

145 FERC ¶ 61,105  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;  
Philip D. Moeller, John R. Norris,  
Cheryl A. LaFleur, and Tony Clark.

Bounce Energy NY, LLC	Docket Nos. ER12-1153-003
Bounce Energy PA, LLC	ER12-1152-003
Direct Energy Business, LLC	ER11-1850-003
Direct Energy Marketing Inc.	ER11-1847-003
Direct Energy Services, LLC	ER11-1846-003
Energetix, Inc.	ER11-2509-005
Energy America, LLC	ER11-1848-003
Gateway Energy Services Corporation	ER11-2598-006
NYSEG Solutions, Inc.	ER11-2516-004

ORDER ACCEPTING NOTICE OF CHANGE IN STATUS

(Issued November 6, 2013)

1. In this order, the Commission accepts a notice of change in status filed by Bounce Energy NY, LLC, Bounce Energy PA, LLC (the Bounce Companies), Direct Energy Business, LLC, Direct Energy Marketing Inc., Direct Energy Services, LLC, Energetix, Inc., Energy America, LLC, Gateway Energy Services Corporation, and NYSEG Solutions, Inc. (collectively, the Centrica Companies, all of which are now wholly-owned subsidiaries of Centrica US Holdings (Centrica US)). The Centrica Companies also state that certain conditions that applied to the Bounce Companies due to their prior affiliation with Whale Capital, LP, no longer apply.

**Background**

2. On July 10, 2012, the Commission issued an order granting the Bounce Companies' separate requests for authorization to make wholesale sales of electric energy, capacity, and ancillary services at market-based rates.<sup>1</sup> The Commission noted the Bounce Companies' affiliation with Whale Capital, LP and that the principal of Whale Capital, LP, Michael P. Whalen, previously pled guilty to charges involving the delivery of false, misleading or inaccurate reports of market information to natural gas

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<sup>1</sup> *Bounce Energy PA, LLC*, 140 FERC ¶ 61,014 (2012) (*Bounce Energy*).

price indices.<sup>2</sup> Mr. Whalen's activities are also governed by a Commission-approved stipulation and consent agreement that resolved the Office of Enforcement's investigation into whether Vista Marketing and Mr. Whalen violated the terms of a Commission order.<sup>3</sup> In *Bounce Energy*, the Commission further noted the Bounce Companies' representations and commitments regarding their management and operations and how they intended to ensure compliance with the Commission's rules and regulations. The Commission accepted the Bounce Companies' representations and commitments as additional safeguards against the Bounce Companies' employees engaging in violations of Commission rules, regulations, and orders. The Commission stated that for so long as Michael P. Whalen is associated with the Bounce Companies, the Commission will monitor the Bounce Companies' compliance with these representations and commitments on a regular basis.<sup>4</sup>

3. In the instant filing, the Centrica Companies notify the Commission that on August 13, 2013 the Bounce Companies became wholly-owned subsidiaries of Direct LP, Inc., a wholly-owned subsidiary of Direct Holdings, Inc., which is a wholly-owned subsidiary of Centrica US.<sup>5</sup> The Centrica Companies state that as a result of the new ownership, the Bounce Companies are no longer affiliated with Whale Capital, LP and are no longer connected with Michael P. Whalen. The Bounce Companies state that the conditions that previously applied to them due to their affiliation with Whale Capital, LP, no longer apply. The Centrica Companies further state that although the Bounce Companies will have a FERC compliance program, they do not interpret the conditions in *Bounce Energy* as applying to their FERC compliance program because the Bounce Companies are no longer affiliated with Whale Capital, LP and are no longer connected with Michael P. Whalen.

4. The Centrica Companies state that they are power marketers authorized by the Commission to make wholesale sales of energy, capacity, and ancillary services at

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<sup>2</sup> *Bounce Energy*, 140 FERC ¶ 61,014 at P 5 & n.3 (citing *Vista Energy Mktg., L.P.*, 128 FERC ¶ 61,188 (2009)).

<sup>3</sup> See *In re Vista Energy Marketing, L.P.*, 139 FERC ¶ 61,154 (2012). See also *Bounce Energy*, 140 FERC ¶ 61,014 at n.4.

<sup>4</sup> *Bounce Energy*, 140 FERC ¶ 61,014 at P 25.

<sup>5</sup> The related order authorizing disposition of jurisdictional facilities was authorized by the Commission in *Direct Energy LP, Inc.*, 144 FERC ¶ 62,111 (2013).

market-based rates.<sup>6</sup> The Centrica Companies further state that they do not own or control electric generation or transmission assets outside of the Electric Reliability Council of Texas, Inc. and therefore the transaction does not reflect a departure from the characteristics the Commission initially relied upon in granting market-based rate authority to the Centrica Companies. In addition, the Centrica Companies state that none of them: (1) directly or indirectly owns or controls any natural gas transportation, storage, or distribution facilities; (2) has a franchised service area for the sale of electricity or natural gas to captive customers; or (3) owns or controls inputs to electric power production or other barriers to entry in the United States.

### **Notice of Filing**

5. Notice of the Centrica Companies' filing was published in the *Federal Register*, 78 Fed. Reg. 54,462 (2013), with interventions and comments due on or before September 17, 2013. None was filed.

### **Discussion**

6. Based on Centrica Companies' representations, we find that the notice of change in status raises no horizontal or vertical market power issues and we will accept the notice of change in status. In addition, we find that conditions that previously applied to the Bounce Companies due to their affiliation with Whale Capital, LP no longer apply. As such, we will no longer require the Bounce Companies to abide by the representations and commitments with respect to their affiliation with Whale Capital, LP and their association with Michael P. Whalen.<sup>7</sup> Further, we agree that the conditions in *Bounce Energy* do not apply to the Bounce Companies' FERC compliance program.

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<sup>6</sup> *Direct Energy Mktg. Inc.*, Docket No. ER03-1088-000 (Aug. 13, 2003) (delegated letter order); *Direct Energy Servs., LLC*, Docket No. ER05-876-000 (Jul. 20, 2005) (delegated letter order); *Direct Energy Servs., LLC*, Docket No. ER06-386-000 (Feb. 6, 2006) (delegated letter order); *3Degrees Group, Inc.*, Docket No. ER11-61-000 (Jan. 6, 2011) (delegated letter order); *Energy America, LLC*, Docket No. ER02-1632-000 (May 29, 2002) (delegated letter order); *Gateway Energy Servs. Corp.*, Docket No. ER09-1453-000 (Aug. 31, 2009) (delegated letter order); *Strategic Energy Ltd.*, Docket No. ER96-3107-000 (Nov. 13, 1996) (delegated letter order); *Rochester Gas & Elec. Corp.*, 80 FERC ¶ 61,284 (1997); *NYSEG Solutions, Inc.*, 85 FERC ¶ 61,342 (1998).

<sup>7</sup> *Bounce Energy*, 140 FERC ¶ 61,014 at P 25.

The Commission orders:

The notice of change in status is hereby accepted, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.