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February 7, 2013

**Via Electronic Filing**

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

Re: Joint Petition of Metropolitan Edison Company Pennsylvania Electric Company,  
Pennsylvania Power Company, and West Penn Power Company for Approval of their  
Smart Meter Deployment Plan, Docket Nos. M-2013-2341990, M-2013-2341991,  
M-2013-2341993 and M-2013-2341994

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Dear Secretary Chiavetta:

Enclosed for electronic filing please find Direct Energy Services, LLC's Prehearing Memo 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: Cert. of Service w/enc.

**CERTIFICATE OF SERVICE**

I hereby certify that this day I served a copy of Direct Energy's Prehearing Memo upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

**Via First Class Mail and/or Email**

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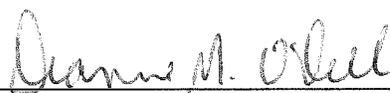
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Dated: February 8, 2013

  
\_\_\_\_\_  
Deanne M. O'Dell, Esq.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Petition of Metropolitan Edison :  
Company, Pennsylvania Electric Company, : Docket No. M-2013-2341990  
Pennsylvania Power Company and West : M-2013-2341991  
Penn Power Company for Approval of Their : M-2013-2341993  
Smart Meter Deployment Plan : M-2013-2341994

**PREHEARING MEMORANDUM  
OF DIRECT ENERGY SERVICES, LLC**

Pursuant to 52 Pa. Code §§ 5.72-5.75 and the Prehearing Conference Order dated March 6, 2012, and subject to the granting of the Petition to Intervene filed by Direct Energy Services, LLC (“Direct Energy”) in the above captioned proceeding, Direct Energy submits this Prehearing Memorandum.

**I. REPRESENTATION**

Direct Energy’s attorneys in this matter are:

Daniel Clearfield, Esquire  
Deanne O’Dell, Esquire  
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Direct Energy agrees to accept electronic service to all attorneys listed above to be followed up with one hard copy of the documents served.

**II. PRESENTLY IDENTIFIED ISSUES**

On December 31, 2012, Metropolitan Edison Company, (“Met-Ed”) Pennsylvania Electric Company (“Penelec”), Pennsylvania Power Company (“Penn Power”) and West Penn

Power Company (“West Penn Power”)(collectively, “FirstEnergy” of the “Companies”) filed its Smart Meter Plan seeking Commission approval of its Smart Meter Deployment Plan which details how the Companies propose to deploy smart meters in each of their service territories. FirstEnergy proposes to address a number of issues related to this plan including how it intends to comply with the Commission’s directives regarding: (1) the capabilities that the smart meters are required to accommodate with regard to providing historical interval usage data via Electronic Data Interchange (“EDI”); (2) incorporating meter-level interval usage data capabilities within their smart meter plans; and, (3) the types of billing options that the Companies must make available to customers to support the development of the competitive market.<sup>1</sup>

Direct Energy is licensed by the Commission at No. A-110164 to provide electricity and related services to all classes of retail customers throughout Pennsylvania, including the Companies’ service territories.

The Commission’s action in this proceeding will impact how Direct Energy is able to compete in this market. Importantly, the data access issues identified above will impact the ability of Direct Energy to have access to important customer information. Direct Energy needs timely and reliable access to the usage data of FirstEnergy’s current customers so that it can accurately price alternate supply service and make a competitive offer to the customer. Delayed access to this information or receiving information that is not accurate may discourage competitors from coming into the market and could lead to confusion for customers if the EGS is either delayed or inaccurate in the price it offers only due to issues related to the underlying data. Therefore, Direct Energy has an interest in ensuring that the smart meters deployed by the

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<sup>1</sup> See *Smart Meter Procurement and Installation*, Docket No. M-2009-2092655, Final Order entered December 6, 2012.

Companies are sufficiently address these issues. Similarly, Direct Energy is directly impacted by the billing options that are made available to it for serving customers in the FirstEnergy service territories. Because of Direct Energy's direct interest in the outcome of these proceedings, it filed a Petition to Intervene which is pending.

Direct Energy has identified the following issues that should be examined in this proceeding:

- Ensuring that the smart meters deployed will be capable of providing timely and reliable access to the usage data of FirstEnergy's current customers;
- Ensuring that a flexible range of billing options are available;
- Whether the Companies' overall smart meter deployment plan is consistent with the Commission's regulations and the Public Utility Code.
- Whether the Companies' smart meter deployment plan is reasonably structured and sufficient to achieve applicable legal and regulatory goals and enhance the development of a competitive market.

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

### **III. WITNESSES**

Direct Energy continues to evaluate whether to present witnesses in this proceeding and reserves the right to present a witness as may be necessary depending on the course of the proceeding. Direct Energy will provide the Presiding Officer as well as the other parties in this matter reasonable notice if necessary.

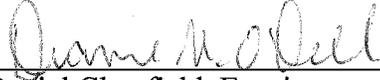
### **IV. LITIGATION AND DISCOVERY RULES**

Direct Energy is amenable to working with the other parties to adopt a reasonable litigation schedule and/or necessary modifications to the Commission's discovery rules.

**V. SETTLEMENT**

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

Respectfully submitted,



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Date: February 8, 2013

Attorneys for Direct Energy Services, LLC