

December 1, 2006

TO ALL INTERESTED PARTIES:

RE; MARKET SURVEILLANCE ADMINISTRATOR 2007 BUDGET

The Market Surveillance Administrator (MSA) has received approval for its 2007 budget in the amount of \$2,992,111 which, using the AESO estimated volume for 2007, equates to the MSA's portion of the trading charge being \$0.0245/MWh.

In 2006, the MSA is expected to be under budget by about \$60,000. This is principally driven by the delay in hiring additional staff due to the challenges of a very competitive staffing market. In 2007 the MSA has budgeted for significant additional outside consulting and legal costs to ensure that we are capable of meeting the changing expectations of Albertans and market participants.

The MSA thanks the industry participants for their support and advice with respect to our initiatives of 2006 and we look forward to assisting you through 2007 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