

September 5, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli

Re: EB-2008-0263 (GRAM Application)

In reviewing the above noted submission, Direct Energy Marketing Limited (Direct Energy) would like to express our concern with respect to Enbridge's intent to clear the projected PGVA balance of \$59.7 million over a 6 month period as opposed to the standard 3 month period. PGVA clearing guidelines indicate that if any adjusted year-end balances when translated into cents per cubic meter exceed 0.5 cents/m³, that the further adjusted year-end balance is to be cleared during the remainder of the test year.

It is noted that Exhibit Q4-1, Tab 2, Schedule 1, Appendix A, Page 4, 15.(c) states:

"When the PGVA is to be cleared commencing in the fourth quarter of the test year, Enbridge has the discretion to select either of two clearance periods. One is a period of three months, which is the standard clearing practice, and the other is an extended period of six months. Enbridge must demonstrate, when selecting the extended period that such deviation from the standard clearing practice is reasonable under the circumstances."

However, in their submission to the Ontario Energy Board (OEB), Enbridge has failed to demonstrate that such deviation from the standard clearing practice is reasonable. In its submission, Enbridge indicates the rationale for the extension but provides no evidence to suggest such an approach is reasonable under the current market conditions. It does not appear that the intent of PGVA clearing rules within the fourth quarter is to allow for extended clearing periods when not warranted by reasonably unusual circumstances. Such circumstances have not been demonstrated or justified.

Furthermore, another principle of the GRAM process is that large adjustments of consumer bills should be mitigated. Enbridge proposes to spread the debit over two quarters, with Q1 2009 likely being the highest consumption quarter of 2009. It is therefore likely, given consumption patterns during the winter months that less impact to customer bills would be experienced if the PGVA balance was cleared during Q4 2008.

Direct Energy therefore respectfully requests that the Board not approve Enbridge's application to extend the rider over six months and direct Enbridge to clear the PGVA balance within Q4 2008.

Please do not hesitate to contact me if you have any questions or concerns.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Ric Forster', with a stylized, cursive script.

Ric Forster
Director
Government & Regulatory Affairs
Direct Energy Marketing Limited