

Comment Process: Pre-Auction Letter of Credit September 15, 2011

Overview

Potential bidders for the 2012 BGS Auctions are invited to propose modifications to the standard form of the Pre-Auction Letter of Credit.

For each proposed modification, the electric distribution companies (“EDCs”) will (i) revise the standard form; or (ii) approve the use of the modification on an optional basis; or (iii) reject the proposed modification. The BGS Auction Manager, on behalf of a review committee consisting of EDC representatives and representatives from the BGS Auction Manager, will respond to each potential bidder individually. Further, at the conclusion of the Comment Process, the BGS Auction Manager will post to the BGS Auction web site the revised standard form for the Pre-Auction Letter of Credit and will also post a single document listing all modifications to the standard form that are approved on an optional basis.

The modifications acceptable to the EDCs for the 2011 BGS Auctions remain acceptable for the 2012 BGS Auctions and need not be submitted again for approval as part of this comment process. The list of these acceptable modifications is posted to the “Contract and Credit” page of BGS Auction web site: <http://www.bgs-auction.com/bgs.bidinfo.cc.asp>. Please consult this list before submitting your proposed modifications.

Process

- § Potential bidders are invited to download the MS Word format of the *DRAFT Pre-Auction Letter of Credit* posted to the “Contract and Credit” page of the BGS Auction web site: <http://www.bgs-auction.com/bgs.bidinfo.cc.asp>. This DRAFT Pre-Auction Letter of Credit is applicable both to the BGS-FP Auction and to the BGS-CIEP Auction. (The standard forms are identical except for referring either to the BGS-FP Auction or to the BGS-CIEP Auction).
- § The exclusive method for submitting proposed modifications is as a **redline MS Word document of the Draft Pre-Auction Letter of Credit**. You may, but are not required to, provide comments to explain any or all of your proposed changes.
- § Please submit you redlined Draft Pre-Auction Letter of Credit by email to the BGS Auction Manager at the following address: BGS-Auction@nera.com.
- § Please provide telephone and email contact information in the event that the review committee needs clarification regarding your comments.
- § The EDCs intend to accept modifications that are beneficial to all parties, or that clarify the intent of the Letter of Credit, and that are in keeping with industry standards.
- § The BGS Auction Manager will inform each potential bidder of the outcome of the review of their proposed modifications.

Timeline

- § The deadline for potential bidders to provide comments is **12 PM (noon) (EPT) on Tuesday, October 25, 2011**.
- § Potential bidders will receive individual responses to their proposed modifications no later than **6PM (EPT) on Tuesday, November 1, 2011**.
- § The BGS Auction Manager will post all modifications that are acceptable on an optional basis and will post the FINAL Pre-Auction Letter of Credit on **Wednesday, November 2, 2011**.

Questions

Any questions regarding this Comment Process can be submitted through the “questions?” page on the BGS Auction web site or by using the following address: <http://www.bgs-auction.com/bgs.contactus.asp>.