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October 7, 2010

**VIA FEDERAL EXPRESS**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**RECEIVED**

OCT 07 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Re:    Joint Application of West Penn Power Company doing business as 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, A-2010-2176732**

Dear Secretary Chiavetta:

Enclosed for filing are an original and three copies of the Motion to Dismiss Objections and Compel Response to Set III Interrogatories of West Penn Power Company, Trans-Allegheny Interstate Line Company, and FirstEnergy Corp. to Direct Energy Services, LLC. Pursuant to 52 Pa. Code § 1.11(a)(2), the enclosed Motion shall be deemed filed on October 7, 2010, which is the date it was deposited with Federal Express as shown on the Federal Express delivery receipt.

As evidenced by the attached Certificate of Service, copies of the Motion are being served on the Administrative Law Judges and all parties of record. Also enclosed is an additional copy of this letter and of the Motion, which we request be date-stamped as evidence of filing and returned to us in the stamped, pre-addressed envelope provided.

Very truly yours,



Kenneth M. Kulak

KMK/tp  
Enclosures

c:        Per Certificate of Service

Philadelphia   Washington   New York   Los Angeles   San Francisco   Miami   Pittsburgh   Princeton   Chicago   Minneapolis  
Palo Alto   Dallas   Houston   Harrisburg   Irvine   Boston   Wilmington   London   Paris   Brussels   Frankfurt   Beijing   Tokyo

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**JOINT APPLICATION OF WEST PENN  
POWER COMPANY doing business as  
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  
A-2010-2176732**

**RECEIVED**

**OCT 07 2010**

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

**MOTION TO DISMISS OBJECTIONS AND COMPEL RESPONSE TO  
SET III INTERROGATORIES OF WEST PENN POWER COMPANY,  
TRANS-ALLEGHENY INTERSTATE LINE COMPANY,  
AND FIRSTENERGY CORP. TO DIRECT ENERGY SERVICES, LLC**

Pursuant to 52 Pa. Code § 5.342(g) and the Scheduling and Briefing Order of June 23, 2010, West Penn Power Company (“West Penn”), Trans-Allegheny Interstate Line Company (“TrAILCo”), and FirstEnergy Corp. (“FirstEnergy”) (collectively, the “Companies” or “Joint Applicants”) hereby request that Administrative Law Judges Wayne L. Weismandel and Mary A. Long (the “ALJs”) dismiss the objections (the “Objections”) filed by Direct Energy Services, LLC (“Direct Energy”) and compel answers to the Joint Applicants’ Interrogatories (Set III) Nos. 1-11. A copy of the Objections (which restate Interrogatory Nos. 1-11) is attached as Appendix A. In support of this Motion, the Joint Applicants aver as follows:

**I. DIRECT ENERGY SHOULD BE COMPELLED TO RESPOND IN FULL TO  
INTERROGATORY NOS. 1-11**

1. Joint Applicants’ Interrogatory Nos. 1-11 seek information about the breadth and depth of Direct Energy’s electric generation and retail activities. Regarding electric generation facilities, the Interrogatories seek information about ownership and control, expected output,

output used to meet the needs of Direct Energy retail customers, and financial forecasts.

Regarding retail activities, the Interrogatories seek information about existing and anticipated retail customer load, the number and type of customers and total load served in the service territories of the Joint Applicants' Pennsylvania utilities, retail market share forecasts in those service territories, financial forecasting and the purchase of alternative energy credits.

2. Direct Energy generically objected to Interrogatory Nos. 1-11 on a variety of grounds: an alleged lack of relevance and overbreadth of the requested information, the existence of unspecified non-disclosure agreements that purportedly prevent Direct Energy from fully responding to certain Interrogatories, and an alleged lack of control or possession over the requested information. None of these objections have merit.

3. With respect to relevance, Direct Energy has repeatedly stated in this proceeding that the existing default service structure in Pennsylvania is preventing the development of a workable competitive market and that the merger should be conditioned upon dramatic changes to that structure. *See, e.g.*, Direct Energy St. No. 1-SR, p.2 (“My testimony, and the testimony of other Direct witnesses clearly shows how the present default service structure plays a significant role in making the development of a workable competitive market **unachievable** for residential and small business customers.”); *Id.* at p. 3 (“The structure of default service for FirstEnergy . . . is also a key focus for the remedy needed to attempt to develop the type of competitive market that the General Assembly appeared to want to see . . .”). However, Direct Energy has also recently made public statements that the markets in Pennsylvania are competitive in their current form and provide “great opportunity” for Direct Energy. *See* Appendix B, Excerpt from September 28, 2010 edition of *Restructuring Today*. In particular, Cory Byzewski, Direct Energy’s Vice President and General Manager of US North-residential business, stated “We

think there's a great opportunity there and Pennsylvania has done a great job to make sure that the markets are open and competitive." *See Id.* Given Direct Energy's recommendation in this proceeding to change Pennsylvania's default service structure in order to allow the market to become competitive, and Direct Energy's public statements regarding how well Pennsylvania markets are currently functioning, the Joint Applicants are entitled to discovery to determine the extent to which Direct Energy is currently competing and intends to compete in Pennsylvania's retail electric markets under the existing default service structure.

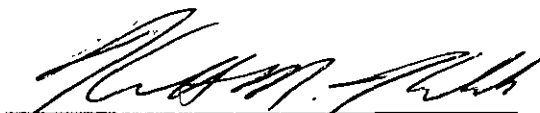
4. Direct Energy's additional objection that the information sought regarding contracts "may" be subject to unspecified non-disclosure and confidentiality agreements is also unjustified. Direct Energy has provided no details whatsoever with respect to any non-disclosure and confidentiality agreements. To the extent Direct Energy has any concerns that such information would be competitively sensitive, it is free to designate the information as "highly sensitive" under the Protective Order entered in this proceeding. *See* Protective Order, ¶ 4. Finally, Direct has failed to provide any details about what information sought by the Joint Applicants is "not within the control or possession of Direct Energy." Direct Energy's objections to Interrogatory Nos. 1-11 should therefore be rejected and Direct Energy should be compelled to respond fully to each Interrogatory.

## II. CONCLUSION

WHEREFORE, for the reasons set forth above, the Joint Applicants respectfully request the Administrative Law Judges and this Commission to:

- (1) grant this Motion; and
- (2) compel Direct Energy to answer Joint Applicants' Set III Interrogatories Nos. 1-11.

Respectfully submitted,



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*Counsel for FirstEnergy Corp.*

*Counsel for West Penn Power  
Company and Trans-Allegheny  
Interstate Line Company*

Date: October 7, 2010

**APPENDIX A**

**RECEIVED**

OCT 07 2010

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

**APPENDIX B**

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has failed to raise "any genuine issue of material fact" in regards to its allegations.

Morris Energy tried to undercut the validity of the process BPU used in approving the intra-state gas delivery rates and said the state commission was obviously aware of the relationship between the PSEG affiliates when it approved them in 1995 and when it reexamined them and left them in place three times since.

[Comments]

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### 5 stories in 2 minutes

#### Texas PUC staff

**wants 7 revocations:** Texas PUC staff urged yesterday and Friday that seven retailers be stripped of their certificates for violations of commission credit requirements and other rules. The PUC approved stronger credit requirements after several small, un-hedged retailers went out of business in 2008 and exposed customers to high and volatile spot prices. The credit requirements went into effect in May 2009 and recently PUC staff filed over 20 petitions to revoke certificates, found a search of the commission's dockets.

#### NYISO event

**targets assessment:** The New York ISO is hosting a forum on its recently released 2010 Reliability Needs Assessment (RT, [Sep-23](#)) next Monday at its corporate center. The assessment found that the state should

have enough supplies through 2020, unless major capacity retires in and around New York City.

#### Some Ontarians to

**see power rebates:** Ontario is giving rebates to families and businesses in Northern Ontario with C&I getting a 2¢/KWH rebate through the new Northern Industrial Electricity Rate Program. That will give about \$450 million back to C&I consumers over three years. Low- to middle-income residents will see a credit of up to \$200/family and up to \$130 for single people. That totals \$35 million for about 250,000 residential ratepayers.

#### FERC OKs RRI

**Energy settlement:** FERC approved a settlement yesterday resolving self-reported violations at RRI Energy. The IPP is to pay \$750,000 in penalties. The firm told FERC that its subsidiary

that runs natural gas services had been engaging in buy/sell and flipping transactions on gas pipelines in regards to three peaking power plants from 2000 to 2008. RRI will also have to submit semi-annual monitoring reports to enforcement staff for one-year with the option of a second year at staff's discretion.

#### DOE sets fridge

**efficiency standards:** Refrigerators will be 25% more efficient starting in 2014, due to new standards announced by DOE yesterday. The move was hailed by appliance manufacturers, environmental and efficiency advocacy groups yesterday. Under the standards, a typical new 20 cubic foot refrigerator will use about 390 KWH/year, down from 900 KWH/year in 1990 and 1,700 KWH/year in 1970. The standards will save 4.5 quads of energy and are expected to save consumers \$18.5 billion.

[Comments]

## Direct Energy to enter Pittsburgh as price-to-beat rises

Direct Energy is moving into Pennsylvania's Duquesne Light territory with Pittsburgh as its primary market after it noticed the incumbent utility price was rising. Though Duquesne has been open for completion for several years, Direct believes now is the time.

The firm cited a rise in Duquesne prices "coming at the end of the year," Cory Byzewski, Direct Energy's VP and GM of US North-residential business, told us yesterday. "We think there's a great opportunity there and Pennsylvania has done a great job to make sure that the markets are open and competitive." That price opportunity is a boost in what customers will pay the IOU.

Direct Energy will have to compete for customers in part with a price from Duquesne moving from 8.17¢/KWH to 8.87¢. "That is certainly is better for us," added Byzewski.

Direct Energy plans to offer residential customers a 12-month variable rate plan guaranteed to provide a 5% savings off the residential rate with no early cancellation fee. "I don't think Duquesne was high on our radar until the last couple of years or so," said Byzewski. "We kept our eye on Pennsylvania and as rate caps came off we saw it as an opportunity to take a fresh look at the whole state."

Direct hopes to build its presence statewide after starting in Columbia Gas territory growing into the power market as rate caps expired. "PPL was our first major foray into the Pennsylvania electrical market and so far our entry in the PPL territory has been successful," said Byzewski. "We've had very good consumer reaction to our product [in PPL] and we see that market continuing to do well over time," he added.

[Comments]

## Maine sees retail power shopping rise in May

Maine retail power shopping was up in May in two of three territories as overall shopping rose from 2.4% to 2.6%. Central Maine Power (CMP), the territory with the most shoppers, saw shopping rise 0.1 percentage point from April to May with marketers seeing 767 new shoppers.

The biggest change in share of shopping was in the Bangor Hydro-Electric (BHE) territory where marketers saw a boost of 0.3 percentage points to finish at 2.6%. Maine Public Service (MPS) saw no change in share of shopping, though the territory with the fewest shoppers did see a bump from 91 to 92 choice accounts.

By customer type, medium C&I improved the most -- from 34.6% to 35.5%. To get there, two territories moved up and one dipped a bit.

Marketers in the BHE territory saw the biggest increase at 1.7 percentage points to



