

**Ontario Energy
Board**
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Toronto ON M4P 1E4
Telephone: 416- 481-1967
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**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
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BY E-MAIL

September 9, 2011

Molly Sample
DB Energy Trading LLC
1301 Fannin Street
Suite 2300
Houston TX 77002

Dear Ms. Sample:

**Re: Application for Electricity Wholesaler Licence by DB Energy Trading LLC
Board File Number EB-2011-0275**

This letter is to advise you that the Board has conducted a preliminary review of the above noted application. The Board will require additional information from the applicant before it proceeds in this matter. Specifically, the Board requires information that indicates the applicant's financial state of affairs.

You have provided the financial statements of your parent company. However, you have not provided a parental guarantee. As you know, section 9 of the Application form for an Electricity Wholesaler Licence states "If the applicant submits the financial statements of its parent company, the applicant must also provide a parental guarantee".

Therefore, as per section 9 of the Application form for an Electricity Wholesaler Licence, please provide a parental guarantee. The Board has developed a parental guarantee template which you may wish to use. A copy of the template is attached to this letter. Alternatively, you can provide your own parental guarantee which will be subject to review during the application review process to determine whether or not it is satisfactory. If you are unable to provide a parental guarantee, please provide two of the items listed under section 9 of the Application Form, one of which could be a document proving that the Applicant has satisfied the IESO's prudential requirements.

The Board will resume processing your application once the above information has been filed. If the above information is not filed within 30 days of the date of this letter, the Board may close the file for this application.

Upon receipt of the required information the Board will issue a letter indicating the expected date on which a decision and/or order may be rendered.

Please file two paper copies of the additional material and an electronic version in Word and in searchable Adobe Acrobat (if available) with the Board Secretary. Electronic copies may be submitted on CD or by e-mail to boardsec@ontarioenergyboard.ca.

Please direct any questions relating to this application to Vince Mazzone, Analyst at (416) 544-5159 or e-mail, vince.mazzone@ontarioenergyboard.ca.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary

cc: Ed Hudson, Vice President, DB Energy Trading LLC

**Guarantee in support of application
to the Ontario Energy Board for issuance of an electricity wholesaler licence**

Whereas [Guarantor] is the ultimate parent of [Licence Applicant];

And whereas [Licence Applicant] has applied to the Ontario Energy Board for an electricity wholesaler licence (EB-200X-XXXX) (the "Licence");

[Guarantor] hereby irrevocably, absolutely, and unconditionally guarantees to the Ontario Energy Board ("OEB") the due, punctual, and full performance and observance by [Licence Applicant] and its successors and assigns of all payment of sums owed by [Licence Applicant] to meet financial obligations entered into under the Licence (hereinafter referred to as the "Guaranteed Obligations").

If for any reason whatsoever [Licence Applicant] shall fail or be unable to duly, punctually, and fully perform or observe any such Guaranteed Obligation, [Guarantor] shall perform or observe such Guaranteed Obligation or cause such Guaranteed Obligation to be performed or observed, without regard to any exercise or non-exercise by OEB of any right, power or privilege under or in respect of the Licence or the Guaranteed Obligations. This Guarantee shall be direct, immediate, and primary and is not conditioned or contingent upon any demand on, or upon any other event, contingency or circumstances whatsoever or on OEB having made any demand on [Guarantor] pursuant to the Licence.

[Signature]

[Title of Signing Officer]
[Guarantor]

I have authority to bind the corporation.

[Date]