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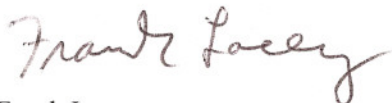
February 8, 2007

RE: Joint Petition for Settlement
Docket Nos. A-110150F0035 and A-311233F3002

Dear Mr. Gang:

Direct Energy Services, LLC supports the proposed settlement and, as set forth in Section II.J.2.e. of the Joint Petition for Settlement, agrees that the settlement resolves all issues relating to inter company cost allocations in this proceeding and in Duquesne's filing to establish POLR IV rates effective January 1, 2008.

Regards,



Frank Lacey
Director, Government Regulatory Affairs
Frank.lacey@directenergy.com