



William T. Hawke  
Kevin J. McKeon  
Thomas J. Sniscak  
Lillian Smith Harris  
Scott T. Wyland  
Todd S. Stewart

Craig R. Burgraff  
Janet L. Miller  
Steven K. Haas  
William E. Lehman  
Katherine E. Lovette  
Tori L. Giesler

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100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

November 5, 2008

**VIA HAND DELIVERY**

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street – Filing Room (2 North)  
P.O. Box 3265  
Harrisburg, PA 17105-3265

RE: Revision of Guidelines for Maintaining Customer Services, Establishing Interim Guidelines for Purchase of Receivables (POR) Programs; Docket No. M-2008-2068982; **Direct Energy Support for NGS Comments**

Dear Secretary McNulty:

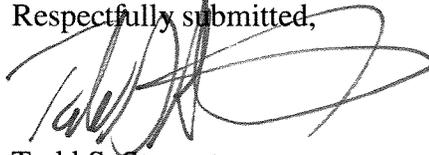
The purpose of this letter is to address the Commission's request for comments prior to making a decision in the above-captioned matter with regard to purchase of receivables ("POR") programs in Pennsylvania. By Secretarial Letter issued October 16, 2008, the Commission solicited comments from interested parties regarding POR programs. In particular, the Commission posed a series of questions regarding the issue of whether Natural Gas Distribution Companies (NGDCs) should be permitted to terminate customers for non-payment of receivables that are purchased from natural gas suppliers pursuant to POR programs.

As you know, the Commission issued an order in 1999, *Guidelines for Maintaining Customer Services at the Same Level of Quality Pursuant to 66 Pa. C.S. § 2206(a), Assuring Conformance with 52 Pa. Code Chapter 56 Pursuant to 66 Pa. C.S. § 2207(b), 2208(e)(f) and Addressing the Application of Partial Payments*, Docket No. M-000991249F003 (Order entered August 26, 1999). As they exist today, those guidelines would prevent such termination of NGS customers for non-payment of purchased receivables.

James J. McNulty, Secretary  
November 5, 2008  
Page 2

Direct Energy, who has over 5 million customer relationships in 23 states and the District of Columbia in the US and all 10 provinces in Canada, currently participates in Pennsylvania's energy markets and is very supportive of POR programs which are proven to facilitate choice in the residential and small commercial customer market segments. Direct Energy has reviewed the comments submitted on behalf of several natural gas supplier parties including National Energy Marketers Association, and supports those comments. Direct Energy looks forward to participating in future proceedings involving these important competitive issues and thanks the Commission for continuing to look for ways to make markets more competitive.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Todd S. Stewart', written over the text 'Respectfully submitted,'.

Todd S. Stewart  
*Counsel for Direct Energy Services, LLC.*

TSS/bks

cc: Ronald M. Cerniglia