DISCOUNT POWER | 6 Armstrong Road • Shelton, CT 06484
877.259.7693
www.DiscountPowerInc.com

September 27, 2012

Pennsylvania Public Utility Commission
Secretary
Keystone Building, 2nd Floor Room N201
Harrisburg, PA 17120

Re: Application Form for Parties Wishing to Offer, Render Furnish, or Supply Electricity or Electric Generation Services to the Public in the Commonwealth of Pennsylvania

To Whom It May Concern:

Please find in a FedEx Large Pak, one (1) original executed Application Form to supply Electricity in the Commonwealth of Pennsylvania for Discount Power, Inc. "DPI" with required exhibits attached, along with one (1) copy of same and one (1) cd-rom containing a searchable PDF version of same.

Please be advised that DPI wishes for the following pages to remain confidential:

- Page 10 ;
- Appendix E;
- Appendix F; and
- Exhibit 7B-2 in its entirety

Please process this application in accordance with the Pennsylvania Public Utilities Commission.

If there is any missing information or additional information needed please advise me and I will forward that to you immediately.

Thank you for your consideration.

Very Truly Yours,

David Feldman
Vice President of Operations
Discount Power, Inc.

People's United Bank

CT Loan Servicing Department / Letters of Credit
T: 203-338-3223 F: 203-338-5578

September 25, 2012

Pennsylvania Public Utility Commission
P. O. Box 3265
Harrisburg, PA 17105-3265

Sir/Madam:

At the request of our customer, Discount Power, Inc., we enclose our original Irrevocable Letter of Credit Number SB-1814 in your favor, available by draft for an amount not exceeding USD $250,000.00 in accordance with the terms of the letter of credit.

We would greatly appreciate if you would acknowledge receipt by signing where indicated on the copy of the letter of credit, and returning this signed copy in the enclosed envelope.

Your prompt attention will be greatly appreciated

Sincerely,
Claire Vieira

Loan Servicing Department
850 Main Street
BC07-RC 280
Bridgeport, CT 06604
(P) 203-338-2409
(F) 203-338-5578

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SECRETARY'S BUREAU

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of **Discount Power, Inc.**, d/b/a ____________, for approval to offer, render, *furnish, or supply electricity or electric generation services as a(n)* ***Supplier of electricity*** *to the public in the* Commonwealth of Pennsylvania (Pennsylvania).

To the Pennsylvania Public Utility Commission:

1. IDENTIFICATION AND CONTACT INFORMATION

a. **IDENTITY OF THE APPLICANT**: Provide name *(including any fictitious name or d/b/a)*, primary address, web address, and telephone number of Applicant:

Discount Power, Inc.
6 Armstrong Road
Shelton, CT 06484
www.discountpowerinc.com
203-929-3200

b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT**: If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

National Registered Agents, Inc.
600 North Second Street
Suite 401
Harrisburg, PA 17101
(Dauphin County)

c. **REGULATORY CONTACT**: Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

David Feldman
Vice President
6 Armstrong Road
Shelton, CT 06484

P-203-929-3200
F-203-909-6617
david@discountpowerinc.com

d. **ATTORNEY**: Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

Nancy Hancock – (Pullman & Comley LLC)
850 Main Street
P.O. Box 7006
Bridgeport, CT 06601

P-(203) 330-2118
F-(203) 330-2288
nhancock@pullman.com

e. CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS: Provide the name, title, address, telephone number, FAX number, and e-mail of the person and an alternate person responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Electric Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed EGSs.

Janet Widgren – Director of Customer Relations 6 Armstrong Road Shelton, CT 06484	P-877-259-7693 jwidgren@discountpowerinc.com
David Feldman – Vice President 6 Armstrong Road Shelton, CT 06484	P 203-929-3200 F-203-909-6617 david@discountpowerinc.com

2. BUSINESS ENTITY FILINGS AND REGISTRATION

a. FICTITIOUS NAME: *(Select appropriate statement and provide supporting documentation as listed.)*

☐ The Applicant will be using a fictitious name or doing business as ("d/b/a")

Provide a copy of the Applicant's filing with Pennsylvania's Department of State pursuant to 54 Pa. C.S. §311, Form PA-953.

or

☑ The Applicant will not be using a fictitious name.

b. BUSINESS ENTITY AND DEPARTMENT OF STATE FILINGS:
(Select appropriate statement and provide supporting documentation. As well, understand that Domestic means being formed within Pennsylvania and foreign means being formed outside Pennsylvania.)

☐ The Applicant is a sole proprietor.

- If the Applicant is located outside the Commonwealth, provide proof of compliance with 15 Pa. C.S. §4124 relating to Department of State filing requirements.

or

☐ The Applicant is a:

☐ domestic general partnership (*)
☐ domestic limited partnership (15 Pa. C.S. §8511)
☐ foreign general or limited partnership (15 Pa. C.S. §4124)
☐ domestic limited liability partnership (15 Pa. C.S. §8201)
☐ foreign limited liability general partnership (15 Pa. C.S. §8211)
☐ foreign limited liability limited partnership (15 Pa. C.S. §8211)

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above.
- *Give name, d/b/a, and address of partners. If any partner is not an individual, identify the business* nature of the partner entity and identify its partners or officers.
- Provide the state in which the business is organized/formed and provide a copy of the Applicant's charter documentation.
- * If a corporate partner in the Applicant's domestic partnership is not domiciled in Pennsylvania, attach a copy of the Applicant's Department of State filing pursuant to 15 Pa. C.S. §4124.

or

☐ The Applicant is a:

- ☐ domestic corporation (15 Pa. C.S. §1308)
- ☑ foreign corporation (15 Pa. C.S. §4124)
- ☐ domestic limited liability company (15 Pa. C.S. §8913)
- ☐ foreign limited liability company (15 Pa. C.S. §8981)
- ☐ Other (Describe):

- Provide proof of compliance with appropriate Department of State filing requirements as indicated above. **See Attachment 2B-1**
- Provide the state in which the business is incorporated/organized/formed and provide a copy of the Applicant's charter documentation. **See Attachment 2B-2**
- Give name and address of officers. **See Attachment 2B-3**

3. AFFILIATES AND PREDECESSORS

(both in state and out of state)

a. AFFILIATES: Give name and address of any affiliate(s) currently doing business and state whether the affiliate(s) are jurisdictional public utilities. If the Applicant does not have any affiliates doing business, explicitly state so. Also, state whether the applicant has any affiliates that are currently applying to do business in Pennsylvania.

N/A

b. PREDECESSORS: Identify the predecessor(s) of the Applicant and provide the name(s) under which the Applicant has operated within the preceding five (5) years, including address, web address, and telephone number, if applicable. If the Applicant does not have any predecessors that have done business, explicitly state so.

N/A

4. <u>OPERATIONS</u>

a. APPLICANT'S PRESENT OPERATIONS: *(select and complete the appropriate statement)*

☐ The Applicant is presently doing business in Pennsylvania as a

- ☐ municipal electric corporation
- ☐ electric cooperative
- ☐ local gas distribution company
- ☐ provider of electric generation, transmission or distribution services
- ☐ Other; Identify the nature of service being rendered.

or

☑ The Applicant is not presently doing business in Pennsylvania.

b. APPLICANT'S PROPOSED OPERATIONS: The Applicant proposes to operate as a (*may check multiple*):

- ☐ Generator of electricity
- ☑ Supplier of electricity
- ☐ Aggregator engaged in the business of supplying electricity
- ☐ Broker/Marketer engaged in the business of supplying electricity services
- ☐ *Electric Cooperative and supplier of electric power*
- ☐ Other (Describe):

<u>*Definitions*</u>

- Supplier – an entity that sells electricity to end-use customers utilizing the jurisdictional transmission and distribution facilities of an EDC.
- Aggregator - an entity that purchases electric energy and <u>takes title to electric energy</u> as an intermediary for sale to retail customers.
- Broker/Marketer - an entity that acts as an intermediary in the sale and purchase of electric energy <u>but does not take title to electric energy</u>.

c. PROPOSED SERVICES: Describe in detail the electric services or the electric generation services which the Applicant proposes to offer.

The sale of electricity to residential and commercial customers on a variable or fixed price basis

d. PROPOSED SERVICE AREA: Provide a list of each Electric Distribution Company for which the Applicant proposes to provide service.

The Entire Commonwealth of Pennsylvania

e. CUSTOMERS: Applicant proposes to provide services to:

- ☐ Residential Customers
- ☐ *Small Commercial Customers - (25 kW and Under)*
- ☐ Large Commercial Customers - (Over 25 kW)
- ☐ Industrial Customers
- ☐ Governmental Customers
- ☑ All of above
- ☐ Other (Describe):

f. PROPOSED MARKETING METHOD *(check all that apply)*

- ☑ Internal – Applicant will use its own internal resources/employees for marketing
- ☑ External EGS – Applicant will contract with a PUC **LICENSED EGS** broker/marketer
- ☑ Affiliate – Applicant will use a **NON-EGS** affiliate marketing company and or individuals.
- ☑ External Third-Party – Applicant will contract with a **NON-EGS** third party marketing company and or individuals
- ☐ Other (Describe):

g. DOOR TO DOOR SALES: Will the Applicant be implementing door to door sales activities?

- ☑ Yes
- ☐ No

If yes, will the Applicant be using a Third Party Verification procedure?

- ☐ Yes
- ☑ No

If yes, describe the Applicant's Third Party Verification procedures

h. START DATE: Provide the approximate date the Applicant proposes to begin services within the Commonwealth.

January 1, *2013*

5. COMPLIANCE

a. CRIMINAL/CIVIL PROCEEDINGS: State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Discount Power, Inc. has no proceedings to list

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.

On average there are ten (10) unsubstantiated complaints filed with the PUC annually. There are no disciplinary actions against Discount Power, Inc.

b. SUMMARY: If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

Not Applicable

c. CUSTOMER/REGULATORY/PROSECUTORY ACTIONS: Identify all formal or escalated actions or complaints filed with or by a customer, regulatory agency, or prosecutory agency against the Applicant, an affiliate, a *predecessor of either, or a person identified in this Application, for the prior five (5) years, including but not limited* to customers, Utility Commissions, and Consumer Protection Agencies such as the Offices of Attorney General. If the Applicant has no actions or complaints to list, explicitly state such.

Discount Power, Inc. has no actions or complaints to list.

d. SUMMARY: If applicable; provide a statement as to the resolution or present status of any actions listed above.

On average there are ten (10) unsubstantiated complaints filed with the PUC annually. There are no disciplinary actions against Discount Power, Inc.

6. PROOF OF SERVICE

(Example Certificate of Service is attached at Appendix C)

a.) **STATUTORY AGENCIES:** *Pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14,* provide proof of service of a signed and verified Application with attachments on the following:

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Office of the Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

b.) **EDCs:** Pursuant to Sections 1.57 and 1.58 of the Commission's Regulations, 52 Pa. Code §§1.57 and 1.58, provide Proof of Service of the Application and attachments upon each of the Electric Distribution Companies the Applicant proposed to provide service in. Upon review of the Application, further notice may be required pursuant to Section 5.14 of the Commission's Regulations, 52 Pa. Code §5.14. Contact information for each EDC is as follows.

Allegheny Power:
Legal Department
West Penn Power d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Duquesne Light:
Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

Met-Ed, Penelec, and Penn Power:
Legal Department
First Energy
2800 Pottsville Pike
Reading PA, 19612

Citizens' Electric Company:
Citizens' Electric Company
Attn: EGS Coordination
1775 Industrial Boulevard
Lewisburg, PA 17837

PECO:
Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

PPL:
Legal Department
Attn: Paul Russell
PPL
Two North Ninth Street
Allentown, PA 18108-1179

UGI:
UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12^{th} Street, Suite 360
Post Office Box 12677
Reading, PA 19612-2677

Pike County Light & Power Company:
Director of Customer Energy Services
Orange and Rockland Company
390 West Route 59
Spring Valley, NY 10977-5300

Wellsboro Electric Company:
Wellsboro Electric Company
Attn: EGS Coordination
33 Austin Street
P. O. Box 138
Wellsboro, PA 16901

7. FINANCIAL FITNESS

a. **BONDING:** In accordance with 66 Pa. C.S. Section 2809(c)(1)(i), the Applicant is required to file a bond or other instrument to ensure its financial responsibilities and obligations as an EGS. Therefore, the Applicant is...

☑ Furnishing the **original** (along with copies) of an initial bond, letter of credit or proof of bonding to the Commission in the amount of $250,000.

☐ Furnishing the **original** (along with copies) of another initial security for Commission approval, to ensure financial responsibility.

☐ Filing for a modification to the $250,000 requirement and furnishing the **original** (along with copies) of an initial bond, letter of credit or proof of bonding to the Commission in the amount of $10,000. Applicant is *required to provide information supporting an amount less than $250,000. Such supporting information must* include indication that the Applicant will not take title to electricity and will not pay electricity bills on behalf of its customers. Further details for modification may be described as well.

- *At the conclusion of Applicant's first year of operation it is the intention of the Commission to tie security bonds to a percentage of Applicant's gross receipts resulting from the sale of generated electricity consumed in Pennsylvania. The amount of the security bond will be reviewed and adjusted on an annual basis.*
- *Example version of a bond and letter of credit are attached at Appendix D & E, Applicant's security must follow language from these examples.*
- *Any deviation from these examples must be identified in the application and may not be acceptable to the Commission.*

b. **FINANCIAL RECORDS, STATEMENTS, AND RATINGS:** Applicant must provide sufficient information to demonstrate financial fitness commensurate with the service proposed to be provided. Examples of such information which may be submitted include the following:

- Actual (or proposed) organizational structure including parent, affiliated or subsidiary companies.

  See Attachment 7B-1

- Published Applicant or parent company financial and credit information (i.e. 10Q or 10K). (SEC/EDGAR web addresses are sufficient)
- Applicant's accounting statements, including balance sheet and income statements for the past two years.

- Evidence of Applicant's credit rating. Applicant may provide a copy of its Dun and Bradstreet Credit Report and Robert Morris and Associates financial form, evidence of Moody's, S&P, or Fitch ratings, and/or other independent financial service reports.

- A description of the types and amounts of insurance carried by Applicant which are specifically intended to provide for or support its financial fitness to perform its obligations as a licensee.

- Audited financial statements exhibiting accounts over a minimum two year period.

  See Attachment 7B-2

- Bank account statement, tax returns from the previous two years, or any other information that demonstrates Applicant's financial fitness.

c. **ACCOUNTING RECORDS CUSTODIAN**: Provide the name, title, address, telephone number, FAX number, and e-mail address of Applicant's custodian for its accounting records.

Gino Tarantino – CFO	**P-203-929-3200**
6 Armstrong Road	**F-203-909-6617**
Shelton, CT 06484	**gtarantino@hocongas.com**

d. **TAXATION:** Complete the TAX CERTIFICATION STATEMENT attached as Appendix F to this application.

All sections of the Tax Certification Statement must be completed. Absence (submitting N/A) of any of the TAX identifications numbers (items 7A through 7C) shall be accompanied by supporting documentation or an explanation validating the absence of such information.

Items 7A and 7C on the Tax Certification Statement are designated by the Pennsylvania Department of Revenue. Item 7B on the Tax Certification Statement is designated by the Internal Revenue Service.

8. TECHNICAL FITNESS:

To ensure that the present quality and availability of service provided by electric utilities does not deteriorate, the Applicant shall provide sufficient information to demonstrate technical fitness commensurate with the service proposed to be provided.

a.) **EXPERIENCE, PLAN, STRUCTURE:** such information may include:

- Applicant's previous experience in the electricity industry.

- Summary and proof of licenses as a supplier of electric services in other states or jurisdictions.

- Type of customers and number of customers Applicant currently serves in other jurisdictions.

- Staffing structure and numbers as well as employee training commitments.

- Business plans for operations within the Commonwealth.

- Documentation of membership in PJM, ECAR, MAAC, other regional reliability councils, or any other membership or certification that is deemed appropriate to justify competency to operate as an EGS within the Commonwealth.

  See Attachment 8A

- Any other information appropriate to ensure the technical capabilities of the Applicant.

b.) OFFICERS: Identify Applicant's chief officers including names and their professional resumes.

See Attachment 8B

c.) FERC FILING: Applicant has:

☐ Filed an Application with the Federal Energy Regulatory Commission to be a Power Marketer.

☑ Received approval from FERC to be a Power Marketer at Docket or Case Number **ER-09-898-000**.

☐ Not applicable

9. DISCLOSURE STATEMENT:

a. Disclosure Statements: If proposing to serve Residential and/or Small Commercial (under 25 kW) customers, provide a Residential and/or Small Commercial disclosure statement. A sample disclosure statement is provided as Appendix G to this Application.

- *Electricity should be priced in clearly stated terms to the extent possible. Common definitions should be used.* All consumer contracts or sales agreements should be written in plain language with any exclusions, exceptions, add-ons, package offers, limited time offers or other deadlines prominently communicated. Penalties and procedures for ending contracts should be clearly communicated.

See Attachment 9A

10. VERIFICATIONS, ACKNOWLEDGEMENTS, AND AGREEMENTS

a. PJM LOAD SERVING ENTITY REQUIREMENT: As a prospective EGS, the applicant understands that those EGSs which provide retail electric supply service (i.e. takes title to electricity) must provide either:

- proof of registration as a PJM Load Serving Entity (LSE), or
- proof of a contractual arrangement with a registered PJM LSE that facilitates the retail electricity services of the EGS.

The Applicant understands that compliance with this requirement must be filed within 120 days of the Applicant receiving a license. As well, the Applicant understands that compliance with this requirement may be filed with this instant application.

(Select only one of the following)

☑ AGREED - Applicant has included compliance with this requirement in the instant application, labeled in correspondence with this section (10).

☐ AGREED - Applicant will provide compliance with this requirement within 120 days of receiving its license

☐ ACKNOWLEDGED - *Applicant is not proposing* to provide retail electric supply service at this time, and therefore is not presently obligated to provide such information

b. **STANDARDS OF CONDUCT AND DISCLOSURE:** As a condition of receiving a license, Applicant agrees to conform to any Uniform Standards of Conduct and Disclosure as set forth by the Commission. Further, the Applicant agrees that it must comply with and ensure that its employees, agents, representatives, and independent contractors comply with the standards of conduct and disclosure set out in Commission regulations at 52 Pa. Code § 54.43.

☑ AGREED

c. **REPORTING REQUIREMENTS**: Applicant agrees to provide the following information to the Commission or the Department of Revenue, as appropriate:

- Retail Electricity Choice Activity Reports: The regulations at 52 Pa. Code §§ 54.201--54.204 require that all active EGSs report sales activity information. An EGS will file an annual report reporting for customer groups defined by annual usage. Reports must be filed using the appropriate report form that may be obtained from the PUC's Secretary's Bureau or the forms officer, or may be down-loaded from the PUC's internet web site.

- Reports of Gross Receipts: Applicant shall report its Pennsylvania intrastate gross receipts to the Commission on a quarterly and year to date basis no later than 30 days following the end of the quarter.

- The Treasurer or other appropriate officer of Applicant shall transmit to the Department of Revenue by March 15, an annual report, and under oath or affirmation, of the amount of gross receipts received by Applicant during the prior calendar year.

- Applicant shall report to the Commission the percentages of total electricity supplied by each fuel source on an annual basis:

- Applicant will be required to meet periodic reporting requirements as may be issued by the Commission to fulfill the Commission's duty under Chapter 28 pertaining to reliability and to inform the Governor and Legislature of the progress of the transition to a fully competitive electric market.

☑ AGREED

d. **TRANSFER OF LICENSE:** The Applicant understands that if it plans to transfer its license to another entity, it is required to request authority from the Commission for permission prior to transferring the license. See 66 Pa. C.S. Section 2809(D). Transferee will be required to file the appropriate licensing application.

☑ AGREED

e. **ASSESSMENT:** The Commission does not <u>presently</u> assess Electric Generation Suppliers for the purposes of recovery of regulatory expenses; see *PPL Energyplus, LLC v. Commonwealth, 800 A.2d 360 (Pa. Cmwlth. 2002).*

☑ ACKNOWLEDGED

f. **FURTHER DEVELOPMENTS:** Applicant is under a continuing obligation to amend its application if substantial changes occur to the information upon which the Commission relied in approving the original filing. See 52 Pa. Code § 54.34.

☑ AGREED

g. **FALSIFICATION:** The Applicant understands that the making of false statement(s) herein may be grounds for denying the Application or, if later discovered, for revoking any authority granted pursuant to the Application. This Application is subject to 18 Pa. C.S. §§4903 and 4904, relating to perjury and falsification in official matters.

☑ AGREED

h. **NOTIFICATION OF CHANGE:** If your answer to any of these items changes during the pendency of your application or if the information relative to any item herein changes while you are operating within the Commonwealth of Pennsylvania, you are under a duty to so inform the Commission, within twenty (20) days, as to the specifics of any changes which have a significant impact on the conduct of business in Pennsylvania. See 52 Pa. Code § 54.34.

☑ AGREED

i. **CEASING OF OPERATIONS:** Applicant is also required to officially notify the Commission if it plans to cease doing business in Pennsylvania, 90 days prior to ceasing operations.

☑ AGREED

j. **Electronic Data Interchange:** The Applicant acknowledges the Electronic Data Interchange (EDI) requirements and the relevant contacts for each EDC, as listed at appendix J.

☑ AGREED

k. **FEE:** The Applicant has enclosed or paid the required initial licensing fee of $350.00 payable to the Commonwealth of Pennsylvania.

☑ PAYMENT ENCLOSED

11. AFFIDAVITS

a.) **APPLICATION AFFIDAVIT:** Complete and submit with your filing an officially notarized Application Affidavit stating that all the information submitted in this application is truthful and correct. An example copy of this Affidavit can be found at Appendix A.

b.) **OPERATIONS AFFIDAVIT:** Provide an officially notarized affidavit stating that you will adhere to the reliability protocols of the North American Electric Reliability Council, the appropriate regional reliability council(s), and the Commission, and that you agree to comply with the operational requirements of the control area(s) within which you provide retail service. An example copy of this Affidavit can be found at Appendix B.

12. NEWSPAPER PUBLICATIONS

Notice of filing of this Application must be published in newspapers of general circulation covering each county in which the applicant intends to provide service. Below is a list of newspapers which cover the publication requirements for Electric Generation Suppliers looking to do business in Pennsylvania.

The newspapers in which proof of publication is required is dependent on the service territories the applicant is proposing to serve. The chart below dictates which newspapers are necessary for each EDC. If the applicant is proposing to serve the entire Commonwealth, please file proof of publication in all seven newspapers.

Please file with the Commission the Certification of Publication, along with a photostatic copy of the notice to complete the notice requirements.

Proof of newspaper publications must be filed with the initial application. Applicants **do not** need a docket number in their publication. Docket numbers will be issued when all criteria on the item 14 checklist (see below) are satisfied.

	Duquesne	Met Ed	PECO	Penelec	Penn Power	PPL	UGI	West Penn	Entire Commonwealth
Philadelphia Daily News		X	X			X			X
Harrisburg Patriot-News		X		X		X		X	X
Scranton Times Tribune		X		X		X	X		X
Williamsport Sun Gazette				X		X		X	X
Johnstown Tribune Democrat				X				X	X
Erie Times-News				X	X				X
Pittsburgh Post-Gazette	X				X			X	X

(Example Publication is provided at Appendix H)

13. SIGNATURE

Applicant: **Discount Power, Inc.**

By:

Title: **Vice President of Operations**

14. CHECKLIST

For the applicant's convenience, please use the following checklist to ensure all relevant sections are complete. The Commission Secretary's Bureau will not accept an application unless each of the following sections are complete.

Applicant: Discount Power, Inc.

Applicant's Use | | PUC Secretary's Bureau Use

✓	**Signature**	
✓	**Filing Fee**	
✓	**Application Affidavit**	
✓	**Operations Affidavit**	
✓	**Proof of Publication**	
✓	**Bond or Letter of Credit**	
✓	**Tax Certification Statement**	
✓	**Commonwealth Department of State Verification**	
✓	**Certificate of Service**	

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SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Appendix A

APPLICATION AFFIDAVIT

State of **Connecticut** :

: ss.

County of **Fairfield** :

David Feldman, Affiant, being duly [sworn/affirmed] according to law, deposes and says that:

He is the **Vice President** (Office of Affiant) of **Discount Power, Inc.**;

That he is authorized to and does make this affidavit for said Applicant;

That the Applicant herein Discount Power, Inc. has the burden of producing information and supporting documentation demonstrating its technical and financial fitness to be licensed as an electric generation supplier pursuant to 66 Pa. C.S. § 2809 (B).

That the Applicant herein Discount Power, Inc. has answered the questions on the application correctly, truthfully, and completely and provided supporting documentation as required.

That the Applicant herein Discount Power, Inc. acknowledges that it is under a duty to update information provided in answer to questions on this application and contained in supporting documents.

That the Applicant herein Discount Power, Inc. acknowledges that it is under a duty to supplement information provided in answer to questions on this application and contained in supporting documents as requested by the Commission.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief, and that he/she expects said Applicant to be able to prove the same at hearing.

David L Feldman
Signature of Affiant

Sworn and subscribed before me this 28th day of **September**, 20**12**.

Kevin St Cyr
Signature of official administering oath

My commission expires June 2015.

Appendix B

OPERATIONS AFFIDAVIT

State of ________Connecticut__________ :

: ss.

County of ____Fairfield________________ :

__Discount Power, Inc._________, Affiant, being duly sworn according to law, deposes and says that:

He is the __VP of Operations___ of _Discount Power, Inc._

That he/she *is authorized to and does make this affidavit for said Applicant;*

That ____**David Feldman**____, the Applicant herein, acknowledges that Discount Power, Inc. may have obligations pursuant to this Application consistent with the Public Utility Code of the Commonwealth of Pennsylvania, Title 66 of the Pennsylvania Consolidated Statutes; or with other applicable statutes or regulations including Emergency Orders which may be issued verbally or in writing during any emergency situations that may unexpectedly develop from time to time in the course of doing business in Pennsylvania.

That ___**Discount Power, Inc.**___, the Applicant herein, asserts that it possesses the requisite technical, managerial, and financial fitness to render electric service within the Commonwealth of Pennsylvania and that the Applicant will abide by all applicable federal and state laws and regulations and by the decisions of the Pennsylvania Public Utility Commission.

That ___**Discount Power, Inc.**__, the Applicant herein, certifies to the Commission that it is subject to , will pay, and in the past has paid, the full amount of taxes imposed by Articles II and XI of the Act of March 4, 1971 (P.L. 6, No. 2), known as the Tax Reform Act of 1971 and any tax imposed by Chapter 28 of Title 66. The Applicant acknowledges that failure to pay such taxes or otherwise comply with the taxation requirements of Chapter 28, shall be cause for the Commission to revoke the license of the Applicant. The Applicant acknowledges that it shall *report to the Commission its jurisdictional Gross Receipts and power sales for ultimate consumption, for the* previous year or as otherwise required by the Commission. The Applicant also acknowledges that it is subject to 66 Pa. C.S. §506 (relating to the inspection of facilities and records).

As provided by 66 Pa. C.S. §2810 (C)(6)(iv), Applicant, by filing of this application waives confidentiality with respect to its state tax information in the possession of the Department of Revenue, regardless of the source of the information, and shall consent to the Department of Revenue providing that information to the Pennsylvania Public Utility Commission.

Appendix B (Continued)

That **Discount Power, Inc.**, the Applicant herein, acknowledges that it has a statutory obligation to conform with 66 Pa. C.S. §506, §2807 (C), §2807(D)(2), §2809(B) and the standards and billing practices of 52 PA. Code Chapter 56.

That the Applicant agrees to provide all consumer education materials and information in a timely manner as requested by the Bureau of Public Liaison or other Commission bureaus. Materials and information requested may be analyzed by the Commission to meet obligations under applicable sections of the law.

That the facts above set forth are true and correct/true and correct to the best of his/her knowledge, information, and belief.

Signature of Affiant

Sworn and subscribed before me this 28th day of September, 20 12.

Signature of official administering oath

My commission expires June 2012.

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SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Attachment 2B-1

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SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

From:Discount Power, Inc. 08/31/2012 15:

Entity #: 4131385
Date Filed: 08/31/2012
Carol Aichele
Secretary of the Commonwealth

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Application for Certificate of Authority

(15 Pa.C.S.)

✓ Foreign Business Corporation (§ 4124)
___ Foreign Nonprofit Corporation (§ 6124)

Name: David Feldman Address: 6 Armstrong Road City: Shelton State: CT Zip Code: 06484	**Document will be returned to the name and address you enter to the left.** ⇐

Commonwealth of Pennsylvania
CERTIFICATE OF AUTHORITY 3 Page(s)

T1224867005

Fee: $250

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations), the undersigned, hereby states that:

1. The name of the corporation is: Discount Power, Inc

2. *Complete only when the corporation must adopt a corporate designator for use in Pennsylvania.*
The name which the corporation adopts for use in this Commonwealth is:

3. *If the name set forth in paragraph 1 or 2 is not available for use in this Commonwealth, complete the following:*
The fictitious name which the corporation adopts for use in transacting business in this Commonwealth is:

The corporation shall do business in Pennsylvania only under such fictitious name pursuant to the attached resolution of the board of directors under the applicable provisions of 15 Pa.C.S. (relating to corporations and unincorporated associations) and the attached form DSCB:54-311 (Application for Registration of Fictitious Name).

4. The name of the jurisdiction under the laws of which the corporation is incorporated is:

5. The address of its principal office under the laws of the jurisdiction in which it is incorporated is:

Number and street	City	State	Zip
6 Armstrong Rd	Shelton	CT	06484

2012 AUG 31 PM 4:18
PA. DEPT. OF STATE

DSCB:15-4124/6124-2

6. The (a) address of this corporation's proposed registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) Number and street	City	State	Zip	County

(b) Name of Commercial Registered Office Provider	County
c/o: National Registered Agents, INC.	Dauphin

7. *Check one of the following:*

✓ *Business Corporation*: The corporation is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

___ *Nonprofit Corporation*: The corporation is a corporation incorporated for a purpose or purposes not involving pecuniary profit, incidental or otherwise.

IN TESTIMONY WHEREOF, the undersigned corporation has caused this Application for Certificate of Authority to be signed by a duly authorized officer thereof this 31st day of August, 2012.

Discount Power, Inc.
Name of Corporation

[signature]
Signature

VP of Operations
Title

Attachment 2B-2

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

CERTIFICATE OF INCORPORATION

CONNECTICUT STOCK CORPORATION

FILING #0003677549 PG 01 OF 01 VOL B-01154
FILED 05/06/2008 09:00 AM PAGE 03093
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

1. **Name of the Corporation:**
The name of the corporation is: Discount Power, Inc.

2. **Total Number of Authorized Shares:**
The corporation shall be authorized to issue only one class of shares. The number of shares the corporation shall be authorized to issue is 10,000.

3. **Appointment of Registered Agent:**

Name of Agent:	Business Address:
Michael Parrella	40 Kellogg Hill Rd. Weston, Connecticut 06883
	Residence Address: 40 Kellogg Hill Rd. Weston, Connecticut 06883

Acceptance of Appointment

Michael Parrella, Registered Agent

EXECUTION:

Dated this 23 day of April, 2008.

Pardev, LLC, Incorporator
40 Kellogg Hill Rd.
Weston, Connecticut 06883

CERTIFICATE OF AMENDMENT
STOCK CORPORATION
Office of the Secretary of the State

MAILING ADDRESS:
Commercial Recording Division
Connecticut Secretary of the State
P.O. Box 150470
Hartford, CT 06115-0470
860-509-6003

DELIVERY ADDRESS:
Commercial Recording Division
Connecticut Secretary of the State
30 Trinity Street
Hartford, CT 06106
860-509-6003

Refer to Fee Schedule for current fees.

Space For Office Use Only

FILING #0004049840 PG 01 OF 03 VOL B-01346
FILED 11/13/2009 03:23 PM PAGE 02985
SECRETARY OF THE STATE
CONNECTICUT SECRETARY OF THE STATE

1. NAME OF CORPORATION

Discount Power, Inc.

2. THE CERTIFICATE OF INCORPORATION IS (check A, B or C)

_____ A. AMENDED

_____ B. RESTATED

X C. AMENDED AND RESTATED

The restated certificate consolidates all amendments into a single document.

3. TEXT OF EACH AMENDMENT / RESTATEMENT

See Exhibit A attached hereto.

(Please reference an 8 1/2 X 11 attachment if additional space is needed)

11/12/2009 THU 15:41 [TX/RX NO 8417] @004

3. TEXT OF EACH AMENDMENT / RESTATEMENT

1. That Section Two of the Certificate of Incorporation be amended to authorize the issuance of an additional Two Hundred Thousand (200,000) shares of Common stock so that the company has a total of Four Hundred Thousand (400,000) shares of Common stock authorized.

2. That Section Two of the Certificate of Incorporation be amended to authorize the issuance of an additional Two Thousand (2,000) shares of Preferred A stock so that the company has a total of Four Thousand (4,000) shares of Preferred A stock authorized.

3. That Section One of the Certificate of Incorporation be restated to state that the name of the corporation is Discount Power, Inc.

4. That Section Two of the Certificate of Incorporation be restated to authorize and issue Four Hundred Thousand (400,000) shares of Common Stock with a par value of $0.01.

5. That Section Two of the Certificate of Incorporation be restated to authorize the issuance of Four Thousand (4,000) shares of Preferred A stock.

6. That Section Three of the Certificate of Incorporation be restated to authorize and issue two classes of shares. One class shall be known as Preferred A stock and one class shall be known as Common stock. . Each share of Preferred A stock shall have voting rights equal to One Hundred (100) shares of Common stock. The holders of the Preferred A stock shall not be entitled to dividends or any equity distributions. Said Preferred A stock shall be voting shares only. The holders of the Common stock shall be entitled to one vote per share owned. In addition the holders of Common stock shall be entitled to dividends and equity distributions.

7. That Section Four of the Certificate of Incorporation be restated to state that Michael Parrella is appointed as Agent for Service. His home address is 40 Kellogg Hill Rd., Weston, CT 06883. His business address is 40 Kellogg Hill Rd., Weston, CT 06883.

STATE OF CONNECTICUT } SS. HARTFORD
OFFICE OF THE SECRETARY OF THE STATE }

I hereby certify that this is a true copy of record in this Office

In Testimony whereof, I have hereunto set my hand, and affixed the Seal of said State, at Hartford, this 17th day of November A.D. 2009

Susan Bysiewicz

SECRETARY OF THE STATE lyn

CERTIFICATE OF AMENDMENT
STOCK CORPORATION
Office of the Secretary of the State

MAILING ADDRESS:
Commercial Recording Division
Connecticut Secretary of the State
P.O. Box 150470
Hartford, CT 06115-0470
860-509-6003

DELIVERY ADDRESS:
Commercial Recording Division
Connecticut Secretary of the State
30 Trinity Street
Hartford, CT 06106
860-509-6003

Space For Office Use Only **Filing Fee $50.00** **Make Checks Payable To "Secretary of the State"**

1. NAME OF CORPORATION

Discount Power, Inc.

2. THE CERTIFICATE OF INCORPORATION IS (check A, B or C)

X **A. AMENDED**

___ **B. RESTATED**

___ **C. AMENDED AND RESTATED**

The restated certificate consolidates all amendments into a single document.

3. TEXT OF EACH AMENDMENT / RESTATEMENT

1. That the corporatin be authorized to issue two classes of shares. Class One to be known as Preferred A stock and Class Two be known as Common Stock.
2. That the corporation be authorized to issue ~~3,125~~ 2,000 shares of Preferred A Stock. Preferred A Stock shall be voting stock with each share of Preferred Stock being equal to 100 shares of Common Stock. The holders of Preferred A Stock shall not be entitled to dividends and shall be voting stock only.
3. That the corporation be authorized to issue ~~312,500~~ 190,000 shares of common stock. Each share of common stock is entitled to one vote. Common stockholders are entitled to receive dividends if so declared.

(Please reference an 8 1/2 X 11 attachment if additional space is needed)

Space For Office Use Only

4. VOTE INFORMATION (check A, B or C)

X A. The amendment was approved by shareholders in the manner required by sections 33-600 to 33-998 of the Connecticut General Statutes, and by the Certificate of Incorporation.

____ B. The amendment was approved by the incorporators. No shareholder approval was required.

____ C. The amendment was approved by the board of directors. No shareholder approval was required.

5. EXECUTION

Dated this 16th day of September, 20 08.

David S. FEldman	Secretary	[signature]
Print or type name of signatory	Capacity of signatory	Signature

Revised 1/2008

DISCOUNT POWER, INC

AMENDED BY-LAWS

ARTICLE I

OFFICES

Section 1.1. Registered Office. The registered office of the Corporation shall be in the City of Shelton, County of Fairfield, State of Connecticut, or at any such place as the Board of Directors may approve.

Section 1.2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Connecticut as the board of directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETING OF STOCKHOLDERS

Section 2.1. Time and Place of Meetings. All meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, within or without the State of Connecticut, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.2. Annual Meetings. Annual meetings of stockholders shall be held at such date and time as shall be designated from time to time by the board of directors and stated in the notice of the meeting, at which meeting, the stockholders shall elect by a plurality vote or by written ballot a board of directors and transact such other business as may properly be brought before the meeting.

Section 2.3. Notice of Annual Meetings. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten or more than sixty days before the date of the meeting.

Section 2.4. Special Meeting. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by Certificate of Incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of a majority of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the Corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 2.5. Notice of a Special Meeting. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given not less than ten nor more than sixty days before the date of the meeting, to each stockholder entitled to vote at such meeting.

Section 2.6. Quorum. To constitute a quorum for the transaction of business at any meeting of the Stockholders, there must be present, in person or by proxy, the holders of a majority of the issued and outstanding shares of stock of the Corporation..

Section 2.7. Action by Stockholders.. When a quorum is present at any meeting, the vote of the holders of Sixty (60%) percent of the stock having voting power present in person or represented by the proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of these By-Laws, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 2.8 Action by Stockholders Requiring Super Majority. The affirmative vote of the holders of Seventy Five (75%) percent of the issued and outstanding stock of the Corporation shall be required for the following actions to be decided at any Stockholders' meeting: Any sale of all or substantially all of the company's assets, A reverse stock split; The filing of any Registration Statement in connection with the public offering of the company's shares.

Section 2.9. Voting. Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the common stock having voting power held by such stockholder. Each stockholder shall at every meeting of the stockholders be entitled to one hundred votes in person or by proxy for each share of the preferred stock having voting power held by such stockholder

Section 2.10. Written Action. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less the minimum number of votes that would be necessary to authorize or to take such action at a meeting at which all shares entitled to vote thereon were present and voted.

ARTICLE III

DIRECTORS

Section 3.1. Number and Term. The board of directors shall consist of six (6) directors. For so long as Hocon Power, Inc. holds shares of Class A Preferred Stock and at least One

Hundred Thousand (100,000) shares of Common Stock , it shall designate three (3) of the directors to be elected to the Board (each a " Hocon Designee" and collectively, the "Hocon Designees"). For so long as Pardev, LLC holds shares of Class A Preferred Stock and at least One Hundred Thousand (100,000) shares of Common Stock , it shall designate three (3) of the directors to be elected to the Board (each a "Pardev Designee" and collectively, the "Pardev Designees") and one of those Designees shall serve as Chairman of the Board. Thereafter, within the limits above specified, the number of directors shall be determined by resolution of the board of directors or by the stockholders at the annual meeting or special meeting. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 3.2, and each director elected shall hold office until his or her successor is elected and qualified. Directors need not be stockholders.

Section 3.2. Vacancies and New Directorships. Vacancies on the Board will be filled by the party or parties who designated the Director creating the vacancy. Newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3.3. Powers. The business and affairs of the Corporation shall be managed by or under the direction of its board of directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-laws directed or required to be exercised or done by the stockholders.

Section 3.4. Action by the Board of Directors. Any action of the Board, except as for those actions identified below, shall require approval of at least 51% of the votes allocated to the directors at a meeting of the Board at which a quorum is present. For so long as Hocon Power, LLC has any indebtedness owed to it by the Corporation, or is a guarantor of any liability of the Corporation , each Hocon Designee shall be entitled to one and one half votes each, at any meeting of the Board.. The following actions of the Board shall require a super majority of the Board. A super majority is defined as eighty percent (80%) of the members of the Board of Directors. Those actions that require a super majority are:

(a) appointment, removal and compensation (including benefits) of any employee or Officer other than the Chief Financial Officer of Discount;

(b) approve the Annual Plan of Discount or make or commit to capital expenditures in excess of those contemplated by the then applicable Annual Plan ;

(c) materially change, amend or modify the scope of Discount's operations or business ;

(d) enter into any transaction or series of related transactions involving the disposition, sale or other transfer of all or substantially all of the assets (including securities of Subsidiaries) or properties of Discount or any of its Subsidiaries ;

(e) enter into any transaction or series of related transactions involving the purchase or acquisition of assets (including securities of Subsidiaries) or properties in an amount exceeding US$1Million in a single transaction or series of related transactions ;

(f) incur any Indebtedness or provide Guarantees in an amount exceeding US$5 million in a single transaction or series of related transactions (exclusive of the Indebtedness and Guarantees that have been included in the Annual Plan approved by the Board);

(g) issue any Shares of Discount other than Exempted Shares;

(h) amend, modify or restate the Bylaws or Articles of Incorporation;

(h) declare or pay any dividend or make any distribution on or with respect to the Shares (including, without limitation, by way of repurchase); or

(j) make any filing for the appointment of a receiver or administrator for the winding up, liquidation, bankruptcy or insolvency of Discount or any of its Subsidiaries or otherwise pursue bankruptcy or insolvency proceedings, unless otherwise required by applicable Law.

Section 3.5. Place of Meetings. The board of directors of the Corporation may hold meetings, both regular and special, either within or without the State of Connecticut.

Section 3.6. Regular Meetings. Regular meetings of the board of directors may be held without notice at such time and such place as shall from time to time be determined by the board.

Section 3.7. Special meetings. Special meetings of the board may be called by the chairman of the board or by the president on three day's written notice to each director, either personally or by mail or by telegram; special meetings of the board shall be called by the president or secretary in like manner and on like notice on written request of any director

Section 3.8. Quorum. The parties hereto will cause the Board to meet at least once every quarter. A quorum of the Board shall consist of a properly called meeting of the Board at which at least 51% of the full Board is present including at least (i) one Hocon Designee and one Pardev Designee. Resolutions of the Board shall be adopted by a vote of 51% of the votes allocated to members of the Board at a meeting of the Board at which a quorum is present except as otherwise expressly provided in this Agreement. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 3.9. Written Action. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, any action required or permitted to be taken at any meeting of the board of directors or any of the committee thereof may be taken without meeting, if all members of the board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes or proceedings of the board or committee.

Section 3.10. Participation in Meetings by Conference Telephone. Unless otherwise restricted by the Certificate of Incorporation or these By-laws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 3.11. Committees. The board of directors may from time to time, by resolution passed by a majority of the whole board of directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The board of directors may designate one or more directors of the Corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and in the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which it may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the same issuance of shares of stock adopted by the board of directors, fix designation and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the Corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the Corporation), adopting an agreement of merger or consolidation under the General Corporation Laws of the State of Connecticut, recommending to the stockholders the sale; lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholder a dissolution of the Corporation or a revocation of a dissolution, or amending the By-laws of the Corporation; and, unless the resolution designating such committee expressly so provides, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to the General Corporation Laws of the State of Connecticut.

Unless otherwise ordered by the board of directors, a majority of the members of any committee appointed by the board of directors pursuant to this section shall constitute a quorum at any meeting thereof, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of such committee. Any such committee shall prescribe its own rules for calling and holding meetings and its method of procedure, subject to any rules prescribed by the board of directors, and shall keep written record of all action taken by it and report the same to the board of directors when required.

ARTICLE IV

NOTICES

Section 4.1. Generally. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or these By-laws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his or her address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the same time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram or telephone.

Section 4.2. Waiver. Whenever any notice is required to be given under the provisions of the statutes or the Certificate of Incorporation or of these By-laws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

OFFICERS

Section 5.1 Generally. The officers of the Corporation shall be chosen by the board of directors and shall be a President, a vice president and a secretary. The board of directors may also choose a chairman of the board of directors, a vice chairman of the board of directors, one or more additional vice-presidents, a treasurer, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these By-laws otherwise provide.

Section 5.2. Compensation. The compensation of all officers and agents of the Corporation who are directors of the Corporation shall be fixed by the board of directors. The board of directors may delegate the power to fix the compensation of all other officers and agents of the Corporation to an officer of the Corporation.

Section 5.3. Succession. The officers of the Corporation shall hold office until their successors are chosen and qualified. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the Corporation shall be filled by the board of directors.

Section 5.4. Authorities and Duties. The officers of the Corporation shall have such authority and shall perform such duties as are customarily incident to their respective offices, or as may be specified from time to time by the directors regardless of whether such authority and duties are customarily incident to such office.

ARTICLE VI

CERTIFCATES OF STOCK

Section 6.1 Certificates. Every holder of stock in the Corporation shall be entitled to have certificate, signed by, or in the name of the Corporation by the president or a vice-president and the secretary or an assistant secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

Section 6.2. Transfer. Upon surrender to the Corporation or the transfer of agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to, or to cause its transfer agent to, issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

Section 6.3. Lost, Stolen or Destroyed Certificates. In the event of loss, theft or destruction of any certificate for shares, another may be issued in its place pursuant to such requirements as the board of directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

ARTICLE VII

IDEMNIFICATION OF DIRECTORS AND OFFICERS

Each person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise (including the hers executors, administrators or estate of such person) shall be indemnified by the Corporation to the full extent permitted or authorized by the General Corporation Laws of the State of Connecticut. The Corporation may, but shall not be obligated to, maintain insurance, at its expense, for its benefit in respect of such indemnification and that any such person whether or not the Corporation would otherwise have the power to indemnify such person.

ARTICLE VIII

GENERAL PROVISIONS

Section 8.1. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the board of directors at regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 8.2. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 8.3. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

Section 8.4. The fiscal year of the Corporation shall be fixed by resolution of the board of directors.

Section 8.5. The board of directors may adopt a corporate seal and use the same by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IX

AMENDMENTS

These By-laws may be altered, amended or repealed or new By-laws may be adopted by the stockholders or the board of directors.

I, Jonathan Parrella ,as President of Discount Power, Inc. , hereby certifies that the foregoing Bylaws were adopted by a super-majority of the Stockholders and all of the Board of Directors of Discount Power, Inc. on the 12th day of November, 2009.

Jonathan Parrella -President

Attachment 2B-3

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

David Feldman –Vice President – 6 Armstrong Road, Shelton, CT 06484

David Gable –President & Director-6 Armstrong Road, Shelton, CT 06484

Gino Tarantino-CFO & Director-6 Armstrong Road, Shelton, CT 06484

William Petroccio-Senior Vice President & Director-One Post Road, Fairfield CT

Michael Ferreri-Chief Marketing Officer & Director-98 Center Street, Southington, CT

John Basile – Director – 15 Benton Drive, East Longmeadow MA 01028

Forrest Crisman 37 Pembroke Hill Farmington, CT 06032

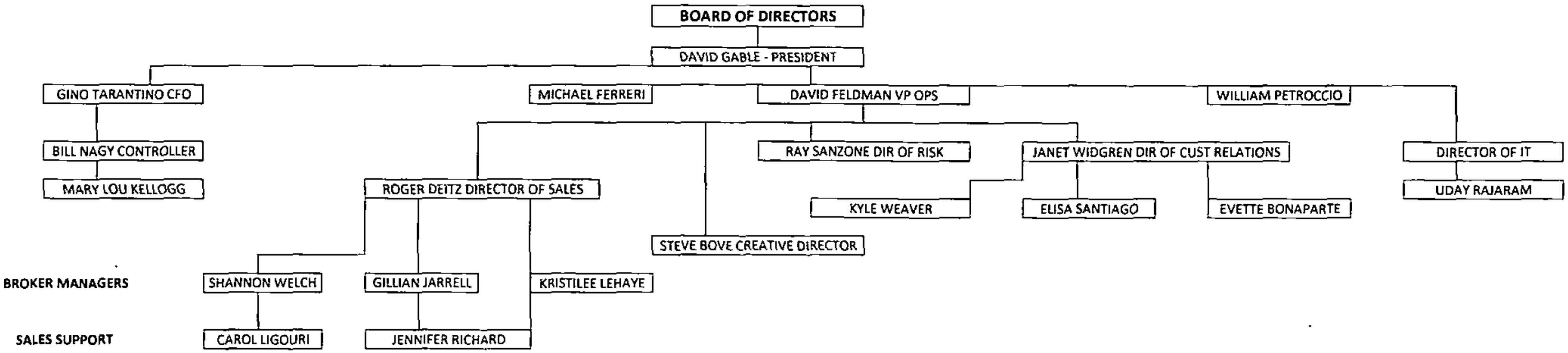
Attachment 7B-1

RECEIVED

SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DISCOUNT POWER, INC. ORGANIZATIONAL CHART



Attachment 7B-2

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DISCOUNT POWER, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS AND
CONSOLIDATED SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2010 AND 2009

DISCOUNT POWER, INC. AND SUBSIDIARY

Cohen, Burger, Schwartz & Sax, LLC
Certified Public Accountants & Business Consultants

Independent Auditors' Report

Edward P. Burger, CPA
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Members of the:
American Institute of Certified Public Accountants

Connecticut Society of Certified Public Accountants

Board of Directors
Discount Power, Inc. and Subsidiary
Shelton, Connecticut

We have audited the accompanying consolidated balance sheets of Discount Power, Inc. and Subsidiary as of December 31, 2010 and 2009 and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As disclosed in Note 13 to the financial statements, generally accepted accounting principles require recognition of the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Management has informed us the company has not evaluated whether it has any uncertain tax positions for possible consideration. The effect of this departure on the financial statements has not been determined.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Discount Power, Inc. and Subsidiary as of December 31, 2010 and 2009 and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 17 to the financial statements, in April 2011, the Company discovered there were certain irregularities that occurred regarding the calculation and recording of commission expense. The Company has determined that the financial impact was not significant and there were not any adjustments that should be recorded to the consolidated financial statements for the year ended December 31, 2010.

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Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedules I through III is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Cohen, Burger, Schwartz & Sax, LLC

Cohen, Burger, Schwartz & Sax, LLC

May 4, 2011

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31,

ASSETS

	2010	2009
Current Assets		
Cash	$ 403,002	$ 575,092
Restricted cash	275,127	25,018
Accounts receivable, net of allowance for doubtful accounts of $17,381 and $0 for 2010 and 2009, respectively	475,400	-
Due from Factor	1,548,202	-
Derivative assets	1,303,931	-
Other current assets	43,416	13,454
Total current assets	4,049,078	613,564
Property and Equipment - Net	232,501	154,030
Other Assets		
Website development - net of accumulated amortization of $24,796 and $13,267 in 2010 and 2009, respectively	9,791	21,319
Factoring origination fees, net of accumulated amortization of $43,452 and $0 in 2010 and 2009, respectively	165,120	-
Investment, net of allowance of $50,000 and $0 for 2010 and 2009, respectively	151,614	202,176
Other assets	49,965	40,000
Total other assets	376,490	263,495
Total Assets	$ 4,658,069	$ 1,031,089

LIABILITIES AND STOCKHOLDERS' DEFICIT

	2010	2009
Current Liabilities		
Accounts payable	$ 64,482	$ 198,145
Accrued expenses	2,884,643	21,200
Notes payable - related party - current portion	222,000	148,000
Notes payable	-	50,000
Due to related parties	22,117	105,441
Total current liabilities	3,193,242	522,786
Long-Term Debt - Related Party	1,880,000	852,000
Stockholders' Deficit	(415,173)	(343,697)
Total Liabilities and Stockholders' Deficit	$ 4,658,069	$ 1,031,089

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Operating Revenues	$ 21,455,197	$ 1,454
Cost of Goods Sold	17,591,907	-
Gross Margin	3,863,290	1,454
Operating Expenses		
Selling expenses	1,553,175	19,135
Start-up costs	1,095	21,875
General and administrative expenses	1,326,629	753,958
Total operating expenses	2,880,899	794,968
Operating Income (Loss)	982,391	(793,514)
Other (Income) & Expense		
Interest expense - net	449,938	23,590
Valuation allowance on investments	50,000	-
Factoring fees	245,191	-
Board of director fees	290,000	-
Officers' salaries	290,000	-
Total other (income) & expense	1,325,129	23,590
Net Loss	$ (342,738)	$ (817,104)

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Preferred A - Voting		Common Stock - Voting		Paid in	Unrealized Gain/Loss	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Derivatives	Deficit	Deficit
Balance December 31, 2008	2,000	$ 10,000	166,500	$ 16,650	$ 324,350	$ -	$ (411,644)	$ (60,644)
Issuance of preferred stock	2,000	10,000	-	-	-	-	-	10,000
Issuance of common stock	-	-	233,500	23,350	500,701	-	-	524,051
Net loss	-	-	-	-	-	-	(817,104)	(817,104)
Ending Balance December 31, 2009	4,000	20,000	400,000	40,000	825,051	-	(1,228,748)	(343,697)
Comprehensive income:								
Net (loss) arising during the year	-	-	-	-	-	-	(342,738)	(342,738)
Unrealized gain from derivatives	-	-	-	-	-	271,262	-	271,262
Total comprehensive (loss)	-	-	-	-	-	-	-	(71,476)
Ending Balance December 31, 2010	4,000	$ 20,000	400,000	$ 40,000	$ 825,051	$ 271,262	$ (1,571,486)	$ (415,173)

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Cash Flow From Operating Activities		
Net loss	$ (342,738)	$ (817,104)
Adjustment to reconcile net loss to net cash provided by (used in) operating activities:		
Amortization	99,833	50,684
Depreciation	35,547	4,493
Valuation allowance on investment	50,000	
Unrealized gain from dervatives	271,262	-
Change in current assets and liabilities:		
Accounts receivable	(475,400)	-
Due from Factor	(1,548,202)	-
Derivative assets	(1,303,931)	-
Other current assets	(29,962)	(13,454)
Accounts payable	(133,663)	102,051
Accrued expenses	2,863,443	21,200
Net Cash (Used) In Operating Activities	(513,811)	(652,130)
Cash Flow From Investing Activities		
Security deposit	(3,600)	(14,000)
Investment	562	(202,176)
Purchase of property and equipment	(93,926)	(79,379)
Purchase of computer software	(64,945)	(9,145)
Factoring origination fees	(208,572)	-
Domain name	(6,365)	-
Website development	-	(1,511)
Net Cash (Used) In Investing Activities	(376,846)	(306,211)
Cash Flows From Financing Activities		
Capital contributions	-	534,051
Proceeds from notes payable	2,500,000	50,000
Payments on notes payable	(2,550,000)	(25,000)
Proceeds from notes payable - related party	2,650,000	1,000,000
Payments on notes payable - related party	(1,548,000)	-
Payments to related parties	(83,324)	(3,444)
Net Cash Provided By Financing Activities	968,676	1,555,607
Net Increase In Cash	78,019	597,266
Cash at Beginning of Year	600,110	2,844
Cash at End of the Year	$ 678,129	$ 600,110

See independent auditors' report and notes to consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 – Organization

Discount Power, Inc. was incorporated on May 6, 2008 under the laws of the State of Connecticut. Discount Power Inc.'s operating facilities are located in Shelton, Connecticut. The Company was formed to supply residential, commercial, industrial, and municipal users with a comprehensive suite of electric energy alternatives and value-added services that maximize savings, lower consumption and protect the environment

In prior years, the Company reported as a development stage entity. As of February 1, 2010, the Company is no longer in the development stage as operations have begun and its revenues have reached a sufficient level to sustain ongoing operating costs.

NOTE 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Discount Power, Inc. and Subsidiary (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to Generally Accepted Accounting Principles ("GAAP") and have been consistently applied in the preparation of the financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Discount Power, Inc. and its wholly owned subsidiary, Discount Power New York, LLC. All material intercompany accounts and transactions have been eliminated.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts. Accounts at financial institutions are secured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2010 and 2009, amounts in excess of the insurance limits totaled approximately $55,629 and $286,185, respectively.

Concentrations of credit with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Revenues and Accounts Receivable

Revenues related to the sale of energy are generally recognized when service is rendered or energy is delivered to customers. However, the determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are reported and/or estimated and the corresponding unbilled revenue is accrued. In making its estimates of unbilled revenue, the Company's Electronic Data Interchange provider ("EDI") uses complex models that consider various factors including daily generation volumes, known amounts of energy usage by certain customers, estimated line losses, and rates that are assigned to each customer in accordance with the pricing program that the customer has agreed to. Given the use of these models, and that customers are billed on a monthly cycle, the Company believes it is unlikely that materially different results will occur

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Revenues and Accounts Receivable (Continued)

in future periods when revenue is billed. At December 31, 2010 and 2009, customer accounts receivables include unbilled energy revenues of $2,235,646 and $0, respectively. (See Note 5)

The provision for doubtful accounts on the accompanying consolidated statements of operations was $17,381 and $0 for the years ended December 31, 2010 and 2009, respectively. Because of State of Connecticut legislation, uncollectable accounts are based on historical percentages determined by the Utilities who bill and collect sales for the Company.

Suppliers

The Company purchases its physical electricity supply from the New England Power Pool ("ISO"). The ISO is the entity that is responsible for the continuity of supply of electricity throughout New England. The Company is a registered supplier in the State of Connecticut and a member of the ISO. As a member, the Company has the right to purchase physical electricity through the ISO for delivery to its customers, provided the Company meets the financial assurance ("FA") requirements of the ISO. The Company utilizes letter of credits in order to post the necessary FA with the ISO to facilitate physical purchases of electricity (See Note 15).

The Company is required by a Department of Public Utilities Control ("DPUC") mandate, to purchase 14% of its total Connecticut portfolio of electricity supply from renewable sources. Over the course of 2010, the Company entered into several transactions that allowed the Company to meet these portfolio requirements by purchasing Renewable Energy Credit Certificates ("REC"). The REC's are purchased by class and volumes are determined based upon actual and projected portfolios. REC expense for the year ended December 31, 2010 and 2009 was $327,413 and $0, respectively.

Property and Equipment

Property and equipment is stated at cost. Depreciation for financial reporting purposes is provided for on the straight-line method over the estimated useful lives of the related assets, which is generally three to five years for office equipment and furnishings. Depreciation for the years ended December 31, 2010 and 2009 was $35,547 and $4,493, respectively. Maintenance and repairs are charged to expense as incurred, costs of renewals and betterments are capitalized. Upon retirement or sale, the cost of disposed assets and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in income.

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Computer Software

Expenditures for major software purchases and software developed or obtained for internal use are capitalized and amortized over a three to five year period on a straight-line basis. For software developed or obtained for internal use, the Company capitalizes costs in accordance with the provisions of Financial Accounting Standards Board, Accounting Standards Codification ("FASB ASC") 350-40, Internal Use Software.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Computer Software (Continued)

The Company's policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. The Company expenses internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities. Amortization expense was $44,852 and $50,000 for the years ended December 31, 2010 and 2009, respectively.

Investments

Investments over which the Company does not have the ability to exert significant influence over the investees' operating and financial activities are accounted for under the cost method of accounting.

Organization and Start-Up Costs

Organization and start-up costs are expensed as incurred.

Marketing and Promotion Costs

Marketing and promotion costs, including advertising, branding, and marketing programs, are expensed when incurred. For the years ended December 31, 2010 and 2009, marketing and promotion expense was $123,605 and $19,135, respectively.

Compensated Absences

The Company allows full-time employees to receive compensation for vacation and sick leave. Compensated absences for vacation and sick pay have not been accrued since they cannot be reasonably estimated, but are expensed as incurred.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently payable plus deferred taxes. Deferred income taxes are provided for the estimated income tax effect of temporary differences between the financial statement and tax bases of assets and liabilities. Deferred tax assets are also provided for certain tax loss carryforwards and tax credit carryforwards. A valuation allowance is established to reduce deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred income taxes measured using the enacted tax rates that are assumed will be in effect when the asset and liability basis differences reverse and or when the tax loss carryforwards and tax credit carryforwards are utilized or expired.

Fair Value of Financial Instruments

The Company's financial instruments are cash, investments, derivatives, notes receivable, accounts payable, notes payable and long-term debt. The recorded values of cash, accounts receivable, and accounts payable approximate their fair values based on their short-term nature. The recorded values of notes payable and long-term debt approximate their fair values, as interest approximates market rates. The recorded value of the Company's notes receivable reflects cost which management believes approximates fair value. Derivatives are recorded at fair value. (See Note 4)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates, Risks and Uncertainties

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

The Company currently operates in the Connecticut deregulated electricity market. The business is regulated by the DPUC, state laws, and legislation. These laws and regulations, among other things, establish licensing requirements; regulate the Company's application procedures; code of conduct for sales; establish maximum fees and late charges; require specified disclosures to customers; governs interaction between utilities and the Company; and govern collection practices. Any adverse change in or interpretation of existing laws or regulations or the failure to comply with any such laws and regulations could result in fines, class-action litigation, or interruption or cessation of certain business activities by the Company. Any of these events could have a material adverse effect on the Company's business. In addition, there can be no assurance that amendments to such laws and regulations or new or more restrictive laws or regulations or interpretations, thereof will not be adopted in the future which may make compliance more difficult or expensive; further limit or restrict fees and other charges; curtail the operations of the Company; restrict the Company's ability to expand its operations in the state; or otherwise materially adversely affect the business or prospects of the Company.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year's presentation.

Note 3 – Investments

Investment in Corvox, LLC is accounted for under the cost method due to management's current assessment of the Company's influence over this investment. The fair value of this investment has been determined by Corvox, LLC in good faith in consideration of the absence of a readily available market value. Because of the inherent uncertainty of valuation, Corvox, LLC determined values might differ significantly from the value that would have been used had a ready market existed for the investment, and the difference could be material. For the year ended December 31, 2010, the Company has determined that the value of this investment has decreased and therefore has recorded a $50,000 valuation allowance in the statement of operations.

In June 2010, the Company and three of its energy brokers formed a new entity, Conservation Partners, LLC, the purpose of which was to engage in energy audits. The Company has a 25% interest in this entity.

Note 4 – Derivative Assets

The Company uses derivatives to manage risks related to electricity commodity price movements. Electricity commodity price swap contracts designated and qualifying as cash flow hedges are reported at fair value. In accordance with the FASB ASC topic, Derivatives and Hedging, the gain or loss on the effective portion of the hedge initially is included as a component of other comprehensive income and is subsequently reclassified into earnings when the swap positions are sold or delivered. The Company documents its risk management strategy and hedge effectiveness at the inception of and during the term of each hedge.

Note 4 – Derivative Assets (Continued)

The Company's electricity commodity price management strategy is to stabilize cash flow and assure gross profit requirements by maintaining electricity commodity swap contracts to convert variable priced electricity to fixed price electricity. Net gain from hedging which was recognized as a decrease of purchases for the year ended December 31, 2010 and 2009 was approximately $1,233,556 and $0, respectively. The Company had $1,303,931 and $0 of hedge contracts recorded as Derivative Assets on the December 31, 2010 and 2009 consolidated balance sheets, respectively.

Note 5 – Sale of Accounts Receivables

In August 2010, the Company entered into a two year Factoring Agreement (the "Agreement") to sell a substantial portion of its receivables with recourse, arising from the sale of electricity, with a third party (the "Factor"). The Agreement was amended in December 2010, to increase the amount of financial assurance permitted under the Agreement. Thirty percent of the facility may be utilized to issue credit support in the form of standby letters of credit to be used as financial assurance required by wholesalers under energy purchase agreements. The facility may not exceed $10,000,000 including the credit support. The facility is collateralized by substantially all assets of the Company. The Factor holds 15.75% of all monthly payments in reserve to be used for monthly ancillary expenses, which are associated with the purchase of electricity. The facility is personally guaranteed by two of the Company's shareholders and the managing member of a shareholder. The Agreement specifies certain restrictive covenants primarily concerning hedging activities and financial statement requirements. There are various fees (i.e.: factoring fees, collateral monitoring service fees) and interest that is charged under this Agreement. The Factor may cancel the Agreement at any time with 30 days notice. The Company must notify the Factor 60 days prior to maturity to terminate the Agreement.

In accordance with FASB ASC, Transfers of Financial Assets, the Company records the transactions as a sale of receivables, removes such receivables from its financial statements, and records a receivable for the retained interest in such receivables. The losses on the sale of receivables are recognized in the Statement of Operations. This loss is determined at the time the accounts receivable are sold and recorded accordingly. As of December 31, 2010 and 2009, accounts receivable sold and outstanding were $5,035,263 and $0, respectively.

Note 6 – Loan/Factoring Acquisition Fees

Loan fees of $75,000 were incurred in obtaining a short-term note from Cranbury Farms, LLC. (See Note 8). This fee has been expensed as the debt was repaid in 2010.

Origination fees of $208,572 were incurred in connection with the Factoring Agreement. (See Note 5). Amortization on the factoring fee was computed based on the life of the Agreement. Amortization expense for the years ended December 31, 2010 and 2009 was $43,452 and $0, respectively

Note 7 - Lines of Credit

In May 2010, the Company entered into a $2.5 million line of credit agreement with a private lender. The line of credit was to expire on October 31, 2010. Interest on the line of credit was 18% per annum. The Company had utilized $2.5 million of the line during 2010 and repaid the balance in August 2010.

In November 2009, the Company entered into an agreement for a $1,250,000 line of credit from Hocon Power, LLC (a related party – see Note 9). Amounts could be withdrawn from the line of credit beginning January 2010. The line of credit expires in February 2014. Interest on the line of credit was at

Note 7 - Lines of Credit (Continued)

prime plus three percent. Effective August 1, 2010, the Agreement was amended to increase the interest rate to 12% per annum. Payments of interest are due monthly. Beginning in February 2012, the Company is required to make interest and principal payments. As of December 31, 2010, $1,250,000 has been utilized from the line of credit.

Interest expense on the lines of credit for the year ended December 31, 2010 was $178,774.

Note 8 – Notes Payable

The Company issued a collateralized promissory note to Hocon Power, LLC for $1,000,000. The note is secured by a subordinated lien, second to the Factor (See Note 5), on accounts receivable and all other assets. Hocon Power, LLC also has a personal guarantee from the, chairman, former president and secretary of the corporation. The note has a stated interest rate of prime plus 3% (with interest not to be less than 6%). The note is due in November 2014; however, no payments were required prior to May 1, 2010. Beginning May 1, 2010 principal payments of $18,500, plus interest are required. The balance at December 31, 2010 and 2009 was $852,000 and $1,000,000, respectively.

In December 2008, the Company borrowed $25,000 from a private lender on a short-term note payable. The debt was repaid in November 2009 including interest of $1,250.

In March 2009, the Company borrowed $50,000 from a private lender on a short-term note payable at 10% interest. The loan was repaid in January 2010, including interest of $5,000.

In August 2009, the Company borrowed $50,000 from a former employee on a short-term note payable. The debt was repaid in November 2009 including interest of $7,500.

On July 9, 2010, the Company entered in a $700,000 note payable with Cranbury Farms, LLC. The member of Cranbury Farms, LLC is a member of Hocon Power, LLC which is a shareholder of the Company. The note was due September 2, 2010 and interest on the note was at 12% per annum. The note was repaid in August 2010.

Additionally on July 9, 2010, the Company borrowed $100,000 from an employee with a stated interest rate of 6% per annum. The note was repaid in July 2010.

Aggregate maturities of long-term debt at December 31, 2010, are as follows:

Year Ending December 31,	
2011	$ 222,000
2012	626,412
2013	663,176
2014	590,412
	$2,102,000

Interest expense on notes payable for the years ended December 31, 2010 and 2009 was approximately $272,511 and $24,000, respectively.

Note 9 – Related Party Transactions

The Company is related to several other entities through common ownership. Transactions with these related parties are described below.

Employee Note Payable

In 2009, the Company borrowed $50,000 from a former employee. The note was repaid by the issuance of 4,000 shares of the Company's common stock in November 2009. (See Note 8).

Additionally on July 9, 2010, the Company borrowed $100,000 from an employee. The note had a stated interest rate of 6%. The note was repaid in August 2010. (See Note 8).

Hocon Power, LLC

In November 2009, the Company entered into an Investment Agreement with Hocon Power, LLC, whereby Hocon Power, LLC committed to, among other things, an investment of $260,000 in the Company's equity. The Company consummated the following transactions pursuant to the Investment Agreement:

- Hocon Power, LLC invested $260,000 and received 208,000 shares of the Company's common stock and 2,000 shares of Preferred A for a 52% interest in the Company.
- The Company issued a collateralized promissory note to Hocon Power, LLC for $1,000,000. The balance at December 31, 2010 and 2009 was $852,000 and $1,000,000, respectively. (See Note 8.)
- A $1,250,000 line of credit from Hocon Power, LLC. Amounts could be withdrawn from the line of credit beginning January 2010. As of December 31, 2010, $1,250,000 has been utilized from the line of credit. (See Note 7).
- Hocon Power, LLC is the majority shareholder of the Company.

In addition, Hocon Power, LLC has a Strategic Alliance Agreement with the Company. As a strategic partner, Hocon Power, LLC assists the Company in enrolling subscribers for the Company's energy service and receives a commission on each subscriber. The Hocon Power, LLC service fee rate is as follows:

- $.005 mils per kilowatt-hour for all subscribers enrolled by or through Hocon Power, LLC, its affiliates or any sub-brokers of Hocon Power, LLC or its affiliates. Any commissions for Hocon Power, LLC subscribers are split with any sub-brokers in accordance with Hocon's agreement with such sub-broker.
- Hocon Power, LLC receives an additional service fee rate of $.001 mils per kilowatt-hour on all subscribers and customers of the Company other than Hocon Power, LLC subscribers, regardless of whether the subscriber was produced by any master broker, strategic alliance partner, sub-broker, or any other customer source of the Company.
- Hocon Power, LLC also receives $.002 mils per kilowatt-hour override on all strategic alliance brokers set-up directly by Hocon Power, LLC.

Commissions earned by Hocon Power, LLC under the Strategic Alliance Agreement were $297,200 and $0 for the years ended December 31, 2010 and 2009, respectively.

Cranbury Farms

In 2010, the Company entered in a note payable with Cranbury Farms, LLC, (the member of Cranbury Farms, LLC is a member of Hocon Power, LLC which is a shareholder of the Company). (See Note 8)

Note 9 – Related Party Transactions (Continued)

Hocon Gas, Inc.

In October 2010, the Company entered into a sublease with Hocon Gas, Inc. (the sole shareholder of Hocon Gas, Inc. is a member of Hocon Power, LLC) to lease an additional 1,422 square feet of office space. (See Note 11).

Corvox, LLC

Corvox, LLC is a shareholder of the Company and the Company has 10% interest in Corvox, LLC (See Note 3). Corvox, LLC has a Strategic Alliance Agreement with the Company. As a strategic partner, Corvox, LLC assists the Company in enrolling subscribers for the Company's energy service and receives a commission on each subscriber. The Corvox, LLC service fee rate is $.004 mils per kilowatt-hour for all subscribers enrolled through Corvox or any sub-brokers or affiliates.

Commissions earned by Corvox, LLC under the Strategic Alliance Agreement were $32,536 and $0 for the years ended December 31, 2010 and 2009, respectively.

Other Related Party Transactions

The Company has entered into various other related party transactions throughout the years ended December 31, 2010 and 2009. These related parties consist of the following:

- Michael Parrella – Chairman and stockholder.
- Jonathan Parrella – Former president and stockholder.
- David Feldman – Secretary, vice president of operations and stockholder.
- Four Crystal Funding, Inc. – a public company in which the chairman of the Company is the chairman and chief executive officer of Four Crystal Funding, Inc. ("Four Crystal"). In addition, the chairman and former president of the Company are shareholders of Four Crystal.
- Spyder Technologies – 100% owned by the former president of the Company.
- Pardev Consulting – a shareholder of the Company. The chairman and former president of the Company have significant ownership in Pardev Consulting.
- Orchard Hill, LLC – the former president of the Company is part of the management committee of Orchard Hill, LLC and has a 10% interest in Orchard Hill, LLC.
- Law Offices of David S. Feldman, LLC – the secretary of the corporation and a shareholder of the Company is the sole owner of this entity.

Related party transactions not specifically identified elsewhere in the financial statements are as follows:

Accounts payable to related parties was $0 and $105,441 for the years ended December 31, 2010 and 2009, respectively.

Due from related parties of $8,912 at December 31, 2010 represents amounts advanced to an employee and a relative of the former President and two shareholders of the Company. This has been classified in current assets as the Company expects to be repaid during 2011. Due from related parties of $26,000 at December 31, 2010 and 2009, represents amounts advanced to two of the Company's shareholders. Management does not expect to receive repayment in the near term.

Note 9 – Related Party Transactions (Continued)

Amounts paid to related parties are as follows for the years ended December 31,

	2010	2009
Consulting services	$75,000	$130,000
Outside services	-	196,477
Legal and professional	-	12,500
	$75,000	$338,977

NOTE 10 – Website Development

Costs for website development are primarily for the initial design and implementation of the Company's website and are being amortized over a 3-year period.

Amortization expense was $11,529 and $13,267 for the years ended December 31, 2010 and 2009, respectively.

Note 11– Operating Leases

The Company entered into a lease agreement with Armstrong Park Associates, LLC on November 11, 2009 to lease approximately 5,400 square feet of commercial property in Shelton, Connecticut to be used as their office space. For the first year, the Company leased the office space for $9,180 per month (this includes $672 for the Company's allocable share of tenant space electric costs) with an increase in each subsequent year. During the first two lease years only, so long as the Company is not in default under the lease, a credit against the base rent in the amount of $2,180 per month in lieu of any payment by the Landlord towards the cost of preparing the premises for occupancy. In April 2010, the Company reduced the square footage of its office space by 572 square feet. As such, the lease agreement with Armstrong Park has been amended and the Company's lease payments and base electric charge was reduced by $977 per month commencing October 2010. The lease term is for a five year period beginning November 12, 2009 and ending November 11, 2014.

Rent expense under this arrangement amounted to approximately $80,176 and $11,670 for the years ended December 31, 2010 and 2009.

In October 2010, the Company entered into a sublease with Hocon Gas, Inc. (the sole shareholder of Hocon Gas, Inc. is a shareholder of Hocon Power, LLC) to lease an additional 1,422 square feet of office space. The term of the lease is from November 1, 2010 to November 30, 2014. The annual rent is $23,107, with a three percent increase in each succeeding year of the lease. Rent expense under this arrangement amounted to approximately $3,850 and $0 for the years ended December 31, 2010 and 2009.

The Company also has equipment leases, which are classified as operating leases.

Prior to moving to its current location, the Company leased office space in various places on a month-to-month basis. Rent expense under these arrangements amounted to approximately $0 and $4,100 for the years ended December 31, 2010 and 2009.

Future minimum lease payments at December 31, 2010 are as follows:

Note 11– Operating Leases (Continued)

Year Ended	Amount
2011	$ 114,962
2012	140,962
2013	141,414
2014	141,892
2015	8,790
Thereafter	2,198

Note 12 – Stock Warrants

	12/31/10	12/31/09
Warrants outstanding at beginning of year	4,000	-
Warrants granted		8,000
Warrants exercised	-	-
Warrants cancelled	-	(4,000)
Warrants outstanding at end of year	4,000	4,000

The 4,000 outstanding warrants were issued to an investor for 4,000 shares of the Company's common stock at an exercise price of $32.50 per share. In fulfillment of the possible exercise, Pardev (a shareholder) will surrender sufficient shares to satisfy an exercise to purchase the shares under the Warrant Agreement.

Note 13 – Federal and State Income Taxes

FASB ASC 740 – Income Tax Topic requires recognition of the tax benefit from an uncertain tax position only if it is more likely than not, that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate resolution. The Company has not evaluated whether it has any uncertain tax provisions for possible consideration. The effect of this departure on the financial statements has not been determined.

The Company is subject to both Federal and State of Connecticut taxation. The Company did not record any provision for federal or state income taxes for the years ended December 31, 2010 and 2009 because it did not have any current income taxes payable, and its deferred tax benefits (after a valuation allowance) net of its deferred tax liabilities was zero.

Deferred income taxes at:	12/31/10	12/31/09
Deferred tax asset:		
Organization and start up costs	$191,324	$203,776
Net operating loss carryforwards and other	72,658	8,499
	263,982	212,275
Less valuation allowance:	(207,593)	(200,686)
	56,389	11,589
Deferred tax liabilities:		
Unrealized derivative income	(46,396)	-
Depreciation and amortization and other	(9,993)	(11,589)
	(56,389)	(11,589)
Net deferred taxes	$ -	$ -

Note 13 – Federal and State Income Taxes (Continued)

The Company uses accelerated methods and lives, including expensing elections allowed under IRC Section 179 (which provides for different dollar limitations for federal and state income tax purposes), to calculate depreciation for income tax purposes.

For income tax purposes, organization and start-up costs are capitalized and amortized on a straight-line basis over a period of 180 months beginning in the month active business activities commenced.

Federal and state net operating loss carryforwards and state are scheduled to expire, as follows:

	Federal NOL	CT NOL
Year ended December 31,		
2012-2027	$ -	$ -
2028	2,600	2,600
2029	20,757	20,757
2030	369,013	318,768
	$392,370	$342,125

Note 14 - Stockholders' Equity

As of August 2, 2008, the Company's shareholders approved the authorization of an additional 190,000 shares of common stock and established a class of preferred stock of which 2,000 shares were authorized. The Series A Preferred Stock is voting stock, with each share of Preferred A share being the voting equivalent of 100 shares of common stock. The holders of Preferred A Stock are not entitled to dividends.

During the year ended December 31, 2009, in conjunction with injection of new capital, the Company's shareholders approved the authorization of an additional 200,000 shares of common stock and 2,000 shares of Preferred A stock.

Note 15 - Commitments and Contingencies

Letters of Credit/Restricted Cash

At December 31, 2010, the Company had an outstanding letter of credit for $2,500,000. The eligible borrowings on the credit facility (Factoring Agreement – see Note 5) are reduced by this amount.

At December 31, 2010, the Company had two outstanding letters of credit with a bank in the aggregate amount of $275,000. The letters of credit were fully collateralized by a restricted cash account held by the bank in the Company's name.

Note 16 - Supplemental Disclosures of Cash Flow Statement

Cash payments for interest and income taxes were for the years ended December 31,

	2010	2009
Interest paid	$428,792	$2,395
Income taxes	-	-

Note 17 - Subsequent Events

Subsequent events were evaluated through May 4, 2011, which is the date the financial statements were available to be issued.

In April 2011, the Company discovered there were certain irregularities that occurred regarding the calculation and recording of commission expense. The Company has determined that the financial impact was not significant and there were not any adjustments that should be recorded to the consolidated financial statements for the year ended December 31, 2010. The Company is continuing to look into this matter to ensure that commissions are properly stated for the year ended December 31, 2011 and to ensure that additional internal controls are implemented to mitigate these activities occurring in the future. The President of the Company has subsequently resigned.

In March 2011, the Company changed its electricity procurement strategy to satisfy its customers' needs. The Company entered into a fixed price bilateral contract with an independent third party supplier for physical electricity. The Company has subsequently entered into similar contracts for April 2011 through August 2011. By entering into these types of transactions, the Company has reduced the amount of credit support that is required by the ISO New England, and virtually eliminates the need for short term hedging dollars to secure the Company's margins.

SUPPLEMENTARY INFORMATION

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS - SUPPORTING SCHEDULES
FOR THE YEARS ENDED DECEMBER 31,

SCHEDULE I

	2010	2009
Cash		
Petty cash	$ 889	$ -
People's - checking	9,822	536,185
People's - savings	431	500
PNC Bank - Black Rock Account	110,008	10,000
TD Bank	280,502	28,407
Wachovia Bank	1,350	-
	$ 403,002	$ 575,092
Other Current Assets		
Due from brokers	$ 1,176	$ -
Due from related parties	8,912	-
Prepaid expenses	19,161	13,454
Miscellaneous receivables	14,167	-
	$ 43,416	$ 13,454
Property and Equipment		
Leasehold improvements	$ 49,310	$ -
Furniture and fixtures	11,265	-
Computer equipment	112,728	79,378
Computer software	194,090	129,145
	367,393	208,523
Less: accumulated depreciation and amortization	(134,892)	(54,493)
	$ 232,501	$ 154,030
Other Assets		
Domain name	$ 6,365	$ -
Security deposits	17,600	14,000
Due from related parties	26,000	26,000
	$ 49,965	$ 40,000

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS - SUPPORTING SCHEDULES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Accrued Expenses		
Accrued sales tax	$ 139,123	$ -
Accrued ancillary costs	1,447,933	-
Accrued commission expense	314,529	-
Accrued true-up	288,510	-
Accrued renewable energy credits	317,867	-
Accrued factor expense	65,745	-
Accrued expenses	1,950	-
Accrued professional fees	45,000	-
Accrued insurance	1,876	-
Accrued consulting - technology	49,837	-
Accrued customer loyalty program expense	2,842	-
Accrued advertising	4,500	-
Accrued interest	152,546	21,200
Accrued payroll	47,047	-
Accrued payroll taxes	5,338	-
	$ 2,884,643	$ 21,200

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED COST OF SALES AND SELLING EXPENSES - SUPPORTING SCHEDULES
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Cost of Sales		
Electricity	$ 16,759,941	$ -
Ancillary expenses	718,973	-
Realized gain hedge	(1,233,556)	-
Loss on factoring of accounts receivable	260,156	-
Broker expense	18,417	-
Utilities administration/bad debt fee	214,268	-
Renewable energy certificates	327,413	-
EDI expense	367,449	-
Salaries - risk management	158,846	-
	$ 17,591,907	$ -
Selling Expenses		
Advertising	$ 123,605	$ 19,135
Commission expense	948,673	-
Salaries - sales	255,485	-
Salaries - marketing	91,965	-
Consulting - marketing	60,225	-
Customer loyalty and retention	24,002	-
Trade show	14,278	-
Printing and reproduction	11,407	-
Meals and entertainment	12,599	-
Automobile expense	4,186	-
Travel	1,879	-
Membership dues	4,801	-
Other selling expenses	70	-
	$ 1,553,175	$ 19,135

See independent auditors' report and notes to the consolidated financial statements

SCHEDULE III

DISCOUNT POWER, INC. AND SUBSIDIARY
CONSOLIDATED SCHEDULES OF GENERAL AND ADMINISTATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31,

	2010	2009
Amortization	$ 99,833	$ 50,684
Automobile	1,903	1,244
Bad debt expense	13,264	-
Bank service charges	7,499	1,224
Computer and internet expenses	122,871	14,307
Consulting	60,116	134,304
Depreciation	35,547	4,493
Insurance - health	82,448	7,875
Insurance - other	15,244	1,261
Legal and professional fees	213,446	79,382
Licenses and permits	2,630	677
Meals and entertainment	2,887	5,422
Miscellaneous expense	866	-
Office expense	43,687	19,776
Outside services	6,840	346,914
Payroll service	9,511	-
Recruitment	7,466	25,000
Rent expense	83,128	13,207
Repairs and maintenance	3,894	27,139
Salaries - customer service representatives	111,009	-
Salaries - management	219,135	-
Salaries - office	25,751	-
Payroll taxes	72,667	-
Taxes - other	21,239	554
Telephone	59,003	12,910
Training	1,119	2,700
Travel	2,479	2,719
Utilities	1,147	2,166
	$ 1,326,629	$ 753,958

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND
CONSOLIDATED SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2011 AND 2010

RECEIVED

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DISCOUNT POWER, INC. AND SUBSIDIARIES

Cohen, Burger, Schwartz & Sax, LLC
Certified Public Accountants & Business Consultants

Independent Auditors' Report

Edward P. Burger, CPA
Stephen B. Cohen, CPA
Laurence A. Sax, CPA
David W. Tomlinson, CPA
Harry J. Zinn, CPA

Irving B. Schwartz, CPA
of Counsel

Members of the:
American Institute of
Certified Public Accountants

Connecticut Society of
Certified Public Accountants

Board of Directors
Discount Power, Inc. and Subsidiary
Shelton, Connecticut

We have audited the accompanying consolidated balance sheets of Discount Power, Inc. and Subsidiaries (a Connecticut corporation) as of December 31, 2011 and 2010 and the related consolidated statements of operations, stockholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As disclosed in Note 14 to the financial statements, generally accepted accounting principles require recognition of the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Management has informed us the company has not evaluated whether it has any uncertain tax positions for possible consideration. The effect of this departure on the financial statements has not been determined.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Discount Power, Inc. and Subsidiaries as of December 31, 2011 and 2010 and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 15 to the financial statements, in April 2011, the Company discovered there were certain irregularities that occurred regarding the calculation and recording of commission expense. The Company has determined that the financial impact was not significant and there were not any adjustments that should be recorded to the consolidated financial statements for the years ended Decembers 31, 2011 and 2010.

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Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information contained in Schedules I through IV is presented for purposes of additional analysis and is *not a required part of the consolidated financial statements. Such information* is the responsibility of management and derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Cohen, Burger, Schwartz & Sax, LLC

Cohen, Burger, Schwartz & Sax, LLC

May 30, 2012

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31,

ASSETS

	2011	2010
Current Assets		
Cash	$ 100,998	$ 403,002
Restricted cash	276,404	275,127
Accounts receivable, net of allowance for doubtful accounts of $233,905 and $17,381 for 2011 and 2010, respectively	6,910,423	475,400
Due from Factor	689,814	1,548,202
Derivative assets	6,758,796	5,259,948
Notes receivable - related parties	37,000	-
Deferred tax asset	148,170	-
Other current assets	53,140	43,416
Total current assets	14,974,745	8,005,095
Property and Equipment - Net	146,656	232,501
Other Assets		
Website development - net of accumulated amortization of $33,395 and $24,796 in 2011 and 2010, respectively	1,191	9,791
Factoring origination fees, net of accumulated amortization of $208,573 and $43,452 in 2011 and 2010, respectively	-	165,120
Preferred Supplier Agreement fees, net of accumulated amortization of $886 and $0 in 2011 and 2010, respectively	31,008	-
Loan origination fees, net of accumulated amortization of $4,586 and $0 in 2011 and 2010, respectively	36,684	-
Derivative asset collateral	206,284	1,010,781
Investment, net of allowance of $50,000 in 2011 and 2010	152,181	151,614
Other assets	146,365	49,965
Total other assets	573,713	1,387,271
Total Assets	$ 15,695,114	$ 9,624,867

LIABILITIES AND STOCKHOLDERS' DEFICIT

	2011	2010
Current Liabilities		
Accounts payable	$ 345,087	$ 64,482
Accrued expenses	7,064,623	2,884,643
Derivative liabilities	7,225,440	4,966,798
Notes payable - related party - current portion	1,226,415	222,000
Due to related parties	740	22,117
Other current liabilities	1,372	-
Total current liabilities	15,863,677	8,160,040
Non-Current Liabilities		
Long-term debt - related party	1,253,585	1,880,000
Deferred tax liability	8,729	-
Total non-current liabilities	1,262,314	1,880,000
Stockholders' Deficit	(1,430,877)	(415,173)
Total Liabilities and Stockholders' Deficit	$ 15,695,114	$ 9,624,867

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
Operating Revenues	$ 51,478,200	$ 21,455,197
Cost of Goods Sold	44,051,324	17,591,907
Gross Margin	7,426,876	3,863,290
Operating Expenses		
Selling expenses	3,534,082	1,553,175
Start-up costs	-	1,095
General and administrative expenses	1,884,860	1,326,629
Total operating expenses	5,418,942	2,880,899
Operating Income	2,007,934	982,391
Other (Income) and Expense	2,424,828	1,325,129
Loss Before Taxes	(416,894)	(342,738)
Income Tax Benefit	139,441	-
Net Loss	$ (277,453)	$ (342,738)

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Preferred A - Voting Shares	Preferred A - Voting Amount	Common Stock - Voting Shares	Common Stock - Voting Amount	Paid - in - Capital	Unrealized Gain/Loss Derivatives	Accumulated Deficit	Total Stockholders' Deficit
Balance December 31, 2009	4,000	$ 20,000	400,000	$ 40,000	$ 825,051	$ -	$ (1,228,748)	$ (343,697)
Comprehensive income:								
Net (loss) arising during the year	-	-	-	-	-	-	(342,738)	(342,738)
Unrealized gain from derivatives	-	-	-	-	-	271,262	-	271,262
Total comprehensive (loss)	-	-	-	-	-	-	-	(71,476)
Ending Balance December 31, 2010	4,000	20,000	400,000	40,000	825,051	271,262	(1,571,486)	(415,173)
Comprehensive income:								
Net (loss) arising during the year							(277,453)	(277,453)
Unrealized (loss) from derivatives	-	-	-	-	-	(738,251)	-	(738,251)
Total comprehensive (loss)	-	-	-	-	-	-	-	(1,015,704)
Ending Balance December 31, 2011	4,000	$ 20,000	400,000	$ 40,000	$ 825,051	$ (466,989)	$ (1,848,939)	$ (1,430,877)

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
Cash Flow From Operating Activities		
Net loss	$ (277,453)	$ (342,738)
Adjustment to reconcile net loss to net cash (used in) operating activities:		
Amortization	233,889	99,833
Depreciation	55,797	35,547
Valuation allowance on investment	-	50,000
Loss on disposal of assets	2,086	-
Unrealized (loss) gain from derivatives	(738,251)	271,262
Deferred tax benefit	(139,441)	-
Change in current assets and liabilities:		
Accounts receivable	(6,435,023)	(475,400)
Due from Factor	858,388	(1,548,202)
Derivative assets	(1,498,848)	(5,259,948)
Derivative asset collateral	804,497	(1,010,781)
Other current assets	(9,724)	(29,962)
Accounts payable	280,605	(133,663)
Accrued expenses	4,179,980	2,863,443
Derivative liability	2,258,642	4,966,798
Other current liabilities	1,372	-
Net Cash (Used) In Operating Activities	(423,484)	(513,811)
Cash Flow From Investing Activities		
Collateral deposit	(100,000)	-
Security deposit	3,600	(3,600)
Investments	(567)	562
Purchase of property and equipment	(26,735)	(93,926)
Purchase of computer software	-	(64,945)
Factoring origination fees	-	(208,572)
Loan origination fees	(41,270)	-
Preferred Supplier Agreement origination fees	(31,894)	
Loans to related parties	(37,000)	-
Domain name	-	(6,365)
Net Cash (Used) In Investing Activities	(233,866)	(376,846)
Cash Flows From Financing Activities		
Proceeds from notes payable	-	2,500,000
Payments on notes payable	-	(2,550,000)
Proceeds from notes payable - related party	600,000	2,650,000
Payments on notes payable - related party	(222,000)	(1,548,000)
Payments to related parties	(21,377)	(83,324)
Net Cash Provided By Financing Activities	356,623	968,676
Net (Decrease) Increase In Cash	(300,727)	78,019
Cash at Beginning of Year	678,129	600,110
Cash at End of the Year	$ 377,402	$ 678,129

See independent auditors' report and notes to the consolidated financial statements

Note 1 - Organization

Discount Power, Inc. was incorporated on May 6, 2008 under the laws of the State of Connecticut. Discount Power Inc.'s operating facilities are located in Shelton, Connecticut. The Company was formed to supply residential, commercial, industrial, and municipal users with a comprehensive suite of electric energy alternatives and value-added services that maximize savings, lower consumption and protect the environment.

Note 2 - Summary of Significant Accounting Policies

This summary of significant accounting policies of Discount Power, Inc. and Subsidiaries (the "Company") is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and consolidated notes are representations of the Company's management who are responsible for the integrity and objectivity of the consolidated financial statements. These accounting policies conform to Generally Accepted Accounting Principles ("GAAP") and have been consistently applied in the preparation of the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Discount Power, Inc. and its wholly owned subsidiaries, Discount Power NY, LLC, Discount Power MA, LLC, Discount Power PA, LLC, and Discount Power IL, LLC. All material intercompany accounts and transactions have been eliminated.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts. Accounts at financial institutions are secured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2011 and 2010, amounts in excess of the insurance limits totaled approximately $26,404 and $55,629respectively.

Concentrations of credit with respect to trade receivables are limited due to the large number of customers comprising the Company's customer base.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Revenues and Accounts Receivable

Revenues related to the sale of energy are generally recognized when service is rendered or energy is delivered to customers. However, the determination of the energy sales to individual customers is based on the reading of their meters, which occurs on a systematic basis throughout the month. At the end of each month, amounts of energy delivered to customers since the date of the last meter reading are reported and/or estimated and the corresponding unbilled revenue is accrued. In making its estimates of unbilled revenue, the Company's Electronic Data Interchange provider ("EDI") uses complex models that consider various factors including daily generation volumes, known amounts of energy usage by certain customers, estimated line losses, and rates that are assigned to each customer in accordance with the pricing program that the customer has agreed to. Given the use of these models, and that customers are billed on a monthly cycle, the Company believes it is unlikely that materially different results will occur in future periods when revenue is billed. At December 31, 2011 and 2010, customer accounts receivables include unbilled energy revenues of $2,675,207 and $2,235,646 respectively. (See Note 6)

The provision for doubtful accounts on the accompanying consolidated balance sheets was $233,905

Note 2 - Summary of Significant Accounting Policies (Continued)

Revenues and Accounts Receivable (Continued)

and $17,381 for the years ended December 31, 2011 and 2010respectively. Because of State of Connecticut legislation, uncollectable accounts are based on historical percentages determined by the electric companies (the Utilities) who bill and collect receivables for the Company.

Suppliers

The Company purchases its physical electricity supply from the New England Power Pool ("ISO"). The ISO is the entity that is responsible for the continuity of supply of electricity throughout New England. The Company is a registered supplier in the State of Connecticut and a member of the ISO. As a member, the Company has the right to purchase physical electricity through the ISO for delivery to its customers, provided the Company meets the financial assurance ("FA") requirements of the ISO. The Company utilizes letters of credits in order to post the necessary FA with the ISO to facilitate physical purchases of electricity (See Note 15).

Through November 2011, the Company elected to enter into physical transactions (bilateral) with two suppliers, Nextera Energy and BP Energy Company ("BP"). These transactions were governed by a standard International Swaps and Derivatives Association, Inc. (ISDA) Agreement with a rider for the physical purchases. The agreements each required the Company to post letters of credit with the supplier to provide credit support. The letters of credit were posted through the Company's factoring agreement with Star Funding and payments were made on a weekly basis in accordance with the terms and conditions of the ISDA rider.

The Company entered into a Preferred Supplier Agreement ("PSA") with BP Energy Company starting in December, 2011. (See Note 3)

The Company is required by a Department of Public Utilities Control ("DPUC") mandate to purchase for the years ended December 31, 2011 and 2010, 15 percent and 14 percent, respectively, of its total Connecticut portfolio of electricity supply from renewable sources. Over the course of 2011, the Company entered into several transactions that allowed the Company to meet these portfolio requirements by purchasing Renewable Energy Credit Certificates ("REC"). The REC's which are purchased by class and volumes are determined based upon usage volumes reported by the utilities to the ISO. REC expense for the years ended December 31, 2011 and 2010 was $2,100,909 and $327,413respectively.

Property and Equipment

Property and equipment is stated at cost. Depreciation for financial reporting purposes is provided for on the straight-line method over the estimated useful lives of the related assets, which is generally three to five years for office equipment and furnishings. Depreciation for the years ended December 31, 2011 and 2010 was $ 55,797 and $35,547respectively. Maintenance and repairs are charged to expense as incurred, costs of renewals and betterments are capitalized. Upon retirement or sale, the cost of disposed assets and the related accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in income.

Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Note 2 - Summary of Significant Accounting Policies (Continued)

Computer Software

Expenditures for major software purchases and software developed or obtained for internal use are capitalized and amortized over a three to five year period on a straight-line basis. For software developed or obtained for internal use, where practicable, the Company capitalizes costs in accordance with the provisions of Financial Accounting Standards Board, Accounting Standards Codification ("FASB ASC") 350-40, Internal Use Software.

The Company's policy provides for the capitalization of external direct costs of materials and services associated with developing or obtaining internal use computer software. The Company expenses internal costs related to minor upgrades and enhancements, as it is impractical to separate these costs from normal maintenance activities. Amortization expense was $54,697 and $44,852 for the years ended December 31, 2011 and 2010 respectively.

Investments

Investments over which the Company does not have the ability to exert significant influence over the investees' operating and financial activities are accounted for under the cost method of accounting.

Marketing and Promotion Costs

Marketing and promotion costs, including advertising, branding, and marketing programs, are expensed when incurred. For the years ended December 31, 2011 and 2010, marketing and promotion expense was $92,201 and $123,605respectively.

Compensated Absences

The Company allows full-time employees to be compensated for sick leave that has been unused at the end of the year. At December 31, 2011 and 2010 compensated absences for sick pay have been accrued in the amount of $3,401 and $0. Employees may not carryover or be paid for other unused compensated absences such as vacation or personal days.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently payable plus deferred taxes. Deferred income taxes are provided for the estimated income tax effect of temporary differences between the financial statement and tax basis of assets and liabilities. Deferred tax assets are also provided for certain tax loss carryforwards and tax credit carryforwards. A valuation allowance is established to reduce deferred tax assets when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred income taxes measured using the enacted tax rates that are assumed will be in effect when the asset and liability basis differences reverse and or when the tax loss carryforwards and tax credit carryforwards are utilized or expired.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received upon the sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. The fair value should be calculated based upon assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

Note 2 - Summary of Significant Accounting Policies (Continued)

Fair Value of Financial Instruments (Continued)

Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value by creating a hierarchy for observable independent market inputs and unobservable market assumptions and expands disclosures about fair value measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Considerable judgment is required in interpreting market data used to develop the estimates of fair value. Accordingly, the estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and estimation methodologies may have a material effect on the estimated fair value.

Cash and cash equivalents, accounts receivable, prepaid expenses and other current assets, accounts payable, accrued liabilities and other payables, the carrying amounts reported in the balance sheets for these items approximate fair value due to the short maturity of these financial instruments. Hedging instruments are carried at their quoted market prices, which approximate fair value (See Note 5). The recorded values of related party long-term debt approximates fair value, as stated interest rates approximate market rates (See Note 10).

Use of Estimates, Risks and Uncertainties

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts and disclosures reported in the consolidated financial statements and accompanying consolidated notes. Accordingly, actual results could differ from those estimates.

The Company currently operates in the Connecticut deregulated electricity market. The business is regulated by the DPUC, state laws, and regulations. These laws and regulations, among other things, establish licensing requirements; regulate the Company's application procedures; code of conduct for sales; establish maximum fees and late charges; require specified disclosures to customers; governs interaction between utilities and the Company; and govern collection practices. Any adverse change in or interpretation of existing laws or regulations or the failure to comply with any such laws and regulations could result in fines, class-action litigation, or interruption or cessation of certain business activities by the Company. Any of these events could have a material adverse effect on the Company's business. In addition, there can be no assurance that amendments to such laws and regulations or new or more restrictive laws or regulations or interpretations, thereof will not be adopted in the future which may make compliance more difficult or expensive; further limit or restrict fees and other charges; curtail the operations of the Company; restrict the Company's ability to expand its operations in the state; or otherwise materially adversely affect the business or prospects of the Company.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year's presentation.

Note 3 - Preferred Supplier Agreement

On November 21, 2011, the Company entered into a Preferred Supplier Agreement ("PSA") with BP with an effective date of December 1, 2011 under the terms of the PSA, the Company must purchase all of its electricity supply from BP unless BP is unable to meet the Company's supply requirements or cannot

Note 3 - Preferred Supplier Agreement (Continued)

offer favorable pricing, as defined in the PSA. For any electricity purchases not supplied by BP, the Company can choose to have those purchases "credit sleeved" by BP, such that BP will provide any required credit for such purchases on the Company's behalf. BP charges a supply fee based on the volume of energy utilized. With this PSA, the Company is no longer responsible for credit obligations to ISO New England and thus will not be required to post security for financial assurance in the future after all obligations to the ISO for periods prior to December 1, 2011 have been satisfied.

BP has a first priority security interest in the accounts receivable of the Company, a $100,000 cash deposit, and a second position to Hocon Power, LLC on all assets of the Company.

The PSA provides for cash advances for working capital needs based on adequate available cash flow in the following month to pay for the electricity as well as the prior month's cash advance. The cash advance must be repaid in the following month.

Interest accrues at the one month Libor rate plus 750 basis points on all cash advances and balances due on purchases of electricity from the due date of the invoice to the date paid.

As a condition of the former Factor to release liens on the Company's assets, BP secured on behalf of the Company, a letter of credit in the amount of $6,200,000 for the period November 29, 2011 through April 10, 2012. The letter of credit secured payment in full of all amounts owed by the Company to the previous factor under the Factoring Agreement. (See Note 6)

BP, at its sole discretion, has established a credit line to accommodate the Company's mark to market exposure. This action does not constitute a waiver of BP's rights under the ISDA agreement or PSA. The line of credit can be withdrawn at BP's discretion. At December 31, 2011 and 2010 the mark to market exposure was $608,940 and $0.

The Agreement is subject to certain financial and non-financial covenants as described in the Agreement.

Note 4 - Investments

Investment in Corvox, LLC is accounted for under the cost method due to management's current assessment of the Company's influence over this investment. The fair value of this investment has been determined by Corvox, LLC in good faith in consideration of the absence of a readily available market value. Because of the inherent uncertainty of valuation, Corvox, LLC determined values might differ significantly from the value that would have been used had a ready market existed for the investment, and the difference could be material. For the year ended December 31, 2010, the Company determined that the value of this investment had decreased and therefore recorded a $50,000 valuation allowance in the statement of operations.

In June 2010, the Company and three of its energy brokers formed a new entity, Conservation Partners, LLC, the purpose of which was to engage in energy audits. The Company has a 25 interest in this entity.

Note 5 - Derivative Assets

The Company uses derivatives to manage risks related to electricity commodity price movements. Electricity commodity price swap contracts designated and qualifying as cash flow hedges are reported at fair value. In accordance with the FASB ASC topic, Derivatives and Hedging, the gain or loss on the effective portion of the hedge initially is included as a component of other comprehensive income and is

Note 5 - Derivative Assets (Continued)

subsequently reclassified into earnings when the swap positions are sold or delivered. The Company documents its risk management strategy and hedge effectiveness at the inception of and during the term of each hedge.

The Company's electricity commodity price management strategy is to stabilize cash flow and assure gross profit requirements by maintaining electricity commodity swap contracts to convert variable priced electricity to fixed price electricity. Net (loss) gains from hedging which was recognized in purchases for the year ended December 31, 2011 and 2010 was approximately $(493,524) and $1,233,556 respectively. The Company had $6,758,796 and $5,259,948 of hedge contracts recorded as Derivative Assets on the December 31, 2011 and 2010 consolidated balance sheets, respectively. The Company had $7,225,440 and $4,966,798 of Derivative Liabilities representing the amount that the Company is obligated to pay for the Derivative Assets on the December 31, 2011 and 2010 consolidated balance sheets respectively.

As of December 31, 2010, the Company had unrecognized gains on open hedge positions in the amount of $271,262. During the year ended December 31, 2011 the unrecognized gain has been recognized and included in "Realized gain hedge" in cost of goods sold.

As of December 31, 2011, the Company has electricity swap contracts covering a portion of each month's forecasted usage through December, 2012.

Derivative Asset Collateral

As required by one of the Company's Futures Clearing Merchants ("FCM"), the Company must maintain a cash balance in a bank account to satisfy certain collateral ratio requirements based on the fair market value of the Company's hedge positions. The FCM will make "margin calls" if the ratio of cash to the fair market value of the hedge positions falls below the collateral ratio requirement. This restricted cash has been recorded on the consolidated balance sheet. The balance at December 31, 2011 and 2010 was $206,284 and $1,010,781 respectively.

Note 6 - Sale of Accounts Receivables

In August 2010, the Company entered into a two year Factoring Agreement (the "Agreement") to sell a substantial portion of its receivables with recourse, arising from the sale of electricity, with a third party (the "Factor"). The Agreement was verbally modified in December 2010, to increase the amount of financial assurance permitted under the Agreement. Thirty percent of the facility could have been utilized to issue credit support in the form of standby letters of credit to be used as financial assurance required by wholesalers under energy purchase agreements. The facility was not permitted to exceed $10,000,000 including the credit support. The facility was collateralized by substantially all assets of the Company. The Factor held 15.75 percent of all monthly payments in reserve to be used for monthly ancillary expenses, which are associated with the purchase of electricity. The facility is personally guaranteed by two of the Company's shareholders and the managing member of a shareholder. The Agreement specified certain restrictive covenants primarily concerning hedging activities and financial statement requirements. There were various fees (i.e.: factoring fees, collateral monitoring service fees) and interest that were charged under this Agreement. The Factor could cancel the Agreement at any time with 30 days notice. The Company was required to notify the Factor 60 days prior to maturity to terminate the Agreement.

In accordance with FASB ASC, Transfers of Financial Assets, the Company had recorded the transactions as a sale of receivables, removing such receivables from its financial statements, and recorded a receivable for the retained interest in such receivables. The losses on the sale of receivables were recognized in the Statement of Operations. This loss was determined at the time the accounts receivable were sold and recorded accordingly.

Note 6 - Sale of Accounts Receivable (Continued)

On November 21, 2011, the Company entered into a Preferred Supplier Agreement (PSA) with BP Energy Company (BP) effective as of December 1, 2011. (See Note 3) This PSA replaced the need for the factoring arrangement. The sale of accounts receivable ceased on November 30, 2011. As of December 31, 2011, the remaining balance due from the Factor was $689,814. Accrued expenses that were due to the Factor as of December 31, 2011 were offset against the balance due from the Factor in January, 2012.

As of December 31, 2011 and 2010, accounts receivable sold and outstanding were $0 and $5,035,263, respectively.

The Factor continued to provide the Company a letter of credit through February 28, 2012. The letter of credit was collateralized by a letter of credit issued by BP Energy Company. (See Note 3)

Note 7 - Loan/Factoring Acquisition Fees

Loan fees of $41,270 were incurred in obtaining a short term note from Hocon Power, LLC, a shareholder. (See Notes 9 and 10). This fee has been capitalized and is being amortized over the life of the loan. Amortization expense for the years ended December 31, 2011 and 2010 was $4,586 and $0, respectively.

In 2010, loan fees of $75,000 were incurred in obtaining a short-term note from Cranbury Farms, LLC. (See Notes 9 and 10). This fee has been expensed as the debt was repaid in 2010.

Origination fees of $208,572 were incurred in connection with the Factoring Agreement. (See Note 6). Amortization on the factoring fee was computed based on the life of the Agreement. As the Company has terminated its agreement with the Factor, these fees have been fully amortized in the year ended December 31, 2011. Amortization expense for the years ended December 31, 2011 and 2010 was $165,120 and $43,452, respectively

Note 8 - Lines of Credit

In November 2009, the Company entered into an agreement for a $1,250,000 line of credit from Hocon Power, LLC (a related party – see Note 10). The line of credit expires in February 2014. Interest on the line of credit was at prime plus three percent. Effective August 1, 2010, the Agreement was amended to increase the interest rate to 12 percent per annum. Payments of interest are due monthly. Beginning in February 2012, the Company is required to make principal payments of $36,765 per month plus interest. For the year ended December 31, 2011, the line of credit balance, $1,250,000, has been classified as a note payable. (See Note 9).

In May 2010, the Company entered into a $2.5 million line of credit agreement with a private lender. The line of credit was to expire on October 31, 2010. Interest on the line of credit was 18 percent per annum. The Company had utilized $2.5 million of the line during 2010 and repaid the balance in August 2010.

Interest expense on the lines of credit for the years ended December 31, 2011 and 2010 was $152,083 and $178,774 respectively.

Note 9 - Notes Payable

In November, 2009, the Company issued a collateralized promissory note to Hocon Power, LLC for $1,000,000. The note is secured by a lien on substantially all assets of the Company. Hocon Power, LLC also has a personal guarantee from the chairman, former president and secretary of the corporation. The

Note 9 - Notes Payable (Continued)

note has a stated interest rate of prime plus 3 percent (with interest not to be less than 6 percent). The note is due in November 2014. Beginning May 1, 2010 principal payments of $18,500 plus interest were required. The balance at December 31, 2011 and 2010 was $630,000 and $852,000 respectively.

In November 2009, the Company entered into an agreement for a $1,250,000 line of credit from Hocon Power, LLC (a related party – see Notes 8 and 10). The line of credit expires in February 2014. Interest on the line of credit was at prime plus three percent. Effective August 1, 2010, the line of credit was amended to increase the interest rate to 12 percent per annum. Payments of interest are due monthly. Beginning in February 2012, the Company is required to make principal payments of $36,765 a month, plus interest. The balance at December 31, 2011 and 2010 was $1,250,000.

In November 2011, the Company entered into a short term promissory note with Hocon Power, LLC at 12 percent interest. The note allows borrowing of up to $750,000. Interest payments are to commence December 28, 2011. Principal payments in monthly amounts of $125,000 are to commence March 28, 2012 and are to be paid through the maturity date, August 28, 2012, at which time the balance of the note is due and payable. The balance at December 31, 2011 was $600,000.

In March 2009, the Company borrowed $50,000 from a private lender on a short-term note payable at 10 percent interest. The loan was repaid in January 2010, including interest of $5,000.

On July 9, 2010, the Company entered in a $700,000 note payable with Cranbury Farms, LLC. The member of Cranbury Farms, LLC is a member of Hocon Power, LLC, which is a shareholder of the Company. Interest on the note was at 12 per annum. The note was repaid in August 2010.

Additionally on July 9, 2010, the Company borrowed $100,000 from an employee with a stated interest rate of 6 percent per annum. The note was repaid in July 2010.

Aggregate maturities of long-term debt at December 31, 2011, are as follows:

Year Ending December 31,	
2012	$ 626,415
2013	663,180
2014	590,405
	$1,880,000

Interest expense on notes payable for the years ended December 31, 2011 and 2010 was $201,297 and $272,511 respectively.

Note 10 - Related Party Transactions

The Company is related to several other entities through common ownership. Transactions with these related parties are described below.

Employee Note Receivable

On August 5, 2011 the Company loaned $25,000 to an employee. The note has a stated interest of 6 percent and is due and payable on demand. This has been classified in current assets as the Company expects to be repaid in 2012. During and as of the year ended December 31, 2011, interest income of $612 was accrued. The balance at December 31, 2011 and 2010 was $25,000 and $0 respectively.

Note 10 - Related Party Transactions (Continued)

Stockholder Notes Receivable

During the year ended December 31, 2011 the Company made four loans to a stockholder/employee totaling $12,000. The notes have a stated interest rate of 6 percent and are due and payable on demand. This has been classified in current assets as the Company expects to be repaid in 2012. During and as of the year ended December 31, 2011, interest income of $151 was accrued on the note receivable. The balance at December 31, 2011 and 2010 was $12,000 and $0 respectively.

Employee Note Payable

On July 9, 2010 the Company borrowed $100,000 from an employee. The note had a stated interest rate of 6 percent. The note was repaid in August 2010. (See Note 9).

Hocon Power, LLC

In November 2009, the Company entered into an Investment Agreement with Hocon Power, LLC, whereby Hocon Power, LLC committed to, among other things, an investment in the Company's equity. The Company consummated the following transactions pursuant to the Investment Agreement:

- Hocon Power, LLC invested $260,000 and received 208,000 shares of the Company's common stock and 2,000 shares of Preferred A for a 52 percent interest in the Company.
- The Company issued a collateralized promissory note to Hocon Power, LLC for $1,000,000. The balance at December 31, 2011 and 2010 was $630,000 and $852,000 respectively. (See Note 9)
- A $1,250,000 line of credit from Hocon Power, LLC. As of December 31, 2011and 2010, $1,250,000 has been utilized from the line of credit. (See Notes 8 and 9)
- Hocon Power, LLC is the majority shareholder of the Company.

In addition, Hocon Power, LLC has a Strategic Alliance Agreement with the Company. As a strategic partner, Hocon Power, LLC assists the Company in enrolling subscribers for the Company's energy service and receives a commission on each subscriber. The Hocon Power, LLC service fee rate is as follows:

- $.005 mils per kilowatt-hour for all subscribers enrolled by or through Hocon Power, LLC, its affiliates or any sub-brokers of Hocon Power, LLC or its affiliates. Any commissions for Hocon Power, LLC subscribers are split with any sub-brokers in accordance with Hocon's agreement with such sub-broker.
- Hocon Power, LLC receives an additional service fee rate of $.001 mils per kilowatt-hour on all subscribers and customers of the Company other than Hocon Power, LLC subscribers, regardless of whether the subscriber was produced by any master broker, strategic alliance partner, sub-broker, or any other customer source of the Company.
- Hocon Power, LLC also receives a $.002 mils per kilowatt-hour override on all strategic alliance brokers set-up directly by Hocon Power, LLC.

Commissions earned by Hocon Power, LLC under the Strategic Alliance Agreement were $751,125 and $297,200 for the years ended December 31, 2011 and 2010 respectively.

Cranbury Farms

In 2010, the Company entered in a note payable with Cranbury Farms, LLC, (the member of Cranbury Farms, LLC is a member of Hocon Power, LLC, which is a shareholder of the Company). (See Note 9)

Note 10 - Related Party Transactions (Continued)

Hocon Gas, Inc.

In October 2010, the Company entered into a sublease with Hocon Gas, Inc. (the sole shareholder of Hocon Gas, Inc. is a member of Hocon Power, LLC) to lease an additional 1,422 square feet of office space. (See Note 12).

Corvox, LLC

Corvox, LLC is a shareholder of the Company and the Company has 10 interest in Corvox, LLC. (See Note 4). Corvox, LLC has a Strategic Alliance Agreement with the Company. As a strategic partner, Corvox, LLC assists the Company in enrolling subscribers for the Company's energy service and receives a commission on each subscriber. The Corvox, LLC service fee rate (standard commission) is $.004 mils per kilowatt-hour for all subscribers enrolled through Corvox or any sub-brokers or affiliates.

Commissions earned by Corvox, LLC under the Strategic Alliance Agreement were $47,517 and $32,536 for the years ended December 31, 2011 and 2010 respectively.

Other Related Party Transactions

The Company has entered into various other related party transactions throughout the years ended December 31, 2011 and 2010. These related parties consist of the following:

- Michael Parrella – Chairman and stockholder.
- Jonathan Parrella – Former president and stockholder.
- David Feldman – Secretary, vice president of operations and stockholder.
- Pardev Consulting – a shareholder of the Company. The chairman and former president of the Company have significant ownership in Pardev Consulting.

Related party transactions not specifically identified elsewhere in the financial statements are as follows:

Accounts payable and accrued expenses to related parties were $355,329 and $132,158 for the years ended December 31, 2011 and 2010 respectively.

Due from related parties of $7,915 and $8,912 at December 31, 2011 and 2010, respectively, primarily represents amounts advanced to a relative of the former president and two shareholders of the Company. This has been classified in current assets as the Company expects to be repaid during 2012.

Due from related party of $26,000 at December 31, 2011 and 2010, represents amounts advanced to two of the Company's shareholders. Management does not expect to receive repayment in the near term.

Amounts paid to related parties for consulting services were $0 and $75,000 for the years ended December 31, 2011 and 2010 respectively.

Note 11 - Website Development

Costs for website development are primarily for the initial design and implementation of the Company's website and are being amortized over a 3-year period.

Amortization expense was $8,600 and $11,529 for the years ended December 31, 2011 and 2010, respectively.

Note 12- Operating Leases

The Company entered into a lease agreement with Armstrong Park Associates, LLC on November 11, 2009 to lease approximately 5,400 square feet of commercial property in Shelton, Connecticut to be used as their office space. For the first year, the Company leased the office space for $9,180 per month (this included $672 for the Company's allocable share of tenant space electric costs) with an increase in each subsequent year. During the first two lease years only, so long as the Company was not in default under the lease, a credit was applied against the base rent in the amount of $2,180 per month in lieu of any payment by the Landlord towards the cost of preparing the premises for occupancy. In April 2011, the Company reduced the square footage of its office space by 572 square feet. As such, the lease agreement with Armstrong Park was amended and the Company's lease payments and base electric charge was reduced by $977 per month commencing October 2011. The lease term is for a five year period beginning November 12, 2010 and ending November 11, 2014.

Rent expense under this arrangement amounted to $86,933 and $80,176 for the years ended December 31, 2011 and 2010 respectively.

In October 2010, the Company entered into a sublease with Hocon Gas, Inc. (the sole shareholder of Hocon Gas, Inc. is a member of Hocon Power, LLC) to lease an additional 1,422 square feet of office space. The term of the lease is from November 1, 2010 to November 30, 2014. The annual base rent is $23,107, with a three percent increase in each succeeding year of the lease. Rent expense under this arrangement amounted to approximately $23,224 and $3,850 for the years ended December 31, 2011 and 2010 respectively.

The Company has equipment leases, which are classified as operating leases. Lease expense under these leases amounted to $10,548 and $3,346 for the years ended December 31, 2011 and 2010 respectively.

Future minimum lease payments at December 31, 2011 are as follows:

Year Ended	Amount
2012	$ 140,293
2013	141,414
2014	141,892
2015	8,790
2016	2,198

Note 13 - Stock Warrants

	12/31/11	12/31/10
Warrants outstanding at beginning of year	4,000	4,000
Warrants granted	-	-
Warrants exercised	-	-
Warrants cancelled	-	-
Warrants outstanding at end of year	4,000	4,000

The 4,000 outstanding warrants were issued to an investor for 4,000 shares of the Company's common stock at an exercise price of $32.50 per share. In fulfillment of the possible exercise, Pardev (a shareholder) will surrender sufficient shares to satisfy an exercise to purchase the shares under the Warrant Agreement. The warrants have an expiration date of July, 2012.

Note 14 - Federal and State Income Taxes

FASB ASC 740 – Income Tax Topic requires recognition of the tax benefit from an uncertain tax position only if it is more likely than not, that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate resolution. The Company has not evaluated whether it has any uncertain tax provisions for possible consideration. The effect of this departure on the financial statements has not been determined.

The Company is subject to both Federal and State of Connecticut taxation. The Company did not record any provision for federal or state income taxes for the years ended December 31, 2011 and 2010 because it did not have any current income taxes payable, and its deferred tax benefits (after a valuation allowance) net of its deferred tax liabilities was zero.

Income Tax Expense (Benefit):

	Total	Federal	State
2011			
Current Income Taxes	$ -	$ -	$ -
Deferred Tax Benefit	(139,441)	(93,248)	(46,193)
	$(139,441)	$ (93,248)	$(46,193)
2010			
Current Income Taxes	$ -	$ -	$ -
Deferred Tax Benefit	-	-	-
	$ -	$ -	$ -

Deferred income taxes at:

	12/31/11	12/31/10
Deferred tax asset:		
Unrealized derivative loss	$ 95,733	$ -
Bad debt reserve	35,273	-
Organization and start up costs	208,506	191,324
Net operating loss carry-forwards and other	139,795	72,658
	479,307	263,982
Less: valuation allowance	(331,137)	(207,593)
	148,170	56,389
Deferred tax liabilities:		
Unrealized derivative income	-	(46,396)
Depreciation and amortization and other	(8,729)	(9,993)
	(8,729)	(56,389)
Net deferred tax benefit	$ 139,441	$ -

The Company uses accelerated methods and lives, including expensing elections allowed under IRC Section 179 (which provides for different dollar limitations for federal and state income tax purposes), to calculate depreciation for income tax purposes.

For income tax purposes, organization and start-up costs are capitalized and amortized on a straight-line basis over a period of 180 months beginning in the month active business activities commenced.

Note 14 - Federal and State Income Taxes (Continued)

Valuation Allowance at:

	12/31/11	12/31/10
Unrealized derivative loss	$ 95,733	$ -
Bad debt reserve	35,273	-
Organization and start-up costs	196,796	161,211
Net operating loss carry-forwards and other	3,335	46,382
Total	$ 331,137	$ 207,593

Federal and state net operating loss carryforwards are scheduled to expire, as follows:

Year ended December 31,	Federal NOL	CT NOL
2012-2027	$ -	$ -
2028	2,600	2,600
2029	20,757	20,757
2030	377,237	327,062
2031	245,438	237,449
	$646,032	$587,868

Note 15 - Commitments and Contingencies

Letters of Credit/Restricted Cash

At December 31, 2011, the Company had an outstanding letter of credit that is secured by BP Energy Company for $6,200,000. (See Note 3) The letter of credit expired February 28, 2012.

At December 31, 2011, the Company had an outstanding letter of credit from its former Factor for $668,000. The letter of credit is collateralized by another letter of credit which is secured by BP Energy Company. (See Notes 3 and 6)

At December 31, 2011 and 2010, the Company had outstanding letters of credit in the amounts of $2,000,000 and $2,500,000 respectively. The eligible borrowings on the credit facility (See Note 6) are reduced by these respective amounts.

At December 31, 2011 and 2010, the Company had outstanding letters of credit with a bank in the aggregate amount of $250,000 and $275,000 respectively. The letters of credit were fully collateralized by a restricted cash account held by the bank in the Company's name.

Employee Vehicle Lease

On October 25, 2011 the Company entered into an automobile lease on behalf of and for the benefit of an employee. There is a provision in an agreement with the employee for all expenses associated with the automobile lease to be reimbursed to the Company through payroll deductions. The lease calls for monthly payments of $722 through October, 2015.

Litigation

In December, 2011, the Company initiated litigation against its former President who is also a shareholder

Note 15 - Commitments and Contingencies (Continued)

Litigation (Continued)

and his new business venture; a shareholder; a former employee; and a former sub-contractor in his individual and corporate capacity alleging breach of non-compete agreements, breach of fiduciary duties, and other violations. The action is in its preliminary stage.

In January, 2012, two shareholders of the Company filed an action for a judicial dissolution of the Company alleging mismanagement of the Company resulting in a management deadlock. The Company has made an election, under state statute, to purchase the shares of the shareholders. If an agreed value cannot be arrived at amongst the parties, the Court will determine a value for their interests and establish payment terms.

Commission Expense

In April 2011, the Company discovered there were certain irregularities that occurred regarding the calculation and recoding of commission expense. The Company has determined that the financial impact was not significant and there were not any adjustments that should be recorded to the consolidated financial statements for the years ended December 31, 2011 and 2010.

Note 16 - Supplemental Disclosures of Cash Flow Statement

Cash payments for interest and income taxes were for the years ended December 31,

	2011	2010
Interest paid	$755,742	$428,792
Income taxes	-	-

Note 17 - Subsequent Events

Subsequent events were evaluated through May 30, 2012, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS - SUPPORTING SCHEDULES
FOR THE YEARS ENDED DECEMBER 31,

SCHEDULE I

		2011		2010
Cash				
Petty cash	$	1,161	$	889
People's - checking		62		9,822
People's - savings		372		431
PNC Bank - Black Rock Account		62		110,008
TD Bank		99,311		280,502
Wachovia Bank		30		1,350
	$	100,998	$	403,002
Other Current Assets				
Due from brokers	$	-	$	1,176
Due from related parties		7,915		8,912
Prepaid expenses		39,029		19,161
Interest income receivable - related parties		763		-
Miscellaneous receivables		5,433		14,167
	$	53,140	$	43,416
Property and Equipment				
Leasehold improvements	$	51,410	$	49,310
Furniture and fixtures		24,634		11,265
Computer equipment		121,908		112,728
Computer software		194,090		194,090
		392,042		367,393
Less: accumulated depreciation and amortization		(245,386)		(134,892)
	$	146,656	$	232,501
Other Assets				
Collateral deposit - Preferred Supplier Agreement	$	100,000	$	-
Domain name		6,365		6,365
Security deposit		14,000		17,600
Due from related parties		26,000		26,000
	$	146,365	$	49,965

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS - SUPPORTING SCHEDULES (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
Accrued Expenses		
Accrued sales tax	$ 60,459	$ 139,123
Accrued energy and ancillary costs	3,533,028	1,447,933
Accrued commission expense	569,858	314,529
Accrued true-up	156,231	288,510
Accrued renewable energy credits	1,986,473	317,867
Accrued board of director fees	120,000	-
Accrued factor expense	117,454	65,745
Accrued expenses	58,813	1,950
Accrued professional fees	85,556	45,000
Accrued insurance	18,154	1,876
Accrued consulting - technology	60,044	49,837
Accrued customer loyalty program expense	7,325	2,842
Accrued advertising	6,500	4,500
Accrued interest	234,604	152,546
Accrued payroll	44,576	47,047
Accrued payroll taxes	5,548	5,338
	$ 7,064,623	$ 2,884,643

SCHEDULE II

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED COST OF SALES AND SELLING EXPENSES - SUPPORTING SCHEDULES
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
Cost of Sales		
Electricity	$ 30,762,727	$ 16,759,941
Ancillary expenses	8,516,824	718,973
Supplier fees	70,961	-
Realized (gain) loss hedge	493,524	(1,233,556)
Loss on factoring of accounts receivable	716,324	260,156
Broker expense	5,083	18,417
Utilities administration/bad debt fee	462,216	214,268
Renewable energy certificates	2,100,909	327,413
EDI expense	729,432	367,449
Data feeds	11,593	-
Salaries - risk management	181,731	158,846
	$ 44,051,324	$ 17,591,907
Selling Expenses		
Advertising	$ 92,201	$ 123,605
Commission expense	2,930,751	948,673
Salaries - sales	329,583	255,485
Salaries - marketing	128,422	91,965
Consulting - marketing	-	60,225
Customer loyalty and retention	31,444	24,002
Trade show	750	14,278
Printing and reproduction	-	11,407
Meals and entertainment	11,276	12,599
Automobile expense	4,577	4,186
Travel	975	1,879
Membership dues	3,503	4,801
Other selling expenses	600	70
	$ 3,534,082	$ 1,553,175

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED GENERAL AND ADMINISTATIVE EXPENSES - SUPPORTING SCHEDULES
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
Amortization	$ 233,889	$ 99,833
Automobile	489	1,903
Bad debt expense	164,645	13,264
Bank service charges	4,445	7,499
Computer and internet expenses	6,580	122,871
Consulting	-	60,116
Depreciation	55,797	35,547
Insurance - health	155,178	82,448
Insurance - other	23,906	15,244
Lease - equipment	6,764	-
Legal and professional fees	274,095	213,446
Licenses and permits	924	2,630
Meals and entertainment	8,216	2,887
Miscellaneous expense	26	866
Office expense	43,487	43,687
Outside services	-	6,840
Payroll service	15,145	9,511
Recruitment	780	7,466
Regulatory fees	31,164	-
Rent expense	110,157	83,128
Repairs and maintenance	1,501	3,894
Salaries - customer service representatives	174,882	111,009
Salaries - management	270,000	219,135
Salaries - office	103,825	25,751
Payroll taxes	105,249	72,667
Taxes - other	9,719	21,239
Telephone	69,448	59,003
Training	9,359	1,119
Travel	5,190	2,479
Utilities	-	1,147
	$ 1,884,860	$ 1,326,629

See independent auditors' report and notes to the consolidated financial statements

DISCOUNT POWER, INC. AND SUBSIDIARIES
CONSOLIDATED OTHER (INCOME) AND EXPENSES - SUPPORTING SCHEDULES
FOR THE YEARS ENDED DECEMBER 31,

	2011	2010
Interest expense - net	$ 697,545	$ 449,938
Valuation allowance on investments	-	50,000
Factoring fees	949,515	245,191
Board of director fees	600,000	290,000
Officers' salaries	165,000	290,000
Liquidating damages and customer settlements	12,853	-
Letters of credit fees	4,708	-
Pass through entity income - net	(4,397)	-
Loss on disposal of equipment	2,086	-
Interest income	(2,482)	-
	$ 2,424,828	$ 1,325,129

See independent auditors' report and notes to the consolidated financial statements

Attachment 8A

RECEIVED

SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Application for Membership
Between
PJM Interconnection, L.L.C.
and

Discount Power, Inc.

This Application for Membership Agreement ('Agreement') is entered into between PJM Interconnection, L.L.C. ('PJM') and ('Applicant'). The purpose of this Agreement is to apply to become a member of the PJM and to participate under the PJM Amended and Restated Operating Agreement, Third Revised Rates Schedule FERC No. 24 ('Operating Agreement'). The Applicant has read and understands the terms and conditions of the Operating Agreement. The Applicant agrees to accept the concepts and obligations set forth in this Agreement and the Operating Agreement posted on the PJM website at: http://www.pjm.com/documents/agreements/pjm-agreements.aspx.

The Applicant also commits to supply data required for coordination of planning and operating, including data for capacity accounting, and agrees to pay all costs and expenses in accordance with the Operating Agreement and all other applicable costs under the PJM Open Access Transmission Tariff ('Tariff'). Such costs include but are not limited to: (i) payment obligations under Schedule 3 of the Operating Agreement; (ii) costs under Schedule 9 of the PJM Tariff; and (iii) potential default allocation payment obligations pursuant to Section 15.2 of the Operating Agreement (PJM may, under the Operating Agreement, declare members in default for not paying their invoices. If that occurs, PJM may pursue collection of the overdue invoices that exceed the collateral PJM holds from the defaulting member as well as take steps to terminate the defaulting members' membership. According to the Operating Agreement, all members are required to pay a portion of the payment default that exceeds the defaulting member's collateral held by PJM.)

The Applicant will pay the annual fee of $5,000 for the remainder of the year of application upon notification of PJM application approval per Schedule 3.

The Applicant recognizes that it shall become a member of PJM effective as of the date that the Applicant receives the supplement to the Operating Agreement in the form prescribed in Schedule 4 of the Operating Agreement signed by the Applicant and countersigned by the President of PJM pursuant to section 11.6 of the Operating Agreement.

This Agreement will remain in effect until notice of termination is given in writing by the authorized representative of either the Applicant or PJM. Any financial obligations must be satisfied prior to termination of the Applicant's obligations and responsibilities under the PJM Agreement.

Applicant:

Signature: David S Feld

Name: David Feldman Title: VP of Operations Date: June 12, 2012

PJM Interconnection, L.L.C.

Signature: Terry Boston

Name: Terry Boston Title: President & CEO Date: June 27 2012

SCHEDULE 4

STANDARD FORM OF AGREEMENT TO BECOME A MEMBER OF THE LLC

Any entity which wishes to become a Member of the LLC shall, pursuant to Section 11.6 of this Agreement, tender to the President an application, upon the acceptance of which it shall execute a supplement to this Agreement in the following form:

Additional Member Agreement

1. This Additional Member Agreement (the 'Supplemental Agreement'), dated as of June 27, 2012, is entered into among Discount Power, Inc. and the President of the LLC acting on behalf of its Members.

2. Discount Power, Inc. has demonstrated that it meets all of the qualifications required of a Member to the Operating Agreement. If expansion of the PJM Region is required to integrate Discount Power, Inc.'s facilities, a copy of Attachment J from the PJM Tariff marked to show changes in the PJM Region boundaries is attached hereto. Discount Power, Inc. agrees to pay for all required metering, telemetering and hardware and software appropriate for it to become a member.

3. Discount Power, Inc. agrees to be bound by and accepts all the terms of the Operating Agreement as of the above date.

4. Discount Power, Inc. hereby gives notice that the name and address of its initial representative to the Members Committee under the Operating Agreement shall be:

David Feldman, 6 Armstrong Road, Shelton, CT 06484 USA

5. The President of the LLC is authorized under the Operating Agreement to execute this Supplemental Agreement on behalf of the Members.

6. The Operating Agreement is hereby amended to include Discount Power, Inc. as a Member of the LLC thereto, effective as of June 27, 2012, the date the President of the LLC countersigned this Agreement.

IN WITNESS WHEREOF, Discount Power, Inc. and the Members of the LLC have caused this Supplemental Agreement to be executed by their duly authorized representatives.

Members of the LLC

By: Terry Boston
Name: Terry Boston
Title: President & CEO

By: David S. Feldman
Name: David S. Feldman
Title: Vice President of Operations

Attachment 8B

RECEIVED

SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

MANAGEMENT BIOGRAPHIES

David Gable

President

Davis is the President of Discount Power as well as President of Hocon Gas, Inc. since the early 1980's (taking over for from his father who started the company in 1952). David has been the leader of many distinguished propane and professional associations, including:

- Past President of the New England Gas Association (PGANE)
- Past President Bench Marking, NPGA
- Past President of Marketing Management Forum (propane industry support group)
- Better Business Bureau
- National Pool and Spa Association
- CT Home Hearth and Patio Association

David is driven to see the business work well and to see the coordination of his employees working to serve our customers in an efficient manner. In addition, he works to expand the line of propane products and services, driving the business into new territories thereby serving new customers. As a trained architect, David designs, builds and implements of new energy systems.

David is the driving force behind Hocon's efforts to earn the honor of providing propane, related products and services at competitive prices. In addition he leads several Fairfield County conservation groups as well as a number of local charities.

David is a graduate of Tulane University, 1978.

David Feldman

VP of Operations

After 15 years in the private practice of law, where Mr. Feldman represented small business clients, he took over as General Counsel and Chief Operating Officer of Colorpix Systems of America where he had complete authority over day to day operations of multimillion dollar marketing and printing company. In addition to the day to day operations of the company, Mr. Feldman exercised full control and decision making authority over the company's legal affairs and served as lead member of management and point of contact for funding sources and company investors.

Following his time at ColorPix Mr. Feldman served as President of Feldman Management Consultants d/b/a Phoenix Management and Law Offices of David S. Feldman. That company provided management consulting services for several small and startup businesses that lacked sufficient managerial resources. He engaged in providing operational, logistical, legal, financial, marketing and sales support wherein he designed and implemented systems to improve overall productivity of the business. Other services included the development of business, marketing and financial plans for the continued growth of the client companies.

For the past two years Mr. Feldman has managed the day to day operations and legal affairs for Discount Power. His responsibilities include strategic planning, capital fundraising, human resources, and the structure and organization of the company. Mr. Feldman serves as one of the company's main point of contact for company investors and finance partners. He is responsible for preparation and maintenance of all Due Diligence materials.

Raymond Sanzone

Director of Trading and Risk Management

Mr. Sanzone is a twenty year veteran of the energy industry. Starting at Catex Energy (later a Vitol Company) Mr. Sanzone worked in the operation, marketing and sales divisions of the natural gas group before starting the electricity team in 1994. He then ran the trading floor for two years at the Power Company of America before branching off into the trading and risk management software end of the energy business. Mr. Sanzone architected and successfully launched the Bloomberg PowerMatch real time energy trading product and designed and managed the Kiodex Risk Management solution (Now a SunGard company). Most recently Mr. Sanzone has been advising commercial and industrial customers throughout New England, New York, Pennsylvania, New Jersey and Maryland on the procurement of the energy needs including both electricity and natural gas. He acted as both agent and consultant to his clients assisting them in procurement, budgeting, pricing, pipeline negotiation and bypass, cogeneration installation and financing, and overall energy risk and strategy.

Gino Tarantino

CFO

Gino has served Hocon for more than two decades and directed all of the financial operations for the company. His responsibilities include oversight of the branch expansion from one branch into a statewide five branch propane network.

He led the acquisition and start-up operation of an industrial gas division

Prior to joining Hocon, Gino served in various financial management capacities with Grolier, CBS magazine, and Petrocci Companies.

Gino is a dual degree graduate from Sacred Heart University. He has a BS, Accounting and a secondary MBA Finance, 1989.

William J. Nagy, CPA

Controller

Mr. Nagy spent 23 years in public accounting handling all financial and tax requirements of assigned clients. He is a graduate of Sacred Heart University with a degree in Accounting and The University of New Haven with an MS in Taxation.

Attachment 9A

RECEIVED

SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Sample

Disclosure Statement for Electric Generation Service with Discount Power, Inc.

This is an agreement for electric generation service with Discount Power, Inc. ("DPI") and you, the customer (also referred to as "you" "your" and "customer"). This agreement is intended for residential and small business customers and Discount Power, Inc. reserves the right to not accept or rescind enrollment if I am not so qualified. By entering into this agreement with DPI, I am agreeing to DPI being my agent for purposes of arranging for my electric generation needs and hereby consent to the Electric Distribution Company ("EDC") giving DPI access to my information, which includes account number, payment history, load profile and usages as well as other information related to my electric account. DPI will not give or sell your personal information to any unaffiliated party without your consent unless we are required to do so by law or it is necessary to enforce this Disclosure Statement.

Background – DPI is licensed by the Pennsylvania Public Utility Commission to offer and supply electricity in Pennsylvania; our PUC license number is A-1234-567890, We set the generation prices and charges that you pay, The Public Utility commission regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services. You will receive a single bill from Electric Distribution Companies that will contain the EDC's charges and DPI charges.

Right of Rescission – You may cancel this agreement at any time before midnight of the third business day after receiving this disclosure.

Definitions

- Generation Charge – Charge for production of electricity
- Transmission Charge – Charge for moving high voltage electricity from a generation facility to the distribution lines of an electric distribution company
- Distribution Charge – Charge for delivering electricity over a distribution system to the home or business from the transmission system

Terms of Service

1. Basic Service Prices (for fixed price products the following will appear – otherwise it will be deleted)

You will pay $XX.XX per kWh for electric generation service. The price of generation service reflected in this price will remain the same for the Initial Term. This price includes Transmission Charges and Estimated Total State Taxes, including the Gross Receipts Tax, but excludes applicable state and local Sales Taxes. If you are claiming exemption from any tax, you must provide an exemption certificate or acceptable alternate proof of exemption.

(For variable price products the following will appear and remains in place as the automatic renewal pricing) You will pay a variable rate with the starting price set at $XX.XX. Your price will vary on a month-to-month basis. This price includes Transmission Charges and Estimated Total State Taxes, including the Gross Receipts Tax, but excludes applicable state and local Sales Taxes, At any time after the first month of service, but not more frequently than monthly, we may increase or decrease your rate based on several factors, including wholesale market prices change and the PJM Markets. You will also pay all applicable taxes, fees, charges of other assessments which are not included in your price. If you are claiming exemption from any tax, you must provide an exemption certificate or acceptable alternate proof of exemption. You can find our current variable price at www.discountpowerinc.com.

2. **Length of Agreement**
   You will buy your electricity generation service for the applicable location(s) from DPI beginning on the date set by your utility for enrollment and first flow through date of expiration, if any.
3. **Penalties, Fees and Exceptions** – If you cancel this agreement before the end of the Initial Term a cancellation fee of $XXXX may be charged by DPI.
4. **Cancellation Provisions** – For all month-to-month contracts which includes automatic month-to-month renewal periods, either party can cancel by contacting the other without an early termination fee, although timing of your cancellation is subject to utility tariff provisions and timing but should occur as soon as the applicable rules permit. If you cancel this agreement before the end of the Initial Term for any fixed price agreement, a cancellation fee of $XXXX may be applied by DPI. You can call or write to DPI to cancel this agreement at the address o r number below. If DPI is going to cancel this agreement, we will send you notice at least 30 days in advance. Some common reasons for cancellation are:
   - **Non Payment:** If your electric service is terminated by your electric distribution company, then this agreement is cancelled on the date your electric service is terminated. You will owe us for amounts unpaid for our charges for electric generation service up to the date of termination.
   -**Company-Initiated Cancellation:** If we cancel this agreement for any reason other than for customer non-payment, we will follow applicable rules in providing notice to you.
   -**Customer Move:** This agreement is cancelled if the customer moves from this address.
5. **Renewal Provision/Agreement Expiration/Change in Terms:** If you have a fixed term agreement with us and it is approaching the expiration date or if we propose to change our terms of service, we will send you two advance written notices either in our bills or in separate mailings between 45 or 90 days before either the expiration date or the effective date of the changes. We will explain your options in these two advance notices. This agreement will renew on a month-to-month basis, at a variable rate, if no action is taken by you, DPI reserves the right to make changes to your terms of service, by providing you notice as stated in this paragraph of those changes.
6. **Dispute Procedures** – Contact us with any questions concerning our terms of service. You may call the PUC if you are not satisfied after discussing your terms with us.
7. **Contact Information** – If you need to contact DPI, you can write to us at:
   Discount Power, Inc.
   6 Armstrong Road
   Shelton, CT 06484
   or you can call us weekdays from 8:30 a.m. to 5:00 p.m. ET at 1-877-259-7693, or visit us on the

web at www.discountpowerinc.com. If you need to contact your utility, you can contact them at one of the contact numbers listed below.

Contact your EDC (in case of emergency, including electric outage): If you have an electric outage, service interruption or other emergency, you can contact your EDC:

Citizens Electric Of Lewisburg

1. Number to report outages or downed lines: 570-524-2231
2. Outage Site

Duquesne Light Company (DQE)

1. Number to report outages or downed lines: 1-888-393-7000
2. To Report an Outage Online - Outage Site

Pennsylvania Power Company (Penn Power) - FirstEnergy Company

1. Number to report outages or downed lines: 1-888-LIGHTSS (1-888-544-4877)
2. To Report an Outage Online - Outage Site

Metropolitan Edison Company (Met-Ed) - FirstEnergy Company

1. Number to report outages or downed lines: 1-888-LIGHTSS (1-888-544-4877)
2. To Report an Outage Online - Outage Site

Pennsylvania Electric Company (Penelec) - FirstEnergy Company

1. Number to report outages or downed lines: 1-888-LIGHTSS (1-888-544-4877)
2. To Report an Outage Online - Outage Site

PPL Electric Utilites - PPL Customer Website

1. Number to report outages or downed lines: 1-800-DIAL-PPL (1-800-342-5775)
2. To Report an Outage Online - Outage Site

PECO Energy Company - Exelon Company

1. Number to report outages or downed lines: 1-800-841-4141
2. To Report an Outage Online - Outage Site

Pike County Light & Power Company - Orange and Rockland Company

1. Number to report outages or downed lines: 1-877-434-4100
2. To Report an Outage Online - Outage Site

UGI Utilities Inc.

1. Number to report outages or downed lines: 1-800-276-2722
2. Outage Site

Wellsboro Electric Company

1. Number to report outages or downed lines: 570-724-3516

West Penn Power (formerly Allegheny Power) - FirstEnergy Company

1. Number to report outages or downed lines: 1-888-LIGHTSS (1-888-544-4877)
2. To Report an Outage Online - Outage Site

To contact the Pennsylvania Public Utility Commission:
Pennsylvania Public Utility Commission
P.O. Box 3265, Harrisburg, PA 17105-3265
UTILITY CHOICE HOTLINE: 1-800692-7380

Your EDC has programs available to customers who are on a limited or fixed income to assist them with utility bills. Some of these programs might include bill payment assistance and weatherization services. Information on your EDC's Universal Service Program can be obtained by contacting any of the companies listed above.

If you have a question or comment about our service please contact us. If you have a complaint, residential and small business customers should directly contact the party responsible for the service in question as in initial step for complaint and problem resolution. If you mistakenly contact the wrong entity, you will be promptly referred to the appropriate contact. In the event of a power outage, if you contact us, you will be directed to contact your EDC. Complaints that pertain to Chapter 56 (relating to standards and billing practices for residential utility service) matters shall be handled and resolved in accordance with the applicable standards in Chapter 56. DPI will give the Commission access to disclosure statements, billing and other customer information resources for compliance reviews as deemed necessary by the Commission for resolution, the obligation of DPI is extended to the provision of pricing information.

Proof of Publication in The Philadelphia Daily News
Under Act. No 587, Approved May 16, 1929

STATE OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

Florence Devlin being duly sworn, deposes and says that **The Philadelphia Daily News** is a newspaper published daily, except Sunday, at Philadelphia, Pennsylvania, and was established in said city in 1925, since which date said newspaper has been regularly issued in said County, and that a copy of the printed notice of publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said newspaper on the following dates:

September 14, 2012

Affiant further deposes and says that she is an employee of the publisher of said newspaper and has been authorized to verify the foregoing statement and that she is not interested in the subject matter of the aforesaid notice of publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

Florence Devlin

Sworn to and subscribed before me this 14th day of September, 2012.

Mary Anne Logan
Notary Public

My Commission Expires:

NOTARIAL SEAL
Mary Anne Logan, Notary Public
City of Philadelphia, Phila. County
My Commission Expires 3/30/2013

Copy of Notice of Publication

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Application of Discount Power, Inc. For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity To The Public In The Commonwealth Of Pennsylvania.

Discount Power, Inc. will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. Discount Power, Inc. proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Discount Power, Inc. may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to Discount Power, Inc. at the address listed below.

David Feldman
Discount Power, Inc.
6 Armstrong Road
Shelton, CT 06484
[illegible]
[illegible]

No. Term, 19

PROOF OF PUBLICATION OF NOTICE IN THE WILLIAMSPORT SUN-GAZETTE UNDER ACT NO. 587, APPROVED MAY 16, 1929

STATE OF PENNSYLVANIA
COUNTY OF LYCOMING SS:

Bernard A. Oravec Publisher of the Sun-Gazette Company, publishers of the Williamsport, Sun-Gazette, successor to the Williamsport Sun and the Gazette & Bulletin, both daily newspapers of general circulation, published at 252 West Fourth Street, Williamsport, Pennsylvania, being duly sworn, deposes and says that the Williamsport Sun was established in 1870 and the Gazette & Bulletin was established in 1801, since which dates said successor, the Williamsport Sun-Gazette, has been regularly issued and published in the County of Lycoming aforesaid, and that a copy of the printed notice is attached hereto exactly as the same was printed and published in the regular editions of said Williamsport Sun-Gazette on the following dates, viz:

September 15, 2012

LEGAL NOTICES

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Application of Discount Power, Inc. For Approval To Offer, Render, Furnish, Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania.

Discount Power, Inc. will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. **Discount Power, Inc.** proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Discount Power, Inc.** may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to **Discount Power, Inc.** at the address listed below.

David Feldman
Discount Power, Inc.
6 Armstrong Road
Shelton, CT 06484
203-929-3200
203-909-6617

Affiant furt[...] officer daily authorized by the Sun-Gazette Company, publisher of the Williamsport Sun-Gazette, to verify the[...]er oath and also declares that affiant is not interested in the subject matter of the aforesaid notice of publicatio[...]tions in the foregoing statement as to time, place and character of publication are true.

Bernt A. Or

SUN-GAZETTE COMPANY

Sworn to and subscribed before me the 18th day of September 2012

Cathy A Billey
Notary Public

NOTARIAL SEAL
CATHY A. BILLEY, Notary Public
City of Williamsport, Lycoming County
My Commission Expires May 15, 2015

STATEMENT OF ADVERTISING COSTS

To the Sun-Gazette Company, Dr.:
For publishing the notice attached hereto on the above state dates.................$ 271.80
Probated same.................$
Total.................$ 271.80

[...]HER'S RECEIPT FOR ADVERTISING COSTS

THE SUN-GA[...]ereby acknowledges receipt of the aforesaid advertising and publication costs and certifies t[...]n fully paid.

SUN-GAZETTE COMPANY

BY Bernard A. Oravec

The Scranton Times **(Under act P.L. 877 No 160. July 9, 1976)**

Commonwealth of Pennsylvania, County of Lackawanna

DISCOUNT POWER
PEGGY GERBIER
6 ARMSTRONG ROAD SHELTON CT 06484

Account # 561191
Order # 80902472
Ad Price: 227.95

Gina Krushinski
Being duly sworn according to law deposes and says that she is Billing clerk for The Scranton Times, owner and publisher of The Scranton Times, a newspaper of general circulation, established in 1870, published in the city of Scranton, county and state aforesaid, and that the printed notice or publication hereto attached is exactly as printed in the regular editions of the said newspaper on the following dates:

09/13/2012

Affiant further deposes and says that neither the affiant nor The Scranton Times is interested in the subject matter of the aforesaid notice or advertisement and that all allegations in the foregoing statement as time, place and character or publication are true Gina Krushinski.

Sworn and subscribed to before me
this 13th day of SeptemberA.D., 2012

Sharon Venturi
(Notary Public)

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Sharon Venturi, Notary Public
City of Scranton, Lackawanna County
My Commission Expires Feb. 12, 2014
Member, Pennsylvania Association of Notaries

LEGAL NOTICE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of ***Discount Power, Inc.*** *For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania.*

Discount Power, Inc. will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. **Discount Power, Inc.** proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of **Discount Power, Inc.** may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to **Discount Power, Inc.'s** attorney at the address listed below.

By and through Counsel:
David Feldman
Discount Power, Inc.
6 Armstrong Road
Shelton, CT 06484
203-929-3200
203-909-6617

No.____________________ Term,__________

Proof of Publication of Notice in Pittsburgh Post-Gazette

Under Act No 587, Approved May 16, 1929, PL 1784, as last amended by Act No 409 of September 29, 1951

Commonwealth of Pennsylvania, County of Allegheny, ss M. Goodwin, being duly sworn, deposes and says that the Pittsburgh Post-Gazette, a newspaper of general circulation published in the City of Pittsburgh, County and Commonwealth aforesaid, was established in 1993 by the merging of the Pittsburgh Post-Gazette and Sun-Telegraph and The Pittsburgh Press and the Pittsburgh Post-Gazette and Sun-Telegraph was established in 1960 and the Pittsburgh Post-Gazette was established in 1927 by the merging of the Pittsburgh Gazette established in 1786 and the Pittsburgh Post, established in 1842, since which date the said Pittsburgh Post-Gazette has been regularly issued in said County and that a copy of said printed notice or publication is attached hereto exactly as the same was printed and published in the regular editions and issues of the said Pittsburgh Post-Gazette a newspaper of general circulation on the following dates, viz:

13 of September, 2012

Affiant further deposes that he/she is an agent for the PG Publishing Company, a corporation and publisher of the Pittsburgh Post-Gazette, that, as such agent, affiant is duly authorized to verify the foregoing statement under oath, that affiant is not interested in the subject matter of the afore said notice or publication, and that all allegations in the foregoing statement as to time, place and character of publication are true.

M. Goodwin

PG Publishing Company

Sworn to and subscribed before me this day of:
September 13, 2012

Linda M. Gaertner

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Linda M. Gaertner, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Jan. 31, 2015
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

STATEMENT OF ADVERTISING COSTS

Discount Power Inc
6 ARMSTRONG RD STE 302
SHELTON CT 06484-4745

To PG Publishing Company

Total --- $502.50

Publisher's Receipt for Advertising Costs

PG PUBLISHING COMPANY, publisher of the Pittsburgh Post-Gazette, a newspaper of general circulation, hereby acknowledges receipt of the aforsaid advertising and publication costs and certifies that the same have been fully paid.

Office
34 Boulevard of the Allies
PITTSBURGH, PA 15222
Phone 412-263-1338

PG Publishing Company, a Corporation, Publisher of Pittsburgh Post-Gazette, a Newspaper of General Circulation

By Maria Lucas

I hereby certify that the foregoing is the original Proof of Publication and receipt for the Advertising costs in the subject matter of said notice.

____
Attorney For

COPY OF NOTICE OR PUBLICATION

PENNSYLVANIA PUBLIC UTILITY COMMISSION NOTICE

Application of Discount Power, Inc. For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania.

Discount Power, Inc will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying elecuicity, and (3) an aggregator engaged in the business of supplying electricity. Discount Power, Inc. proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing. Protests directed to the technical or financial fitness of Discount Power, Inc. may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. *You should* send copies of any protest to Discount Power, Inc.'s attorney at the address listed below.

By and through Counsel: David Feldman, Discount Power, Inc., 6 Armstrong Road, Shelton, CT 06484, 203-929-3200, 203-909-6617

COMMONWEALTH OF PENNSYLVANIA }
County of Cambria } SS

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Application of **Discount Power, Inc.** For Approval To Offer, Render, Furnish, Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity To The Public In The Commonwealth Of Pennsylvania.

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David Feldman
Discount Power, Inc.
6 Armstrong Road
Shelton, CT 06484
203-929-3200
203-909-6617

On this 14th day of September A.D. 2012, before me, the subscriber, a Notary Public in and for said County and State, personally appeared Christine Marhefka, who being duly sworn according to law, deposes and says as Classified Advertising Manager of the Tribune-Democrat, Johnstown, PA, a newspaper of general circulation as defined by the "Newspaper Advertising Act", a merger September 8, 1952, of the Johnstown Tribune, established December 7, 1853; and of the Johnstown Democrat, established March 5, 1863,

publishe ... ty of Cambria, and Commonwealth of Pennsylvania and that the ... e matter published in said publication in the regular issues of The J ... , on September 14, 2012; and that the Affiant is not intereste ... rtising and that all of the allegations as to time, place and characte ...

Christine Marhefka

STATEMENT OF ADVERTISING COSTS

Sworn and Subscribed before me this
14th day of September, 2012.

Vivian Ohs

70 Lines @ $2.50 per line	175.00
0.00 Inches @ $25.00 per inch	0.00
Notary Fee	5.00
Clerical Fee	2.50
Total Cost	182.50

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Vivian Ohs, Notary Public
City of Johnstown, Cambria County
My Commission Expires Dec. 6, 2012
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

To The Tribune-Democrat, Johnstown, PA
For publishing the notice or publication attached hereto on the above stated dates.

PUBLISHER'S RECEIPT FOR ADVERTISING COSTS

______________________ for publisher of ______________________
a newspaper of general circulation, hereby acknowledges receipt of the aforesaid and publication costs and certifies that the same has been duly paid.

____
(Name of Newspaper)

By______________________

The Patriot-News Co.
2020 Technology Pkwy
Suite 300
Mechanicsburg, PA 17050
Inquiries - 717-255-8213

The Patriot-News
Now you know

DISCOUNT POWER
6 ARMSTRONG ROAD

SHELTON CT 06484

THE PATRIOT NEWS
THE SUNDAY PATRIOT NEWS

Proof of Publication

Under Act No. 587, Approved May 16, 1929
Commonwealth of Pennsylvania, County of Dauphin} ss

Holly Blain, being duly sworn according to law, deposes and says:

That she is a Staff Accountant of The Patriot News Co., a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, with its principal office and place of business at 2020 Technology Pkwy, Suite 300, in the Township of Hampden, County of Cumberland, State of Pennsylvania, owner and publisher of The Patriot-News and The Sunday Patriot-News newspapers of general circulation, printed and published at 1900 Patriot Drive, in the City, County and State aforesaid; that The Patriot-News and The Sunday Patriot-News were established March 4th, 1854, and September 18th, 1949, respectively, and all have been continuously published ever since;

That the printed notice or publication which is securely attached hereto is exactly as printed and published in their regular daily and/or Sunday/ Community Weekly editions which appeared on the date(s) indicated below. That neither she nor said Company is interested in the subject matter of said printed notice or advertising, and that all of the allegations of this statement as to the time, place and character of publication are true; and

That she has personal knowledge of the facts aforesaid and is duly authorized and empowered to verify this statement on behalf of The Patriot-News Co. aforesaid by virtue and pursuant to a resolution unanimously passed and adopted severally by the stockholders and board of directors of the said Company and subsequently duly recorded in the office for the Recording of Deeds ...uphin in Miscellaneous Book "M", Volume 14, Page 317.

This ad # 0002229597 ran on the dates shown below:

September 14, 2012

Sworn to and subscribed before me this 17 day of September, 2012 A.D.

Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Sherrie L. Owens, Notary Public
Lower Paxton Twp., Dauphin County
My Commission Expires Nov. 26, 2015
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

PENNSYLVANIA
PUBLIC UTILITY COMMISSION
NOTICE

Application of Discount Power, Inc. For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania.

Discount Power, Inc. will be filing an application with the Pennsylvania Public Utility Commission ("PUC") for a license to supply electricity or electric generation services as (1) a generator and supplier of electric power, (2) a broker/marketer engaged in the business of supplying electricity, and (3) an aggregator engaged in the business of supplying electricity. Discount Power, Inc. proposes to sell electricity and related services throughout all of Pennsylvania under the provisions of the new Electricity Generation Customer Choice and Competition Act.

The PUC may consider this application without a hearing: Protests directed to the technical or financial fitness of Discount Power, Inc. may be filed within 15 days of the date of this notice with the Secretary of the PUC, P.O. Box 3265, Harrisburg, PA 17105-3265. You should send copies of any protest to Discount Power, Inc. at the address listed below.

David Feldman
Discount Power, Inc.
6 Armstrong Road
Shelton, CT 06484
203-929-3200
203-909-6617

PROOF OF PUBLICATION
In
THE ERIE TIMES-NEWS

COMBINATION EDITION

DISCOUNT POWER INC
6 ARMSTRONG RD
SHELTON CT 06484

REFERENCE: L0005739
2077349 PUC NOTICE

STATE OF PENNSYLVANIA)
COUNTY OF ERIE) SS:

Ross Lockwood, being duly sworn, deposes and says that: (1) he is a designated agent of the Times Publishing Company (TPC) to execute Proofs of Publication on behalf of the TPC; (2) the TPC, whose principal place of business is at 205 W. 12th Street, Erie, Pennsylvania, owns and publishes the Erie Times-News, established October 2, 2000, a daily newspaper of general circulation, *and published at Erie, Erie County Pennsylvania;* (3) the subject notice or advertisement, a true and correct copy of which is attached, was published in the regular edition(s) of said newspaper on the date(s) referred to below. Affiant further deposes that he is duly authorized by the TPC, owner and publisher of the Erie Times-News, to verify the foregoing statement under oath, and affiant is not interested in the subject matter of the aforesaid notice or advertisement, and that all allegations in the foregoing statement as to time, place and character of publication are true.

PUBLISHED ON: 09/14

TOTAL COST: 294.00 AD SPACE: 7.000 INCH
FILED ON: 09/14/12

PENNSYLVANIA PUBLIC UTILITY COMMISSION
NOTICE

*Application of **Discount Power, Inc.** For Approval To Offer, Render, Furnish Or Supply Electricity Or Electric Generation Services As A Generator And Supplier Of Electric Power, A Marketer/Broker Engaged In The Business Of Supplying Electricity, And An Aggregator Engaged In The Business Of Supplying Electricity, To The Public In The Commonwealth Of Pennsylvania.*

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David Feldman
Discount Power, Inc.
6 Armstrong Road
Shelton, CT 06484
203-929-3200
203-909-6617

2077349

Sworn to and subscribed before me this
14th day of September 2012 Affiant: Ross Lockwood

NOTARY: Barbara J Moore

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Barbara J. Moore, Notary Public
City of Erie, Erie County
My Commission Expires March 23, 2016
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

RECEIVED

SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Appendix C

CERTIFICATE OF SERVICE

On this the 26th day of September, 2012, I certify that a true and correct copy of the *foregoing application form for licensing within the Commonwealth of Pennsylvania as an Electric* Generation Supplier and all attachments have been served upon the following:

Office of Consumer Advocate
5th Floor, Forum Place
555 Walnut Street
Harrisburg, PA 17120

Office of the Attorney General
Bureau of Consumer Protection
Strawberry Square, 14th Floor
Harrisburg, PA 17120

Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

Commonwealth of Pennsylvania
Department of Revenue
Bureau of Compliance
Harrisburg, PA 17128-0946

Legal Department
West Penn Power d/b/a Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689

Manager Energy Acquisition
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101-8699

Regulatory Affairs
Duquesne Light Company
411 Seventh Street, MD 16-4
Pittsburgh, PA 15219

Legal Department
Attn: Paul Russell
PPL
Two North Ninth Street
Allentown, PA 18108-1179

Legal Department
First Energy
2800 Pottsville Pike
Reading PA, 19612

UGI Utilities, Inc.
Attn: Rates Dept. – Choice Coordinator
2525 N. 12th Street, Suite 360
Post Office Box 12677
Reading, Pa 19612-2677

Citizens' Electric Company
Attn: EGS Coordination
1775 Industrial Boulevard
Lewisburg, PA 17837

Director of Customer Energy Services
Orange and Rockland Company
390 West Route 59
Spring Valley, NY 10977-5300

Wellsboro Electric Company
Attn: EGS Coordination
33 Austin Street
P. O. Box 138
Wellsboro, PA 16901

David S. Feldman

David S. Feldman, VP of Operations
Discount Power, Inc

From: (203) 929-3200
David Feldman
Discount Power, Inc.
6 Armstrong Rd.

Shelton, CT 06484

Origin ID: OXCA

FedEx. Express

E

J122012071160325

Ship Date: 28SEP12
ActWgt: 0.5 LB
CAD: 101448678/INET3300

Delivery Address Bar Code

SHIP TO: (717) 783-1740 BILL SENDER

Secretary
Pennsylvania Public Utility Comm
2 KEYSTONE BUILDING

HARRISBURG, PA 17120

Ref #
Invoice #
PO #
Dept #

RECEIVED

SEP 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

MON - 01 OCT A1
FIRST OVERNIGHT

TRK# **7990 7559 3552**
0201

17120
PA-US
MDT

X1 MDTA

515G1/0D3A/AA44

After printing this label:
1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.
Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com.FedEx will not be responsible for any claim in excess of $100 per package, whether the result of loss, damage, delay, non-delivery,misdelivery,or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim.Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental,consequential, or special is limited to the greater of $100 or the authorized declared value. Recovery cannot exceed actual documented loss.Maximum for items of extraordinary value is $500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.