

October 7, 2016



VIA Email, Courier and RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
27th Floor, 2300 Yonge Street
Toronto, ON M4P 1E4

Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

**Re: Independent Electricity System Operator
2016 Expenditure and Revenue Requirement Submission
Ontario Energy Board File No.: EB-2015-0275**

Pursuant to Procedural Order No. 4, the Independent Electricity System Operator (“IESO”) is writing to file its argument in chief which is attached to this letter, on the unsettled Issue 2.0 which includes the following issues:

- 2.1 Is the IESO’s proposal to eliminate the OPA Usage Fee and to charge the proposed single IESO Usage Fee to all market participants (domestic and exporter customers) appropriate?
- 2.2 Is the methodology used to derive the proposed IESO Usage Fee of [\$]1.13/MWh appropriate?
- 2.3 Is the proposed cost allocation study in support of the proposed IESO Usage Fee appropriate?
- 2.4 Is the IESO’s proposal to charge the proposed single IESO Usage Fee from January 1, 2016 and to refund (or charge) market participants the difference between the 2016 single Usage Fee and the interim usage fees they paid, if any, based on their proportionate quantity of energy withdrawn, which may include scheduled exports and embedded generation, in 2016, appropriate?
- 2.5 What would be an appropriate effective date for the Usage Fee(s) approved in this proceeding?

Yours truly,

Nancy Marconi
Senior Manager, Regulatory Affairs

Att.

cc: Mr. Fred Cass, Aird & Berlis (email)
EB-2015-0275 Intervenors (email)
Rudra Mukherji, Case Manager, Ontario Energy Board (email)