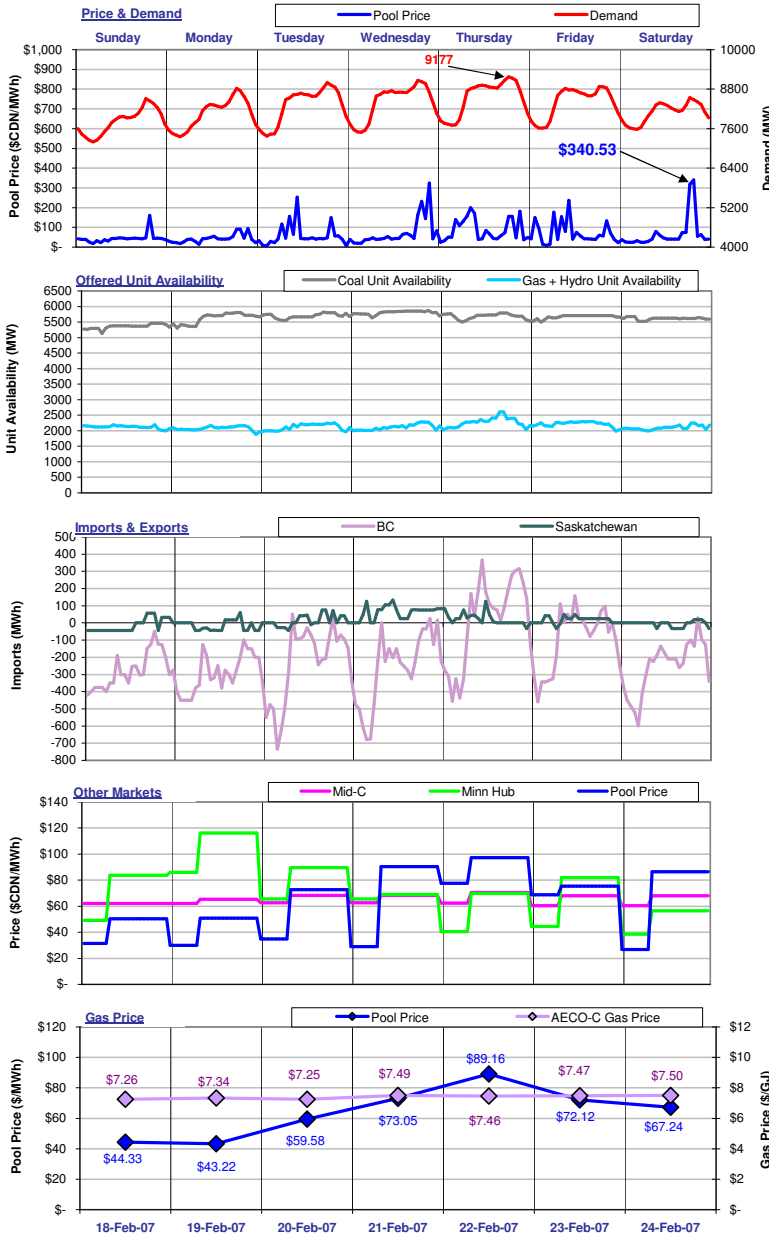


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending February 24, 2007

Weekly Highlights



For the week ending February 24, 2007, Pool Price averaged \$64.10/MWh and ranged from a minimum of \$7.18/MWh in HE03 on Tuesday to a maximum of \$340.53/MWh in HE20 on Saturday. Demand reached a high of 9177 MW in HE19 on Thursday and a low of 7201 MW in HE05 on Sunday. Average demand for the week was 8235 MW. Pool Price and Demand were positively correlated last week with an R-squared value of 0.18.

Coal Unit Availability averaged 5634 MW last week. This is an equivalent availability of 96% (based on MCR). Gas and Hydro Unit Availability averaged 2146 MW last week, which is an equivalent of 38% (based on MCR).

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 33,427 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 1,940 MWh. Overall, Alberta exported 31,487 MWh of electricity last week.

Pool Prices were generally lower than prices in Mid-C and lower than prices in Minn Hub last week. Mid-C prices averaged \$68.04/MWh on-peak and \$61.77/MWh off-peak. Minn Hub prices averaged \$80.52/MWh on-peak and \$55.67/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.16378.

The average AECO-C Gas Price last week was \$7.40/GJ and ranged from a minimum of \$7.25/GJ to \$7.50/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.89 GJ/MWh to a high of 11.95 GJ/MWh. The average market heat rate for the week was 8.65 GJ/MWh.

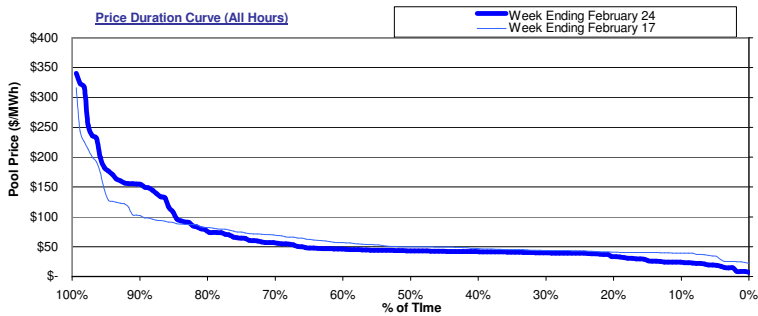


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for 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

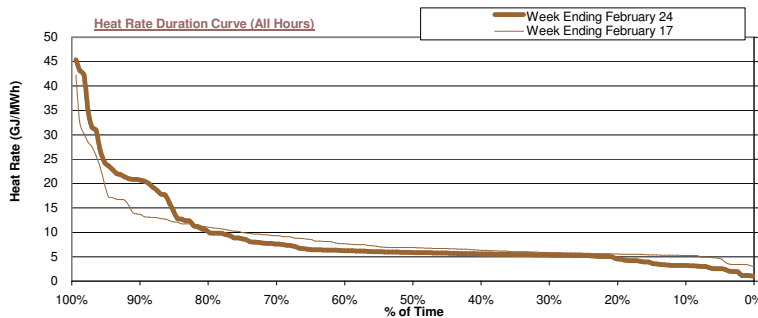
	Sunday 18-Feb	Monday 19-Feb	Tuesday 20-Feb	Wednesday 21-Feb	Thursday 22-Feb	Friday 23-Feb	Saturday 24-Feb	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 44.33	\$ 43.22	\$ 59.58	\$ 73.05	\$ 89.16	\$ 72.12	\$ 67.24	\$ 64.10	\$ 64.94	-1.3%	\$ 65.91
On-Peak	NA	\$ 50.86	\$ 72.78	\$ 90.44	\$ 97.21	\$ 75.35	\$ 86.36	\$ 78.83	\$ 70.31	12.1%	\$ 78.05
Off-Peak	\$ 44.33	\$ 27.95	\$ 33.18	\$ 38.26	\$ 73.05	\$ 65.65	\$ 28.99	\$ 44.45	\$ 57.78	-23.1%	\$ 47.44
COV	0.58	0.50	0.94	1.00	0.63	0.80	1.22	0.81	0.54	50.4%	
Heat Rate											
Average	6.11	5.89	8.22	9.75	11.95	9.65	8.96	8.65	8.80	-1.8%	9.46
On-Peak	NA	6.93	10.04	12.07	13.03	10.08	11.51	10.61	9.56	11.0%	11.20
Off-Peak	6.11	3.81	4.58	5.11	9.79	8.78	3.86	6.03	7.80	-22.7%	6.81
Demand											
Average	7,821	8,052	8,320	8,411	8,550	8,405	8,086	8,235	8,379	-1.7%	8,315
Minimum	7,201	7,359	7,371	7,487	7,705	7,617	7,581	7,474	7,610	-1.8%	7,029
Maximum	8,517	8,825	9,001	9,063	9,177	8,878	8,542	8,858	9,052	-2.1%	9,478
Coal Unit Availability											
Average	5,357	5,622	5,697	5,801	5,683	5,670	5,611	5,634	5,544	1.5%	5,555
Utilization	92%	96%	98%	99%	97%	97%	96%	96%	95%	1.5%	95%
Gas and Hydro Unit Availability											
Average	2,122	2,076	2,120	2,116	2,274	2,215	2,101	2,146	2,460	-6.7%	2,340
Utilization	45%	44%	45%	45%	48%	47%	45%	46%	52%	-6.7%	50%



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 24**, prices were at or below:

- \$20/MWh 6% of the time
- \$50/MWh 66% of the time
- \$100/MWh 85% of the time
- \$250/MWh 97% of the time
- \$500/MWh 100% 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.

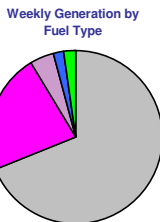
For the week ending **February 24** implied market heat rates were at or below:

- 5.0 GJ/MWh 21% of the time
- 10.0 GJ/MWh 80% of the time
- 15.0 GJ/MWh 86% of the time
- 20.0 GJ/MWh 89% of the time

Market Share Statistics

By Fuel Type:

Legend: Coal (Grey), Gas - Cogen (Pink), Gas - Other (Light Blue), Hydro (Dark Blue), Other (Green)



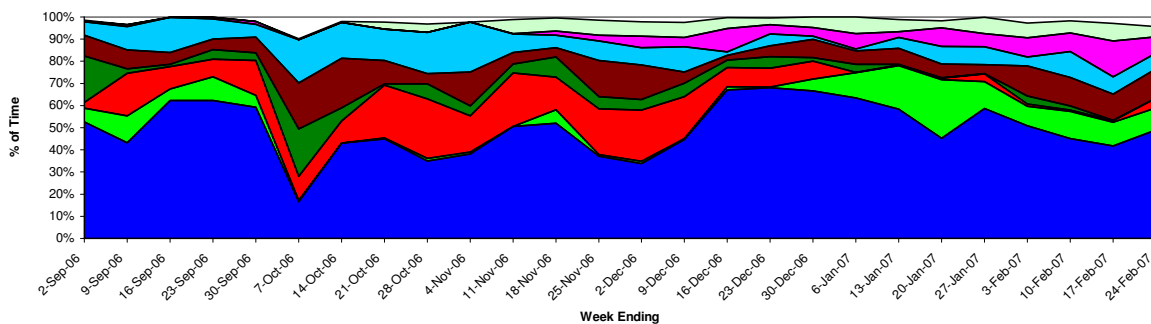
By Submitting Customer:



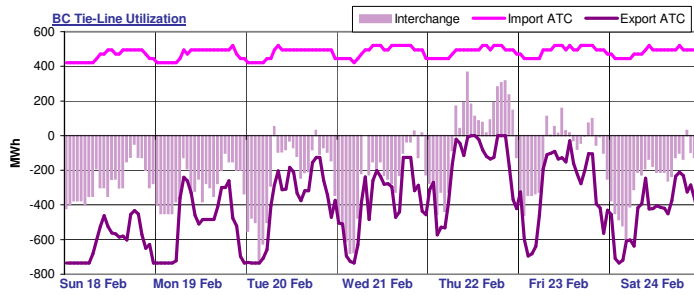
Last week, coal units were responsible for 68.8% of the generation in the province and set price 67.4% of the time. Gas-cogen units accounted for 22.6% of the generation and set price 28.4% of the time last week while other gas units made up 4.3% of generation and set price 0.0% of the time.

A total of 10 market participants set price last week. One market participants set price more than 20% of the time last week. The top price setter set price 49.0% of the time and the top five price setters set price a total of 86.5% of the time.

Weekly Price Setting by Submitting Customer

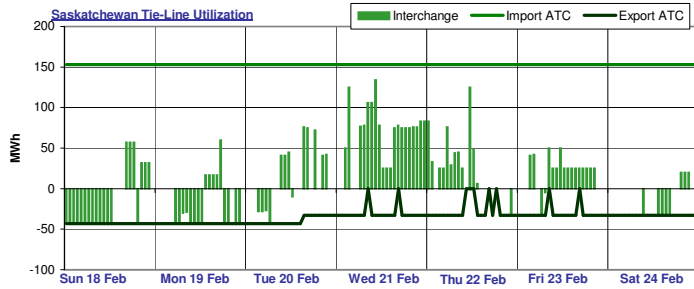


Interties

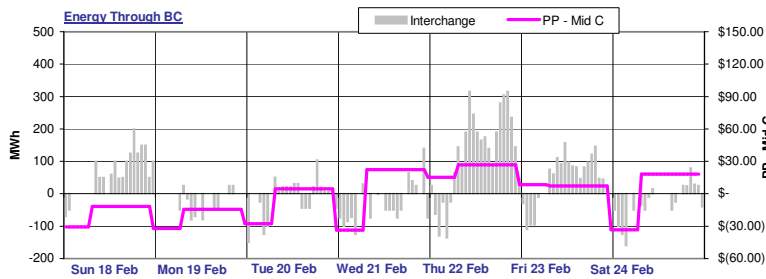


BC import capacity was 9% utilized last week while BC export capacity was 61% utilized. Energy was being imported into Alberta over the BC tie-line 18% of the time and exported out of Alberta over the BC tie-line 82% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



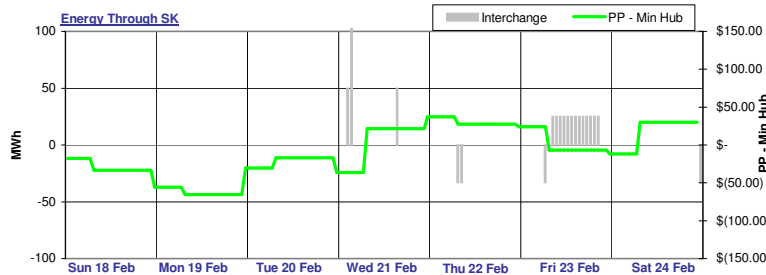
Saskatchewan import capacity was 17% utilized last week while Saskatchewan export capacity was 38% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 41% of the time and exported out of Alberta over the Saskatchewan tie-line 24% of the time last week. There was no activity on the Saskatchewan tie-line 35% of the time last week.



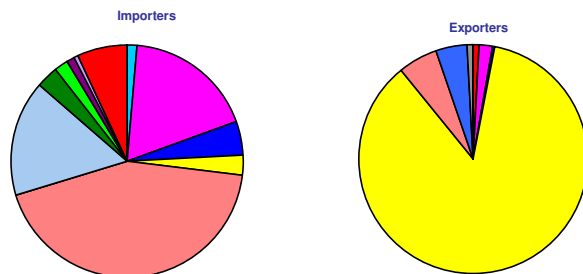
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

Alberta prices were generally lower than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supports export 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

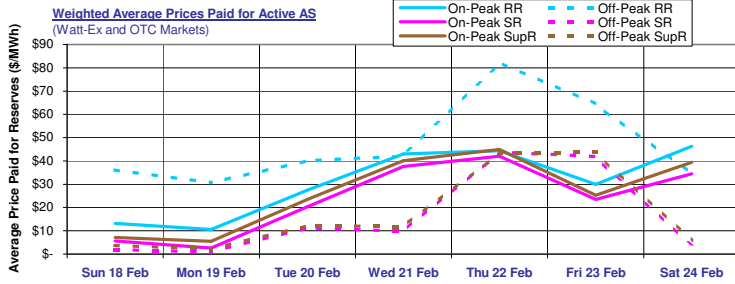


Last week, there were a total of 11 importers. The most active importer had a market share of 43.4% while the second most active importer had a market share of 18.2%.

There were a total of 9 exporters last week. The most active exporter had a market share of 86.3% while the next largest exporter had a market share of 5.5%.

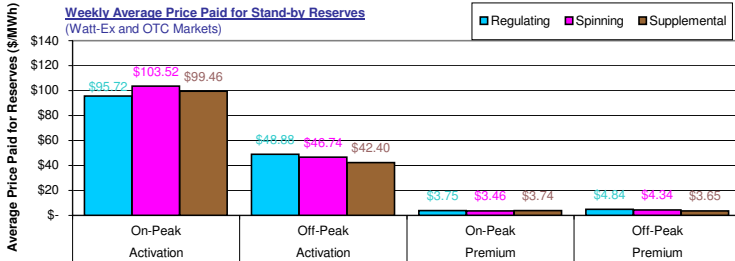
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$30.77/MWh**, **\$24.15/MWh** and **\$26.94/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

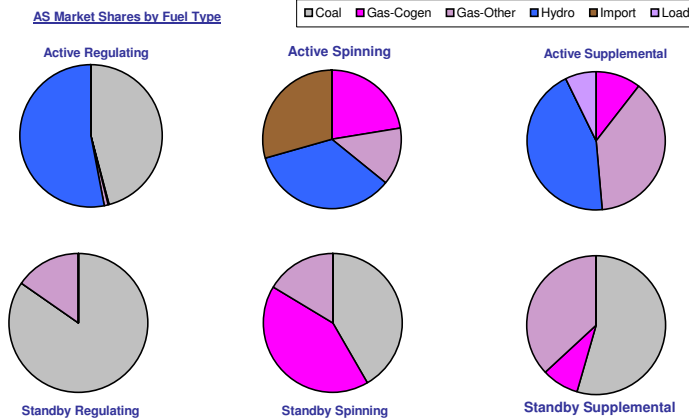
Active average off-peak prices were somewhat **lower**, with the exception of active regulating, and averaged **\$47.17/MWh**, **\$16.47/MWh** and **\$17.91/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$42.40/MWh** for **off-peak supplemental** reserves to **\$103.52/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$3.46/MWh** for **on-peak spinning** reserves up to **\$4.84/MWh** for **on-peak spinning** reserves.

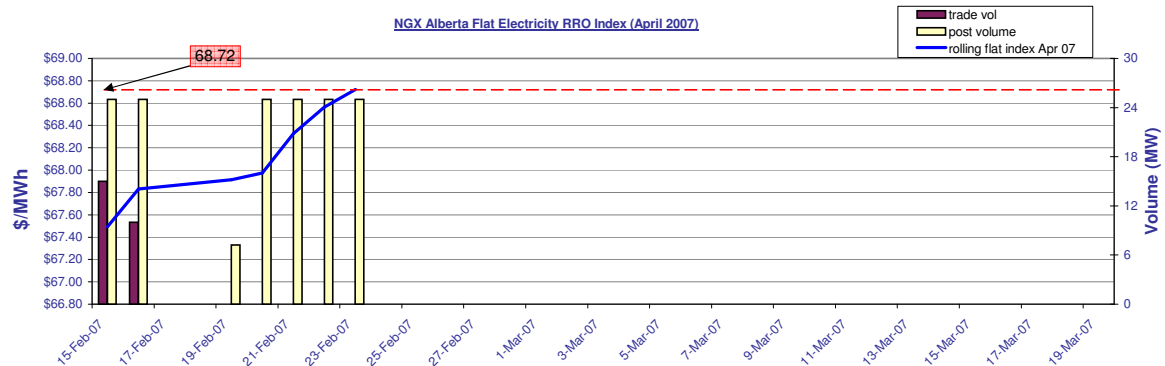
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **53.1%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **34.6%** while in the **active supplemental** reserve market, **hydro** units dominated with a **44.3%** market share.

Coal units dominated the **standby regulating** reserve market with a **84.7%** market share. Leading market share in the **standby spinning** market was held by **gas-cogen** units with a **41.9%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **54.4%**.

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.