

Subject: Trading Practices Guideline and Information Disclosure Procedures
Frequently Asked Questions Last updated: March 11, 2004

Following the publication of the reports “**MSA Trading Practices Guideline**” (TPG) on February 18, 2004 and the “**Information Asymmetry in Alberta’s Forward Market – Seeking Solutions**” (IDP) on March 02, 2004 the MSA received feedback from a number of market participants asking for clarification regarding the intention of some the sections contained in the TPG and IDP. The questions and answers below are in response to this initial feedback and as more consultations occur with participants the list will be updated as necessary.

1. **Q:** What is the MSA attempting to accomplish with the TPG?
A: Prevent the trading on the basis of known but not public information about the status of supply, load or transmission assets that can reasonably be expected to have a material impact on market price.
2. **Q:** What is meant by the term “Operational Strategy” in the TPG?
A: Trading as described in the TPG can encompass a number of different actions that *intend* to extract value from undisclosed outage information. Operational strategies refer to but are not limited to adjusting the availability or operating status of one or more assets with the *intent* of extracting economic value from outage information that has not been made available to the public.
3. **Q:** Does the TPG in any way constrain the price/offer block strategies that are submitted to the System Controller on a daily basis?
A: Whatever offer strategies were available to participants before this guideline continue to be at the disposal of the participants provided those strategies are not used in a fashion which levers off the knowledge of outage information before it has been made public.
For example, \$0/0 MW strategies are not affected by the TPG. If the unit is expected to be physically available, no disclosure is required. However, if the unit will not be physically available then disclosure is required.
4. **Q:** What non-public information is covered by the TPG?
A: Information related to asset outages.
5. **Q:** Who is responsible for reporting outages?
A: The asset owner or its designate is responsible for submitting outage information. Regardless of who submits the information, all parties who have knowledge of the event are still bound by the conditions of the TPG until it becomes public.
6. **Q:** To what entity is the outage information submitted?
A: In the interim outage information is to be submitted to the Alberta Electric System Operator (AESO) pursuant to the Process Description: Generation Outage Scheduling Coordination (AESO Procedures). The AESO Procedures may be found at the following link:
http://ets.powerpool.ab.ca/Market/Reports/Manual/AiesGraphs/process_description.html

7. **Q:** When must an outage be reported?
A: Information about an outage schedule should be submitted once a decision has been made concerning when the asset will be taken off line or when it will be returned to service. The MSA expects that market participants will maintain appropriate documentation of their decisions.
8. **Q:** For the purpose of TPG compliance, when has the outage information been made “public”?
A: Outage information is deemed to have been made “public” once it is submitted to the AESO pursuant to the AESO Procedures. This is an interim measure that will evolve as the necessary systems are developed to support a real time schedule that will be accessible on a public website.
9. **Q:** What is the obligation with respect to submitting outage information?
A: Participants are expected to use a “good faith” approach in submitting the “best available outage information” on a timely basis and updated as required by any change in circumstances or information.
10. **Q:** What is the liability associated with the outage information being supplied?
A: Outage information is understood to be subject to a degree of uncertainty, including the possibility of change. The information which will be made public pursuant to the Interim IDP or any revised IDP should be used accordingly by market participants. This will be made clear in each publication of outage information.
There is a distinction to be made between uncertainty which is inherent to outage events and uncertainty which flows from a lack of good faith effort by the originator of the information. Parties acting in bad faith should not expect to be free of responsibility for their actions.
11. **Q:** Does the TPG conflict with the confidentiality provisions of the Power Purchase Arrangements?
A: The MSA does not believe that the TPG infringes upon any provisions contained in the PPAs. As proposed in the document “**Notice of Revised Date for Interim IDP**” posted on the MSA website March 04, 2004 the outage information will be disclosed on an aggregated basis which should address any concerns about disclosure of definitive asset information.
12. **Q:** What is meant by the term “forward market”?
A: The forward market is the “over the counter” or “exchange” market where parties transact with each other directly or indirectly for delivery of physical power or a financial derivative of it, for some future date.

Please do not hesitate to contact me at 403.705.3199 if you have any questions or concerns.

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