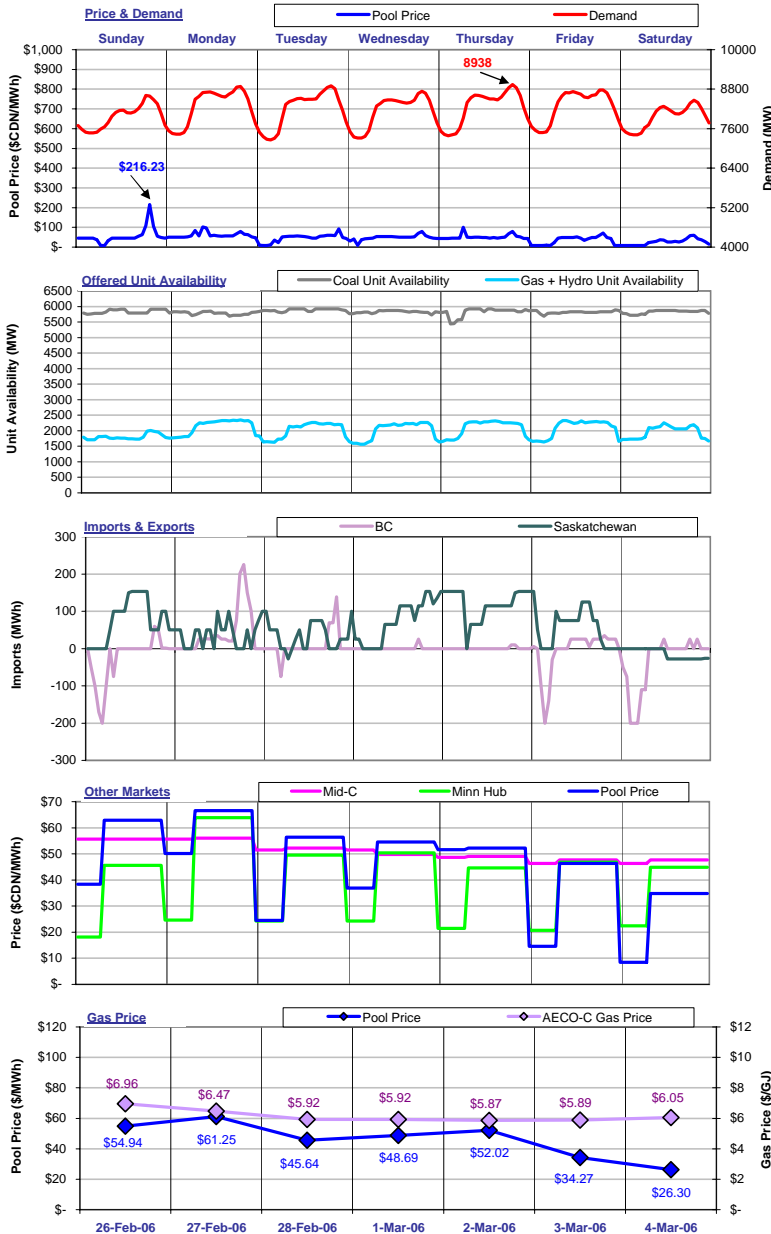


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending March 4, 2006

## Weekly Highlights



For the week ending March 4, 2006, **Pool Price** averaged \$46.16/MWh and ranged from a minimum of \$7.56/MWh in HE01 on Friday to a maximum of \$216.23/MWh in HE20 on Sunday. **Demand** reached a high of 8938 MW in HE20 on Thursday and a low of 7255 MW in HE04 on Tuesday. Average demand for the week was 8215MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.32.

**Coal Unit Availability** averaged 5827 MW last week. This is an equivalent availability of 100% (based on MCR). **Gas and Hydro Unit Availability** averaged 2013MW last week, which is an equivalent of 36% (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 342MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 9,182MWh. Overall, Alberta imported 8,840MWh of electricity last week.

**Pool Prices** were generally lower than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$50.44/MWh on-peak and \$50.78/MWh off-peak. **Minn Hub** prices averaged \$50.01/MWh on-peak and \$22.27/MWh off-peak.

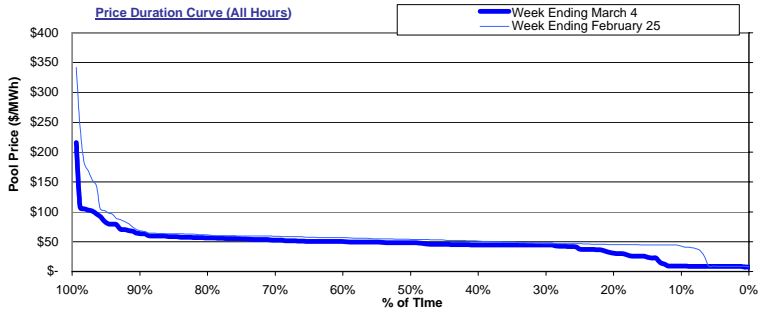
Prices in \$CDN at an exchange rate of 1.14902

The average **AECO-C Gas Price** last week was \$6.16/GJ and ranged from a minimum of \$5.87/GJ to \$6.96/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 4.34GJ/MWh to a high of 9.47GJ/MWh. The average market heat rate for the week was 7.47GJ/MWh.

# Wholesale Market

## Weekly Market Statistics

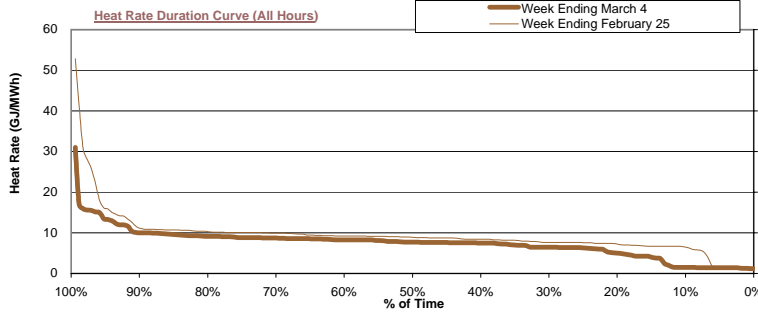
	Sunday 26-Feb	Monday 27-Feb	Tuesday 28-Feb	Wednesday 1-Mar	Thursday 2-Mar	Friday 3-Mar	Saturday 4-Mar	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 54.94	\$ 61.25	\$ 45.64	\$ 48.69	\$ 52.02	\$ 34.27	\$ 26.30	\$ 46.16	\$ 57.48	-19.7%	\$ 62.08
On-Peak	NA	\$ 66.63	\$ 56.35	\$ 54.59	\$ 52.25	\$ 46.36	\$ 34.80	\$ 51.83	\$ 68.52	-24.4%	\$ 77.23
Off-Peak	\$ 54.94	\$ 50.49	\$ 24.20	\$ 36.90	\$ 51.56	\$ 10.08	\$ 9.30	\$ 38.60	\$ 42.76	-9.7%	\$ 39.58
COV	0.74	0.24	0.44	0.26	0.26	0.60	0.58	0.45	0.51	-12.5%	
<b>Heat Rate</b>											
Average	7.89	9.47	7.70	8.22	8.86	5.82	4.34	7.47	8.48	-11.9%	8.29
On-Peak	NA	10.30	9.51	9.30	8.79	7.87	5.75	8.59	11.36	-24.4%	10.32
Off-Peak	7.89	7.81	4.09	6.28	8.69	1.71	1.54	5.98	6.82	-12.4%	5.29
<b>Demand</b>											
Average	7,969	8,288	8,195	8,139	8,255	8,290	7,946	8,155	8,088	0.8%	8,167
Minimum	7,468	7,428	7,255	7,314	7,384	7,480	7,410	7,391	7,308	1.1%	7,059
Maximum	8,611	8,879	8,898	8,740	8,938	8,777	8,461	8,758	8,719	0.4%	9,306
<b>Coal Unit Availability</b>											
Average	5,836	5,784	5,882	5,826	5,817	5,818	5,823	5,827	5,735	1.6%	5,743
Utilization	100%	99%	101%	100%	100%	100%	100%	100%	98%	1.6%	98%
<b>Gas and Hydro Unit Availability</b>											
Average	1,802	2,137	2,011	2,008	2,092	2,083	1,960	2,013	2,035	-0.4%	2,051
Utilization	38%	45%	42%	42%	44%	44%	41%	36%	36%	-0.4%	36%



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

For the week ending **March 4**, prices were at or below:

\$20/MWh	13% of the time
\$50/MWh	60% of the time
\$100/MWh	96% of the time
\$250/MWh	100% 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 **March 4** implied market heat rates were at or below:

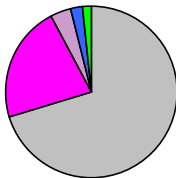
5.0 GJ/MWh	20% of the time
10.0 GJ/MWh	89% of the time
15.0 GJ/MWh	96% of the time
20.0 GJ/MWh	99% of the time

### Market Share Statistics

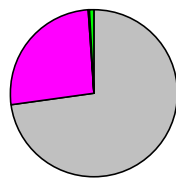
By Fuel Type:

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

Weekly Generation by Fuel Type

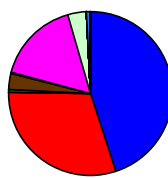


Weekly Price Setting by Fuel Type



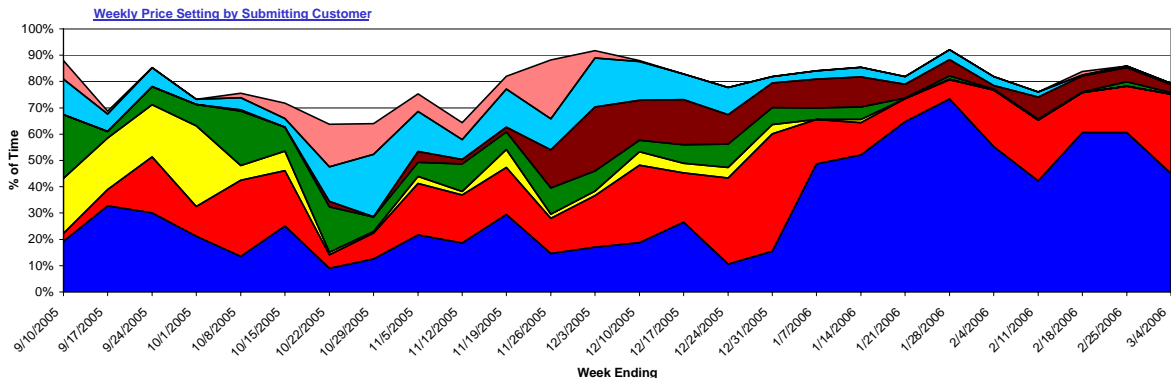
By Submitting Customer:

Weekly Price Setting by Submitting Customer

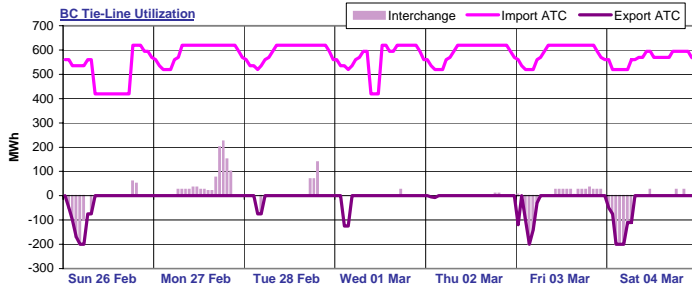


Last week, coal units were responsible for 70.2% of the generation in the province and set price 72.8% of the time. Gas-cogen units accounted for 22.0% of the generation and set price 26.2% of the time last week while other gas units made up 3.9% of generation and set price 0.2% of the time.

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 45.0% of the time and the top five price setters set price a total of 98.3% of the time.

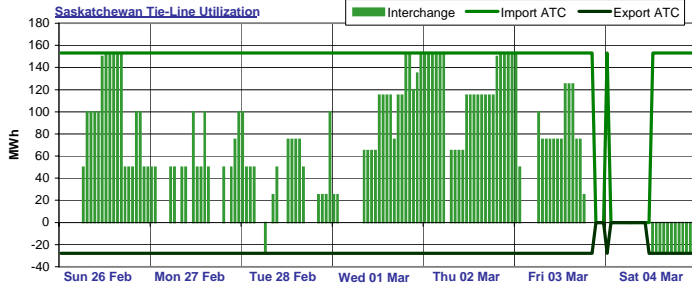


# Interties

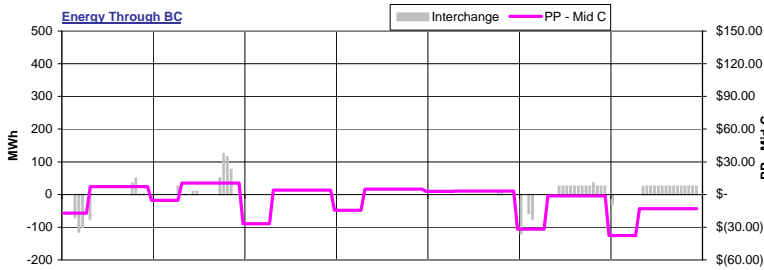


BC import capacity was 2% utilized last week while BC export capacity was 70% utilized. Energy was being imported into Alberta over the BC tie-line 25% of the time and exported out of Alberta over the BC tie-line 11% of the time last week. There was no activity on the BC tie-line 64% of the time last 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.



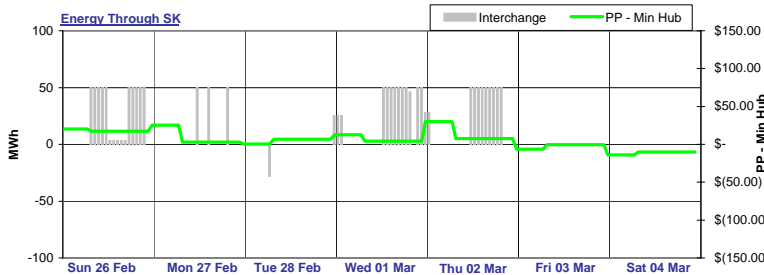
Saskatchewan import capacity was 40% utilized last week while Saskatchewan export capacity was 8% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 62% of the time and exported out of Alberta over the Saskatchewan tie-line 8% of the time last week. There was no activity on the Saskatchewan tie-line 30% of the time last week.



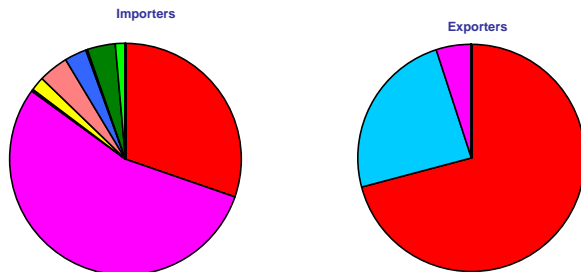
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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

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



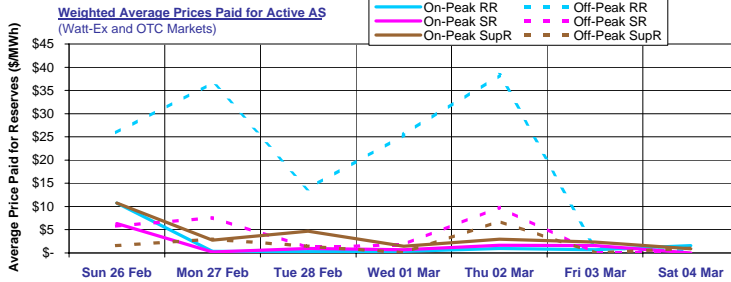
Tie-Line Market Shares



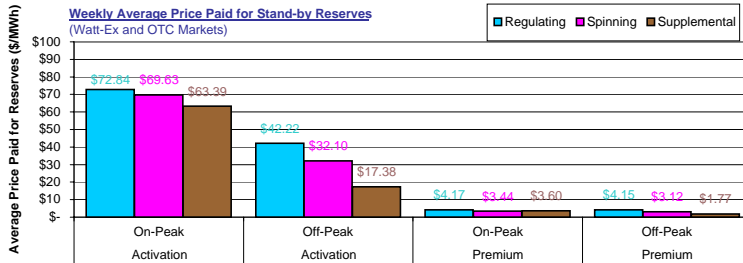
Last week, there were a total of 9 importers. The most active importer had a market share of 54.6% while the second most active importer had a market share of 30.3%. There were a total of 3 exporters last week. The most active exporter had a market share of 71.0% while the next largest exporter had a market share of 24.0%.

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

# Ancillary Services Market

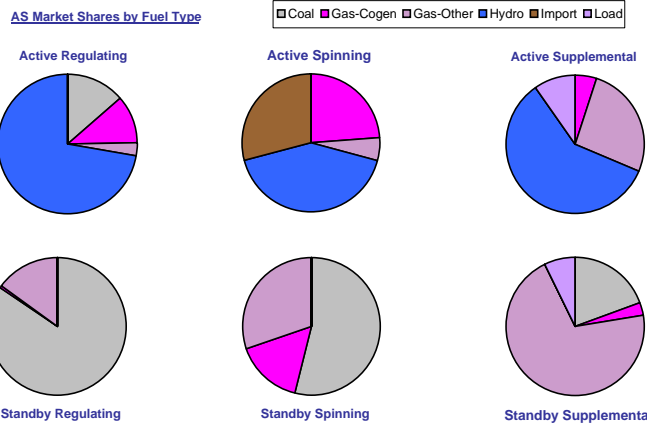


Average on-peak prices paid for active ancillary services last week were \$2.15/MWh, \$1.62/MWh and \$3.68/MWh respectively for active regulating, spinning and supplemental reserves. Active average off-peak prices were somewhat higher and averaged \$20.55/MWh, \$3.74/MWh and \$1.99/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$17.38/MWh for off-peak supplemental reserves to \$72.84/MWh for on-peak regulating reserves.

Weekly average premium prices ranged from \$1.77/MWh for off-peak supplemental reserves up to \$4.17/MWh for on-peak regulating reserves.



Last week hydro units had the largest market share in the active regulating reserve market with 72.3%. In the active spinning reserve market, hydro units had the leading market share with 41.6% while in the active supplemental reserve market, hydro units dominated with a 58.9% market share.

Coal units dominated the standby regulating reserve market with a 84.4% market share. Leading market share in the standby spinning market was held by coal units with a 54.0% market share. In the standby supplemental reserve market, gas units had the leading market share with 70.2%.

# 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 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)
- 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.
- Sparksread** Sparksreads 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.