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Commission de l'énergie de l'Ontario
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Rosemarie T. Leclair
Chair & CEO

Rosemarie T. Leclair
Président et Directrice Générale

November 16, 2011

BY E-MAIL AND WEB POSTING

Mr. Paul Murphy
President and Chief Executive Officer
Independent Electricity System Operator
655 Bay Street, Suite 410
Toronto, ON M5G 2K4

Dear Mr. Murphy:

RE: Market Surveillance Panel Monitoring Report

The Market Surveillance Panel ("MSP") has delivered to me its *Monitoring Report on the IESO-Administered Electricity Markets* for the period from November 2010 – April 2011 (the "MSP Report"). I attach a copy of the MSP Report for your reference.

The MSP report sets out four recommendations to the IESO that the MSP believes will enhance market efficiency through:

- the publication of aggregate wind generation forecast information;
- an increase in the frequency with which interties are scheduled, and the associated frequency of demand and intermittent generation forecasts as well as pre-dispatch schedules;
- accelerating efforts to make wind generators dispatchable; and
- changing the calculation of constrained-on Congestion Management Settlement Credit payments made to dispatchable loads.

I would appreciate if you would advise me in writing within 30 days of: a) the steps that the IESO plans to take in response to the recommendations made in the MSP Report and the estimated timelines for completion of those steps; and b) whether, in the IESO's view, any actions or market rule amendments, in addition to those reflected in or underlying the MSP's recommendations, should be taken or initiated.

I would also appreciate if you would include in your response an update on the status of actions taken by the IESO in response to the recommendations set out in the MSP's previous monitoring report.

Please do not hesitate to contact me should you have any questions or wish to discuss the above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rosemarie T. Leclair', with a large, sweeping flourish above the name.

Rosemarie T. Leclair
Chair & CEO

c: Neil Campbell
Chair, Market Surveillance Panel