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April 24, 2017

Via Electronic Filing

Rosemary Chiavetta, Secretary
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Pennsylvania Public Utility Commission, Office of Consumer Advocate and Office of
Small Business Advocate v. UGI Penn Natural Gas, Inc.,
Docket Nos. – R-2016-2580030; C-2017-2585510 and C-2017-2589092

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,

A handwritten signature in blue ink, appearing to read "Karen O. Moury".

Karen O. Moury

KOM/lww
Enclosure

cc: Certificate 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: April 24, 2017



Karen O. Moury, Esq.

3. The Commission's Bureau of Investigation and Enforcement entered its appearance in this proceeding, and the Office of Consumer Advocate and Office of Small Business Advocate filed complaints. In addition, Administrative Law Judge ("ALJ") Mary D. Long granted the petitions to intervene of the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania and the Commission on Economic Opportunity at the prehearing conference on February 17, 2017. By Interim Order dated March 21, 2017, ALJ Long granted the Petition to Intervene of the United States Department of Defense, and by Interim Order dated April 6, 2017, ALJ Long granted the Petition to Intervene of the Federal Executive Agencies.

4. Direct Energy is a natural gas supplier ("NGS") licensed by the Commission to provide natural gas and related services to retail customers in the UGI PNG service territory.¹ Direct Energy is a North American affiliate of Centrica plc, a leading international provider of energy and other energy-related services with over 28 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. Lastly, Direct Energy, through its acquisition of Hess Energy Marketing, is the largest business gas supplier (by volume) in the eastern United States.

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

Daniel Clearfield, Esquire
Karen O. Moury, Esquire
Sarah C. Stoner, Esquire
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¹ See PUC Docket Nos. A-125072 (Direct Energy Business, LLC), A-125135 (Direct Energy Services, LLC) and A-2013-2365792 (Direct Energy Business Marketing, LLC).

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6. 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.

7. Direct Energy meets the standards for intervention set forth in 52 Pa. Code § 5.72(a). As an NGS serving customers in the Company's service territory and in the Commonwealth, Direct Energy satisfies the standard for intervention because Direct Energy possesses an "interest which may be directly affected and which is not adequately represented by existing participants, and as to which the petitioner may be bound by the action of the Commission in the proceeding." 52 Pa. Code § 5.72(a)(1). Indeed, none of the parties listed in Paragraph 3 above represents the general interests of NGSs or the specific interests of Direct Energy.

8. Direct Energy's interests in this proceeding are unique from and not adequately represented by other parties that may seek to intervene. Direct Energy is licensed by the Commission, and provides service to customers in the UGI PNG territory, and has an interest in ensuring that the Company's efforts to support sustained and robust natural gas competition, especially among residential and small commercial customers. The Company's proposed rate and tariff changes must be implemented in a competitively neutral manner to ensure that the market

environment is conducive to Direct Energy's ability to offer competitive service and that no specific proposals will adversely affect its ability to provide competitive service to its customers.

9. In addition, Direct Energy has an interest in ensuring that the proposals of other parties that are advanced through testimony, legal arguments or settlement discussions do not adversely impact Direct Energy's ability to effectively operate as an EGS in the UGI PNG service territory.

10. Direct Energy will be bound by the action of the Commission in this proceeding, as well as the terms and conditions for UGI PNG rates and programs. How the rates and programs are structured will have a significant effect on the level of retail competition that will be experienced in the Company's service territory during and, thus, on the ability of Direct Energy to continue to do business in Company's service territory. Thus, the Commission's actions regarding the Company's proposals will have a substantial impact on Direct Energy's future involvement in the market.

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 28 million customer relationships worldwide, Direct Energy has the experience and resources to aid the Commission in establishing reasonable modifications to the tariff of UGI PNG. 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 has not presently identified specific issues in the proposed tariff changes. Direct Energy reserves the right to raise and address issues identified through its review and analysis of the Tariff Supplement (and related information), or other issues raised by other parties (such as any proposed modifications to the Company's tariff).

13. Direct Energy's intervention will not affect the orderly conduct of this proceeding. Specifically, Direct Energy will abide by all aspects of the Prehearing Order dated February 22, 2017, including the procedural schedule, and the Protective Order dated March 17, 2017, as well as any other interim orders that have been or later are issued by ALJ Long. If granted intervention, Direct Energy does not intend to seek leave to serve late-filed direct testimony. Rather, Direct Energy intends to review the direct testimony that has been served by the parties other than UGI PNG in this proceeding and provide rebuttal testimony, as necessary, by May 12, 2017 at Noon, and otherwise participate in this proceeding, as appropriate. In order to enable the possibility of Direct Energy serving rebuttal testimony, Direct Energy respectfully asks that ALJ Long establish a shortened period of time for responses to this Petition.

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

Respectfully submitted,



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Date: April 24, 2017

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