



**TransCanada**

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July 11, 2007

Independent Electricity System Operator  
Station A, Box 4474  
Toronto, ON M5W 4E5

Attention: John Mackenzie

VIA E-mail

Dear John:

TransCanada Energy Ltd. ("TCE") would like to thank the Independent Electricity System Operator ("IESO") for the opportunity to comment on the "DRAFT Cost benefit Analysis: Reducing the 10-minute Synchronized OR Requirement."

It is the opinion of TCE that the development of a Cost-Benefit Analysis ("CBA") methodology represents an important step by the IESO as a means to better assess the merits of proposed market rules changes. We appreciate that the development of the draft CBA has been a complex process for the IESO. While TCE is extremely interested in the work that has been completed by the IESO on this issue, we have not yet completed our analysis of the draft CBA and we are unable to fully comment at this time.

TCE is continuing with its review of the draft CBA and we look forward to further discussion with the IESO and other stakeholders on this issue in the near future.

Yours truly,

Brian Kelly,  
Manager, Eastern Commercial Operations

cc: Ken Kozlik – IESO  
Elizabeth Morris – IESO  
Bill Taylor – TCE  
Margaret Duzy – TCE