



Power to Ontario.  
On Demand.

October 2, 2007

The Honourable Dwight Duncan  
Minister of Energy  
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Independent Electricity  
System Operator  
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Dear Minister Duncan:

Re: IESO 2008 – 2010 Business Plan

I am pleased to provide the Independent Electricity System Operator's (IESO) 2008-2010 Business Plan, which identifies our opportunities and outlines our plan of action over the next three years.

At the core of the IESO's responsibilities is the continued reliable operation of Ontario's interconnected power system and administration of its \$10-billion wholesale electricity market. We are proud to provide these critical services while at the same time supporting the largest electricity infrastructure upgrade that Ontario has ever seen.

Looking forward, I am pleased to report that our customers will continue to see reduced costs from the IESO. We are proposing a fee reduction of more than two per cent in 2008, the third consecutive year our fees will have been reduced, with a further fee reduction, barring fluctuations in long-term interest rates and energy demand, expected later in the business planning period.

Over the course of the business planning period, these fee reductions translate to projected savings to customers of approximately \$23 million on top of the almost \$44 million in costs savings that we will have helped customers realize over the past two years. Supported by a strong fiscal governance framework, we will continue to demonstrate financial prudence while maintaining the high level of service that our customers expect and deserve.

I look forward to working with you and would be pleased to discuss any questions you might have.

Paul Murphy

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