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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 Petition to Intervene with regard to 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 Petition to Intervene 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

PETITION TO INTERVENE OF DIRECT ENERGY

Pursuant to 52 Pa. Code §§ 5.72-5.75 and the Prehearing Conference Order issued December 21, 2016, 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") petition to intervene in the Petition of PECO Energy Company ("PECO") for Plan for an Advance Payments Program and a Temporary Waiver of Portions of the Commission's Regulations With Respect to that Plan. In support of its intervention, Direct Energy states as follows:

- 1. On October 26, 2016, PECO submitted its prepayment meter program with the Commission in which it proposes to allow certain residential customers/applicants to voluntarily enter a program in which they pay their bills for utility service in advance of receiving service ("Prepay Pilot Program").
- 2. By public notice published in the Pennsylvania Bulletin on November 12, 2016, the Commission established a deadline for comments to be filed by December 15, 2016, and

reply comments to be filed by January 16, 2017. Direct Energy submitted comments in this proceeding pursuant to that directive. Administrative Law Judge Angela T. Jones scheduled an Initial Prehearing Conference for January 23, 2017. Direct Energy is simultaneously filing its Prehearing Conference Memorandum.

3. Direct Energy Services, LLC is an electric generation supplier ("EGS") licensed by the Commission at A-110164 to provide electricity and related services to retail customers throughout Pennsylvania. Direct Energy Business, LLC is an EGS licensed by the Commission at A-110025 and serves business and commercial customers. Direct Energy Small Business, LLC, Bounce Energy PA LLC and Gateway Energy Services Corporation are EGSs licensed by the Commission at A-2012-2292611, A-2011-2246617 and A-2009-2137275, respectively, to provide electricity and related services throughout Pennsylvania. Direct Energy Business Marketing, LLC is a natural gas supplier ("NGS") licensed by the Commission at A-2013-2365792 to provide natural gas and related services to retail customers in PECO's service territory. Direct Energy is a North American affiliate of Centrica plc, a leading international provider of energy and other energy-related services, with over 30 million customer relationships worldwide. Direct Energy provides electricity, natural gas and other energy services to more than 5 million residential homes and businesses across North America. Direct Energy has a unique business model, and extensive experience in providing innovative gas and electricity products and services to residential, small and large commercial and industrial customers, utilities and government entities.

4. Direct Energy's attorneys in this matter are:

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- 5. The Commission's regulations allow intervention where a person has an interest in the proceeding which may be directly affected and which is not adequately represented by existing parties, and as to which the person may be bound by the action of the Commission in the proceeding. 52 Pa. Code § 5.72(a)(2). Intervention is also permitted where participation of the person may be in the public interest. 52 Pa. Code § 5.72(a)(3). A "person" includes a corporation and an association. 52 Pa. Code § 1.8.
- 6. Direct Energy meets the standards for intervention set forth in 52 Pa. Code § 5.72(a). PECO's proposed prepay billing option could directly impact Direct Energy's interests as competitive suppliers in PECO's service territory. The Prepay Pilot Program, if approved, could impact the long-term success of the retail electricity market in the Commonwealth.
- 7. Direct Energy opposes approval of PECO's Prepay Pilot Program on the basis that value-added products and services should be offered through the competitive market and not by an electric distribution company such as PECO. Direct Energy has offered a prepay product in Texas since 2010¹ and, in that jurisdiction, competes against many other EGSs that also offer

See https://www.firstchoicepower.com/power-to-go

prepay billing options to retail customers. Direct Energy believes that a variety of EGS-provided products and services (to include billing options) benefits consumers because EGSs are driven to continue to improve their products and services given the fact that they are competing against one another to serve customers.

- 8. Direct Energy's interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene, including individual EGSs or other organizations interested in electric competition in Pennsylvania in general and in PECO's service territory in particular. Direct Energy has its own unique business model regarding electric generation service and provides "value added" products and services with its electric generation service to include (in other markets) its own prepay product. Accordingly, the outcome of this proceeding will likely have a unique effect and could directly impact the ability of Direct Energy to provide competitive electric generation service and attendant billing options in Pennsylvania.
- 9. In view of Direct Energy's unique business model, Direct Energy's interests in this proceeding cannot be adequately represented by other EGS parties with different business models and different customer target markets.
- 10. Direct Energy will be bound by the action of the Commission in this proceeding, which will adjudicate PECO's proposal to allow certain residential customers/applicants to voluntarily enter a program in which they pay their bills for utility service in advance of receiving service. Thus, the Commission's actions regarding PECO's proposal will have a substantial impact on Direct Energy's future involvement in the market. In addition, PECO's proposal also contemplates allowing shopping customers to participate in the prepay pilot. As

some of these shopping customers may be Direct Energy's customers, PECO's proposal will have a direct impact on Direct Energy's provision of service to its customers.

- 11. Direct Energy's intervention is in the public interest. As a member of the Centrica group of companies providing energy and energy related services through over 30 million customer relationships worldwide, Direct Energy has the experience and resources to aid the Commission in carrying out its duties and responsibilities under the Electricity Generation Customer Choice and Competition Act to ensure that the goals of the Act are met. Accordingly, Direct Energy's participation in this proceeding is clearly in the public interest. See 52 Pa. Code § 5.72(a)(3).
- 12. Direct Energy's list of presently identified issues is set forth in its Prehearing Conference Memorandum, which is incorporated herein by reference. Due to the early stage of this proceeding, Direct Energy reserves the right to raise and address issues identified through its continued review and analysis of PECO's filing (and related information), or other issues raised by other parties.

WHEREFORE, Direct Energy respectfully requests that the Commission grant Direct Energy's Petition to Intervene.

Respectfully submitted,

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Date: January 20, 2017

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