Power to Ontario.
On Demand.

Corporate Performance

to the end of March 2005

2005 Corporate Objectives

IESO corporate performance in 2005
is measured against 4 objectives:

- Objective 1: Effective Use of Constrained Funds
- Objective 2: Market Evolution
- Objective 3: Customer and Stakeholder Satisfaction
- Objective 4: Operational Effectiveness

Objective 1: Effective Use of Constrained Funds

Performance Measure	Performance Expectation	2005 Status to Date
Total spending (OM&A + Interest + Amortization) compared to the budget amount approved by the IESO Board	Total spending (OM&A + Interest + Amortization) is within the amount approved by the IESO Board	**On Track:** Total spending is $38.1 million, $0.8 million below the approved budget of $38.9 million.
Capital spending associated with current operational mandate is performed within the budget amount approved by the IESO Board, timelines are met, and required results are achieved	Approved Capital expenditures in support of current operations are within budget and required results are delivered according to approved schedule	**On Track:** Capital expenditures in support of current operations are $0.8 million, against the approved annual budget of $20.1 million. Capital spending for the year is forecast to be $15.4 million.

Objective 2: Market Evolution

Performance Measure	Performance Expectation	2005 Status to Date
Appropriate evolution of the market is achieved and managed effectively	IESO displays appropriate flexibility in implementation to address legitimate stakeholder issues Recommendations to the IESO Board are made in a timely manner Approved capital expenditures for market evolution initiatives are within budget and required results are delivered according to approved schedule	**On Track:** The Electricity Restructuring Act, Bill 100, which received Royal Assent in December 2004, significantly impacted market evolution plans for 2005. The IESO Board decided in December 2004 that prior to proceeding with development and acquisition plans for a full-function Day Ahead Market (DAM) in 2005, consideration of alternative cost-effective solutions in the post-Bill 100 environment would be prudent. This effort will be funded with IESO's OM&A funds. The proposed 2005 capital program for DAM was removed from the 2005 budget. Progress in developing, reviewing and stakeholdering of alternative solutions is currently underway, with plans to report to the IESO Board by the third quarter, 2005. The report will also recommend a course of action.

Objective 3: Customer & Stakeholder Satisfaction

Performance Measure	Performance Expectation	2005 Status to Date
IESO is recognized by government and stakeholders as contributing to a successful implementation of public policy developments, and by customers and stakeholders as contributing to the successful evolution of the competitive segment of the hybrid market IESO's operation of the marketplace meets participants' and stakeholder needs	Performance relative to these measures will be assessed based on surveys, customer comments and other anecdotal evidence IESO is assessed to be an organization which continually satisfies its customers. This assessment will focus on three specific services: • Providing effective stakeholdering • Providing effective market information and communications • Providing support for customer inquiries, issues and training needs.	**On Track:** Stakeholdering - The IESO launched a review of stakeholder engagement processes and procedures in response to Bill 100 governance changes and stakeholder feedback. This review includes an examination of stakeholder engagement principles processes, procedures, and mechanisms. A working paper has been posted on the IESO web site for stakeholder comment. Board review of the proposals is expected by the third quarter. Information & Communications - Communications efforts during the first quarter focused on implementation of the new IESO name and brand and outreach to a broader range of stakeholders. The new name and logo was launched on January 10, with the adoption of a new vision and mission in keeping with the organization's role and responsibilities outlined in Bill 100. Consumer education efforts were also increased with the distribution of materials such as "The Bottom Line on Energy Management," the IESO 2005 Electricity Calendar and a new IESO video. More than 40,000 businesses have received copies of the Bottom Line in Energy Management, which has contributed to increased traffic on the IESO web site. The IESO also promoted better understanding of price and demand information amongst a broader audience through the weekly publication of market activity in the Toronto Star newspaper. The Spring edition of Electricity Exchange newsletter was issued on schedule. Customer Support & Training - Eight new market entry applications were received, primarily as a result of TDRP and RFP programs. Expanded outreach and customer education was achieved through two RFP and Dispatchable Load workshops. The IESO facilitated sessions regarding facilities and registration requirements to assist two merging distribution utilities. Three marketplace training sessions were held for participants during the first quarter. A new training workbook, Introduction to Interjurisdictional Energy Trading, was developed to assist those trading energy into and out of Ontario. In-house training was provided to one organization in order to assist them in becoming active in the Ontario marketplace. A new Bill 100 Quick Take was posted in conjunction with the IESO's Bill 100 web pages to ensure the transition to the new legislative requirements and industry structure is as smooth as possible for market participants. In addition 3 Quick Takes associated with Bill 100 were posted on the IESO web site, and 2 were modified.

Objective 4: Operational Effectiveness

Performance Measure	Performance Expectation	2005 Status to Date
Control of tie line flows under normal & disturbance conditions meets or exceeds industry median	DCS, CPS1 & CPS2 meet/exceed median values of Eastern Interconnection Control Areas >10,000 MW	**On Track:** NERC disturbance control and control performance standards are tracking at or better than median values.
Electrical reliability is maintained within the province	IESO actions to avert/address significant reliability events are assessed as appropriate	**On Track:** Results to date support an assessment that appropriate measures have been taken by the IESO in addressing significant reliability events. The 2005 NPCC peer group review and appraisal will be completed in the 4th quarter, incorporating an assessment of the entire year.
Market systems and processes operate effectively	Assessed on a suite of market operation performance measures	**On Track:** Performance relative to 24 operational measures is good, however ongoing attention will be required. 21 measures are tracking at levels that are at or better than target. 3 measures: Settlement-ready Meter Data, Preliminary and Final Settlement Statement timeliness, and Dispatch and Scheduling Instruction availability are currently marginally below target, but are assessed as being on-track to satisfy the annual target.

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Market Operations Performance Results to the end of March 2005

Category/Name	Measure	Criteria	Performance Standard	2005 Result to Date
Provide Sufficient Information For Effective and Successful Bids and Offers				
Implement Intertie Schedules	Accuracy	Average for the year	≥98%	99.7%
Publish SAA's and SSR's	Timeliness	Published as per schedule	≥98%	99.6%
Day Ahead Hourly Demand Forecast	Accuracy	Average absolute error for the year	≤2.5%	1.6%
		Average bias range for the year	−5%≤ BIAS ≤+5%	2.8%
Day at Hand Hourly Demand Forecast	Accuracy	Average absolute error for the year	≤1.5%	0.8%
		Average bias range for the year	−5%≤ BIAS ≤+5%	1.9%
Outage Request Processing	Accuracy	Processed vs. Valid	≥97%	99.8%
Transmission Rights Auction Processing	Timeliness	Processed as per schedule	≤1 failure to complete a full auction per year	0 failures
Continuous Operation Of the Market	Frequency of Market Suspension	Number of market suspensions per year caused by the IESO	0 suspensions	0 suspensions
	Duration of Market Suspensions	Total duration of market suspensions per year caused by the IESO	0 hours	0 hours

Market Operations Performance Results to the end of March 2005

Category/Name	Measure	Criteria	Performance Standard	2005 Result to Date
Market Services				
Settlement-ready Meter Data	Timeliness	Available next trading day	≥99.3%	99.2%
Meter Trouble Reports Issued to Meter Service Providers	Timeliness	Available next business day	≥88%	95.5%
Meter Trouble Reports Closed	Timeliness	Closed on the 1st business day after the receipt of a satisfactory resolution from the Meter Service Provider	≥88%	98.2%
Preliminary and Final Settlement Statements	Timeliness	Issued as per schedule	≥99%	98.3%
	Accuracy	No IESO errors	≥99%	99.9%
Help Centre Performance	Average time to close an open ticket	Average for the year	≤12 days	9.2 days
Invoice Market Participants				
Issue Invoices	Timeliness	As required per *IESO Settlement Statement Payments Calendar*	≥99%	100%
	Accuracy	Average for the year	≥99%	100%

Market Operations Performance Results to the end of March 2005

Category/Name	Measure	Criteria	Performance Standard	2005 Result to Date
Administrative Pricing				
Administrative Pricing (AP)	Frequency	Number of occurrences of AP per year	≤75	17
	Duration	Number of intervals AP applied per year	≤350	86
Market Facing Systems Availability				
Outbound Market Reports Publication	Availability	Average for the year as per respective schedule	≥99.0%	99.5%
Market Participant Interface	Availability	Average for the year	≥99.0%	99.9%
Dispatch & Scheduling Instructions	Availability	Average for the year	≥99.5%	99.1%
Corporate Web Site	Availability	Average for the year	≥99.0%	99.4%