

November 18, 2005

**Subject: IESO Performance Indicators,  
Resolution of Commitments regarding 2005 Fees Submission Settlement  
Agreement**

This memo summarizes and provides resolution to the IESO's performance indicator commitments identified in the Settlement Agreement for IESO's 2005 Fees Submission.

As part of the Settlement Agreement for IESO's Fiscal Year 2005 Fees Submission, provided in the OEB's decision on May 24, 2005 (EB-2004-0477), IESO agreed to the following three actions, the resolution of which are also provided below:

1. IESO Management agrees to recommend to their new permanent Board (when appointed) that an additional performance measure be added for 2005 to measure the 3 hour ahead demand forecast error (with the exception that the calculation will have to be based on peak to peak comparisons as opposed to average comparisons unless and until average to average comparison information becomes available). For clarity, this would mean there would be performance measures for day ahead, three hour ahead and one hour ahead using the existing absolute error and bias metrics, beginning in 2005.

*Resolution: 3 hour ahead demand forecast bias and accuracy measures were recommended to the IESO Board of Directors. The measures were approved on July 28, 2005 for use in 2005, and will be reported on beginning with the 2005 third quarter performance report. The performance reported upon for these measures will cover the period January 1- September 30, 2005, consistent with the reporting for all the other operational performance measures. Peak to peak data will be used in 2005. Plans are underway to reprogram systems to provide average to average comparisons, and this is expected to be completed during 2006.*

2. IESO will provide to the Regulatory Affairs Standing Committee (RASC) members, prior to their discussions in the fall of 2005, bias calculations for on peak and off peak hours for both day ahead and one and three hour out day at hand measures. For clarity, this means that the bias value for these demand forecasts will be shown separately for on peak and off peak periods.

*Resolution: The data is provided in Attachment 1 in both tabular and graphical format.*

*The dissolution of the Regulatory Affairs Standing Committee earlier in 2005, and a redefinition of the stakeholdering framework has precluded carrying out the action exactly as agreed. The new Stakeholder Advisory Committee (SAC) has only recently been formed, and the first full meeting of the SAC is planned for Nov 28, 2005. In advance of that meeting, the IESO has posted the information required by the action on the IESO web site, at: <http://www.ieso.ca/imoweb/corp/regulatory.asp>*

*This memo, its posting on the IESO web site, and the addressing of the attached material at the Nov 28, 2005 Stakeholder Advisory Committee meeting satisfies the commitment identified in the 2005 fee submission settlement agreement.*

3. IESO will provide to the Regulatory Affairs Standing Committee (RASC) members, prior to their discussions in the fall of 2005, the number of days in which the absolute value of error in any hour

exceeds 3% for both day ahead and one and three hour out day at hand measures. For each day in which any hour exceeds the 3% value, the maximum absolute error will be disclosed.

*Resolution: The data is provided in Attachment 2 in both tabular and graphical format.*

*The dissolution of the Regulatory Affairs Standing Committee earlier in 2005, and a redefinition of the stakeholdering framework has precluded carrying out the action exactly as agreed. The new Stakeholder Advisory Committee (SAC) has only recently been formed, and the first full meeting of the SAC is planned for Nov 28, 2005. In advance of that meeting, the IESO has posted the information required by the action on the IESO web site, at:*

<http://www.ieso.ca/imoweb/corp/regulatory.asp>

*This memo, its posting on the IESO web site, and the addressing of the attached material at the Nov 28, 2005 Stakeholder Advisory Committee meeting satisfies the commitment identified in the 2005 fee submission settlement agreement.*

### Attachment 1

The following table provides bias calculations for on peak and off peak hours for both day ahead and one and three hour out day at hand measures. Bias values for these demand forecasts are shown separately for on peak and off peak periods. The charts illustrate the data provided in the table.

2005	1 Hour-Ahead Bias		3 Hour-Ahead Bias		Day-Ahead Bias	
	Day-At-Hand On-Peak	Day-At-Hand Off-Peak	3 Hour-Ahead On-Peak	3 Hour-Ahead Off-Peak	Day-Ahead On-Peak	Day-Ahead Off-Peak
JAN	10.90%	-1.96%	13.69%	13.48%	16.67%	-5.39%
FEB	10.31%	-4.13%	14.69%	6.25%	16.25%	0.00%
MAR	1.34%	-2.83%	0.75%	10.05%	1.04%	-7.99%
APR	-10.42%	1.82%	-11.01%	14.32%	0.60%	-1.04%
MAY	-0.75%	-10.05%	-4.46%	10.54%	-8.93%	-5.88%
JUN	15.06%	10.05%	8.24%	23.64%	0.85%	5.43%
JUL	9.69%	1.18%	5.31%	16.51%	4.38%	10.14%
AUG	14.49%	-8.67%	0.85%	3.20%	7.95%	-6.63%
SEP	1.49%	-12.14%	-5.95%	0.78%	2.08%	3.13%
OCT	-0.94%	-19.98%	-12.70%	-2.97%	-7.05%	0.97%
NOV						
DEC						
<b>Average</b>	<b>5.12%</b>	<b>-4.67%</b>	<b>0.94%</b>	<b>9.58%</b>	<b>3.38%</b>	<b>-0.73%</b>











