

**Request for Bids to Provide
Standard Offer Service
To
Electric Customers in Maine
Bangor Hydro-Electric Company's
Service Area**

**Issued by the
Maine Public Utilities Commission**

August 2, 1999

Table of Contents

- I. Introduction and Overview
- II. Supplier Requirements
- III. Form of Service
- IV. Legal Obligation
- V. Evaluation Process and Proposal Requirements
- VI. Additional Instructions

APPENDICES

- A. Chapter 301 of the Maine PUC Rules (Standard Offer Rule)
- B. Description of Other Relevant Rules and Standards
- C. Standard Form Contract
- D. Applicable Fees
- E. Standard Offer Class Load Data
- F. License Application for Competitive Electricity Providers
- G. System Losses
- H. Bid Price Proposal Sheets
- I. Statement of Commitment
- J. Standard Offer Class Definitions

I. INTRODUCTION AND OVERVIEW

1.1 Background and Description of Maine's Standard Offer

During its 1997 session, the Maine Legislature enacted P. L. 1997, Chapter 316, "An Act to Restructure the State's Electric Industry" (the Act). The Act broadly restructured the electric industry in Maine and allows retail access to generation services for all Maine customers beginning on March 1, 2000. The Act requires Maine's investor-owned electric utilities to divest their generation assets and entitlements and restricts their participation in the state's generation services market. The Act also requires the Maine Public Utilities Commission (PUC or Commission) to ensure that standard offer service is available to all customers. Customers will receive standard offer service if they do not elect electric generation service from a competitive supplier or if they lose electric generation service from a competitive supplier. Standard offer service is the only type of default service that will be available in Maine.

The Commission has promulgated several rules to implement the provisions of the Act. Among these is Chapter 301, governing standard offer service. Chapter 301 is provided as Appendix A. A list and short description of other rules related to electric restructuring is provided in Appendix B. The complete text of these rules can be found on the Commission's web page at www.state.me.us/mpuc/pucrules.htm or by calling the Commission at 207-287-3831.

The Commission, with substantial input from market participants, has also developed a standard contract that will govern various rights and obligations of competitive suppliers (including standard offer providers) and the transmission and distribution utilities in whose service territory suppliers provide service. Each standard offer provider in Maine must execute this contract with each utility in whose service territory it will provide service within two weeks of being designated a standard offer provider by the Commission. The standard contract is included with this request for bids (RFB) as Appendix C.

Maine's utilities will perform all billing, collections, and other services involving direct customer contact on behalf of standard offer providers. The providers will be prominently identified on standard offer customer bills. Bangor Hydro-Electric Company will provide these services pursuant to the fee schedule shown in Appendix D of this RFB.

Standard offer providers will provide all or a specified percentage of the requirements service for standard offer customers in one or more of three broad customer groups: (1) residential and small non-residential; (2) medium non-residential; and (3) large non-residential. These customer

groups are further described in section 2(A)(2) of Chapter 301 and Exhibit A of the standard contract. Standard offer service providers will not be assigned specific customers or geographic portions of a utility's service area.

Unlike other states, Maine's standard offer has no legislatively or administratively determined price or price cap. The prices charged to customers for standard offer service in Maine will be set by the winning bids from this competitive solicitation. Similarly, each standard offer provider will be paid based on its bid price.

1.2 Objective of the Request for Bids

The Commission is seeking bids from eligible suppliers to provide standard offer service to customers in Bangor Hydro-Electric Company's service territory. The objective of this RFB is to solicit, evaluate, and select, through a competitive bidding process, one or more supplier(s) that can provide a competitively priced, firm supply of electricity to standard offer customers in a manner consistent with Chapter 301 and this RFB. As further described in Chapter 301, the Commission will select at least three providers of standard offer service for each utility service territory unless the price impact guidelines contained in the rule require otherwise.

1.3 Electricity Requirements

Bangor Hydro-Electric Company is the second largest electric utility in Maine. It serves a population of about 192,000 in an areas encompassing approximately 5,275 square miles in eastern and east coastal Maine. Bangor Hydro-Electric's total retail sales in 1998 were 1.7 million megawatt-hours and its system peak demand was 282 megawatts. Appendix E includes a detailed breakdown of the total electricity usage during recent years for the classes that comprise each standard offer class in Bangor Hydro-Electric Company's service territory. Bangor Hydro-Electric Company's service territory is within the New England Independent System Operator control area.

1.4 Term of Service

The term of standard offer service provided in response to this RFB is for a period of one year, beginning on March 1, 2000 and extending through February 28, 2001.

1.5 General Proposal Submittal Requirements

Proposals must be prepared in accordance with the procedures specified in this RFB. Bidders must meet or exceed all eligibility requirements set forth in section 2.2 and must demonstrate the ability to comply with all

obligations and requirements of standard offer providers set forth in section 2.3. Proposals must include all the information and documentation specified by the RFB, and bidders must respond to all questions and supplemental information requests subsequently posed by the Commission or its consultant.

Any proposal submitted shall constitute a firm offer to provide standard offer service at the submitted prices and such offer shall remain open until December 31, 1999. Pricing contained in the offer may not be changed or withdrawn during this period, except pursuant to Section 1.6. Proposals cannot be contingent on any other events or market conditions.

1.6 Rights of the Commission

The Commission reserves the right to reject all proposals received for a standard offer class in response to this RFB if in its sole determination the bid prices are unreasonably high or acceptance would not be in the public interest. In this situation, the Commission may, at its sole discretion, terminate the RFB and may initiate a new selection process.

The Commission reserves the right to reject any proposal that in its sole determination does not meet the requirements and specifications of this RFB, the Commission's rules, Maine law or generally accepted business practices. The Commission may seek clarifications to bidders' proposals and may, at its sole discretion, allow bidders to conform proposals to the required specifications.

1.7 Description of the RFB

The remainder of the RFB is organized as follows. Section 2 provides a detailed description of bidder eligibility and standard offer provider requirements. Section 3 describes the form of standard offer service. Section 4 contains the standard offer provider's legal obligations and the consequences of default. Section 5 contains the instructions bidders must follow to participate in this RFB process, including specific proposal submittal requirements, and describes the evaluation and selection processes. Section 6 contains additional instructions and general information for bidders, and the required format of the bidder's proposal.

1.8 Official Contact

All inquiries regarding the RFB should be directed to the Official Contact. The Official Contact for this solicitation is:

John Higgins
Reed Consulting Group
200 Wheeler Road
Burlington, Massachusetts 01803
Tel: 781-564-9742 or 781-270-0101
Fax: 781-270-0418
e-mail: jhiggins@rcgroup.com

1.9 Warranty

The information contained in the RFB and provided by the Official Contact is prepared to assist bidders and does not purport to contain all of the information that may be relevant to bidders. The Commission makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information. The Commission, its staff, or its consultants shall not have any liability for any representations, expressed or implied in, or any omissions from, the RFB or information obtained by bidders from the Official Contract or any other source.

1.10 State Held Harmless

The State of Maine, its officers, agents, and employees, including the Maine Public Utilities Commission, Commissioners and the employees or agents of the Maine Public Utilities Commission shall be held harmless from any and all claims, costs, expenses, injuries, liabilities, losses and damages of every kind and description resulting from or arising out of this RFB, the designation of standard offer providers or the provision of standard offer service.

1.11 Commission Web Site

This RFB is available on the Commission's web site at the following address: www.state.me.us/mpuc/supplier.htm. Any modifications or corrections to the RFB will be posted at the same location.

II. SUPPLIER REQUIREMENTS

2.1 General Requirements

Bidders must meet certain requirements in order to submit a proposal to provide standard offer service and to provide such service if selected. Section 2.2 sets forth the minimum eligibility requirements to submit a proposal. Section 2.3 sets forth the requirements suppliers must meet who have been selected to provide standard offer service. The Commission reserves the right to reject any and all proposals that do not meet the requirements set forth in Sections 2.2 and 2.3.

2.2 Bidder Eligibility Requirements

Bidders submitting a proposal must satisfy the following conditions and provide the specified information to be eligible for consideration:

- 1) Bidder must have a license, or a license application pending, pursuant to Chapter 305 of the Commission's rules, that is sufficient to allow it to provide standard offer service. A license application is included in Appendix F or can be obtained from the Commission's web site at the following address:
www.state.me.us/mpuc/ch305web.htm;
- 2) Bidder must provide with its bid either (1) a certified statement from a federal or state licensed financial institution authorized to conduct business in Maine that it will provide a surety bond or irrevocable letter of credit for the bidder that meets the requirements and specifications contained in section 3(A)(2)(a) of Chapter 301 and Section 2.3 of this RFB or (2) if the bidder or an affiliated corporation satisfies the requirements of section 3(A)(2)(b) of Chapter 301, a certified statement by the bidder or the affiliated corporation that it will provide a corporate guarantee for the bidder that meets the requirements and specifications contained in Section 3(A)(2)(b) of Chapter 301 and Section 2.3 of this RFB.
- 3) If bidder proposes to provide a corporate guarantee, bidder must provide audited financial statements of the guarantor, e.g., annual report to stockholders, SEC Form 10K, and the guarantor's most recent credit rating from each rating agency that has issued a rating for the guarantor. These materials must sufficiently demonstrate that the guarantor meets the criteria contained in section 3(A)(2)(b) of Chapter 301.

- 4) Bidder must sign the Statement of Commitment contained in Appendix I, stating that the proposal is a bona fide offer to provide standard offer service at its bid price, and that, if designated a standard offer provider by the Commission, it will accept, abide by and fulfill all obligations and requirements relating to the provision of standard offer service. The Statement of Commitment must be signed by an officer of the Company who is duly authorized to commit the Company as described on the Statement of Commitment.
- 5) Bidder must demonstrate that it has completed or is enrolled in the mandatory electronic business transaction (EBT) training and testing in Maine. Maine's EBT standards can be accessed from the Commission's web site at the following address:
www.state.me.us/mpuc/supplier.htm

2.3 Standard Offer Provider Requirements

Each bidder designated by the Commission as a standard offer provider must comply with the following:

- 1) Standard offer provider must obtain a surety performance bond, irrevocable letter of credit or a corporate guarantee payable to Bangor Hydro-Electric Company which bond, letter of credit or guarantee satisfies all applicable requirements of Chapter 301 and this RFB and otherwise meets all reasonable requirements of the Commission as to form, not inconsistent with Chapter 301 and this RFB. Standard offer provider's performance bond, irrevocable letter of credit, or corporate guarantee must be furnished to Bangor Hydro-Electric Company with a copy to the Commission and must be effective and subject to being drawn upon in the full amount required no later than 2 weeks after the date the bidder is designated a standard offer provider such that Bangor Hydro-Electric Company, at the direction of the Commission, can access the required amount of the performance bond, irrevocable letter of credit, or corporate guarantee in full as of that date. The surety bond, irrevocable letter of credit or corporate guarantee cannot expire or be cancelled prior to March 15, 2001, unless standard offer provider furnishes a replacement bond, letter of credit or corporate guarantee that meets the requirements of Chapter 301 and this RFB, which replacement is accepted by the Commission. A corporate guarantee may be used to satisfy this requirement only if standard offer provider, or a corporation affiliated with standard offer provider meets the criteria specified in section 3(A)(2)(b) of Chapter 301. The Commission retains the right to obtain further information regarding any performance bond, irrevocable letter of

credit, or corporate guarantee furnished by standard offer provider and final acceptance of any such performance bond, letter of credit or guarantee shall be at the sole discretion of the Commission.

The performance bond, irrevocable letter of credit, or corporate guarantee furnished by standard offer provider must meet the following specifications:

- a) The amount of the performance bond, irrevocable letter of credit, or corporate guarantee must equal or exceed the provider's accepted bid price multiplied by the billing units for the standard offer class during the calendar year prior to the submission of the bid, multiplied by 0.25. If a provider is designated as a standard offer provider for less than 100% of a standard offer class, the amount of the performance bond, irrevocable letter of credit, or corporate guarantee shall be the amount described in the previous sentence multiplied by the class share assigned to the provider.
- b) The form of the financial security must be a surety performance bond issued by a surety company satisfying the requirements of subparagraph (c) below authorized to do business and in good standing in the State of Maine, an irrevocable letter of credit from a commercial bank satisfying the requirements of subparagraph (d) below, authorized to do business and in good standing in the State of Maine, or a corporate guarantee from standard offer provider or an affiliated corporation satisfying the requirements of section 3(A)(2)(b) of Chapter 301.
- c) A surety performance bond provided by standard offer provider must (i) unconditionally obligate the issuing surety company(ies) to honor claims made under such bond for the purpose of paying the additional costs of replacement standard offer service incurred by Bangor Hydro-Electric Company; (ii) be issued by a surety company(ies) with a rating of "B+" or better from A.M. Best Company; and (iii) include the following language: "This surety performance bond is continuous and not subject to cancellation throughout the standard offer term of service. This surety performance bond covers payment of the additional costs of replacement standard offer service, as identified by the Maine Public Utilities Commission. Payments under the surety performance bond are due to Bangor Hydro-Electric Company as directed by the Commission within 30 days after notice to the Issuer by the Commission."

- d) An irrevocable letter of credit provided by standard offer provider must (i) unconditionally obligate the issuing commercial bank(s) to honor drafts drawn on such letter(s) for the purpose of paying the additional costs of replacement standard offer service; (ii) be issued by commercial bank(s) with a minimum corporate debt ratings of an "A-" by Standard & Poor's, or "A3" by Moody's, or "A-" by Duff & Phelps, or "A-" by Fitch, or an equivalent short term debt rating by one of these agencies; and (iii) include the following language: This letter of credit binds the insurer to pay one or more drafts drawn by Bangor Hydro-Electric Company at the direction of the Maine Public Utilities Commission as long as the drafts do not exceed the total amount of the letter of credit; and that any draft presented by Bangor Hydro-Electric Company at the direction of the Commission will be honored by the Issuer within 10 business days."
- e) A corporate guarantee provided by standard offer provider or an affiliate corporation must (i) unconditionally obligate the guarantor to pay all obligations of the standard offer provider for the additional costs of replacement standard offer service; (ii) be executed by a corporation meeting the ratings, asset and common equity requirements of said section 3(A)(2)(b), and (iii) include the following language: "This guarantee unconditionally obligates the guarantor, irrespective of any lack of enforceability of the obligations guaranteed and any circumstance which might constitute a defense against such obligations or such payments, to pay all obligations of the standard offer provider for the payment of the additional costs of replacement standard offer service, at the direction of the Maine Public Utilities Commission, as long as the such obligations do not exceed the total amount of this guarantee. The guarantor waives promptness, diligence and notices with respect to any such obligations and agrees to pay any statement under this guarantee presented by Bangor Hydro-Electric Company at the direction of the Commission within 10 business days."

- f) A surety performance bond, irrevocable letter of credit or corporate guarantee provided by standard offer provider must indicate Bangor Hydro-Electric Company as the sole beneficiary and state the purpose of the surety performance bond or letter of credit or guarantee as follows:

“This bond [or letter of credit or corporate guarantee] is written in accordance with Chapter 301 of the Commission’s rules to ensure compliance with applicable provisions of that Chapter and of Maine Statutes and rules by the principal as a standard offer provider, and to ensure the provision of standard offer service in accordance with Maine Statutes and rules. The terms of this security shall be governed by the laws of the State of Maine. The proceeds of this bond [or letter of credit or corporate guarantee] shall be paid or disbursed to Bangor Hydro-Electric Company only as directed by the Maine Public Utilities Commission.”

- 2) Standard offer provider must possess a valid license, pursuant to Chapter 305 of the Commission’s rules, to provide standard offer service. Standard offer provider’s license must be effective no later than two weeks after the date of being designated a standard offer provider;
- 3) Standard offer provider must have executed a standard contract with Bangor Hydro-Electric Company. The standard contract must be executed no later than two weeks after the date of being designated a standard offer provider;
- 4) Standard offer provider must provide standard offer service in a manner consistent with Chapter 301 and this RFB for the entire term of service at its accepted bid price. Commission acceptance of a bid and designation of an entity as a standard offer provider obligates that entity to provide standard offer service at its bid price for the term of service pursuant to Commission rules and Maine law;
- 5) Standard offer provider must deliver standard offer service to the transmission delivery point(s) specified in the standard contract with Bangor Hydro-Electric Company. Standard offer provider shall be responsible for all costs associated with delivering standard offer service to the delivery point(s);

- 6) Standard offer provider must comply with the eligible resource portfolio requirements pursuant to Chapter 311 of the Commission's Rules;
- 7) Standard offer provider must comply with all applicable New England Independent System Operator (ISO-NE) and NEPOOL rules and requirements and shall be the designated load serving entity with a settlement account for its portion of standard offer load. The necessary ISO-NE designations and accounts must be effective no later than two weeks after being designated a standard offer provider;
- 8) Standard offer provider must comply with the disclosure requirements set forth in Chapter 306 of the Commission's Rules;
- 9) Standard offer provider must exchange data with Bangor Hydro-Electric Company using the electronic business transactions (EBT) protocols and procedures contained in Maine's EBT standards. The EBT standards are accessible from the Commission's web site at the following web address: www.state.me.us/mpuc/supplier.htm

III. Form of Service

3.1 Standard Offer Service

Standard offer service includes all the electric capacity, energy, ancillary and other services, including all line and transformer losses up to the customers' meters, necessary to meet the electrical requirements of customers receiving standard offer service at all times during the term of service in a manner that complies with all applicable ISO-NE rules and requirements. Standard offer service is firm, all requirements service for the standard offer class, or portion of the standard offer class, for which a provider has been designated by the Commission to be the standard offer provider.

3.2 Delivery Point(s)

Standard offer provider is obligated to provide all generation, including required ancillary and other services, necessary to provide standard offer service delivered to the transmission delivery point(s) specified in the contract with Bangor Hydro-Electric Company.

Standard offer provider is responsible for any costs resulting from a NEPOOL or ISO-NE adopted congestion management system that are the responsibility of load serving entities or marketers. The standard offer provider will be responsible for all transmission and associated costs necessary to deliver standard offer service to the delivery point(s); the standard offer provider will not be responsible for any Bangor Hydro-Electric Company local transmission or distribution charges. The standard offer provider will not be responsible for ISO-NE Regional Network Service charges.

3.3 Losses

Standard offer provider is responsible for all transmission and distribution line and transformer losses associated with providing standard offer service from the point of supply to the meters of customers receiving standard offer service. The standard offer provider is responsible for providing sufficient quantities of electric capacity, energy, ancillary and other services to Bangor Hydro-Electric Company service territory at the delivery point(s) described in the standard form contract to cover all losses occurring up to and after the delivery point(s). The factors that will be used to determine providers' obligations for line and transformer losses associated with Bangor Hydro-Electric Company's system are contained in Appendix G.

3.4 Provider Obligation

Standard offer provider is obligated to provide standard offer service at its accepted bid price for the term of service.

3.5 Allocation of Uncollectable Accounts

Each standard offer provider will be allocated a share of the uncollectible accounts in the standard offer class or classes the provider serves in accordance with the standard contract. The standard offer uncollectible percentage for each standard offer class has been established by the Commission based on the average uncollectible accounts of customers in the standard offer class during a representative historic period. The percentages are stated in Exhibit A of the standard contract (Appendix C of this RFB contains the standard contract) and will remain fixed for the term of service.

3.6 Payments for Standard Offer Service

Bangor Hydro-Electric Company will issue bills and receive payment for standard offer service from customers in its service territory. Bangor Hydro-Electric Company will transfer funds to the standard offer provider in accordance with the standard contract.

Standard offer provider will receive its gross revenues less its uncollectible revenues for each standard offer class it serves. Gross revenues are defined as the provider's accepted bid price for all kilowatt-hours and, if applicable, kilowatts of standard offer service it is obligated to provide as determined by its designated percentage share of the standard offer class multiplied by the total standard offer requirements of the class. Uncollectible revenues are defined as the predetermined uncollectible percentage for the standard offer class multiplied by the provider's gross revenues from the class. Exhibit A of the standard contract (Appendix C of this RFB contains the standard contract) states the predetermined uncollectible percentages for each standard offer class.

IV. LEGAL OBLIGATION

4.1 Legal Obligations and Responsibilities

The Commission designation, by order, of a bidder as the standard offer provider for all or portion of any standard offer class shall legally obligate the bidder to provide standard offer service at its bid price according to state law and regulations and the provisions of this RFB.

4.2 Failure to Provide Service

Upon a determination by the Commission, after appropriate process, that a designated standard offer provider has failed to provide service as required, or has otherwise failed to satisfy its obligations under Maine law and regulations and the provisions of this RFB, the Commission may declare the provider to be in default and may order that the proceeds of standard offer provider's bond, letter of credit or corporate guarantee be paid to Bangor Hydro-Electric Company to defray any costs of replacement standard offer service that are not adequately covered by standard offer service rates.

In the event that the proceeds of the bond, letter of credit or corporate guarantee do not defray all additional costs of replacement standard offer service, the Commission may order the defaulting standard offer provider to pay Bangor Hydro-Electric Company amounts sufficient to defray any remaining additional costs of standard offer replacement. In the event the defaulting standard offer provider fails to make payment as ordered, the Commission or Maine's Attorney General may bring legal action in Maine courts to fully recover all additional costs of replacement standard offer service.

Additional costs of replacement standard offer service are those costs incurred or to be incurred to acquire replacement standard offer service through the remaining standard offer term that exceed the amounts paid or to be paid by standard offer customers at the standard offer rates in effect at the time of the Commission's declaration of default.

V. EVALUATION PROCESS AND PROPOSAL REQUIREMENTS

5.1 Evaluation Criteria

The Maine PUC staff and its consultants will evaluate eligible bids and provide analysis and recommendations to the Commission. The Commission will determine and designate the standard offer providers. Bidder must demonstrate conformance with the requirements of the RFB to be eligible for consideration. The selection of standard offer providers from among eligible bids for each standard offer customer class will be based solely on price. The Commission will select at least three standard offer providers for Bangor Hydro-Electric Company's service area, subject to rate impact restrictions identified in Section 8(C)(4) of Chapter 301.

5.2 Information and Documentation Requirements

- 1) Bidder is required to demonstrate in its proposal compliance with the bidder eligibility requirements contained in section 2.2 of the RFB. Bidder must provide with its proposal sufficient information and documentation to allow the Commission to determine that the bidder eligibility criteria are met.
- 2) Bidder must provide in its proposal a copy of any annual report to stockholders it has issued during the past two years.
- 3) Bidder must briefly describe its experience and record of performance in power marketing, brokering, sales, and contracting for power within the New England region and other regions of the United States or Canada.

5.3 Structure of Bid Price

The Commission has aggregated the loads of electric customers in Bangor Hydro-Electric Company's service territory by standard offer class. The standard offer classes, as defined in section 2(A)(2) of Chapter 301, are 1) residential and small non-residential, 2) medium non-residential and 3) large non-residential. Appendix E provides historic electricity consumption detail by standard offer service class. Appendix J provides more detailed specifications for the standard offer classes.

Bidder must use a separate Bid Price Proposal Sheet for each standard offer class the bidder proposes to serve. The Bid Price Proposal Sheets are contained in Appendix H. Photocopies or Proposal Sheets obtained from the Commission's web site are acceptable.

Bidder may bid prices for all or a portion of the residential and small non-residential standard offer class requirements, except that an affiliate of Bangor Hydro-Electric Company can submit a bid for only 20% of the residential and small non-residential standard offer class. A bid for a portion of the residential and small non-residential standard offer class must be for a portion that is a multiple of 20% (i.e., 20%, 40%, 60%, 80%, 100%). Any bid for a portion of the residential and small non-residential standard offer class that is for a multiple greater than 20%, and any bid for all of the class, must also include a bid for each 20% multiple up to the highest multiple bid. For example, if bidder submits a bid to serve 60% of the residential and small non-residential standard offer class requirement, bidder must also submit a bid to serve 40% of the class requirement and a bid to serve 20% of the class requirement.

Bids for the medium and large non-residential standard offer classes must include a price bid for 100% of the standard offer class requirement and for each 20% multiple of the class requirement up to 100%, except that an affiliate of Bangor Hydro-Electric Company can submit a bid for only 20% of the medium and large non-residential standard classes.

Bidder may propose different pricing for each 20% multiple of a standard offer class. The table below includes a summary of the allowed bid price structure and volume requirements for each of the standard offer classes.

Customer Class	Pricing Structure	Volume Requirements	Customer Characteristics
Residential and Small Non-Residential	Bid price must be an amount per kWh that does not vary by level of usage or time of day or year. Bid price cannot include any amounts charged on a per-customer or fixed-charge basis.	Bid may be for all or a portion of the class requirements. Bid for less than total requirements must be in multiples of 20%. Bid for more than 20% must also include bid for each 20% multiple up to highest multiple bid. Bid prices may be different for each multiple. An affiliate of Bangor Hydro-Electric Company can submit a bid for only 20%	Residential and small general service (e.g., commercial) customers with peak demand that generally has not reached or exceeded 25 kW. Class definition further specified in Appendix J.
Medium Non-Residential	Bid price may include demand and/or energy charges and may reflect seasonal differentiation that corresponds to the seasons as defined by Bangor Hydro-Electric Company's rate structure. (Provided on Bid Price Proposal Sheet.) Bid price may also be a simple uniform amount per kWh. Bid price must not include any amounts charged on a per customer or fixed-charge basis	Bids must include a bid for 100% of the standard offer class requirements and for each 20% multiple. Bid prices may be different for each multiple. An affiliate of Bangor Hydro-Electric Company can submit a bid for only 20%	General service customers with peak demand generally from 25 kW to 500 kW. Class definition further specified in Appendix J.
Large Non-Residential	Bid price may include demand and/or energy charges and may reflect seasonal and/or time-of-day differentiation. Seasonal and diurnal periods must correspond to or be compatible with the periods as defined by Bangor Hydro-Electric Company's rate structure. (Provided on Bid Price Proposal Sheet.) Bid price may also be a simple uniform amount per kWh. Bid price must not include any amounts charged on a per-customer or fixed-charge basis.	Bids must include a bid for 100% of the standard offer class requirements and for each 20% multiple. Bid prices may be different for each multiple. An affiliate of Bangor Hydro-Electric Company can submit a bid for only 20%	General service customers with peak demand that generally has reached or exceeded 500 kW. Class definition further specified in Appendix J.

VI. ADDITIONAL INSTRUCTIONS

6.1 Schedule for the RFB Process

The solicitation and evaluation process will be conducted over the 4-month period following the issuance date of this RFB and concluding with the selection of standard offer providers on or before December 1, 1999. The bidders chosen will provide standard offer service beginning on March 1, 2000. The schedule for this solicitation and selection process is summarized below:

Issue Date of RFB	August 2, 1999
Pre-Bid Conference	August 25, 1999
Deadline for Receipt of Bids	October 1, 1999
Deadline for Designation of Standard Officer Providers	December 1, 1999
Execution of Standard Contract	Within 2 weeks of Designation
Service Initiation Date	March 1, 2000

6.2 Bidders Conference

An optional Pre-Bid Conference will be held at 9:00 on August 25, 1999 at the Portland Marriott, 200 Sable Oaks Drive, South Portland, Maine. The Commission may present additional information in writing at this time. It is the responsibility of Bidders to be aware of this information. Bidders are instructed to contact the Official Contact if they plan to attend the pre-bid conference. Bidders are also encouraged to submit questions in writing to the Official Contact prior to the date of the conference. A list of all questions and responses provided during or after the conference will be posted on the Commission's web site.

6.3 Submission of Bids

All proposals must be received by the Official Contact identified in Section 1.8 by 5:00 PM Eastern Daylight Time on October 1, 1999.

6.4 General Instructions

Bidder must comply with the instructions contained in the RFB and must complete all the applicable forms and supply all the information and documentation specified in the RFB. Bidder should ensure that its name appears in the upper right hand corner or as a footer on every page of its proposal and on the cover page of any bound document.

6.5 Official Contact

All inquiries regarding this RFB should be directed to the Official Contact identified in Section 1.8. Questions should be submitted in writing via fax or e-mail to the Official Contact. All these questions and response will be posted on the Commission's web site.

6.6 Proposal Clarification

The Commission or its consultants, at their sole discretion, may request bidders to provide additional information to verify or supplement the material contained in the proposal or may seek clarification of any item in the proposal. Bidder will have five (5) business days to respond to such a request and to correct, clarify or supplement the information contained in its proposal.

6.7 Proprietary Information

A bidder may designate information included in its proposal as proprietary or confidential information. The Commission and its consultant will take every reasonable precaution consistent with law to protect such information provided that it is clearly identified as proprietary or confidential on the page on which it appears. The identity of designated standard offer providers and standard offer prices will be public information.

6.8 Proposal Costs

All costs associated with developing or submitting a proposal in response to this RFB, or providing oral or written clarification of its contents, shall be borne by bidder.

6.9 Organization of the Proposal

To simplify the evaluation process and ensure proposals are compared on an equivalent basis, the Commission requires that bidders submit their proposals using the following format.

- 1) Executive Summary
- 2) Compliance with Eligibility Requirements
- 3) Additional Information and Documentation Requirements Specified in Section 5.2
- 4) Statement of Commitment
- 5) Bid Pricing Forms