DIRECT ENERGY MARKETING LIMITED

Information Request Responses to TransCanada PipeLInes Limited. re: Enbridge 2009 Rates Adjustment Application, EB-2008-0219, Phase 2

TCPL Interrogatory #1

Interrogatory:

Reference: DEML Written Evidence, Exhibit L, Tab 7, Page 5

Preamble: DEML states "When the new CIS system is functional, Marketers will be able to differentiate themselves based on transportation costs, which will allow Marketers to compete on another part of the EGD bill and should lead to market efficiencies for Ontario natural gas consumers." TransCanada wishes to better understand the effect that Enbridge's new CIS will have on Ontario natural gas consumers.

Request:

a. Please confirm that marketers currently have control over the Gas Supply Charge EGD includes on its bills to customers who have agreed to purchase their gas supply from marketers.

b. Please explain how marketer control over the price for transportation services included on EGD's bill to customers will lead to market efficiencies.

c. What is DEML's understanding of the charge for transportation services that is currently embedded/included on EGD's bills to customers?

d. Does DEML currently have a contract with its customers specifying the price it can charge for transportation services? If so, please explain. If not, how will DEML decide what price for transportation services to include on customers bills?

Response:

a. Confirmed.

b. This allows for competition on another part of the natural gas bill by allowing customers to compare prices for transportation services.

c. DE understands that the charge for transportation services is the cost of transport divided by the expected gas consumption for the EGD franchise by rate class. Transportation charges are currently a component of the distribution charge on Enbridge's bill.

d. Direct Energy has the ability to charge customers for transportation, separate from gas supply. Competition in transportation should set the price for transportation services.

TCPL Interrogatory #2

Interrogatory:

Reference: DEML Written Evidence, Exhibit L, Tab 7, Page 2.

Preamble: DEML states: "Furthermore, in BP IRR#5, (Exhibit I, Tab 10, Schedule 5), EGD submits that all expected gas supplies including non-direct purchase customers and contracted peaking supplies, arrived at the franchise area during the peak days noted above. EGD has also claimed that they may be required to curtail firm large volume customers to protect its system, or to restore system pressure should an outage occur as a result of a supply shortfall. However no past occurrences of such events exist. In fact, during the January 13th to 15th, 2009 stressed time period, Interruptible customers were still able to flow 439,235 GJ into the EGD franchise area through Curtailed Service Delivery (CSD), which demonstrates that the system is not in jeopardy. EGD's own evidence shows that the current nomination/system balancing process worked as expected, and all gas was delivered as required by market participants."

Request:

a. For each day of the peak winter period from January 13-15, 2009 please provide the daily delivered energy by DEML to EGD in each of the EGD's CDA and EDA by TransCanada service type (FT, STFT, IT, Diversions/Alternate Receipt etc.).

b. Were any of DEMLs' TransCanada nominations to EGD's CDA or EDA not fully authorized during the January 13-15 period?

Response:

a. Direct Energy respectfully declines to answer this question as the information requested is of a competitively sensitive nature.

b. TCPL's nomination system does not allow for visibility of nomination windows other than those already finalized. Direct Energy, in consultation with our TCPL Mainline customer service contact, could not find any historical unauthorized transportation volumes. DE only maintains final nominations, and cannot reconstruct the various nomination cycles. DE can confirm that all final nominations were authorized.

TCPL Interrogatory #3

Interrogatory:

Reference: DEML Written Evidence, Exhibit L, Tab 7, Page 6.

Preamble: DEML states: "According to the EGD response to DEML IR#2, 246,000 GJ of Empress to CDA or EDA expires in October of 2009."

Request: Please provide the details behind the derivation of the 246,000 GJ amount.

Response:

This statement should be clarified to read:

According to the EGD response to DEML IR#2, 246,438 GJ of Empress to CDA, Empress to EDA or Empress to Iroquois expires on or before October of 2009.

TCPL Interrogatory #4

Interrogatory:

Reference: DEML's evidence on Page 3, last sentence in first paragraph following the "Quantifying the Risk" heading: "As noted later in this submission, the estimated costs of this request to the Ontario market of $53M is an inappropriate and unnecessary over-insurance of a risk that has not been quantified."

Preamble: TransCanada wishes to better understand DEML's statement related to risk.

Request:

a. What is the "risk" that DEML refers to in the referenced statement?

b. For each of the residential, commercial and industrial market categories, please provide the annual and average daily delivered energy in calendar year 2008 to each of the EGD's CDA and EDA franchise areas.

c. For each of the market categories and for each of EGD's CDA and EDA franchise areas identified in b) above, please provide the annual and average daily energy delivered in calendar year 2008 by TransCanada service type (e.g. FT, IT,STFT, Diversions / Alternate Receipts, etc.).

d. For the categories of markets identified in a) above, please provide pro forma contracts:
    1. between DEML and EGD; and
    2. between DEML and the customer.

e. For each of the categories of markets described in b) above, please describe DEML's understanding of the implications if DEML failed to meet its obligation to deliver gas to the Enbridge CDA or Enbridge EDA. In this description, please include:
    1. if the gas supply to the end user would be restricted; and
    2. if the answer to 1) is no, please describe the source of the replacement supply on that day.

f. Given the implications discussed in (e), please describe what level of risk DEML would consider reasonable and on what basis this consideration would be made?

Response:

a. The "risk" referred to is the risk of delivery failure by DP shippers.

b. Direct Energy respectfully declines to answer this question as the information requested is of a competitively sensitive nature.

c. Please see b. above.

d. Non-Disclosure Agreements (NDA) exist between Direct Energy and Enbridge as well as Direct Energy and our commercial and industrial clients. Residential contract information can be found at:

   http://www.directenergy.com/EN/Ontario/RES/Documents/ONGR1399.pdf

e. Current arrangements would have Enbridge procure additional gas supply to meet any shortfall in deliveries and charge back the costs at 150% of the market price, assuming no force majeure. It is Direct Energy's understanding that Enbridge makes every effort not to restrict supplies to end users. It should be noted that Enbridge has not provided an instance when it was unable to balance its distribution system. Furthermore, Direct Energy has never failed to deliver gas as required by the LDC in any jurisdiction in North America in which it operates a natural gas business.

f. Direct Energy considers that the termination of the DP Gas Delivery Agreement is more than adequate risk mitigation for EGD. As noted above, Direct Energy has never failed to deliver gas to any jurisdiction in North America in which it operates and takes its supply responsibilities as seriously as Enbridge.