

June 09, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
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Dear Ms. Walli:

Re: IESO 2010 Fees Case – EB-2009-0377 – Update on MR-00370

In accordance with Settlement Proposal filed with the Board on March 2, 2010, the IESO is writing to update the Board and Intervenors on the status of the market rule amendment (MR-00370) being developed to address the Market Surveillance Panel's ("MSP") January 2010 recommendations relating to CMSC payments to exporters and dispatchable loads

- The IESO is currently on track to meet the timeline identified in the IESO's submission to the Board dated March 26, 2010 under EB-2009-0377.
- The IESO had originally planned to seek the Panel's recommendation to post the amendment proposal for stakeholder comments at the Panel meeting on June 8th. That decision has been deferred until the July 6th Technical Panel meeting so that the IESO can complete additional analysis to address comments received at the June 2nd Inter-Jurisdictional Trading Standing Committee meeting.
- At the August 17 TP meeting, the IESO still expects to ask the TP to review any stakeholder comments, and consider any changes to the amendment that the IESO may propose in response to stakeholder comments. Unless the nature and extent of stakeholder comments and proposed changes warrant further consideration, the IESO expects to seek TP approval on the amendment proposal at that meeting.
- The IESO's target date for IESO Board approval of the rule amendments remains September 10, 2010.
- Materials relating to this market rule amendment (MR-00370) are posted on the IESO's website at: www.ieso.ca/imoweb/amendments/mr_Amendments.asp.

With regards to MR-00252 (the proposed market rule amendment to limit self-induced CMSC payments to generators when they are unable to follow dispatch for safety, legal, regulatory or

environmental reasons), the IESO has scheduled a consultation session with generators on June 23rd to discuss the IESO's recommendations. The IESO expects to present the proposed rule amendment to the Technical Panel for review at its meeting on July 6, 2010. It's expected that the rule amendment would be posted for stakeholder comment in August or September at which time the TP would be asked to recommend the proposal for IESO Board approval on November 11, 2010.

The IESO will provide a further update following the July 6, 2010 TP meeting.

Please do not hesitate to contact me should you require further clarification.

Respectfully Submitted,

/s/Brian Rivard

Brian Rivard

Manager, Regulatory Affairs & Sector Policy Analysis

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