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July 21, 2006

Ms. Kirsten Walli
Board Secretary
ONTARIO ENERGY BOARD
P. O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Proposed Amendments to Standard Supply Service Code
Regulated Price Plan – TOU Pilot Projects
BOARD FILE NO.: RP-2004-0205**

Direct Energy appreciates the opportunity to comment on amendments proposed to the Standard Supply Service (SSS) Code, July 12, 2006, and applauds the OEB for allowing the LDCs the opportunity to gain experience with charging TOU prices before they become mandatory. This will allow the participating LDCs to address any billing issues that may arise while it is still in a pilot stage.

Direct Energy understands that the intent of the proposed amendment is to allow LDCs to implement new pilot projects relating to eligible TOU meters and to charge RPP TOU prices or any other TOU commodity price approved by the Board for the purpose of the pilot project.

While we recognize the benefits of the pilot, we would wish to confirm based on our understanding of the SSS code that any retail customer on a new fixed price contract would not be eligible to participate in these pilots. An AMI meter may be installed on their home, but they will still be charged their contract price. Retail customers that are currently on the RPP price could participate until their contracts are renewed, provided the settlement arrangements currently being used remain in place.

Direct Energy has been participating with the Ministry and other market participants on the guidelines to provide retailer insight into the required specifications and functionality of the MDM/R. Further, as the TOU pilots are being implemented we want to ensure that retailer systems are not adversely impacted and that settlement with the LDCs is uninterrupted. It would be beneficial if we could be notified, of which LDCs are applying to have TOU pilots, so that we can advise our customer service department.

As noted in the proposed amendments the Board expects the LDCs to share their results from these pilots with the Board.(confidentiality will be taken into consideration). Direct Energy recommends that the Board make this information available to all participants to assist the market development.

We are also in agreement with the Board that all pilots should not have any further costs attached to them, and we agree that the benefits associated with this proposed amendment will exceed any costs.

Direct Energy looks forward to working with the LDCs on their pilots.

Yours sincerely,
DIRECT ENERGY
Per:

C. Dade

Christine Dade
Manager, Government & Regulatory Affairs – Eastern Canada