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May 13, 2011

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Second Street, 2nd Floor
Harrisburg, PA 17120

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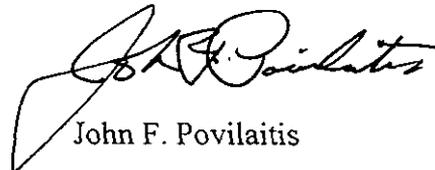
Re: Pa. PUC v. Philadelphia Gas Works, Collaborative Process re Alternative
Supplier of Last Resort; Docket No. R-2008-2073938

Dear Secretary Chiavetta:

This correspondence is in response to the Pennsylvania Public Utility Commission's ("Commission") Secretarial Letter of April 13, 2011 ("Secretarial Letter") on the subject of supplier of last resort service in the service territory of Philadelphia Gas Works. On behalf of Direct Energy, Inc. ("Direct Energy") and Hess Corporation ("Hess"), please be advised that these licensed natural gas suppliers intend to proceed before the Commission on the subjects and issues outlined in the Secretarial Letter. However, Direct Energy and Hess are participating in discussions with PGW to determine if issues can be narrowed and/or eliminated in this matter. Therefore Direct Energy and Hess respectfully request that they be permitted to report to the Commission in sixty (60) days on that effort before any formal proceedings commence before the Commission.

The undersigned may be considered counsel for Direct Energy and Hess in the forthcoming proceeding for purposes of further communications from the Commission on this matter. Thank you for your consideration of this request.

Very truly yours,



John F. Povilaitis

JFP/kra

cc: All Parties of Record
Stanley E. Brown, Esquire