





COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

September 13, 2000

A-110142

JAMES P MELIA  
KIRKPATRICK & LOCKHART LLP  
240 N 3RD STREET  
HARRISBURG PA 17101-1507

License Application of ValuSource Energy Services, LLC  
for Approval to Offer, Render, Furnish or Supply  
Electricity Generation Services as a Broker/Marketer  
and Aggregator of Electricity and Related services.

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on September 13, 2000 has adopted an Order in the above entitled proceeding.

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty  
Secretary

law  
encls  
cert. mail

DOCKETED  
SEP 15 2000  
DOCUMENT  
FOLDER

**PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA. 17105-3265**

Public Meeting held September 13, 2000

Commissioners Present:

John M. Quain, Chairman  
Robert K. Bloom, Vice Chairman  
Nora Mead Brownell  
Aaron Wilson, Jr.  
Terrance J. Fitzpatrick

License Application of ValuSource Energy Services, LLC for Approval to Offer, Render, Furnish or Supply Electricity Generation Services as a Broker/Marketer and Aggregator of Electricity and Related services.

Docket No.  
A-110247

**DOCKETED**  
SEP 15 2000

**ORDER**

On July 18, 2000, ValuSource Energy Services, LLC (“ValuSource”), filed a license application to operate as a broker/marketer and aggregator of electric generation and related services in the Commonwealth of Pennsylvania. The application was filed pursuant to the Commission’s regulations at 52 Pa. Code §54.31—54.43, which became effective on August 8, 1998 and which were established under Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

§2809 provides in pertinent part that:

License Requirement.--No person or corporation, including municipal corporations which choose to

**DOCUMENT  
FOLDER**

provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators and other entities, shall engage in the business of an electric generation supplier in this Commonwealth unless the person or corporation holds a license issued by the Commission. 66 Pa. C.S. §2809.

An electric generation supplier is defined as:

A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators or any other entities, that sells to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company, or that purchases, brokers, arranges or markets electricity or related services to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company. 66 Pa. C.S. §2803.

ValuSource was incorporated on May 9, 2000 in the State of Delaware. ValuSource is a subsidiary of Monongahela Light & Power Company (“ML&P”). ML&P is the sole stockholder of Applicant. ML&P holds a certificate of public convenience to provide retail electric service in Pennsylvania but does not currently provide retail electric service to the public. All of ML&P’s common stock is owned by Duquesne Light Company (“DLC”), a jurisdictional public utility providing retail electric service in portions of Western Pennsylvania. All of DLC’s stock is owned by DQE, Inc., which also owns all the common stock of Duquesne Enterprises, the unregulated affiliate of DLC.

It is important to note that a licensee must comply with, and be governed by, our Chapter 56 regulations. Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa Code Chapter 56) is applicable only to residential accounts. An electric generation supplier cannot physically disconnect a customer from the electricity grid, and the service termination provisions are not applicable. An electric generation supplier may seek to terminate its generation service through an appropriate written notice to the customer and the distribution company. The customer can then attempt to repair its relationship with the supplier, seek a new supplier, or default to utility service at capped rates in accordance with the utility's obligations under Section 2807(e), 66 Pa. C.S. §2807(e). The customer would only be disconnected from the electricity grid pursuant to Chapter 56 if the customer failed to meet its obligations to the utility or the provider of last resort.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives and employees have agreed to lawfully abide by all Commission regulations, procedures and orders, 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.

ValuSource proposes to operate as a broker/marketer and aggregator engaged in the business of supplying electricity. ValuSource intends to engage in the business of selling electricity to commercial, industrial and governmental customers within Pennsylvania. Initially, ValuSource would utilize its EGS authority to make retail sales to certain facilities of DLC. These retail sales to DLC are necessitated by virtue of DLC's wholesale "provider of last resort" ("POLR") arrangement with Orion Power approved at Docket No. A-00110150 F0023. Ultimately, ValuSource

may also utilize its EGS authority to engage in retail sales in the service territory of DLC and elsewhere in Pennsylvania.

ValuSource has provided proofs of publication from the Pennsylvania newspapers in which it was required by the Commission to publish its notice of application.

Sufficient information was included in ValuSource's Application to demonstrate its technical fitness in order to be licensed to operate as an Electric Generation Supplier in Pennsylvania.

ValuSource is indirectly wholly-owned by DQE, Inc., a Pittsburgh-based energy services company. ValuSource has furnished the financial and credit information for DQE, Inc. to demonstrate its financial fitness. ValuSource's financial information is part of the consolidated statements of DQE. However, ValuSource maintains separate books under DQE. ValuSource's subsidiary relationships with its parent organization, DQE, Inc. provides solid support of its financial fitness to become a Broker/Marketer/Aggregator engaged in the business of supplying electricity in the Commonwealth of Pennsylvania.

ValuSource has also furnished a \$250,000 bond, as required by the application.

ValuSource has provided the required Pennsylvania Emergency Management Agency ("PEMA"), contact information.

As of August 29, 2000, no protests have been filed.

We find that the applicant:

1. Is fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and lawful Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to Standards and Billing Practices for Residential Utility Services).
2. Has agreed to lawfully abide by all Commission regulations, procedures and orders, 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.
3. That the proposed service to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation and convenience of the public; **THEREFORE,**

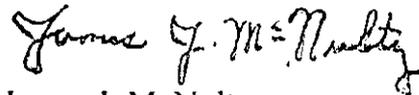
**IT IS ORDERED:**

1. That the application of ValuSource Energy Services, LLC is hereby approved, consistent with this Order.

2. That a license be issued authorizing, ValuSource Energy Services, LLC the right to begin to offer, render, furnish or supply electric generation supplier services to the public within the Commonwealth of Pennsylvania.

3. That this proceeding at Docket No. A-110142 be closed.

**BY THE COMMISSION,**



James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: September 13, 2000

ORDER ENTERED: **SEP 13 2000**

**SENDER:**

- Check box at right if you require restricted delivery.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

A-110142 O.  
James P. Melia

4a. Article Number

P 973 026 716

4b. Service Type  CERTIFIED

7. Date of Delivery

9/14

5. Received By: (Print Name)

8. Addressee's Address

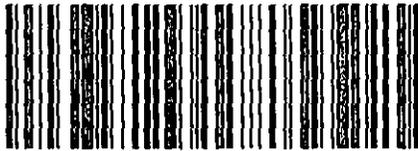
6. Signature: (Addressee or Agent)

X *[Signature]*

PS Form 3811, December 1994

Domestic Return Receipt

2. Article Number



7160 3901 9843 1138 4794

3. Service Type **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee)  Yes

1. Article Addressed to:

A-110142 SL  
Gary A. Jack

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

*John Allen*

B. Date of Delivery

11/25

C. Signature

X *[Signature]*

Agent  
 Addressee

D. Is delivery address different from item 1?

If YES, enter delivery address below:

Yes  
 No

PS Form 3811, March 2005

