



Power to Ontario.
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October 1, 2009

The Honourable George Smitherman
Deputy Premier, Minister of Energy and Infrastructure
900 Bay Street, 4th Floor, Hearst Block
Toronto, Ontario M7A 2E1

Dear Minister Smitherman,

Re: IESO 2010-2012 Business Plan

I am pleased to provide you with the IESO's Business Plan for the 2010-2012 planning period. Under the *Electricity Act, 1998*, the IESO is required to submit its Business Plan to you for approval prior to making application to the Ontario Energy Board for approval of next year's proposed expenditures, fees and revenue requirements.

Our Business Plan addresses the need to advance the implementation of the Green Energy Act while continuing to meet our ongoing primary objectives to provide a safe and reliable supply of electricity to the province and efficiently manage the IESO administered markets. In support of these objectives, we will continue to work closely with stakeholders and government to ensure that we are well positioned to meet the challenges ahead.

At the same time, we recognize the impact of the current economic conditions on our customers and the need to effectively manage our own costs and target efficiencies across the company. As a result of these efforts, our 2009 operating costs are projected to be 4.2% below last year's approved budget.

I am also pleased to report that we will not be requesting an increase in our operating costs or usage fees for 2010 and our usage fee will continue to be \$0.822/MWh or less than one tenth of one cent per kilowatt-hour.

We have briefed staff within your Ministry on the Business Plan and I would be pleased to answer any questions you might have.

Yours truly,

A handwritten signature in black ink, appearing to read "Paul Murphy", with a stylized flourish at the end.

Paul Murphy

Encl.

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