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October 5, 2009

Via Electronic Filing

James McNulty, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Petition of PPL Electric Utilities Corporation Requesting Approval of a Voluntary
Purchase of Accounts Receivables Program and Merchant Function Charge,
Docket No. P-2009-2129502

Dear Secretary McNulty:

On behalf of Direct Energy Services, LLC enclosed for filing please find the original of its
Petition to Intervene along with the electronic filing confirmation page with regard to the above-
referenced matter. Copies have been served in accordance with the attached Certificate of
Service.

Sincerely yours,

Deanne M. O'Dell, Esq.

DMO/lww

Enclosure

cc: Hon. Louis G. Cocheres, w/enc.
Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy 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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Deanne M. O'Dell, Esq.

Dated: October 5, 2009

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation Requesting Approval of a :
Voluntary Purchase of Accounts : Docket No. P-2009-2129502
Receivables Program and Merchant :
Function Charge :

**PETITION TO INTERVENE OF
DIRECT ENERGY SERVICES, LLC**

Pursuant to 52 Pa. Code §§ 5.71-5.75 and the September 25, 2009 Secretarial Letter of the Pennsylvania Public Utility, Direct Energy Services, LLC ("Direct Energy") submits this petition to intervene and participate in the above captioned proceeding regarding the petition of PPL Electric Utilities for Voluntary Purchase of Accounts Receivables Program and Merchant Function Charge. In support of its intervention, Direct Energy states as follows:

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 Allegheny's service territory. Direct Energy® is one of North America's largest energy and energy-related services provider with over 5 million residential and 60,000 commercial customer relationships. Direct Energy® provides customers with choice in energy supply and support in managing their energy costs through a portfolio of innovative products and services. Direct Energy® is a subsidiary of Centrica plc, the 7th largest utility company globally as ranked by Fortune Magazine's 2007 Fortune Global 500 with 32 million customer relationships with a Moody's Investor Services "A3" and Standard & Poor's "A-" financial ratings. Direct Energy® operates in 20 states, the District of Columbia, and across Canada, owns and operates natural gas

production fields and 1260 megawatts (MWs) of natural gas-fired generation, has 813 MWs of power purchase agreements for output from wind farms, and provides energy efficiency services.

Direct Energy has a unique business model, and extensive experience in providing energy services to residential customers, small and large commercial and industrial ("C&I") customers, and government entities. The majority of Direct Energy's customers are residential and mass market (small business) customers. Direct Energy offers retail energy customers many products, including renewable, variable, and fixed-price programs.

1. Direct Energy's representatives in this matter are:

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2. On May 15, 2009, the Commission entered a Tentative Order expressing its intention to direct PPL to "improve conditions for retail competition" by implementing certain retail market enhancements including a Purchase of Receivables ("POR") program. By Final Order adopted August 6, 2009 the Commission directed PPL to file tariff supplements necessary to implement a POR program that (1) is to commence January 1, 2010, (2) applies a discount that reflects only its actual incremental costs to implement POR, (3) eliminates any requirement that EGSs revert to dual billing when an arrearage exceeds 90 days, (4) does not include any "all-in/all-out" provisions, (5) provides POR only for basic service.

3. On September 10, 2009, PPL filed the instant Petition seeking approval of its proposed POR Program to be effective on January 1, 2010. On September 17, 2009, PPL filed the pro forma tariff supplements.

4. Pursuant to 52 Pa. Code § 5.72(a)(2), a person who has 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” may intervene in the proceeding.

5. Direct Energy has a direct interest in the outcome of this proceeding. Direct Energy is licensed by the Commission and currently serves some non-residential customers in PPL’s market. It intends to serve additional classes of customers in PPL if it believes the market structure will support sustained and robust electric competition, especially among residential and small commercial customers. As the Commission itself recognized, implementation of a POR program “can reduce barriers to market entry”¹ and is an important for developing sustained and robust electric competition.

6. To be effective, however, the POR program must be appropriately structured and Direct Energy has been an active participant in prior proceedings which included, *inter alia*, the development of a POR program for PPL’s service territory effective January 1, 2011.²

7. In its Petition, PPL offers its proposed structure for POR and the outcome of this proceeding will directly impact whether or not PPL’s final approved POR program will enable Direct Energy to serve residential and small commercial customers in PPL’s service territory.

¹ PPL Electric Utilities Corporation Retail Markets, Docket No. M-2009-2104271, Tentative Order entered May 15, 2009.

² Petition of PPL Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period January 1, 2011 Through May 31, 2014, Docket No. P-2008-2060309, Opinion and Order entered June 30, 2009.

Thus, the Commission's final direction regarding this POR program will have a substantial impact on Direct Energy's future involvement in the market and, therefore, Direct Energy meets the standards for intervention in this proceeding.

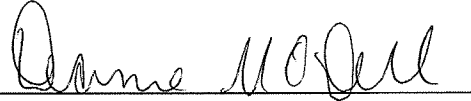
8. In view of Direct Energy's unique business model, Direct Energy's interests in this proceeding cannot be adequately represented by other EGS parties with different business models and different customer target markets. Direct Energy's interests are also not adequately represented in this proceeding by a trade association (RESA) to which Direct Energy belongs, and which has also requested to intervene, because RESA's positions represent the consensus of its members and not necessarily the position of any particular member. Accordingly, Direct Energy's interest clearly satisfies the requirements of 52 Pa. Code § 5.72(a)(2).

9. In addition, the Commission's regulation provides that a person who has "[a]nother interest of such nature that participation of the petitioner may be in the public interest" may intervene in the proceeding. 52 Pa. Code § 5.72(a)(3). 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 Act³ to ensure that the goals of the Act are met. Accordingly, Direct Energy's participation in this proceeding is clearly in the public interest.

³ 66 Pa. C.S. §§ 2801-2812 ("Electric Choice and Competition Act").

WHEREFORE, Direct Energy Services, LLC respectfully requests that its petition to intervene in this proceeding be granted.

Respectfully submitted,



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Dated: October 5, 2009