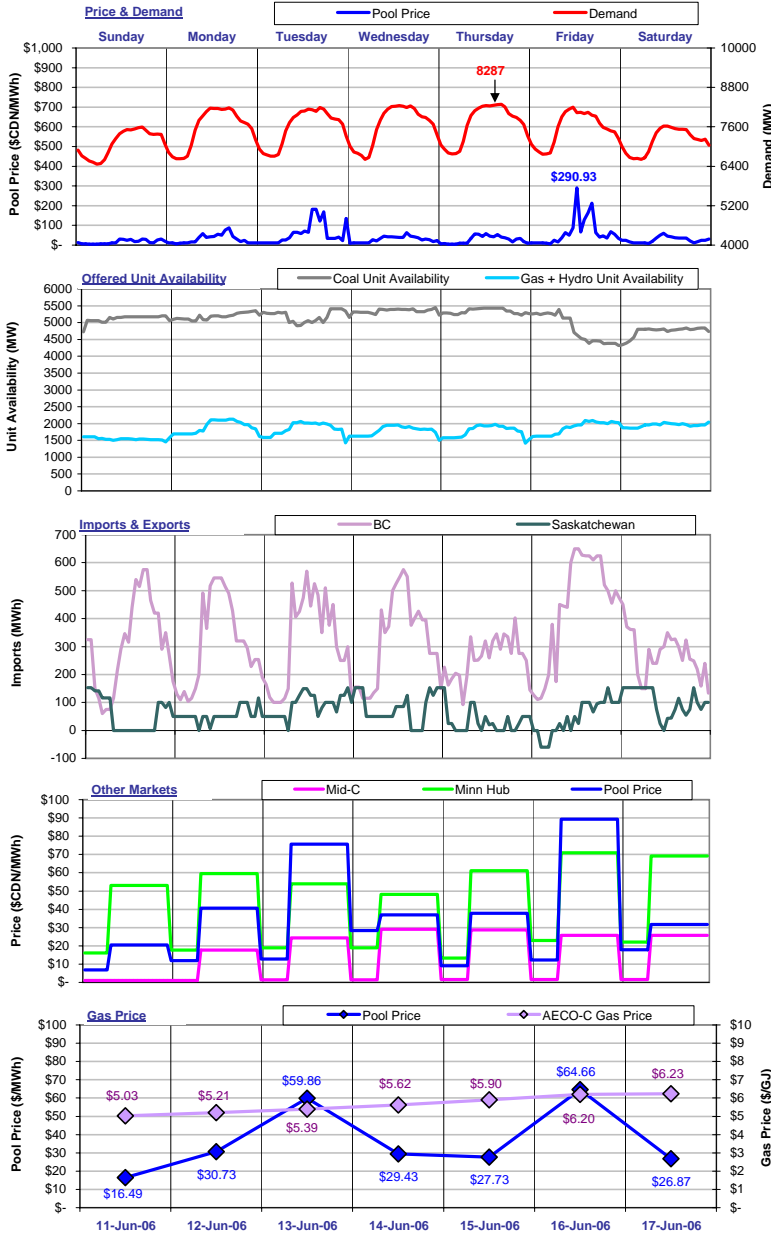


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending June 17, 2006

Weekly Highlights



For the week ending June 17, 2006, **Pool Price** averaged \$36.54/MWh and ranged from a minimum of \$5.42/MWh in HE04 on Thursday to a maximum of \$290.93/MWh in HE13 on Friday. **Demand** reached a high of 8287 MW in HE17 on Thursday and a low of 6464 MW in HE06 on Sunday. Average demand for the week was 7473 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.30.

Coal Unit Availability averaged 5105 MW last week. This is an equivalent availability of 87% (based on MCR). **Gas and Hydro Unit Availability** averaged 1810 MW last week, which is an equivalent of 32% (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 53,789 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 11,110 MWh. Overall, Alberta imported 64,899 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 \$25.18/MWh on-peak and \$1.37/MWh off peak. **Minn Hub** prices averaged \$60.48/MWh on-peak and \$18.57/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1066.

The average **AECO-C Gas Price** last week was \$5.65/GJ and ranged from a minimum of \$5.03/GJ to \$6.23/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 3.28 GJ/MWh to a high of 11.11GJ/MWh. The average market heat rate for the week was 6.42 GJ/MWh.

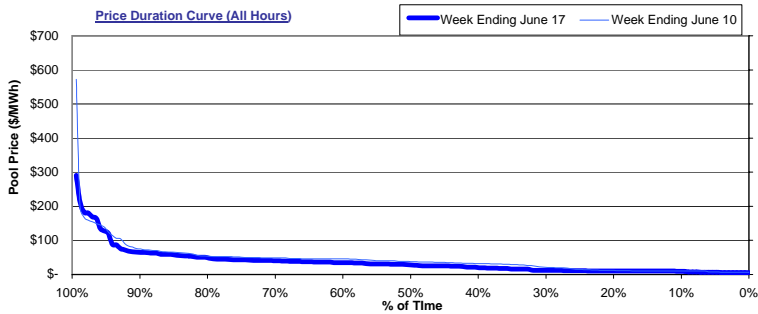


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

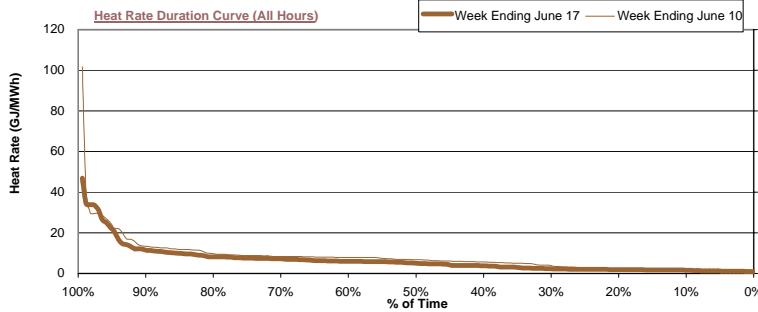
	Sunday 11-Jun	Monday 12-Jun	Tuesday 13-Jun	Wednesday 14-Jun	Thursday 15-Jun	Friday 16-Jun	Saturday 17-Jun	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 16.49	\$ 30.73	\$ 59.86	\$ 29.43	\$ 27.73	\$ 64.66	\$ 26.87	\$ 36.54	\$ 45.02	-18.8%	\$ 53.17
On-Peak	NA	\$ 40.64	\$ 75.67	\$ 37.00	\$ 37.82	\$ 89.29	\$ 31.65	\$ 52.01	\$ 59.36	-12.4%	\$ 68.10
Off-Peak	\$ 16.49	\$ 10.90	\$ 28.25	\$ 14.28	\$ 7.57	\$ 15.40	\$ 17.30	\$ 15.91	\$ 25.89	-38.6%	\$ 31.34
COV	0.61	0.74	0.94	0.50	0.68	1.08	0.53	0.72	0.90	-19.4%	
Heat Rate											
Average	3.28	5.90	11.11	5.23	4.70	10.43	4.31	6.42	8.39	-23.4%	8.21
On-Peak	NA	7.80	14.04	6.58	6.41	14.40	5.08	9.05	11.10	-18.5%	10.52
Off-Peak	3.28	2.09	5.24	2.54	1.28	2.48	2.78	2.92	4.77	-38.9%	4.84
Demand											
Average	7,113	7,557	7,588	7,637	7,689	7,551	7,175	7,473	7,442	0.4%	7,825
Minimum	6,464	6,626	6,704	6,613	6,772	6,767	6,607	6,650	6,623	0.4%	6,351
Maximum	7,598	8,175	8,189	8,242	8,287	8,199	7,627	8,045	8,013	0.4%	9,306
Coal Unit Availability											
Average	5,117	5,186	5,186	5,350	5,340	4,815	4,739	5,105	4,703		5,457
Utilization	88%	89%	89%	92%	91%	82%	81%	87%	81%	6.9%	93%
Gas and Hydro Unit Availability											
Average	1,544	1,898	1,840	1,791	1,769	1,878	1,951	1,810	2,087		1,963
Utilization	32%	40%	39%	38%	37%	39%	41%	32%	37%	-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 **June 17**, prices were at or below:

\$20/MWh	20% of the time
\$50/MWh	80% of the time
\$100/MWh	94% of the time
\$250/MWh	99% 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 **June 17** implied market heat rates were at or below:

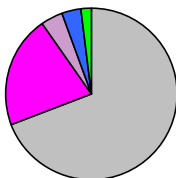
5.0 GJ/MWh	50% of the time
10.0 GJ/MWh	86% of the time
15.0 GJ/MWh	94% of the time
20.0 GJ/MWh	95% of the time

Market Share Statistics

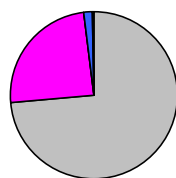
By Fuel Type:

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

Weekly Generation by Fuel Type

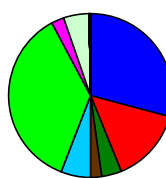


Weekly Price Setting by Fuel Type



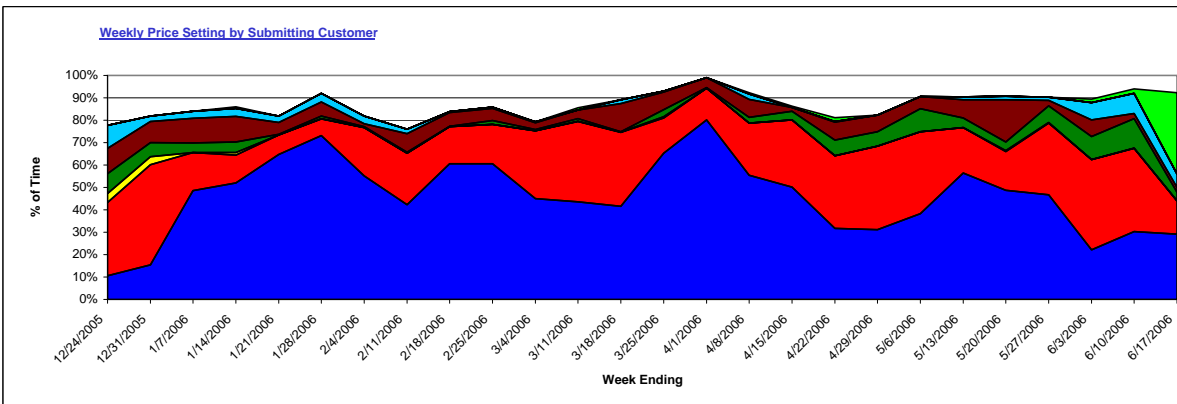
By Submitting Customer:

Weekly Price Setting by Submitting Customer

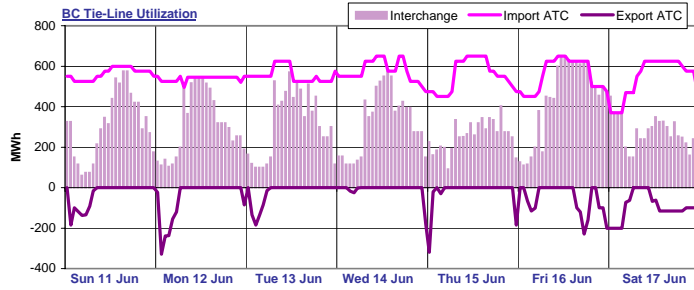


Last week, coal units were responsible for 69.3% of the generation in the province and set price 73.5% of the time. Gas-cogen units accounted for 20.9% of the generation and set price 24.6% of the time last week while other gas units made up 4.1% of generation and set price 0.0% of the time.

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 36.3% of the time and the top five price setters set price a total of 90.9% of the time.

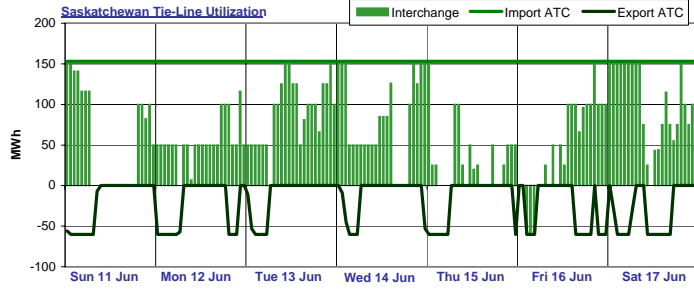


Interties

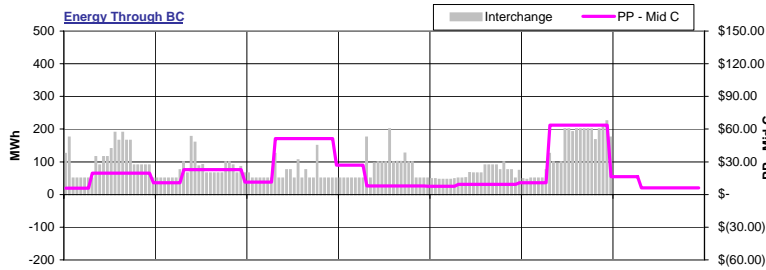


BC import capacity was 57% utilized last week while BC export capacity was 0% utilized. Energy was being imported into Alberta over the BC tie-line 100% of the time and exported out of Alberta over the BC tie-line 0% of the time last week. There was no activity on the BC tie-line 0% of the time last 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.



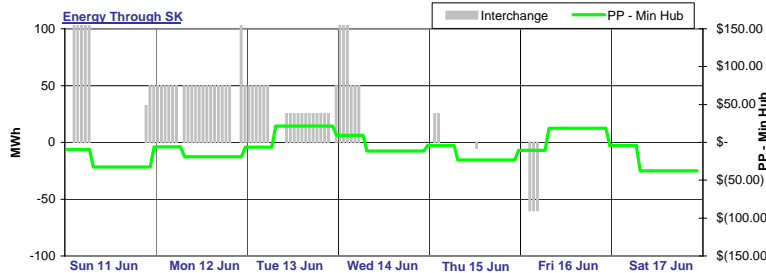
Saskatchewan import capacity was 44% utilized last week while Saskatchewan export capacity was 5% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 77% of the time and exported out of Alberta over the Saskatchewan tie-line 2% of the time last week. There was no activity on the Saskatchewan tie-line 21% of the time last week.



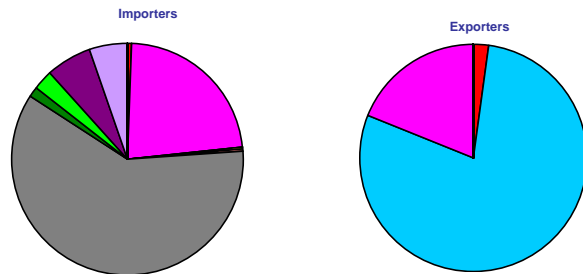
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



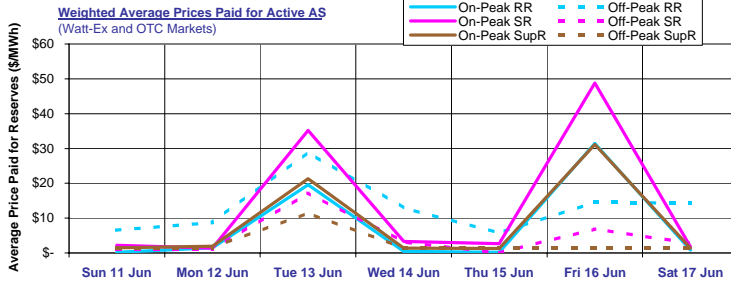
Tie-Line Market Shares



Last week, there were a total of 11 importers. The most active importer had a market share of 60.3% while the second most active importer had a market share of 22.8%. There were a total of 3 exporters last week. The most active exporter had a market share of 78.9% while the next largest exporter had a market share of 18.9%.

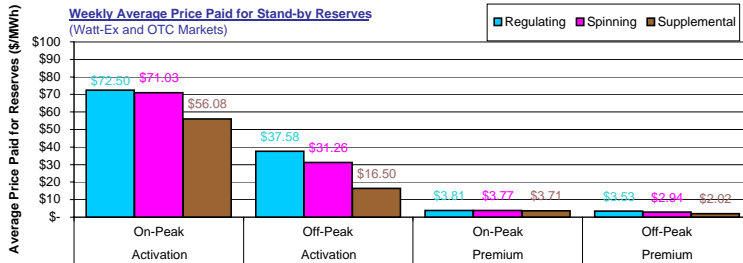
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



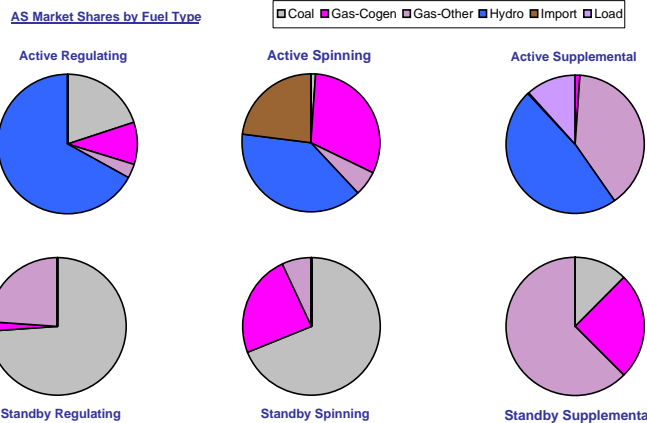
Average on-peak prices paid for active ancillary services last week were \$7.66/MWh, \$13.73/MWh and \$8.75/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat **higher** and averaged \$12.17/MWh, \$4.41/MWh and \$2.86/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$16.50/MWh for **off-peak supplemental** reserves to \$72.50/MWh for **on-peak regulating** reserves.

Weekly average premium prices ranged from \$2.02/MWh for **off-peak supplemental** reserves up to \$3.81/MWh for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 67.0%. In the **active spinning** reserve market, **hydro** units had the leading market share with 38.9% while in the **active supplemental** reserve market, **hydro** units dominated with a 47.6% market share.

Coal units dominated the **standby regulating** reserve market with a 73.9% market share. Leading market share in the **standby spinning** market was held by coal units with a 68.8% market share. In the **standby supplemental** reserve market, gas units had the leading market share with 62.4%.

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.