

January 31, 2008

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

Dear Ms. Walli

**Re: EB-2007-0772 – Comment by Direct Energy Marketing Limited**

Direct Energy Marketing Limited. (Direct Energy) is pleased to provide the comments below on the proposed amendment to the Distribution System Code (DSC) and the creation of the proposed Smart Sub-Metering Code (SSM) Code.

Direct Energy commends the Ontario Energy Board on establishing the SSM Code as it provides clarity on the obligations of Smart Sub-Metering Licensees as they participate in the Ontario market. It is clearly modeled closely on the DSC and will help consumers and market participants.

The Board has clearly stated that Smart Sub-Metering is not a distribution activity, but the OEB also has commented that if a Local Distribution Company (LDC) wishes to become a Smart Sub-Meter provider, then it would be granted that allowance under 71(2) of the Act which allows for such an exemption. The Board further states that an LDC needs to be licensed as a Smart Sub-Meter provider and must comply with all of the requirements of the license including the SSM Code, as any other smart sub-meter provider would. Direct Energy therefore requests that the Board clarify the following:

- a) if the LDC chooses to become a Smart Sub-Meter provider, do they have to establish this activity under an affiliate and therefore be subject to the Affiliate Relationship Code?
- b) Or if not, on what basis would the LDC be able to ensure that there is transparency to the process, and confirmation with other market participants and Smart Sub-Meter providers that they do not have a competitive advantage over other entities?

In addition to ensuring that LDCs compete on a level playing field in relation to other market participants with regard to the infrastructure associated with Smart Sub-Metering, Direct Energy would also like to ensure there is clarity about the continued choice for customers in terms of their commodity provider. Direct Energy understands the ruling that only LDCs can Smart Meter condominiums. This ruling did not however mean those customers of the condominium can only buy their commodity from the LDC. This **customer base has choice** in their energy provider. The same must be true for Smart Sub-Metered

condominiums and this should be clearly stated. The bulk metered customer still has the option to purchase their commodity from their local LDC at the regulated rate, if eligible, or the IESO administered hourly rate, or purchase their commodity from a licensed Retailer. It must be clear that their choice of Smart Sub-Meter provider does not commit them to purchasing from any one commodity seller.

Metering and the installation of Smart devices is important to the Ontario market, particularly given the conservation targets that must be met. There are however significant competitive impacts resulting from these market changes and we encourage the OEB to ensure these are addressed in the SSM Code.

We look forward to working with the OEB on this important initiative. Please do not hesitate to contact me if you have any questions.

Yours sincerely

A handwritten signature in cursive script that reads "Chantelle Bramley".

Chantelle Bramley  
Senior Director, Government & Regulatory Affairs  
Direct Energy Marketing Limited

cc: Christine Dade, Manager - Utility Operations, Direct Energy