



Power to Ontario.
On Demand.

BY ELECTRONIC MAIL AND REGULAR MAIL

February 8, 2008

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

Independent Electricity
System Operator
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Dear Ms. Walli:

**Re: Review of Cost Responsibility Policies for Connection to Electricity
Transmission Systems
Board File Number: EB-2008-0003**

The Independent Electricity System Operator (the "IESO") welcomes the opportunity to participate in the Ontario Energy Board (the "Board") Review of Cost Responsibility Policies for Connection to Electricity Transmission Systems (the "Review").

The IESO is a non-profit, non-share capital corporation independent of all other participants in the Ontario electricity industry. The IESO is established under the Electricity Act, 1998 to administer the Ontario wholesale power market and to direct the operation and maintain the reliability of the IESO-controlled grid. The IESO does not own any electric power generation or transmission facilities. It directs the operation of transmission and generation facilities, including interconnections that are situated in Ontario.

The IESO interest in this Review is to ensure that any changes to transmission cost allocation policies promote: i) the expansion of the grid to meet overall system adequacy and reliability needs, ii) market efficiencies, and iii) efficiency in obtaining regulatory approvals.

The IESO is in support of the Review and believes that at this time it is prudent for the Board to undertake to provide greater regulatory clarity regarding transmission connection cost allocation.

The IESO intends to participate in this review by attending the stakeholder meeting to observe and, as appropriate, discuss issues with participants and the Board.

Yours truly,

A handwritten signature in blue ink, appearing to read "PLukan", is written over a faint, circular stamp or watermark.

Paula Lukan
Senior Regulatory Analyst
Independent Electricity System Operator