

STIKEMAN ELLIOTT

Stikeman Elliott LLP Barristers & Solicitors

5300 Commerce Court West, 199 Bay Street, Toronto, Canada M5L 1B9

Tel: (416) 869-5500 Fax: (416) 947-0866 www.stikeman.com

Direct: (416) 869-5688

E-mail: gzacher@stikeman.com

BY EMAIL

February 14, 2008

File No.: 101926.1046

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

Dear Ms. Walli:

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

I am writing to request corrections and to provide some clarifications to the transcript from the February 11, 2008 Technical Conference (please note that the proposed corrections/clarifications are with respect to the version of the transcript issued February 11, 2008).

I request that the following errors be corrected as follows in the Technical Conference transcript:

- (a) Appearances page and page 3, Line 21 – change “Independent Energy Service Operator” to “Independent Electricity System Operator”;
- (b) Page 6, Line 10 – undertaking JT.1 should be changed as follows to be consistent with the undertaking requested by Board Staff (page 6, Lines 6-9):

“Provide breakdown of salary increase or staff cost increases on a percentage basis for management, PWU and Society”;
- (c) Page 12, Line 21 – the word “important” should be changed to “imperfect”;

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- (d) Page 27, Line 17 – the word “last” should be deleted;
- (e) Page 31, Line 15 to page 32, Line 10 – this extract is misplaced. It is from later in the proceeding and is duplicative of page 81, Line 22 to page 82, Line 17;
- (f) Page 34, Line 2 – the word “shorten” should be changed to “short end”;
- (g) Page 35, Line 14 – the acronym “DAX” should be changed to “DEX”;
- (h) Page 42, Line 15 – “Mr. Vanveghel” should not be the start of a new line. It is part of Line 14 and the question that was being asked of Mr. Vanveghel by Mr. White;
- (i) Page 47, Line 7 – the word “dually” should be changed to “duly”;
- (j) Page 52, Line 8 – the word “undertakes” should be changed to “incurs” so that the question reads “... that the IESO incurs to undertake its objects...”;
- (k) Page 52, Line 17 – the word “in” should be changed to “and”;
- (l) Page 64, Line 5 – the word “ask” should be changed to “is”;
- (m) Page 69, Line 13 – the phrase “regulatory mechanism that is” should be changed to “regulatory mechanism is that is”; and
- (n) Page 72, Line 18 – the phrase “other IESOs” should be changed to “other ISOs”.

Enclosed with this letter is a word version of the transcript with the IESO’s proposed corrections.

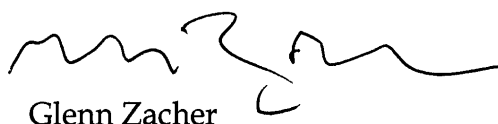
In addition to the proposed corrections, the IESO also provides the following corrections/clarifications to the evidence provided by IESO witnesses:

- (a) Page 7, Line 18 – Mr. Leonard stated that “once you eliminate that change in hiring lag, you will see a staff

cost increase of approximately 2.7% in 2008". In fact, the staff cost increase is approximately 2.5%, not 2.7%.

- (b) Page 30, Lines 5-6 — Mr. Leonard stated "we have an amount that has been earned that has not be recognized as revenue as it should be". On reviewing this evidence, the IESO wishes to clarify Mr. Leonard's comments which may be misinterpreted as indicating that the IESO's revenue recognition treatment of income earned on real-time market investments in 2007 was inappropriate; that is not the case. The IESO confirms, as Mr. Leonard's comments were intended to convey, that \$4.1 million was earned on non-illiquid real-time market investments in 2007, however, no real-time market-related interest income was recognized in 2007. That is the appropriate accounting treatment considering the illiquid nature of the \$23.1 million real-time market investments in ABCP at the end of 2007.

Yours truly,



Glenn Zacher

/sc

Encl.

cc: Registered Intervenor
Robert Caputo
Michael Millar