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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 Petition to Intervene 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 Petition to Intervene 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 :  
 :  
 v. : Docket No. R-2018-3006818  
 :  
 Peoples Natural Gas Company, LLC :

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**PETITION TO INTERVENE OF DIRECT ENERGY BUSINESS,  
LLC, DIRECT ENERGY SERVICES, LLC, AND DIRECT  
ENERGY BUSINESS MARKETING, LLC**

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Pursuant to 52 Pa. Code §§ 5.72-5.75, Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Energy Business Marketing, LLC (collectively, “Direct Energy”) petitions to intervene in the above-captioned proceeding filed on behalf of Peoples Natural Gas Company, LLC (“Peoples” or the “Company”) at the Pennsylvania Public Utility Commission (the “Commission”). In support of its Petition to Intervene, Direct Energy states as follows:

1. On January 28, 2019, Peoples 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, Peoples proposes to increase rates by approximately \$94.9 million per year. Peoples also proposes to merge supplier tariffs and rules of its Peoples and Equitable Divisions.

2. Direct Energy is a natural gas supplier (“NGS”) licensed by the Commission to provide natural gas and related services to retail customers in Peoples service territory.<sup>1</sup> Direct Energy is wholly owned by Direct Energy Business, LLC, which is a subsidiary of Direct Energy

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<sup>1</sup> See PUC Docket Nos. A-125072 (Direct Energy Business, LLC), A-125135 (Direct Energy Services, LLC) and A-2013-2365792 (Direct Energy Business Marketing, LLC).

Services, LLC. Being part of the Direct Energy family, Direct Energy Services, LLC is wholly owned by its ultimate parent company: Centrica pic. Through these corporate structure, Direct Energy and its affiliated companies are one of North America's largest energy and energy-related services providers with over 4 million residential and commercial customer relationships. A subsidiary of Centrica pic, one of the world's leading integrated energy companies, Direct Energy and its affiliates operate in 46 states including the District of Columbia and 10 provinces in Canada. 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.

3. Direct Energy is the natural gas supplier for numerous commercial and industrial customers in the Peoples distribution service territory.

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 NGS serving customers in the Company's service territory 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. Specifically, as an NGS in the Company's service territory, Direct Energy has a direct and substantial interest in Peoples' proposal to merge the existing Peoples and Equitable retail service and supplier Tariffs. 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.

Direct Energy reserves the right to raise additional issues as they are discovered in the course of the proceeding. Peoples' filing must be thoroughly reviewed and analyzed to determine whether the various proposals and changes are reasonable and to ensure that they will not negatively impact the delivery of natural gas on the Company's system or suppliers operating in the Company's service territory. In adopting unified choice transportation rules, the Commission should also consider whether additional modifications are necessary to obtain transparency into Choice rates and to maximize system efficiency.

8. As an NGS licensed to serve customers in Peoples' service territory, Direct Energy has a substantial and direct interest in the outcome of this proceeding. Any changes to Peoples' retail or supplier tariffs, or the services provided thereunder, may affect Direct Energy's operations and impact its ability to compete for and service customers in Peoples' service territories. Further, any changes to Peoples' rates, or the operation or structure of any Peoples' programs, will have a

significant effect on the level of retail competition in the Company's service territory and, thus, on the ability of Direct Energy to continue to operate as an NGS in that territory.

9. Direct Energy also has an interest in ensuring that the proposals of other parties that are advanced through testimony, legal arguments, or settlement discussions do not adversely impact Direct Energy's ability to effectively operate as an NGS in Peoples' service territory.

10. Direct Energy's interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene, including individual NGSs, or other organizations interested in natural gas competition in Pennsylvania in general and in these service territories in particular. Direct Energy has a unique business model and its interests and perspective are unique. In view of Direct Energy's unique business model, Direct Energy's interests in this proceeding cannot be adequately represented by other NGSs with different business models and different customer target markets.

11. Direct Energy will be bound by the action of the Commission in this proceeding, as well as the terms and conditions related to Peoples' tariff. Thus, the Commission's actions regarding the Companies' proposals may have a substantial impact on Direct Energy's future involvement in the market.

12. 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 28 million customer relationships worldwide, Direct Energy has the experience and resources to aid the Commission in establishing reasonable modifications to the Peoples' tariff. Accordingly, Direct Energy's participation in this proceeding is clearly in the public interest. See 52 Pa. Code § 5.72(a)(3).

13. Direct Energy reserves the right to raise and address additional issues identified through its review and analysis of the filing (and related information), or other issues raised by other parties.

WHEREFORE, Direct Energy respectfully requests that the Commission grant Direct Energy's Petition to Intervene and that Direct Energy be granted full party status in this matter.

Respectfully submitted,



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Date: March 12, 2019

Attorneys for  
Direct Energy Business, LLC,  
Direct Energy Services, LLC, and  
Direct Energy Business Marketing, LLC



## Verification

I, Carl R. Shultz state that I am an Attorney of Record for Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Energy Business Marketing, LLC (collectively, "Direct Energy") and that as such I am authorized to make this verification on their behalf. I hereby state that the facts contained in the foregoing document are true and correct (or are true and correct to the best of my knowledge, information and belief). I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.



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Carl R. Shultz, Esquire