

# MSA STAKEHOLDER MEETING

*March 18, 2008 Edmonton*

*March 19, 2008 Calgary*

# AGENDA

Welcome & Opening Remarks

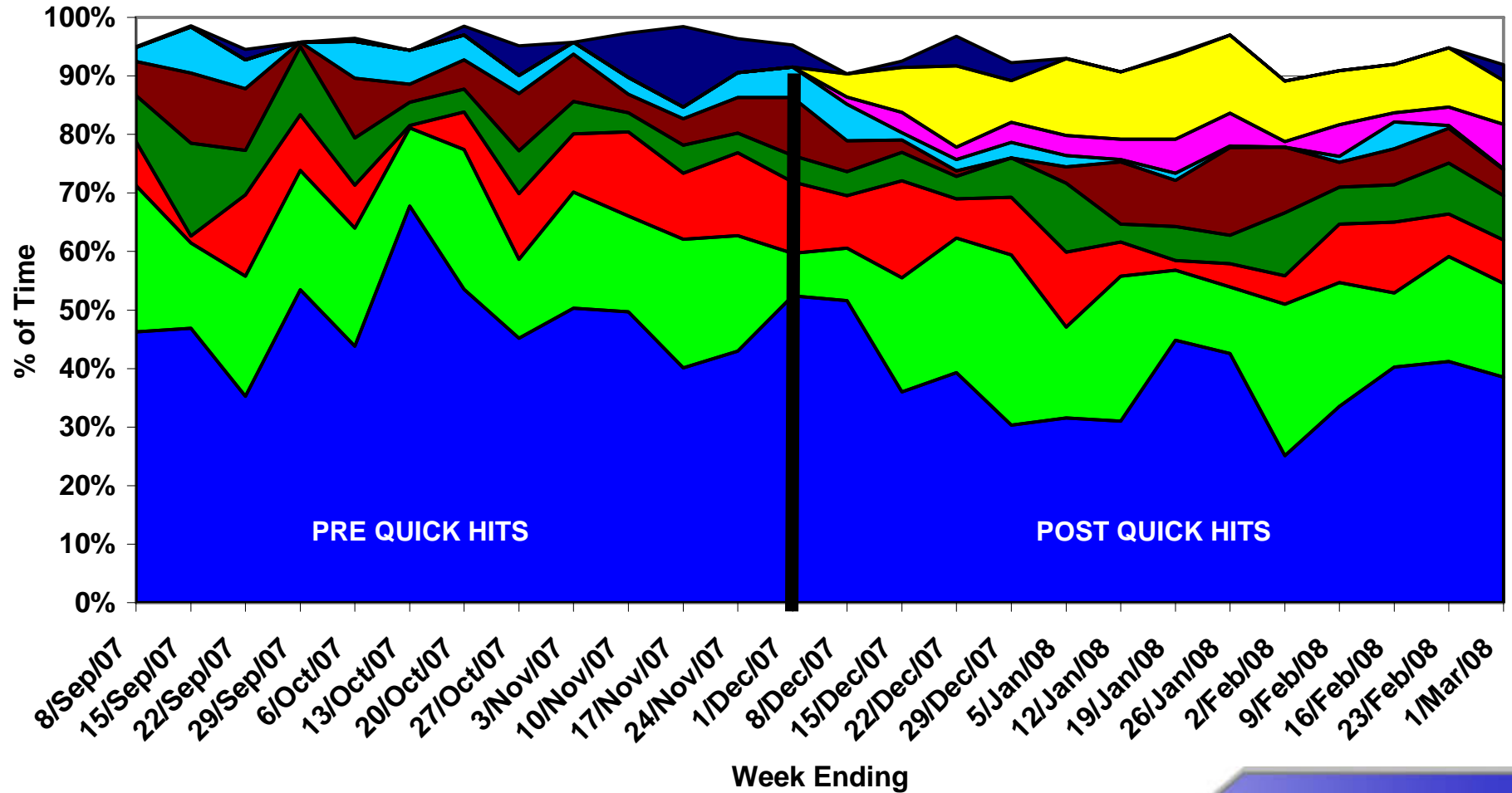
2007 Annual Report

Ongoing Activities for 2008

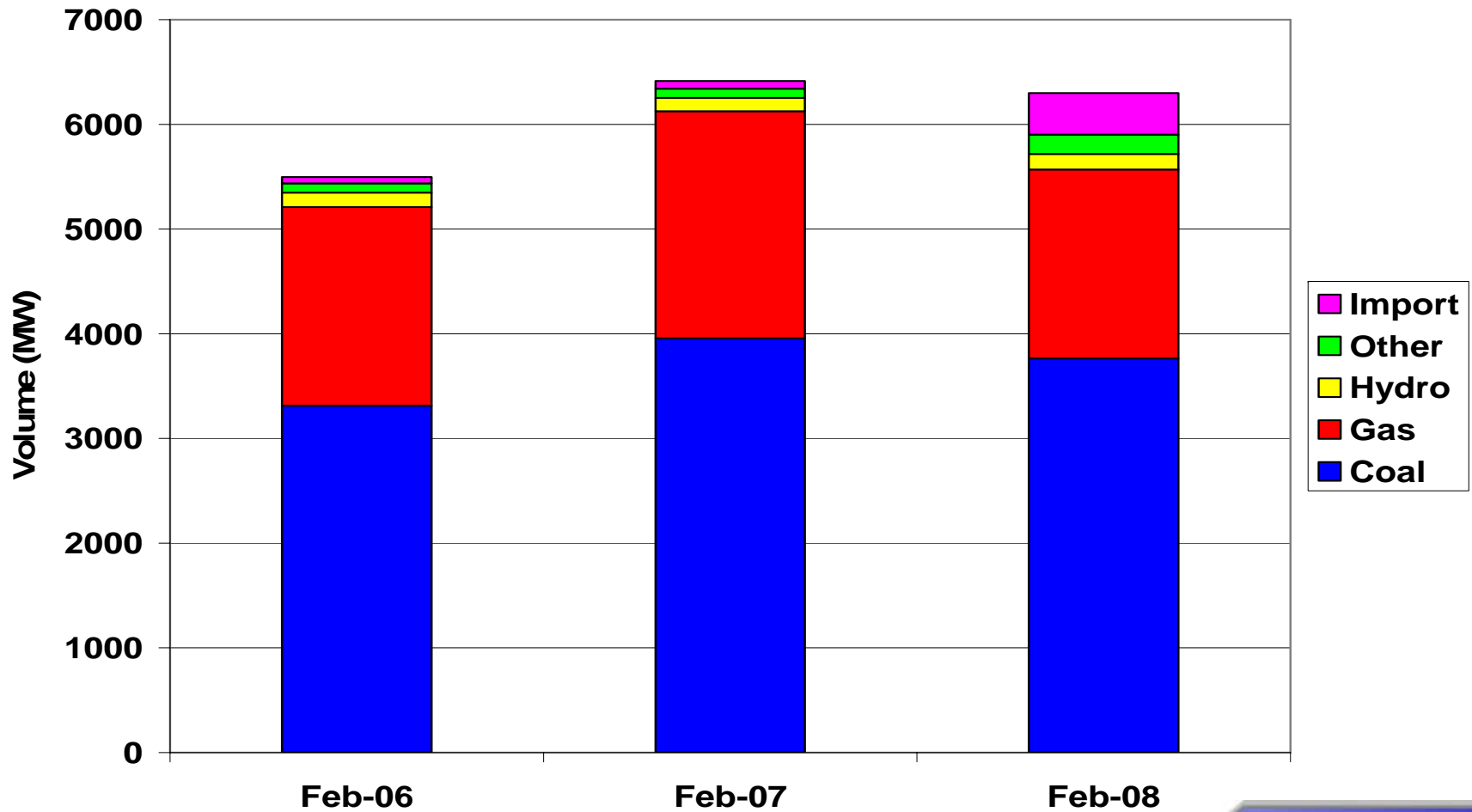
- Quick Hits - what is working, what remains a challenge
- Rules compliance
- Forward Trading - need for information
- Upcoming stakeholder consultations

Questions

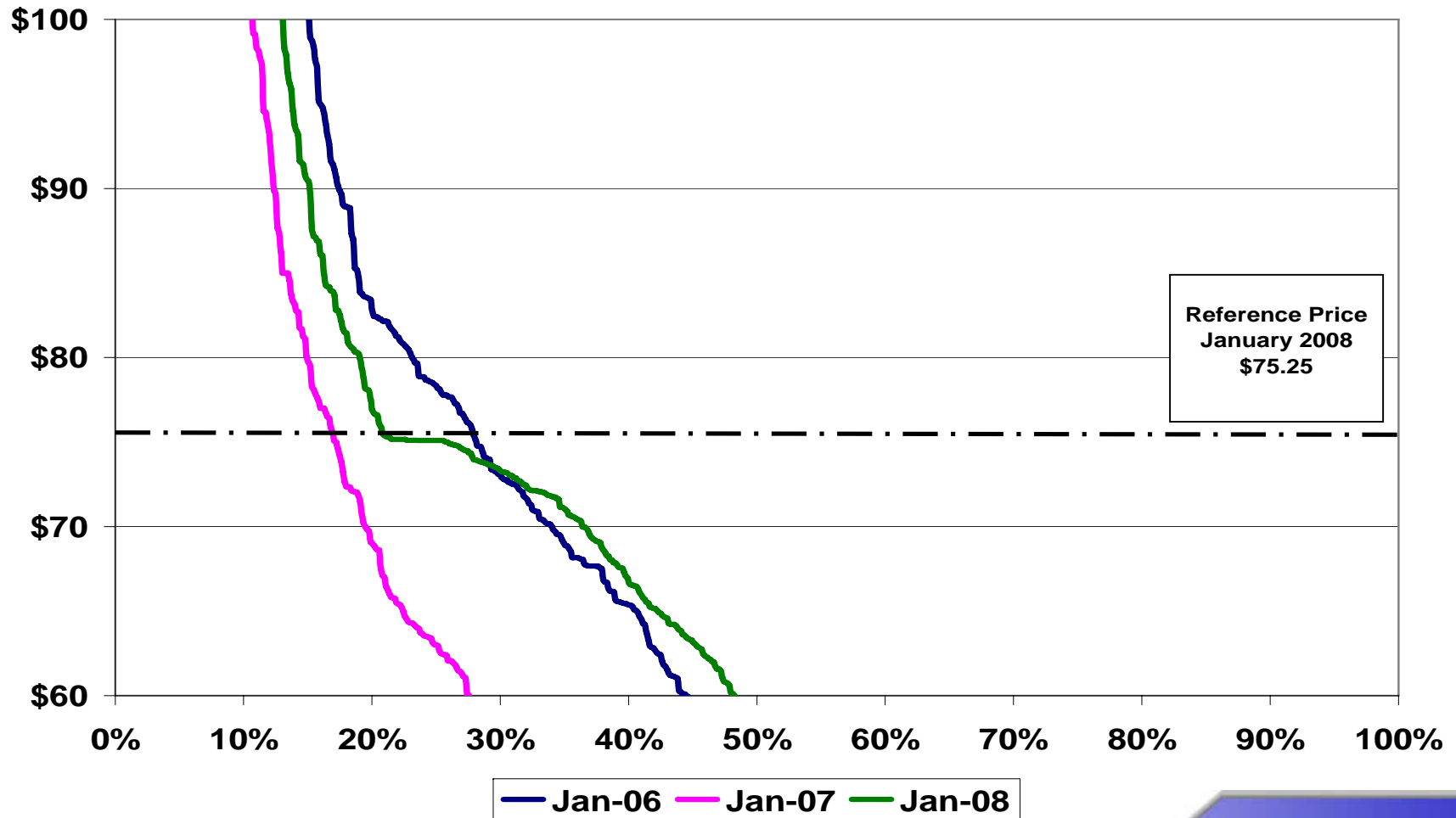
# WEEKLY PRICE SETTING SHARE BY SUBMITTING CUSTOMER



## VOLUME OF ZERO DOLLAR OFFERS - FEBRUARY



# POOL PRICE DURATION CURVE: IMPACT OF REFERENCE PRICE



# RULES COMPLIANCE

- As of March 1, 2008 AESO had 74 files open
  - 36 files to be settled by the AESO process of the old EUA
  - 38 files to be considered in consultation with the MSA
  - 5 files have been referred by the AESO to the MSA as suspected breaches
    - These 5 files resulted in:
      - 1 file the MSA has closed with no action
      - 1 has been issued a letter of non compliance
      - 3 have been issued letters which include a financial penalty

AESO FLAGS  
POTENTIAL  
BREACHES

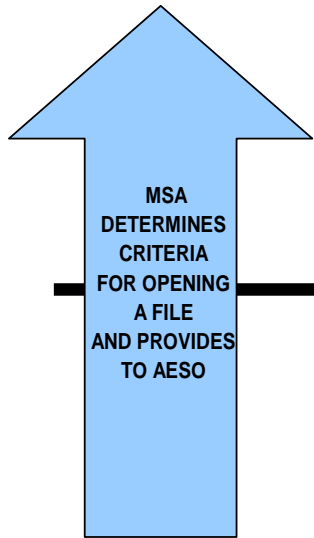
INFORMS MSA  
AT REGULAR  
INTERVALS

OPENS FILE BASED  
ON MSA CRITERIA

# AESO

KEY COMMUNICATOR WITH THE PARTICIPANT

- Interview's Participants & Gathers Facts
- Assesses Situation & Provides Perspective

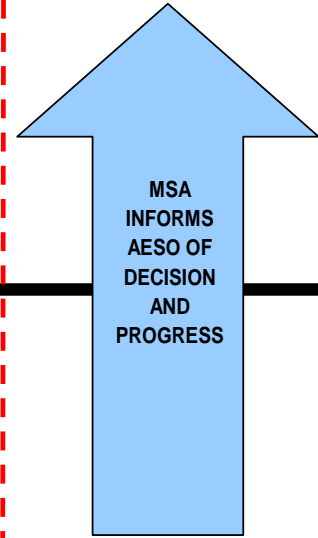


DECISION TO OPEN A FILE

CONTINUOUS  
COMMUNICATION

REGARDING ALL  
OPEN FILES

DECISION TO CLOSE FILE OR PROCEED



MSA DECIDES  
IF A FILE SHOULD  
BE OPENED OR  
NOT

DECISION TO CLOSE FILE OR PROCEED IS MADE BY MSA

# MSA

KEY  
COMMUNICATOR  
WITH  
PARTICIPANT

FINAL DECISION  
MAKER

# RULES COMPLIANCE

- Outcome is in the hands of the Participant
  - Can abide by the warning letter, make changes and avoid future problems
  - Can pay the fine
  - Can ignore the fine and do nothing
  - Can formally object to the specified penalty letter to the MSA
- Either of the last two results in the MSA processing the file with the AUC



# RULES COMPLIANCE

- Penalty matrix is designed to handle minor transgressions
- If we were to think that the issue had more intent or appears to more significantly impact FEOC
  - The file would be passed to Investigations for the development of a more formal prosecution

# FORWARD TRADING DATA

- As of January 1, 2008 the definition of market participants includes OTC brokers
- Long-term health of the market is best gauged from the liquidity of the forward market
- In the past, we had limited view through NGX
- Will begin to collect data on a more systematic basis in the near future

# FORWARD TRADING DATA

- Regular anonymous publication of the forward market liquidity will be included in our quarterly reports
- We look for ideas on the style of the report from participants

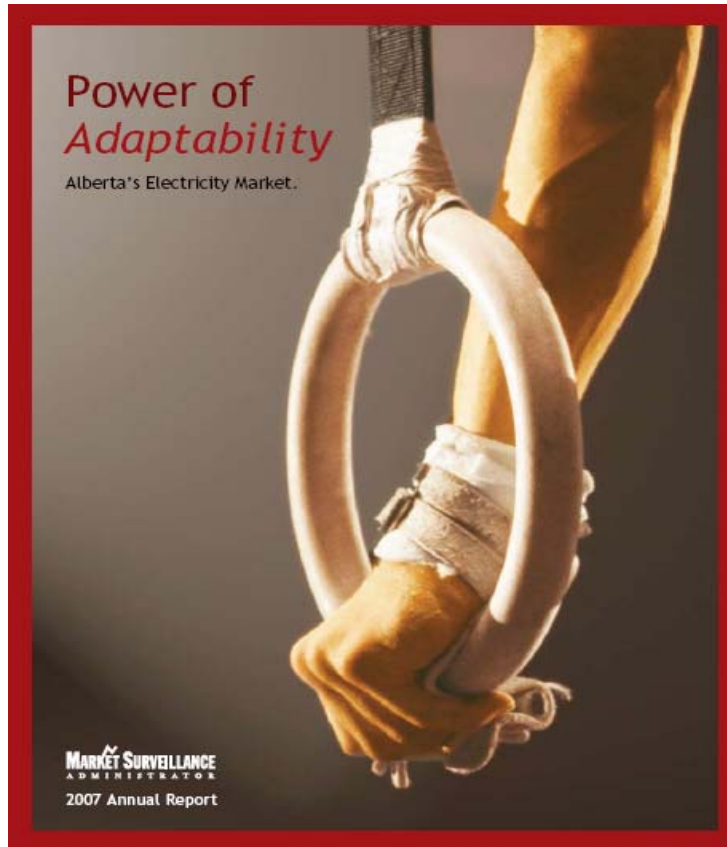
# STAKEHOLDER CONSULTATIONS

- **Stakeholder Consultation**
  - Investigation Procedures
- **MSA Guidelines**
  - Acceptable Import/Export Behaviour

# OTHER ISSUES

- **Issues of Concern**
  - Handling of Instant Message Records
  - Protocol for standardizing time records
  - Investigations of both Principal and Agent
  - Need for better trader training with respect to rules and regulations

**QUESTIONS?**



**The Corporate Annual -  
*Available today***



**Year in Review - The Technical  
Annual Available on the website**