

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
2300, rue Yonge
27^e étage
Toronto ON M4P 1E4
Téléphone: 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



Market Surveillance Panel

Comité de surveillance du marché

CONFIDENTIAL

February 9, 2015

BY EMAIL AND BY HAND

Ms. Rosemarie Leclair
Chair & CEO
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Leclair:

Re: Report on an Investigation into Possible Gaming Behaviour Related to Congestion Management Settlement Credit Payments by Abitibi-Consolidated Company of Canada and Bowater Canadian Forest Products Inc.

As you know, at the request of the then Chair of the Ontario Energy Board the Market Surveillance Panel (the "Panel") initiated an investigation in the fall of 2010 in relation to Congestion Management Settlement Credit ("CMSC") payments received by two affiliated market participants – Abitibi-Consolidated Company of Canada and Bowater Canadian Forest Products Inc. – from January 2010 to August 2010. The Panel's investigation has now been completed, and I am pleased to submit the Report that sets out the Panel's findings.

The Panel's investigation considered a number of aspects of each market participant's market conduct while they were participating in the wholesale electricity market as dispatchable loads, including the submission of extremely high bid prices (both market participants), the submission of bid quantities above the level of electricity that the load facility was generally capable of consuming (Bowater) and frequent ramping (Abitibi). For the reasons set out in the Report, the Panel has concluded that each of the market participants engaged in gaming in respect of various aspects of their market conduct.

Prior to finalization of the Report, a draft was provided to the market participants for review and comment, including on matters of confidentiality. As a result, a redacted version of the Report has been created for the purposes of public communications, and the market participants' response to the Panel's findings has been included in both the confidential and public versions of the Report that are enclosed with this letter.

I understand that, in keeping with By-law #3, you will transmit the Report to the market participants. As required by the Board's By-law #3, I will be providing the confidential and public versions of the Report to the President & CEO of the Independent Electricity System Operator.

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

Yours truly,



Glenn Leslie
Chair, Market Surveillance Panel

Encls.