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October 18, 2013

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

Re: Petition of PPL Electric Utilities Corporation For Approval of a Default Service Program for the Period June 1, 2013 through May 31, 2015, Docket No. P-2012-2302074

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Direct Energy Services, LLC's Prehearing Memorandum with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in blue ink that reads "Deanne M. O'Dell". The signature is fluid and cursive.

Deanne M. O'Dell

DMO/lww
Enclosure

cc: Hon. Susan Colwell, w/enc.
Hon. Joel Cheskis, w/enc.
Cert. of Service w/enc.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
For Approval of a Default Service Program : Docket No. P-2012-2302074
For the Period June 1, 2013 through May 31, :
2015 :

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

Pursuant to 52 Pa. Code §§ 5.72-5.75 and the Prehearing Conference Order dated October 4, 2013, Direct Energy Services, LLC (“Direct Energy”) submits this Prehearing Memorandum.¹

I. REPRESENTATION

Direct Energy’s attorneys in this matter are:

Daniel Clearfield, Esquire
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Direct Energy agrees to accept electronic service to all attorneys listed above to be followed up with one hard copy of the documents served.

II. PRESENTLY IDENTIFIED ISSUES

On August 23, 2013, PPL Electric Utilities Corporation (“PPL”) submitted a petition for the approval of a new pilot Time-of-Use (“TOU”) Program. The petition was filed pursuant to

¹ To the extent necessary, Direct Energy requests leave to accept this prehearing memo which is being filed one day after the due date set forth in the Prehearing Order. As a result of internal miscommunication issues, Direct Energy inadvertently missed the filing deadline.

the Commission Order entered May 23, 2013 in the above captioned action. Pursuant to the petition, PPL provides the details about the TOU program it proposes to implement to replace the current program. Specifically, PPL proposes to implement a process whereby TOU products would be provided by competitive electric generation suppliers (“EGSs”) consistent with the process and procedures detailed by PPL. If there are no qualified EGS products, the PPL proposes to offer a TOU program as detailed in the petition as a contingency.

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 PPL’s service territory. Direct Energy’s intervention to participate in the above-captioned action was granted previously.

While Direct Energy generally supports PPL’s proposals, as an EGS that currently offers TOU programs in Pennsylvania, the Commission’s action in this proceeding will impact Direct Energy’s ability to participate in PPL’s program. If the program is not properly structured on a competitively neutral basis with only reasonable program restrictions and process, then its overall participation rate may suffer or be non-existent. Therefore, Direct Energy has an interest in ensuring that the final approved PPL TOU program is reasonably designed so that it may be successfully implemented.

Direct Energy has identified the following issues that should be examined in this proceeding:

- Ensuring that the TOU Pilot program is designed in a competitively neutral manner to encourage EGS participation;
- Ensuring that the TOU Pilot program is not designed with unreasonable or irrational processes and restriction to discourage EGS participation;
- Whether PPL’s TOU Pilot program is consistent with the Commission’s regulations and the Public Utility Code; and,

- Whether PPL's TOU Pilot program is reasonably structured and sufficient to achieve applicable legal and regulatory goals and enhance the development of a competitive market.

Direct Energy reserves the right to address other issues identified through its continued review and analysis of the filing or raised by other parties.

III. WITNESSES

Direct Energy continues to evaluate whether to present witnesses in this proceeding and reserves the right to present a witness as may be necessary depending on the course of the proceeding. Direct Energy will provide the Presiding Officer as well as the other parties in this matter reasonable notice if necessary.

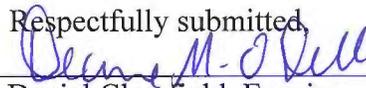
IV. LITIGATION AND DISCOVERY RULES

Direct Energy is amenable to working with the other parties to adopt a reasonable litigation schedule and/or necessary modifications to the Commission's discovery rules.

V. SETTLEMENT

Direct Energy is willing to participate in settlement discussions with any party to narrow the issues in this matter.

Respectfully submitted,



Daniel Clearfield, Esquire

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Date: February 8, 2013

Attorneys for Direct Energy Services, LLC

CERTIFICATE OF SERVICE

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

Via Email and First Class Mail

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Dated: October 18, 2013

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