DIRECT ENERGY MARKETING LIMITED

Information Request Responses to Canadian Manufacturers and Exporters re: Enbridge 2009 Rates Adjustment Application, EB-2008-0219, Phase 2

CME Interrogatory #1

Interrogatory:

Ref: Exhibit L, Tab 7– General

Are marketers contractually responsible and accountable to their end-use customers for the cost consequences of a failure to meet the delivery obligation to Enbridge Gas Distribution Inc. ("EGD")? If not, then why not?

Response:

a. Marketers are responsible to their end-use customers to deliver the quantity of gas as determined by Enbridge when the MDV is established, on a daily basis.

b. Marketers are responsible to Enbridge to deliver the quantity of gas as determined by Enbridge when the MDV is established, on a daily basis. This delivery is governed by the Gas Supply Agreement. EGD can terminate the Gas Supply Agreement should a Marketer fail to deliver the contracted gas supplies. Such termination would have significant economic and reputational repercussions for a Marketer.

CME Interrogatory #2

Interrogatory:

Ref: Exhibit L, Tab 7, pages 3 and 8

Direct Energy estimates costs "to the Ontario market" of EGD's upstream FT requirements proposal in an amount of $53M over five years which is, on average, an amount of about $5.3M per annum. With respect to this estimate, please provide the following information:

a. Details of the calculation of the estimate, including the GJs per day of additional upstream capacity which is estimated to be firmed up in each of the five years;

b. The toll amounts used for determining the $/GJ price for upstream firm capacity compared to the $/GJ toll amount used for non-firm upstream capacity;

c. Provide the estimated current burner tip cost in $/GJ under the regulated gas sales rates of EGD for system-gas delivered to an end-use residential customer; and

d. Please convert the estimated $53 M negative impact on "the Ontario market" over five years to an estimated $/GJ amount and express that amount as a percentage of the burner tip amount to be provided in response to the preceding question.

Response:

a. This is an estimate of the shippers' costs to unwind existing hedges at Dawn, Parkway and CDA and replace the hedges with new ones at AECO. This is estimated to cost $0.1193/GJ on a volume of 272,334 GJ/day at 90%, which is 245,101 GJ/d. The calculation is as follows:

   245,101 GJ/d X 365 days X $0.1193/GJ X 5 = $53.4 Million

   This is a representation of the cost to unwind and replace the hedges on a five year gas contract.

b. Please refer to the response to a.

c. If the question is correctly understood, Direct Energy is unable to answer this question as it is not known what the fluctuating price of natural gas will be on a monthly basis over the next five years.

d. Please refer to the response to c.

CME Interrogatory #3

Interrogatory:

Interrogatory No. 10 from Direct Energy to TransCanada PipeLines Limited ("TCPL") suggests a conversion of 200,000 GJ/day of discretionary upstream transportation to FT will cost an additional $86.9M annually or $434.5M over five years. In the context of this interrogatory, please provide the following information:

a. Explain the differences between the $86.9M amount in the question Direct Energy poses to TCPL, and Direct Energy's estimate of the impact on the Ontario market of EGD's proposal of $53M over five years contained in its pre-filed evidence.

Response:

a. The $86.9 Million refers to the estimated annual revenue generation that TCPL would benefit from if this proposal is accepted. This is calculated based on 200,000 GJ/d in additional FT required. The calculation is as follows:

   200,000 GJ/d X 365 days X $1.19 toll = $86.9 million annual revenue for TCPL.

   The $53 million cost was estimated based on the cost to unwind and replace the existing hedges which shippers have in place on behalf of DP customers, as described in detail in CME IR#2.