

Appendix P

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2010-2201702
	:	
Peoples Natural Gas Company, LLC	:	

**STATEMENT IN SUPPORT OF SETTLEMENT
ON BEHALF OF
DIRECT ENERGY SERVICES, LLC**

I. INTRODUCTION

Direct Energy Services, LLC ("Direct Energy"), an intervenor in the above-captioned proceeding, submits this Statement of Support for the Joint Petition for Approval of Settlement of All Issues ("Settlement") which has been filed in this proceeding.

Direct Energy urges the Administrative Law Judges ("ALJs") and the Pennsylvania Public Utility Commission ("Commission") to approve the Settlement for the following reasons.

II. REASONS SUPPORTING THE PROPOSED SETTLEMENT

The subject proceeding filed by Peoples Natural Gas Company LLC (the "Company") is a general base rate proceeding which contains various tariff provisions that directly impact Direct Energy. In particular, Direct Energy (as well as other parties) addressed in written testimony certain concerns over aspects of the Company's purchase of receivables ("POR") program, and the availability of multiple billing options for natural gas suppliers ("NGS"s) which could accommodate potential additional product and pricing capabilities.

It should be noted that Direct Energy also has supported the Company's proposed service termination policy that permits the Company to terminate for supplier receivables. From an NGS perspective, one of the purposes of participating in POR is to put supplier collection efforts on par with the utility's efforts.

The Settlement is a reasonable compromise and lawful resolution of Direct Energy's concerns and issues. In addition to other POR provisions of the Settlement, there is a requirement for the Company, upon request, and for a period of five years, to provide any party a current calculation of the Company's experienced uncollectibles expense percentage by class. This should enhance NGSs' available knowledge base from which to make assess the reasonableness of the Company's POR discount rate. In Direct Energy's view, the discount rate should be as low as reasonably possible and should not reflect a percentage higher than the actual uncollectible rate.

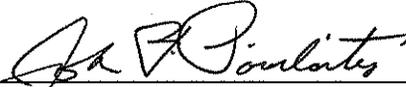
The Settlement also provides for the Company's consideration and review of additional NGS gas pricing options and alternative billing options. Included within this provision is a commitment to meet with NGSs individually or collectively to improve percent discount processes and consider initiation of tiered rates when the Company's billing system is capable of accomodating those billing options.

III. CONCLUSION

Direct Energy believes that the proposed Settlement represents a reasonable resolution of the issues raised in this docket, and that it is in the public interest. The ALJs and the Commission should approve the Joint Petition for Settlement.

Dated: April ,2011

Respectfully submitted,



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