Conectiv Energy Comments:
It appears that the purpose of the agreement is for a non-credit worthy buyer to attempt to assure payment by entering into an agreement where it promises that its identified purchaser will make payments to a transfer agent which will hold the funds in trust and then send them on to the seller. We have the following concerns with the Agreement as proposed

* It does not provide adequate performance assurance.

* It does not take the place of a Guarantee or LOC, which the seller will still require.

* Credit worthiness of the ultimate purchaser is still an issue.

* Will require seller to ensure that the retail agreement between buyer and ultimate purchaser did not permit the ultimate purchaser to terminate if the buyer was about to go belly up. What are the alternative ways of doing this, given the fact that seller is most likely not a party to the agreement?

* It may require the seller to negotiate to have a security interest in the accounts receivable and the retail agreement to ensure that it would continue the relationship even if the buyer went out of business.

* Bottom line - may not be worth the effort for companies that do not have a large number of these type of deals.

Gloria Ogenyi
Director, Energy & Market Policy
Conectiv Energy
P.O.BOX 6066
Newark, DE 19714