

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Uniform Cover and Calendar Sheet

1. <b>REPORT DATE:</b> April 12, 2005	2. <b>BUREAU AGENDA NO.</b> APR-2005-FUS-1017*
3. <b>BUREAU:</b> Fixed Utility Services	
4. <b>SECTION(S):</b> Energy	5. <b>PUBLIC MEETING DATE:</b>
6. <b>APPROVED BY:</b>  Director: R. Rosenthal <i>R.R.</i> 3-5242 Mgr/Spvr: Robert J. Bennett 7-5553 Legal Review: <i>[Signature]</i>	April 21, 2005  <i>H.E.R. for R.B.</i>
7. <b>PERSONS IN CHARGE:</b> Rodrock/Deichmiller 3-6185	9. <b>EFFECTIVE DATE OF FILING:</b> N/A
8. <b>DOCKET NO.:</b> A-110164	

10. (a) **CAPTION** (abbreviate if more than 4 lines)  
 (b) **Short summary of history & facts, documents & briefs**  
 (c) **Recommendation**

(a) License Application of Direct Energy Services, LLC  
 (Home Office: Stamford, CT)

(b) On February 2, 2005, Direct Energy Services, LLC filed an application for a license to operate as a marketer engaged in the business of supplying electricity services to residential, commercial, industrial and governmental customers in the service territories throughout Pennsylvania.

The License Application is filed in accordance with the requirements of Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

(c) The Bureau of Fixed Utility Services recommends that the Commission adopt the proposed Order.

**DOCKETED**  
APR 28 2005

**DOCUMENT  
FOLDER**

10. **MOTION BY:** Commissioner Chm. Holland

**SECONDED:** Commissioner Bloom

Commissioner Pizzingrilli - Yes  
 Commissioner  
 Commissioner

**CONTENT OF MOTION:** Staff recommendation adopted.

*KJR*



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE  
REFER TO OUR FILE

APRIL 21, 2005

A-110164

DAN CLEARFIELD ESQUIRE  
KEVIN J MOODY ESQUIRE  
WOLF BLOCK SCHORR AND  
SOLIS-COHEN LLP  
212 LOCUST STREET SUITE 300  
HARRISBURG PA 17101

**DOCKETED**  
JUL 08 2005

**DOCUMENT  
FOLDER**

License Application of Direct Energy Services, LLC., for approval to offer, render, furnish, or supply electricity or electric generation services as a marketer of electricity and related services.

To Whom It May Concern:

This is to advise you that the Commission in Public Meeting on April 21, 2005 has adopted an Order in the above entitled proceeding.

**BTL**

An Order has been enclosed for your records.

Very truly yours,

James J. McNulty  
Secretary

fg  
encls  
cert. mail

JAMES STEFFES VICE PRESIDENT  
DIRECT ENERGY SERVICES LLC  
263 TRESSER BLVD 8TH FLOOR  
STAMFORD CT 06901

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265

Public Meeting held April 21, 2005

Commissioners Present:

Wendell F. Holland, Chairman  
Robert K. Bloom, Vice Chairman  
Kim Pizzingrilli

**DOCKETED**  
JUL 08 2005

License Application of Direct Energy Services,  
LLC for Approval to Offer, Render, Furnish or  
Supply Electricity or Electric Generation Services  
as a Marketer of Electricity and Related Services.

Docket No.: A-110164

**ORDER**

**DOCUMENT  
FOLDED**

**BY THE COMMISSION:**

On February 2, 2005, Direct Energy Services, LLC ("Direct Energy") filed an application seeking to become a licensed electric generation supplier in the Commonwealth of Pennsylvania. The application was filed pursuant to the Commission's regulations at 52 Pa. Code §54.31-54.43, which became effective on August 8, 1998 and which were established under Section 2809 of the Public Utility Code, 66 Pa. C.S. §2809.

§2809 provides in pertinent part that:

License Requirement.--No person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators and other entities, shall engage in the business of an electric generation supplier in this Commonwealth unless the person or corporation holds a license issued by the Commission. 66 Pa. C.S. §2809.

An electric generation supplier is defined as:

A person or corporation, including municipal corporations which choose to provide service outside their municipal limits except to the extent provided prior to the effective date of this chapter, brokers and marketers, aggregators or any other entities, that sells to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company, or that purchases, brokers, arranges or markets electricity or related services to end-use customers utilizing the jurisdictional transmission and distribution facilities of an electric distribution company. 66 Pa. C.S. §2803.

It is important to note that a licensee must comply with, and be governed by, applicable Chapter 56 residential service regulations as set forth in the Commission Order Guidelines for Maintaining Customer Service 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. Code Chapter 56 Pursuant to §2207(b), §2208(e) and (f) and Addressing the Application of Partial Payments (M-00991249F0003). Thus, we deem it appropriate to reiterate certain items with respect to Chapter 56 of our regulations. Chapter 56 (52 Pa Code Chapter 56) is applicable to residential accounts. An electric generation supplier cannot physically disconnect a residential customer from the electricity grid, and thus, the rules relating to residential service termination are not applicable to electric generation suppliers. An electric generation supplier may seek to terminate its generation service through an appropriate written notice to the customer and the distribution company. The residential customer can then attempt to repair their relationship with the supplier, seek a new supplier, or default to utility service at capped rates in accordance with the utility's obligations under Section 2207(a), 66 Pa. C.S. §2207(a). The customer would only be disconnected from the electricity grid pursuant to appropriate regulations if the customer failed to meet its obligations to the utility or the electric generation supplier which has been designated by the Commission as the provider of last resort.

Additionally, we take this opportunity to once again remind the licensee that its officers, representatives and employees have agreed to lawfully abide by all Commission regulations, procedures and orders, including Emergency Orders which may be issued verbally, or in writing during any emergency situations that may unexpectedly develop from time-to-time in the course of doing business in Pennsylvania.

Direct Energy proposes to provide electric services to residential, commercial, industrial and governmental customers in the service territories throughout Pennsylvania.

Direct Energy has provided proofs of publication in Pennsylvania newspapers, and proofs of service to the interested parties as required by the Commission.

Direct Energy has furnished the following in order to demonstrate financial fitness:

- An organization chart.
- Letters describing the financial relationship between Direct Energy and its parent, Centrica.
- Annual reports and accounts for Direct Energy's parent for the years 2002 and 2003.
- A credit rating from Moody's of A2 for long-term debt and a credit rating from S&P of A.

Direct Energy has also furnished a surety bond in the amount of \$250,000 to meet the financial requirement of its license application.

Direct Energy has provided the required Pennsylvania Emergency Management Agency (“PEMA”) contact information.

As of April 11, 2005, no protests have been filed.

We find that the applicant:

1. Is fit, willing and able to properly perform the service proposed in conformance with applicable provisions of the Public Utility Code and lawful Commission orders and regulations, specifically including 52 Pa. Code Chapter 56 (relating to Standards and Billing Practices for Residential Utility Service).

2. Has agreed to lawfully abide by all Commission regulations, procedures and orders, including Emergency Orders which may be issued verbally, or in writing during any emergency situations that may unexpectedly develop from time-to-time in the course of doing business in Pennsylvania.

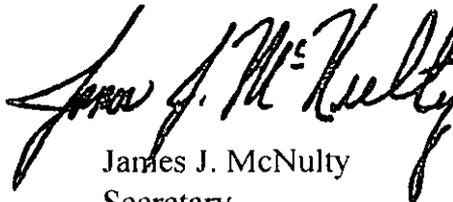
3. That the proposed service to the extent authorized by the license, will be consistent with the public interest and the policy declared in the Electricity Generation Customer Choice and Competition Act.

Upon full consideration of all matters of record, we find that approval of this application is necessary and proper for the service, accommodation and convenience of the public; **THEREFORE,**

**IT IS ORDERED:**

1. That the application of Direct Energy Services, LLC is hereby approved, consistent with this Order.
2. That a license be issued authorizing Direct Energy Services, LLC to begin to offer, render, furnish or supply electric generation supplier services to the public within the Commonwealth of Pennsylvania as specified in the license application.
3. That this proceeding at Docket No. A-110164 be closed.

**BY THE COMMISSION,**



James J. McNulty  
Secretary

(SEAL)

ORDER ADOPTED: April 21, 2005

ORDER ENTERED: **APR 21 2005**

2. Article Number		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
		A. Received by (Please Print Clearly) <i>A. Delaney</i>	B. Date of Delivery <i>4/22/05</i>
7160 3901 9843 0726 8886		C. Signature <i>A. Delaney</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
3. Service Type <b>CERTIFIED MAIL</b>		D. Is delivery address different from item 1? If YES, enter delivery address below:	
4. Restricted Delivery? (Extra Fee) Yes			
1. Article Addressed to:			
<p>A-110164 O            DAN CLEARFIELD ESQUIRE            KEVIN J MOODY ESQUIRE            WOLF BLOCK SCHORR AND            SOLIS-COHEN LLP            212 LOCUST STREET SUITE 300            HARRISBURG PA 17101</p>			

PS Form 3811, February 2003

Domestic Return Receipt

2. Article Number		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
		A. Received by (Please Print Clearly)	B. Date of Delivery <i>4/25</i>
7160 3901 9843 0729 3161		C. Signature <i>[Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
3. Service Type <b>CERTIFIED MAIL</b>		D. Is delivery address different from item 1? If YES, enter delivery address below:	
4. Restricted Delivery? (Extra Fee) Yes			
1. Article Addressed to:			
<p>A-110164 O            JAMES STEFFES VICE PRESIDENT            DIRECT ENERGY SERVICES LLC            263 TRESSER BLVD 8TH FLOOR            STAMFORD CT 06901</p>			

PS Form 3811, February 2003

Domestic Return Receipt