

**Attachment D  
Part 2 Application**

**Duke Energy Ohio, Inc.'s  
Competitive Bidding Process  
Auctions**

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*Name of Applicant*

## **PART 2 APPLICATION**

### **Duke Energy Ohio, Inc.'s Competitive Bidding Process Auctions**

#### **INSTRUCTIONS**

There are two parts to the application process.

- **Part 1 Application:** Applicants submit the Part 1 Application and all documents required therein to become Qualified Bidders for the Competitive Bidding Process ("CBP").
- **Part 2 Application:** Qualified Bidders for the CBP submit the Part 2 Application, in which they will agree to comply with the Bidding Rules and Communications Protocols, accept the terms of Duke Energy Ohio, Inc.'s ("Duke Energy Ohio") Master Standard Service Offer Supply Agreement ("Master SSO Supply Agreement"), make certifications regarding associations and handling of Confidential Information, submit Indicative Offers, and post Pre-Bid Security to become Registered Bidders.

This document is the Part 2 Application.

For further information, consult the Information Website.

Unless otherwise defined, capitalized terms in this document have the definitions provided in either the Glossary or the Master SSO Supply Agreement.

#### **PART 2 APPLICATION SUBMISSION**

To become Registered Bidders for the Auction, Applicants must submit the following to the Auction Manager by the Part 2 Application Due Date:

1. **Electronic Application Form:** Completed Part 2 Application must be submitted electronically through the Secure Online Application Website;
2. **Hardcopy Application Form:** One (1) printed hardcopy of the Part 2 Application document with original signatures and the name of the Applicant on every page of the Application must be submitted to the address below;

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*Name of Applicant*

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

- Submit an Indicative Offer for the CBP;
- Submit a Letter of Credit, cash, and/or any additional Pre-Bid Security to support the Indicative Offer, as necessary; and
- Make required certifications on Applicant Associations and Confidential Information and, if unable to do so, make required information disclosures.

***The completed Part 2 Application MUST be received by the Auction Manager no later than 12:00 p.m. noon prevailing Eastern Time on the Part 2 Application due date as posted in the timeline on the Information Website.***

**Send hardcopies to:**

Auction Manager  
c/o Robert Lee, Principal  
CRA International, Inc.  
John Hancock Tower  
200 Clarendon Street, T-32  
Boston, MA 02116-5092

Phone: 617-425-3365

**Photocopies and facsimiles of completed forms will not be accepted under any circumstances. It is in your interest to seek independent legal and financial advice before deciding to participate in the CBP.**

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*Name of Applicant*

## **CONFIDENTIALITY OF PART 2 APPLICATION SUBMISSIONS**

All Applicants are required to comply with the Communications Protocols.

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

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## **CONFIDENTIALITY OF CREDIT INFORMATION**

*Any information and materials that you submit in this Part 2 Application may be provided on a confidential basis to the Auction Manager Team and the Public Utilities Commission of Ohio (“PUCO” or “Commission”) and their representatives. Representatives from Duke Energy Ohio will decide whether the form of Pre-Bid Security submitted is acceptable; Pre-Bid Security documents will be redacted prior to the closing of the bidding process so as not to reveal an Applicant’s identity or the amount of the Applicant’s Indicative Offer.*

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## **CONFIDENTIALITY OF REGISTERED BIDDERS AND INITIAL ELIGIBILITY**

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

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*Name of Applicant*

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**PART 2 APPLICATION  
Duke Energy Ohio, Inc.'s  
Competitive Bidding Process Auctions**

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This Part 2 Application is the application form to become a Registered Bidder in Duke Energy Ohio's CBP.

**I. Background Information**

Before completing this form, please review the Bidding Rules document for this CBP ("Bidding Rules"), the Master SSO Supply Agreement, the Communications Protocols, and other documents posted on the Information Website so that you understand the conditions under which the CBP will be conducted.

**II. Confirmation of Receipt**

**Online delivery:** If your Part 2 Application is submitted online through the Secure Application Process, an email will be sent to the Authorized Representative and Delegate to confirm receipt. You will still be required to submit a copy of the Part 2 Application with original signatures via post or hand delivery.

**Delivery by Post or Hand Delivery:** If your Part 2 Application is received only by post or hand delivery, an email will be sent to the Authorized Representative and Delegate to confirm receipt.

**III. Incomplete Applications**

If your Part 2 Application is incomplete or requires clarification, the Auction Manager will send a deficiency notice to your Authorized Representative by email. You will have until 12:00 p.m. noon prevailing Eastern Time on the Part 2 Application Due Date, or until 5:00 p.m. prevailing Eastern Time on the Business Day following the Business Day during which a deficiency notice is sent to you, whichever comes later, to respond. If you do not correct or adequately explain the deficiency within the time allowed, your Part 2 Application may be rejected and you may be unable to participate in the CBP. All corrections to remedy deficiencies within an Applicant's Part 2 Application must be submitted online. The Authorized Representative needs to sign and date next to the correction(s) to the Part 2 Application and send to the Auction Manager by email to [duke-energyauctionmanager@crai.com](mailto:duke-energyauctionmanager@crai.com), followed by hardcopy to the Auction Manager.

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*Name of Applicant*

#### **IV. Late Applications**

Part 2 Applications received after the stated deadline will NOT be accepted under any circumstances.

#### **V. Changes to Part 1 Application**

If changes to the Part 1 Application are warranted in order to fulfill the requirements of the Part 2 Application, those changes to the Part 1 Application must be received by the Auction Manager no later than 12:00 p.m. noon prevailing Eastern Time seven (7) Business Days prior to the Part 2 Application Due Date. All changes to an Applicant's Part 1 Application must be signed and dated by the Authorized Representative and sent to the Auction Manager by email to [duke-energyauctionmanager@crai.com](mailto:duke-energyauctionmanager@crai.com), followed by hardcopy to the Auction Manager.

#### **VI. Deficient Pre-Bid Security**

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

If your Credit Documents are insufficient for your Indicative Offer, or if your other Pre-Bid Security is in a form that is not acceptable to Duke Energy Ohio, your Authorized Representative will be emailed a deficiency notice. You will have until the Part 2 Application Due Date or 5:00 p.m. prevailing Eastern Time of the second Business Day following the Business Day during which you are notified, whichever comes later, to submit revised documents. If you cannot correct the deficiency, your Application may be rejected or your Initial Eligibility may be reduced by the Auction Manager so that your Pre-Bid Security is sufficient to cover your Indicative Offer.

#### **VII. Certifications Regarding Associations**

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

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*Name of Applicant*

### **VIII. Rejection of Applications**

If your application is rejected, your Part 2 Application and all supporting documents will be returned to you.

### **IX. Notification to Registered Bidders**

If you become a Registered Bidder for the CBP, the Auction Manager will send a Notification to Registered Bidders to your Authorized Representative by email after the Part 2 Application Due Date. The Notification to Registered Bidders will also be sent to your Authorized Representative by courier. If there are material changes to the Applicant's information provided in this Part 2 Application, you are obligated to notify the Auction Manager.

Prior to the auction, Registered Bidders will receive information to participate in the auction using the Auction Manager's secure Bidding Website.

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*Name of Applicant*

## **PART 2 APPLICATION FORMS**

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### **2.1 Applicant Information**

#### **Name of Applicant (Company Name)**

#### **Authorized Representative's Contact Information**

Last Name

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Title

Street Address 1

Street Address 2

City

State

Zip Code

Telephone No.

Cell Phone No.

Fax No.

Email Address

\_\_\_\_\_  
*Name of Applicant*

**Delegate's Contact Information**

Last Name

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Company Name

Title

Street Address 1

Street Address 2

City

State

Zip Code

Telephone No.

Cell Phone No.

Fax No.

Email Address

**NOTE: The Authorized Representative and Delegate should be the same contact information that was provided in the Part 1 Application. Please email [duke-energyauctionmanager@crai.com](mailto:duke-energyauctionmanager@crai.com) if there are any changes to this information prior to the deadline for making changes as outlined in Section V above.**

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*Name of Applicant*

## **2.2 Indicative Offer and Pre-Bid Security**

In Table 2.1 below, provide your Indicative Offer at the Minimum Starting Price and the Maximum Starting Price for each product in the auction. Your Indicative Offer should be the maximum number of Tranches that you would be willing to supply at the Starting Prices for the auction subject to the limitations of any applicable credit-based tranche limit and any applicable Load Cap for the auction. In the auction itself, you are not required to bid the number of Tranches in your Indicative Offer. However, your Initial Eligibility to bid in the auction will be determined by the total number of Tranches across the products in your Indicative Offer at the Maximum Starting Price.

You are required to submit a Letter of Credit for an amount equal to \$250,000 multiplied by the total number of Tranches in your Indicative Offer at the Maximum Starting Price. If you were required to do so, please provide additional Pre-Bid Security in an acceptable form. Instructions regarding the amount of the Letter of Reference and the amount of the Letter of Intent to Provide a Guaranty are provided in Table 2.1. Credit Documents in support of your Pre-Bid Security should be in the form provided on the Information Website or as approved in modified form during the Part 1 Application process.

Please check here  if you are submitting a cash deposit as Pre-Bid Security.

Please check here  if you are submitting a Letter of Credit as Pre-Bid Security.

Please check here  if you are submitting a Letter of Intent to Provide a Guaranty from the named Guarantor on the Part 1 Application Forms [Section 1.8] as additional Pre-Bid Security.

Please check here  if you are submitting a Letter of Reference from a bank as additional Pre-Bid Security.

Complete Table 2.1 to include the amounts of the cash deposits, Letter of Credit and/or other additional Pre-Bid Security that you are providing with this Part 2 Application.

\_\_\_\_\_  
*Name of Applicant*

**Table 2.1 Indicative Offer and Pre-Bid Security**

<b>Indicative Offer (number of Tranches)</b>	<b>Tranches @ Min Starting Price</b>	<b>Tranches @ Max Starting Price</b>
12-month supply period Starting Price: Minimum=\$XX.XX/MWh Maximum=\$YY.YY/MWh		
<b>Amount of cash deposit or Letter of Credit</b> All Bidders: This amount is equal to \$250,000 multiplied by the number of Tranches at Max Starting Price		Cash  LoC
<b>Amount of Additional Pre-Bid Security</b> If required, this amount is equal to \$500,000 multiplied by the number of Tranches at Max Starting Price.  NOTE: Stand-alone investment-grade companies with a sufficient Independent Credit Threshold (ICT) to cover the amount of additional Pre-Bid Security calculated above are not required to post additional security. All other Bidders are required to post additional Pre-Bid Security in the form of a Letter of Intent to Provide a Guaranty and/or a Letter of Reference for an amount not to exceed their ICT. If necessary, additional cash or a Letter of Credit may be provided in lieu of a Letter of Reference.		
<ul style="list-style-type: none"> <li>Please enter the amount of additional Pre-Bid Security in the form of a Letter of Intent to Provide a Guaranty in the box on the right.</li> </ul> NOTE: This is an option for companies with an investment-grade guarantor.		
<ul style="list-style-type: none"> <li>Please enter the amount of additional Pre-Bid Security in the form of a Letter of Reference in the box on the right.</li> </ul> NOTE: This is an option for companies without an investment grade rating and/or with a below-investment grade guarantor.		
<ul style="list-style-type: none"> <li>Please enter the amount of additional Pre-Bid Security in the form of cash deposit or Letter of Credit in the box on the right.</li> </ul> NOTE: This is an option for companies unable to provide a Letter of Reference of sufficient magnitude to cover the additional Pre-Bid Security amount.		Cash  LoC

Part 2 Application: Duke Energy Ohio, Inc.'s CBP Auctions

\_\_\_\_\_  
*Name of Applicant*

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

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

\_\_\_\_\_  
*Name of Applicant*

### **2.3 Certifications by Authorized Representative**

Please consult the list of Qualified Bidders for the CBP provided to you upon qualification. The following certifications are those contained in the “Association and Confidential Information Rules” of the Bidding Rules for the CBP auctions (“Bidding Rules”). Please consult the criteria for associations and the definition of Confidential Information in the Bidding Rules. Please also consult the Communications Protocols to understand the requirements regarding the treatment of Confidential Information.

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

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

If unable to make certification (1) requested above please identify the Qualified Bidder(s) in the CBP with whom you are associated and the nature of the association.

\_\_\_\_\_  
*Name of Applicant*

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
*Name of Applicant*

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Name of Applicant*

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

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
*Name of Applicant*

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

- (8) Please certify your agreement that the submission of any bid in the CBP creates a binding and irrevocable offer to provide service under the terms set forth in the Master SSO Supply Agreement and that a binding and enforceable contract to provide service with respect to the number of Tranches for which you were a winner in the CBP shall arise under the Master SSO Supply Agreement. Please note that failure to execute the Master SSO Supply Agreement within three (3) Business Days of the conclusion of the CBP may result in the forfeiture of the Letter of Credit.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
*Name of Applicant*

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

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
*Name of Applicant*

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

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

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

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

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*Name of Applicant*

## **2.4 Ongoing Obligations**

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

- Section 4.2.3 of the Bidding Rules - Sanctions can be imposed on a bidder for failing to disclose information relevant to determining associations, for coordinating with another bidder, or for failing to abide by any of the certifications that it will have made in its Part 1 and Part 2 Applications. Such sanctions can include, but are not limited to, termination of the Master SSO Supply Agreement, loss of all rights to provide supply for Duke Energy Ohio to serve any load won by such bidder, forfeiture of financial guarantees and other fees posted or paid, prosecution under applicable state and federal laws, debarment from participation in future competitive bidding process, and other sanctions that may be appropriate. For any failure to disclose information or for any violation of the certifications, the Auction Manager will make a recommendation on a possible sanction.

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*Name of Applicant*

**2.5 Justification of Omissions**

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

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*Name of Applicant*

## **Appendix A – Enclosures to the Part 2 Application**

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

- One copy of completed Part 2 Application forms (with original signatures)
- One copy of W9 Form (for Tax ID) and one copy of banking information on your company's letterhead (signed and dated) (if submitting Cash Deposit as Pre-Bid Security) [Section 2.2]
- Letter of Credit (if applicable) [Section 2.2]
- Letter of Intent to Provide a Guaranty (if applicable) [Section 2.2]
- Letter of Reference (if applicable) [Section 2.2]
- Other forms of alternative security (if applicable) [Section 2.2]

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***End of Part 2 Application***

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