

December 13, 2007

VIA EMAIL AND CANADA POST

Ms. Kirsten Walli
Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: EB-2007-0707 – Comment on Draft Issues List

Direct Energy would like to provide the following comments on the OPA's issues list with respect to the Integrated Power System Plan, EB-2007-0707.

Part I – OPA's Issue (1).1

“Does the IPSP define programs and actions which aim to reduce projected peak demand by 1,350 MW by 2010, and by an additional 3,600 MW by 2025?”

Are the CDM programs and funding sufficiently available and open to all energy services providers to ensure that the allocation and assignment of work and funds is done competitively in a transparent and cost effective manner?

Part II - Issue 1

What is the appropriate approval process for the OPA policy approaches towards such things as load serving entities, allocating costs for transmission connections, and Conservation, etc.?

“<EB-2007-0707 Exhibit A Tab 2 Schedule 2 Page 3 of 22>

Part II addresses the effect of OEB approval. The legal effect of an approved IPSP is two fold: first, it provides direction for subsequent regulatory decisions to be made by the OEB; second, it triggers the authority of the OPA to commence procurement processes without Ministerial direction.

With respect to subsequent OEB decisions, the Board's mandate to facilitate the implementation of an approved IPSP can be operationalized through licence conditions, approvals for rates and facilities, and review of policy approaches towards such things as load serving entities, allocating costs for transmission connections, and Conservation."

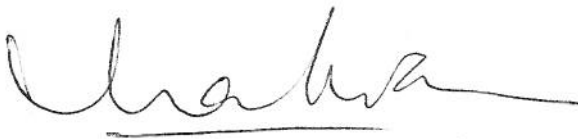
Part II - Issue 2

How do the three forms of procurement process as anticipated to be used by the OPA facilitate the development of a competitive market and price transparency in order to reduce reliance on central (OPA) procurement?

"<EB-2007-0707, Exhibit A-3-1, Page 35 of 48>

There are three forms of procurement process that can be anticipated to be used by the OPA – competitive processes (i.e., open tenders), non-competitive processes (i.e., single source procurement) and standard offer processes. Competitive processes may be addressed to the public generally, to all persons within a particular class (i.e., to all licensed distributors or to all licensed generators) or to a list of pre-identified prospective proponents having known qualifications. Non-competitive processes are those in which formal competitive processes are not used to select among bids. Standard offer processes are those for which standard contract terms and conditions are made available to all interested and qualified proponents with technically feasible projects, subject to any ceiling or cap that may be in place."

Direct Energy would like to understand if the current OPA's issues list covers those questions as noted above and we would appreciate opportunity to provide further comments as the process unfolds.



Yours truly,
DIRECT ENERGY

Per:
Sam Van
Director, Government & Regulatory Affairs

cc: Vipin Prasad, Director, Long Term Integrated Planning, ONTARIO POWER AUTHORITY.
Gary Newcombe, Vice President Government & Regulatory Affairs, Canada West, Direct Energy
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