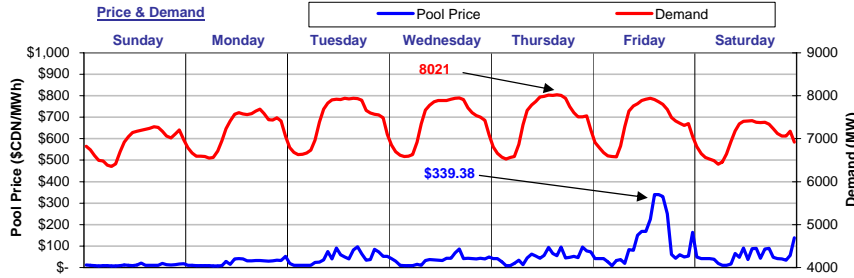


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending May 28, 2005

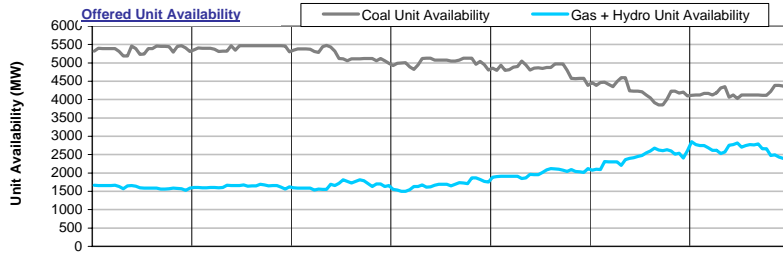
## Weekly Highlights



For the week ending May 28, 2005, Pool Price averaged \$48.11/MWh and ranged from a minimum of \$7.44/MWh in HE8 on Sunday to a maximum of \$339.38/MWh in HE15 on Friday.

Demand reached a high of 8021 MW in HE16 on Thursday and a low of 6355 MW in HE7 on Sunday. Average demand for the week was 7247MW.

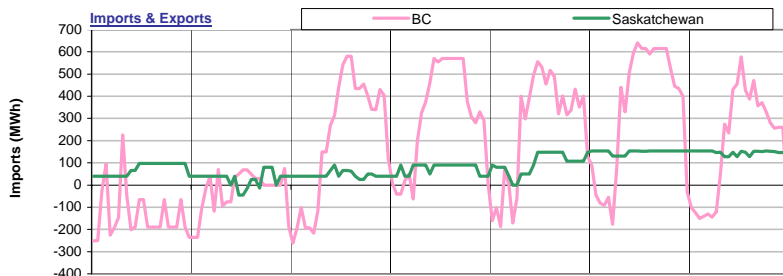
Pool Price and Demand were positively correlated last week with an R-squared value of 0.23.



Coal Unit Availability averaged 4896 MW last week. This is an equivalent availability of 84% (based on MCR).

Gas and Hydro Unit Availability averaged 1949MW last week, which is an equivalent of 34% (based on MCR).

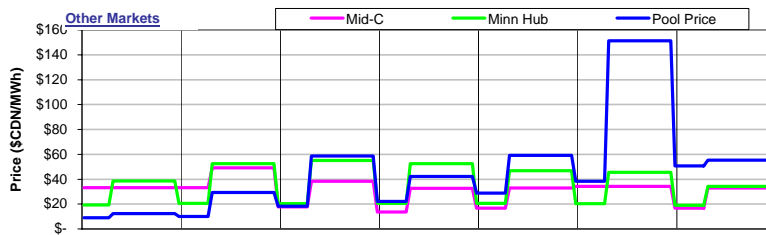
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer from BC last week with total imports equal to 27,646MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 14,701MWh.

Overall, Alberta imported 42,347MWh of electricity last week.

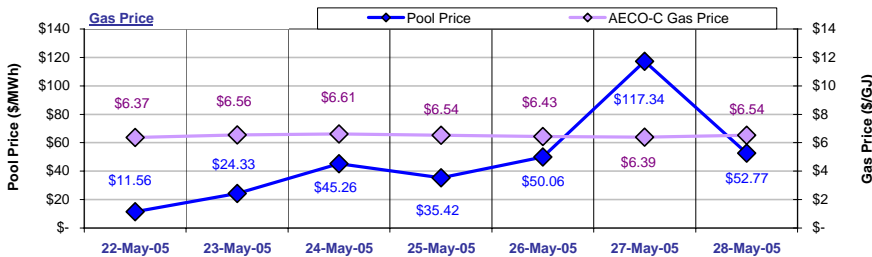


Pool Prices were generally higher than prices in Mid-C and higher than prices in Minn Hub last week.

Mid-C prices averaged \$36.71/MWh on-peak and \$23.63/MWh off-peak.

Minn Hub prices averaged \$47.69/MWh on-peak and \$20.03/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.2634.



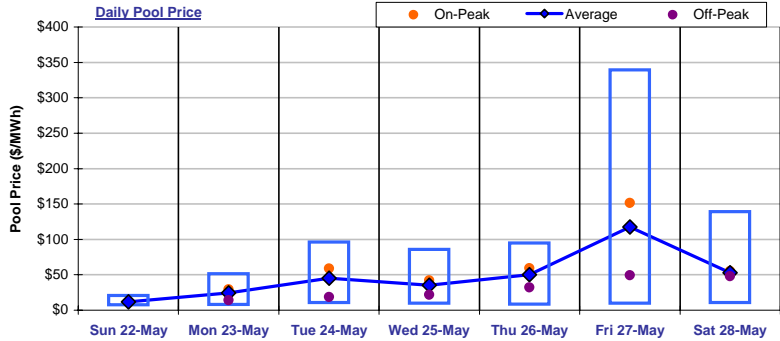
The average AECO-C Gas Price last week was \$6.49/GJ and ranged from a minimum of \$6.37/GJ to \$6.61/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 1.82GJ/MWh to a high of 18.37GJ/MWh. The average market heat rate for the week was 7.43GJ/MWh.

# Wholesale Market

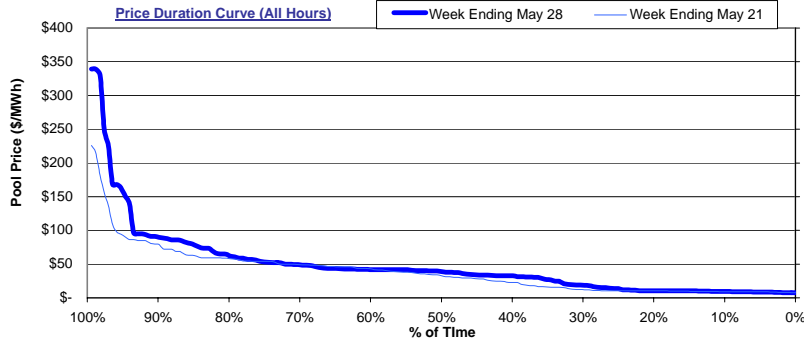
## Weekly Market Statistics

	Sunday 22-May	Monday 23-May	Tuesday 24-May	Wednesday 25-May	Thursday 26-May	Friday 27-May	Saturday 28-May	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 11.56	\$ 24.33	\$ 45.26	\$ 35.42	\$ 50.06	\$ 117.34	\$ 52.77	\$ 48.11	\$ 38.95	23.5%	\$ 47.61
On-Peak	NA	\$ 29.38	\$ 58.67	\$ 42.20	\$ 59.14	\$ 151.31	\$ 55.27	\$ 66.00	\$ 43.56	51.5%	\$ 54.64
Off-Peak	\$ 11.56	\$ 14.23	\$ 18.43	\$ 21.86	\$ 31.91	\$ 49.39	\$ 47.77	\$ 24.25	\$ 32.80	-26.1%	\$ 35.90
COV	0.32	0.57	0.62	0.53	0.50	0.91	0.58	0.57	0.74	-22.0%	
<b>Demand</b>											
Average	6,918	7,179	7,432	7,409	7,428	7,353	7,013	7,247	7,332	-1.2%	7,478
Minimum	6,355	6,550	6,634	6,588	6,523	6,581	6,407	6,520	6,544	-0.4%	6,017
Maximum	7,279	7,690	7,942	7,949	8,021	7,941	7,418	7,749	7,878	-1.6%	9,236
<b>Coal Unit Availability</b>											
Average	5,367	5,416	5,222	5,024	4,813	4,245	4,185	4,896	5,067		5,313
Utilization	92%	93%	89%	86%	82%	73%	72%	84%	87%	-2.9%	91%
<b>Gas and Hydro Unit Availability</b>											
Average	1,609	1,632	1,664	1,673	1,991	2,423	2,656	1,949	1,872		2,176
Utilization	34%	34%	35%	35%	42%	51%	56%	34%	33%	1.4%	38%



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 \$66.00/MWh while the off-peak Pool price for the week was \$24.25/MWh.

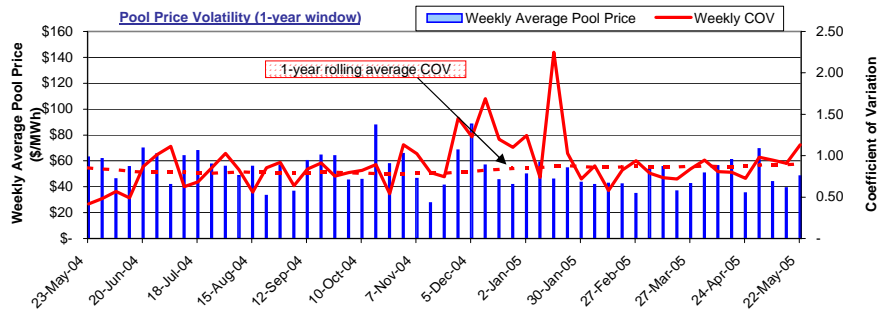
Note: Sundays and most statutory holidays are defined as off-peak.



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

For the week ending May 28, prices were at or below:

- \$20/MWh 32% of the time
- \$50/MWh 72% of the time
- \$100/MWh 93% of the time
- \$250/MWh 98% of the time
- \$500/MWh 100% of the time



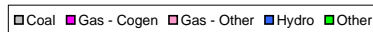
The chart plots average weekly Pool Price and the Coefficient of Variation (COV) of hourly Pool prices for the week. The COV is a standard statistical measure of volatility.

Pool price volatility increased for the week ending May 28 from the previous week.

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

## Market Share Statistics

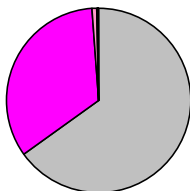
By Fuel Type:



Weekly Generation by Fuel Type

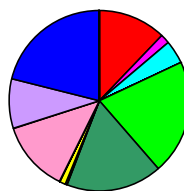


Weekly Price Setting by Fuel Type



By Submitting Customer:

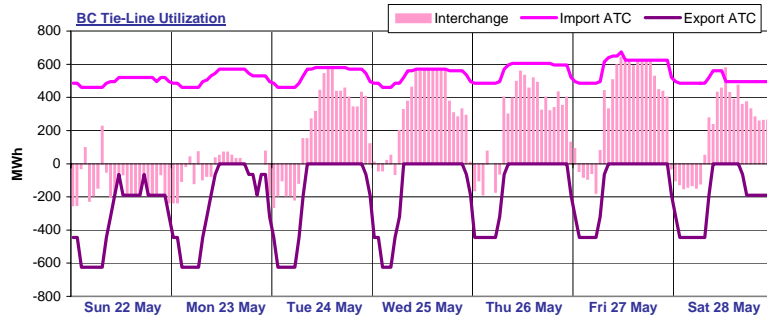
Weekly Price Setting by Submitting Customer



Last week, coal units were responsible for 67.5% of the generation in the province and set price 65.0% of the time. Gas-cogen units accounted for 22.9% of the generation and set price 33.8% of the time last week while other gas units made up 4.2% of generation and set price 1.0% of the time.

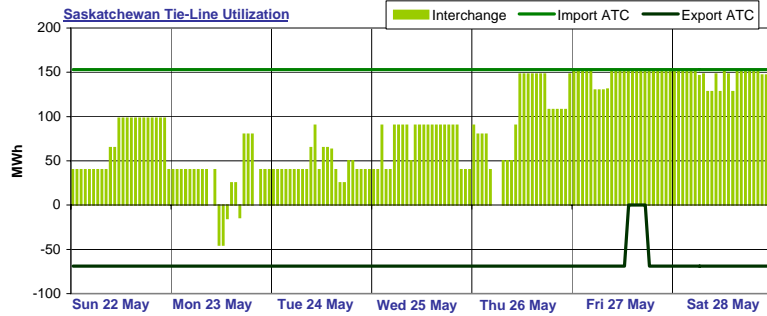
A total of 10 market participants set price last week. Two market participants set price more than 20% of the time last week. The top price setter set price 21.3% of the time and the top five price setters set price a total of 84.1% of the time.

# Interties



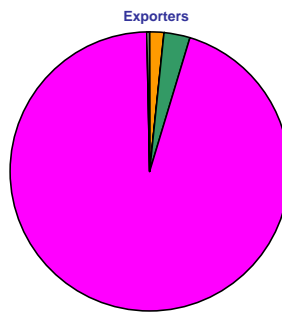
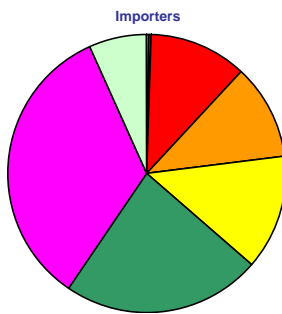
BC import capacity was 37% utilized last week while BC export capacity was 27% utilized. Energy was being imported into Alberta over the BC tie-line 61% of the time and exported out of Alberta over the BC tie-line 36% of the time last week. There was no activity on the BC tie-line 4% of the time last 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 58% utilized last week while Saskatchewan export capacity was 1% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 95% of the time and exported out of Alberta over the Saskatchewan tie-line 2% of the time last week. There was no activity on the Saskatchewan tie-line 2% of the time last week.

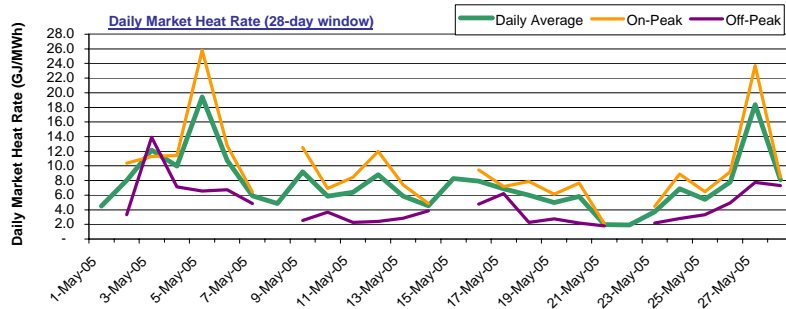
### Tie-Line Market Shares



Last week, there were a total of 8 importers. The most active importer had a market share of 33.9% while the second most active importer had a market share of 23.2%. There were a total of 4 exporters last week. The most active exporter had a market share of 95.2% while the next largest exporter had a market share of 3.0%.

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 7.5 GJ/MWh and ranged from a low of 1.9 GJ/MWh to a high of 19.4 GJ/MWh.

The daily On-Peak Market Heat Rate for the last 28 days averaged 9.7 GJ/MWh while the daily Off-Peak Market Heat Rate averaged 4.5 GJ/MWh.

### Sparksreads

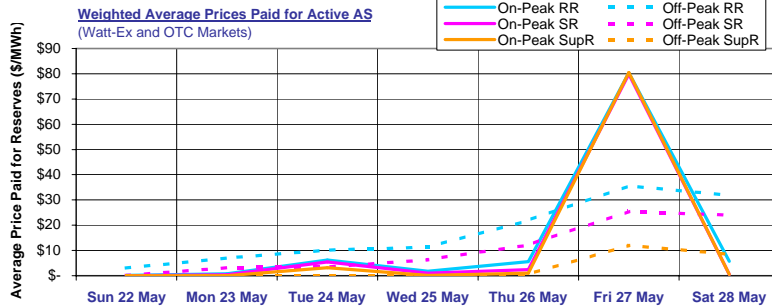
Date	AECO-C Gas Price (\$/GJ)	Daily Average			On-Peak			Off-Peak		
		Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0
Sun 22 May	\$ 6.37	\$ 12.27	(35.48)	(51.39)	NA	NA	NA	\$ 12.27	(35.48)	(51.39)
Mon 23 May	\$ 6.56	\$ 24.33	(24.86)	(41.25)	\$ 29.38	(19.81)	(36.20)	\$ 14.23	(34.96)	(51.35)
Tue 24 May	\$ 6.61	\$ 45.26	(4.29)	(20.81)	\$ 58.67	9.12	(7.39)	\$ 18.43	(31.12)	(47.64)
Wed 25 May	\$ 6.54	\$ 35.42	(13.59)	(29.93)	\$ 42.20	(6.81)	(23.15)	\$ 21.86	(27.16)	(43.50)
Thu 26 May	\$ 6.43	\$ 50.06	1.83	(14.25)	\$ 59.14	10.91	(5.17)	\$ 31.91	(16.32)	(32.40)
Fri 27 May	\$ 6.39	\$ 117.34	69.44	53.47	\$ 151.31	103.41	87.45	\$ 49.39	1.49	(14.47)
Sat 28 May	\$ 6.54	\$ 52.77	3.74	(12.60)	\$ 55.27	6.24	(10.10)	\$ 47.77	(1.26)	(17.61)

Daily average 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.

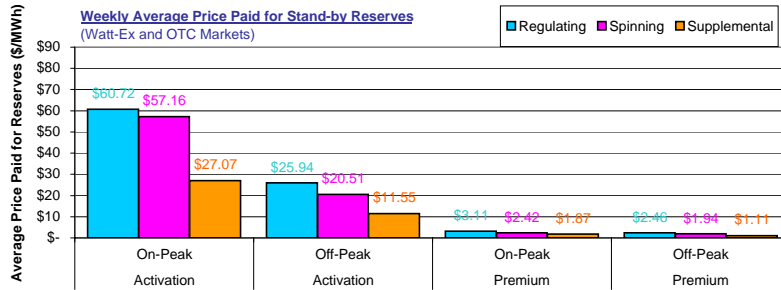
On-peak sparksreads last week were mostly positive for a heat rate of 7.5 GJ/MWh and mostly negative for a heat rate of 10.0 GJ/MWh.

Off-peak sparksreads last week were mostly 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

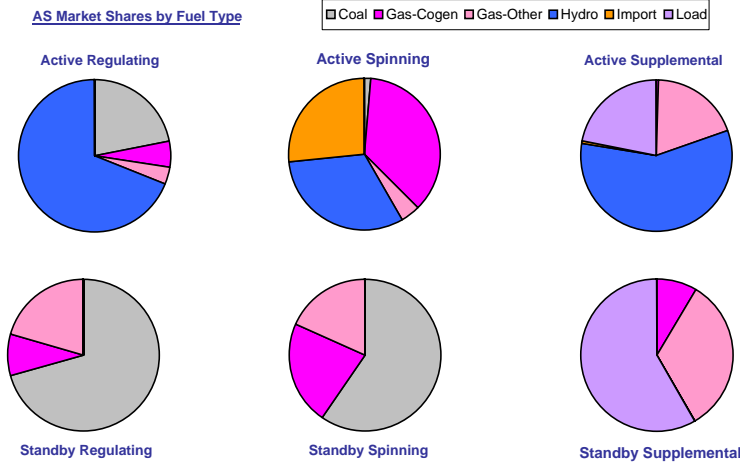


Average on-peak prices paid for active ancillary services last week were \$14.34/MWh, \$13.01/MWh and \$12.37/MWh respectively for active regulating, spinning and supplemental reserves. Active average off-peak prices were somewhat lower and averaged \$17.40/MWh, \$10.67/MWh and \$3.00/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$11.55/MWh for off-peak supplemental reserves to \$60.72/MWh for on-peak regulating reserves. Weekly average premium prices ranged from \$1.11/MWh for off-peak supplemental reserves up to \$3.11/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 69.0%. In the active spinning reserve market, Gas cogen units had the leading market share with 36.2% while in the active supplemental reserve market, hydro units dominated with a 57.7% market share.

Coal units dominated the standby regulating reserve market with a 70.6% market share. Leading market share in the standby spinning market was held by coal units with a 59.6% market share. In the standby supplemental reserve market, load units had the leading market share with 58.2%.

## 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.
- 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.