

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan <u>DIRECT ENERGY OPERATIONS, INC. RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ►	<u>001</u>	
	1c Effective date of plan	<u>05/01/2009</u>	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>DIRECT ENERGY OPERATIONS, INC.</u> <u>12 GREENWAY PLAZA</u> <u>SUITE 600</u> <u>HOUSTON, TX 77046</u>	2b Employer Identification Number (EIN) <u>42-1767470</u>	2c Sponsor's telephone number <u>937-898-0826</u>	2d Business code (see instructions) <u>221100</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/05/2011</u>	<u>GERALD HUGHES</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") DIRECT ENERGY OPERATIONS, INC. 12 GREENWAY PLAZA SUITE 600 HOUSTON, TX 77046	3b Administrator's EIN 42-1767470 3c Administrator's telephone number 937-898-0826
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	536
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	360
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	51
d Subtotal. Add lines 6a , 6b , and 6c	6d	411
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	411
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	313
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.		OMB No. 1210-0110
			2010
			This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

A Name of plan DIRECT ENERGY OPERATIONS, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ►	001
C Plan sponsor's name as shown on line 2a of Form 5500 DIRECT ENERGY OPERATIONS, INC.	D Employer Identification Number (EIN) 42-1767470	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FID.INV.INST.OPS.CO. 04-2647786

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	5250	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

LPL FINANCIAL CORPORATION

95-2834236

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
61	ADVISOR	0	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
ALLNZ NFJ SMCP VAL A - BOSTON FINAN	0.25%	
04-2526037		
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
AM CENT DIV BOND A - AMERICAN CENTU	0.25%	
44-0619208		
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
AM CENT GLB GRTH A - AMERICAN CENTU	0.25%	
44-0619208		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AM CENT SM CAP GR A - AMERICAN CENT 44-0619208	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
AMCENT INFL ADJ BD A - AMERICAN CEN 44-0619208	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
BLK RK US OPPTS INV A - BNY MELLON IN 760 MOORE ROAD KING OF PRUSSIA, PA 19406	0.25%	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
COLUMBIA MDCAP VAL A - COLUMBIA MGT 04-2838628	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
EATON LG CAP VALUE A - PNC GLOBAL I 04-2871943	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
EV DIV BUILDER A - PNC GLOBAL INVES 04-2871943	0.25%	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
IVK AMERICAN VALUE A - INVESCO TRIM P.O. BOX 4739 HOUSTON, TX 77210	0.35%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JANUS OVERSEAS S - JANUS SERVICES L 43-1804048	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
JPM EQUITY IDX A - BOSTON FINANCIAL 04-2526037	\$15.00	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
OPPHMR MS SELECT A - OPPENHEIMERFUND P.O. BOX 5270 COLORADO, CO 80217	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
THORNBURG INT VAL R4 - BOSTON FINANCIAL 04-2526037	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
LPL FINANCIAL CORPORATION	61	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
COLUMBIA MDCAP VAL A - COLUMBIA MGMT 04-2838628	\$0-<\$3M=1.00% \$3M-<\$50M=0.50% \$50M+=0.25%	

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
LPL FINANCIAL CORPORATION	61	0
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>OPPHMR MS SELECT A - OPPENHEIMERFUN</p> <p>13-2953455</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>\$5M+=0.25%</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(a) Enter service provider name as it appears on line 2</p> </div> <div style="width: 20%;"> <p>(b) Service Codes (see instructions)</p> </div> <div style="width: 20%;"> <p>(c) Enter amount of indirect compensation</p> </div> </div>		
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>(d) Enter name and EIN (address) of source of indirect compensation</p> </div> <div style="width: 40%;"> <p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> </div> </div>		

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2010 This Form is Open to Public Inspection
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>		
A Name of plan <u>DIRECT ENERGY OPERATIONS, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DIRECT ENERGY OPERATIONS, INC.</u>	D Employer Identification Number (EIN) <u>42-1767470</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.				
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)		
	(2) Participant contributions	1b(2)		
	(3) Other	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	106422	159735
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property)	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans	1c(8)	46781	90003
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	961159	1896810
	(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
	(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	1114362	2146548

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1114362	2146548
---	-----------	---------	---------

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	316589	
(B) Participants	2a(1)(B)	543578	
(C) Others (including rollovers)	2a(1)(C)	112995	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		973162

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	16	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	2477	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		2493

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	36283	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		36283

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		190396
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1202334

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	164849	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		164849
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	5299	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		5299
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		170148

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1032186
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: SCHNEIDER DOWNS & CO., INC.

(2) EIN: 25-1408703

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		27400
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

A Name of plan <u>DIRECT ENERGY OPERATIONS, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>DIRECT ENERGY OPERATIONS, INC.</u>	D Employer Identification Number (EIN) <u>42-1767470</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2010
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN
Pittsburgh, Pennsylvania

Financial Statements
and
Supplementary Financial Information
As of December 31, 2010 and 2009
for the year ended December 31, 2010
and Independent Auditors' Report Thereon

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INDEPENDENT AUDITORS' REPORT

To the Partners

Direct Energy GP, Inc.
Pittsburgh, Pennsylvania

We were engaged to audit the accompanying statements of net assets available for benefits of the Direct Energy Operations, Inc. Retirement Plan (Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010 that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Pittsburgh, Pennsylvania
August 18, 2011

Schneider Downs & Co., Inc.
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DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2010	2009
ASSETS		
Investments, at fair value:		
Mutual funds	\$2,056,545	\$1,067,581
Receivables:		
Employer contributions	11,711	-
Participant contributions	18,955	-
Notes receivable from participants	90,003	46,781
Total Receivables	120,669	46,781
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$2,177,214</u>	<u>\$1,114,362</u>

See notes to financial statements.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR DECEMBER 31, 2010

ADDITIONS TO ASSETS ATTRIBUTED TO:

Contributions:

Participant	\$ 562,533
Employer	328,300
Rollovers	112,995
	<hr/> 1,003,828

Investment Income:

Interest and dividends	36,299
Net appreciation in fair value of investments	190,396
	<hr/> 226,695

Interest income of notes receivable from participants	<hr/> 2,477
---	-------------

Total Additions	1,233,000
-----------------	-----------

DEDUCTIONS FROM ASSETS ATTRIBUTED TO:

Benefits paid to participants	164,849
Investment processing fees	5,299
	<hr/>

Total Deductions	<hr/> 170,148
------------------	---------------

Net Increase	1,062,852
--------------	-----------

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<hr/> 1,114,362
End of year	<hr/> <hr/> \$ 2,177,214

See notes to financial statements.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Direct Energy Operations, Inc. (Company) Retirement Plan (Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan covering all employees who have one year of service and are age twenty-one (21) or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - Each year, participants may contribute up to 90% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined contribution plans. All newly eligible employees automatically have 1% deducted from their compensation as a contribution to the Plan. Unless the participant changes his/her deferral percentage, the withholding will increase 1% annually to a maximum of 10%. Participants direct the investment of their contributions into various investment options offered by the Plan. Currently, the Plan offers twenty-eight (28) mutual funds as investment options for participants. Participants may change their investment election for future contributions or the percentage(s) invested in each of these options or transfer funds among these options on any business day. The required matching contribution of the Company is a 100% safe harbor nonelective contribution on the first 3% of employee contributions and 50% on the next 2% of employee contributions. Additionally, the company may elect to make a discretionary matching contribution to be limited to 4% of the participant's compensation for the Plan year. There were no discretionary contributions in 2010 or 2009. Participants are immediately vested in safe harbor contributions. Contributions are subject to certain limitations. In addition, participants over the age of 50 are permitted an additional "catch-up" contribution.

Rollover Contributions - Participants are allowed to make rollover contributions (contributions transferred to the Plan from other qualified retirement plans), subject to certain requirements.

Participants' Accounts - Each participant's account is credited with the participant's contribution, an allocation of Company contributions, plus Plan earnings or losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - A participant is fully vested in participant contributions, Company safe harbor contributions and earnings thereon at all times. A participant who terminates employment is entitled to a benefit with respect to employer discretionary contributions and earnings thereon based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 3 years	0%
3 years or more	100%

Notes Receivable From Participants - Participants may borrow up to the lesser of 50% of their vested account balance or \$50,000. Notes are required to be repaid through payroll deductions within five years, except those loans used in the purchase of a primary residence, which must be repaid within a reasonable period of time, determined at the time the loan is executed. The notes are secured by the balance in the participant's account and bear interest at the prime lending rate plus 1% at the time of the loan. Principal and interest is paid ratably through monthly payroll deductions.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits - Benefits provided by the Plan are paid from assets available for benefits at retirement, disability, death or termination of employment. Payment may be in the form of a lump-sum payout of the participant's account balance, purchase of an annuity or periodic cash payments, or rolled over to another qualified plan. Hardship distributions may also be granted in accordance with the guidelines of ERISA.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by the Plan administrator in the preparation of the accompanying financial statements follows:

Basis of Accounting - The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 9 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable From Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes are reclassified as distributions based upon the terms of the plan document.

Benefits - Benefits are recorded when paid.

Plan Expenses - All expenses incurred in administering the Plan are paid by the Plan sponsor.

Recent Accounting Pronouncements - In January 2010, the Financial Accounting Standards Board (FASB) issued ASU No. 2010-06, Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements, to require new disclosure for fair value measurements and provide clarification for existing disclosure requirements. More specifically, this update will require information about purchases, sales, issuances and settlements to be presented separately (i.e., present the activity on a gross basis rather than net) in the reconciliation for fair value measurements using significant unobservable inputs (Level 3 inputs). This update clarifies existing disclosure requirements for the level of disaggregation used for classes of assets and liabilities measured at fair value and requires disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements using Level 2 and Level 3 inputs. The new disclosures and clarifications are effective for annual reporting periods beginning after December 15, 2010. Plan administration is assessing the impact that the new requirements will have on its financial statements.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events - Plan management has evaluated subsequent events through August 18, 2011, the date on which the financial statements were available to be issued.

Reclassifications - In September 2010, the FASB issued guidance clarifying how loans to participants should be classified and measured by defined contribution pension benefit plans. Participant loans were previously classified as investments at fair value. The guidance requires that participant loans be classified as notes receivable from participants, which are segregated from Plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. This guidance was effective for the Plan in 2010, and was required to be applied retrospectively to prior periods presented. Accordingly, participant loan balances as of December 31, 2009 have been reclassified to conform with the presentation as of December 31, 2010.

NOTE 3 - INVESTMENTS

Investments that represent 5% or more of the Plan's net assets at December 31 are as follows:

Description	2010	2009
Fidelity Advisor Freedom 2035 Class A	\$ 246,472	\$ 149,082
Fidelity Advisor Freedom 2030 Class A	239,886	100,306
Fidelity Advisor Freedom 2020 Class A	212,154	158,006
Fidelity Advisor Cash Management Prime Fund	159,735	106,422
American Century Diversified Bond Fund Class A	120,625	79,001
Fidelity Advisor Freedom 2025 Class A	115,204	61,528

NOTE 4 - RELATED-PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity Management Trust Company (Fidelity). Fidelity is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions.

NOTE 5 - INFORMATION CERTIFIED BY PLAN TRUSTEE

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2010 and 2009, net realized and unrealized appreciation in fair value of investments and interest and dividends for the year ended December 31, 2010, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by the trustee.

NOTE 6 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan in whole or in part subject to the provisions of ERISA. In the event of plan termination, participants will become 100% vested in their account balances.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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The underlying nonstandardized prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated October 9, 2003 stating that the form of the Plan is qualified under Section 401 of the IRC and, therefore, the related trust is tax-exempt. In accordance with Revenue Procedure 2002-6 and Announcement 2001-77, the Plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan option letter. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8 - RISKS AND UNCERTAINTIES

The Plan invests in various investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 9 - FAIR VALUE MEASUREMENTS

The Plan discloses the category of assets and liabilities measured at fair value into one of three different levels, depending on the assumptions (i.e., inputs) used in the valuation. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

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- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 9 - FAIR VALUE MEASUREMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at December 31, 2010 or 2009.

Mutual Funds - Valued at the net asset value (NAV) of shares held by the Plan at year-end.

The method described above might produce a fair value calculation that might not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2010			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	\$ 1,385,277	-	-	\$ 1,385,277
Bond funds	193,810	-	-	193,810
Money market funds	159,735	-	-	159,735
Growth funds	252,873	-	-	252,873
Value funds	64,850	-	-	64,850
Total mutual funds	2,056,545	-	-	2,056,545
Total assets at fair value	\$ 2,056,545	-	-	\$ 2,056,545

	2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	\$ 722,241	-	-	\$ 722,241
Bond funds	107,906	-	-	107,906
Money market funds	106,422	-	-	106,422
Growth funds	102,107	-	-	102,107
Value funds	28,905	-	-	28,905
Total mutual funds	1,067,581	-	-	1,067,581
Total assets at fair value	\$ 1,067,581	-	-	\$ 1,067,581

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 9 - FAIR VALUE MEASUREMENTS (Continued)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques might require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Company evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2010, there were no significant transfers in or out of Levels 1, 2 or 3.

NOTE 10 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the total net assets available for benefits and total increase in net assets per the financial statements and Form 5500 as of December 31, 2010:

Statement of Net Assets Available For Benefits:

Net assets available for benefits per the financial statements	\$ 2,177,214
Contribution receivables per the financial statements	<u>(30,666)</u>
Net assets available for benefits per Form 5500	<u>\$ 2,146,548</u>

Statement of Net Assets Available for Benefits:

Contributions per the financial statements	\$ 1,003,828
Contributions receivables per the financial statements	<u>(30,666)</u>
Contributions per Form 5500	<u>\$ 973,162</u>

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SUPPLEMENTARY FINANCIAL INFORMATION

DIRECT ENERGY OPERATIONS, INC.

RETIREMENT PLAN

EIN: 42-1767470

PLAN NUMBER: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b)	(c)	(d)	(e)
	Identity of Issue, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2035 Class A	N/A	\$ 246,472
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2030 Class A	N/A	239,886
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2020 Class A	N/A	212,154
*	Fidelity Management Trust Company	Fidelity Advisor Cash Management Prime Fund	N/A	159,735
*	Fidelity Management Trust Company	American Century Diversified Bond Fund Class A	N/A	120,625
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2025 Class A	N/A	115,204
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2040 Class A	N/A	103,355
*	Fidelity Management Trust Company	Eaton Vance Dividend Builder Fund Class A	N/A	96,150
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2015 Class A	N/A	94,982
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2045 Class A	N/A	93,265
*	Fidelity Management Trust Company	BlackRock U.S. Opportunities Fund Investor Class A	N/A	89,611
*	Fidelity Management Trust Company	Fidelity Advisor New Insights Fund Class A	N/A	86,078
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2050 Class A	N/A	75,574
*	Fidelity Management Trust Company	Janus Overseas Fund S	N/A	67,829
*	Fidelity Management Trust Company	JP Morgan Equity Index Fund Class A	N/A	52,011
*	Fidelity Management Trust Company	Allianz NFJ Small-Cap Value Fund Class A	N/A	33,858
*	Fidelity Management Trust Company	Fidelity Advisor Strategic Income Fund Class A	N/A	33,320
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2010 Class A	N/A	30,732
*	Fidelity Management Trust Company	American Century Inflation Adjusted Bond Class A	N/A	27,451
*	Fidelity Management Trust Company	Eaton Vance Large Cap Value Fund Class A	N/A	18,326
*	Fidelity Management Trust Company	Thornburg International Value Fund Class R4	N/A	12,568
*	Fidelity Management Trust Company	Fidelity Advisor High Income Fund Class A	N/A	12,414
*	Fidelity Management Trust Company	Van Kampen American Value Fund Class A	N/A	7,726
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2005 Class A	N/A	7,618
*	Fidelity Management Trust Company	American Century Global Growth Fund Class A	N/A	5,557
*	Fidelity Management Trust Company	Fidelity Advisor Freedom Income Fund Class A	N/A	5,307
*	Fidelity Management Trust Company	Columbia Mid Cap Value Fund Class A	N/A	4,941
*	Fidelity Management Trust Company	American Century Small Cap Growth Fund Class A	N/A	3,796
				<u>2,056,545</u>
	Notes receivables from participants	Notes receivable from participants, interest rate of 4.25%, maturing through 2016		<u>90,003</u>
				<u>\$ 2,146,548</u>

* Party in interest

See independent auditors' report.

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DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN
Pittsburgh, Pennsylvania

Financial Statements
and
Supplementary Financial Information
As of December 31, 2010 and 2009
for the year ended December 31, 2010
and Independent Auditors' Report Thereon

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INSIGHT ■ INNOVATION ■ EXPERIENCE

INDEPENDENT AUDITORS' REPORT

To the Partners

Direct Energy GP, Inc.
Pittsburgh, Pennsylvania

We were engaged to audit the accompanying statements of net assets available for benefits of the Direct Energy Operations, Inc. Retirement Plan (Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010 and the schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by Fidelity Management Trust Company, the trustee, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2010 and 2009 and for the year ended December 31, 2010 that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Pittsburgh, Pennsylvania
August 18, 2011

Schneider Downs & Co., Inc.
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Pittsburgh, PA 15222-4205
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DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31,	
	2010	2009
ASSETS		
Investments, at fair value:		
Mutual funds	\$2,056,545	\$1,067,581
Receivables:		
Employer contributions	11,711	-
Participant contributions	18,955	-
Notes receivable from participants	90,003	46,781
Total Receivables	120,669	46,781
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$2,177,214</u>	<u>\$1,114,362</u>

See notes to financial statements.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR DECEMBER 31, 2010

ADDITIONS TO ASSETS ATTRIBUTED TO:

Contributions:

Participant	\$ 562,533
Employer	328,300
Rollovers	112,995
	<hr/> 1,003,828

Investment Income:

Interest and dividends	36,299
Net appreciation in fair value of investments	190,396
	<hr/> 226,695

Interest income of notes receivable from participants	<hr/> 2,477
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Total Additions	1,233,000
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DEDUCTIONS FROM ASSETS ATTRIBUTED TO:

Benefits paid to participants	164,849
Investment processing fees	5,299
	<hr/>

Total Deductions	<hr/> 170,148
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Net Increase	1,062,852
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NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year	<hr/> 1,114,362
End of year	<hr/> <hr/> \$ 2,177,214

See notes to financial statements.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN

The following description of the Direct Energy Operations, Inc. (Company) Retirement Plan (Plan) provides only general information. Participants should refer to the plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan covering all employees who have one year of service and are age twenty-one (21) or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Contributions - Each year, participants may contribute up to 90% of pretax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined contribution plans. All newly eligible employees automatically have 1% deducted from their compensation as a contribution to the Plan. Unless the participant changes his/her deferral percentage, the withholding will increase 1% annually to a maximum of 10%. Participants direct the investment of their contributions into various investment options offered by the Plan. Currently, the Plan offers twenty-eight (28) mutual funds as investment options for participants. Participants may change their investment election for future contributions or the percentage(s) invested in each of these options or transfer funds among these options on any business day. The required matching contribution of the Company is a 100% safe harbor nonelective contribution on the first 3% of employee contributions and 50% on the next 2% of employee contributions. Additionally, the company may elect to make a discretionary matching contribution to be limited to 4% of the participant's compensation for the Plan year. There were no discretionary contributions in 2010 or 2009. Participants are immediately vested in safe harbor contributions. Contributions are subject to certain limitations. In addition, participants over the age of 50 are permitted an additional "catch-up" contribution.

Rollover Contributions - Participants are allowed to make rollover contributions (contributions transferred to the Plan from other qualified retirement plans), subject to certain requirements.

Participants' Accounts - Each participant's account is credited with the participant's contribution, an allocation of Company contributions, plus Plan earnings or losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - A participant is fully vested in participant contributions, Company safe harbor contributions and earnings thereon at all times. A participant who terminates employment is entitled to a benefit with respect to employer discretionary contributions and earnings thereon based on the following vesting schedule:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 3 years	0%
3 years or more	100%

Notes Receivable From Participants - Participants may borrow up to the lesser of 50% of their vested account balance or \$50,000. Notes are required to be repaid through payroll deductions within five years, except those loans used in the purchase of a primary residence, which must be repaid within a reasonable period of time, determined at the time the loan is executed. The notes are secured by the balance in the participant's account and bear interest at the prime lending rate plus 1% at the time of the loan. Principal and interest is paid ratably through monthly payroll deductions.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 - DESCRIPTION OF THE PLAN (Continued)

Payment of Benefits - Benefits provided by the Plan are paid from assets available for benefits at retirement, disability, death or termination of employment. Payment may be in the form of a lump-sum payout of the participant's account balance, purchase of an annuity or periodic cash payments, or rolled over to another qualified plan. Hardship distributions may also be granted in accordance with the guidelines of ERISA.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies consistently applied by the Plan administrator in the preparation of the accompanying financial statements follows:

Basis of Accounting - The financial statements of the Plan are prepared on the accrual basis of accounting.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition - The Plan's investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 9 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable From Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent notes are reclassified as distributions based upon the terms of the plan document.

Benefits - Benefits are recorded when paid.

Plan Expenses - All expenses incurred in administering the Plan are paid by the Plan sponsor.

Recent Accounting Pronouncements - In January 2010, the Financial Accounting Standards Board (FASB) issued ASU No. 2010-06, Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements, to require new disclosure for fair value measurements and provide clarification for existing disclosure requirements. More specifically, this update will require information about purchases, sales, issuances and settlements to be presented separately (i.e., present the activity on a gross basis rather than net) in the reconciliation for fair value measurements using significant unobservable inputs (Level 3 inputs). This update clarifies existing disclosure requirements for the level of disaggregation used for classes of assets and liabilities measured at fair value and requires disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements using Level 2 and Level 3 inputs. The new disclosures and clarifications are effective for annual reporting periods beginning after December 15, 2010. Plan administration is assessing the impact that the new requirements will have on its financial statements.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 9 - FAIR VALUE MEASUREMENTS (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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Mutual Funds - Valued at the net asset value (NAV) of shares held by the Plan at year-end.

The method described above might produce a fair value calculation that might not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2010			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	\$ 1,385,277	-	-	\$ 1,385,277
Bond funds	193,810	-	-	193,810
Money market funds	159,735	-	-	159,735
Growth funds	252,873	-	-	252,873
Value funds	64,850	-	-	64,850
Total mutual funds	2,056,545	-	-	2,056,545
Total assets at fair value	\$ 2,056,545	-	-	\$ 2,056,545

	2009			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Blend funds	\$ 722,241	-	-	\$ 722,241
Bond funds	107,906	-	-	107,906
Money market funds	106,422	-	-	106,422
Growth funds	102,107	-	-	102,107
Value funds	28,905	-	-	28,905
Total mutual funds	1,067,581	-	-	1,067,581
Total assets at fair value	\$ 1,067,581	-	-	\$ 1,067,581

DIRECT ENERGY OPERATIONS, INC.
RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 9 - FAIR VALUE MEASUREMENTS (Continued)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques might require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Company evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2010, there were no significant transfers in or out of Levels 1, 2 or 3.

NOTE 10 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the total net assets available for benefits and total increase in net assets per the financial statements and Form 5500 as of December 31, 2010:

Statement of Net Assets Available For Benefits:

Net assets available for benefits per the financial statements	\$ 2,177,214
Contribution receivables per the financial statements	<u>(30,666)</u>
Net assets available for benefits per Form 5500	<u>\$ 2,146,548</u>

Statement of Net Assets Available for Benefits:

Contributions per the financial statements	\$ 1,003,828
Contributions receivables per the financial statements	<u>(30,666)</u>
Contributions per Form 5500	<u>\$ 973,162</u>

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SUPPLEMENTARY FINANCIAL INFORMATION

DIRECT ENERGY OPERATIONS, INC.

RETIREMENT PLAN

EIN: 42-1767470

PLAN NUMBER: 001

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e)
				Current Value
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2035 Class A	N/A	\$ 246,472
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2030 Class A	N/A	239,886
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2020 Class A	N/A	212,154
*	Fidelity Management Trust Company	Fidelity Advisor Cash Management Prime Fund	N/A	159,735
*	Fidelity Management Trust Company	American Century Diversified Bond Fund Class A	N/A	120,625
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2025 Class A	N/A	115,204
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2040 Class A	N/A	103,355
*	Fidelity Management Trust Company	Eaton Vance Dividend Builder Fund Class A	N/A	96,150
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2015 Class A	N/A	94,982
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2045 Class A	N/A	93,265
*	Fidelity Management Trust Company	BlackRock U.S. Opportunities Fund Investor Class A	N/A	89,611
*	Fidelity Management Trust Company	Fidelity Advisor New Insights Fund Class A	N/A	86,078
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2050 Class A	N/A	75,574
*	Fidelity Management Trust Company	Janus Overseas Fund S	N/A	67,829
*	Fidelity Management Trust Company	JP Morgan Equity Index Fund Class A	N/A	52,011
*	Fidelity Management Trust Company	Allianz NFJ Small-Cap Value Fund Class A	N/A	33,858
*	Fidelity Management Trust Company	Fidelity Advisor Strategic Income Fund Class A	N/A	33,320
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2010 Class A	N/A	30,732
*	Fidelity Management Trust Company	American Century Inflation Adjusted Bond Class A	N/A	27,451
*	Fidelity Management Trust Company	Eaton Vance Large Cap Value Fund Class A	N/A	18,326
*	Fidelity Management Trust Company	Thornburg International Value Fund Class R4	N/A	12,568
*	Fidelity Management Trust Company	Fidelity Advisor High Income Fund Class A	N/A	12,414
*	Fidelity Management Trust Company	Van Kampen American Value Fund Class A	N/A	7,726
*	Fidelity Management Trust Company	Fidelity Advisor Freedom 2005 Class A	N/A	7,618
*	Fidelity Management Trust Company	American Century Global Growth Fund Class A	N/A	5,557
*	Fidelity Management Trust Company	Fidelity Advisor Freedom Income Fund Class A	N/A	5,307
*	Fidelity Management Trust Company	Columbia Mid Cap Value Fund Class A	N/A	4,941
*	Fidelity Management Trust Company	American Century Small Cap Growth Fund Class A	N/A	3,796
				<u>2,056,545</u>
	Notes receivables from participants	Notes receivable from participants, interest rate of 4.25%, maturing through 2016		<u>90,003</u>
				<u>\$ 2,146,548</u>

* Party in interest

See independent auditors' report.

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