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April 8, 2013

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission v. Petition of PPL Electric Utilities Corporation,
Docket No. R-2012-2290597

Dear Secretary Chiavetta:

The purpose of this letter is to provide the response of Direct Energy Services, LLC ("Direct Energy") to the March 28, 2013 letter filed by PPL Electric Utilities Corporation ("PPL") subsequent to the Commission's December 28, 2012 Order in the above-captioned proceeding. Direct Energy has been an active proceeding in this matter and has focused on Purchase of Receivables ("POR") issues. As set forth below, Direct Energy recommends that PPL's proposal be denied and the current discount rates for the POR program continue to remain in effect.

According to PPL, the purpose of the letter was to comply with the Commission's directive to provide a breakdown of the uncollectible accounts expense between shopping and non-shopping customers for purposes of the POR discount percentage factors and the Merchant Function Charge ("MFC"). In its letter, PPL states that it "does not separately track uncollectible amounts written-off by shopping and non-shopping customers" and that "it would require significant monetary and human resources to implement the detail processes necessary to provide the uncollectible accounts expense breakdown between shopping and non-shopping customers." As such, PPL offers to calculate this percentage through a new method and, based on that method, proposes to increase the POR discount rate for residential customers from the current 1.80% to 2.23% and for small commercial and industrial customers from the current .10% to .12%. Direct Energy recommends that the Commission reject this proposal for the following reasons.

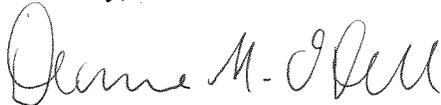
First, PPL acknowledges that it has not complied with the Commission's directive. PPL has not provided any support for its claim that doing so would be unreasonably costly. This despite the fact that PPL represented in its Reply Exceptions that "if the ALJ recommendation is approved by the Commission, the Company can and fully intends to promptly comply with the recommendation to track and separately determine the uncollectible accounts expense for

shopping customers.”¹ Because PPL has not complied with the Commission’s Order, its request must be denied.

Second, PPL is offering a new proposal to address this issue but has not offered any supporting documentation or calculations to support this proposal. While Direct Energy recommends that PPL’s proposal be denied and that this matter be closed, if the Commission chooses to consider PPL’s proposal then it can only do so through an on-the-record proceeding whereby the parties are given the opportunity to more fully analyze the proposed approach.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Deanne M. O’Dell

DMO/lww
Enclosure

cc: Hon. Susan D. Colwell, w/enc.
Cert. of Service w/enc.

¹ Final Order at 152.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of the foregoing Letter upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

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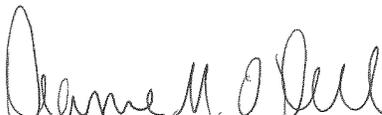
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Dated: April 8, 2013



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