

**Part 2 Application**  
**For Fixed-Price and Hourly-Priced Auctions**  
**To Procure Default Service Products**  
**Under Provider of Last Resort (POLR-VIII) for**  
**Duquesne Light Company**

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Name of Applicant

## **PART 2 APPLICATION AUCTIONS TO PROCURE DEFAULT SERVICE PRODUCTS FOR DUQUESNE LIGHT Company**

### **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 auction used to procure default service products for Duquesne Light Company (“the Company”). A Qualified Bidder for an auction need not submit a new Part 1 Application for subsequent auctions in the same calendar year unless the information in the Qualified Bidder’s Part 1 Application has changed. In any case, a Qualified Bidder must submit its most recent financial statements during the Part 1 Application process before each auction.
- **Part 2 Application:** Qualified Bidders for the Auction submit the Part 2 Application in which they will: (a) agree to comply with the Bidding Rules, (b) agree to accept the terms of the Supplier Master Agreement (“SMA”) should they become a winning supplier, (c) make certifications regarding associations and handling of Confidential Information, (d) submit Indicative Offers, and (e) 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 the SMA. “Communications Protocols” refers to the section “Communications Protocols” and related sections in the Bidding Rules.

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Name of Applicant

## **PART 2 APPLICATION SUBMISSION**

To become a Registered Bidder for Auction, Applicants must submit the following to the Independent Market Monitor electronically through the Secure Online Application Process or in hardcopy format to the address below by the Part 2 Application Due Date:

- **Electronic Application Form:** Completed Part 2 Application submitted online;
- **PDF Application Form:** One (1) scanned copy of the completed Part 2 Application with original signatures and the name of the Applicant on every page of the Part 2 Application;

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

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

Please note that interest will not be paid by the Company for cash posted as Pre-Bid Security.

Photocopies and facsimiles of completed documents 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 Auction.

**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: the completed Part 2 Application MUST be received by the Independent Market Monitor and the Pre-Bid Security MUST be submitted.**

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Name of Applicant

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

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 Independent Market Monitor team and the Pennsylvania Public Utility Commission (the "Commission") and their representatives. Representatives from the Company 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. 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

## **PART 2 APPLICATION To Procure Default Service Products**

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This Part 2 Application is the application form to become a Registered Bidder in the Default Service Auction.

### **Background Information**

Before completing this form, please review the Bidding Rules document, the SMA, and other documents posted on the Information Website so that you understand the conditions under which the Default Service Auction will be conducted.

### **Confirmation of Receipt**

Online Delivery: If your Part 2 Application is submitted online through the Secure Online Application Process, an email will be sent to the Authorized Representative and Delegate of the Applicant to confirm receipt. You will not be required to submit a hardcopy of the Part 2 Application.

### **Incomplete Applications**

If your Part 2 Application is incomplete or requires clarification, the Independent Market Monitor 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 Auction. 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 a copy as an email attachment to the Independent Market Monitor at DuquesneDSP@crai.com.

### **Late Applications**

Part 2 Applications received after the Part 2 Application Due Date will NOT be accepted under any circumstances.

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Name of Applicant

### **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 Independent Market Monitor 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 as an email attachment to the Independent Market Monitor at DuquesneDSP@crai.com.

### **Deficient Pre-Bid Security**

If your Pre-Bid Letter of Credit is not in a form acceptable to the Company, your Authorized Representative will be emailed a deficiency notice. 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 a revised Pre-Bid Letter of Credit. If you fail to meet this deadline, your Part 2 Application will be rejected.

If your Pre-Bid Security amount is insufficient for your Indicative Offer, your Authorized Representative will be emailed a deficiency notice. 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 acceptable Pre-Bid Security. If you cannot correct the deficiency, your Part 2 Application may be rejected or your Initial Eligibility may be reduced by the Independent Market Monitor so that your Pre-Bid Security is sufficient to cover your Indicative Offer.

### **Certifications Regarding Associations**

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

### **Notification to Registered Bidders**

If you become a Registered Bidder for the Default Service Auction, the Independent Market Monitor will send your Authorized Representative a Notice of Registration by email after the Part 2 Application Due Date. The Notice of Registration also will 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 Independent Market Monitor.

Part 2 Application: Duquesne Light Company's Auctions to Procure Default Service Products

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Name of Applicant

Prior to the auction date, Registered Bidders will receive information on how to participate in the auction using the Independent Market Monitor's secure Bidding Website.

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Part 2 Application: Duquesne Light Company's Auctions to Procure Default Service Products

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Name of Applicant

Please select one of the following. This application is for:

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|                           |                          |
|---------------------------|--------------------------|
| The Fixed-Price Auction   | <input type="checkbox"/> |
| The Hourly-Priced Auction | <input type="checkbox"/> |
| Both Auctions             | <input type="checkbox"/> |

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

**PART 2 APPLICATION FORMS**

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**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

Part 2 Application: Duquesne Light Company's Auctions to Procure Default Service Products

\_\_\_\_\_  
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 contact information for the Authorized Representative and Delegate in the Part 2 Application should be the same contact information that was provided in the Part 1 Application. Please email [DuquesneDSP@crai.com](mailto:DuquesneDSP@crai.com) if there are any changes to this information prior to the deadline for making changes as outlined in the section above, "Changes to Part 1 Application."**

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Name of Applicant

### **Indicative Offers and Pre-Bid Security**

Provide your Indicative Offers in Table 1 and Table 2 below. For each auction that you are applying for, you will provide an Indicative Offer at the Minimum Starting Prices and you will provide an Indicative Offer at the Maximum Starting Prices for the products in the auction. For each auction, your Indicative Offer should be the maximum number of tranches that you would be willing to supply at the applicable starting prices subject to the limitations of any applicable load cap for the auction. In each auction itself, you are not required to bid the number of tranches in your Indicative Offer. However, as an outcome of this Part 2 Application process, your Initial Eligibility to bid in each auction will be determined by the total number of tranches across the products in your Indicative Offer at the Maximum Starting Prices for that auction.

For the FP Auction, you are required to submit Pre-Bid Security in the form of cash or a Pre-Bid 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 Prices for the FP Auction.

For the HP Auction, you are required to submit Pre-Bid Security in the form of cash or a Pre-Bid 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 Prices for the HP Auction.

If using a Pre-Bid Letter of Credit for your Pre-Bid Security, it should be in the form provided on the Information Website or as approved in modified form during the Part 1 Application process.

After completing Tables 1 and 2, complete Table 3 to include the amount of the cash deposit or Pre-Bid Letter of Credit that you are providing in support of this Part 2 Application.

Part 2 Application: Duquesne Light Company's Auctions to Procure Default Service Products

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

**Table 1. Indicative Offer at Minimum Starting Prices (prices in \$/MWh)**

**FP Auction**

| <b>Residential<br/>12 Months</b> |                                      | <b>Residential<br/>24 Months</b> |                                      | <b>Small C&amp;I<br/>12 Months</b> |                                      | <b>Small C&amp;I<br/>24 Months</b> |                                      | <b>Medium C&amp;I<br/>3 Months</b> |                                      |
|----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
| Min<br>Starting<br>Price         | Possible<br>Interest<br>(# tranches) | Min<br>Starting<br>Price         | Possible<br>Interest<br>(# tranches) | Min<br>Starting<br>Price           | Possible<br>Interest<br>(# tranches) | Min<br>Starting<br>Price           | Possible<br>Interest<br>(# tranches) | Min<br>Starting<br>Price           | Possible<br>Interest<br>(# tranches) |
| <input type="text"/>             | <input type="text"/>                 | <input type="text"/>             | <input type="text"/>                 | <input type="text"/>               | <input type="text"/>                 | <input type="text"/>               | <input type="text"/>                 | <input type="text"/>               | <input type="text"/>                 |

Enter Your Indicative Offer for FP Auction at the Minimum Starting Prices:

<-- Does not need to be the sum of the tranches above at the Minimum Starting Prices. This can be less than the sum of the tranches at the Minimum Starting Prices across the products.

**HP Auction**

**Large C&I 12 month**

| Min<br>Starting<br>Price | Possible<br>Interest<br>(# tranches) |
|--------------------------|--------------------------------------|
| <input type="text"/>     | <input type="text"/>                 |

Enter Your Indicative Offer for the HP Auction at the Minimum Starting Prices:

<-- Does not need to be the sum of the tranches above at the Minimum Starting Prices. This can be less than the sum of the tranches at the Minimum Starting Prices across the products.

Part 2 Application: Duquesne Light Company's Auctions to Procure Default Service Products

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

**Table 2. Indicative Offer at Maximum Starting Prices (prices in \$/MWh)**

**FP Auction**

| <b>Residential<br/>12 Months</b> |                                      | <b>Residential<br/>24 Months</b> |                                      | <b>Small C&amp;I<br/>12 Months</b> |                                      | <b>Small C&amp;I<br/>24 Months</b> |                                      | <b>Medium C&amp;I<br/>3 Months</b> |                                      |
|----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
| Max<br>Starting<br>Price         | Possible<br>Interest<br>(# tranches) | Max<br>Starting<br>Price         | Possible<br>Interest<br>(# tranches) | Max<br>Starting<br>Price           | Possible<br>Interest<br>(# tranches) | Max<br>Starting<br>Price           | Possible<br>Interest<br>(# tranches) | Max<br>Starting<br>Price           | Possible<br>Interest<br>(# tranches) |
|                                  |                                      |                                  |                                      |                                    |                                      |                                    |                                      |                                    |                                      |

In Box [A] Enter Your Indicative Offer for the FP Auction at the Maximum Starting Prices:

<-- Does not need to be the sum of the tranches above at the Maximum Starting Prices. This can be less than the sum of the tranches at the Maximum Starting Prices across the products.

**HP Auction**

**Large C&I 12 month**

| Max<br>Starting<br>Price | Possible<br>Interest<br>(# tranches) |
|--------------------------|--------------------------------------|
|                          |                                      |

In Box [B] Enter Your Indicative Offer for the HP Auction at the Maximum Starting Prices:

[B] <-- Does not need to be the sum of the tranches above at the Maximum Starting Prices. This can be less than the sum of the tranches at the Maximum Starting Prices across the products.

Part 2 Application: Duquesne Light Company's Auctions to Procure Default Service Products

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

In the following table, indicate the amount of cash deposit or the amount of the Pre-Bid Letter of Credit that you are using as your Pre-Bid Security. This amount must be equal to \$250,000 multiplied by your Indicative Offer in box [A], plus \$250,000 multiplied by your Indicative Offer in box [B] in Table 2 above.

**Table 3. Pre-Bid Security Amount**

\_\_\_\_\_  
\$ Cash

\_\_\_\_\_  
\$ Pre-Bid Letter of Credit

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

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

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

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

### **Certifications by Authorized Representative**

Please consult the list of Qualified Bidders for the Default Service Auction provided to you upon qualification. The following certifications are those contained in the "Association and Confidential Information Rules" of the Bidding Rules. Please consult the criteria for associations and the definition of Confidential Information in the Bidding Rules.

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 Auction, must make these certifications. The following certifications (1) to (8) will apply from the time of qualification until the results of the Default Service Auction, 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) with whom you are associated along with the nature of the association.

- (2) Please certify that, other than parties explicitly named in Section 1.8 of your Part 1 Application as parties with whom you have entered into a Bidding Agreement, Joint Venture, Bidding Consortium, or other arrangement pertaining to bidding in the Auction, you have not entered into any agreement with another Qualified Bidder, directly or indirectly, regarding bids in the Auction, including, but not limited to, the amount to bid at certain prices, and when or at what prices bids are to be withdrawn.



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

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

\_\_\_\_\_  
Date

- (3) Please certify that any person who will be advising or assisting you with bidding strategy in the Auction, with estimation of the value of tranches, or with the estimation of the risks associated with serving Default Service 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 among, 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 Default Service, and that (i) would require the disclosure of any Confidential Information (Confidential Information relative to the bidding strategy or Confidential Information regarding the Auction) 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 Auction) 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 Auction. Notwithstanding the above, you may, during negotiations prior to the Auction for contractual arrangements for power to serve Default Service Load were you to be a winner at the Default Service Auction, 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

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

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

- (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, or Bidding Consortium, or other arrangement pertaining to bidding in the Default Service Auction, 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, or Bidding Consortium, or other arrangement pertaining to the Default Service Auction, no party has agreed to defray any of the costs of participating in the Auction, 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 Default Service Auction creates a binding and irrevocable offer to provide service under the terms set forth in the SMA 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 Auction shall arise under the SMA. Please note that failure to execute the SMA within three (3) Business Days following the date of the Commission's approval of the auction results may result in the forfeiture of the Pre-Bid 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 Default Service Auction, you will not disclose at any time information regarding the Initial Eligibility in the Auction 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 Auction.

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

\_\_\_\_\_  
Date

- (10) Please certify that you will not disclose any Confidential Information regarding the Default Service Auction 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.

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

(11) Please certify that you will continue to abide by your prior confidentiality certifications. You will not disclose any Confidential Information regarding the Default Service Auction 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 Independent Market Monitor that contain Confidential Information regarding the Auction within five (5) days of the close of the bidding, or earlier if so instructed by the Independent Market Monitor

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

\_\_\_\_\_  
Date

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

### **Ongoing Obligations**

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

- Section 13.4 of the Bidding Rules - Sanctions may be imposed on a Bidder 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 SMA, loss of all rights to provide supply for the Company 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 solicitations, and other sanctions that may be appropriate.

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Name of Applicant

**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]
- Pre-Bid Letter of Credit (if applicable) [Section 2.2]

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**End of Part 2 Application**

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