

DRAFT

First Auction of TRs

Short Term

The first set of short term TRs will be sold as follows:

- If the line goes commercial at least 5 days before the short term auction in that month, the short term TRs will be sold at that auction for the next month. As an example, if the line goes commercial on May 1, 2009 and the short term auction for June 2009 TRs is to be held on May 8, 2009, the short term TRs for the HVDC line for June 2009 will be sold during the May 8, 2009 auction.
- If the line goes commercial within 5 days of the short term auction or after the auction that month, the short term TRs will be sold at the following auction for the following month. Using the same example above but with the line going commercial on any date after May 3, 2009, the short term TRs for the HVDC line for June 2009 will not be sold. The first short term TRs will be sold during the June 2009 auction for July 2009 short term TRs.

Long Term

The first set of long term TRs will be sold as follows:

- If the line goes commercial at least 5 days before the long term auction in that month, the correct amount of long term TRs (25% of the TTC) will be sold at that auction for the next quarter. As an example, if the line goes commercial on May 1, 2009 and the long term auction for the third quarter of 2009 TRs is to be held on May 15, 2009, the long term TRs for the HVDC line for July 2009 - July 2010 will be sold during the May 15, 2009 auction.
- If the line goes commercial within 5 days of the long term auction or after the auction that month, the long term TRs will be sold at the following auction for the final quarter of 2009. Using the same example above but with the line going commercial on any date after May 10, 2009, the long term TRs for the HVDC line for third quarter of 2009 will not be sold. The first long term TRs will be sold during the November 2009 auction for long term TRs for the period January 2010 - January 2011.

When the pre-auction report is published a month in advance of each the short and long term auctions, there will be a note stating that the number of TRs may change as close as 5 days prior to the auction. This is a likely outcome and the IESO would like to notify the TR participants.