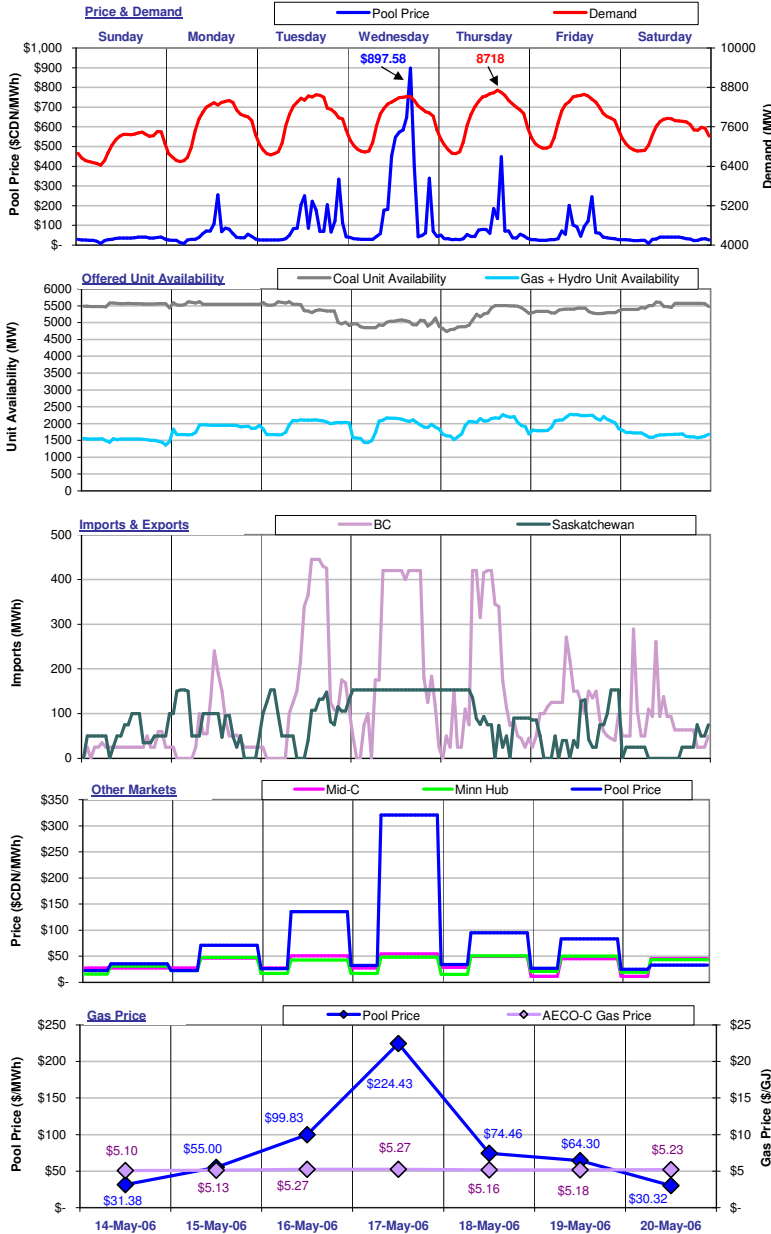


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending May 20, 2006

Weekly Highlights



For the week ending May 20, 2006, **Pool Price** averaged \$82.82/MWh and ranged from a minimum of \$7.75/MWh in HE07 on Sunday to a maximum of \$897.58/MWh in HE17 on Wednesday. **Demand** reached a high of 8718 MW in HE16 on Thursday and a low of 6439 MW in HE07 on Sunday. Average demand for the week was 7652 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.24.

Coal Unit Availability averaged 5354 MW last week. This is an equivalent availability of 92% (based on MCR). **Gas and Hydro Unit Availability** averaged 1846 MW last week, which is an equivalent of 33% (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 21,068 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 13,178 MWh. Overall, Alberta imported 34,246 MWh 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 \$48.74/MWh on-peak and \$23.19/MWh off-peak. **Minn Hub** prices averaged \$47.10/MWh on-peak and \$18.40/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.1092.

The average **AECO-C Gas Price** last week was \$5.19/GJ and ranged from a minimum of \$5.10/GJ to \$5.27/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.80 GJ/MWh to a high of 42.55GJ/MWh. The average market heat rate for the week was 15.86 GJ/MWh.

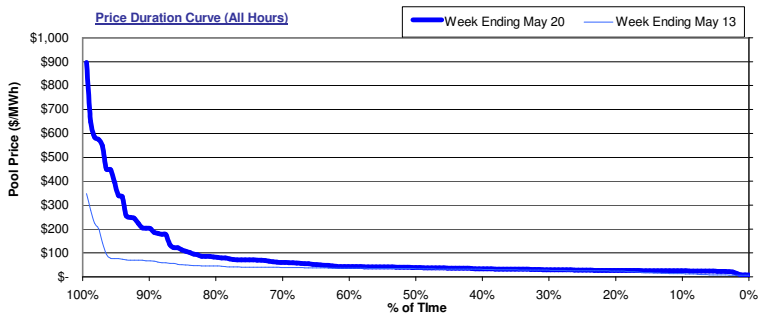


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

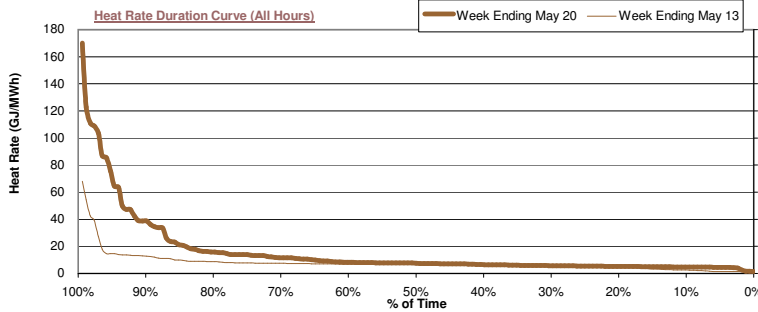
	Sunday 14-May	Monday 15-May	Tuesday 16-May	Wednesday 17-May	Thursday 18-May	Friday 19-May	Saturday 20-May	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 31.38	\$ 55.00	\$ 99.83	\$ 224.43	\$ 74.46	\$ 64.30	\$ 30.32	\$ 82.82	\$ 40.12	106.4%	\$ 53.43
On-Peak	NA	\$ 71.24	\$ 135.71	\$ 320.31	\$ 95.13	\$ 83.32	\$ 32.93	\$ 123.11	\$ 53.79	128.9%	\$ 67.51
Off-Peak	\$ 31.38	\$ 22.52	\$ 28.06	\$ 32.65	\$ 33.14	\$ 26.25	\$ 25.10	\$ 29.10	\$ 21.91	32.8%	\$ 32.75
COV	0.26	0.90	0.87	1.16	1.18	0.88	0.27	0.79	0.64	22.8%	
Heat Rate											
Average	6.16	10.73	18.94	42.55	14.44	12.40	5.80	15.86	7.52	111.0%	7.99
On-Peak	NA	13.90	25.75	60.73	18.44	16.07	6.29	23.53	10.04	134.3%	10.09
Off-Peak	6.16	4.39	5.33	6.19	6.42	5.06	4.80	5.63	4.15	35.7%	4.90
Demand											
Average	7,054	7,656	7,814	7,834	7,906	7,868	7,432	7,652	7,243	5.6%	7,896
Minimum	6,439	6,540	6,749	6,833	6,783	6,954	6,863	6,737	6,474	4.1%	6,351
Maximum	7,455	8,406	8,581	8,522	8,718	8,590	7,855	8,304	7,754	7.1%	9,306
Coal Unit Availability											
Average	5,534	5,550	5,384	4,969	5,199	5,338	5,504	5,354	5,226		5,564
Utilization	95%	95%	92%	85%	89%	91%	94%	92%	89%	2.2%	95%
Gas and Hydro Unit Availability											
Average	1,513	1,867	1,955	1,895	1,962	2,067	1,665	1,846	1,568		1,972
Utilization	32%	39%	41%	40%	41%	43%	35%	33%	28%	4.9%	35%



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

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

\$20/MWh	2% of the time
\$50/MWh	64% of the time
\$100/MWh	83% of the time
\$250/MWh	93% of the time
\$500/MWh	96% 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 **May 20** implied market heat rates were at or below:

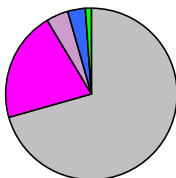
5.0 GJ/MWh	17% of the time
10.0 GJ/MWh	65% of the time
15.0 GJ/MWh	79% of the time
20.0 GJ/MWh	85% of the time

Market Share Statistics

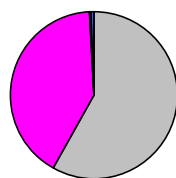
By Fuel Type:

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

Weekly Generation by Fuel Type

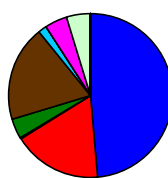


Weekly Price Setting by Fuel Type



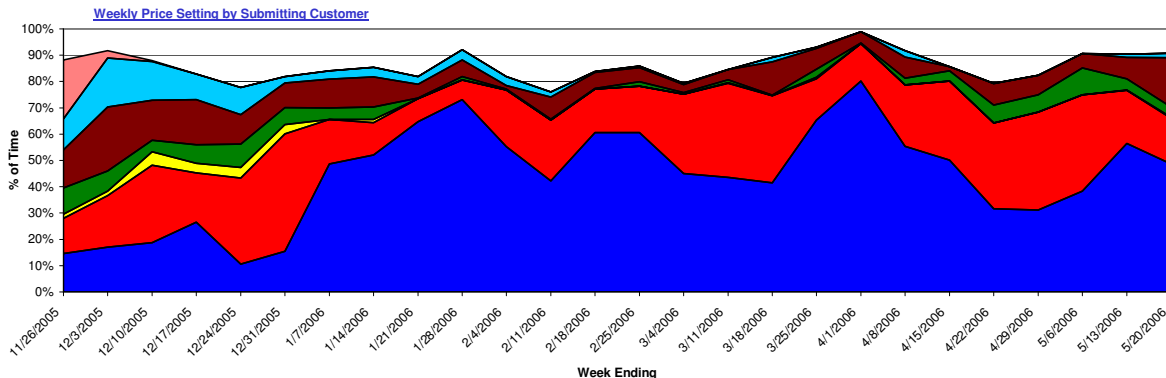
By Submitting Customer:

Weekly Price Setting by Submitting Customer

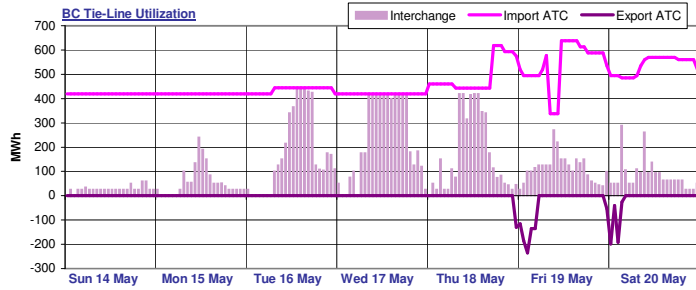


Last week, **coal units** were responsible for **70.5%** of the generation in the province and set price **57.9%** of the time. **Gas-cogen** units accounted for **20.8%** of the generation and set price **41.2%** of the time last week while **other gas** units made up **4.1%** of generation and set price **0.2%** of the time.

A total of **9** 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 **48.7%** of the time and the top five price setters set price a total of **94.0%** of the time.

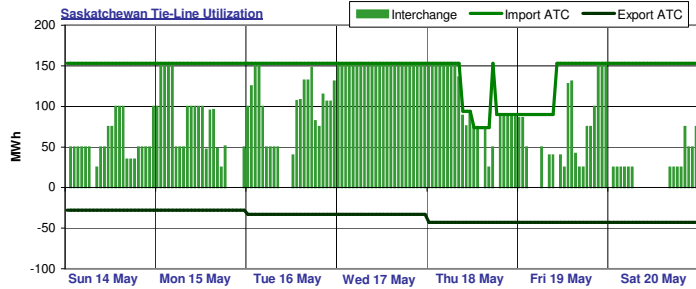


Interties

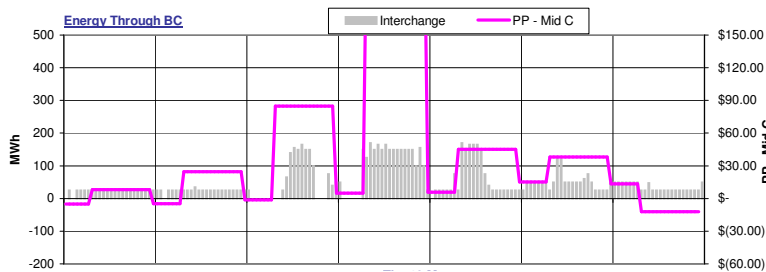


BC import capacity was 28% utilized last week while BC export capacity was 0% utilized. Energy was being imported into Alberta over the BC tie-line 90% of the time and exported out of Alberta over the BC tie-line 0% of the time last week. There was no activity on the BC tie-line 10% of the time last 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.



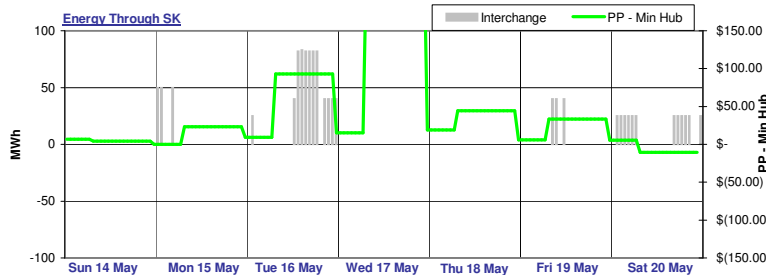
Saskatchewan import capacity was 55% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 85% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 15% of the time last week.



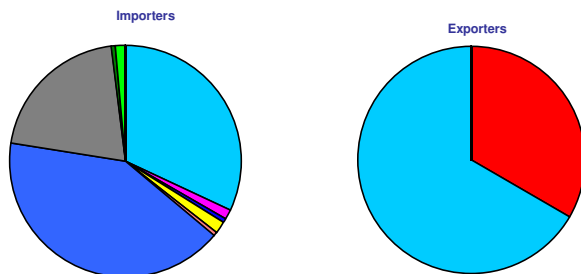
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



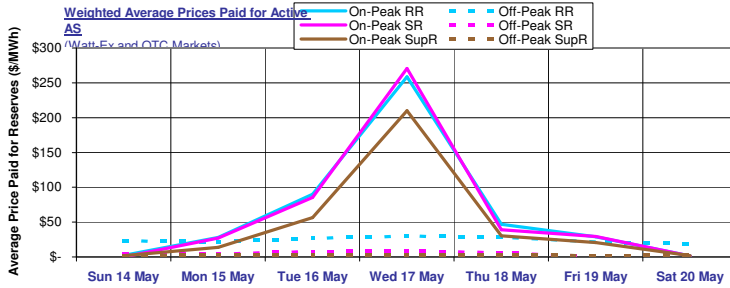
Tie-Line Market Shares



Last week, there were a total of 10 importers. The most active importer had a market share of 41.3% while the second most active importer had a market share of 31.9%. There were a total of 2 exporters last week. The most active exporter had a market share of 66.7% while the next largest exporter had a market share of 33.3%.

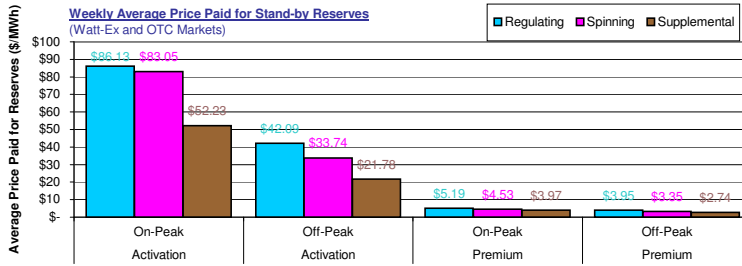
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



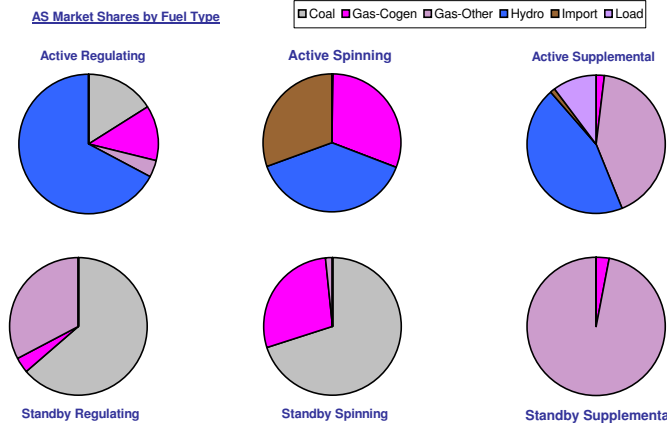
Average on-peak prices paid for active ancillary services last week were **\$64.85/MWh**, **\$67.62/MWh** and **\$50.02/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat **higher** and averaged **\$24.47/MWh**, **\$4.75/MWh** and **\$2.22/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$21.78/MWh** for **off-peak supplemental** reserves to **\$86.13/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$2.74/MWh** for **off-peak supplemental** reserves up to **\$5.19/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **67.2%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **68.7%** while in the **active supplemental** reserve market, **hydro** units dominated with a **44.7%** market share.

Coal units dominated the **standby regulating** reserve market with a **63.6%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **69.9%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **97.0%**.

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.