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October 4, 2010

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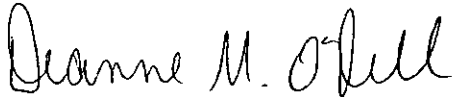
Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Joint Application of West Penn Power Company d/b/a Allegheny Power, Trans-Allegheny Interstate Line Company and FirstEnergy Corp. for a Certificate of Public Convenience under Section 1102(a)(3) of the Public Utility Code approving a change of control of West Penn Power Company and Trans-Allegheny Interstate Line Company, Docket Nos. A-2010-2176520 and A-2010-2176732

Dear Secretary Chiavetta:

Enclosed for filing please find an original and three copies of Direct Energy Services, LLC, ("Direct Energy") Objections to the Interrogatories (Set III) of West Penn Power Company, Trans-Allegheny Interstate Line Company, and FirstEnergy Corp. Copies have been served in accordance with the attached Certificate of Service.

Very truly yours,



Deanne M. O'Dell, Esq.

DMO/lww
Enclosure

cc: Cert. of Service w/enc.

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Joint Application of West Penn Power	:	
Company d/b/a Allegheny Power, Trans-	:	
Allegheny Interstate Line Company and	:	Docket No. A-2010-2176520
FirstEnergy Corp. for a Certificate of Public	:	Docket No. A-2010-2176732
Convenience under Section 1102(a)(3) of the	:	
Public Utility Code approving a change of	:	
control of West Penn Power Company And	:	
Trans-Allegheny Interstate Line Company	:	

**OBJECTIONS OF DIRECT ENERGY SERVICES, LLC
TO JOINT APPLICANTS INTERROGATORIES, SET III**

Pursuant to 66 Pa. C.S. § 333(d) and 52 Pa. Code §§ 5.321 and 5.342, Direct Energy Services, LLC (“Direct Energy”) objects to the Set III Interrogatories propounded by West Penn Power Company, Trans-Allegheny Interstate Line Company, and FirstEnergy Corp. (collectively, “Joint Applicants”).

On September 28, 2010, the Joint Applicants served Direct Energy with its Set III Interrogatory requests. As explained further below, Direct Energy objects to questions 1-11 as outside the scope of permissible discovery under the Commission’s discovery regulations or are otherwise impermissible. Subject to and without waiver of these objections, Direct Energy will provide responses to questions 1, 8 and 9.

Request: -JA(Direct)-III-1 Please identify each electric generation facility owned or controlled by Direct Energy, and provide its source of fuel and its capacity (in MW).

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). Subject to and without waiver of this objection, Direct Energy will provide a full response.

Request: -JA(Direct)-III-2 With respect to each facility identified in response to Interrogatory No. III-1, please state:

- (a) all financial projections associated with the facility;
- (b) the percent of Direct Energy's ownership or control of the facility;
- (c) the overall expected effect that ownership or control of the facility will have on Direct Energy's pricing for its retail market customers;
- (d) the locational pricing point applicable to the sales of energy from the facility;
- (e) the expected output of the facility, between the present and December 31, 2014, expressed in terms of MWh in the most granular time intervals possible (e.g, hourly is preferred over monthly, monthly is preferred over annual);
- (f) whether the entire output of the facility is used to meet requirements of retail customers of Direct Energy, and if not, what percentage of the facility is used presently and what percentage is expected to be used for that purpose between the present and December 31, 2014;
- (g) The expected amount of load of the retail customers of Direct Energy that the facility is intended to hedge or supply (including the expected output of the facility that will be explicitly scheduled to meet the load requirements of the retail customers of Direct Energy), between the present and December 31, 2014, expressed in terms of MWh in the most granular time intervals possible (e.g, hourly is preferred over monthly, monthly is preferred over annual);
- (h) any forecasts of the energy prices and energy revenues from the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (i) any forecasts of the capacity prices and revenues from the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;

- (j) any forecasts of the prices and revenues from any renewable energy credits generated by the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (k) any forecasts of the non-energy, non-capacity, non-renewable-energy-credit revenues from the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (l) any forecasts of the prices and total costs of fuel inputs (e.g., coal, natural gas) expected to be paid to operate the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (m) any forecasts of the prices and total costs of emission allowances expected to be paid to operate the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (n) any forecasts of the operating and maintenance costs expected to be paid to operate the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (o) any forecasts of the property taxes expected to be paid with respect to the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (p) any forecasts of the book and tax depreciation associated with the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (q) any forecasts of any other expense items associated with the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers;
- (r) any forecasts of capital expenditures for the facility between the present and December 31, 2014, and the effects on Direct Energy's pricing for its retail market customers.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). Direct Energy also objects on the basis that the question is overly broad and would cause unreasonable annoyance, embarrassment, oppression, burden or expense to Direct Energy. 52 Pa. Code § 5.361(a)(2) and (4). Finally, Direct Energy objects on the basis that this question seeks information that is not within the control or possession of Direct Energy and would require Direct Energy to undertake an unreasonable investigation of publicly available information. 52 Pa. Code § 5.361(a)(4).

Request: -JA(Direct)-III-3 For 2010 to date, please identify the amount (in MWh) and percentage of Direct Energy's retail customer load in PJM, by utility service territory and customer class, served by (a) purchases of energy in the PJM real-time energy market; (b) purchases of energy in the PJM day-ahead market; (c) purchases of energy from generation owned or controlled by Direct Energy; and (d) purchases pursuant to bilateral contracts between Direct Energy and other parties. With respect to (c), if there is any facility owned or controlled by Direct Energy with energy output that is not explicitly scheduled to serve the customer load, but that is intended to act as a financial hedge for that load, please provide that amount of energy output separately. With respect to any contracts included in (d), identify the counterparty to Direct Energy and the price paid for energy and capacity (as applicable) under the contract.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). With respect to the request for information regarding contracts, Direct Energy objects to the request on the basis that contracts may contain confidentiality and/or non-disclosure provisions that would preclude the production of such information. Direct Energy also objects on the basis that the question is overly broad and would cause unreasonable annoyance, embarrassment, oppression, burden or expense to Direct Energy. 52 Pa. Code § 5.361(a)(2) and (4). Finally, Direct Energy objects on the basis that this question seeks information that is not within the control or possession of Direct Energy and would require Direct Energy to undertake an unreasonable investigation of publicly available information. 52 Pa. Code § 5.361(a)(4).

Request: -JA(Direct)-III-4 For January 1, 2011 through December 31, 2014, please identify the amount (in MWh) and percentage of Direct Energy's anticipated retail customer load in PJM, by utility service territory and customer class, that will be served by (a) purchases of energy in the PJM real-time energy market; (b) purchases of energy in the PJM day-ahead market; (c) purchases of energy from generation owned or controlled by Direct Energy; and (d) purchases pursuant to bilateral contracts. With respect to (c), if there is any facility owned or controlled by Direct Energy with energy output that is not explicitly scheduled to serve the customer load, but that is intended to act as a financial hedge for that load, please provide that amount of energy output separately. With respect to any contracts included in (d) that already exist, identify the counterparty to Direct Energy, the term of the contract, and the

price paid for energy and capacity (as applicable) under the contract.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). With respect to the request for information regarding contracts, Direct Energy objects to the request on the basis that contracts may contain confidentiality and/or non-disclosure provisions that would preclude the production of such information. Direct Energy also objects on the basis that the question is overly broad and would cause unreasonable annoyance, embarrassment, oppression, burden or expense to Direct Energy. 52 Pa. Code § 5.361(a)(2) and (4). Finally, Direct Energy objects on the basis that this question seeks information that is not within the control or possession of Direct Energy and would require Direct Energy to undertake an unreasonable investigation of publicly available information. 52 Pa. Code § 5.361(a)(4).

Request: -JA(Direct)-III-5 Please provide any forecasts prepared by or for Direct Energy on the effects on electric retail markets generally and/or Direct Energy's prices for retail customers in Pennsylvania following the enactment of any federal legislation or state legislation in Pennsylvania imposing any additional form of carbon regulation (e.g., cap and trade, carbon tax, Pennsylvania membership in the Regional Greenhouse Gas Initiative).

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). Direct Energy also objects on the basis that the question is overly broad and would cause unreasonable annoyance, embarrassment, oppression, burden or expense to Direct Energy. 52 Pa. Code § 5.361(a)(2) and (4).

Request: -JA(Direct)-III-6 Is Direct Energy considering the purchase of or investment in any transmission assets in the PJM control area? If so, please explain the relationship between such purchases and investments, Direct Energy's ability to serve retail market customers in PJM, and the anticipated effects on pricing to Direct Energy's retail market customers.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c).

Request: -JA(Direct)-III-7 Reference JA Set I Interrogatories, Exhibit A (“Morgan Stanley Reverse Road Show”), p. 41. Please provide any forecasts prepared by or for Direct Energy on the effects on its pricing to retail customers if it is able to achieve its goal of sourcing 35-40% of its North American generation market from assets owned by Direct Energy.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c).

Request: -JA(Direct)-III-8 Please provide the number of customers and total load served by Direct Energy by customer class (residential, commercial, industrial) for each of the utility service territories served by West Penn Power Company, Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for each of 2009 and 2010 to date.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). Subject to and without waiver of this objection, Direct Energy will provide a highly sensitive, confidential response to be accorded the same treatment as the Joint Applicant’s highly sensitive confidential information and shared only with outside experts and outside counsel.

Request: -JA(Direct)-III-9 Please provide any forecasts prepared by or for Direct Energy with respect to its retail market share by customer class (residential, commercial, industrial) for each of the utility service territories served by West Penn Power Company, Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company for the years 2011-2014.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). Subject to and without waiver of this objection, Direct Energy will provide a highly sensitive, confidential response to be accorded the same treatment as the Joint Applicant’s highly sensitive confidential information and shared only with outside experts and outside counsel.

Request: -JA(Direct)-III-10 Does Direct Energy have any contracts for alternative energy credits (“AECs”) as defined under Pennsylvania’s Alternative Energy Portfolio Standard (“AEPS”) (or renewable energy credits (“RECs”) that would qualify as AECs for AEPS compliance purposes) with delivery scheduled on or after January 1, 2011?

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). With respect to the request for information regarding contracts, Direct Energy objects to the request on the basis that contracts may contain confidentiality and/or non-disclosure provisions that would preclude the production of such information.

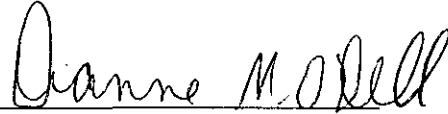
Request: -JA(Direct)-III-11 If the answer to Interrogatory No. III-10 is yes, please provide:

- (a) the amount of AECs or RECs to be delivered annually under each contract;
- (b) the term length of each contract (i.e., number of years, and start and end dates);
- (c) the type of electric generation underlying the contracted AECs or RECs;
- (d) the price of each AEC or REC;
- (e) whether the AECs or RECs are sourced from a specific electric generating facility and, if so, whether (i) the facility is operating or under construction; (ii) the size of the facility, in megawatts (AC); (iii) the percentage of estimated annual output of the facility delivered under the specified contract; and (iv) whether the facility is located within the geographic borders of the Commonwealth of Pennsylvania.

OBJECTION: Direct Energy objects to this question on the basis that it falls outside the scope of permissible discovery and is not relevant to the subject matter involved in this proceeding nor is it reasonably calculated to lead to the discovery of admissible evidence. 52 Pa. Code § 5.321(c). With respect to the request for information regarding contracts, Direct Energy objects to the request on the basis that contracts may contain confidentiality and/or non-disclosure provisions that

would preclude the production of such information. Direct Energy also objects on the basis that the question is overly broad and would cause unreasonable annoyance, embarrassment, oppression, burden or expense to Direct Energy. 52 Pa. Code § 5.361(a)(2) and (4).

Respectfully submitted,



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Dated: October 4, 2010

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Direct Energy's Objections to Set III Interrogatories upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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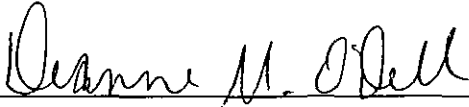
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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**


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Dated: October 4, 2010

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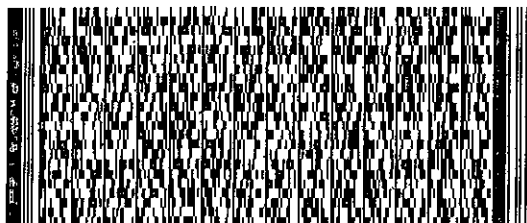
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