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PROJECT NO. 37276

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PROJECT FOR SUBMITTING §  
EMERGENCY OPERATIONS PLANS §  
AND NOTIFICATIONS OF §  
EMERGENCY OPERATIONS §  
EXERCISES §

PUBLIC UTILITY COMMISSION  
PUBLIC UTILITY COMMISSION  
OF TEXAS  
FILING CLERK

**DIRECT ENERGY, LP'S COMPLIANCE FILING PURSUANT TO  
P.U.C. SUBSTANTIVE RULE § 25.53**

Direct Energy, LP has a comprehensive integrated Business Continuity Plan which maps out strategies and tactics to manage business operations through disruptions impacting its critical processes. Planning considers impacts to our workforce, facilities and technology. A high level overview of this plan is attached.

Direct Energy's action plan focuses on the protection of its employees and customers, and the maintenance of essential services. The plan establishes clear protocols for the continuation of safe business operations, and sets up a communications and command structure that enables our organization to mobilize and respond to change quickly and effectively.

Direct Energy routinely conducts risk assessments, business impact analysis and security assessments that drive an annual preparedness schedule. These evaluation activities guide planning and preparedness efforts to address natural disasters, technological/man-made incidents and adversarial incidents. The 2017 Preparedness Calendar is attached.

Direct Energy and its affiliated companies maintain a series of integrated teams and plans. Each local office maintains an emergency response plan that details the protocols to take when an immediate hazard threatens life, safety or company assets. In addition, the regional hubs (Buffalo Grove, IL, Calgary, AB, Columbia, MD, Houston, TX, Iselin, NJ, Pittsburg, PA, Phoenix, AZ, and Tulsa, OK) and key business teams (North America Home-Houston, North America Business-Houston, Airtron-San Antonio, Solar-Columbia and Branded Operations-Houston) also maintain an incident management plan. This type of plan addresses the command and control elements for ensuring operations to that includes process recovery and operational continuity. The Site Emergency Response Plan for the Houston Greenway Plaza Office (Corporate Headquarters) is attached.

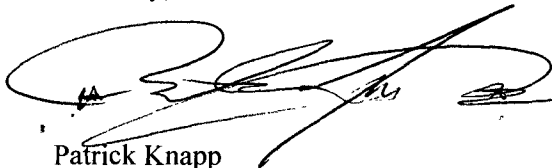
Additionally, Direct Energy maintains a crisis management plan for all of North America. This plan addresses the command and control elements for managing response, recovery as well as interested parties, stakeholders and media communications. In addition to the annual plans and training, Direct Energy conducts routine drills and exercises. Each location is required to have a plan and test it annually. These vary from fire drills to functional exercises to full function exercises including (but not limited to) joint and integrated exercises with the parent company Centrica in the United Kingdom.

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An affidavit is attached that affirms Direct Energy and its affiliated companies (CPL Retail Energy, LP, WTU Retail Energy, LP, First Choice Power, LLC, Bounce Energy, Inc., and Direct Energy Business, LLC) are prepared to implement any or all of these plans.

If you have any questions about the plan, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Knapp', with a large, sweeping flourish extending to the right.

Patrick Knapp  
Resilience Manager, North America ES&S  
Security & Resilience  
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Office: +1 832-918-4551  
Email: [patrick.knapp@directenergy.com](mailto:patrick.knapp@directenergy.com)

## **Introduction**

Business Continuity Management (BCM) is a business function that encompasses the areas of risk assessment, impact analysis, strategy development, plan development, corporate awareness, personnel training and acquisition of resources as well as the evaluating and testing of plans and procedures to mitigate and prepare for an unexpected business interruption.

The term Business Continuity Plan (BCP) is used to describe all BCM plans within an organization. The BCP is a composite of all the individual plans in the following four areas:

- Emergency Response Plans (ERP)
- Incident Management Plans (IMP)
- Business Recovery Plans (BRP)
- Disaster Recovery Plans (DRP)

Plan procedures provide a clear, concise description of the overall incident response strategy; they designate responsibilities, demonstrate interface between organizations, and describe notification procedures necessary to cope with all aspects of major incidents, whether natural or manmade disasters, pandemic, or a state declared emergency event, that have the potential to interrupt or adversely affect Direct Energy business activities within North America. Should an incident occur, the appropriate plan provides for effective response through ERP and IMP, and rapid recovery enabling the continuance of critical business processes via BRP and DRP and providing a command structure for incident management (IMP).

Direct Energy's BCP, which also includes affiliates CPL Retail Energy, LP; Direct Energy Business, LLC; WTU Retail Energy, LP; First Choice Power, LLC; and Bounce Energy, Inc., is a coordinated function encompassing the areas of safety and health, fire protection, environmental control, security, training, energy management, communications, quality control maintenance, upstream production and operations. Such capability is considered a fundamental responsibility of Direct Energy's management team.

## **Business Continuity Governance**

Business Continuity Management is given Board Level oversight within Direct Energy and our parent company, Centrica plc. The BCM program is managed by certified continuity practitioners and is based on industry standards and best practices.

In order to ensure our Business Continuity Capability continues to reflect the nature, scale, and complexity of our business, we have developed a framework within which to provide assurance on our plans and capabilities. This framework consists of 3 components: Exercise, Maintenance and Audit.

## **Exercise**

Exercise is a process used in business continuity planning to 'test' the plan and 'train' the team members. The emphasis for exercise is to confirm the clarity and effectiveness of written plan procedures, not on individual performance. Testing is required on an annual basis for all critical processes, systems and applications. Effective exercise confirms that a BCP is being maintained properly and provides unique opportunities for all participants to more fully understand how to use the plan.

## **Maintenance**

To retain its effectiveness, a BCP must be vigorously maintained. In particular, maintenance ensures the continuity of competent and capable key people who clearly understand their BCM roles and responsibilities to implement the BCM Strategies and Plans in the event of an incident occurring. Change control and maintenance schedules are key and are defined within our governance documents.

## **Audit**

To audit plays a key role in ensuring that the BCM capability is robust, effective and fit for-purpose.

Following are the key audit functions:


1. Independent verification and validation of compliance
2. Independent review of the BCM solutions
3. Independent verification of the plans
4. Independent verification and validation of exercise and maintenance activities. Assurance that activities are in compliance with BCM Policy and program requirements.
5. Identification of key material deficiencies and issues and assurance of resolution.

**AFFIDAVIT OF PATRICK KNAPP  
MADE IN SUPPORT OF DIRECT ENERGY, LP'S  
COMPLIANCE FILING  
PURSUANT TO P.U.C. SUBSTANTIVE RULE § 25.53**

STATE OF Texas §

COUNTY OF Harris §

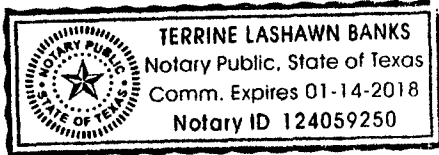
1. I am Patrick Knapp, Direct Energy, LP, a retail electric provider operating in Texas under PUCT REP Certificate No. 10040. I am familiar with the facts attested to herein.
2. Direct Energy, LP (REP No. 10040) maintains a comprehensive emergency operations plan that is used in the event the Company's normal operations should be interrupted by natural or manmade disaster, a pandemic, or a State Operations Center declared event.
3. Direct Energy LP's emergency operations plan, also includes affiliates CPL Retail Energy, LP (REP No. 10023); Direct Energy Business, LLC (REP No. 10011); WTU Retail Energy, LP (REP No. 10022) ; First Choice Power, LLC(REP No. 10008); and Bounce Energy, Inc. (REP No. 10080).
4. Direct Energy, LP is prepared to implement the emergency operations plan in the event of an emergency affecting Direct Energy, LP and its affiliates.


  
Signature

Patrick Knapp  
Typed or Printed Name

Senior Vice President, North America  
Home Title of Signatory

SWORN TO AND SUBSCRIBED before me on the 13<sup>th</sup> day of April, 2017



  
Notary Public In and For the  
State of: Texas

My commission expires: 01-14-2018