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Market Surveillance Panel Comité de surveillance du marché

CONFIDENTIAL

BY EMAIL AND BY HAND

October 2, 2017

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

Dear Ms. Leclair:

RE: Report on an Investigation into Goreway Station Partnership

As you know, the Market Surveillance Panel (Panel) initiated gaming investigations in 2011 and 2012 in relation to payments received by Goreway Station Partnership (Goreway) under certain wholesale market programs or payment regimes administered by the Independent Electricity System Operator (IESO). The Panel's investigations have now been completed, and I am pleased to submit the Report that sets out the Panel's findings.

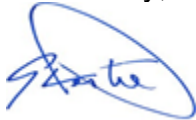
The Panel considered Goreway's conduct in relation to the following: the Real-Time and Day-Ahead Generation Cost Guarantee programs (collectively, GCG programs); the Congestion Management Settlement Credit (CMSC) payment regime; and the Day-Ahead Commitment Program (DACP) specifically in relation to payments made to market participants in Hour Ending 1 (HE 1). For the reasons set out in the Report, the Panel has concluded that Goreway repeatedly exploited defects in the GCG programs and also exploited defects in the CMSC regime in relation to Goreway's shut-down offer prices. Although the Panel has concluded that Goreway did not exploit the HE 1 payment aspect of the DACP, the Panel does consider that the HE 1 payments received by Goreway were nevertheless unwarranted.

Prior to finalization of the Report, a draft was provided to Goreway 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. Goreway's written response to the Panel's findings has been included in both the confidential and public version of the Report that are enclosed with this letter.

I understand that, in keeping with By-law #3, you will transmit the Report to Goreway. 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 IESO.

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,

A handwritten signature in blue ink, appearing to read "Glenn Leslie", enclosed within a blue circular scribble.

Glenn Leslie
Chair, Market Surveillance Panel