

LOAD SERVING ENTITY COMPLIANCE REQUIREMENT FORM

A-2010-2199551

On an annual basis, EGSs providing retail electric supply service (i.e. take title to electricity) must file with the Commission this Load Serving Entity (LSE) Compliance Requirement Form. EGSs are directed to attach to this form documentation which provides the following:

- Proof of registration as a PJM LSE, or
- Proof of a contractual arrangement with a registered PJM LSE that facilitates the retail electricity services of the EGS.

Examples of sufficient documentation to satisfy this compliance requirement include, but may not be limited to:

- A screen print showing that the EGS is listed as a Party to an effective version of the PJM Reliability Assurance Agreement (RAA), located at Schedule 17 of the RAA.
- Correspondence, such as an e-mail screen print or regular mail scan, from PJM verifying membership as an LSE.
- Documentation of an effective contract between the EGS and another party that serves as the LSE on behalf of the EGS. In such a case, the documentation must also include proof that the party fulfilling the LSE role is indeed registered with the PJM as an LSE

EGSs may mark all or portions of their filing confidential.

EGSs which do not provide retail electric supply service, such as brokers, are not required to file an LSE Compliance Requirement Form.

The EGS provides retail electric supply service and has attached compliance with the LSE requirement hereto.

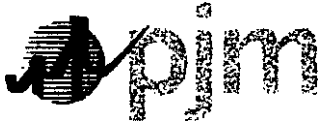
Description of attachment (provide a brief description of the attachment below):

Attached is a copy of our membership agreement with PJM.

RECEIVED

APR 27 2018

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



955 Jefferson Ave.
Valley Forge Corporate Center
Norristown, PA 19403-2497

November 12, 2010

Mr. Pete McCawley
Discount Energy Group, LLC
22809 Pacific Coast Highway
Malibu, CA 90265

Dear Mr. McCawley,

Welcome to PJM!

As promised, enclosed are the signed membership agreements for your records. To ensure your needs are met, PJM has assigned Client Manager Marie Furey, as your primary point of contact. He can be contacted at fureym@pjm.com or 610-666-8250. You may also contact our Customer Service Center at 866-400-8980 should you have any questions as well.

Thank you,

A handwritten signature in black ink that reads "Tracy Miehke".

Tracy Miehke
PJM Interconnection

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

Discount Energy Group, LLC
(Company's Name)

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: Discount Energy Group, LLC

Signature: 

Name: Peter J. McCawley

Title: CEO

Date: August 24, 2010

PJM Interconnection, L.L.C.

Signature: 

Name: Terry Boston

Title: President & CEO

Date: 11/12/2010

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 Nov 12, 2010, is entered into among Discount Energy Group, LLC and the President of the LLC acting on behalf of its Members.

2. Discount Energy Group, LLC 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 Energy Group, LLC's facilities, a copy of Attachment J from the PJM Tariff marked to show changes in the PJM Region boundaries is attached hereto. Discount Energy Group, LLC agrees to pay for all required metering, telemetering and hardware and software appropriate for it to become a member.

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

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

Peter McCawley, CEO, 22809 Pacific Coast Highway, Malibu, CA 90265

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 Energy Group, LLC as a Member of the LLC thereto, effective as of November 12, 2010, the date the President of the LLC countersigned this Agreement.

IN WITNESS WHEREOF, Discount Energy Group, LLC 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: Peter J. McCawley
Name: Peter J. McCawley
Title: CEO

Issued By: Craig Glazer
Vice President, Government Policy
Issued On: April 30, 2004

Effective: May 1, 2004

ORIGIN ID:CHDA (973) 438-5818
TINA ZITO
TOWN SQUARE ENERGY
3950 E RIGGS RD
SUITE 1
CHANDLER, AZ 85249
UNITED STATES US

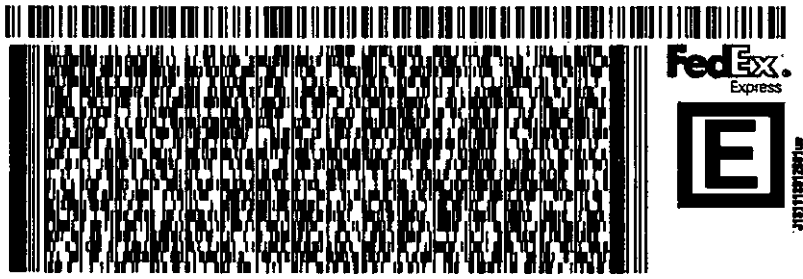
SHIP DATE: 27APR18
ACTWGT: 1.00 LB
CAD: 110423903/NET3980

BILL SENDER

TO **SECRETARY CHIAVETTA**
PA PUBLIC UTILITIES COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG PA 17120

552.J19132/DC/6

(717) 712-7777 REF: TINA ZITO-ACCOUNTING
INV: PA PUC LOAD SERVING ENTITY COM
PO: DEPT:

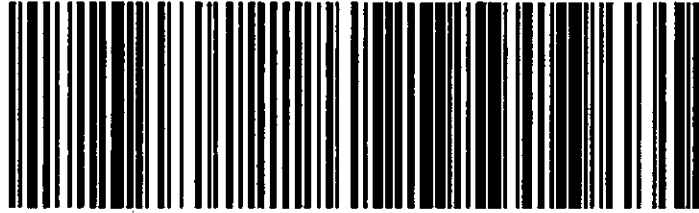


MON - 30 APR 3:00P
STANDARD OVERNIGHT

TRK# 7720 9829 6065
0201

SH MDTA

17120
PA-US MDT



After printing this label:

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