

August 22, 2007

**NOTICE TO MARKET PARTICIPANTS**

Over the past 10 to 15 days the market has observed a significant decline in the forward price of the September 2007 electricity contract. There are many reasons why participants' forward view of prices change, although the rapid change of the September contract price is unusual. One of the primary drivers likely was the deferral of the S-KEG Conversion project announced to the market on the AESO's web site on August 14. However, the slide in the September contract started earlier than that. Other factors may also have played a role and might help to explain the timing of the slide in price.

The MSA monitoring team is undertaking a review of the circumstances surrounding the rapid changes in the September contract price to assure itself that that prices were driven by market fundamentals and that there was no untoward behavior in terms of breaching the MSA's Trading Practices Guideline. In due course, we will report our findings to the market.

If you have any information that you feel would be of assistance to the MSA in this work, please feel free to contact the undersigned.

Sincerely,

*"Original signed by Mike Nozdryn-Plotnicki"*

Mike Nozdryn-Plotnicki  
Manager, Market Monitoring