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BY FACSIMILE AND COURIER

November 2, 2007

File No.: 101926.1048

Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Independent and Electricity System Operator – Fiscal 2008
Fees Submission for Review: EB – 2007 - 0816**

We are counsel to the Independent Electricity System Operator (the “IESO”).

Pursuant to section 19(3) of the *Electricity Act*, the Minister of Energy gave approval for the IESO to submit its proposed expenditure and revenue requirements for 2008 and the fees the IESO proposes to charge during 2008 to the Ontario Energy Board for review. Accordingly, please find enclosed the IESO’s Submission for Review for its 2008 expenditure, revenue requirements and fees.

There are two procedural matters that we wish to raise with you at this time. First, in the past the Board has required the IESO to publish a Notice of Application in both an English and French daily newspaper. For 2008, the IESO requests permission to substitute a combination of direct email service, website posting and service on all 2006 and 2007 registered intervenors and observers. In particular, the IESO proposes that it:

- Post the Notice of Application, including the pre-filed evidence on the IESO’s website at the “Regulatory Affairs” page. An announcement, in English and French, will also be posted on the “Participant News”

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page and will be automatically emailed to all market participants and interested parties who are registered to receive IESO news and other communiqués (this will include all connection proponents with respect to whom the IESO maintains a public registry); and

- Deliver a copy of the Notice of Application, including the pre-filed evidence, to all registered intervenors and observers in the IESO's 2006 and 2007 Fees Submissions for Review.

The foregoing method of giving notice will ensure that all persons directly affected by the IESO's fees submission — i.e. the IESO's wholesale market participants — are directly served and notified as well as, the additional intervenor/observer groups and associations that have often participated in the IESO's fees case. In addition to providing a more effective means of giving notice than publication in English and French language newspapers, this method will reduce time and expense. As we previously advised, in May 2006, the National Energy Board accepted this form of notice as appropriate in lieu of the NEB's ordinary requirement under the *Electricity Memorandum of Guidance* dated February 7, 2003 which required publication of the Notice of Application in English and French general circulation newspapers.

Second, the IESO requests that as in recent years, the Board consider setting aside one or two days during the latter part of November or early December 2007 to hold an initial technical conference followed shortly afterwards by a settlement conference with the objective of reaching a settlement. Subject to Board approval, this offers the opportunity to avoid or limit the time and expense of a hearing and may allow the IESO's revenue requirements and fees to be approved for implementation on the first invoices issued for the fiscal 2008 year.

Please contact me or Paula Lukan if you have any questions or wish to discuss these points further.

Yours truly,



Glenn Zacher

GZ/cf
Encls.