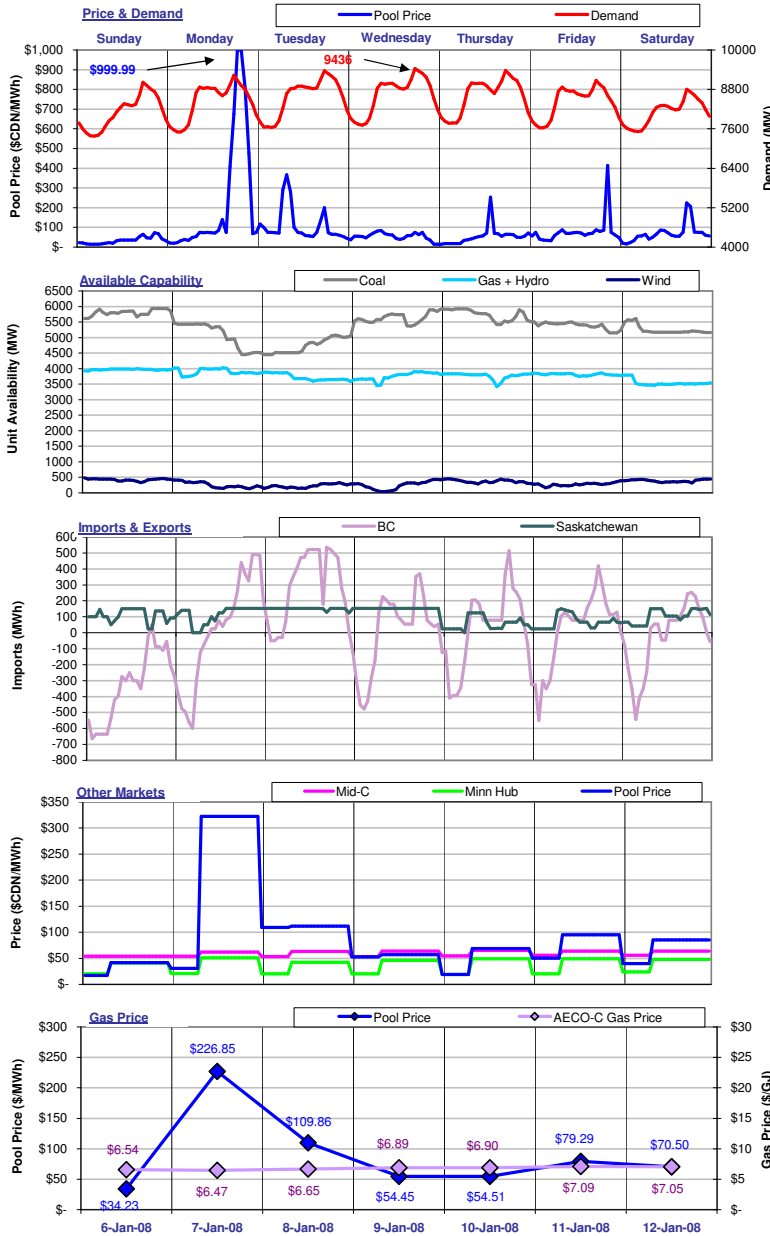


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending January 12, 2008

Weekly Highlights



For the week ending January 12, 2008, **Pool Price** averaged \$89.96/MWh and ranged from a minimum of \$14.35/MWh in HE04 on Sunday to a maximum of \$999.99/MWh in HE19 on Monday. **Demand** reached a high of 9436 MW in HE18 on Wednesday and a low of 7382 MW in HE05 on Sunday. Average demand for the week was 8411 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.08.

Coal Unit Availability averaged 5374 MW last week. This is an equivalent availability of 89%. **Gas, Hydro and Other Unit Availability** averaged 3782 MW last week, which is an equivalent of 78%. **Wind Generation** averaged 312 MW last week. This is an equivalent availability of 63%. Availability numbers are based on MW offered into the energy merit order.

Alberta was a net exporter to BC last week with total exports equal to 185MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 18,146 MWh. Overall, Alberta imported 17,961MWh of electricity last week.

Pool Prices were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$63.50/MWh on-peak and \$54.41/MWh off-peak. **Minn Hub** prices averaged \$47.59/MWh on-peak and \$20.67/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.00328.

The average **AECO-C Gas Price** last week was \$6.80/GJ and ranged from a minimum of \$6.47/GJ to \$7.09/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.23 GJ/MWh to a high of 35.04 GJ/MWh. The average market heat rate for the week was 13.39 GJ/MWh.

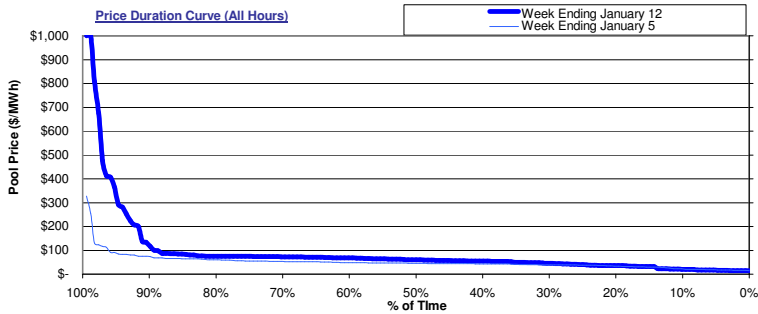


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for the previous week. Any questions regarding the material in this publication should be directed to MSA staff. Our contact information is available on the MSA website: www.albertamsa.ca

Wholesale Market

Weekly Market Statistics

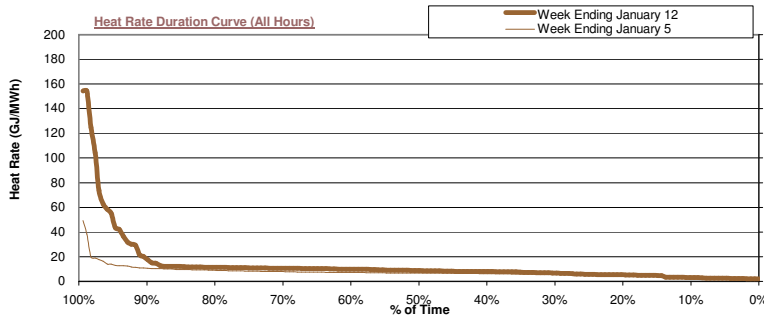
	Sunday 6-Jan	Monday 7-Jan	Tuesday 8-Jan	Wednesday 9-Jan	Thursday 10-Jan	Friday 11-Jan	Saturday 12-Jan	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 34.23	\$ 226.85	\$ 109.86	\$ 54.45	\$ 54.51	\$ 79.29	\$ 70.50	\$ 89.96	\$ 50.32	78.8%	\$ 72.22
On-Peak	NA	\$ 322.12	\$ 112.02	\$ 56.98	\$ 68.82	\$ 95.05	\$ 85.42	\$ 123.40	\$ 55.45	122.6%	\$ 92.77
Off-Peak	\$ 34.23	\$ 36.32	\$ 105.54	\$ 49.38	\$ 25.91	\$ 47.76	\$ 40.67	\$ 45.36	\$ 43.49	4.3%	\$ 40.87
COV	0.51	1.41	0.78	0.33	0.86	0.92	0.69	0.79	0.44	77.3%	
Heat Rate											
Average	5.23	35.04	16.52	7.90	7.90	11.18	9.99	13.39	7.91	69.2%	10.85
On-Peak	NA	49.75	16.85	8.27	9.97	13.41	12.11	18.39	8.68	111.9%	13.94
Off-Peak	5.23	5.61	15.87	7.16	3.75	6.74	5.77	6.73	6.89	-2.3%	6.14
Demand											
Average	8,103	8,440	8,566	8,638	8,611	8,413	8,108	8,411	8,254	1.9%	8,356
Minimum	7,382	7,503	7,646	7,712	7,772	7,629	7,516	7,594	7,460	1.8%	7,382
Maximum	9,020	9,226	9,365	9,436	9,374	9,074	8,806	9,186	9,096	1.0%	9,436
Coal Unit Availability											
Average	5,807	5,079	4,737	5,631	5,731	5,381	5,251	5,374	5,563		5,489
AC/MC	97%	85%	79%	94%	95%	90%	87%	89%	93%	-3.1%	91%
Gas, Hydro and Other Unit Availability											
Average	3,970	3,899	3,717	3,753	3,766	3,812	3,540	3,779	3,997		3,861
AC/MC	82%	80%	76%	77%	77%	78%	73%	78%	82%	-4.5%	79%



The price duration curves show the % of time that prices were at or below a certain value during the week.

For the week ending **January 12**, prices were at or below:

\$20/MWh	10% of the time
\$50/MWh	35% of the time
\$100/MWh	89% of the time
\$250/MWh	93% of the time
\$500/MWh	97% of the time



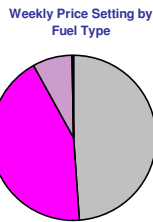
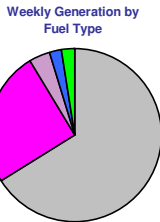
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **January 12** implied market heat rates were at or below:

5.0 GJ/MWh	18% of the time
10.0 GJ/MWh	62% of the time
15.0 GJ/MWh	89% of the time
20.0 GJ/MWh	90% of the time

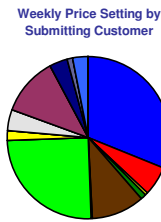
Market Share Statistics

By Fuel Type:

■ Coal
 ■ Gas - Cogen
 ■ Gas - Other
 ■ Hydro
 ■ Other

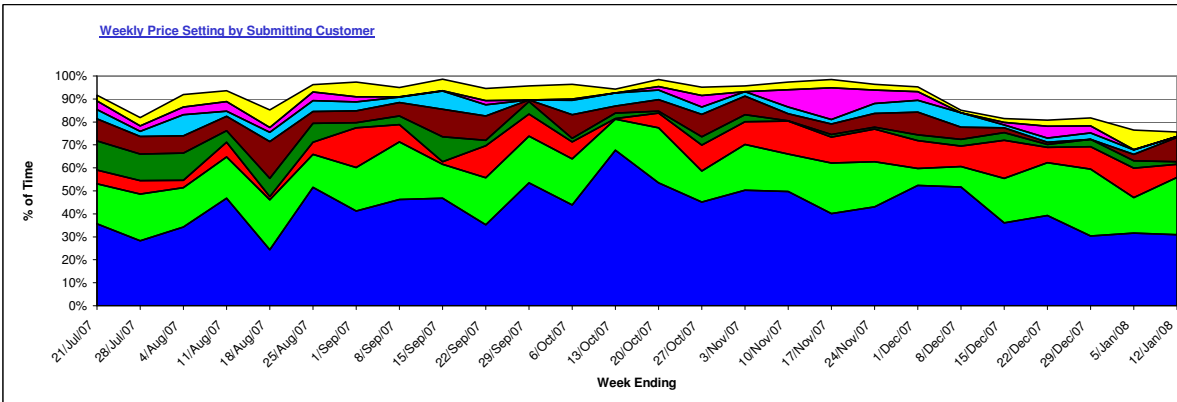


By Submitting Customer:

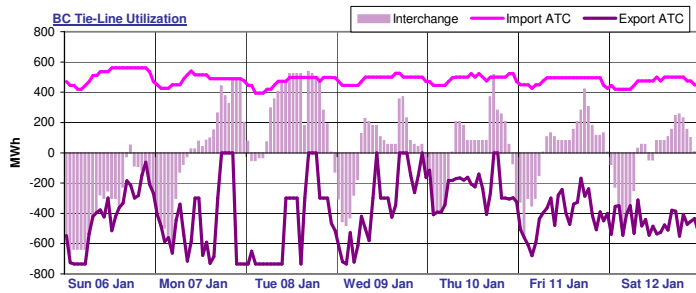


Last week, coal units were responsible for 66.0% of the generation in the province and set price 48.5% of the time. Gas-cogen units accounted for 25.3% of the generation and set price 43% of the time last week while other gas units made up 3.9% of generation and set price 7.8% of the time.

A total of 14 market participants set price last week. Two market participants set price more than 20% of the time last week. The top price setter set price 31.0% of the time and the top five price setters set price a total of 83.7% of the time.

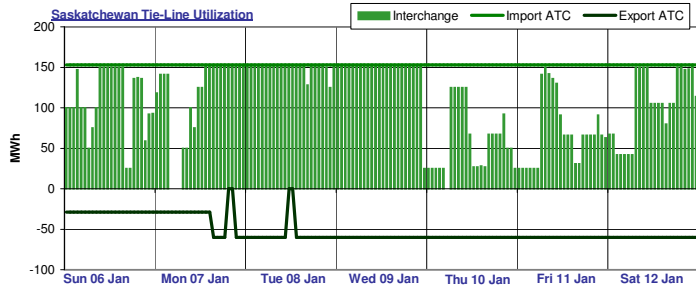


Interties

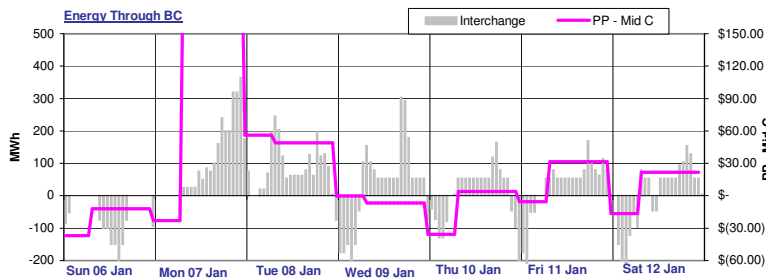


BC import capacity was 26% utilized last week while BC export capacity was 32% utilized. Energy was being imported into Alberta over the BC tie-line 60% of the time and exported out of Alberta over the BC tie-line 40% of the time last week. There was no activity on the BC tie-line 0% of the time last week.

Note: External reserve contract volumes have been subtracted from the BC import ATC as this capacity is not available to import energy into Alberta.



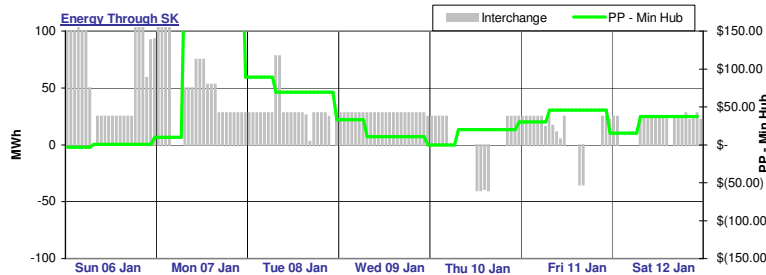
Saskatchewan import capacity was 71% utilized last week while Saskatchewan export capacity was 2% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 98% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 2% of the time last week.



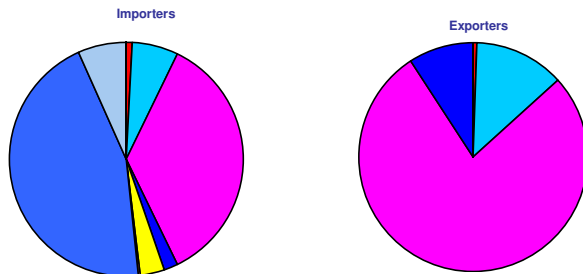
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally higher than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supports import activity across the Alberta - Saskatchewan interconnection.

Note: Platt's day-ahead strip prices used in energy through BC and SK graphs.



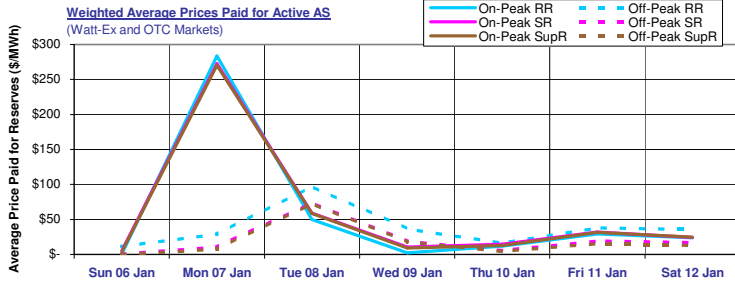
Tie-Line Market Shares



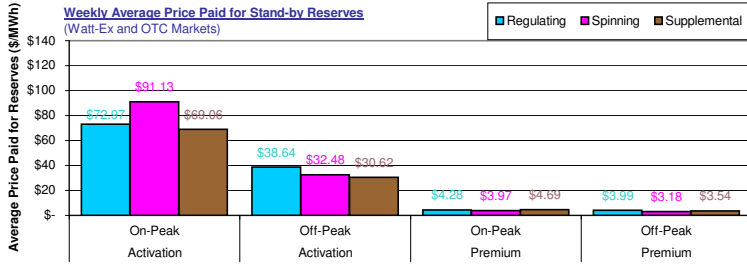
Last week, there were a total of 8 importers. The most active importer had a market share of 45.1% while the second most active importer had a market share of 35.6%. There were a total of 4 exporters last week. The most active exporter had a market share of 77.4% while the next largest exporter had a market share of 12.8%.

Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market

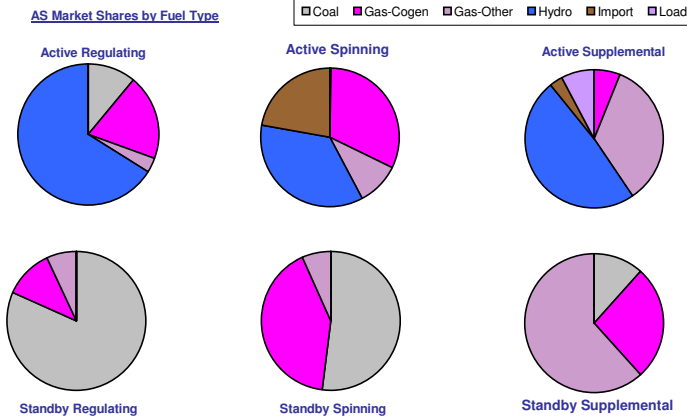


Average on-peak prices paid for active ancillary services last week were **\$57.10/MWh**, **\$57.46/MWh** and **\$57.27/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices were **lower** and averaged **\$37.33/MWh**, **\$21.22/MWh** and **\$18.74/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$30.62/MWh** for **off-peak spinning** reserves to **\$91.13/MWh** for **on-peak spinning** reserves.
Weekly average premium prices ranged from **\$3.18/MWh** for **off-peak supplemental** reserves up to **\$4.69/MWh** for **on-peak regulating** reserves.

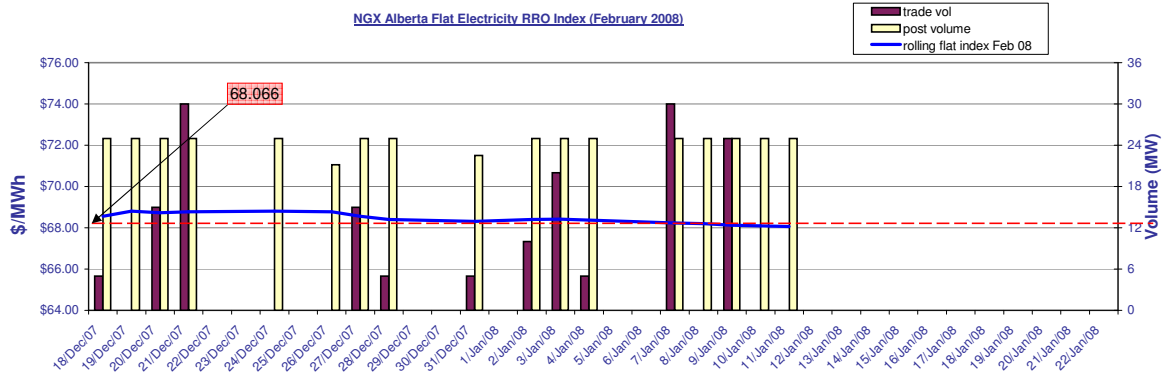
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **66%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **35.6%** while in the **active supplemental** reserve market, **hydro** units dominated with a **48.8%** market share.

Coal units dominated the **standby regulating** reserve market with a **81.5%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **51.8%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **61.6%**.

RRO Procurement



Glossary

- On-Peak Hours**
In Alberta: HE08 through HE23, Monday through Saturday (prevailing Mountain time)
In Mid-C: HE07 through HE22, Monday through Saturday (prevailing Pacific time)
In Minn Hub: HE08 through HE23, Monday through Sunday (prevailing Central time)
- Off-Peak Hours**
In Alberta: HE01 through HE07 + HE24 (of the same day), Monday through Saturday + HE01 through HE24 Sundays + holidays (prevailing Mountain time)
In Mid-C: HE24 (of the previous day) through HE07 (of the day in question), Monday through Saturday + HE01 through HE24 Sundays + holidays (prevailing Pacific time)
In Minn Hub: HE24 (of the previous day) through HE07 (of the day in question), Monday through Sunday (prevailing Central time)
- ATC**
A measure of the maximum energy flow possible in one direction across an intertie.
- Market Heat Rate**
The prevailing Pool price divided by the prevailing gas price.
- Sparks spread**
Sparks spreads give an indication of the revenue available to cover costs after fuel costs have been paid. A positive spread indicates it is more economical to buy gas and generate electricity while a negative spread indicates it is more economical to buy electricity from the grid.