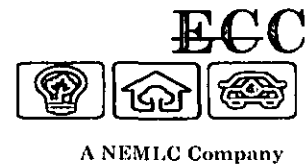


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ORIGINAL January 15, 2014

Rosemary Chiavetta, Secretary
Pennsylvania Public Utilities Commission
PO Box 3265
Harrisburg, PA 17105

Re: *In the Matter of the Acquisition of Discount Energy Group, LLC*
Notice in accordance with 52 Pa. Code § 54.1-54.9
Docket No. A-2010-2199551

Dear Madam Secretary,

On August 26, 2010, Discount Energy Group, LLC (“Company” “DEG”) filed an application seeking to become a licensed electric generation supplier (EGS) in the service territories throughout the Commonwealth of Pennsylvania. The application was filed pursuant to the Commission’s regulations at 52 Pa. Code §§54.31-54.43 and was established under Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

Discount Energy is a foreign limited liability company organized in the State of Delaware on August 20, 2010, and registered to do business in Pennsylvania as of August 25, 2010. Discount Energy is licensed to act as a generator and supplier of electric power to residential, small commercial (25 kw and under demand), large commercial (over 25 kw demand), industrial and governmental customers in the service territories throughout the Commonwealth of Pennsylvania

On March 17, 2011, the PPUC issued the license for the Company to Supply electricity throughout the Commonwealth under *Docket No. A-2010-2199551*

Pursuant to a Discount Energy Group’s (“Company” “DEG”) ongoing obligation to inform the Pennsylvania Public Utilities Commission (“PPUC” “Commission”) of material

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changes to its business operations, the Company herein provides Notice that it has entered into a wholesale equity purchase agreement with Retail Energy Holdings, LLC (“REH”) on January 1, 2014, which is a wholly owned subsidiary of Twin Cities Power Holdings (“TCPH”). A graphical depiction of the resulting corporate structure is attached hereto as *Exhibit A*.

Since Discount Energy Group will continue to provide electric generation supplier services to residential customers it is required to comply with, and be governed by, applicable Chapter 56 residential service regulations as set forth in the Commission Order Guidelines for Maintaining Customer Service at the Same Level of Quality Pursuant to 66 Pa. C.S. §2807(d), and Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. §2809(c) and (f), at Docket No. M-00960890 F0011, Order entered July 11, 1997. Discount Energy Group herein notes that it will continue to remain in compliance with all applicable rules, regulations and orders as promulgated by the Commission, past, present and future. No terms or conditions for any customer in Pennsylvania will change and they will continue to receive uninterrupted quality service from Discount Energy Group.

This Notice further indicates that Discount Energy Group’s name and marketing methods and customer outreach will not change, but it will rather simply become a wholly owned subsidiary of the aforementioned entities.

Regarding the financial and technical requirements contained in the original license application, Discount Energy submitted an organizational chart, proof of commercial insurance, projected first year financials through October 2011, and current financials as of December 31, 2010, and as of February 28, 2011. Since the wholesale purchase agreement will enhance its financial position, the Company hereby submits a link to its most recent SEC filings for its ultimate parent company, TCHP, attached as *Exhibit B*.

Discount Energy also provided extensive resume data for its chief officers showing energy industry, regulatory, sales and marketing, energy consulting, and energy procurement experience. Sufficient information was provided by Discount Energy Group to demonstrate its financial and technical fitness in order to be licensed as a supplier of retail electric power in the service territories throughout the Commonwealth of Pennsylvania. Additionally, DEG herein

provides background summaries of its new Executives who bring a wealth of industry expertise that will only enhance DEG's operations in the Commonwealth of Pennsylvania. (*Exhibit C*)

Moreover, the Company's marketing and business model for which the Commission relied upon in granting the original license has not changed. The technical and managerial competency will remain strong as the directors and managers at Twin Cities Power Holdings will oversee the day-to-day operations of the Company within the Commonwealth, ultimately aided by the former executives at Discount Energy Group as consultants.

Prior to the acquisition of Discount Energy Group, the requisite FERC approval was sought and granted in Docket No. EC14-18-000¹.

Should the Commission require any additional information, or documentation regarding this acquisition, please do not hesitate to contact our firm directly.

Respectfully Submitted,



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o/h/o Discount Energy Group LLC

¹ 16 U.S.C. § 824b (2006), the Federal Power Act (FPA)

EXHIBIT A

Discount Energy Group herein submits a graphical depiction of its resulting corporate structure.

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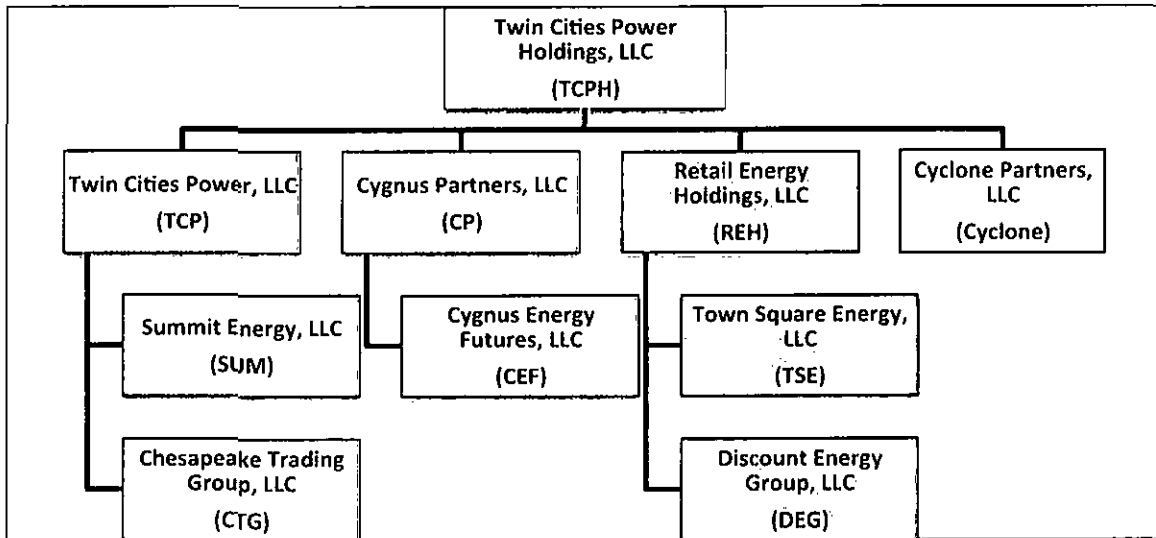
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The roots of Twin Cities Power Holdings, LLC (TCPH or the Company) go back to 2006, when we began trading wholesale electricity in the then recently formed Midwest market. Today, we are headquartered in the Minneapolis-St. Paul metropolitan area; operate two primary businesses - **Wholesale Energy Trading** and **Retail Energy Services** - out of 5 locations around the country; and employ 40+ people.

While our equity is privately held, our Renewable Unsecured Subordinated Notes are registered with the SEC and may be purchased by residents of California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, South Dakota, Texas, Utah, Vermont, and Wisconsin.

ORGANIZATIONAL STRUCTURE AT JAN 1, 2014
 (Active entities only)

Key
 Orange - Holding Company • Green - Wholesale Energy Trading • Light Blue - Retail Energy Services
 • Gray - Real Estate Development



Wholesale Energy Trading

We hold market-based rate authority granted by the Federal Energy Regulatory Commission, an independent regulatory agency within the U.S. Department of Energy (FERC and DOE, respectively) and are authorized by DOE to export electricity to Canada.

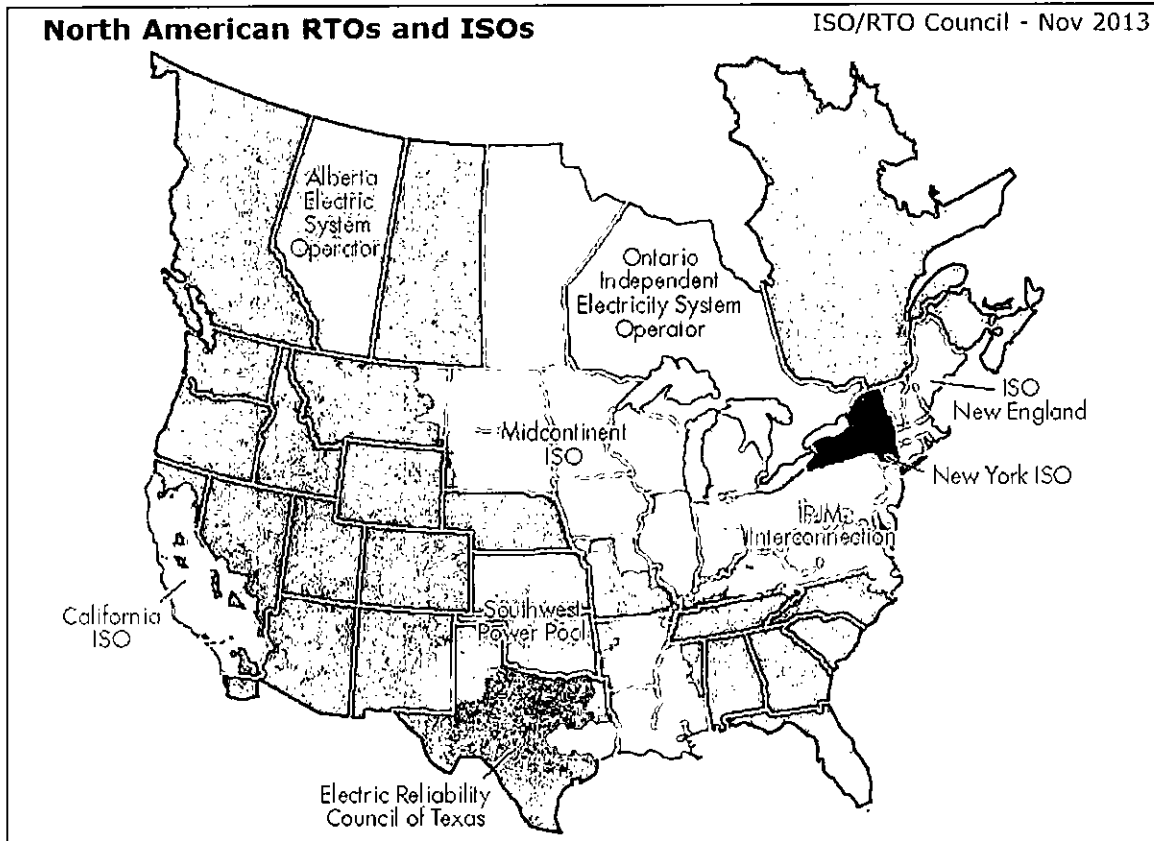
In general, we trade financial power for our own account in wholesale electricity markets managed by Independent System Operators or Regional Transmission Organizations regulated by FERC, including those managed by the PJM Interconnection (PJM), the Midcontinent Independent System Operator (MISO), ISO New England (ISO-NE), the New York Independent System Operator (NYISO), and the Electric Reliability Council of Texas (ERCOT).

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We also trade electricity and other energy-related derivatives on exchanges regulated by the Commodity Futures Trading Commission and operated by the Intercontinental Exchange® (ICE), the Natural Gas Exchange Inc. (NGX), and the CME Group (CME).



Retail Energy Services

On June 29, 2012, we entered the retail energy business via the acquisition of a Connecticut-based supplier serving less than 150 accounts and at December 31, 2013, we served over 10,000 residential and small commercial customers. We are also licensed by the states of Massachusetts, New Hampshire, and Rhode Island. Effective January 1, 2014, we acquired Discount Energy Group, LLC. DEG is currently licensed to provide electricity to customers in Maryland, New Jersey, Ohio, and Pennsylvania.

Consequently, at January 1, we are licensed in 8 out of the 14 jurisdictions that permit all retail electric customers to choose their energy supplier. See www.townsquareenergy.com and www.discountenergygroup.com.

EXHIBIT B

Discount Energy Group, as a wholly owned subsidiary of Retail Energy Holdings, LLC, is part of the Twin Cities Power family of companies as depicted in Schedule A. Updated statements can be found at <http://twincitiespower.com/investors/>.

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EXHIBIT C

To enhance the decades of expertise in the energy industry that the managers and directors for Discount Energy Group utilize in the Pennsylvania operations, attached please find Executive summaries for key operating personnel within Twin Cities Power Holdings.

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TCPH Leadership

The following table lists the executive officers and governors of TCPH:

Name	Age	Position
Timothy S. Krieger	47	Chairman of the Board of Governors, Chief Executive Officer, and President
Wiley H. Sharp III (1)	57	Vice President – Finance and Chief Financial Officer
Keith W. Sperbeck	41	Vice President - Operations and Secretary
Stephanie E. Staska (1)	31	Vice President – Risk Management and Chief Risk Officer
David B. Johnson (1, 3)	62	Governor
Mark A. Cohn (2, 3)	56	Governor
William M. Goblirsch (2, 3)	69	Governor
Notes		
(1) Member of the Risk Management Committee.		
(2) Member of the Audit Committee.		
(3) Member of the Compensation Committee.		

Executive Officers

Timothy S. Krieger is our founder and owner and has served as Chairman, CEO, and President of TCPH and its predecessors since inception in 2006. Until January 1, 2010, Tim was also a governor, co-founder, and the Secretary and Treasurer of Fairway Dairy & Ingredients, LLC, a buyer and seller of dairy commodities. He graduated from Iowa State University in 1989 with a BBA in marketing.

Wiley H. Sharp III has served as VP-Finance and CFO since March 2012. Wiley is also a co-founder and Partner of Altus Financial Group LLC, a boutique investment banking firm specializing in the institutional placement of senior debt facilities, junior capital, and project financing, a position he has held since April 2005. From May to October 2011, he also served as VP-Finance for Christopher & Banks Corporation, a publicly traded retailer of women’s clothing (NYSE-CBK). Wiley graduated from Tulane University in 1979 with a BS in management. He currently holds Series 79 (Investment Banking Representative), Series 7 (General Securities Representative), and Series 63 (Uniform State Securities Law) FINRA licenses.

Keith W. Sperbeck has served as VP-Operations since April 2009. From February 2004 to April 2009, he was employed by Citizens Bank Minnesota as a Vice President with responsibility for commercial lending, branch operations, and employee development.

Stephanie E. Staska has served as VP of Risk Management and Chief Risk Officer since August 2008. From September 2004 to August 2008, she was employed by Cargill, Inc., a global commodity trading concern and the 2nd largest private company in the United States, serving most recently as a Senior Risk Analyst within the trade and structured finance and corporate treasury functions from November 2006 to August 2008. Stephanie attended the Carlson School of Management at the University of Minnesota and received her MBA in December 2007 and her BSB in actuarial science in May 2003.

Governors

Mark A. Cohn was elected as a Governor of the Company in January 2013. Mark is currently the Chairman and CEO of Third Season, LLC, a company founded as an incubator of micro-consumer marketing companies, a position he has held since founding the company in 2003. In 2012, the National Association of Corporate Directors named him a



Governance Fellow. Over the past 25 years, Mark has served as CEO or a board member for many private and public for profit, and non-profit, companies or organizations in industries including retailing, distribution, internet, broadcasting, health care, natural resources, manufacturing, and motorsports.

William M. Goblirsch was elected as a Governor of the Company in May 2012. Bill is a certified public accountant (inactive license) who started his career forty years ago with Arthur Andersen. For the past five years he has been utilizing his financial experience as an independent consultant. He has served as CFO for several companies including an investment banking firm; a blender, packager and distributor of oil products and lubricants; a cellular air time reseller; and a shopping mall franchisor of dental centers. Bill was appointed CFO of Tzfat Spirits of Israel, LLC in January 2013 and also serves as a board member.

David B. Johnson was elected as a Governor of the Company in December 2011. Dave is currently CEO of Cedar Point Capital, LLC, a private company that raises capital for early stage companies, a position he has held since May 2007. Dave graduated from Augsburg College in Minneapolis, MN in 1973 with a BS in business.

Retail Energy Services Leadership

The following table lists the officers and governors of TCPH's Retail Energy Services businesses, Town Square Energy and Discount Energy Group:

Name	Age	Position
Timothy S. Krieger	47	Chief Executive Officer and Governor
Randal Miller	—	President
Bill Bryce	—	Vice President - Operations & Business Development
Keith W. Sperbeck	41	Governor, Secretary, and Treasurer
David B. Johnson	62	Governor

Randal Miller serves as President of both Town Square Energy and Discount Energy Group. Randal is a seasoned energy professional with years more than 15 years of experience in marketing, analysis, regulatory and policy development, trading and retail energy operations and has ultimate responsibility for the success of TCPH Retail Energy Services businesses. He oversees all aspects of the wholesale function of the business, including load forecasting, energy procurement, and renewable portfolio strategy and compliance. Randal leads the product development and marketing functions of the organization, and is also responsible for ensuring compliance with corporate policies relating to risk and hedging. He attended the University of Alberta and graduated with a commerce degree in 1998.

Bill Bryce serves as Vice President - Operations & Business Development. Bill has more than 15 years of experience and spent his entire career in energy-related fields, from maintenance and operation of power plants to analysis, trading, renewable energy design and construction, consulting, energy education, and retail operations. Bill is responsible for the day-to-day operation of TCPH's retail businesses and directly oversees the customer service function. He is also the primary point of contact for all of TCPH's retail technical service providers (as they relate to EDI, billing, and customer relations) as well as all utilities and state regulatory authorities. Bill ensures the effective implementation of new products and services and marketing campaigns. Bill attended Queen's University and graduated with a degree in mechanical engineering in 1997.



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