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March 4, 2013

**Via Electronic Filing**

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

Re: Donald Rinald v. Columbia Gas of Pennsylvania, Inc. and Direct Energy Services, LLC,  
Docket No. C-2012-2292780

Dear Secretary Chiavetta:

Attached for electronic filing, in the above-referenced matter, is Direct Energy Services, LLC's Exceptions. Copies have been served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in blue ink that reads "Carl R. Shultz". The signature is stylized and cursive.

Carl R. Shultz

CRS/lww  
Enclosure

cc: Hon. Susan D. Colwell, w/enc.  
Certificate of Service (w/enc)

**CERTIFICATE OF SERVICE**

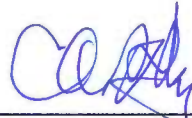
I hereby certify that this day I served a copy of Direct Energy's Exceptions upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**Via First Class Mail**

Larry R. Crayne, Esq.  
238 Johnston Rd.  
Pittsburgh, PA 15241

Donald Rinald  
281 Old Farm Road  
Pittsburgh, PA 15228

Dated: March 4, 2013



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Carl R. Shultz, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Donald Rinald,	:	
	Complainant	: Docket No. C-2012-2292780
	:	
v.	:	
	:	
Columbia Gas of Pennsylvania, Inc., and	:	
Direct Energy Services, LLC	:	
	Respondents	:

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**REPLY EXCEPTIONS OF  
DIRECT ENERGY SERVICES, LLC**

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Date: March 4, 2013

Attorneys for Direct Energy Services, LLC

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## I. INTRODUCTION

Direct Energy Services, LLC (“Direct Energy”) submits this Reply Exception to the respond to one of the issues raised by Donald Rinald (“Mr. Rinald” or “Complainant”) in his Exceptions to the January 18, 2013<sup>1</sup> Initial Decision (“ID”) of Administrative Law Judge (“ALJ”) Susan D. Colwell.

Therm billing by Columbia Gas of Pennsylvania, Inc. (“Columbia Gas”) began on January 31, 2012. The conversion to therm billing by Columbia Gas required a conversion of the price term in Mr. Rinald’s contract with Direct Energy – so that the price charged by Direct Energy would be in the same pricing unit as the Price to Compare of Columbia Gas.

Direct Energy admitted that it did not correctly convert Mr. Rinald’s price term. The resulting billing error was corrected by Direct Energy. Direct Energy regrets any inconvenience caused by the conversion from Ccf to therm billing, and refunded the overbilling (of \$29.56) to Mr. Rinald – who did not challenge the amount of the refund at the hearing and agreed at the hearing that his claims against Direct Energy were satisfied.

However, Mr. Rinald’s Exceptions appear to take issue with two Findings of Fact related to Direct Energy. Such Exceptions should be denied. Mr. Rinald did not challenge the amount of refund at that hearing, and his Exceptions do not clearly indicate that a different or additional is owed by Direct Energy to Mr. Rinald. There was extensive discussion of the billing error, and substantial record evidence demonstrates that Direct Energy corrected the problems with regard to Mr. Rinald’s account. It is not unreasonable for an NGS to correct a billing error, and Direct

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<sup>1</sup> The date of the ID contains a error. It bears the date of January 18, 2012, but was actually issued on January 18, 2013.

Energy has otherwise not violated the Public Utility Code, any Commission regulation or Commission Order.

## II. REPLY TO EXCEPTIONS BY MR. RINALD

### A. The ID Correctly Found That Mr. Rinald Failed To Sustain His Burden Of Proving That Direct Energy Provided Service In Violation Of Applicable Law.

Mr. Rinald is primarily challenging the use of therm billing by Columbia Gas. Direct Energy was added to this complaint proceeding so that Mr. Rinald's claims related to an billing error could be addressed. As discussed in greater detail herein, the billing error was corrected and refunded by Direct Energy.

Direct Energy has been a licensed natural gas supplier ("NGS") in the Columbia Gas' territory since 2005.<sup>2</sup> Direct Energy participates in consolidated billing with Columbia Gas.<sup>3</sup> For the time period covered by the Complaint, Direct Energy provided commodity service for Mr. Rinald<sup>4</sup> - who stopped receiving commodity service from Direct Energy (at his own request) on November 1, 2012.<sup>5</sup>

The original pricing between Direct Energy and Mr. Rinald used the then-standard pricing unit Ccf. Therm billing by Columbia Gas began on January 31, 2012.<sup>6</sup> The conversion to therm billing by Columbia Gas required a conversion of the price term in Mr. Rinald's

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<sup>2</sup> ID, at Finding of Fact Nos. 3, 21.

<sup>3</sup> ID, at Finding of Fact No. 22.

<sup>4</sup> ID, at Finding of Fact No. 6.

<sup>5</sup> ID, at Finding of Fact No. 24.

<sup>6</sup> ID, at Finding of Fact No. 9.

contract(s) with Direct Energy<sup>7</sup> – so that the price charged by Direct Energy would be in the same pricing unit as the Price to Compare of Columbia Gas.<sup>8</sup>

Direct Energy admitted that it did not correctly convert Mr. Rinald's price term from Ccf to therm. The resulting billing error was corrected by Direct Energy.<sup>9</sup> Direct Energy Exhibit 2 is a table which explains the error to Mr. Rinald's account.<sup>10</sup> Exhibit 2 shows that a refund of \$29.56 was owed to Mr. Rinald. For each relevant month, this Exhibit 2 shows the (i) unit of measurement for gas used (both in Ccf and therms); (ii) the therm multiplier<sup>11</sup>; (iii) the price per unit (both in Ccf and therms); (iv) the commodity charge (both as billed and as corrected); and (v) the difference between the billed amount and the corrected amount. Direct Energy regrets any inconvenience caused by the conversion from Ccf to therm billing, and refunded the overbilling (of \$29.56) to Mr. Rinald.<sup>12</sup>

Following the presentation of Direct Energy's evidence, Mr. Rinald had the opportunity to cross-examine Direct Energy's witness (Joseph Clark) on the amount of the refund and on the calculations shown on Direct Energy Exhibit 2. Before the conclusion of the hearing, Mr. Rinald indicated that his claims against Direct Energy were satisfied.<sup>13</sup> Nothing in Mr. Rinald's

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<sup>7</sup> The term of Mr. Rinald's original contract with Direct Energy ended in March 2012. ID, at Finding of Fact No. 23. That contract continued on a month-to-month basis until April 2012. A new contract was entered into beginning May 2012. ID, at Finding of Fact No. 23.

<sup>8</sup> 52 Pa. Code § 62.77(a); ID at p. 12, 14.

<sup>9</sup> ID, at Finding of Fact Nos. 27 to 29.

<sup>10</sup> ID, at Finding of Fact No. 29.

<sup>11</sup> The "therm multiplier" is a numeric multiplier that is applied to the volume of gas consumed (as measured in cubic feet, Ccf, or Mcf) to determine the amount of energy consumed (as measured in therms).

<sup>12</sup> ID, at Finding of Fact No. 29.

<sup>13</sup> Before the close of the hearing, the following exchange occurred between the Court and Mr. Rinald:  
"THE COURT: ... Your Complaint against Direct Energy, after their explanation, are you satisfied ?  
MR. RINALD: ... I have no problem with Direct Energy.  
THE COURT: Sir, are you right now dropping your Complaint against Direct Energy?"

Exceptions challenges the amount of the refund paid by Direct Energy. Mr. Rinald has not – either at the hearing or in his Exceptions – challenged the amount of the refund as calculated (on Direct Energy Exhibit 2) and as paid by Direct Energy.<sup>14</sup> Nor has Mr. Rinald shown or explained that there additional uncorrected errors on the price charged by Direct Energy or that he is entitled to any additional billing adjustments from Direct Energy.<sup>15</sup>

Notably, the Exceptions filed by Mr. Rinald do not clearly state the relief being requested with respect to the commodity price charged by Direct Energy. Mr. Rinald’s Exceptions appear to take issue with two Findings of Fact related to commodity prices charged by Direct Energy.<sup>16</sup> (None of the other Findings of Fact or Conclusions of Law related to Direct Energy are raised by Mr. Rinald’s Exceptions). It is assumed that Mr. Rinald mentioned these two Findings of Fact because the prices charged by Direct Energy were expressed in therms, and he is opposed to the use of therm billing. But, Mr. Rinald’s opposition to therm billing does not negate the fact that (a) the billing error was corrected and refunded by Direct Energy; (b) Mr. Rinald did not challenge the correction or refund by Direct Energy at the hearing; or (c) Mr. Rinald has not shown that he is entitled to any additional billing adjustments from Direct Energy.

Simply put, there was extensive discussion of the billing error, and substantial record evidence demonstrates that Direct Energy corrected the billing problem with regard to Mr. Rinald’s now-closed account with Direct Energy. It is not unreasonable for an NGS to correct a

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Mr. RINALD: ... I have no further complaint, and at the moment, I have no business with Direct Energy. They have proven that they are innocent, corrected the error.” TR. 82, line 11 to 83, line 6.

<sup>14</sup> See TR 74-83.

<sup>15</sup> *Id.*

<sup>16</sup> Exceptions, at p. 1. (The Findings of Fact numbered 27 (Page 5) and 28 (Page 6) are consistent with all other pricing by Direct Energy and Columbia in that the nature of the error and the calculations to correct are not divulged. The tables of values are not calculations. See Findings of Fact A. above.”).

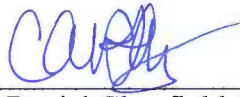


billing error, and Direct Energy has otherwise not violated the Public Utility Code, any Commission regulation or Commission Order.

### III. CONCLUSION

For the reasons set forth above, Direct Energy respectfully requests that the Commission deny the exceptions of Mr. Rinald, and issue a decision consistent with the ID.

Respectfully submitted,



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Date: March 4, 2013