April 25, 2014

Via RESS and e-mail

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Re: Enbridge Gas Distribution Inc – April 1, 2014 QRAM Application
Board File No.: EB-2014-0039

Dear Ms. Walli,

While Direct Energy Marketing Limited (DE) is not a registered intervenor in this proceeding, we respectfully ask that the Ontario Energy Board (the Board) please take the following letter of comment into consideration when evaluating the issue of rate mitigation in the above noted proceeding.

DE has reviewed the record in this proceeding and wishes to advise the Board that for the reasons set out by Enbridge in its interrogatory responses filed March 19, 2014, DE supports the position taken by Enbridge that rate smoothing is not appropriate in this case. DE also supports the rationale provided by CME in its letter of comment to the Board dated March 24, 2014 which states:

> "Despite the fact that the commodity cost increases for system gas customers which EGD asks the Board to approve will have an annual bill impact greater than 10%, we believe that, on balance, Board ordered mitigation measures to dilute the impact of the gas commodity increases are inappropriate because they are unavailable to participants in direct purchase transactions. We believe that, on balance, the public interest will be better served if the Board refrains from negatively affecting the operation of the competitive gas commodity market serving EGD."

Furthermore, given that the first of the Board's gas objectives in the *Ontario Energy Board Act* S.O. 1998, c.15, is to facilitate competition in the sale of natural gas, it would appear that Board ordered rate mitigation outside of the QRAM methodology established in EB-2008-0106 would negatively impact competition in the gas commodity market; and hence undermine one of the Board's objectives. The current QRAM methodology is already designed to inherently smooth rates for consumers, and hence meets the Board's second objective related to natural gas. As such, further rate smoothing as suggested by Board Staff would be inappropriate, and lead to increased carrying costs for consumers.

We thank the Board for this opportunity to comment.

Sincerely,

Ric Forster
Director
Government & Regulatory Affairs
Direct Energy Marketing Limited

80 Allstate Parkway, Markham, Ontario L3R 6H3
tel. 905.943.6971 ric.forster@directenergy.com