

June 25, 2009

TransCanada Energy Limited  
55 Yonge Street, 8<sup>th</sup> Floor  
Toronto, Ontario, M5E 1J4

Attention: Mr. Craig Martin,  
Director –Eastern Canada Power

Dear Mr. Martin:

**Re: Your letter dated June 17, 2009 on the  
Impact of Generator Guarantees on Market Price**

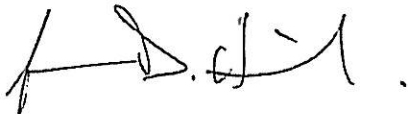
Thank you for your follow up letter from our Stakeholder Advisory Committee meeting on June 4. The letter is helpful in explaining your operations in the Ontario electricity markets and expressing your concerns.

The Enhanced Day-Ahead Commitment (EDAC) design teams have worked hard over the past three months and I thank TransCanada for your active participation in those meetings and look forward to your organizations continued support to the EDAC project.

I understand the importance of the issue you raise to TransCanada (and others). We would not want to introduce a program that caused stakeholders to be indifferent to market prices.

A copy of your letter has been forwarded to Paul Murphy, IESO's CEO, and also to IESO's Market Evolution staff. They should be contacting you in the near future. I am concerned about unintended consequences flowing from the interaction of OPA's bilateral contracts and IESO's spot market and, to that end, would ask that we schedule a follow-up in summer 2009. Vesna Handren will coordinate with you.

Regards,

A handwritten signature in black ink, appearing to read "J. Hinds", with a period at the end.

Jim Hinds  
Chair of the IESO Board of Directors

JH/RDRS/wt