

PUBLIC UTILITIES COMMISSION

505 Van Ness Avenue

San Francisco, CA 94102-3298



Mr. Bray Dohrwardt
 DIRECT ENERGY BUSINESS
 Two Gateway Center, 9th Floor
 Pittsburgh, PA 15222

**CITATION FOR VIOLATION OF RESOURCE ADEQUACY REPORTING
 REQUIREMENTS UNDER RESOLUTION E-4195
 AS MODIFIED BY DECISION 11-06-022**

Citation No. E-4195-37

Issued December 13, 2017

Re: September 2017 Month-Ahead RA Compliance Filing

Dear Mr. Bray Dohrwardt:

Pursuant to Resolution E-4195, subsequently modified by Decisions 10-06-036 and 11-06-022, DIRECT ENERGY BUSINESS is hereby cited for the following specified violations:

1. Failure to file Historic Load Data at the time and manner required.	<input type="checkbox"/>
2. Failure to file a Preliminary Load Forecast at the time and manner required.	<input type="checkbox"/>
3. Failure to file a Month-Ahead System Resource Adequacy Compliance Filing at the time and manner required.	<input type="checkbox"/>
4. Failure to file a Preliminary Local Resource Adequacy Compliance Filing or a Year-Ahead System Resource Adequacy Compliance Filing at the time and manner required.	<input type="checkbox"/>
5. Deficiency cured within five business days from the date of notification by Energy Division.	<input type="checkbox"/>
6. Failure to comply with request for information from Energy Division that is reasonably related to implementation of the resource adequacy requirements in the time and manner required.	<input checked="" type="checkbox"/>

Summary Evidence of Violation:

A. Summary

Direct Energy Business, LLC (DEB) has failed to meet its Month-Ahead ("MA") Resource Adequacy ("RA") obligation for September 2017. On July 18, 2017, DEB filed its September 2017 MA RA compliance. After receiving a deficiency notice from Energy Division ("ED"), DEB cured its deficiency and resubmitted its September 2017 filing to ED thirteen business days after notification. This violation is for a deficiency cured eight business days after the revised filing due date, the scheduled penalties prescribe a \$6.66/kW-month for a System RA deficiency replaced after five-business days from the date of notification. Accordingly, DEB is being cited \$113,153.40 for its MW deficiency.

B. DEB's September 2017 MA RA Deficiency

On July 31, 2017, ED emailed DEB a correction notice. DEB is deficient with their September 2017 MA RA obligation. DEB has a September MA system RA requirement of 665.00 MWs. California Independent System Operator (CAISO)'s T-45 supply plans have confirmed DEB for 616.28 MWs of physical resource RA capacity. Additionally, DEB has 31.73 MWs of Demand Response allocation. DEB is 16.99 MW (665.00 minus 616.28 minus 31.73) deficient in meeting its total system RA requirement. The correction notice is to procure the 16.99 MWs of system capacity and file with the California Public Utilities Commission by August 7, 2017.

On August 17, 2017, DEB sent revised filings to correct the cited deficiencies. DEB revised their filing by adding DIABLO_7_UNIT 1 for 29 MW.

On August 28, 2017, ED sent DEB an approval letter for September MA RA 2017.

C. Scheduled Penalty for DEB's Deficiency

The scheduled penalty prescribed by Resolution E-4195 specifies penalties for deficiencies cured after five business days from the date of notification by the ED with a prescribed penalty of \$6.66/kW-month. DEB's revised filing on August 17, 2017 cured a deficiency of 16.99 MWs eight business days after the due date by ED. The fine for this violation is \$113,153.40.(16.99 MW times 1,000 times \$6.66)

You are hereby called upon to answer this citation within **30** days from the date of the citation by completing the attached form. By way of such answer you may either:

(1) Comply with this Citation and pay the fine, by check or money order, payable to the California Public Utilities Commission, in the amount of \$113,153 pursuant to the Specified Violations and Scheduled Penalties (D.11-06-022, **Appendix B**). This will be deemed a waiver of your rights to a hearing and to a formal disposition by the Commission.

OR

(2) Appeal this citation. In such event, the appeal must be brought by filing a written Notice of Appeal with the Commission's Docket Office within thirty (30) days of the date of the citation. The Notice of Appeal must state the date of the citation and the grounds for appeal. The Notice of Appeal must be simultaneously served on both the Chief Administrative Law Judge (with an electric copy to: ALJ_Div_Appeals_Coordinator@cpuc.ca.gov), and the Director of SED. The appellant must file a proof of service at the same time appellant files the Notice of Appeal. The title page of the appeal must comply with Rule 1.6 of the Commission's Rules of Practice and Procedure. The caption of the appeal shall read: "Appeal of DIRECT ENERGY BUSINESS from E-4195-37 issued by Safety and Enforcement Division."

The Chief Administrative Law Judge will designate an Administrative Law Judge (ALJ) to hear the case. Appeals will be heard in the Commission's San Francisco courtrooms on regularly scheduled days. You may order a transcript of the hearing, and must pay the cost of the transcript in accordance with the Commission's specified procedures. An attorney or other representative may represent you at the hearing, but any such representation will be at your expense.

If you fail to notify SED of acceptance of the Scheduled Penalty and pay the full amount within 30 days, or file a Notice of Appeal within 30 days you will be in default. Upon default, SED may take any action provided by law to recover unpaid penalties and ensure compliance with applicable statutes and Commission orders, decisions, rules, directions, demands, or requirements. Any unpaid balance of a Scheduled Penalty shall accrue interest at the legal rate of interest for judgments.

Jeanette Lo, Chief
Utility Enforcement Branch

PUBLIC UTILITIES COMMISSION

505 Van Ness Avenue

San Francisco, CA 94102-3298



I hereby state that I will comply with Citation No. E-4195-37, dated 12/13/2017 and herewith pay a fine in the amount of \$113,153. Please make check payable to the California Public Utilities Commission and send to:

CALIFORNIA PUBLIC UTILITIES COMMISSION
Fiscal Office
505 Van Ness Ave Room 3000
San Francisco, CA 94102

Please direct all questions regarding this citation to Michael Kohaya at (916) 928-2514 or michael.kohaya@cpuc.ca.gov

I hereby appeal Citation No. E-4195-37, dated 12/13/2017. I have filed a Notice of Appeal with the Commission's Docket Office, stating the date of the citation and the rationale for the appeal as required by Resolution E-4195, Section 2.7.3 and Resolution ALJ-299, Rule 5.

I hereby acknowledge that if I do not appeal the citation, or pay the full amount within 30 days, any unpaid balance shall accrue interest at the legal rate of interest for judgments and Commission Staff and the Commission may take action provided by law to recover unpaid penalties and ensure compliance with applicable statutes and Commission orders, decisions, rules, directions, demands or requirements.

Signature: _____

Name and Title: _____

Name of Company: _____

Citation No. E-4195-37

Date: _____