy, transmission and ancillary) for an Account from the Company. Electric Supply & Delivery Service includes Delivery Service, Transmission Service and Standard Offer Service and associated charges.

Emergency - a condition or situation which the Company or PJM deems, in its reasonable judgment, is imminently likely to endanger life or property, or affect or impair, or imminently will affect or impair, the Company's electric delivery system or the electric delivery systems of others to which the Company's electric delivery system is directly or indirectly connected. Such a condition or situation includes, but is not limited to, potential overloading of the Company's transmission and/or distribution circuits, PJM minimum generation ("light load") conditions, unusual operating conditions on either the Company's or the Supplier's electrical system or conditions such that the Company is unable to accept electricity from the Supplier without jeopardizing the

Company's electric delivery system or the electric delivery systems of others to which the Company's electric delivery system is directly or indirectly connected.

FERC - the Federal Energy Regulatory Commission.

Force Majeure – an event of Force Majeure shall be as defined in Section 18.1

Interest Index - An annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

Interval Metering – the use of a device to measure and record units of electrical consumption, at prescribed time intervals.

Kilowatt or kW - unit of measurement of useful power equivalent to 1000 watts.

Kilowatt-hour or kWh – 1,000 watts for one (1) hour, or 1,000 watt-hours

Load Serving Entity or "LSE" - an entity that has been granted the authority or has an obligation pursuant to State or local law, regulation or franchise to sell electric energy to end-users (Customers) located within the PJM Control Area as that term is defined by the PJM Tariff.

Megawatt or MW - one thousand kilowatts.

Meter Reading Date - the date on which the Company schedules a meter to be read for purposes of producing a customer bill in accordance with the regularly scheduled billing cycles of the Company.

Month - a month under this Agreement means one-twelfth of a year, or the period of approximately 30 calendar-days between two regular consecutive readings of the Company's meter or meters installed on the Customer's premises.

PJM - the PJM Interconnection, L.L.C.

PJM Control Area - that certain geographic area encompassing systems in Pennsylvania, New Jersey, Maryland, Delaware, Virginia and the District of Columbia and which is recognized by the North American Electric Reliability Council as the "PJM Control Area."

PJM OI - the PJM Office of Interconnection; the system operator for the PJM Control Area.

PJM Tariff - the PJM Open Access Transmission Tariff on file with the FERC and which

sets forth the rates, terms and conditions of transmission service over transmission facilities located in the PJM Control Area.

Premise – one contiguous property or site which normally has one delivery point of service and one or more metered or unmetered service classes that when totaled equal the entire electricity used at that one premise or site. Each premise shall have only one electricity Supplier providing the electric supply requirements for that one premise. Multiple premises or sites under the same name are considered multiple Customers.

Scheduling Coordinator - an entity recognized by the PJM OI and qualified to act on behalf of a Supplier in taking such actions with PJM as are necessary in order for the Supplier's Responsibilities to be met, including the submission of energy schedules to the PJM OI, and including fulfillment of all obligations associated with service to Customers, including the obligations of a Load Serving Entity under the PJM Tariff, and all other PJM procedures, agreements, and manuals, and that is (1) a signatory of applicable PJM Agreements or (2) is the agent, for scheduling purposes, of one or more Electric Suppliers that are signatories of applicable PJM Agreements.

Service Territory - the geographic areas of the State of Delaware in which the Company has an exclusive franchise to serve electric customers.

Standard Offer Service - the provision of electricity and related services by the Company to Customers. Standard Offer Service is provided in one of two forms, a variably-priced form and a fixed price form.

Supplier Representative - any officer, director, employee, consultant, contractor, or other agent or representative of the Supplier duly authorized to act in connection with the Supplier's activity solely as a Supplier. To the extent a Supplier is a division or group of a company, the term Supplier Representative does not include any person in that company who is not part of the Supplier division.

Supplier or Electric Supplier - a provider of electric supply services that has been certified by the Commission to provide electricity and related supply services to retail customers within the State of Delaware. As used in this Agreement and for purposes of clarity in interpreting this Agreement, the Company, in performing its utility functions and in supplying Standard Offer Service, is not a Supplier or Electric Supplier.

Supplier Responsibilities - those actions to be taken by a Supplier that permit the type of interface and coordination between Electric Suppliers and the Company in connection with the delivery of Competitive Electric Supply to serve Customers located within the Company's Service

Territory (including: load forecasting, certain scheduling-related functions and reconciliation), and any other activity necessary, either with PJM or otherwise, for the Supplier to provide Competitive Electric Supply.

Supplier Services - those services provided by the Company to the Supplier, as identified in this Agreement or as otherwise necessary for the Supplier to provide Competitive Electric Supply to its Customers. A list of such Supplier Services, and the schedule of charges for same, is contained in the Company's tariffs or Appendix B.

Unforced Capacity - is as defined within the PJM Reliability Assurance Agreement in effect as of November 1999, and as may be modified from time to time.

ARTICLE 2: GENERAL TERMS AND CONDITIONS

Agreement to Govern. The Parties named in this Agreement are bound by the terms set forth herein, the applicable terms contained in the Company's Retail Electric Tariff, as it may change from time to time, and the terms otherwise incorporated herein by reference. This Agreement shall govern the business relationship between the Parties hereto by which the Supplier shall provide electric supply services to its Customers via the Company's Delivery System.

Federal Energy Regulatory Commission ("FERC") Jurisdiction. The inclusion of FERC-jurisdictional matters within the scope of this Agreement is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the Commission. If anything stated herein is found by the FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), or any rule, regulation, order or determination of the FERC under the FPA, the applicable FERC rule, regulation, order or determination of the FPA shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company shall secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to support this Agreement.

Supplier Obligations. The Supplier will be required to: (i) satisfy the creditworthiness standards of the Company and/or the Commission; (ii) obtain a certificate from the Commission and any other appropriate Delaware State agencies for participation in the Delaware retail electric supply market; (iii) execute all appropriate PJM applications and agreements; and (iv)

demonstrate, prior to Customer assignment, that it has the technical competence (e.g., communication capabilities) necessary to comply with Electronic Data Interchange (“EDI”) standards for the exchange of information, which are initially set in consultation with various potential Suppliers, and may from time to time be modified, by the Commission. The foregoing requirements represent conditions precedent to the Company’s obligations hereunder.

Parties’ Obligations. The Company shall provide such Supplier Services as necessary for the delivery of the Supplier’s energy and capacity to serve Customer load located within the Company’s Service Territory. The Company and the Supplier will cooperate in order to ensure delivery of Competitive Electric Supply to Customers as provided for by the Applicable Legal Authorities. The Supplier must make all necessary arrangements for obtaining Competitive Electric Supply in a quantity sufficient to serve its Customers. The Supplier and the Company shall supply to each other all data, materials or other information that is specified in this Agreement, or that may otherwise be reasonably required by the Supplier or the Company in connection with their obligations under this Agreement, in a thorough and timely manner.

PJM Services and Obligations. The Supplier is responsible for procuring transmission and other services provided by the PJM OI that are necessary for the delivery of Competitive Electric Supply to its customers. In addition, the Supplier must satisfy all obligations which are imposed on LSEs in the PJM Control Area. The Supplier must make all necessary arrangements for scheduling and furnishing the energy and capacity for its Customers through the PJM OI and in accordance with the applicable system requirements of PJM. The Company and the

Supplier shall coordinate with the PJM OI to determine the magnitude and location of the Supplier's actual or projected load, as required by the PJM OI, for the purpose of calculating the appropriate firm transmission service reservation, installed capacity obligation, or other requirements under the PJM Tariff, PJM Reliability Assurance Agreement, PJM Operating Agreement and any other applicable PJM agreement (collectively, the PJM Agreements).

The Supplier shall meet all applicable reliability standards established by the Mid-Atlantic Area Council of the North American Electric Reliability Council or its successor, PJM or its successor, FERC, the Commission, or any other State, regional, federal or industry body with authority to establish reliability standards.

Characteristics of Service. The delivery service specified and furnished by the Company shall consist of sixty (60) hertz, single phase or three phase alternating current at one standard primary or secondary voltage. The type of service (number of phases and voltages) available varies with location and load. Voltage delivered to the Customers' facilities normally will be maintained within the limits prescribed by the regulations of the Commission, except under emergency conditions and/or conditions beyond the reasonable control of the Company.

Communications and Data Exchange. Electronic information exchange between the Supplier and the Company under this Agreement shall employ a Supplier identification number, assigned by the Company, which shall be consistent with the Supplier's Dunn & Bradstreet Business number. In addition, the Company may also assign to the Supplier identification numbers that may be required by PJM in connection with the submission and/or confirmation of load schedules for serving load in the Company's Service Territory. The

Supplier must be equipped with the communications capabilities necessary to comply with the standards set by and which may, from time to time, be modified by the Commission. The Supplier must have in place, and must bear the costs of putting in place and successfully testing all required information technology systems that will enable it to send and receive data to and from the Company and PJM and to satisfy its obligations under this Agreement and all other relevant agreements.

The Company will provide to Supplier Representatives copies of the standard file formats containing the aforementioned data. Nothing herein shall prohibit the Company from making available to the Suppliers other electronic data, in formats chosen by the Company. The Company will not change the file formats without providing Suppliers with adequate notice of any such change.

Record Retention. The Supplier and the Company shall comply with all applicable laws and Commission rules and regulations for record retention, as they are and may, from time to time, be modified.

Codes of Conduct. The Codes of Conduct applicable to the parties, as contained in the Applicable Legal Authorities, are incorporated herein by reference.

Year 2000 ("Y2K") Readiness. Any Y2K problems that the Supplier may experience, including any failure of its Y2K safeguards or the Y2K safeguards of a Supplier's vendors or contractors, shall not constitute a Force Majeure under this Agreement.

Tariffs Incorporated. The Company's tariffs as filed with the Commission, including the Rules and Regulations, are incorporated hereby by reference.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES

3.1 Supplier Representations and Warranties. The Supplier hereby represents, warrants and covenants as follows that:

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

(b) The Supplier has all requisite power and authority to carry on the business to be conducted by it under this Agreement and to enter into and perform its obligations hereunder, including Commission certification as an Electric Supplier, which shall be maintained throughout the life of this Agreement, and the lack of which shall immediately terminate the Agreement;

(c) The execution and delivery of this Agreement and the performance of the Supplier's obligations hereunder have been duly authorized by all necessary actions on the part of the Supplier and do 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 nor any legal proceeding now pending or, to Supplier's knowledge, threatened;

(d) This Agreement is the valid and binding obligation of 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;

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

(f) The Supplier is a signatory to 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 the Load Serving Entities serving customers located in the PJM Control Area; and

(g) The Supplier will comply with any and all information and data transfer protocols that may be adopted by the Company and, from time to time, modified by the Company after adequate notice to the Supplier.

If the Supplier learns that any of the representations, warranties, or covenants in this Agreement has been violated, the Supplier shall immediately notify the Company via facsimile, with a hard copy of the notice delivered by overnight mail.

3.2 Company Representations and Warranties. The Company hereby represents, warrants and covenants as follows that:

(a) The Company is an electric utility corporation duly organized and validly existing under the laws of the State of Delaware and Commonwealth of Virginia;

(b) The Company has all requisite power and authority to carry on the business

to be conducted by it under this Agreement and to enter into and perform its obligations hereunder;

(c) The execution and delivery of this Agreement and the performance of the Company's obligations hereunder have been duly authorized by all necessary actions on the part of the Company and do not and will not conflict with or result in a breach of the Company'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 Company is a party or by which the Company or any of its properties is bound or subject; and

(d) This Agreement is the valid and binding obligation of the Company, 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.

(e) There are no actions at law, suits in equity, proceedings or claims pending against it before any federal, state foreign or local court, tribunal or government agency or authority that might materially delay, prevent or hinder the performance of its obligations hereunder.

3.3 Continuation of Warranties. All representations and warranties contained in the Article 3 shall continue for the term of this Agreement.

ARTICLE 4: UTILIZATION OF SCHEDULING COORDINATORS

4.1 Participation Through a Scheduling Coordinator. The Supplier may become a Coordinated Supplier by entering into a business arrangement with another Supplier or other entity that will act as a Scheduling Coordinator. A Coordinated Supplier must enter into this business arrangement with a Scheduling Coordinator for all Supplier Responsibilities, including installed capacity obligation, import capability, load scheduling and reconciliation rights and responsibilities. The Scheduling Coordinator is responsible for meeting all of the requirements of PJM, or under the Applicable Legal Authorities, which may be necessary in order to carry out its responsibilities. All actions of the Scheduling Coordinator on behalf of the Supplier are binding on, and attributable to, the Supplier.

4.2 Designation of a Scheduling Coordinator. To designate a Scheduling Coordinator, the Supplier must provide the Company with a completed Scheduling Coordinator Designation Form, appended hereto as Appendix A, fully executed by both the Supplier and the Scheduling Coordinator. The Scheduling Coordinator Designation Form is not intended to supplement or replace any agency contract between the Supplier and a Scheduling Coordinator. Such designation shall take effect when accepted by the Company and PJM.

4.3 Change of Scheduling Coordinator. To change a Scheduling Coordinator, or cease using a Scheduling Coordinator, the Supplier shall notify the Company in writing and said notice shall specify the effective month of the change or termination. The effective day of the change or termination shall be the first day of the month indicated in the notification letter unless notification

is received by the Company less than fifteen (15) calendar-days before the first day of that month, in which case the effective day of the change shall be the first day of the subsequent month. In the event the Supplier ceases using a Scheduling Coordinator, the Supplier shall immediately assume the direct performance of all Supplier Responsibilities under this Agreement.

4.4 Load Scheduling through a Scheduling Coordinator. Coordinated Suppliers cannot submit individual load schedules to the PJM OI, nor can Coordinated Suppliers propose scheduling changes on an individual basis. Rather, the Scheduling Coordinator is responsible for submitting all schedules and changes thereto on behalf of itself and its Coordinated Suppliers.

4.5 Primary Obligations of Supplier. Notwithstanding any designation of a Scheduling Coordinator, the Supplier remains responsible for fulfilling all of its obligations and requirements under this Agreement.

ARTICLE 5: COMMENCEMENT AND TERMINATION OF AGREEMENT

5.1 Commencement. The term of this Agreement shall commence on the date of execution by both Parties hereto (“Effective Date”). Notwithstanding the Effective Date, the Supplier acknowledges that it may commence the provision of Competitive Electric Supply on the Company’s electric delivery system only in compliance with the Applicable Legal Authorities, after such date for instituting such service has been approved by the Commission, and only after the Supplier has complied with all provisions of this Agreement, and the Company’s tariff.

5.2 Termination. This Agreement shall or may be terminated as follows:

(a) Withdrawal of the Supplier from Retail Service. In the event the Supplier ceases to participate in or otherwise withdraws from the provision of Competitive Electric Supply to Customers in the Company's Service Territory, and complies with the notice requirements of Article 11, this Agreement between the Supplier and the Company shall terminate thirty (30) calendar-days following the date on which the Supplier ceases to have any active Customers.

(b) The Company's Termination Rights Upon Default by the Supplier. In the event of a Default by the Supplier as addressed herein, which Default is not cured within the period, if any, specified for such cure, the Company may terminate this Agreement by providing written notice to the Supplier, without prejudice to any remedies at law or in equity available to the party not in Default by reason of the Default.

5.3 Effect of Termination on Customers. Upon termination of this Agreement, the Supplier shall not be authorized to provide Competitive Electric Service on the Company’s electric delivery system and any customers of the Supplier shall either have selected a new Supplier, or shall

be provided the Company's Electric Supply & Delivery Service in accordance with the Company's tariffs.

5.4 Survival of Obligations. Termination of this Agreement for any reason shall not relieve the Company or the Supplier of any obligation accrued or accruing prior to such termination.

5.5 Change in Applicable Legal Authority. If, at any time during the term of this Agreement, the FERC, the Commission or another Delaware State agency, or a court of competent jurisdiction issues an order, or a federal or state law or regulation is enacted, under which a Party hereto believes that its rights and interests under the Agreement are materially and adversely affected by such order, law or regulation, the Party so affected shall, within thirty (30) calendar-days of the issuance or enactment of such order, law or regulation, provide the other Party with written notice setting forth in reasonable detail how such order, law or regulation has materially and adversely affected its rights and interests under the Agreement, and may terminate this Agreement, subject to any applicable regulatory requirements and after providing thirty (30) calendar-days prior written notice to the other Party, without any liability or responsibility whatsoever except for obligations arising prior to the date of termination.

ARTICLE 6: EVENTS OF DEFAULT

6.1 Event of Default. An Event of Default under this Agreement shall occur if either Party (“Defaulting Party”) (i) is the subject of a bankruptcy, insolvency or similar proceeding; (ii) makes an assignment for the benefit of its creditors; (iii) applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets; (iv) violates any material federal, state or local code, regulation and/or statutes applicable to the supply of energy and fails to cure such violation within ten (10) business days after becoming aware of such violation; or (v) fails to pay the other party (“Non-Defaulting Party”) when payment is due and does not cure such failure within ten (10) business days of written notice thereof from the non-Defaulting Party; or, to satisfy any other material obligation under this Agreement, such as fulfilling creditworthiness requirements as set forth in Article 7 below, within the time frames set forth in the Agreement, and fails to cure the failure to satisfy such material obligation within ten (10) business days of receipt of written notice thereof from the non-Defaulting Party. Should Supplier, however, fail to maintain Commission or FERC licensing status, such that the Commission and/or FERC license is actually revoked and, as a result thereof, Supplier is no longer legally permitted to make electric power sales to retail customers in Delaware, Supplier will immediately be in default of this Agreement.

6.2 Rights Upon Default. In the event of such an Event of Default under 6.1, the Non-Defaulting Party shall be entitled to (i) pursue any and all available legal and equitable remedies, including arbitration, in accordance with Article 17 below; and (ii) terminate this Agreement by

written notice to the Defaulting Party, subject to any applicable regulatory requirements that would limit such termination; and such termination shall be without any further liability or responsibility whatsoever except for obligations arising prior to the date of termination.

ARTICLE 7: CREDITWORTHINESS

7.1 Application of Article. This Article shall apply if Supplier's activities within Delaware create a substantial exposure to the Company as to the recovery of costs incurred by the Company to deliver services to the Customer, specifically including, but not limited to, the circumstance where a Supplier provides consolidated billing services for its own charges and the Company's charges. In such circumstance where this Article shall apply to such Supplier, the Credit Amount shall be as defined in Article 1. This Article shall be applied in a non-discriminatory manner both in terms of when the Article applies and the method by which Creditworthiness may be established and maintained.

7.2 Company 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.

7.3 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 Delaware, unconditional

financial guarantee of a Creditworthy parent or affiliated company, or other mutually agreeable security.

7.4 Credit Amount. The Supplier will supply to the Company all information reasonably necessary to establish the Credit Amount as defined in Article 1. The Credit Amount and related credit terms will be periodically reviewed by the Company. The Supplier shall at all times satisfy requests for Credit Resources, and shall periodically, but no less than quarterly, provide updated information to the Company to reflect any significant or material changes in its business status and promptly notify the Company in writing of any such changes. On an ongoing basis, the Supplier must at all times maintain a Credit Amount that is consistent with the Company's exposure to such Supplier.

7.5 Change in Financial Status. The Supplier shall promptly inform the Company of any change in its Commission, FERC, PJM or other agency certification, licensing, or membership status. The Supplier shall also promptly inform the Company of any facts which would cause a change in the Credit Amount applicable to the Supplier. Failure to satisfy, on an ongoing basis, any of the requirements set forth in this Article, including those with respect to certification, or failure to provide additional credit funds when requested by the Company, if any such failure is not cured within ten (10) business days from receipt of written notice thereof, will constitute an event of Default.

7.6 No Endorsement of Supplier. By determining that the Supplier is Creditworthy under this Agreement, the Company makes no express or implied warranties or guarantees of any kind with respect to the financial or operational qualifications of the Supplier.

ARTICLE 8: CUSTOMER ENROLLMENT AND INFORMATION PROCESS FLOW

8.1 Information to Selected Supplier. The Supplier must notify its Customers that, by signing up for Competitive Electric Supply with the Supplier, the Customer further authorizes the disclosure by the Company to the Supplier of certain basic information about the Customer. Such authorization shall be in writing, shall be kept by the Supplier, shall include the Customer's Account number, and shall be made available to the Company upon its request. At a minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's Company Account number, data about meter readings, rate class and electric usage, the Customer's address(es) and telephone number, whether or not the Customer is on any special payment plan, whether or not the Customer is participating in the Company's Energy for Tomorrow ("EFT") or Peak Management Programs, or as otherwise may be consistent with the Applicable Legal Authorities.

8.2 EFT Options. As set forth in Section 15.5 below, Supplier understands that, prior to enrolling a customer who is a participant in the Company's EFT Program, Supplier must make an election in writing, which election has consequences to Supplier with respect to its rights and obligations with respect to PJM, the Company, and such retail customers that are participants in the Company's EFT Program.

8.3 Procedure to Formalize Selection of Supplier. The Supplier will obtain appropriate authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's choice of the Supplier for all of the Customer's electric supply. The Supplier will also obtain appropriate authorization from the Customer, or from the person authorized

to act on the Customer's behalf, indicating the Customer's choice of billing option and the Supplier shall communicate that choice to the Company. The Supplier will inform the Customer that if the Customer selects the dual bill option, the Customer will receive a bill from the Supplier for Supplier charges and a bill from the Company for the Company charges. The Supplier shall supply the Customer with electric supply service for a specific Customer Account. Partial electric supply service for a Customer Account is not permitted. Similarly, multiple Suppliers for one Customer Account are not permitted. The authorization shall include the Customer's acknowledgment that the Customer has received the aforementioned notice. It is the Supplier's responsibility to maintain records of the Customer's authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission.

The Supplier shall provide an electronic file to the Company, containing information in accordance with the procedures developed by the Company in consultation with various potential Suppliers and as such procedures may be modified from time-to-time. Upon receipt of the electronic file from the Supplier, the Company will automatically confirm receipt of the file. Within one business day of receipt of the electronic file, the Company will validate the records contained in the file, and will provide an electronic validation, including the number of records received and the reason for any rejections. Such validation shall include appropriate control totals, such as the number of records received, and the reason for any rejections (e.g., ineligible customer, invalid Account number). Such validation also shall include information the Supplier can use to identify rejected records.

The Company will send a confirmation letter to each Customer mentioned in such

notification, within one business day of receipt of the aforementioned electronic file. The company will process enrollment transactions in accordance with this Agreement and applicable Commission rules and regulations. The last enrollment transactions received at day's end will be effective three business days after receipt of the electronic transaction. All electronic transactions associated with enrollment processing must be performed in accordance with this Agreement and applicable Commission data exchange standards, rules and regulations. The confirmation letter shall include the Customer's name, address, Company Account number, identity of selected Supplier, service effective date and initial billing date. A similar electronic notification will be provided to the Supplier.

8.4 Change of Supplier and Customer Designation to Control. If a Customer wishes to change Supplier and the new Supplier agrees to serve the Customer, the Customer's new Supplier shall obtain appropriate authorization from the Customer or person authorized to act on the Customer's behalf indicating the Customer's choice of Supplier, and shall thereupon follow the Procedure in Section 8.3 to Formalize Selection of Supplier. Once the preceding process is complete, the Company will notify the Customer's prior Supplier that the Customer has elected to terminate service from that Supplier. Supplier acknowledges and agrees that the Company will give effect to all Customer requests to change to a new Supplier, and consequently the most recent Customer designation of a Supplier, for which the procedures under Section 8.3 have been completed, will be given effect by the Company.

8.5 Switch from Supplier to the Company's Electric Supply & Delivery Service. If a Customer contacts the Company to request a change from the Supplier to the Company's tariffed

Electric Supply & Delivery Service, the Company will process the request as follows. The Company will send the Customer a confirmation letter notifying the Customer of the right to cancel the request. The request will be effective as of the third business day and the Company will become the Supplier of record. The Company will notify the Customer's prior Supplier of the discontinuance of service to the Customer from that prior Supplier as soon as reasonably practicable.

8.6 Customer Discontinuation of Service. If electric service to a Customer is discontinued for any reason, the Company will electronically notify the current Supplier of the Customer's discontinuance of service for the Account at the Customer's location. Any request for service at a new location must follow the procedures described in section 8.3. If the Company is not contacted by a selected Supplier in accordance with the procedure outlined in section 8.3 or section 8.4, the Company will provide the Customer with Electric Supply & Delivery Service at the new location.

Customer Account Number Change. If the Company elects to change the Account number for a customer receiving electric supply service from the Supplier, the Company will notify the Supplier of the change in Account number at the same Customer location, via electronic file, as soon as reasonably practicable.

8.7 Provisions Relating to the Supplier's Customers. The Supplier shall be solely responsible for having all necessary and appropriate contractual or other arrangements with its Customers, consistent with the Applicable Legal Authorities and with this Agreement. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

Nothing in this Agreement is intended to prevent the Supplier and a Customer from agreeing to reallocate between them any Charges that this Agreement imposes on the Supplier, provided that any such agreement shall not change in any way the Supplier's obligation to pay such

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Charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the Supplier's Customer for any Charges owed to the Company by the Supplier.

ARTICLE 9: LOAD OBLIGATION ALLOCATION AND ENERGY SCHEDULING

9.1 Allocation Methods. The Company shall allocate energy, capacity, and transmission load and ancillary services obligations in accordance with the currently-effective PJM, FERC and Commission rules, regulations, practices and procedures. 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 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. Prior to implementing any modifications to the Operating Manual that affect Supplier's load obligations, the Company shall provide Supplier with such modifications for its review and comment; and any such procedures and calculations shall use reasonable and nondiscriminatory allocation methodologies. Upon request, the Company shall provide Supplier with a workpaper that shows the calculations made by the Company for Supplier's load obligations.

9.2 Load Profiles. For Customers who do not have Interval Metering, the Company will provide load profiles for various classes of customers from the Company's load research. Such load profiles will be developed in the manner as approved by the Commission. These load profiles may be updated on a periodic basis throughout the duration of this Agreement. Such updated information shall be provided to the Supplier when available.

9.3 Historical Load Information. The Company will provide historical usage data for hourly and non-hourly metered Customers in accordance with the Applicable Legal Authorities and the procedures set forth herein. The Company agrees that it will make Company personnel available to the Supplier to explain and discuss the Company's load determination procedures.

9.4 Energy Scheduling. The Company will not provide load forecasting services. The Supplier is responsible for forecasting its customer load, and for scheduling energy to serve its customers with PJM. The Company shall provide PJM and the Supplier with data regarding the Supplier's energy obligations for the Supplier's Customers, as described in the prevailing

Operating Manual, as provided by the Company, and as may be modified by the Company from time to time in its sole and exclusive discretion. As an alternative to the Company providing the energy obligation data to PJM, the Supplier may elect, in writing, to submit its own load data to PJM for all of its customers' loads (irrespective of customer class). Such Supplier-supplied data would be used for Settlement "A" purposes only; not Settlement "B" purposes as those terms are used and commonly understood in the PJM settling and balancing processes. The Company will remain responsible for providing the data used by PJM in the Settlement "B" process. Any disputes shall be resolved through the PJM Dispute Resolution Process. To the extent that any of such Suppliers customers are eligible for individual transmission bus or nodal LMP, the data submitted by the Supplier for such customers in the Settlement A process shall include the appropriate bus assignment for each such customer. The Company shall, upon request, provide information to a Supplier regarding the transmission bus assignment of retail customers eligible for individual transmission bus or nodal pricing.

9.5 Updates to Typical Load Profile Data. The Company shall review annually its methodology and algorithms, and shall perform additional load studies to update the load profile data as required.

9.6 No Warranty. Although the information provided under this Article shall be accurate and correct to the best of the Company's knowledge and belief, for its originally-intended purposes, the Company makes no warranties as to the accuracy or usefulness of the information and takes no responsibility for the Supplier's use of the information.

ARTICLE 10: RECONCILIATION AND SETTLEMENT PROCESS

The reconciliation and settlement of the Supplier's obligations as a Load Serving Entity (including energy, Unforced Capacity, and firm transmission service) shall be accomplished in accordance with the prevailing Operating Manual, as are provided by the Company, posted on the Company Website, and as may be modified by the Company from time to time, in its sole and exclusive discretion, and also in accordance with the PJM Agreements, procedures, and manuals.

ARTICLE 11: SUPPLIER RETAIL OBLIGATION

11.1 Notice to the Company and Customers. If the Supplier intends to discontinue supply services to certain Customers or to withdraw altogether from Competitive Electric Supply Service in the Company's Service Territory, the Supplier shall provide, in a manner consistent with the Applicable Legal Authorities, both notice to all affected Customers and electronic notice to the Company, in a form specified by the Company. Such notice shall be irrevocable.

If the Supplier intends to "drop" or discontinue Competitive Electric Supply Service to certain Customers, the Supplier shall provide a minimum of thirty (30) calendar-days notice to each Customer. The Supplier must also electronically notify the Company in accordance with this Agreement and applicable Commission rules and regulations..

If the Supplier intends to withdraw altogether from Competitive Electric Supply Service in the Company's Service Territory or to "drop" or discontinue Competitive Electric Supply Service to an entire rate class and the Supplier serves at least five Customers in such rate class, the Supplier shall provide a minimum of sixty (60) calendar-days written notice to the Company, the Commission, and each affected Customer prior to the drop. This notification should include the requested effective date of the drop, the reason for the drop, and the timetable for the Customer to choose another Supplier. The Supplier must also electronically notify the Company, identifying each Customer being dropped, in accordance with this Agreement and applicable Commission rules and regulations.

If the Supplier does not comply with the preceding criteria, and the termination is processed and given effect by the Company before the Customer has received the full period of

notice to which the Customer may be entitled, the Supplier shall defend and indemnify the Company and hold the Company harmless for any liability arising therefrom.

11.2 Effective Date of Discontinuance of Service to a Customer. Any discontinuance will take effect within 3 Business Days and in accordance with the provisions of this Agreement that govern a Customer's change of Supplier.

11.3 Costs for Noncompliance. Should the Supplier fail to satisfy the notice requirements set forth in this Article 11, the Supplier shall reimburse the Company for any of the following costs associated with such failure:

- (a) Mailings by the Company to the Supplier's customers to inform them of the withdrawal 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 PJM or other third parties resulting from the Supplier's non-performance; and
- (e) All other expenses associated with such failure, which expenses shall be reasonable and documented.

11.4 Dispute Between the Supplier and a Customer. In the event of a dispute as to termination, between the Supplier and a Customer, the Supplier shall remain financially responsible to the Company for energy and capacity provided to the Customer by the Company.

11.5 Notice from the Company to the Supplier. If the Company discontinues delivery service to the Customer, the Company shall inform the Supplier.

ARTICLE 12: SUPPLIER CHARGES, BILLING AND PAYMENT

12.1 Supplier Payment of Obligations to the Company. The Supplier shall pay for all Charges for Supplier Services, or any other charges it incurs hereunder, in accordance with the following provisions in this Article and the schedule of charges set forth in the Company's tariff or in Appendix B. With respect to the administrative and consolidated billing fees set forth in Appendix B, Supplier by its circling and initialing the following hereby elects:

Option B,¹ or _____

Option C. _____

If Option C is selected, Supplier by its circling and initialing the following hereby further elects that charges by the Company to Supplier with respect to customers with interval meters shall be consistent with Option B; and with respect to customers whose usage is measured solely by non-interval meters shall be consistent with Option B.

SUPPLIER INITIALS HERE: _____

Failure to select an Option will result in the Supplier being assigned to Option B. Supplier agrees that the fees set forth in Appendix B are subject to change automatically and without a need for consent by Supplier or the Company if such changes are the result of a valid Commission order that explicitly establishes charges different from those set forth in Appendix B.

12.2 Billing Procedure. Each billing month, the Company shall submit an invoice to the Supplier for all Charges provided under this Agreement. The invoice may be transmitted to the

¹ NOTE: Option A is not available.

Supplier by any reasonable method requested by the Supplier. The Supplier shall make payment for charges incurred on or before the due date shown on the invoice. The due date shall be determined by the Company and shall not be less than fifteen (15) calendar-days from the date of transmittal of the invoice. The Parties agree that the Company may as part of the routine billing and payment process between the Company and the Supplier “net” or offset any and all amounts which may be due and owing by the Supplier to the Company against any and all amounts which may be due and owing by the Company to the Supplier, as a result of the Company’s collection of the Supplier’s portion of Customer payments pursuant to Article 13 hereof, prior to rendering payment of an invoice to the Supplier.

12.3 Billing Corrections. Invoices shall be subject to adjustment for any arithmetic errors, computation errors, meter reading errors, or other errors, provided that the Company’s retail tariff and the Applicable Legal Authorities permit the Company to make adjustment with the Customer for such errors, and provided that the errors become known within the period of time in which such adjustment with the Customer is permitted by the Company’s retail tariff and the Applicable Legal Authorities.

12.4 Manner of Payments. The Supplier shall make payments of amounts due to the Company by wire transfer to a bank designated by the Company.

12.5 Billing Disputes. If the Company does not receive written notification from the Supplier of an objection to an invoice within twenty (20) calendar-days from the rendering thereof, said invoice shall be deemed conclusive and binding on the Supplier. If disputes arise

regarding an invoice, the Supplier must pay the full disputed invoice. If the dispute is resolved in the Supplier's favor, the Company will make appropriate refund to the Supplier, with interest calculated at the Interest Index. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 17.

12.6 Late Fee for Unpaid Balances. If the Company receives payment after the due date shown on the invoice, a late fee will be added to the unpaid balance until the entire invoice is paid. This late fee will be 1.5% per calendar month on any unpaid balance.

12.7 Billing for the Supplier's Obligations to Other Parties. The Company will assume no responsibility for billing between the Supplier and PJM, the Supplier and any energy source, the Supplier and any other Supplier, or a Scheduling Coordinator and any Coordinated Supplier.

ARTICLE 12A: COMPANY CHARGES, BILLING AND PAYMENT

12A.1 Company Payment of Obligations to the Supplier. The Company shall pay for all Charges for Company Services, or any other charges it incurs hereunder, in accordance with the following provisions in this Article and the schedule of charges set forth in Appendix B. Prior to providing consolidated billing services under which Supplier would issue bills to customers that include charges for the Company's distribution services, Supplier shall demonstrate to Company's reasonable satisfaction that Supplier has the electronic capability: to exchange billing and customer data with the Company, to render bills to customers, and to forward funds to the Company.

12A.2 Billing Procedure. Each billing month, the Supplier shall submit an invoice to the Company for all Charges provided under this Agreement. The invoice may be transmitted to the Company by any reasonable method requested by the Company. The Company shall make payment for charges incurred on or before the due date shown on the invoice. The due date shall be determined by the Supplier and shall not be less than fifteen (15) calendar-days from the date of transmittal of the invoice. The Parties agree that the Supplier may as part of the routine billing and payment process between the Supplier and the Company “net” or offset any and all amounts which may be due and owing by the Company to the Supplier against any and all amounts which may be due and owing by the Supplier to the Company, as a result of the Supplier’s collection of the Company’s portion of Customer payments pursuant to Article 13 hereof, prior to rendering payment of an invoice to the Company.

12A.3 Billing Corrections. Invoices shall be subject to adjustment for any arithmetic

errors, computation errors, meter reading errors, or other errors, provided that the errors become known within the same period of time set forth in the Company's retail tariff under which a comparable adjustment would have been permitted pursuant to the Company's retail tariff and the Applicable Legal Authorities.

12A.4 Manner of Payments. The Company shall make payments of amounts due to the Supplier by wire transfer to a bank designated by the Supplier.

12A.5 Billing Disputes. If the Supplier does not receive written notification from the Company of an objection to an invoice within twenty (20) calendar-days from the rendering thereof, said invoice shall be deemed conclusive and binding on the Company. If disputes arise regarding an invoice, the Company must pay the full disputed invoice. If the dispute is resolved in the Company's favor, the Supplier will make appropriate refund to the Company, with interest calculated at the Interest Index. Billing disputes shall be addressed promptly, and in accordance with the dispute resolution procedures set forth in Article 17.

12A.6 Late Fee for Unpaid Balances. If the Supplier receives payment after the due date shown on the invoice, a late fee will be added to the unpaid balance until the entire invoice is paid. This late fee will be 1.5% per calendar month on any unpaid balance.

12A.7 Billing for the Company's Obligations to Other Parties. The Supplier will assume no responsibility for billing between the Company and PJM, the Company and any energy source, the Company and any other company, or a Scheduling Coordinator.

ARTICLE 13: CUSTOMER BILLING AND REMITTANCE PROCESSING

13.1 **Billing and Remittance Processing.** Except as provided elsewhere in this Agreement, the Company shall be responsible for the billing and payment posting of all charges to Customers who elect to receive one consolidated bill from the Company, in accordance with the Company's tariffs and applicable Commission regulations. Customer billing and remittance services include, but are not limited to, Customer billing, remittance processing, and data transmission. If the Company renders a consolidated bill, the Supplier must transmit its billing information to the Company in a bill ready format and in accordance with the billing practices and EDI standards accepted by the Commission.

- a. The Supplier must calculate and send its Customers' charges to the Company within 3 Business Days of receipt of the meter read data. If the Electricity Supplier fails to transmit its Customers' information to the Company in the required timeframe, the Company will not render a consolidated bill.
- b. The Company will not be liable for the Electricity Supplier's charges or losses, damages or consequential damages associated with the Electricity Supplier's Customers not being billed for the Electricity Supplier's charges for that period.
- c. The Electricity Supplier is responsible for the bill content transmitted to the Company.

13.2 **Purchase of Electricity Supplier Receivables.** When an Electricity Supplier elects to use Company Consolidated Billing, the Company will purchase the Electricity Supplier's receivables pursuant to Commission rules and regulations, Order No. 9920 (Docket No. 15-1693) and any other provisions of this Agreement.

- (a.) All electricity charges resulting from the Supplier provision of Competitive Power Supply for Customers billed using Company Consolidated Billing will be purchased. The Company will not purchase receivables associated with non-commodity charges or early termination fees (ETF).
- (b.) In the event a Customer is converted from Electric Company Consolidated Billing to Separate (Dual) Billing, Supplier and Company will each be responsible for its own receivables effective as of the start of Dual Billing.
- (c.) The Company will pay all undisputed charges to the Electricity Supplier by the 5th day from due date noted on the consolidated bill in accordance with Schedule 3 of this Agreement.
- (d.) The Company will make payments of funds payable to the Electricity Supplier via electronic payment with remittance advice to a bank designated by the Electricity Supplier. Wire transfer of funds will be made per relevant Commission orders unless other terms are mutually agreed upon.
- (e.) Purchased Electricity Supplier receivables will be treated the same manner as Company charges pursuant to applicable Tariffs.

- (f.) In the event a Customer disputes an Electricity Supplier's charges and notifies the Company, the Company can withhold the disputed amount from that Electricity Supplier until such time that the Company is notified that the dispute has been resolved.
- (g.) If the Electricity Supplier's Customer is on a budget or levelized payment plan, the Company shall only be obligated to purchase each month the amount of the monthly installment under the budget or levelized payment plan.
- (h.) The Company may add to or deduct from any payments due to Electricity Suppliers amounts that may result from reconciliations, adjustments or recalculations of estimated readings, cancel and rebills or any applicable billing adjustment.
- (i.) The Company shall also purchase account receivables of electricity based on estimated bill. The Company will not purchase accounts receivables incurred prior to the Suppliers election to use Company consolidated billing for that Customer.

13.1 The Supplier assumes all risks of non-payment of the Supplier's service charges to a Customer and the Company is obligated to pay the Supplier only the difference between (a) amounts received from Customers taking service from the Supplier, and (b) any amounts owed to the Company by or with respect to such Customer, consistent with the payment posting sequence set forth in Section 13.6 below. Such remittance to the Supplier will be made within four (4) business-days of receipt of funds by the Company. Additional services may be negotiated separately by the Parties.

When a Customer selects electric supply service from a Supplier and elects to receive one consolidated bill by the Supplier, the Supplier shall be responsible for the billing and payment posting of charges from the Customer. The Company assumes all risks and responsibility associated with the non-payment of the Company's charges billed by the Supplier. The Supplier is obligated to pay the Company only the amounts which result after applying payments received by customers in accordance with the payment posting sequence set forth in Section 13.6 below. Such remittance to the Company will be made within four (4) business-days of receipt of funds by the Supplier.

Tax funds received as part of a Customer bill payment will be transferred by the

billing entity to the respective provider of electric service. The service provider is then responsible for remitting the applicable taxes to the appropriate taxing agency or authority.

13.2 Meter Reading. The Company is responsible for reading the Customer's meter. In the event an actual meter reading cannot be obtained, the Company shall estimate the Customer's consumption for billing purposes in accordance with its tariff and with Commission regulations.

13.3 No Supplier Termination of Service. The Supplier shall not be permitted to physically terminate electric delivery service to a Customer.

13.4 Billing Information. The Company shall provide a single consolidated bill with Customer charges for both the Company and the Supplier, unless the Supplier offers and the Customer chooses either a single consolidated bill provided by the Supplier with Customer charges for both the Company and the Supplier, or dual bills, with both the Company and the Supplier providing their respective Customer charges. When a Customer elects to receive service from a Supplier, the Supplier must secure the appropriate authorization to document the billing option chosen, and is further obligated to notify the Company of the billing option selected by the Customer. A Supplier who changes the billing options that it offers shall provide 60 calendar-days notice prior to the change to its customers, the Company, the Delaware Public Service Commission Staff, the Delaware Division of the Public Advocate; and, electronically, the change must be sent to the Company 15 calendar-days in advance of the applicable scheduled Meter Reading Date.

The billing party shall be responsible for the Customer billing, remittance processing and billing data transmission to the non-billing party in accordance with the Company's tariffs and applicable Commission regulations. Collection of delinquent Customer payments and other additional services may be negotiated separately by the Parties.

13.5 Supplier Accounts. In the event that the Company provides a consolidated bill to the Customer, the Company will maintain and provide to the Supplier, accounts receivable balances

associated with the Supplier's Customers under terms mutually agreed to by the Company and the Supplier. If a Customer returns to the Company for Standard Offer Service or switches to another Supplier, the Company will terminate billing and payment remittance for the pre-existing Supplier as follows: Outstanding balances will be carried forward for a maximum of one additional billing period (i.e., until one (1) day prior to the second bill that is issued containing charges of the Customer's new Supplier) and any outstanding balances remaining as of the date that such bill is issued will be transferred back to the pre-existing Supplier and the Company will no longer be responsible for maintaining that Customer's payments to such pre-existing Supplier. If the Supplier provides its own bill to the Customer, the Supplier will be responsible for maintaining its own accounts receivable balances with its Customers.

13.6 Application of Payment. The billing entity will conduct all payment processing of current Customer charges. In the event of a partial payment of a bill by a Customer, the Customer's remittance will be applied in the following order: (i) arrears for Company's Electric Supply and Delivery or Delivery Service; (ii) arrears for Company's Gas Utility Sales Service or Gas Delivery Service, where applicable; (iii) by vintage of arrearage, arrears for Electric Supplier charges, where applicable and then same-vintaged arrears for Gas Supplier charges, where applicable; (iv) current charges for Company's Electric Supply and Delivery or Delivery Service; (v) current charges for Company's Gas Utility Sales Service or Gas Delivery Service, where applicable; (vi) current charges for Electric Supplier charges, where applicable; (vii) current charges for Gas Supplier charges, where applicable; (viii) arrears for Company's "Value Added Services", where applicable; and (ix) current charges for Company's "Value Added Services", where applicable. Any amounts in excess of the totality of these charges will be held in the billing entity's account for the Customer for distribution

in the following billing cycle or will be refunded to the Customer at the Customer's request.

In the event a Customer remits payment to the wrong party, said payment will be returned to the Customer with notice of same. In the event that a bank returns a Customer's check dishonored, such debits will be applied in inverse order to the order set forth above. The Company will correct any misapplied payments or transactions. Further, the Company will provide the Supplier an electronic file consisting of Customer payments and any returned checks and/or Customer adjustments. Each Party will assume its portion of any incremental costs associated with this electronic funds transfer.

ARTICLE 14: COMPANY-SUPPLIED METERING SERVICES

14.1 Meters. The Company shall provide the Customer with Standard Metering Services and Company-owned Electric Metering Equipment in accordance with the Company's prevailing tariff on file with the Commission, as said tariff may be revised from time to time.

14.2 Reading. All Customers shall have their electric energy deliveries metered and read in accordance with applicable Commission regulations.

14.3 Meter Testing. In addition to any meter testing that is performed in compliance with Commission regulations, upon the Supplier's written request, the Company will test designated electric meter(s) used for billing. In the event a test requested by the Supplier establishes that a Company-owned electric meter is registering inaccurately by more than the applicable Commission tolerances and requirements, as may be revised by the Commission from time to time, the costs of said tests shall be borne by the Company. Any electric meter found to be inaccurate by more than the applicable Commission tolerances and requirements, or is otherwise found to be defective, shall be adjusted, repaired or replaced, at the sole cost and expense of the Company. The cost of testing a meter at the request of the Supplier which is determined to be operating within applicable Commission tolerances and requirements and not found to be defective, will be borne by the Supplier. Costs will be calculated and billed under the same terms and conditions as the Company customarily uses for similar requests from Electric Supply & Delivery Service tariff customers.

14.4 RESERVED FOR ADVANCED METERING PROVISIONS

ARTICLE 15: SYSTEM OPERATION

15.1 Curtailment. The Company shall have the right to curtail, interrupt, reduce voltage, or reduce the Supplier's supply of electric energy or shall have the right to disconnect the Supplier's Customers whenever the Company reasonably determines, or when the Company is directed by PJM, that such a disconnection, curtailment, interruption or reduction is necessary to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Company's facilities; to maintain the safety and reliability of the Company's electric delivery system; as directed by governmental authorities; or due to Emergencies, forced outages, potential overloading of the Company's transmission and/or distribution circuits, or Force Majeure. Any other provisions of this Agreement that may seem to contradict this right shall be subordinated to this right. Any exercise of this right shall be without undue discrimination and without regard to the source of a Customer's supply. The Company shall not be liable to the Supplier for any such disconnection, curtailment, interruption or reduction in supply, except to the extent that the foregoing was caused by the gross negligence or willful misconduct of the Company and is not otherwise excused.

15.2 Reasonable Efforts. The Company shall use its reasonable efforts to: minimize any scheduled curtailment, interruption or reduction to the extent practicable under the circumstances; provide the Supplier with prior notification of any such curtailment, interruption or reduction, to the extent practicable; and resume service as promptly as practicable following elimination of the condition causing the disconnection, curtailment, interruption or reduction.

15.3 PJM Requirements. The Supplier acknowledges and agrees that, as a signatory to

applicable PJM Agreements, the Company is bound by all PJM operating instructions, policies and procedures as set forth in the PJM Operating Manual, as revised from time to time, which are available through the Internet on the PJM Home Page (<http://www.pjm.com>), which are needed to maintain the integrity of the PJM System. The Supplier acknowledges and agrees that it will cooperate with the Company so that the Company will be in compliance with all PJM Procedures, which include, but are not limited to, those procedures pertaining to minimum and maximum generation emergencies, and measures requiring involuntary Customer participation, such as supply voltage reduction or full interruption of Customer Load by either manual or automatic means.

15.4 Compliance with Governmental Directives. The Supplier acknowledges and agrees that the Company may need to act in response to governmental or civil authority directives which may affect Customer load. The Supplier agrees to cooperate with the Company in order to comply with said directives.

15.5 Direct Load Control Programs. Retail customers that are participants in the Company's EFT Program will either continue to be paid an EFT credit by the Company (Option 1) or will cease to be paid such EFT credits by the Company and, in lieu thereof, will receive compensation (if any) for their participation from the Supplier (Option 2). Supplier shall make its election designating either Option 1 or Option 2 in writing to the Company prior to submitting its first enrollment transaction pertaining to an EFT participant and agrees that such election will apply to all of Supplier's customers who are EFT participants. Supplier agrees that if it fails to provide such timely notice to the Company, all of Supplier's customers who are participants in the

Company's EFT program will be assigned to Option 1. Subject to any necessary PJM approvals, Supplier may change its election annually by providing advance notice to the Company prior to May 1 of each year. Supplier understands that an election under Option 2 will trigger additional notification and/or disclosure requirements to customers pursuant to the Company's retail tariff Rider "EFT" and Commission rules and regulations. Supplier agrees that it will not provide an election to the Company under Option 2 if such election would cause the Supplier to violate any such Commission rules and regulations or be inconsistent with the Company's retail tariff Rider "EFT". It is the intent of the Company and Supplier that under Option 1, any load reduction benefits that would accrue under PJM rules as a result of the retail customers' participation in the EFT program would accrue to the Company and, similarly, it is the intent of the Company and Supplier that under Option 2, any load reduction benefits that accrue under PJM rules as a result of the retail customers' participation in the EFT program would accrue to the Supplier.

Supplier agrees that any credits, payments, offsets to charges, or other consideration given by Supplier to a retail customer that may be validly enrolled by Supplier, that has the ability to reduce load upon demand and that is not a participant in the Company's EFT Program, shall be a matter of contract between Supplier and its customer and Supplier shall not represent to such customer that any consideration that the Company may be providing to such customer will continue.

15.6 Peak Management Programs. Effective August 1, 2002, Supplier will be eligible to provide Competitive Electric Supply Service to customers served under the Company's retail tariff "Peak Management Rider" (or "PM Rider") without the customer terminating its PM Rider contract

with the Company. Under such treatment, the customer would obtain its electric requirements from a Supplier while continuing to receive the PM Rider payments from the Company and the Company would retain the benefits that PJM ascribes to active load management (or “ALM”). Supplier agrees and warrants to the Company that Supplier will have a contract in place (and will so certify to the Company) that provides the customer with specific notice that if PJM reduces or eliminates the benefits of ALM to the Company due to the customer's enrollment with the Supplier, then the PM Rider contract will be subject to termination at the Company's sole discretion on 30 days notice. Supplier is on notice that the Company has other rights as set forth in its retail tariff to terminate a PM Rider service to a customer for reasons set forth in such retail tariff and that nothing herein shall be deemed to affect provisions (other than those that previously precluded PM customers from receiving Competitive Electric Supply Service from Suppliers) that may be in a contract between the Company and a customer who is receiving PM Rider credits.

15.7 Fluctuations. Electric delivery service must not be used by the Customer in such a manner as to cause unusual fluctuations or disturbances in the Company’s delivery system. Should such fluctuation or disturbance be caused by the Customer the Company may discontinue service to the Customer causing the fluctuation or disturbance or require the Customer to modify their installation and/or install approved controlling devices. The Electric Supplier hereby recognizes the potential for service discontinuance under this provision and waives any claim for lost profits or similar damages relating to such discontinuance.

Where the use of current is intermittent or subject to violent fluctuation, the Company

reserves the right to base the measured demand applicable to a Supplier's capacity obligation upon a five (5) minute period, or to add to the measured demand, as determined under the measured demand provision of the applicable Service Classification, an amount equal to sixty-five percent (65%) of the rated capacity in kilowatts of apparatus having fluctuating or intermittent current requirements.

15.8 Interruptible Service. Interruptible services provided by Suppliers to Customers with loads in excess of 1 MW must be reported to the Electric Delivery Service provider within 15 calendar-days of the Customer's signing up for the service from their Supplier.

15.9 Customer Curtailment by Supplier. The Supplier will notify the Company at least 20 minutes in advance of requesting a Customer to curtail load that is in excess of 1 MW.

ARTICLE 16: CONFIDENTIALITY OF INFORMATION

16.1 Customer-Specific Information. Customer specific information will not be provided to the Supplier without the Customer's consent, in accordance with the provisions of this Agreement. The Supplier shall keep all Customer-specific information supplied by the Company confidential, unless the Supplier has the Customer's authorization to do otherwise.

16.2 Company Information. All Company information available to the Supplier in connection with the provision of Supplier Services, including, but not limited to, rate class load profile data, and information regarding the Company, computer systems, or communications systems shall not be disclosed to third parties without appropriate authorization and/or consent.

ARTICLE 17: DISPUTE RESOLUTION

17.1 Informal Resolution of Disputes. The Company and the Supplier shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Agreement, the provision of Supplier Services, and/or carrying out of Supplier Responsibilities. The Supplier's point of contact for all information, operations, questions, and problems regarding Supplier Services shall be the Company's designated representative. Any dispute between the Company and the Supplier under this Agreement may be referred to a designated senior representative of each of the Parties for resolution on an informal basis as promptly as practicable.

17.2 Recourse to Agencies or Courts of Competent Jurisdiction. Nothing in this Agreement shall restrict the rights of either Party to file a complaint with the FERC under relevant provisions of the Federal Power Act ("FPA"), with the Commission under relevant provisions of the Applicable Legal Authorities, with a Delaware State court or competent jurisdiction, or with a federal court of competent jurisdiction situated in the State of Delaware.

ARTICLE 18: FORCE MAJEURE

18.1 Events of Force Majeure. Neither Party shall be liable for any delay in performing or for failing to perform its respective obligations under this Agreement due to any event of Force Majeure, including a catastrophic weather condition, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, walkout, lockout or other labor dispute, work stoppage caused by jurisdictional and similar disputes, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, including PJM, or any combination of these causes, which by the exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence is unable to overcome. Financial loss or other economic hardship of either Party shall not constitute an event of Force Majeure under this Agreement.

18.2 Suspension of Obligations. The obligations of either Party, so far as they are affected by the Force Majeure event, shall be suspended during the continuation of such inability and circumstance and shall, so far as possible, be remedied within a reasonable period of time. During such Force Majeure event, both Parties shall take all reasonable steps to comply with this Agreement notwithstanding the occurrence of the event. This subparagraph shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the strike, walkout, lockout or other labor dispute.

ARTICLE 19: REGULATORY AUTHORIZATIONS AND JURISDICTION

19.1 Compliance with Applicable Legal Authorities. The Company and the Supplier are subject to, and shall comply with, all existing or future applicable federal, state and local laws, and all existing or future duly promulgated orders or other duly authorized actions of governmental authorities having jurisdiction over such matters. The Company will not violate, directly or indirectly, or become a party to a violation of, any applicable federal, state or local statute, regulation, rule or order in order to provide service to the Supplier. The Company's obligation to provide service is subject to the condition that all requisite governmental and regulatory approvals for the provision of such service will have been obtained and will be maintained in force during such period of service.

19.2 Change in Applicable Legal Authorities. This Agreement is subject to change in the future to reflect any FERC-required changes in the pricing mechanism, structure and/or operations of PJM, and to reflect any relevant changes required by the Commission or other Delaware state agency having jurisdiction, or by virtue of any federal or state law or regulation, and such changes shall be deemed to be binding upon the Parties, except where the right to terminate is exercised in accordance with the terms of this Agreement.

19.3 FERC Jurisdiction. The inclusion of FERC-jurisdictional matters within the scope of this Agreement is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the Commission. If anything stated herein is found by the FERC to conflict with or to be inconsistent with any provision of the Federal Power Act

(“FPA”), or any rule, regulation, order or determination of the FERC under the FPA, the applicable FERC rule, regulation, order or determination of the FPA shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, Company shall secure, from time to time, all appropriate orders, approvals and determinations from the FERC necessary to support this Agreement.

ARTICLE 20: LIMITATION OF LIABILITY

20.1 Limitation on Liability. The Company shall have the same duties and limitations on liability for distribution service to the Supplier and its Customers as to those Customers receiving Standard Offer Service from the Company, in accordance with Section X of the Company's Retail Electric Tariff, as it may change from time to time.

20.2 Additional Limitations On Liability In Connection With Competitive Electric Supply. Neither party shall have liability to the other for consequential, ancillary, punitive, or other damages including lost profits, lost revenues, or other monetary losses arising out of any errors and omissions or failures of the transmission or distribution system. The Company shall implement Customer selection of the Supplier consistent with Applicable Legal Authorities and shall have no liability to the Supplier arising out of or related to a Customer's decision in switching among Suppliers, unless the Company is negligent in switching or failing to switch a Customer.

20.3 No Other Liability. The Company shall not have any duties or liabilities other than those specifically set forth in this Agreement.

ARTICLE 21: INDEMNIFICATION

21.1 Indemnification. To the fullest extent permitted by law, each party (the "Indemnifying Party") shall defend, indemnify and hold harmless the other party (the "Indemnified Party") from and against any and all claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person, including the Indemnified Party's employees or any third parties, or any other liability incurred by the Indemnified Party, including reasonable attorneys' fees, relating to performance under this Agreement, except to the extent that the losses, expenses or damage were caused wholly or in part by any negligent or willful act or omission of the Indemnified Party; and provided further that a claim will be deemed to be caused wholly by a willful act or omission of the Indemnified Party if such claim is in connection with a failure of transmission or distribution and such claim arises under a contract which fails to include "force majeure" language that would have protected the Indemnified Party against such a claim.

21.2 Survives Agreement. The indemnifications under this Article shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Supplier or the Company under any statutory scheme, including any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

21.3 Implementation of Change in Indemnifying Party. It is specifically understood and agreed, without limiting the Indemnified Party's right to indemnification under this Article, that each party shall indemnify the other from and against all claims and/or liabilities arising out of the

switching of Customers to Competitive Electric Supply service under the procedures in Article 8, including but not limited to “slamming”, as that term may be defined by the Commission.

ARTICLE 22: MISCELLANEOUS PROVISIONS

22.1 Notices. Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by overnight express mail, courier service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) addressed as follows:

If to the Supplier to:

If to the Company to: Manager, Retail Choice
Delmarva Power
701 9th St, NW
Washington, DC 20001
Mail Stop: EP6412

Phone: 888-756-5021

Email: DelmarvaSupplier@exeloncorp.com

or to such other person at such other address as a Party shall designate by like notice to the other Party. Notices received after the close of business day shall be deemed received on the next business day.

22.2 No Prejudice of Rights. No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to excuse. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement,

or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect.

22.3 Gratuities to Employees. The Supplier and its employees shall not, under circumstances which might reasonably be interpreted as an attempt to influence the recipients in the conduct of their duties, extend any gratuity or special favor to employees of the Company.

22.4 Assignment. This Agreement may not be assigned by either the Company or the Supplier without (a) any necessary regulatory approval and (b) the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. However, the Company may assign any or all of its rights and obligations under this Agreement, without the Supplier's consent, to any entity succeeding to all or substantially all of the transmission and distribution assets of the Company, if such assignee agrees, in writing, to be bound by all of the terms and conditions hereof, and if any necessary regulatory approvals are obtained.

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

22.6 Headings. The headings and sub-headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties

hereunto, nor should they be used to aid in any manner in the construction of this Agreement.

22.7 Third Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties hereto. Nothing in this 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 this Agreement.

22.8 General Miscellaneous Provisions.

(a) This 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.

(b) Cancellation, expiration or early termination of this Agreement shall not relieve the Parties of obligations that by their nature survive such cancellation, expiration or termination, including, without limitation, payment of any amounts due, warranties, remedies, promises of indemnity and confidentiality.

(c) Should any provision of this 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.

(d) Each of the Parties hereto acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. This 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.

(e) The word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

22.9 Taxes. The Supplier shall be liable for, or responsible for the collection of, all present or future federal, state, municipal or other taxes imposed by any taxing authority by reason of a sale of Competitive Electric Supply Services to Customers and, if applicable, by reason of transmission and ancillary services provided to Customers. The Supplier shall pay all such taxes to the applicable taxing authority to the extent required or permitted by law. If any transaction is exempt from the payment of any such taxes, the Supplier will, if requested, provide the Company with valid tax exemption certificates. If the Company is required to remit any such taxes directly to any applicable taxing authority, other than taxes previously collected by the Company directly from the Supplier’s Customers, the Supplier indemnifies the Company and will pay the Company for all such tax amounts upon demand.

22.10 Filing of Agreement. By its execution of this Agreement, Supplier hereby authorizes the Company to file this Agreement with the Delaware Public Service Commission on a non-confidential basis.

22.11 Supersedes Prior Agreements. This Agreement, upon execution, supersedes, terminates, and nullifies prior Agreements that may have been executed by the parties with respect to the subject matter herein and such prior Agreements shall be of no further force and effect except to the extent necessary to allow enforcement of obligations that arose during the time such prior Agreement(s) was or were in effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

DELMARVA POWER & LIGHT [SUPPLIER]
COMPANY

By:_____

By:_____

APPENDIX A

SCHEDULING COORDINATOR DESIGNATION FORM

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

2.0 By submitting this form, the Supplier hereby notifies the Company that it has appointed the following entity to act as its Scheduling Coordinator in accordance with the Electric Supplier Agreement between the Company and the Supplier, dated _____ (the "Agreement"):

3.0. The Supplier further notifies the Company, and the Scheduling Coordinator hereby acknowledges, that it is designating the entity identified in the preceding paragraph as its Scheduling Coordinator for the specific purpose of Load Scheduling, Unforced and/or Installed Capacity Obligations, Import Capability, Reconciliation Rights and Responsibilities, and any other Supplier Responsibilities under the Agreement.

4.0. The Company may utilize the Scheduling Coordinator as the sole point of contact with the Supplier in connection with the Company's provision of Supplier Services, if the Supplier so requests.

5.0 The Supplier agrees that the Company may bill the Scheduling Coordinator directly for all 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 Agreement. It is understood that, notwithstanding such billing, the Supplier will remain responsible for the payment of all Supplier Services charges.

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

7.0 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:
Internet email:

To the Scheduling Coordinator:

Attn: Title:
Telephone:
Facsimile:
Internet email:

8.0 The Agreement 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 Agreement.

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

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

10.1 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 Agreement which is incorporated therein by reference.

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

APPENDIX B

Schedule of Company Charges to the Supplier in Addition to those set forth in the Company's Tariff

1. Administrative/Consolidated Billing Fee Options:

The Options below are one-time elections that are to be made by Supplier at the time of execution of this Agreement. As set forth below, Options A or B, if selected, would apply to services rendered by the Company to the Supplier with respect to all of Supplier's Delaware customers. Option C permits a Supplier to place customers with interval meters into one category of charges and customers whose usage is measured only by non-interval meters into a different category of charges.

Option B:² \$0.65 per bill for Supplier's Delaware customers for whom the Company provides consolidated billing services that include Supplier charges.

Option C: For customers with interval meters, charges shall be determined consistent with either Option A or Option B depending on Supplier's further election as designated at section 12.1 of the Agreement to which this Appendix is attached.

2. \$25.00 charge per unscheduled meter read performed upon request of the Supplier
3. \$5.00 charge for distribution of Customer's Historical 12-months usage and billing data (requires Customer consent form)(no charge applicable for materials sent out in enrollment packages)

² NOTE: Option A is not available.

4. Interval Meter Data Charges:

General Rule:

\$ 40.00 for one month hourly load data per customer;
\$150.00 for up to 12 months of hourly load data per customer.
(Requires Customer consent form.)
(No charge applicable for materials sent out in enrollment packages. In addition, the above hourly load data charges will expire on July 31, 2003, which is twelve months after the PEPCO-Conectiv merger closing.)

Cap applicable to customers with 5 or more accounts that are either interval metered accounts or non-interval metered accounts (i.e., the aggregation of accounts is customer specific and interval and non-interval accounts cannot be combined for purposes of qualifying for the Cap treatment).

\$ 200.00 for one month hourly load data per customer;
\$ 750.00 for up to 12 months of hourly load data per customer.
(Requires Customer consent form.)
(No charge applicable for materials sent out in enrollment packages. In addition, the above hourly load data charges will expire on July 31, 2003, which is twelve months after the PEPCO-Conectiv merger closing.)

Schedule of Supplier Charges to the Company

The following fees are only applicable to the extent that Supplier has selected Option B pursuant to section 12.1 of the Agreement to which this Appendix is attached or has selected Option C and made a further election such that charges consistent with those in Option B are charged for services with respect to either customers with interval metered accounts or customers whose usage is measured solely by non-interval metered accounts

1. \$0.65 per bill per customer whose usage is measured by non-interval meter and for which Supplier is the consolidated biller;

\$2.00 per bill per customer whose usage is measured by interval meter and for which Supplier is the consolidated biller.

Appendix C: Discount Rate For Purchase of Receivables Program

- 1) The initial Discount Rates for: Residential Service Customers served under Schedules R, RSH, RTOU-ND, and PIV; Small Commercial and Industrial (“C&I”) served under Schedules SGS, GS-SH, GS-WH, MGS, ORL, and OL; Large C&I served under Schedules LGS and GSP; and Hourly Priced Customers served under Schedules LGS, GSP and GST of the Retail Electric Service Tariff are calculated as follows:
 - a) The Write-Offs Component percent will be calculated by dividing the Actual Write-Offs associated with each rate schedule by the Actual Third Party Supplier (“TPS”) Billed electricity revenues for that rate schedule.
 - b) The Risk Component percent will be set at zero at this time.
 - c) The Initial Development Cost Component percent is calculated by amortizing the development costs over a five-year period. The annual amortization cost is divided among the customer classes by the number of choice accounts. Component percent is derived by dividing the amortization cost by the Actual TPS Billed electricity revenues for that rate schedule.
 - d.) The initial Discount Rate is derived by adding the Write-Offs Component (a), the Risk Component (b) the Initial Development Cost Component (c).

- 2) The Reconciliation Component is calculated on the Imbalance separately for residential and non-residential customers. Imbalances are recorded in a balancing segment regulatory asset or regulatory liability and represent the differences between cumulative costs eligible for recovery and discount amounts for purchased receivables. During its disposition, an Imbalance earns interest at the same rate as is paid on customer deposits. Such rate is adjusted for taxes. The Reconciliation Component rate is calculated by dividing the Imbalance, including interest earned or owed, separately for residential and non-residential customers by the Actual TPS Billed electricity revenues billed for that rate schedule.

- 3) The Discount Rate (after the first year of service) is derived by updating the initial rate calculated above and adding the Reconciliation component.

- 4) Effective June 1, 2023, the Discount Rates are as follows:

<u>Rate Schedule</u>	<u>Discount Rate</u>
Residential Customers – Schedules R, RSH, RTOU-ND, PIV	4.9155%
Small C&I Customers – Schedules SGS, GS-SH, GS-WH, MGS, ORL, OL	0.0000%
Large C&I Customers - Schedules LGS and GSP	0.0000%
Hourly Priced Customers – Schedules LGS, GSP and GST	0.0000%