



LEGAL SERVICES

800 Cabin Hill Drive
Greensburg, PA 15601-1689
PH: (724) 838-6751
FAX: (724) 830-7737
jpetris@alleghenyenergy.com

August 17, 2009

Terry J. Romine
Executive Secretary
Public Service Commission of Maryland
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, MD 21202

Re: Maryland Supplier Diversity – 2009 Interim Report
Memorandum of Understanding (the “MOU”)
Dated February 6, 2009 Between
The Potomac Edison Company, d/b/a Allegheny Power and the Commission

Dear Ms. Romine:

In accordance with Section 6.5 of the above-referenced agreement, enclosed please find the original and seventeen (17) copies of The Potomac Edison Company’s Supplier Diversity Interim Report Attachment F, submitted to provide a summary of total Diverse Supplier purchases (spend) covered by the MOU for the period of January 1, 2009 through June 30, 2009.

As discussed in the Annual Plan for fiscal year 2009, The Potomac Edison Company (the “Company”) is working towards continually increasing its total percent spend with minority, women and service disabled veterans to ultimately accomplish a goal of awarding 25% of its Maryland spend with Diverse Suppliers. For the year-end 2008, the total Maryland spend for the Company with minority, women and service disabled veterans was 5%. The Company is pleased to report that the 2009 year-to-date spend for the Company’s Maryland spend has increased to 7.39%. The Company continues to work towards its 2009 year-end goal of 8.02% spend.

As further addressed in the Annual Plan for fiscal year 2009, the Company continues to participate in the Maryland Minority Business Enterprise Workgroup, the EEI Supplier Diversity Committee and other organizations designed to increase communications and contacts between companies such as the Company and qualified vendors. The Company believes that one of the best methods to increase Diverse Supplier spend is to ensure that a wide and varied pool of

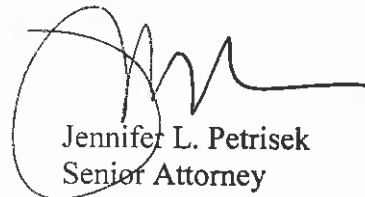
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bidders are available to participate in the Company's bidding processes. As such, the Company continues to track its bid participation with Diverse Suppliers and for the period January 1, 2009 to June 30, 2009, over 53% of participants in the Corporate-wide¹ bidding process were women, minorities, service-disabled veterans or veteran owned businesses.

Based on our progress to-date The Potomac Edison Company will be prepared to file its Annual Report by March 31, 2010 and the Annual Plan within forty-five (45) days following the beginning of the 2010 fiscal year.

Please contact the undersigned should you have any questions or concerns regarding this matter.

Very truly yours,



Jennifer L. Petrisek
Senior Attorney

Enclosure

¹ Note that the Average Bid Participation noted herein is calculated for the Allegheny Energy corporation as a whole, including all subsidiaries, and is not broken down by Company or state-specific spend.

Public Service Commission of Maryland
 Supplier Diversity Annual Report of
 Interim Report
 (MOU Sec. 6.5)

ATTACHMENT F

UTILITY NAME: The Potomac Edison Company

INTERIM REPORTING FOR THE PERIOD ENDED: Jan-Jun 2009

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
LINE #	DESCRIPTION	DIRECT (\$)	SUB CONTRACT (\$)	DIVERSE SUPPLIER PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER PROCUREMENT	TOTAL UTILITY PROCUREMENT (\$)	PERCENTAGE (%) OF DIVERSE SUPPLIER SPEND TO TOTAL UTILITY PROCUREMENT
1	MINORITY BUSINESS ENTERPRISE	\$1,456,998	\$0	\$1,456,998	81.91%		
2	WOMEN BUSINESS ENTERPRISE	\$321,771	\$0	\$321,771	18.09%		
3	SERVICE DISABLED VETERAN BE	\$0	\$0	\$0	0.00%		
4	NOT FOR PROFIT WORKSHOPS	\$0	\$0	\$0	0.00%		
5	TOTALS	\$1,778,769	\$0	\$1,778,769	100.00%	\$24,057,993	7.39%

Col. (C) + (D) \$ / Total Col. (E)

Col. (E) Line Item / Col. (G) Total