INTERROGATORY #1

Ref: Gas Marketer Group Evidence Submission (Exhibit E8, E14, E19) pg. 19, 23-25

"Intergenerational riders and multi-generational riders."

1) In several locations, the evidence refers to riders in terms of generations.

   a) Please define the length of time that the evidence is referring to in terms of months or years.

   b) By data available from the respective companies in the Gas Marketer Group on customer mobility, what percentage of Ontario consumers would be affected directly by switching between direct purchase and system gas during the defined term of generation.

INTERROGATORY #2

Ref: Gas Marketer Group Evidence Submission (Exhibit E8, E14, E19) pg. 4

"Furthermore if the long term forecast is for higher prices, but market conditions change such that prices actually decrease, then utilities may have purchased gas for injection and storage at higher prices than prevailing market rates. This can be seen in the difference between the July 2008 twelve month outlook and the December 2008 twelve month outlook. The GMG submits that quarterly rate setting in conjunction with twelve month forecasting leads to the distortion of pricing signals."

2) The Gas Marketers Group has chosen to analyze the effects of a twelve month outlook with recent history.

   a) Please provide any other historic summer to winter, 6-month interval that experienced the same level of proportional decrease in outlook pricing as the period referenced above.
   b) Please provide the number of summer to winter 6-month intervals that experienced at least 50% of the proportional decrease as the referenced period.

INTERROGATORY #3

Ref: Gas Marketer Group Evidence Submission (Exhibit E8, E14, E19) pg. 6

"The summer-winter spread, as shown by NYMEX (or any liquid hub), is the notional premium put on winter supply due to heating demand. This "value" spread is typically a reflection of the notional (or expected) cost of the gas storage service plus an appropriate carrying cost. Another way to look at this is that an end user should only expect to "pay" the winter premium if they do NOT have access to (or have not purchased) gas storage services. The current practice is to include the storage and balancing costs as a distribution charge."

3) Winter Premiums in Gas Costs and Rates

   a) Is it the experience of the representative companies that the multi-year gas contracts purchased by their organizations contain a blended price of the months included which has an embedded supply-demand seasonal variation with a premium price for winter months?

   b) In the Ontario market, since customers pay for their storage needed to balance increased winter demand relative to the constant daily deliveries of a bundled contract as part of their distribution charge, is it the practice of these organizations to remove the winter premium embedded in long-term contracts? Who pays for that premium?

INTERROGATORY #4

Ref: Gas Marketer Group Evidence Submission (Exhibit E8, E14, E19) pg. 10

"Once the reference price is set using the approved index source, these index estimates would then have to be adjusted by the appropriate transportation costs estimates to get a fair approximation of the delivered commodity cost for the utility customers. Following this, any intra-month PGVA balances along with any pre-approved costs and deferral account balances would be added to the reference price to determine the Effective Rate for customers by rate class."

4) Effective Rate by Rate Class

   a) In this proposition, what rate classes would see a variation in their Effective Rate from the Effective Rate available to an end-use residential customer?

b) Does this proposition essentially recommend that the utility provides a different system gas rate to different rate classes? If so, how would that affect the regulatory burden associated with a periodic rate establishment process?

INTERROGATORY #5

Ref: Gas Marketer Group Evidence Submission (Exhibit E8, E14, E19) pg. 10, 15-20

5) Comparison with the Gas Cost Flow-Through Rate (GCFR) for Ontario consideration

a) Please provide the number of North American supply basins that Direct Energy Regulated Services (DERS) accesses to provide gas to the Alberta default supply program.

b) Please provide the number of North American supply basins that feed Ontario in the experience of the Gas Marketer Group companies.

c) Please provide the number of pipeline systems that Direct Energy Regulated Services (DERS) accesses to provide gas to the Alberta default supply program.

d) Please provide the number of pipeline systems that feed Ontario in the experience of the Gas Marketer Group companies.

e) From the answers to the above questions, in the opinion of the Gas Marketer Group, is work effort in Table 9 easily extrapolated to the Ontario gas market?

f) Given the Gas Marketers' Group proposed Effective Rate methodology, how would Table 9 be revised to account for the additional points of supply and pipelines to the Ontario market?

INTERROGATORY #6

Ref: Gas Marketer Group Evidence Submission (Exhibit E8, E14, E19) pg. 26

Carrying costs of gas in inventory, and related costs should be recovered through a distribution (or storage) rate rider on legacy assets. This rider should be applied to all consumers, regardless of supplier or supply type.

6) Carrying Cost of Inventory

   a) For clarity, is the Gas Marketers' Group proposing that the carrying cost of system gas inventory be recovered from all consumers? If so, would that not create an inherent issue of cross-subsidization?

INTERROGATORY #6

Ref: Gas Marketer Group Evidence Submission (Exhibit E8, E14, E19) pg. 26

"To allow for the further development of the retail market in Ontario, and to align regulated gas prices more accurately with market rates, transparent regulated rates that are set on a monthly rather than quarterly basis would help to prevent the significant swings that can occur from quarter to quarter. Customers would also be equipped with the proper price signals that would allow them to manage their consumption and conservation efforts accordingly."

7) Customer Behaviour Relative to more Frequent Price Changes

   a) Please provide the studies or research on natural gas consumers that demonstrates customers will use the more frequent price signals yielded from monthly rate changes to adjust their consumption pattern and/or conservation efforts.
