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April 11, 2014

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 New Pilot Time-of-Use Program, Docket No. P-2013-23895712

Dear Secretary Chiavetta:

Enclosed for electronic filing please find Direct Energy Services, LLC's Statement in Support of Joint Petition for Partial Settlement with regard to the above-referenced matter. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,

A handwritten signature in cursive script that reads "Deanne M. O'Dell".

Deanne M. O'Dell

DMO/lww
Enclosure

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

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Direct Energy's Statement in Support of Joint Petition for Partial Settlement 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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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities Corporation :
for Approval of a New Pilot Time-of-Use : **Docket No. P-2013-2389572**
Program :

**DIRECT ENERGY SERVICES' STATEMENT IN SUPPORT
OF JOINT PETITION FOR PARTIAL SETTLEMENT**

**TO THE HONORABLE ADMINISTRATIVE LAW JUDGE JOEL CHESKIS AND
HONORABLE SUSAN D. COLWELL AND THE PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

Direct Energy Services, LLC, (“Direct Energy”) a Pennsylvania licensed electric generation supplier (“EGS”), submits this Statement In Support of the Joint Petition for Partial Settlement (“Partial Settlement”) submitted by PPL Electric Utilities Corporation (“PPL”). While the Partial Settlement does not represent the optimal product design from Direct Energy’s perspective, it does represent a reasonable compromise of competing positions and proposes to implement a Time-Of-Use (“TOU”) product that relies on the competitive market to provide TOU offerings to customers. Thus, any EGS offering a TOU product within the guidelines of the TOU Pilot Program will be able to participate. This is in contrast to other TOU programs which rely on a competitive process to select one supplier to offer the TOU product.

While Direct Energy fully supports the model proposed in this proceeding, Direct Energy would have preferred more flexibility regarding the types of products an EGS could offer as part of the TOU Pilot Program. The strength of the competitive market from a consumer perspective is the ability to select from a wide array of different TOU products and program structures. A

TOU program that has too many restrictions about the structure of the TOU product an EGS can offer could lead to decreased offers and decreased competitive choices for the consumer.

Balancing this concern with the fact that the proposal here would be a pilot program and is the first time this model will be used in Pennsylvania, Direct Energy supports the Partial Settlement and recommends that it be adopted. After the term of TOU Pilot Program, the various components can be revisited, particularly in consideration of the various reporting requirements that are embedded within the proposed program structure.

Finally, Direct Energy also would have preferred that the TOU Pilot Program permit PPL's low-income customer assistance program ("CAP") customers to participate. Notably, these customers have been permitted to participate in the prior and current PPL TOU programs and they should be permitted to participate in the proposed TOU Pilot Program. However, given the overall structure of the program, the fact that it is a pilot and can be reevaluated and nothing prohibits the possibility of CAP customer participating in future PPL TOU programs, Direct Energy has chosen to support the Partial Settlement.

In conclusion, the Partial Settlement is in the public interest because it ensures that a TOU program will be made available to consumers in the PPL service territory and it relies on the competitive market to provide this product from a number of EGSs. While future improvements to the proposed structure should be considered, Direct Energy recognizes that this is a pilot program and that the Partial Settlement amicably and expeditiously resolves a number of important and contentious issues. For these reasons, Direct Energy respectfully requests that

the Partial Settlement, taken as a whole, is in the public interest and should be approved without modification.

Respectfully submitted,



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Date: April 11, 2014

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