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January 4, 2010

Via Electronic FilingJames McNulty, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265Re: Petition of PECO Energy Company for Approval of its Revised Electric Purchase of
Receivables Program, Docket No. P-2009-2143607

Dear Secretary McNulty:

On behalf of Direct Energy Services, LLC enclosed please find the original Prehearing Memo 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: Cert. of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Direct Energy's Prehearing Memo 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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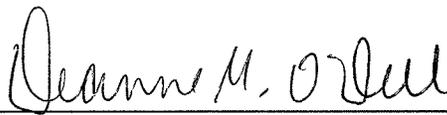
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Deanne M. O'Dell, Esq.

Dated: January 4, 2010

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company for :
Approval of its Revised Electric Purchase : Docket No. P-2009-2143607
of Receivables Program :

**PREHEARING MEMORANDUM OF
DIRECT ENERGY SERVICES, LLC**

Pursuant to 52 Pa. Code §§ 5.71-5.75 and the December 18, 2009 Prehearing Order, Direct Energy Services, LLC ("Direct Energy") submits this Prehearing Conference Memorandum in the above-captioned proceeding.

I. Representation

Direct Energy will be represented by the following counsel in this matter:

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II. History of the Proceeding and Presently Identified Issues

On November 20, 2009, PECO filed its Petition in support its request that the Commission approve its proposed POR program to be effective January 1, 2011. The POR program is being proposed in accordance with the Commission-approved settlement of PECO's default service program for the provision of electric service after December 31, 2010. Direct

Energy was a party in that proceeding and a signatory of the settlement agreement in which PECO agreed to seek approval for a revised POR program consistent with the principals set forth in the settlement and after conducting three stakeholder meetings with interested parties. Direct Energy participated in these stakeholder meetings.

By Prehearing Order dated December 18, 2009, a prehearing conference is scheduled for January 5, 2010 and parties were directed to submit a prehearing memorandum by January 4, 2010.

In its Petition, PECO offers its proposed structure for POR which, if implemented as requested, could be a significant step toward opening the market to retail competition. More specifically, PECO proposes a POR program without recourse, with a temporary initial discount, with the ability for PECO to terminate service for nonpayment of EGS charges and without restricting an EGS's ability to simultaneously serve other customers through dual billing. From a competitive standpoint, these are all positive program features that are supported by Direct Energy and Direct Energy intends to provide support for these program features as may be necessary.

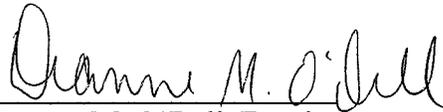
III. Proposed Witnesses and Subject Matter of Testimony

At this time, Direct Energy is still evaluating whether or not to present testimony in this matter. Direct Energy reserves the right to present a witness as may be necessary depending on the course of the proceeding and will provide the Presiding Officer as well as the other parties in this matter reasonable notice if necessary.

VI. Discovery, Procedural Schedule and Settlement

Direct Energy will cooperate with the other parties in this proceeding regarding discovery and a litigation schedule. Direct Energy will also cooperate regarding settlement.

Respectfully submitted,



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Dated: January 4, 2010