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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 ("Direct Energy") Petition to Intervene 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 Petition to Intervene 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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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 :
:

**DIRECT ENERGY SERVICES, LLC'S
PETITION TO INTERVENE**

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") petitions to intervene in the Petition of PECO Energy Company ("PECO") for Approval of Its Default Service Program ("DSP Petition"). In support of its intervention, Direct Energy states as follows:

1. On March 17, 2016, PECO filed a petition proposing to establish the terms and conditions under which it will procure default service supplies, provide default service to non-shopping customers, satisfy requirements imposed by the Alternative Energy Portfolio Standards Act ("AEPS Act")¹ and recover all associated costs on a full and current basis for the period from June 1, 2017 through May 31, 2019.

2. By public notice published in the Pennsylvania Bulletin on April 9, 2016, the Commission established a deadline of April 19, 2016 for formal protests, petitions to intervene and answers. Administrative Law Judge Cynthia W. Fordham scheduled an Initial Prehearing Conference for April 22, 2016 by Hearing Notice dated March 29, 2016 and issued Prehearing

¹ 73 P. S. §§ 1648.1 - 1648.8 and related provisions of 66 Pa. C. S. § § 2813-2814.

Memo on April 12, 2016. Direct Energy is simultaneously filing its Prehearing Conference Memorandum, in accordance with 52 Pa. Code § 5.222.

3. Direct Energy is an electric generation supplier (“EGS”) licensed by the Commission at A-110164 to provide electricity and related services to retail customers throughout Pennsylvania. Direct Energy is a North American affiliate of Centrica plc, a leading international provider of energy and other energy-related services, with over 30 million customer relationships worldwide. Direct Energy provides electricity, natural gas and other energy services to more than 5 million residential homes and businesses across North America. Direct Energy has a unique business model, and extensive experience in providing innovative gas and electricity products and services to residential, small and large commercial and industrial customers, utilities and government entities.

4. Direct Energy’s attorneys in this matter are:

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5. The Commission’s regulations allow intervention where a person has an interest in the proceeding which may be directly affected and which is not adequately represented by existing parties, and as to which the person may be bound by the action of the Commission in the proceeding. 52 Pa. Code § 5.72(a)(2). Intervention is also permitted where participation of the

person may be in the public interest. 52 Pa. Code § 5.72(a)(3). A “person” includes a corporation and an association. 52 Pa. Code § 1.8.

6. Direct Energy meets the standards for intervention set forth in 52 Pa. Code § 5.72(a). As an EGS in PECO’s service territory and in the Commonwealth, Direct Energy satisfies the standard for intervention because Direct Energy possesses an “interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding.” 52 Pa. Code § 5.72(a)(1).

7. Direct Energy’s interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene, including individual EGSs or other organizations interested in electric competition in Pennsylvania in general and in these service territories in particular. Direct Energy is licensed by the Commission to provide service to customers in PECO’s service territory and has an interest in ensuring that the default service structure approved by the Commission will continue to do so as long as the market structure supports sustained and robust electric competition, especially among residential and small commercial customers. Since Direct Energy serves customers in PECO’s service territory, PECO’s procurement proposal would directly impact Direct Energy. In addition, PECO proposes consolidation of the Medium Commercial and Large Commercial & Industrial classes, reducing the frequency of Large C&I hourly-priced default service rate filings, and reconciling the over/undercollection component of the Generation Supply Adjustment on a semi-annual basis instead of a monthly basis. These matters directly affect Direct Energy and its ability to serve customers in PECO’s service territory.

8. In view of Direct Energy's unique business model, Direct Energy's interests in this proceeding cannot be adequately represented by other EGS parties with different business models and different customer target markets.

9. Direct Energy will be bound by the action of the Commission in this proceeding, which will determine PECO's default service rates, terms and conditions effective June 1, 2017. Direct Energy must compete against these rates, and how they are structured will have a significant effect on the level of retail competition that will be experienced in the service territory during this period and, thus, on the ability of Direct Energy to continue to do business in the service territory. Thus, the Commission's actions regarding PECO's proposal will have a substantial impact on Direct Energy's future involvement in the market.

10. Direct Energy's intervention is in the public interest. As a member of the Centrica group of companies providing energy and energy related services through over 30 million customer relationships worldwide, Direct Energy has the experience and resources to aid the Commission in carrying out its duties and responsibilities under the Electricity Generation Customer Choice and Competition Act to ensure that the goals of the Act are met. Accordingly, Direct Energy's participation in this proceeding is clearly in the public interest. *See* 52 Pa. Code § 5.72(a)(3).

11. Direct Energy's list of presently identified issues is set forth in its Prehearing Conference Memorandum, which is incorporated herein by reference. Due to the early stage of

this proceeding, Direct Energy reserves the right to raise and address issues identified through its continued review and analysis of PECO's filing (and related information), or other issues raised by other parties.

Respectfully submitted,



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Date: April 19, 2016

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