



EB-2004-0477

NOTICE OF APPLICATION

INDEPENDENT ELECTRICITY MARKET OPERATOR

FISCAL 2005 – PROPOSED FEES, EXPENDITURES AND REVENUE REQUIREMENTS

The Independent Electricity Market Operator ("IMO") has filed its fiscal 2005 proposed fees, expenditures and revenue requirements for review by the Ontario Energy Board under section 19 of the *Electricity Act, 1998*. The IMO manages the integrated operation of Ontario's power system and is required under the Act to establish and administer the competitive electricity markets in Ontario.

The IMO is seeking Board approval of a revenue requirement of \$152.8 million, including capital expenditures of \$56.7 million. The IMO is also requesting authorization to retain the 2004 accumulated surplus of about \$14.1 million in the deferral account for contingencies and rate stabilization in 2005. The IMO proposes the continuation of the current usage fee of \$0.959/MWh commencing January 1, 2005 to be paid by all wholesale customers or market participants on all energy withdrawn for use or sale in Ontario and on all exports scheduled out of Ontario.

The Board has determined that it will hold a hearing in this matter; the hearing process will be addressed in subsequent procedural orders. The Board may hold a settlement process to address issues in the proceeding. However, regardless of the terms of a settlement proposal, the Board has determined that the following areas should be addressed in the hearing:

- The Market Evolution Program and its associated costs;
- The IMO accumulated surplus account and financial planning;
- The cost implications of the transition to a new Independent Electricity System Operator.

The Board will establish a final issue list subsequent to the establishment of an intervenor list.

Copies of the Application are available for public inspection at the Board's offices, and at the offices of the IMO in Toronto. The Application is also available for viewing on the IMO's website at www.theIMO.com under "Regulatory Affairs".

If you wish to participate in this proceeding as an intervenor or observer, you **must** file a written request to the Board Secretary within 10 calendar days of the publication, or receipt, of this Notice. If you wish to request an award of costs, you must so indicate in writing. Information on how to participate may be obtained from the Board's Customer Service Centre at 1-877-632-2727 or by e-mail at BoardSec@oeb.gov.on.ca. Please reference Board file number EB-2004-0477. You may also visit the frequently asked questions (FAQs) section of the Board's Web site at www.oeb.gov.on.ca. A copy of your request must also be sent to the IMO at the address below.

ADDRESSES

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DATED at Toronto November 23, 2004.

ONTARIO ENERGY BOARD

Original Signed By

John Zych
Board Secretary