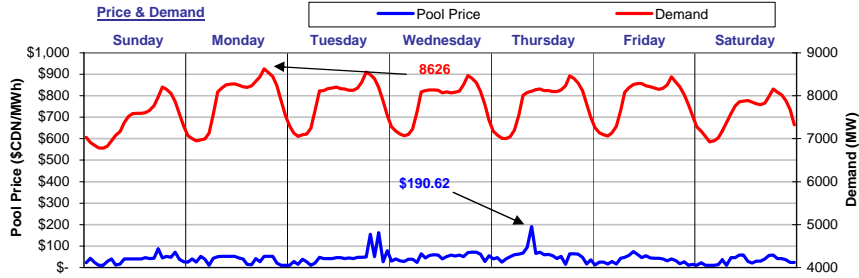


The Market Monitor

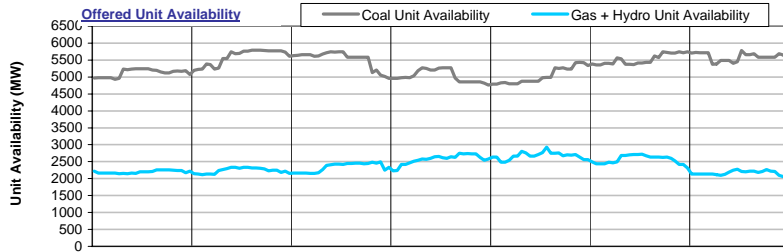
WATCHING THE MARKET : your fact source

Week Ending February 19, 2005

Weekly Highlights

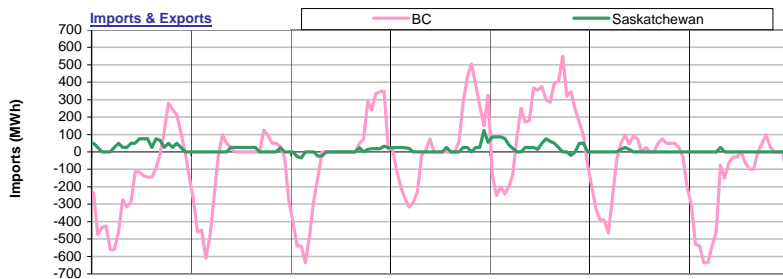


For the week ending February 19, 2005, Pool Price averaged \$42.51/MWh and ranged from a minimum of \$10.84/MWh in HE05 on Saturday to a maximum of \$190.62/MWh in HE10 on Thursday. Demand reached a high of 8626 MW in HE19 on Monday and a low of 6782 MW in HE05 on Sunday. Average demand for the week was 7769MW. Pool Price and Demand were positively correlated last week with an R-squared value of 0.22.

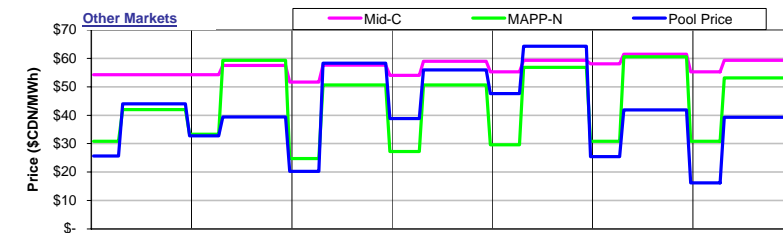


Coal Unit Availability averaged 5348 MW last week. This is an equivalent availability of 92% (based on MCR). Gas and Hydro Unit Availability averaged 2395MW last week, which is an equivalent of 42% (based on MCR).

Availability numbers are based on MW offered into the energy merit order.

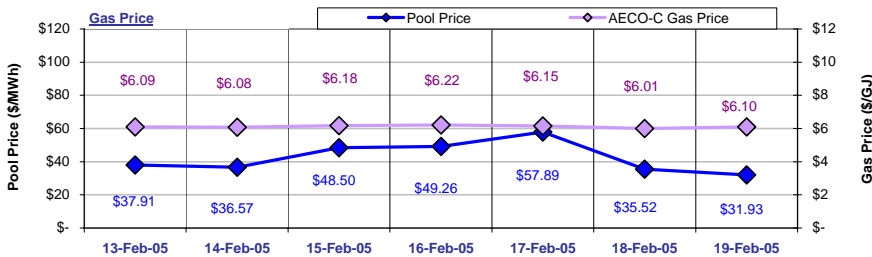


Alberta was a net exporter from BC last week with total exports equal to 8,742MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,443MWh. Overall, Alberta exported 6,299MWh of electricity last week.



Pool Prices were generally lower than prices in Mid-C and lower than prices in MAPP-N last week. Mid-C prices averaged \$59.05/MWh on-peak and \$54.68/MWh off-peak. MAPP-N prices averaged \$55.19/MWh on-peak and \$29.65/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.2355.

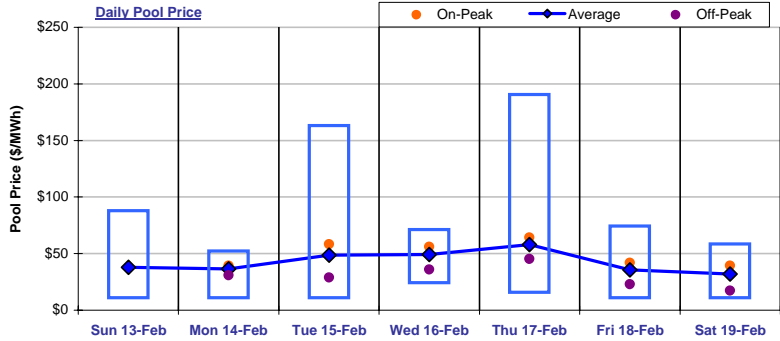


The average AECO-C Gas Price last week was \$6.12/GJ and ranged from a minimum of \$6.01/GJ to \$6.22/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.23GJ/MWh to a high of 9.42GJ/MWh. The average market heat rate for the week was 6.94GJ/MWh.

Wholesale Market

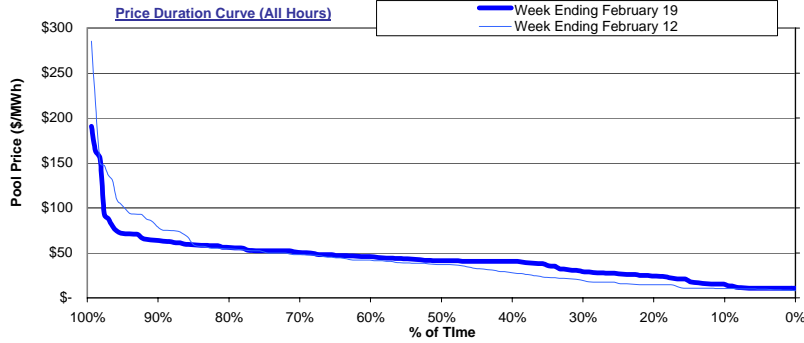
Weekly Market Statistics

| | Sunday 13-Feb | Monday 14-Feb | Tuesday 15-Feb | Wednesday 16-Feb | Thursday 17-Feb | Friday 18-Feb | Saturday 19-Feb | Average | Last Week | % Change | YTD |
|----------------------------------------|------------------|------------------|-------------------|---------------------|--------------------|------------------|--------------------|----------|--------------|----------|----------|
| Pool Price | | | | | | | | | | | |
| Average | \$ 37.91 | \$ 36.57 | \$ 48.50 | \$ 49.26 | \$ 57.89 | \$ 35.52 | \$ 31.93 | \$ 42.51 | \$ 41.42 | 2.6% | \$ 47.44 |
| On-Peak | NA | \$ 39.44 | \$ 58.33 | \$ 55.98 | \$ 64.24 | \$ 41.88 | \$ 39.29 | \$ 49.86 | \$ 41.90 | 19.0% | \$ 50.92 |
| Off-Peak | \$ 37.91 | \$ 30.83 | \$ 28.84 | \$ 35.84 | \$ 45.20 | \$ 22.79 | \$ 17.23 | \$ 32.72 | \$ 40.79 | -19.8% | \$ 38.28 |
| COV | 0.47 | 0.44 | 0.77 | 0.30 | 0.58 | 0.47 | 0.52 | 0.51 | 0.68 | -25.6% | |
| Demand | | | | | | | | | | | |
| Average | 7,425 | 7,904 | 7,895 | 7,849 | 7,831 | 7,886 | 7,597 | 7,769 | 7,834 | -0.8% | 7,498 |
| Minimum | 6,782 | 6,952 | 7,057 | 7,071 | 7,000 | 7,065 | 6,925 | 6,979 | 7,077 | -1.4% | 6,017 |
| Maximum | 8,204 | 8,626 | 8,556 | 8,470 | 8,462 | 8,440 | 8,160 | 8,417 | 8,471 | -0.6% | 9,236 |
| Coal Unit Availability | | | | | | | | | | | |
| Average | 5,125 | 5,594 | 5,530 | 5,034 | 5,035 | 5,521 | 5,595 | 5,348 | 5,322 | 0.4% | 5,352 |
| Utilization | 88% | 96% | 95% | 86% | 86% | 95% | 96% | 92% | 91% | | 92% |
| Gas and Hydro Unit Availability | | | | | | | | | | | |
| Average | 2,199 | 2,239 | 2,342 | 2,575 | 2,675 | 2,566 | 2,170 | 2,395 | 2,353 | 0.7% | 2,472 |
| Utilization | 46% | 47% | 49% | 54% | 56% | 54% | 46% | 42% | 41% | | 44% |



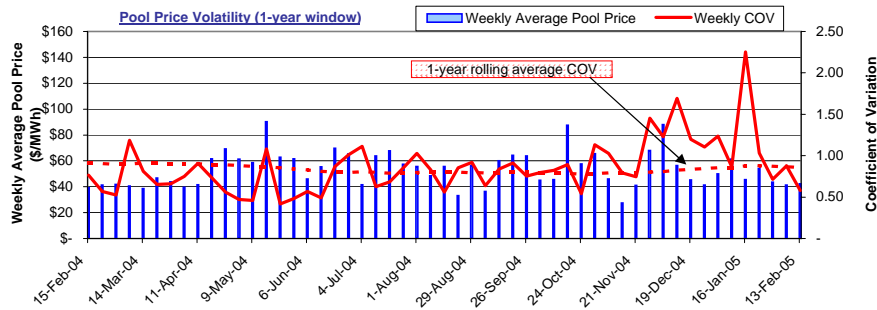
The Daily Pool Price graph plots the daily range in hourly Pool price (defined by the blue box) along with the daily average and daily on and off-peak prices. The on-peak Pool price for the week was \$49.86/MWh while the off-peak Pool price for the week was \$32.72/MWh.

Note: Sundays and most statutory holidays are defined as off-peak.



The price duration curves show the % of time that prices were at or below a certain value during the week. For the week ending February 19, prices were at or below:

| | |
|-----------|------------------|
| \$20/MWh | 15% of the time |
| \$50/MWh | 68% of the time |
| \$100/MWh | 98% of the time |
| \$250/MWh | 100% of the time |
| \$500/MWh | 100% of the time |



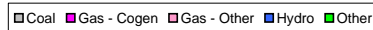
The chart plots average weekly Pool Price and the Coefficient of Variation (COV) of hourly Pool prices for the week. The COV is a standard statistical measure of volatility.

Pool price volatility decreased for the week ending February 19 from the previous week.

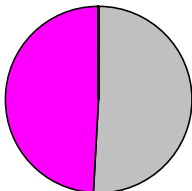
Pool price volatility also moved below the 1-year rolling average COV value.

Market Share Statistics

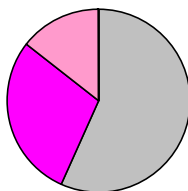
By Fuel Type:



Weekly Generation by Fuel Type

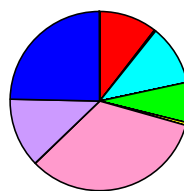


Weekly Price Setting by Fuel Type



By Submitting Customer:

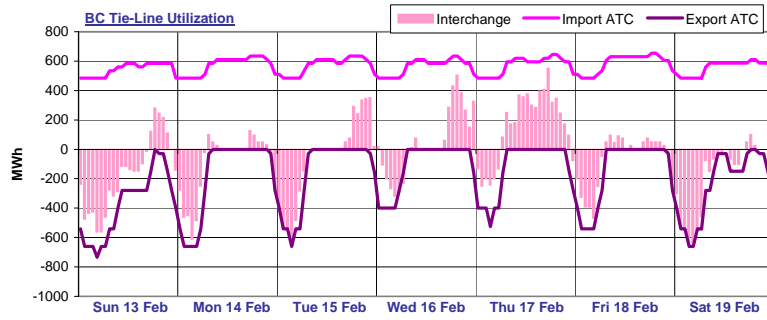
Weekly Price Setting by Submitting Customer



Last week, coal units were responsible for 50.8% of the generation in the province and set price 56.7% of the time. Gas-cogen units accounted for 49.2% of the generation and set price 28.9% of the time last week while other gas units made up 0.0% of generation and set price 14.4% of the time.

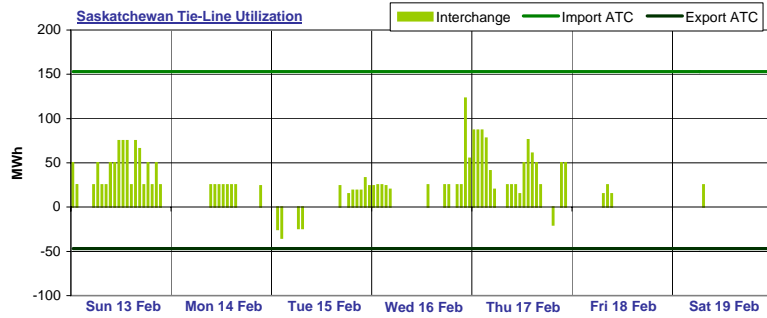
A total of 9 market participants set price last week. Two market participants set price more than 20% of the time last week. The top price setter set price 33.3% of the time and the top five price setters set price a total of 91.9% of the time.

Interties



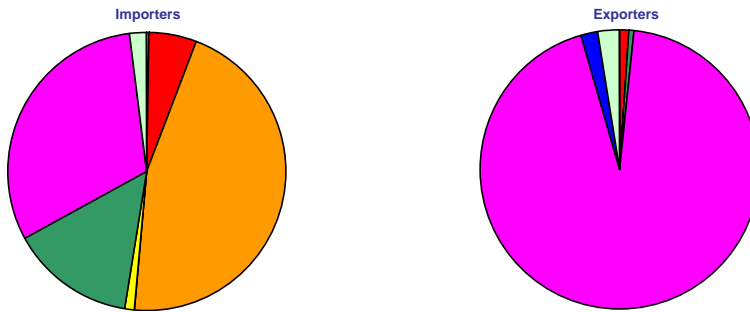
BC import capacity was 11% utilized last week while BC export capacity was 52% utilized. Energy was being imported into Alberta over the BC tie-line 39% of the time and exported out of Alberta over the BC tie-line 43% of the time last week. There was no activity on the BC tie-line 18% of the time last 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 10% utilized last week while Saskatchewan export capacity was 2% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 40% of the time and exported out of Alberta over the Saskatchewan tie-line 3% of the time last week. There was no activity on the Saskatchewan tie-line 57% of the time last week.

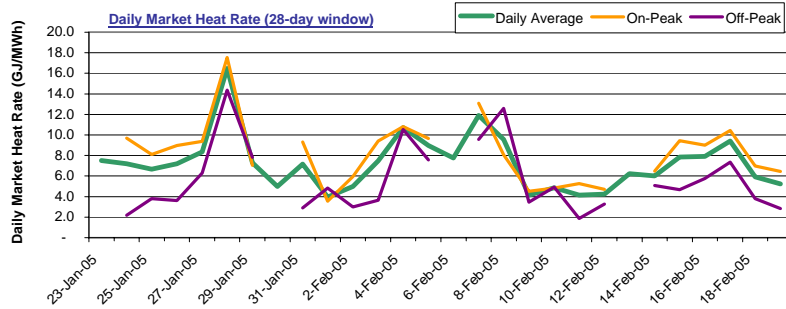
Tie-Line Market Shares



Last week, there were a total of 7 importers. The most active importer had a market share of 45.5% while the second most active importer had a market share of 31.2%. There were a total of 5 exporters last week. The most active exporter had a market share of 93.9% while the next largest exporter had a market share of 2.4%.

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

Market Heat Rates



Over the past 28 days, the daily Market Heat Rate averaged 7.3 GJ/MWh and ranged from a low of 4.0 GJ/MWh to a high of 16.5 GJ/MWh.

The daily On-Peak Market Heat Rate for the last 28 days averaged 8.3 GJ/MWh while the daily Off-Peak Market Heat Rate averaged 5.7 GJ/MWh.

Sparksreads

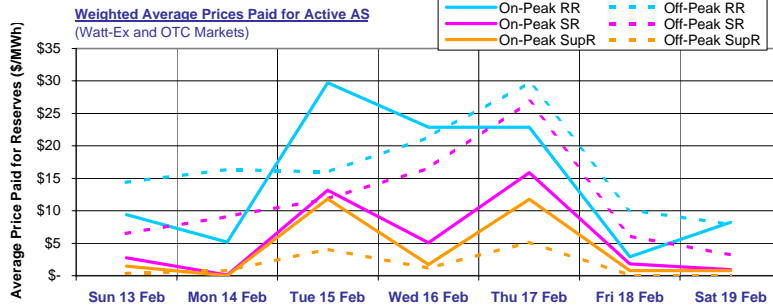
| Date | AECO-C Gas Price (\$/GJ) | Daily Average | | | On-Peak | | | Off-Peak | | |
|------------|--------------------------|---------------------|---------------------|---------|---------------------|---------------------|---------|---------------------|---------------------|---------|
| | | Pool Price (\$/MWh) | Sparksread (\$/MWh) | HR=10.0 | Pool Price (\$/MWh) | Sparksread (\$/MWh) | HR=10.0 | Pool Price (\$/MWh) | Sparksread (\$/MWh) | HR=10.0 |
| Sun 13 Feb | \$ 6.09 | \$ 37.91 | (7.80) | (23.03) | NA | NA | NA | \$ 37.91 | (7.80) | (23.03) |
| Mon 14 Feb | \$ 6.08 | \$ 36.57 | (9.02) | (24.21) | \$ 39.44 | (6.15) | (21.35) | \$ 30.83 | (14.76) | (29.95) |
| Tue 15 Feb | \$ 6.18 | \$ 48.50 | 2.17 | (13.27) | \$ 58.33 | 12.00 | (3.44) | \$ 28.84 | (17.49) | (32.94) |
| Wed 16 Feb | \$ 6.22 | \$ 49.26 | 2.65 | (12.89) | \$ 55.98 | 9.36 | (6.17) | \$ 35.84 | (10.78) | (26.31) |
| Thu 17 Feb | \$ 6.15 | \$ 57.89 | 11.79 | (3.58) | \$ 64.24 | 18.13 | 2.77 | \$ 45.20 | (0.90) | (16.27) |
| Fri 18 Feb | \$ 6.01 | \$ 35.52 | (9.53) | (24.54) | \$ 41.88 | (3.17) | (18.18) | \$ 22.79 | (22.25) | (37.27) |
| Sat 19 Feb | \$ 6.10 | \$ 31.93 | (13.83) | (29.09) | \$ 39.29 | (6.48) | (21.73) | \$ 17.23 | (28.54) | (43.79) |

Daily average sparksreads last week were mostly negative for a heat rate of 7.5 GJ/MWh and all negative for a heat rate of 10.0 GJ/MWh.

On-peak sparksreads last week were mostly negative for a heat rate of 7.5 GJ/MWh and mostly negative for a heat rate of 10.0 GJ/MWh.

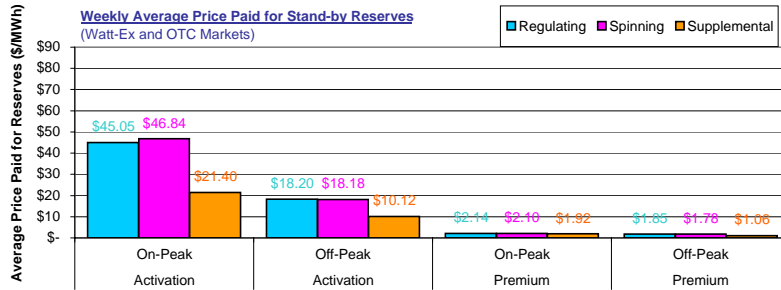
Off-peak sparksreads last week were all negative for a heat rate of 7.5 GJ/MWh and all negative for a heat rate of 10.0 GJ/MWh.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$14.38/MWh, \$5.82/MWh and \$4.18/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

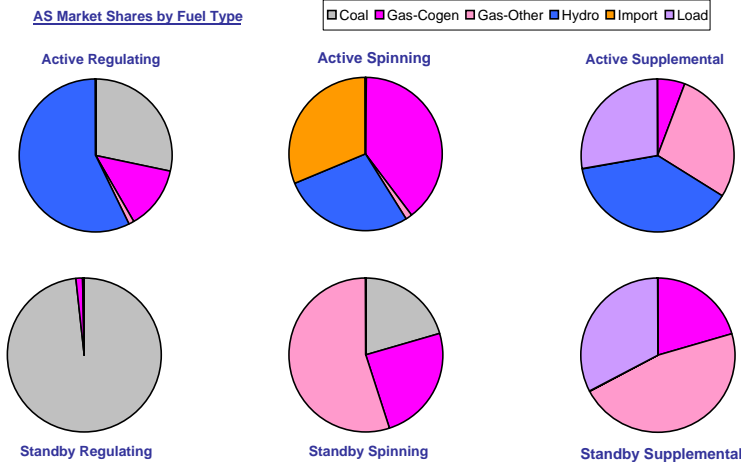
Active average off-peak prices were somewhat higher and averaged \$16.70/MWh, \$11.58/MWh and \$1.68/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$10.10/MWh for **off-peak supplemental** reserves to \$46.89/MWh for **on-peak spinning** reserves.

Weekly average premium prices ranged from \$1.07/MWh for **off-peak supplemental** reserves up to \$2.14/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 57.1%. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with 39.5% while in the **active supplemental** reserve market, **hydro** units dominated with a 38.5% market share.

Coal units dominated the **standby regulating** reserve market with a 98.3% market share. Leading market share in the **standby spinning** market was held by **gas** units with a 55.0% market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with 46.5%.

Glossary

| | |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| HE | Hour Ending |
| 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 MAPP-N: 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 MAPP-N: HE24 (of the previous day) through HE07 (of the day in question), Monday through Sunday (prevailing Central time) |
| COV | Coefficient of Variation The standard deviation of a series of numbers divided by the mean of the same series of numbers. Used as a measure of volatility. |
| ATC | Available Transfer Capacity 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. |