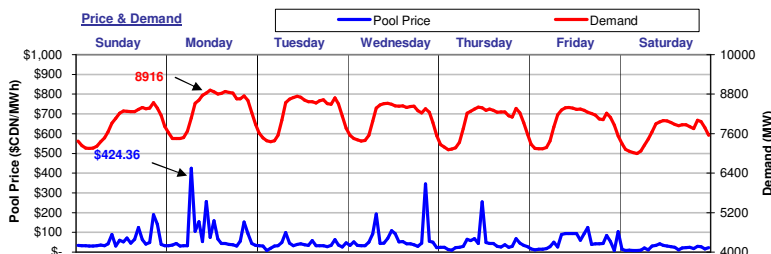


The Market Monitor

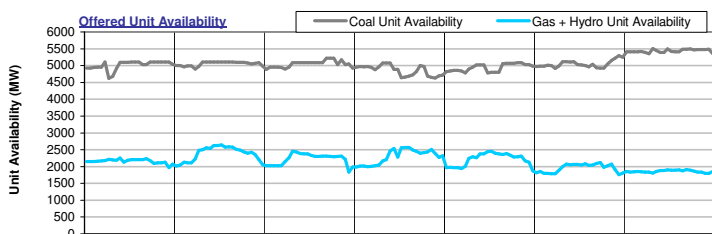
WATCHING THE MARKET : your fact source

Week Ending March 24, 2007

Weekly Highlights

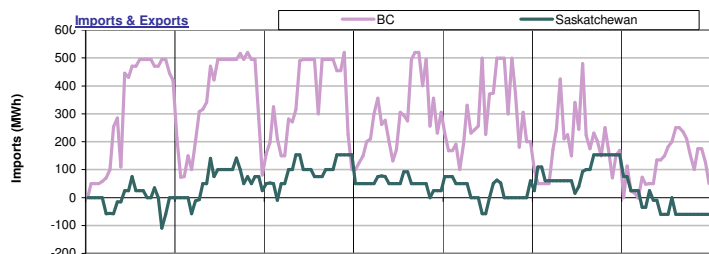


For the week ending March 24, 2007, **Pool Price** averaged \$53.60/MWh and ranged from a minimum of \$7.73/MWh in HE23 on Friday to a maximum of \$424.36/MWh in HE07 on Monday. **Demand** reached a high of 8916 MW in HE12 on Monday and a low of 6991 MW in HE05 on Saturday. Average demand for the week was 8012 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.15.



Coal Unit Availability averaged 5057 MW last week. This is an equivalent availability of 87% (based on MCR). **Gas and Hydro Unit Availability** averaged 2127 MW last week, which is an equivalent of 38% (based on MCR).

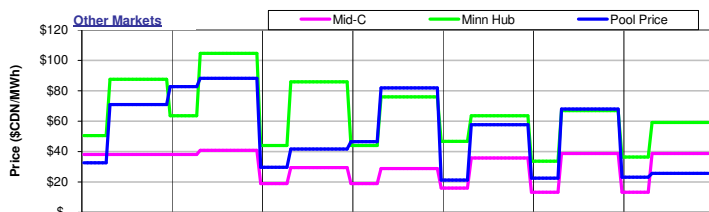
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer from **BC** last week with total imports equal to 46,248 MWh.

Alberta was a net importer from **Saskatchewan** last week with total imports equal to 6,977 MWh.

Overall, Alberta imported 53,225 MWh of electricity last week.

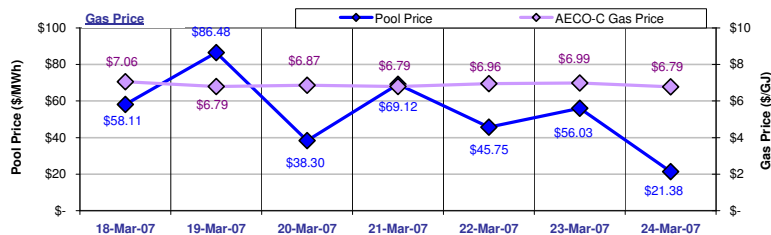


Pool Prices were generally higher than prices in **Mid-C** and lower than prices in **Minn Hub** last week.

Mid-C prices averaged \$35.40/MWh on-peak and \$22.35/MWh off-peak.

Minn Hub prices averaged \$76.00/MWh on-peak and \$45.55/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.17638.



The average **AECO-C Gas Price** last week was \$6.89/GJ and ranged from a minimum of \$6.79/GJ to \$7.06/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 3.15 GJ/MWh to a high of 12.74 GJ/MWh. The average market heat rate for the week was 7.78 GJ/MWh.

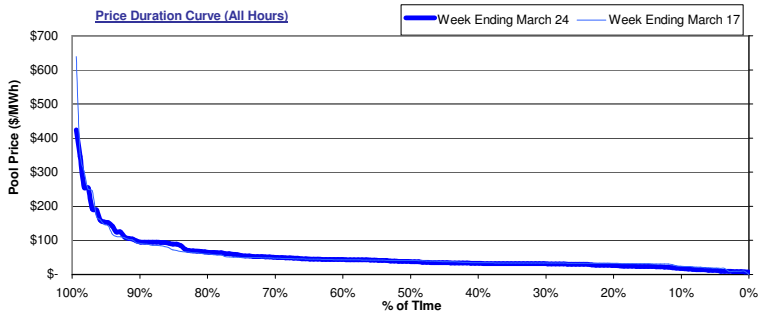


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

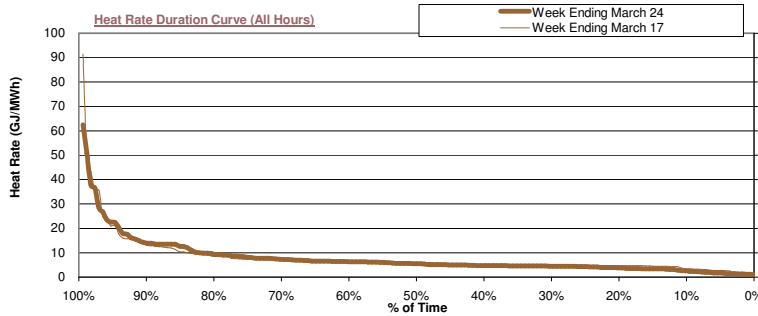
	Sunday 18-Mar	Monday 19-Mar	Tuesday 20-Mar	Wednesday 21-Mar	Thursday 22-Mar	Friday 23-Mar	Saturday 24-Mar	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 58.11	\$ 86.48	\$ 38.30	\$ 69.12	\$ 45.75	\$ 56.03	\$ 21.38	\$ 53.60	\$ 55.59	-3.6%	\$ 64.69
On-Peak	NA	\$ 88.16	\$ 41.75	\$ 81.88	\$ 57.71	\$ 67.98	\$ 25.59	\$ 60.51	\$ 66.35	-8.8%	\$ 76.62
Off-Peak	\$ 58.11	\$ 83.12	\$ 31.42	\$ 43.59	\$ 21.84	\$ 32.15	\$ 12.96	\$ 44.38	\$ 41.24	7.6%	\$ 46.22
COV	0.70	1.06	0.45	1.00	1.04	0.64	0.45	0.76	0.95	-20.0%	
Heat Rate											
Average	8.23	12.74	5.57	10.18	6.58	8.02	3.15	7.78	8.07	-3.5%	9.24
On-Peak	NA	12.99	6.08	12.05	8.29	9.73	3.77	8.82	9.64	-8.5%	10.94
Off-Peak	8.23	12.24	4.57	6.42	3.14	4.60	1.91	6.40	5.97	7.2%	6.60
Demand											
Average	7,893	8,364	8,238	8,094	7,944	7,921	7,626	8,012	8,064	-0.7%	7,860
Minimum	7,147	7,452	7,354	7,372	7,113	7,137	6,991	7,224	6,301	14.6%	6,440
Maximum	8,544	8,916	8,738	8,520	8,402	8,396	8,004	8,503	8,619	-1.4%	9,478
Coal Unit Availability											
Average	5,015	5,055	5,048	4,857	4,941	5,046	5,437	5,057	5,328		5,448
Utilization	86%	87%	86%	83%	85%	86%	93%	87%	91%	-4.6%	93%
Gas and Hydro Unit Availability											
Average	2,160	2,384	2,224	2,297	2,217	1,957	1,857	2,157	2,166		2,348
Utilization	46%	51%	47%	49%	47%	42%	39%	46%	46%	-0.2%	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 **March 24**, prices were at or below:

\$20/MWh	11% of the time
\$50/MWh	68% of the time
\$100/MWh	90% of the time
\$250/MWh	97% of the time
\$500/MWh	100% of the time



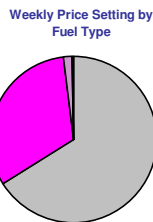
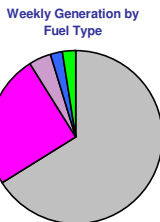
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **March 24** implied market heat rates were at or below:

5.0 GJ/MWh	45% of the time
10.0 GJ/MWh	83% of the time
15.0 GJ/MWh	92% of the time
20.0 GJ/MWh	94% of the time

Market Share Statistics

By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other



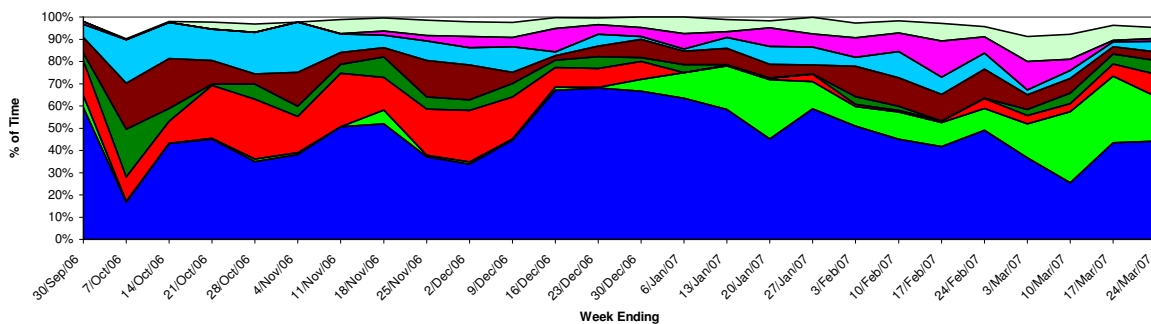
By Submitting Customer:



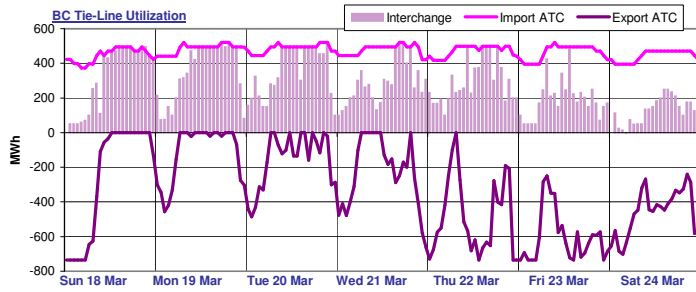
Last week, **coal units** were responsible for **66.0%** of the generation in the province and set price **66.1%** of the time. **Gas-cogen** units accounted for **25.2%** of the generation and set price **31.9%** of the time last week while **other gas** units made up **4.0%** of generation and set price **1.9%** of the time.

A total of **11** 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 **44.1%** of the time and the top five price setters set price a total of **85.3%** of the time.

Weekly Price Setting by Submitting Customer

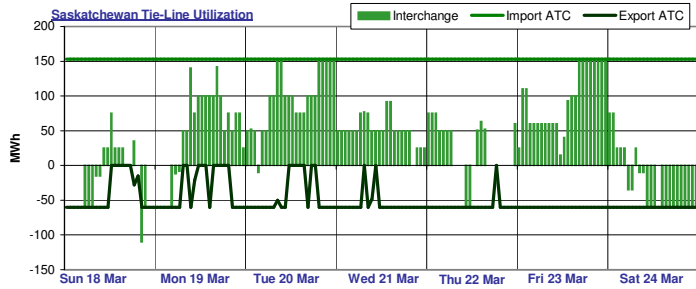


Interties

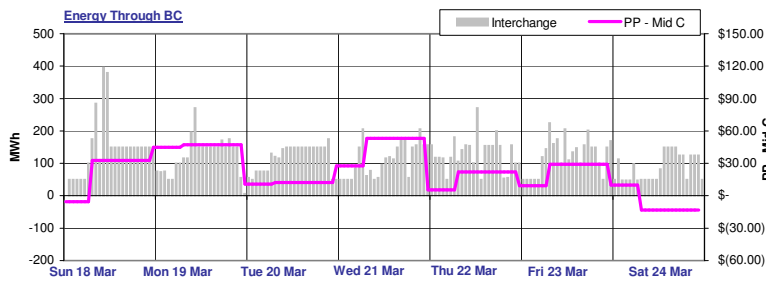


BC import capacity was 58% utilized last week while BC export capacity was 0% utilized. Energy was being imported into Alberta over the BC tie-line 98% of the time and exported out of Alberta over the BC tie-line 1% of the time last week. There was no activity on the BC tie-line 1% of the time last week.

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



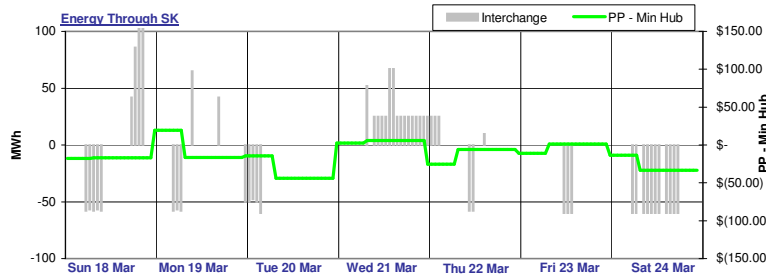
Saskatchewan import capacity was 36% utilized last week while Saskatchewan export capacity was 26% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 66% of the time and exported out of Alberta over the Saskatchewan tie-line 18% of the time last week. There was no activity on the Saskatchewan tie-line 16% of the time last week.



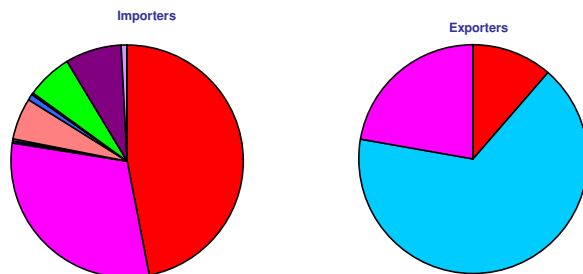
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally 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.



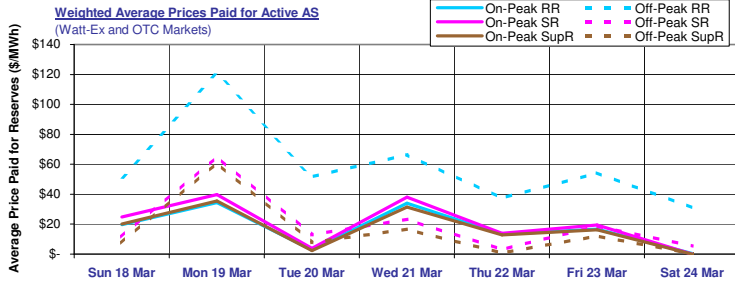
Tie-Line Market Shares



Last week, there were a total of 11 importers. The most active importer had a market share of 46.9% while the second most active importer had a market share of 30.7%. There were a total of 3 exporters last week. The most active exporter had a market share of 66.7% while the next largest exporter had a market share of 22.1%.

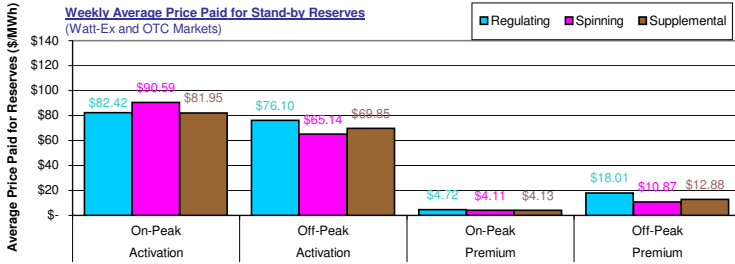
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



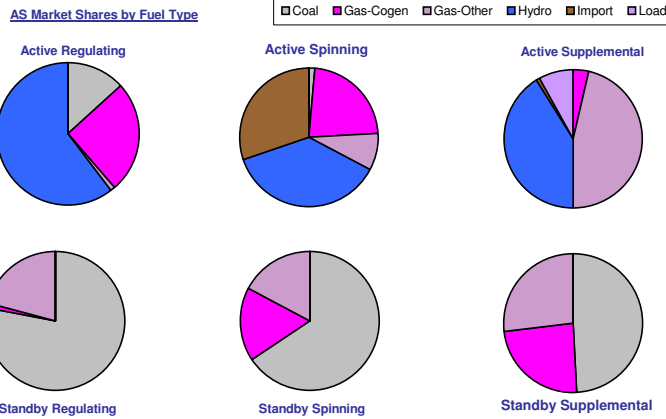
Average on-peak prices paid for active ancillary services last week were **\$14.43/MWh**, **\$16.88/MWh** and **\$14.48/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat **higher** and averaged **\$55.02/MWh**, **\$18.95/MWh** and **\$14.64/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$64.14/MWh** for **off-peak spinning** reserves to **\$90.59/MWh** for **on-peak spinning** reserves.

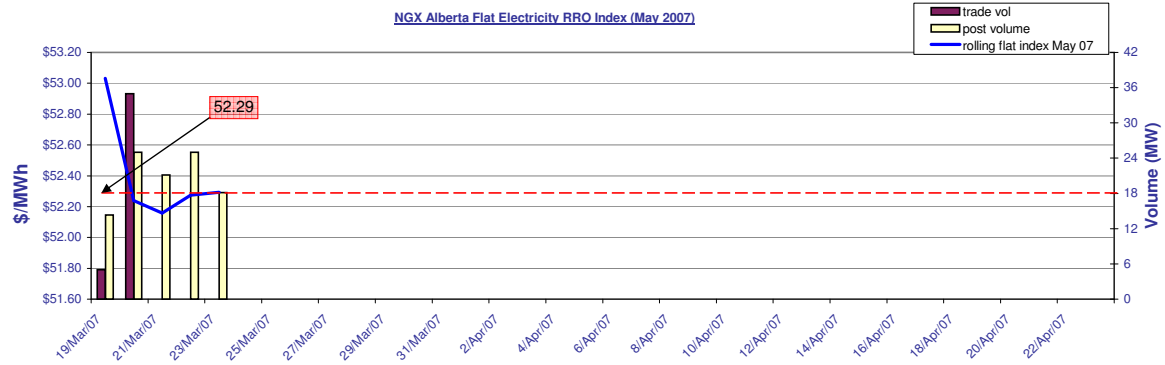
Weekly average premium prices ranged from **\$4.11/MWh** for **off-peak spinning** reserves up to **\$18.01/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **60.3%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **37.0%** while in the **active supplemental** reserve market, **gas-other** units dominated with a **46.5%** market share.

Coal units dominated the **standby regulating** reserve market with a **78.1%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **65.4%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **49.3%**.

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.