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April 19, 2016

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Petition of PECO Energy Company for Approval of its Default Service Program for the Period From June 1, 2017 Through May 31, 2019, Docket No. P-2016-2534980

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Direct Energy Services LLC's ("Direct Energy") Prehearing Memorandum with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Deanne M. O'Dell

DMO/lww  
Enclosure

cc: Hon. Cynthia Williams Fordham w/enc.  
Cert. of Service w/enc.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of Direct Energy's Prehearing Memo upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**Via Email and/or First Class Mail**

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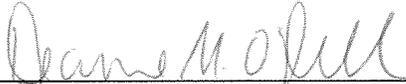
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Deanne M. O'Dell, Esq.

Dated: April 19, 2016

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company for :  
Approval of Its Default Service Program :  
for the Period From June 1, 2017 Through : Docket No. P-2016-2534980  
May 31, 2019 :  
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**PREHEARING MEMORANDUM  
OF DIRECT ENERGY SERVICES, LLC**

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Pursuant to 52 Pa. Code §§ 5.72-5.75, the public notice published in the Pennsylvania Bulletin on April 9, 2016 and the Prehearing Order dated April 12, 2016, Direct Energy Services, LLC (“Direct Energy”) submits this Prehearing Memorandum.

**I. SERVICE OF DOCUMENTS**

Direct Energy requests that all documents be served on:

Deanne M. O’Dell, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market St., 8th Floor  
P.O. Box 1248  
Harrisburg, PA 17101  
717.237.6000  
Fax 717.237.6019  
dodell@eckertseamans.com

Direct Energy also agrees to receive service of documents electronically in this proceeding. To the extent that materials are available electronically, it is requested that copies be served upon:

Daniel Clearfield – dclearfield@eckertseamans.com  
Deanne O’Dell – dodell@eckertseamans.com  
Sarah C. Stoner – sstoner@eckertseamans.com

## **II. SETTLEMENT**

Direct Energy is willing to participate in settlement discussions with any party to narrow the issues in this matter.

## **III. PROPOSED PLAN AND SCHEDULE OF DISCOVERY**

Direct Energy is amenable to working with the other parties in this matter to adopt a reasonable proposed plan and schedule of discovery. Direct Energy does not have any proposals regarding discovery modifications.

## **IV. SCHEDULE FOR SUBMISSION OF TESTIMONY, HEARINGS AND BRIEFS**

Direct Energy will cooperate with the other parties and the Presiding Officer to facilitate a workable litigation schedule.

## **V. WITNESSES**

At this time, Direct Energy is still evaluating whether or not to present testimony in this matter. Direct Energy reserves the right to present a witness as may be necessary depending on the course of the proceeding and will provide the Presiding Officer as well as the other parties in this matter reasonable notice if necessary. Direct Energy also reserves its right to add additional witnesses or change the identity of its witnesses at any time upon appropriate notice to the Presiding Officer and the parties.

## **VI. PRESENTLY IDENTIFIED ISSUES**

Direct Energy is licensed by the Commission at No. A-110164 to provide electricity and related services to all classes of retail customers throughout Pennsylvania, including the service territory of PECO Energy Company. Direct Energy's intervention to participate in the above-captioned action is being filed simultaneously.

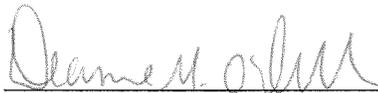
Direct Energy has identified the following issues that should be examined in this proceeding:

- Whether PECO's overall default service supply plan is consistent with the Commission's regulations and the Public Utility Code.

- The effectiveness of PECO's default service plan to promote retail market development for the benefit of consumers in the Companies' service territories.
- The appropriateness of PECO's procurement and proposals to consolidate the Medium Commercial and Large Commercial & Industrial classes, file Large C&I hourly-priced default service rates quarterly, and reconcile the over/undercollection component of the Generation Supply Adjustment on a semi-annual basis.
- Whether PECO's proposed rate design and tariffs for default generation service, including recovery of all of PECO's costs associated with the provision of default service, is consistent with the Commission's regulations and the Public Utility Code.

At this time, Direct Energy continues to evaluate its position on and will refine its position based on further study of the proposals, review of discovery and additional input from other parties. Direct Energy reserves the right to address other issues identified through its continued review and analysis of the filing or raised by other parties.

Respectfully submitted,



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Deanne M. O'Dell, Esquire  
Attorney ID 81064  
Sarah C. Stoner, Esquire  
Attorney ID 313793  
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Date: April 19, 2016

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