

NOTICE TO PARTICIPANTS AND STAKEHOLDERS

November 28, 2016

Re: Market Surveillance Administrator 2017 Budget

The Market Surveillance Administrator (MSA) has received approval of its 2017 budget from the Chair of the Alberta Utilities Commission Willie Grieve QC. The MSA's budget in full for 2017 is \$4,070,611 however, given a projected deferral of \$1,872,739 in surplus funds at the end of 2016, the aggregate funding request for 2017 was \$2,197,872. Applying the aggregate funding request to the AESO's estimated volume of energy in 2017, results in an energy market trading charge contribution for the MSA of approximately \$0.0172/MWh.

In 2016, the MSA had no contribution to the energy market trading charge due to a reimbursement of costs in relation to AUC proceeding 3110. The MSA's trading charge impact for 2017 effectively represents the return of remaining 3110 cost reimbursement funds to market participants and ultimately consumers.

The MSA looks forward to working with stakeholders in 2017 for the benefit of Alberta's electricity and retail natural gas markets.

Yours truly,

/s/ Matt Ayres

Market Surveillance Administrator