

June 17, 2014

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

VIA EMAIL

Dear Ms. Walli:

**Re: EB-2014-0199 - Review of the Quarterly Rate Adjustment Mechanism
Process for Natural Gas Distributors**

Please find below the comments of Just Energy Ontario L.P. ("Just Energy") pertaining to the four issues raised by the Ontario Energy Board ("the Board") during Phase 1 of the above noted matter.

i. Whether the QRAM process should be amended to require, in certain cases, a substantive review of the application, including a review of the execution of the gas supply plan;

Just Energy's submits that the Quarterly Rate Adjustment Mechanism ("QRAM") currently in place works well to reflect the current natural gas market conditions. Just Energy does not believe that as a result of one exceptionally cold winter across North America that the well-established, effective and market reflected QRAM and gas supply plan process requires review, amendment or change. It is Just Energy's view that The QRAM provides appropriate price signals to consumers as to the actual cost of the gas they consume and should not be modified. These price signals allow consumers the opportunity to make an educated and informed decision regarding options in the market available from retailers.

ii. If the QRAM process is amended as described, what circumstances should trigger a substantive review;

The QRAM process and gas supply plan do not require amendment as described. The QRAM is submitted and can be reviewed by market participants quarterly, should the need arise to review an element of the process a tailored approach can be determined at that time.

iii. Whether the Board should establish a policy on rate mitigation to protect system-supply customers from rate volatility; for example, by further smoothing rate impacts over time;

The Board does not need to establish a policy on rate mitigation to protect system-supply customers from rate volatility. The current QRAM process uses a 12 month forward forecasts for gas prices which already provides a smoothing effect for rate payers.

It is important that existing QRAM principles remain in place. The current process provides the consumer with a cost that is reflective of the current market rate, a process which is transparent and a rate which allows a consumer to make a well informed decision on competitive market offerings and consumption patterns. Just Energy believes that the current QRAM process provides customers with a market price signal that reflects the current natural gas market, provides transparency, and reduces volatility and does not see any compelling reason to depart from this practice.

iv. Whether the Board should establish protocols for communications to distribution customers.

Just Energy does not see a need to change the current communication process for notifying distribution customers.

Should you have any questions or concerns on this matter, please don't hesitate to contact me at 403-462-4299 or nruzycki@justenergy.com.

Regards,



Nola Ruzycki
Vice President, Regulatory Affairs