

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of the)	
Commission's Review of its Rules for)	Case No. 13-2029-EL-ORD
Standard Service Offers for Electric Utilities)	
Contained in Chapter 4901:1-35 of the Ohio)	
Administrative Code)	

**REPLY COMMENTS OF DIRECT ENERGY SERVICES, LLC
AND DIRECT ENERGY BUSINESS, LLC**

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March 13, 2014

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**INITIAL COMMENTS OF DIRECT ENERGY SERVICES, LLC
AND DIRECT ENERGY BUSINESS, LLC**

I. INTRODUCTION

On January 29, 2014, the Public Utilities Commission of Ohio (“Commission”) issued an Entry in the above-captioned docket and set an initial comment deadline of February 26, 2014, and a reply comment deadline of March 13, 2014. Direct Energy Services, LLC and Direct Energy Business, LLC (“Direct Energy”) now respectfully submits its Reply Comments in this proceeding.

II. REPLY COMMENTS

Rule 4901:1-35-08 – Competitive Bidding Process Requirements and Use of Third Party.

The Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively, “First Energy”) opposes Staff’s recommendation to add the underlined language to Subsection A:

[a]ny utility proposing a market-rate offer in its standard service offer application pursuant to section 4928.142 of the Revised Code or an ESP pursuant to section 4928.143 of the Revised Code, shall propose a plan for a competitive bidding process (“CBP”)...

Duke Energy Ohio suggests instead replacing the first sentence with “An electric utility proposing a standard service offer in which the energy supply is to be procured through a competitive bidding process (CBP) shall comply with this rule.” Additionally, the Ohio Consumers’ Counsel objects to making an explanation of how CBP prices are converted to retail rates an optional rather than a mandatory exercise.

Regardless of how the Commission resolves these issues, Direct Energy encourages the Commission to add the requirement of an already common practice in electric security plans (“ESP”) for utilities to provide the formula or process used to convert the results of any market based procurement or contracted wholesale prices into retail tariff rates. This requirement would be consistent with Staff’s proposed addition to the first sentence of this paragraph. The addition of this requirement to ESPs would enable competitive retail electric service (“CRES”) providers and other parties to better predict the impact of ESPs and ultimate standard service offer prices for customers. Additionally, it will enable CRES providers the lead time to know what the price point will be once a bid is accepted, rather than waiting for the tariff filings to be made. Therefore enabling customers to enact their right to switch before their tariffed price changes. By adding this requirement, the Commission would further its goal to increase transparency in the marketplace.

III. CONCLUSION

Direct Energy respectfully requests the Commission adopt its recommended changes to the rules in this Chapter of the Ohio Administrative Code.

Respectfully submitted,

/s/ Joseph M. Clark

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Initial Comments of Direct Energy Services, LLC and Direct Energy Business, LLC was served this 13th day of March, 2014 by electronic mail delivery upon the persons listed below.

/s/ Joseph M. Clark
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Summary: Reply Comments electronically filed by JOSEPH CLARK on behalf of Direct Energy Services, LLC and Direct Energy Business, LLC