

## IESO SENIOR MANAGEMENT UPDATE

To: Stakeholder Advisory Committee

Date: April 4, 2007

**Subject: Update on IESO 2007 Fees Case – Decision and Order**

Information Item

We are pleased to inform you that on March 21, 2007, the Ontario Energy Board (OEB) issued its final decision and order on the IESO's Fiscal 2007 fees. This includes approval of the IESO's:

- reduction of usage fee for 2007 to \$0.815/MWh, down from last year's rate of \$0.909/MWh
- \$12.7 million refund to loads and exporters from the 2006 IESO accumulated operating surplus, which will appear on market participants' March invoice to be issued on April 17, 2007
- continuation of the \$1000 application fee for new applicants to the market
- 2007 revenue requirement of \$140 million, inclusive of the revenue requirement associated with the proposed capital expenditures amount of \$20 million, and confirming a \$5 million limit on spending for Day Ahead Market (DAM) initiatives in 2007.

In its decision, the OEB also supported the IESO's proposal to establish the Consumers Forum. The settlement agreement, approved by the OEB, states that the IESO shall meet with consumer representatives and, within 45 days, distribute to intervenors and file with the OEB for its information the framework, terms of reference, and workplan for the Consumers Forum. Prior to distributing to intervenors and filing with the OEB, the IESO shall distribute for written comment to all intervenors drafts of the said framework, terms of reference, and workplan and the IESO shall consider any intervenor comments before finalizing these documents. The Consumers Forum material and comments are due to be filed with the OEB on or before May 4, 2007.