

November 30, 2004

TO ALL INTERESTED PARTIES:

RE: MARKET SURVEILLANCE ADMINISTRATOR 2005 BUDGET

The Market Surveillance Administrator (MSA) has received approval for its 2005 budget in the amount of \$2,678,944 which, using the AESO estimated volume for 2005, equates to a total impact on the trading charge of \$0.0227/MWh.

In 2004, the MSA is expected to be over budget by about \$150,000. The unbudgeted cost of the Code of Conduct audit of seven companies for the January to June 2004 stub period and the use of consulting assistance for the TMR investigation more than explain this variance.

In order to continue to provide the industry with the high quality analytical work related to its special projects, while maintaining the level of ongoing monitoring to assure that the MSA follows the market, the MSA requires two additional analysts. The 2005 budget also includes significantly higher estimated costs to cover the use of outside auditors to audit almost twice as many companies for Code of Conduct audits. While the MSA does budget for the potential of using outside consultants to assist with investigations, it does not place any monies in the budget to cover the costs of unknown hearings before the Tribunal. Should the MSA incur the cost of a hearing before it's Tribunal, the MSA would collect those funds in the following year.

The MSA thanks the industry participants for their support and advice with respect to our initiatives of 2004 and we look forward to assisting you through 2005 with competent surveillance, germane analysis and timely investigation. The focus of our work continues to be assuring fair, efficient open competition.

Yours truly,

"Original signed by Wayne Silk"

W.W. (Wayne) Silk
Vice President and
Chief Operating Officer