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Carl Boyd
Sr. Manager, Compliance
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OFFICIAL FILE
ILLINOIS COMMERCE COMMISSION
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CHIEF CLERK'S OFFICE

June 21, 2012

Aublie
12-0315

Elizabeth A. Rolondo
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: Direct Energy Services, LLC's Part 451 Continuing Compliance Report

Dear Ms. Rolondo:

Pursuant to the requirements of IL Administrative Code, Subpart H, Section 451, and the Commission's Order in Docket 12-0315 granting Direct Energy Services, LLC proprietary treatment on June 6, 2012 that requires Direct Energy Services to refile its April 30 public and redacted compliance reports with the Chief Clerk's office.

Attached please find documents (public and confidential versions) evidencing Direct Energy Services, LLC's Demonstration of Continuing Compliance with Certification Requirements for calendar year 2011. For reference, Direct Energy Services, LLC's original ARES Certification was granted in ICC Docket No. 05-0722.

Sincerely,

Carl W. Boyd
Sr. Manager, Compliance

Enclosures

cc: Director, Energy Division
Director, Financial Analysis Division

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Direct Energy Services, LLC :
: **Reporting Continuing Compliance** :
: **With Certification Requirements** :
: **Pursuant to Section 16-115 of the Public** :
: **Utilities Act and 83 Ill. Adm. Code Part** :
: **451 as an Alternative Retail Electric** :
: **Supplier.** :

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Code Part 451
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ILLINOIS COMMERCE COMMISSION
CHIEF CLERK'S OFFICE

VERIFIED CONTINUING COMPLIANCE REPORT OF
DIRECT ENERGY SERVICES, LLC

Direct Energy Services, LLC ("Direct"), hereby reports that it is in continuing compliance with the certification as an Alternative Retail Electric Supplier ("ARES") granted to it by the Illinois Commerce Commission ("Commission") on December 21, 2005, in Docket No. 05-0722. Direct hereby reports that it meets the continuing compliance requirements contained in Section 16-115 of the Public Utilities Act ("Act") and 83 Ill. Adm. Code Part 451 ("Code"). In support of its report, Direct states as follows:

1. As an ARES, Direct shall continue to remain in compliance with the provisions of the Act and the Code, as now or hereafter amended. This report is being submitted to the Commission with notarized verification and copies are being provided to the Commission's Director of the Energy Division and the Commission's Director of the Financial Analysis Division.

2. **Financial Reporting Requirements.** In continuing compliance with 83 Ill. Adm. Code Sections 451.220(a)(4) and 451.740, Direct states that it continues to possess sufficient financial resources to be certified as an ARES able to serve all eligible residential and nonresidential customers as demonstrated by:

(a) Pursuant to 83 Ill. Adm. Code 451.110(a)(4), 83 Ill. Adm. Code 451.220(a)(4), the index of \$50.45 per MWh is adopted for the purpose of setting the dollar amounts of any unconditional guarantee. Accordingly, the amount of Direct's guaranty calculated pursuant to 451.220(a)(4) by multiplying 1080 x \$50.45 x X MW¹ is now required to be \$X. Direct certifies that it continues to maintain sufficient financial resources to provide the services for which it has received a certificate of service authority. However, Direct has been unable to secure a revised guaranty prior to its timely submission of the instant report. Direct certifies that it is working in good faith to obtain the amended guaranty and that it will provide the Commission with the amended guaranty as soon as possible following issuance.

(b) **Attachment A**, a copy of the Moody's Investors Service rating report presenting the long-term credit of Centrica plc, Direct's parent company and guarantor, pursuant to 451.740(a); and

(c) the CONFIDENTIAL disclosure of Direct's peak amount of X MW scheduled on X as required pursuant to 451.740(c).

¹ Direct's CONFIDENTIAL estimate of the maximum number of megawatts Direct expects to schedule over the next twelve months.

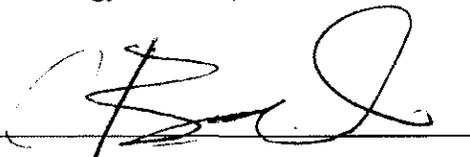
3. **Managerial & Technical Reporting Requirements.** In continuing compliance with 83 Ill. Adm. Code Sections 451.120, 130 and 451.750, 760, Direct states that it continues to meet the requirements of those Sections. There have been a few changes in the managerial and technical personnel used to meet the requirements of this Section since Direct's original ARES application filing. Direct has attached and incorporated herein by reference as **Attachment B** a copy of the revised managerial and technical personnel for the Commission's review.

4. **Affiliated Companies.** In continuing compliance with 83 Ill. Admin. Code Section 451.170 (g), Direct states all affiliated companies involved in electric retail sales or purchases in North America as reference as **Attachment C**.

Respectfully submitted,

Direct Energy Services, LLC

By: _____

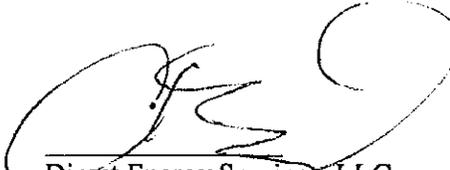
A handwritten signature in black ink, appearing to read 'Carl Boyd', is written over a horizontal line. The signature is stylized and cursive.

Carl Boyd
1001 Liberty Avenue
Suite 1200
Pittsburgh, PA 15222

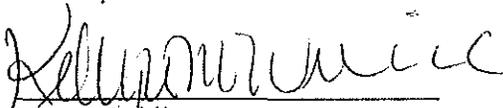
VERIFICATION

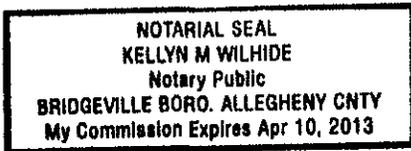
STATE OF PENNSYLVANIA)
COUNTY OF ALLEGHENY) ss:

Carl Boyd, being first duly sworn, deposes and says that he represents Direct Energy Services, LLC; that he has read the foregoing PUBLIC Verified Continuing Compliance Report and all of the attachments accompanying and referred to within; and that the statements contained in the PUBLIC Verified Continuing Compliance Report and the attachments are true, correct and complete to the best of his knowledge, information and belief.


Direct Energy Services, LLC

Subscribed and sworn to before me
this 27th day of April, 2012.


Notary Public



Attachment A

DES Public ARES Renewal – Centrica Credit Rating Report

Redacted

ATTACHMENT B

Technical Qualifications

The following are the biographies of Direct Energy's technical personnel responsible for delivery of electricity to its customers:

Four years electric sales experience:

Jackson Vo

Four years or more electric system operational experience:

Jackson Vo

Wildred Dangcil

Six months experience or more with OASIS reservation process:

Juan Padron

Six months experience or more with NERC or its successor tagging processes:

Juan Padron

Two years experience or more working with rules and practices established by NERC and MAIN and/or MAPP or their successors:

Juan Padron

Jackson Vo

Head of Retail Portfolio Management

jackson.vo@directenergy.com

(713) 877-5757

Jackson Vo is Head of Retail Portfolio Management. Jackson's team manages the supply, hedging, forecasting and pricing for Direct Energy's Residential and Business groups across North America. He currently sits on the management teams for Direct Energy Upstream, Direct Energy Residential and Direct Energy Business. Jackson has been with Direct Energy since 2010.

Prior to Direct Energy, Jackson worked six years at TXU/Luminant in several commodity structuring, risk management, and finance leadership roles. At Enron, he managed the commodity pricing desks for northeast US power markets. He also worked in management consulting at Deloitte Consulting.

Jackson has a B.B.A. in finance from the University of Texas at Austin Honors Business Program.

Wildred Dangcil
Senior Portfolio Manager
wildred.dangcil@directenergy.com
(713) 877-3643

Will has worked for Direct since 1999, and previously worked for CNG Retail Service Corporation as a Senior Power Scheduler. He holds a B.S. in Economics from Fairleigh Dickinson University.

Juan Padron
Sr. Manager, PJM Portfolio Management
juan.padron@directenergy.com
(713) 877-3657

Juan has 11 years experience working in the power industry with Enron, UBS Warburg, and Direct Energy. While at Enron, Juan scheduled and moved physical electric power between and within power pools, using NERC E-Tags and OASIS transmission reservations. He has approximately 6 years working in PJM managing retail load. He oversees scheduling of demand bids, physical supply, and virtual transactions, in accordance with PJM rules and practices. Juan has 11 years of trading financial and physical power across various ISOs – ERCOT, NYISO, NEISO, MISO, and PJM. His most recent position is Senior Portfolio Manager of DE's PJM and MISO retail power books.

Managerial Qualifications

The following are the biographies of Direct Energy's managerial personnel responsible for delivery of electricity to its customers:

Four or more years experience in a management position with enterprise financial and administration responsibilities, including profit and loss responsibilities:

Cory Byzewski

Four or more years electric sales experience:

Paul Karem

Four or more years electric system and operational experience:

Juan Padron

Cory Byzewski

Vice President and General Manager, U.S. North

cory.byzewski@directenergy.com

(713) 877-5851

As the Vice President and General Manager for Direct Energy's US North region, Cory is accountable for all aspects of the Company's business in Connecticut, Illinois, Michigan, New York, Ohio and Pennsylvania.

Cory joined Direct Energy in November 2005. He came to the company with over a decade of energy industry experience that spanned multiple businesses.

Cory's previous energy experience was developed at a retail energy marketer (The New Power Company), two different energy distribution companies (Montana-Dakota Utilities Company and The Columbia Energy Group) and a consumer advocate (Indiana Office of Utility Consumer Counselor).

Also, Cory has prior experience in a general management role with a startup company outside of the field of energy. He was one of three officers originally in charge of starting up, funding and operating a multi-million dollar business.

Cory's previous energy work experience spans several business functions. He has held positions in Retail Pricing, Portfolio Management, Marketing, Information Technology,

Gas Supply Management, Regulatory Affairs, Customer Analytics, Business Performance Management and Corporate Planning.

Cory's education includes a Juris Doctor, a Master's in Management and a Bachelor's in Economics.

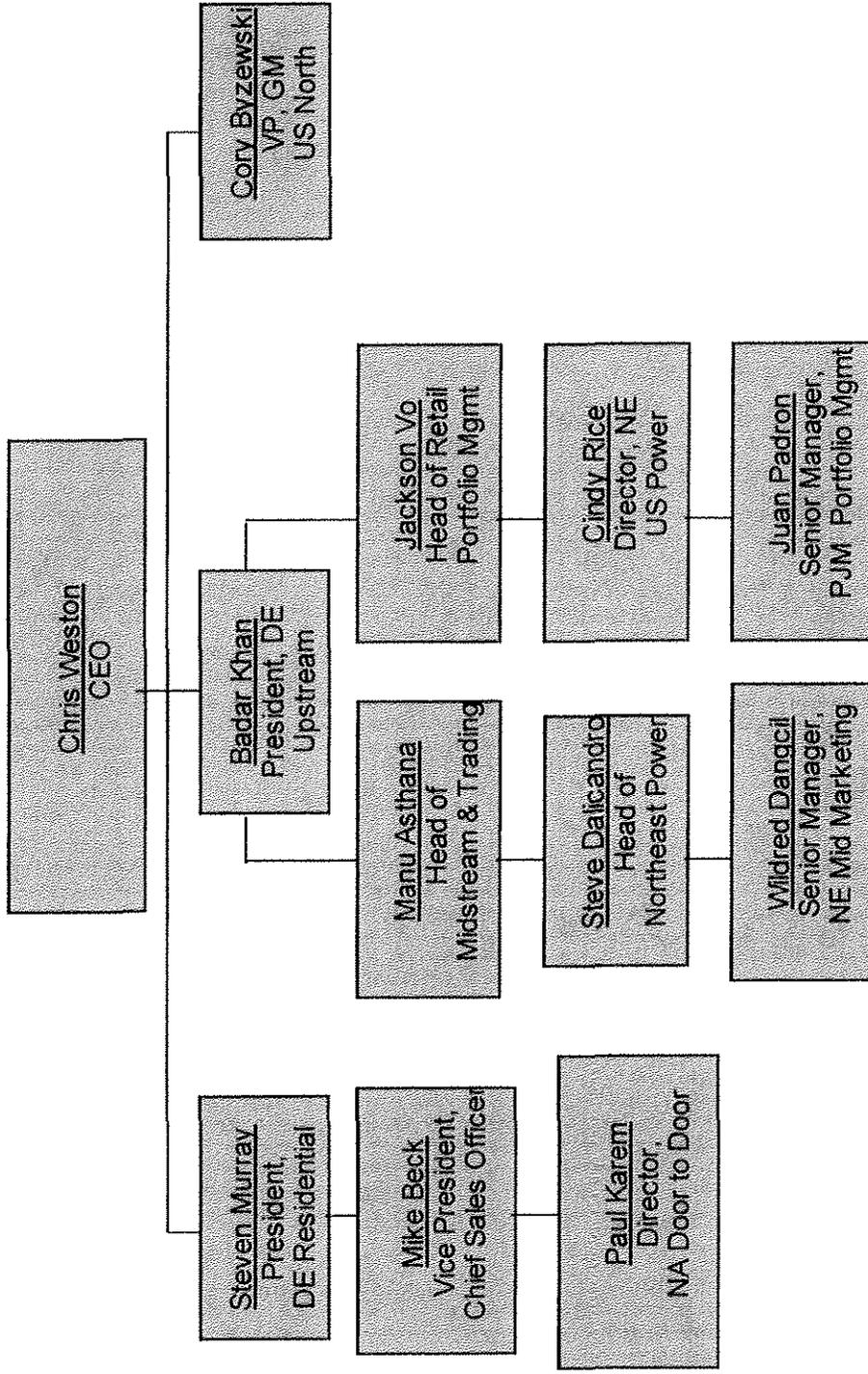
Paul Karem
Director, Customer Acquisitions
Paul.Karem@directenergy.com
(614) 270-3337

Paul Karem has led sales organizations with Direct Energy for 5 years. Paul has managed multiple acquisition channels including: telesales, aggregations, affinity sales, and Direct Sales. Paul created the Direct Sales channel over 4 years ago and oversaw the growth of this channel that now serves customers in 8 states throughout the Midwest and Northeast United States. Prior to his career at Direct Energy, Paul served in several sales leadership roles in his 15 year career with AT&T. Paul is a graduate of The Ohio State University and resides in Columbus Ohio with his wife and two children.

Juan Padron
Sr. Manager, PJM Portfolio Management
juan.padron@directenergy.com
(713) 877-3657

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Technical & Managerial Staff



Attachment "C"

Direct Energy's Affiliate Companies involved in electric retail sales or purchases in North America:

Direct Energy Services, LLC is an indirect, wholly-owned subsidiary of Centrica plc. Direct Energy, Business, LLC, Direct Energy, LP, CPL Retail Energy, LP, WTU Retail Energy, LP, Gateway Power Services Corp., First Choice Power and Vectren Source are the only companies affiliated with Direct Energy Services, LLC that supply retail or wholesale electricity and/or natural gas to customers in North America.