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Rosemarie T. Leclair  
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**Commission de l'énergie de l'Ontario**  
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Rosemarie T. Leclair  
Présidente et Directrice Générale



January 3, 2014

**BY E-MAIL AND WEB POSTING**

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

Dear Mr. Campbell:

**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 2012 – April 2013 (the "MSP Report"). I attach a copy of the MSP Report for your reference.

The MSP Report sets out four recommendations which the Panel believes will enhance market efficiency and help to reduce uplift and other payments. All of the recommendations are addressed to the Independent Electricity System Operator ("IESO"). One of the recommendations is that constrained-off Congestion Management Settlement Credit payments be eliminated for all intertie transactions. The remaining three relate to the IESO's real-time and day-ahead generation cost guarantee programs; the first recommends that the IESO provide a detailed analysis confirming the continued need for the real-time program, the second recommends certain changes to that program in the event that it continues to be needed, and the third recommends a re-examination of the question of integrating exports into the enhanced day-ahead commitment process.

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 in the MSP Report and the 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 the MSP's recommendations, should be taken or initiated.

We have received the IESO's filing regarding the implementation status of recommendations made by the MSP in 2013 and the preceding four years. That filing, made under the IESO's licence has been provided to the MSP for its review.

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

Yours truly,

A handwritten signature in black ink, appearing to read "Rosemarie Leclair". The signature is fluid and cursive, with a large initial "R" and "L".

Rosemarie Leclair  
Chair, Ontario Energy Board

cc Glenn Leslie, Chair, Market Surveillance Panel