

From: Blechta, George (SudburyMines Mill)
Sent: February 21, 2006 2:16 PM
To: Travers Scott; Kozlik Ken
Subject: RE: Twelve Times Ramp Rate - Draft Options and Criteria

Scott,

We have serious concerns with the "Decision Criteria"

As you may have heard last MPWG meeting, Lauri and I expressed concerns about the issue of 12x ramp rate elimination. The key objection is that changing the ramp rate will not stimulate proper behavior in the market from loads and generators. We have a hybrid sector, with over 70% of electricity regulated for at least 2 years. What exists is an illiquid real time balancing market. Whatever changes are made must respect reality and not an unclear perhaps unreachable vision. Hence we strongly question the statement:

- is consistent with the long term vision of a market with minimal price regulation and investment support.

Falconbridge will strongly oppose any solution which is obviously generator/marketer biased and puts them in a situation where they can manipulate the sector to increase price and create windfall profits. We would view this as an unacceptable transfer of wealth.

We ask for clarification of the alternative evaluation process. We recommend that all stakeholders review and come to agreement on it.

A decision to take action that will increase price must be stakeholdered fully with consumers because it will add to the negative impact already created by electricity prices on the industrial sectors.

Regards

George