

Energy Choice Matters

February 22, 2010

Delaware PSC Releases Report on Delmarva SOS Procurement

Delmarva Power's procurement for Delaware SOS supplies produced an average winning price of \$89.95/MWh for the Residential and Small Commercial & Industrial class, the Delaware PSC said in releasing a report on the procurement from Boston Pacific Company.

The Residential and Small Commercial & Industrial customer procurement was for one third of supplies from June 1, 2010 - May 31, 2013. For all other classes, the procurement was for 100% of supplies for the period June 1, 2010 - May 31, 2011.

The average winning price was \$87.37/MWh for Medium General Service (MGS) customers, \$82.38/MWh for Large General Service (LGS) customers, and \$80.44/MWh for General Service - Primary (GS-P) customers.

Boston Pacific reported that the SOS auction, conducted by World Energy Solutions, saw 11 qualified bidders and nine actual bidders. That compares to 12 qualified bidders and nine actual bidders a year ago.

Five bidders won a share of supply in the recent auction: American Electric Power Service Corp., Conectiv Energy Supply, Inc., Constellation Energy Commodities Group, DTE Energy Trading, Inc., and NRG Power Marketing, Inc.

The following suppliers will serve the following amounts of Delmarva's aggregate SOS load for the 2010-11 delivery year (includes suppliers serving previously procured mass market load):

Supplier Name	Percentage of 2010-11 Load Served
Hess Corporation	31%
Conectiv Energy Supply	22%
Constellation Energy	19%
NRG Power Marketing	9%
AEP Service Corp.	6%
DTE Energy Trading	4%
Macquarie Cook Power	4%
PPL EnergyPlus	4%

Continued P. 6

TXU Customer Churn Continues, But Slows

TXU Energy continues to experience customer churn, although the rate from the third quarter to the fourth quarter of 2009 has slowed considerably.

As of December 31, 2009, TXU reported 1.862 million residential customers (meters), down from 1.876 million as of September 30, 2009, and 1.914 million as of December 31, 2008. The 14,000 net residential customers lost during the fourth quarter of 2009 versus September 30, 2009 compares favorably with the 35,000 net residential customers lost during the third quarter of 2009 versus June 30, 2009.

TXU's small business (< 1 MW) customer count decreased to 262,000 from 273,000 as of September 30, 2009, and 275,000 a year ago. Its large business customer count was steady at 23,000 versus September 30, 2009, but down versus the 25,000 large business customers recorded

Continued P. 6

Connecticut Light & Power Reports January Migration Data

Supplier Accounts as of 1/31/10	Jan. '10 Residential	Jan. '10 Business	Jan. '10 Total	% of Migrated Customers	Change vs. Dec. '09 Total
Clearview Electric	9,332	744	10,076	4.4%	2,375
ConEdison Solutions	5,266	2,461	7,727	3.4%	556
Constellation NewEnergy	970	8,162	9,132	4.0%	(1,117)
Direct Energy Business	128	1,932	2,060	0.9%	286
Direct Energy Services	54,774	8,426	63,200	27.8%	4,835
Discount Power	0	0	0		0
Dominion Retail	54,339	10,862	65,201	28.7%	(12)
Energy Plus Holdings LLC	6,729	850	7,579	3.3%	2,466
Gexa Energy	224	1,511	1,735	0.8%	180
Glacial Energy	1,673	2,491	4,164	1.8%	254
Green Mountain Energy	0	0	0		0
Hess Corporation	519	1,908	2,427	1.1%	22
Horizon Power and Light	0	0	0		0
Integrays Energy Services	42	3,259	3,301	1.5%	(201)
Liberty Power Holdings	337	204	541	0.2%	30
MXenergy Electric	4,221	1,745	5,966	2.6%	708
North American Power & Gas	0	0	0		0
Pepco Energy Services	0	10	10	0.0%	1
Public Power & Utility	24,080	4,501	28,581	12.6%	1,666
Rescom Energy	0	1	1	0.0%	1
Royal Bank of Scotland	0	0	0		0
Sempra Energy Solutions	5	1,092	1,097	0.5%	81
South Jersey Energy Company	0	3	3	0.0%	0
Starion Energy	0	0	0		0
Suez Energy Resources NA	12	746	758	0.3%	(10)
TransCanada Power Marketing	28	2,722	2,750	1.2%	12
Verde Energy Savings	1,016	71	1,087		998
Viridian Energy, Inc	9,336	795	10,131	4.5%	3,287
Whole Foods Market Group Inc	0	2	2	0.0%	0
Total All Suppliers	173,031	54,498	227,529	100.0%	16,418

Customer Load - Suppliers and CL&P (MWh)

	Residential - SS		Business - SS		Business - LRS		Total CL&P Territory	
	MWh	% of Class	MWh	% of Class	MWh	% of Class	MWh	% of Total
Suppliers	197,150	18.4%	432,410	67.9%	416,524	90.0%	1,046,084	48.2%
CL&P	874,179	81.6%	204,788	32.1%	46,225	10.0%	1,125,192	51.8%
Total	1,071,329		637,198		462,748		2,171,275	

Customer Count - Suppliers and CL&P

	Residential - SS		Business - SS		Business - LRS		Total CL&P Territory	
	Customers	% of Class	Customers	% of Class	Customers	% of Class	Customers	% of Total
Suppliers	173,031	15.7%	53,657	42%	841	82.5%	227,529	18.5%
CL&P	930,184	84.3%	72,606	58%	179	17.5%	1,002,969	81.5%
Total	1,103,215		126,263		1,020		1,230,498	

CL&P, UI Post Last Resort Service Rates

Connecticut Light & Power and United Illuminating reported Last Resort Service rates for the three-month period beginning April 1, 2010.

Connecticut Light & Power (¢/kWh)

Rates 21, 39, 41, 55, 56, 57, 58 (where applicable)

	GSC	FMCC- Generation	Total
April	7.937	0.300	8.237
May	7.822	0.300	8.122
June	7.521	0.300	7.821

Off-peak rates are identical for time-differentiated classes

United Illuminating (¢/kWh)

Rates GST, LPT, & NUS

April	7.8792
May	7.8812
June	8.1902

Off-peak rates are identical for time-differentiated classes

Superior Plus Says Northeastern U.S. Expected to Provide Retail Supply Growth

Superior Plus said that the, "retail electricity market in the northeastern U.S. [is] expected to provide additional growth opportunities," for its fixed-price energy services business, in reporting fourth quarter earnings.

As only reported by *Matters*, Superior has acquired several heating oil distributors in the Northeast U.S., and has said that it will broaden the products offered to these heating oil customers to include competitive energy supply (Only in *Matters*, 11/5/09).

Superior also listed the commercial

electricity market in Ontario as an area for growth. As previously reported, Superior ceased customer acquisition efforts in the Ontario residential market due to competitive pressure on margins. Superior said last week that the Ontario government's consumer protection bill (Bill 235), "could also influence any potential plans for [its] fixed-price energy services [business] to re-enter the Ontario residential energy market in the future."

As reported Friday, Superior posted higher gross profit from its fixed-price energy marketing business of \$8.4 million for the quarter, up from \$3.6 million a year ago (all figures Canadian), mainly on the absence of one-time foreign currency translation losses and utility transportation settlements in the current-year quarter. A breakdown of gross profit is below.

Hecht, Klausmeier Introduce Customer Referral Bill in Md.

Maryland Delegate Sue Hecht and Senator Katherine Klausmeier have introduced companion bills to implement electric and gas customer referral programs, which would be available to residential customers, Type I SOS commercial electric customers, and commercial retail gas customers as defined in each LDC's tariff (HB 697, SB 661).

The referral program would be for month-to-month service, though otherwise the type of product is not dictated. First-time referral program customers would receive a 10% discount off of the supplier's offer (and not the default service rate).

Distribution companies would be required to implement the referral program using a telephone call center, and would be required to make the referral program available whenever the customer:

- (i) initiates new electric or gas service
- (ii) reinitiates electric or gas service following a change of residence or business location;

Superior Plus Fixed-Price Energy Services Data

<i>(millions of Canadian dollars except volume and per unit amounts)</i>	Three months ended December 31, 2009			Three months ended December 31, 2008		
	Gross Profit	Volume	Per Unit	Gross Profit	Volume	Per Unit
Natural Gas <i>(millions of gigajoules (GJ))</i>	7.5	8.0 GJ	93.8 ¢/GJ	3.4	8.2 GJ	41.0 ¢/GJ
Electricity <i>(millions of kilowatt hours (KWh))</i>	0.9	68.0 KWh	1.32 ¢/KWh	0.2	27.6KWh	0.87 ¢/KWh
Total	8.4			3.6		

(iii) inquires regarding electric or gas rates; or
 (iv) seeks information regarding energy efficiency programs or services.

Additionally, distribution companies would be required to include with bills on a quarterly basis a list of the current offers in the referral program, in a form that would allow the customer to accept a referral program offer by return mail.

The bills would also prohibit the utilities from charging mass market customers a fee for switching to or from a competitive provider, default service, or another competitive provider.

TEAM Rebuts CAPP Price Data

The Texas Energy Association for Marketers issued a statement Friday rebutting the Cities Aggregation Power Project's (CAPP) recent assertion that, "[a] wealth of reputable public data conclusively supports CAPP's case that Texas deregulation has failed to live up to its promise" (see Matters, 2/9/10).

The first data cited by CAPP in its news release was an average utility bill comparison from WhiteFence, which CAPP said showed Houston and Dallas as having the second and fourth highest-priced electricity in the U.S. However, TEAM noted that the use of the WhiteFence data is "misguided," as, "not even WhiteFence themselves agrees with statements made by CAPP." The WhiteFence data looks at total spend and not per kilowatt-hour rates, and is not usage-adjusted across different cities.

In a WhiteFence statement provided to TEAM, WhiteFence CEO Franc Arbid said, "WhiteFence does not support the conclusions drawn by CAPP about average electricity rates in Dallas and Houston. The WhiteFence index is not designed to compare average electricity rates; the Index evaluates average home size, weather and consumer usage patterns to estimate costs based on usage."

Other data cited by CAPP, such as prices included in the PUCT's report to the Sunset Advisory Commission, was from 2008, while retail prices in ERCOT have declined significantly since then, TEAM said.

"CAPP's claim that Texas has rates that are 53.1% higher than in Louisiana and 44.7% higher than Oklahoma also leaves their conclusions questionable," TEAM added.

TEAM noted that as of January 2010, "Energy Louisiana had an average monthly electricity price of \$100.20 for usage at 1000 kWh, while the competitive rates available in Houston in January had customer's paying monthly bills as low as \$81 for the same level of usage."

Additionally, the February monthly bill for an Energy Arkansas residential customer using 1,000 kWh is \$105.95, or an average of 10.595¢/kWh, versus rates at Oncor as low as 8.2¢/kWh, and rates in Houston as low as 9.0¢/kWh.

TEAM also cited the PUCT's recent discussion of the higher rates currently seen in non-competitive areas of Texas, such as Garland Power & Light, Pedernales Electric Cooperative, and Austin Energy, versus the lower rates in the competitive retail regions of ERCOT (see Matters, 2/12/10).

Briefly:

DPL Energy Resources Receives Illinois Electric License

DPL Energy Resources has received an Illinois alternative retail electric supplier license to serve all customer classes, including residential customers, in all service areas (Only in Matters, 12/24/09).

ConocoPhillips Seeks Pa. Gas License

ConocoPhillips Company applied for a Pennsylvania gas license as a supplier of natural gas, aggregator, and broker/marketer, to serve commercial customers using 6,000 Mcf or more annually, industrial customers, and governmental customers in all service areas.

Shell Energy North America Seeks Ontario Electric Licence

Shell Energy North America has applied to the Ontario Energy Board for an electricity retailer licence. Shell recently acquired Integrys Energy Services' Canadian books.

Acclaim Energy Advisors Seeks D.C. Broker Licenses

Acclaim Energy Advisors has applied for both electric and natural gas aggregator/broker licenses in the District of Columbia.

GSE Consulting, Great Lakes Energy Seek D.C. Broker Licenses

GSE Consulting and affiliate Great Lakes Energy have applied for electric brokering licenses in the District of Columbia, to serve commercial and industrial customers.

Rapid Power Management Seeks D.C. Broker License

Rapid Power Management, LLC has applied for an electric brokering license in the District of Columbia.

Md. PSC Pushes BGE POR Consideration to March

Baltimore Gas & Electric's revised compliance plan to meet the electric purchase of receivables requirements of COMAR 20.53 has been pushed until the Maryland PSC's March 17 administrative meeting. BGE's compliance plan for the gas POR requirement of COMAR 20.59 is scheduled to be addressed at the March 17 meeting as well.

PG&E to Spend Up to \$35 Million on CCA Ballot Issue

Pacific Gas & Electric disclosed Friday in reporting earnings that it will spend \$25 million to \$35 million sponsoring a ballot initiative (Proposition 16) that, if approved, would require the vote of two-thirds of the residents in a Community Choice Aggregation to approve the CCA before it is formed.

DTE Energy Trading Wins UI Last Resort Service Load

United Illuminating reported that DTE Energy Trading, Inc. won 100% of its Last Resort Service load for the second quarter of 2010.

First Innovative Power Receives Ohio Broker License

The Public Utilities Commission of Ohio granted First Innovative Power an Ohio electric broker/aggregator license to serve commercial, mercantile and industrial customers in all service areas (Only in Matters, 1/14/10).

Duke Energy Retail Sales Receives Ohio Aggregator License

The Public Utilities Commission of Ohio granted

Duke Energy Retail Sales an amended electric supplier license to reflect the addition of aggregation services in addition to generation supply services (Only in Matters, 2/15/10).

Eagle Industrial Power Services Applies to Update Name to EDF Industrial Power Services

Eagle Industrial Power Services (TX), LLC applied for a amendment to its REP certificate at the PUCT to, among other things, change its certified name to EDF Industrial Power Services (TX), LLC. Eagle Industrial Power Services is also amending its certificate to comply with new Subst. Rule 25.107.

FERC Sets Additional Briefing for ConEd-PSE&G Rollover Settlement

FERC found that the record is insufficient regarding a contested settlement that would allow Consolidated Edison to roll-over its current service under grandfathered contracts with PSE&G upon their expiration in 2012 pursuant to section 2.2 of the PJM Tariff, and directed additional briefing of the questions raised by contesting parties. As previously reported, Staff and NRG Energy have objected to the settlement, with NRG arguing that the rollover would adversely affect pricing in the real-time market (ER08-858, Matters, 3/26/09). The Commission directed parties to brief whether the contracts are sufficiently firm to be rolled over under Order No. 888; whether, if they are eligible for rollover, ConEd is eligible only for OATT service, or whether the circumstances here warrant a non-conforming agreement; and whether and what effect the agreements have on the rights of and prices paid by other parties, including the effect of the flow changes in the Joint Operating Agreement on the Locational Marginal Prices in both PJM and the New York ISO, and the effect of these provisions on the ability of other parties to transact business.

ProLiance Energy to Withdraw Michigan Gas License

ProLiance Energy has filed to withdraw its Michigan alternative gas supplier license as it has not served customers in several years.

Delaware ... from 1

Boston Pacific provided the following recommendations in its report, touching on potential integration of long-term supply contracts in the SOS process.

"Stepping back however, we want to note that the SOS RFP was never meant to be a 'policy for all seasons' - i.e. a substitute for a comprehensive energy policy. Currently, many state and federal governments are setting policy goals such as dictating a specific mix of generating resources or implementing demand-side management measures such as Advanced Metering Infrastructure (AMI).

"For example, in order to achieve a certain resource mix and ensure reliability, some Commissions have considered longer-term unit-contingent RFPs. Another initiative in many areas is to increase demand-response resources. Smart Grid and AMI are very popular elements of the current vision for the future and many States are trying to integrate these programs (which depend on ratepayers responding to prices in real-time) with procurement schemes like the SOS RFP, which feature stable pricing.

"Going forward the Commission should choose the procurement methods and initiatives it feels will best benefit ratepayers, whether that means continuing with SOS RFPs such as this, integrating other resources (such as the PPA with Bluewater Wind) or switching to other procurement methods entirely. We would simply add that care must be taken to make sure (a) the promised benefits are actually realized by ratepayers and (b) that changes do not unintentionally damage the current SOS process. For example, any long-term unit contingent RFP should be closely coordinated with PJM to ensure that the new capacity really would lower the RPM price and provide congestion relief and consideration should be taken for how the resource will bid into the SOS RFP," Boston Pacific said.

TXU ... from 1

as of December 31, 2008.

Total customer count as of December 31, 2009 was 2.147 million versus 2.172 million as

of September 30, 2009 and 2.214 million a year ago.

During an earnings call, executives said that the churn reflects increased competitive activity in ERCOT, and TXU's decision not to reduce its target margins (\$25-35/MWh) to offset such churn. TXU has instead been focusing on improving customer service and adding other value to its products to retain and attract customers. Additionally, stricter credit standards have contributed to slower customer acquisitions, TXU said.

Residential retail sales volumes were down 4.1% versus the year-ago quarter, while total retail volumes were 5.7% higher on increased large commercial customer sales (see chart below).

Average volume per residential customer for the year 2009 was 14,855 kWh, versus 14,780 kWh a year ago (TXU did not provide a fourth quarter metric).

Retail operating revenue from residential sales was down 7.1% versus the year-ago quarter, while total retail revenue was down 4.6% (see chart).

On a consolidated basis, Energy Future Holdings reported an adjusted fourth-quarter net loss of \$351 million compared to a net loss of \$367 million for the fourth quarter of 2008. EFH said that its competitive unit improved earnings by \$39 million versus year-ago period, driven

TXU Retail Sales (GWh)

	Q4 09	Q4 08	% Change
Residential	5,734	5,982	(4.1)
Small business (< 1 MW)	1,734	1,561	11.1
Large business & other customers	3,668	2,994	22.5
Total	11,136	10,537	5.7

TXU Retail Operating Revenues (millions)

	Q4 09	Q4 08	% Change
Residential	\$ 758	\$ 816	(7.1)
Small business (< 1 MW)	240	247	(2.8)
Large business & other customers	306	304	0.7
Total	\$ 1,304	\$ 1,367	(4.6)

primarily by an \$87 million increase in contribution margin (EFH did not provide actual fourth quarter data, only the delta). Some \$39 million of the margin increase resulted from improvements in asset management and retail business performance. The higher margin was partially offset by a \$4 million increase in retail bad debt, an \$8 million increase in marketing and employee related expenses, and a \$6 million increase in the amortization of retail intangible assets arising from purchase accounting.

On a GAAP basis, consolidated net income at EFH was \$137 million, compared to a reported net loss of \$8.855 billion for the fourth quarter 2008.

During an earnings call, executives said that ERCOT will see generation retirements in the near-term if load doesn't return, as there is excess capacity in the market near-term, even though ERCOT is projecting capacity levels below the target reserve margin in 2014.