



May 10, 2016

VIA E-FILE

David P. Zambito

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Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Petition of Direct Energy Services, LLC to Restart the Retail Opt In Retail Market Enhancement; Docket No. P-2016-2535033

FIRSTENERGY SOLUTIONS CORP. ANSWER TO THE PETITION OF DIRECT ENERGY SERVICES, LLC

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is FirstEnergy Solutions Corp.'s Answer to the Petition of Direct Energy Services, LLC in the above-referenced proceeding. A copy of this document has been served in accordance with the attached Certificate of Service.

Please note that this Answer was timely filed on May 9, 2016 (as indicated on the enclosed eFiling confirmation). However, the filing was rejected by the Commission's electronic filing system because of a typographical error in the docket number listed on the Certificate of Service. The docket number was correct on both the cover letter and the Answer, and the Answer was eFiled at the correct docket number. Per your guidance, FES is refiling its Answer with the understanding that it will be deemed timely filed by the Secretary's Bureau.

If you have any questions regarding this filing, please direct them to me. Thank you for your attention to this matter.

Sincerely,

COZEN O'CONNOR



By: David P. Zambito
Counsel for FirstEnergy Solutions Corp.

DPZ/kmg
Enclosure
cc: Per Certificate of Service



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Your filing has been electronically received. Upon review of the filing for conformance with the Commission's filing requirements, a notice will be issued acknowledging such compliance and assigning a Docket Number. The matter will receive the attention of the Commission and you will be advised if any further action is required on your part.

Print this page for your records. The date filed on will be the current day if the filing occurs on a business day before or at 4:30 PM Harrisburg, PA time. It will be the next business day if the filing occurs after 4:30 PM Harrisburg, PA time or on weekends or holidays.

If your filing exceeds 250 pages, you are required to submit one paper copy of the filing within 3 business days of submitting the electronic filing. This paper copy can be mailed to: Secretary, Pennsylvania Public Utility Commission, Commonwealth Keystone Building, 400 North Street, 2nd Floor, Harrisburg, PA 17120 . Please print a copy of this page and attach it to the paper copy of your filing as the first page.

eFiling Confirmation	
Docket Number:	P-2016-2535033
Description:	Petition of Direct Energy Services, LLC to Restart the Retail Opt In Retail Market Enhancement; FES Answer to Direct Energy Petition
Transmission Date:	5/9/2016 3:15:16 PM
Filed On:	5/9/2016 3:15:16 PM
eFiling Confirmation Number:	1632641

Uploaded File List

File Name	Document Class	Document Type
FES Answer to Direct Energy Petition.PDF	Communication	Answer to Petition

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CERTIFICATE OF SERVICE
Petition of Direct Energy Services, LLC to
Restart the Retail Opt In Retail Market Enhancement
Docket No. P-2016-2535033

I hereby certify that I have this day served a true copy of FirstEnergy Solutions Corp.'s Answer to Petition of Direct Energy Services, LLC, upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

VIA FIRST CLASS MAIL:

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Counsel for *Stand Energy*

DATED: May 10, 2016



David P. Zambito, Esquire
Counsel for *FirstEnergy Solutions Corp.*

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of Direct Energy Services, LLC to :
Restart the Retail Opt In Retail Market : Docket No. P-2016-2535033
Enhancement :

**ANSWER OF
FIRSTENERGY SOLUTIONS CORP.**

FirstEnergy Solutions Corp. (“FES”), by and through its undersigned counsel and pursuant to 52 Pa. Code § 5.61(e), files this Answer to the Petition (“Petition”) of Direct Energy Services, LLC (“Direct Energy”). FES is an Electric Generation Supplier (“EGS”) licensed to serve retail electric customers across Pennsylvania, including customers in the territories of PECO Energy Company and PPL Electric Utilities Corporation.¹ FES answers the Petition as follows:

ANSWER

1. FES is without sufficient information to admit or deny the allegations. To the extent that a response is required, denied.

2. Admitted upon information and belief.

3-9. The allegations purport to recite the content of Orders of the Pennsylvania Public Utility Commission (“Commission”), documents which speak for themselves, and, accordingly, no response is required. To the extent that a response is required, denied.

¹ Docket No. A-110078 (1998).

10-11. These allegations purport to recite statistics from Commission Web sites and documents which speak for themselves and, accordingly, no response is required. To the extent that a response is required, denied.

12. The allegations and Attachment A to the Petition purport to summarize information from electric distribution company reports which speak for themselves and, accordingly, no response is required. To the extent that a response is required, denied.

13. These allegations purport to recite statistics from Commission Web sites and documents which speak for themselves and, accordingly, no response is required. To the extent that a response is required, denied.

14-15. FES is without sufficient information to admit or deny the allegations or Direct Energy's opinions. To the extent that a response is required, denied.

16. This paragraph is a request for relief and no response is required. To the extent that a response is required, denied. Any ROI Program the Commission approves should not offer a product requiring the provision of a "value-added" energy saving or energy management product or service. As illustrated by Attachments B and C to the Petition, relatively few EGSs are offering the types of value added products or services contemplated by the Petition. Requiring EGSs to provide a value-added energy saving or energy management product or service as a condition to participation in the ROI Program will exclude some EGSs from participating in the ROI Program, which is not in the public interest. If the Commission approves an ROI Program that requires EGSs to offer a value added product or service as a condition of participating, the scope of qualifying value added products and services must be broad enough to ensure no licensed EGS is excluded from participating in the ROI Program. In addition, the method for EDCs to recover

costs of implementing and administering any ROI Program should not include an addition to the EDC's POR discount. Further, the Petition lacks details regarding important aspects of implementation, such as how a customer who expresses a desire to participate but does not choose a specific supplier can be randomly enrolled by the EDC with one of the participating EGSs in a way that ensures the customer receives the same value as other customers, or how the proposed EGS cap of 50% of eligible customers would be implemented when the total population of eligible customers would not be known until all customers have already opted in and, in most cases, expressed their desire for a specific EGS.

17-23. These allegations constitute conclusions of law and, accordingly, no response is required. To the extent that a response is required, denied.

24. These allegations constitute conclusions of law and, accordingly, no response is required. To the extent that a response is required, denied. Under no circumstances should the Commission, through Act 129 coordination or otherwise, create a barrier excluding any licensed EGS from participating in any ROI Program or other Commission-sponsored program designed to match customers with EGSs.

25. These allegations are conclusions of law and, accordingly, no response is required. To the extent that a response is required, denied. The Commission's Intermediate Work Plan was based on data compiled by Commission Staff in 2011, and the evidentiary records in the EDCs' default service proceedings were developed in 2012.

26. These allegations are conclusions of law and, accordingly, no response is required. To the extent that a response is required, denied.

27. This paragraph contains a request for relief and, accordingly, no response is required.

To the extent that a response is required, denied.

For the foregoing reasons, FirstEnergy Solutions Corp. respectfully requests that the Petition be denied as proposed, without the modifications described above.

Respectfully submitted,



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Counsel for *FirstEnergy Solutions Corp.*

Dated: May 9, 2016