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January 20, 2017

Via Electronic Filing

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

Re: PECO Energy Company's Petition for Plan for an Advance Payments Program Submitted
Pursuant to 52 Pa. Code § 56.17

PECO Energy Company's Petition for Temporary Waiver of Portions of the
Commission's Regulations with Respect to the Plan
Docket No. P-2016-2573023

Dear Secretary Chiavetta:

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

Sincerely,



Sarah C. Stoner

SCS/jls
Enclosure

cc: Hon. Angela T. Jones, ALJ w/enc.
Cert. of Service w/enc.

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/or First Class Mail

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Dated: January 20, 2017



Sarah C. Stoner, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|--|---|---------------------------|
| PECO Energy Company's Petition for | : | |
| Plan for an Advance Payments Program | : | |
| Submitted Pursuant to 52 Pa. Code §56.17 | : | |
| | : | |
| and | : | Docket No. P-2016-2573023 |
| | : | |
| PECO Energy Company's Petition for | : | |
| Temporary Waiver of Portions of the | : | |
| Commission's Regulations With Respect | : | |
| to that Plan | : | |

**PREHEARING MEMORANDUM OF
DIRECT ENERGY**

Pursuant to 52 Pa. Code §§ 5.72-5.75 and the Prehearing Conference Order issued December 21, 2016, and subject to the granting of the Petition to Intervene being filed on this same date, Direct Energy Services, LLC, Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Small Business, LLC, Bounce Energy PA LLC, and Gateway Energy Services Corporation (collectively, "Direct Energy") submit this Prehearing Memorandum.

I. PROPOSED PROCEDURAL SCHEDULE

Direct Energy is amenable to working with the other parties in this matter to adopt a reasonable proposed procedural schedule. Direct Energy does not have any proposals regarding discovery modifications.

II. SETTLEMENT

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

III. WITNESSES

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. Direct Energy also reserves its right to add additional witnesses or change the identity of its witnesses at any time upon appropriate notice to the Presiding Officer and the parties.

IV. PRESENTLY IDENTIFIED ISSUES

Consistent with the comments filed by Direct Energy in this proceeding, Direct Energy has identified the following issues that should be examined in this proceeding:

- Whether PECO's proposed prepay billing option goes beyond the default service provider role.
- How will PECO's implementation of a prepay billing option affect the ability of suppliers to offer competitive billing options for their electric generation products and services to retail customers in PECO's territory?
- Would expending ratepayer money on PECO's prepay billing option be consistent with the provisions of the Electricity Generation Customer Choice and Competition Act?
- Whether the Commission should reject PECO's petition and direct PECO and interested stakeholders to focus resources on determining what infrastructure and regulatory changes could be implemented to create an environment in which EGSs could provide prepay products.

- If approved, how PECO's proposal will impact Direct Energy's provision of service to its customers who may elect to participate in PECO's pilot.

At this time, Direct Energy continues to evaluate its position on and will refine its position based on further study of PECO's proposal, review of discovery and additional input from other parties. Direct Energy reserves the right to address other issues identified through its continued review and analysis of the filing or raised by other parties.

V. SERVICE OF DOCUMENTS

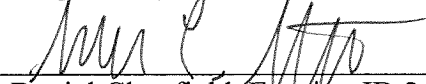
Direct Energy requests that all documents be served on:

Daniel Clearfield, Esquire
Deanne M. O'Dell, Esquire
Sarah C. Stoner, Esquire
Eckert Seamans Cherin & Mellott, LLC
213 Market St., 8th Floor
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Direct Energy also agrees to receive service of documents electronically in this proceeding. To the extent that materials are available electronically, it is requested that copies be served upon:

Daniel Clearfield – dclearfield@eckertseamans.com
Deanne O'Dell – dodell@eckertseamans.com
Sarah C. Stoner – sstoner@eckertseamans.com

Respectfully submitted,



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Date: January 20, 2017

Attorneys for Direct Energy