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March 12, 2019

Via Electronic Filing

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

Re:

Pennsylvania Public Utility Commission v. Peoples Natural Gas Company LLC

Docket No. R-2018-3006818

Dear Secretary Chiavetta:

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

Sincerely,

Carl R. Shultz

CRS/lww Enclosure

cc:

Hon. Joel H. Cheskis, 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 Memorandum 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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Carl. R. Shultz, Esq.

Dated: March 12, 2019

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utilities Commission

Docket No. R-2018-3006818

Peoples Natural Gas Company, LLC

v.

PREHEARING MEMORANDUM OF DIRECT ENERGY BUSINESS, LLC, DIRECT ENERGY SERVICES, LLC, AND DIRECT ENERGY BUSINESS MARKETING, LLC

TO THE HONORABLE JOEL H. CHESKIS, DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE:

Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Energy Business Marketing, LLC (collectively, "Direct Energy") submit this Prehearing Memorandum in the above-captioned proceeding:

I. PROCEDURAL HISTORY

On January 28, 2019, the Company filed a request with the Commission to increase and merge the rates and merge the retail and supplier tariffs and rules of the Peoples Division and the Equitable Division. In its filing, the Company proposes to increase rates by approximately \$94.9 million per year. The Company also proposes to merge supplier tariffs and rules of its Peoples and Equitable Divisions.

On February 12, 2019, Direct Energy filed and served its petition to intervene in this matter. Direct Energy is the natural gas supplier ("NGS") for numerous commercial and industrial customers in the Peoples distribution service territory.

II. REPRESENTATION

Direct Energy's attorneys in this matter are:

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III. ISSUES

As an NGS in the Company's service territory, Direct Energy has a direct and substantial interest in the Company's proposals related to the increase and merger of rates and to the merger of the Company's supplier tariffs and rules.

1. This merger proposal, while appropriate in concept, will require careful evaluation and investigation to assure that the interests of Direct Energy and its customers are not adversely affected. The merger proposal is being evaluated, and Direct Energy reserves the right to raise additional issues as they are discovered in the course of the proceeding.

IV. WITNESSES AND EVIDENCE

Direct Energy has not identified its witnesses for this proceeding, and reserves its right to modify this witness list prior to the submission (or presentation) of testimony.

V. PROCEDURAL SCHEDULE AND DISCOVERY RULES

The schedule proposed by Peoples is acceptable. Direct Energy is also willing to discuss any proposed discovery modifications.

VI. SETTLEMENT

Date: March 12, 2018

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

Respectfully submitted,

Daniel Clearfield, Esquire

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