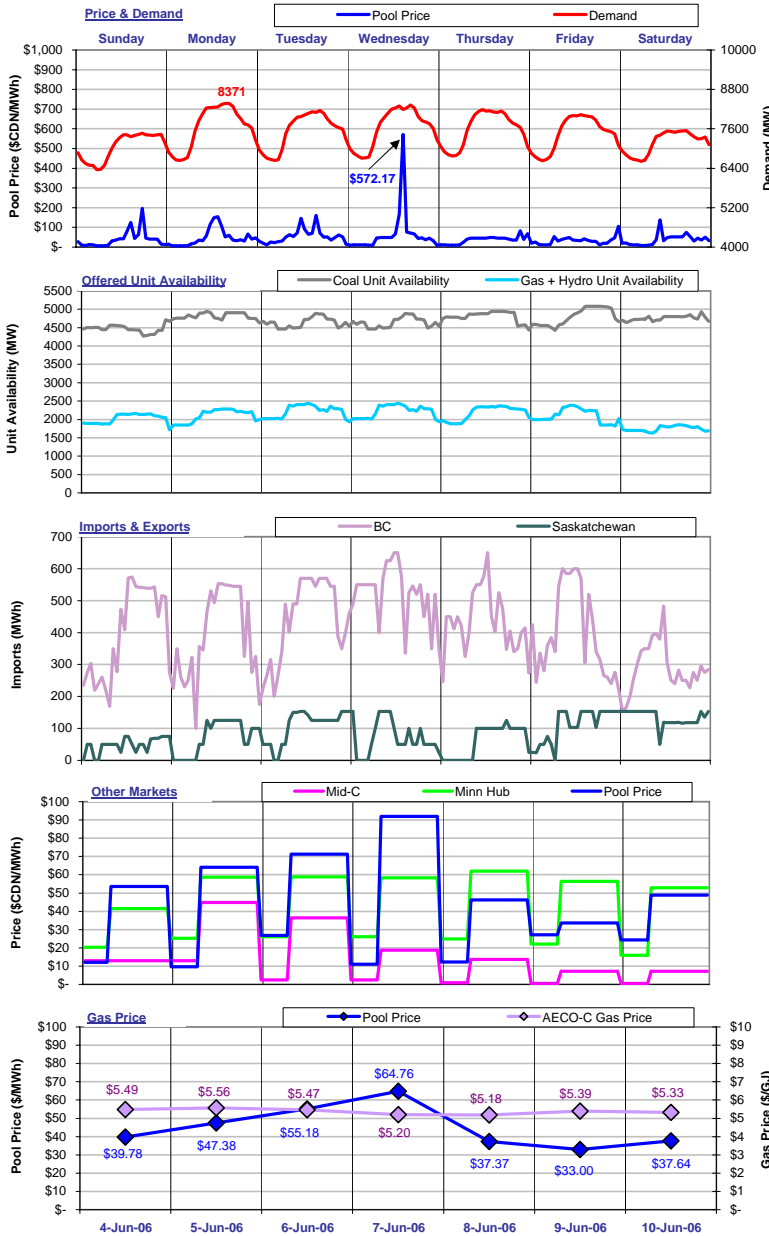


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending June 10, 2006

Weekly Highlights



For the week ending June 10, 2006, **Pool Price** averaged \$45.02/MWh and ranged from a minimum of \$6.22/MWh in HE04 on Monday to a maximum of \$572.17/MWh in HE15 on Wednesday. **Demand** reached a high of 8371 MW in HE16 on Monday and a low of 6357 MW in HE06 on Saturday. Average demand for the week was 7442 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.20.

Coal Unit Availability averaged 4703 MW last week. This is an equivalent availability of 81% (based on MCR). **Gas and Hydro Unit Availability** averaged 2087MW last week, which is an equivalent of 37% (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 69,177MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,580MWh. Overall, Alberta imported 71,757MWh 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 \$21.35/MWh on-peak and \$4.74/MWh off peak. **Minn Hub** prices averaged \$57.88/MWh on-peak and \$22.96/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.10177.

The average **AECO-C Gas Price** last week was \$5.37/GJ and ranged from a minimum of \$5.18/GJ to \$5.56/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.12GJ/MWh to a high of 12.46GJ/MWh. The average market heat rate for the week was 8.39GJ/MWh.

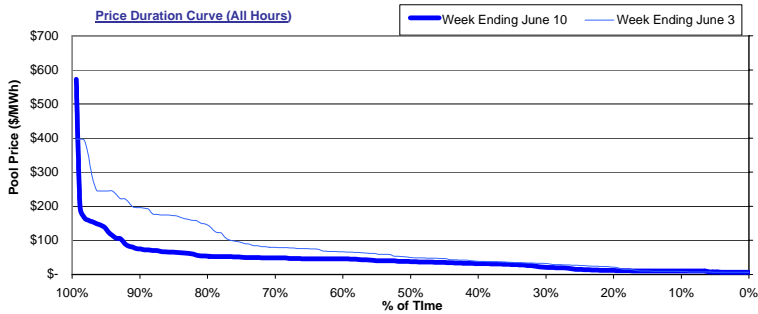


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

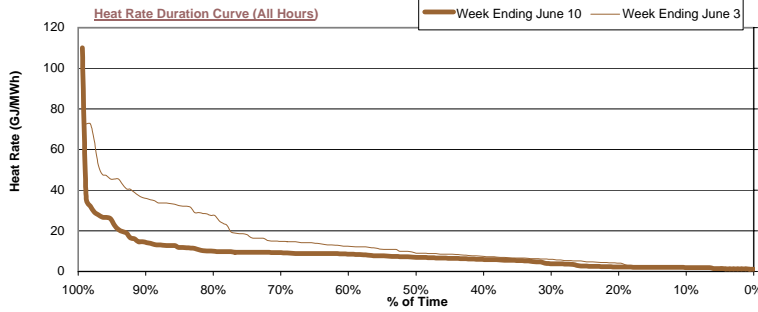
	Sunday 4-Jun	Monday 5-Jun	Tuesday 6-Jun	Wednesday 7-Jun	Thursday 8-Jun	Friday 9-Jun	Saturday 10-Jun	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 39.78	\$ 47.38	\$ 55.18	\$ 64.76	\$ 37.37	\$ 33.00	\$ 37.64	\$ 45.02	\$ 79.13	-43.1%	\$ 53.89
On-Peak	NA	\$ 64.15	\$ 71.36	\$ 91.87	\$ 46.31	\$ 33.55	\$ 48.91	\$ 59.36	\$ 108.92	-45.5%	\$ 68.80
Off-Peak	\$ 39.78	\$ 13.85	\$ 22.83	\$ 10.53	\$ 19.49	\$ 31.89	\$ 15.11	\$ 25.89	\$ 39.40	-34.3%	\$ 32.02
COV	1.09	0.91	0.66	1.75	0.51	0.61	0.77	0.90	0.85	5.2%	
Heat Rate											
Average	7.25	8.52	10.09	12.46	7.21	6.12	7.06	8.39	14.81	-43.3%	8.28
On-Peak	NA	11.53	13.05	17.68	8.94	6.23	9.18	11.10	20.25	-45.2%	10.57
Off-Peak	7.25	2.49	4.18	2.03	3.76	5.92	2.84	4.77	7.55	-36.8%	4.92
Demand											
Average	7,054	7,648	7,530	7,631	7,596	7,456	7,179	7,442	7,471	-0.4%	7,840
Minimum	6,357	6,640	6,641	6,705	6,773	6,627	6,615	6,623	6,665	-0.6%	6,351
Maximum	7,468	8,371	8,162	8,326	8,190	8,032	7,542	8,013	8,039	-0.3%	9,306
Coal Unit Availability											
Average	4,472	4,818	4,636	4,636	4,807	4,797	4,758	4,703	4,680	0.4%	5,472
Utilization	77%	83%	79%	79%	82%	82%	81%	81%	80%	0.4%	94%
Gas and Hydro Unit Availability											
Average	2,022	2,101	2,223	2,223	2,183	2,107	1,749	2,087	2,061	0.5%	1,970
Utilization	42%	44%	47%	47%	46%	44%	37%	37%	36%	0.5%	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 **June 10**, prices were at or below:

\$20/MWh	29% of the time
\$50/MWh	74% of the time
\$100/MWh	92% of the time
\$250/MWh	99% of the time
\$500/MWh	99% 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 **June 10** implied market heat rates were at or below:

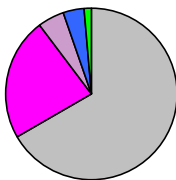
5.0 GJ/MWh	33% of the time
10.0 GJ/MWh	80% of the time
15.0 GJ/MWh	92% of the time
20.0 GJ/MWh	94% of the time

Market Share Statistics

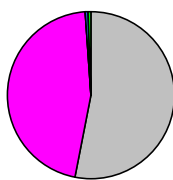
By Fuel Type:

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

Weekly Generation by Fuel Type

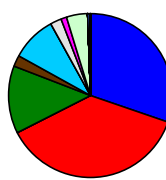


Weekly Price Setting by Fuel Type



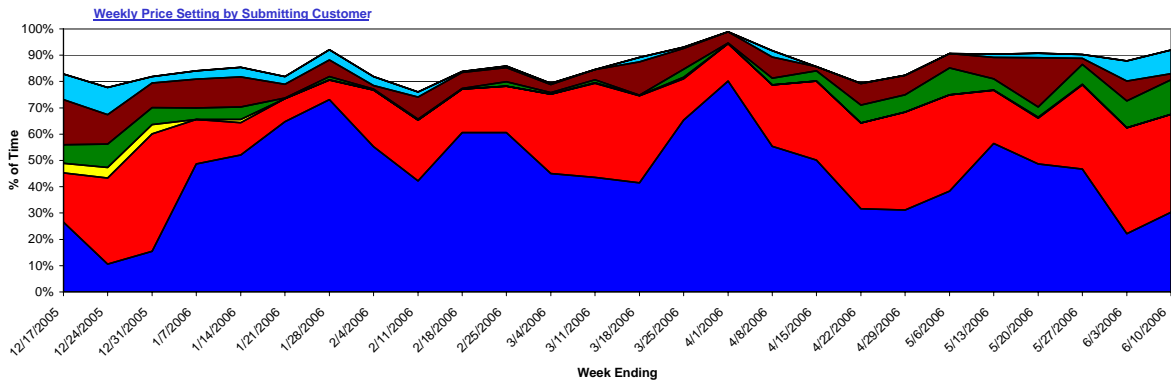
By Submitting Customer:

Weekly Price Setting by Submitting Customer

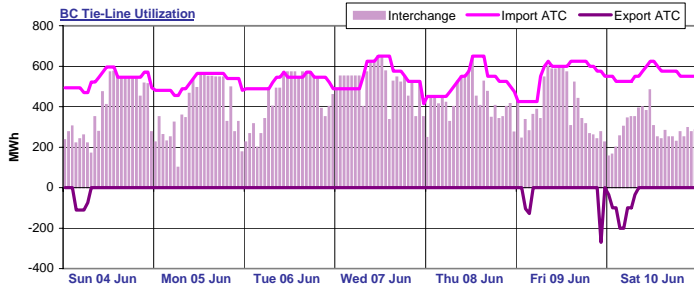


Last week, coal units were responsible for 66.6% of the generation in the province and set price 52.9% of the time. **Gas-cogen** units accounted for 23.2% of the generation and set price 45.9% of the time last week while **other gas** units made up 4.8% of generation and set price 0.0% of the time.

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 37.2% of the time and the top five price setters set price a total of 93.8% of the time.

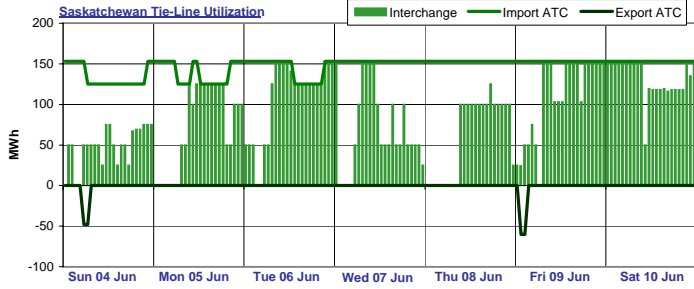


Interties

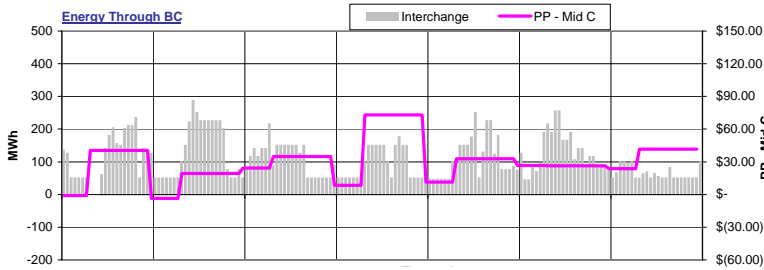


BC import capacity was 76% utilized last week while BC export capacity was 0% utilized. Energy was being imported into Alberta over the BC tie-line 100% of the time and exported out of Alberta over the BC tie-line 0% of the time last week. There was no activity on the BC tie-line 0% of the time last 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.



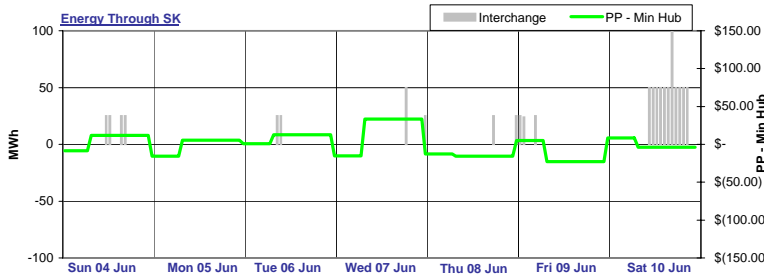
Saskatchewan import capacity was 59% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 85% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 15% of the time last week.



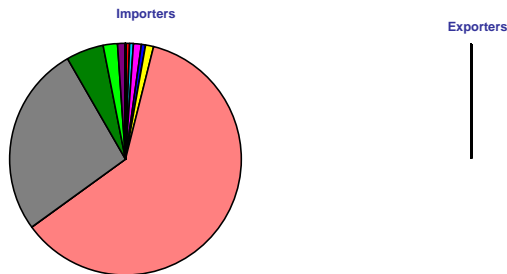
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



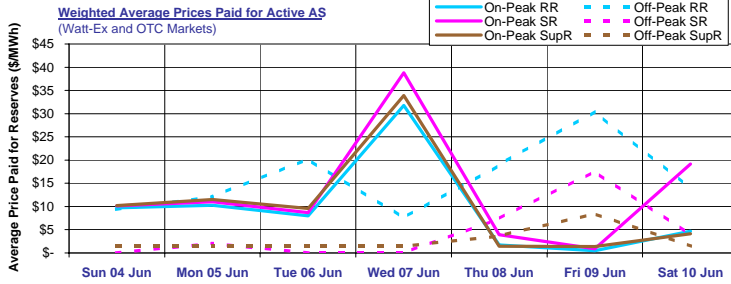
Tie-Line Market Shares



Last week, there were a total of 11 importers. The most active importer had a market share of 61.1% while the second most active importer had a market share of 26.5%. There were a total of 0 exporters last week. The most active exporter had a market share of 0.0% while the next largest exporter had a market share of 0.0%.

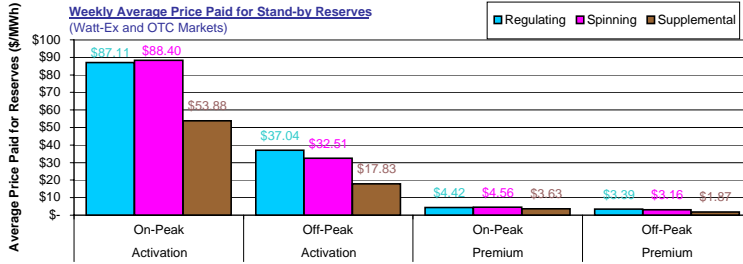
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



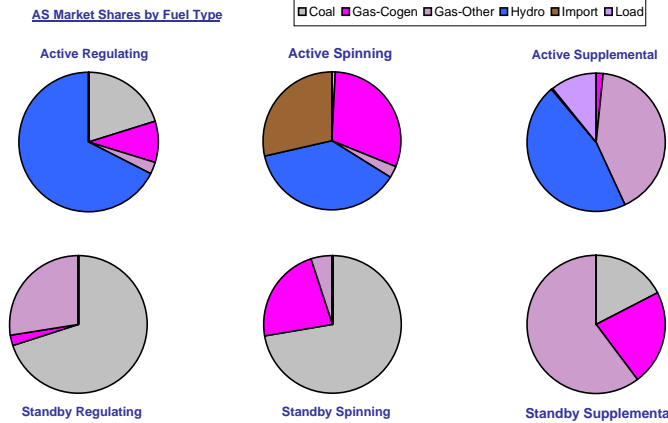
Average on-peak prices paid for active ancillary services last week were \$9.47/MWh, \$13.32/MWh and \$10.48/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat lower and averaged \$16.00/MWh, \$4.42/MWh and \$2.76/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$17.83/MWh for **off-peak supplemental** reserves to \$88.40/MWh for **on-peak spinning** reserves.

Weekly average premium prices ranged from \$1.87/MWh for **off-peak supplemental** reserves up to \$4.56/MWh for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 67.4%. In the **active spinning** reserve market, **hydro** units had the leading market share with 37.7% while in the **active supplemental** reserve market, **hydro** units dominated with a 45.9% market share.

Coal units dominated the **standby regulating** reserve market with a 70.1% market share. Leading market share in the **standby spinning** market was held by coal units with a 72.1% market share. In the **standby supplemental** reserve market, gas units had the leading market share with 60.3%.

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.