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April 17, 2018

Via Electronic Filing

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

Re: Pennsylvania Public Utility Commission, Office of Small Business Advocate, Office of
Consumer Advocate, Patricia Southorn v. Columbia Gas of Pennsylvania, Inc.;
Docket Nos. R-2018-2647577, C-2018-3000073, C-2018-3000582, C-2018-3000779

Dear Secretary Chiavetta:

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

Sincerely,



Kristine E. Marsilio, Esq.

Enclosure

cc: Hon. Jeffrey A. Watson
Certificate of Service w/enc.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Prehearing Memorandum of Direct Energy Business, LLC, Direct Energy Services, LLC and Direct Energy Business Marketing, LLC upon the participants listed below in accordance with the requirements of § 1.54 (relating to service by a participant).

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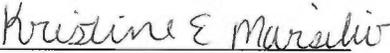
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Date: April 17, 2018


Kristine E. Marsilio, Esq.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	Docket Nos.	R-2018-2647577
Office of Small Business Advocate	:		C-2018-3000073
Office of Consumer Advocate	:		C-2018-3000582
Patricia Southorn	:		C-2018-3000779
	:		
	:		
v.	:		
	:		
Columbia Gas of Pennsylvania, Inc.	:		

**PREHEARING MEMORANDUM OF
DIRECT ENERGY BUSINESS, LLC, DIRECT ENERGY
SERVICES, LLC, AND DIRECT ENERGY BUSINESS
MARKETING, LLC**

Pursuant to 52 Pa. Code §§ 5.221-5.224 and the Prehearing Conference Order issued on April 10, 2018 in the above-captioned proceeding, Direct Energy Business, LLC, Direct Energy Services, LLC, and Direct Energy Business Marketing, LLC (collectively, “Direct Energy” or the “Direct Energy Companies”) submits this Prehearing Memorandum.

I. PROCEDURAL HISTORY

On March 16, 2018, Columbia Gas of Pennsylvania, Inc. (“Columbia” or the “Company”) filed Supplement No. 267 to its Tariff Gas PA PUC No. 9 (“Supplement No. 267”) to become effective May 15, 2018, containing proposed changes in rates, rules, and regulations. In Supplement No. 267, Columbia seeks an overall revenue increase of \$46.9 million per year, or 8.16%.

By Order dated April 5, 2018, Supplement No. 267 was suspended by operation of law until December 15, 2018, unless otherwise directed by Order of the Commission. The case was

assigned to the Office of Administrative Law Judge and was further assigned to Administrative Law Judge Jeffrey A. Watson (“ALJ Watson”). On April 10, 2018, ALJ Watson issued a Prehearing Conference Order, scheduling a Prehearing Conference in this case for Wednesday, April 18, 2018.

II. **REPRESENTATION**

Direct Energy’s attorneys in this matter are:

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Kristine Marsilio, Esquire
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III. **ISSUES**

The Commission’s actions regarding the Company’s proposals will have a substantial impact on Direct Energy’s future involvement in the market. Specifically, as NGSs licensed to serve customers in the Columbia service territory, Direct Energy is concerned with modifications to any tariff provision which would impact Direct Energy’s ability to serve customers in Columbia’s service territory. Any changes to Columbia’s rates, or the operation or structure of any Columbia programs, may have a significant effect on retail competition and, thus, on the ability of the Direct Energy Companies to operate as NGSs in Columbia’s service territory. Direct Energy also has a substantial interest in the continued of Columbia’s program wherein Columbia obtains and reports daily customer usage data.

Direct Energy (a) intends to carefully consider and review any other proposals that may be developed in this proceeding which could directly impact the customers currently served by

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

IV. **WITNESSES**

Direct Energy continues to evaluate whether to present witnesses in this proceeding. To the extent Direct Energy decides to present a witness in this proceeding, it has tentatively identified the following witness:

Orlando (Randy) Magnani
President
Randy Energy Consultants, LLC
19561 Caladesi Drive
Estero, FL 33967

Mr. Magnani will provide testimony related to supplier issues, as identified above. Direct Energy reserves the right to address other issues as may be developed during the course of this proceeding. Direct Energy 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.

V. **LITIGATION AND DISCOVERY RULES**

Direct Energy is willing to work with the Presiding Officer and the parties to develop a procedural schedule in this proceeding. Direct Energy is also willing to discuss any proposed discovery modifications.

VI. **SETTLEMENT**

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

Respectfully submitted,

Kristine E Marsilio

Daniel Clearfield, Esquire

Attorney ID 26183

Kristine Marsilio, Esquire

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Date: April 17, 2018

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Services, LLC, and Direct Energy Business
Marketing, LLC