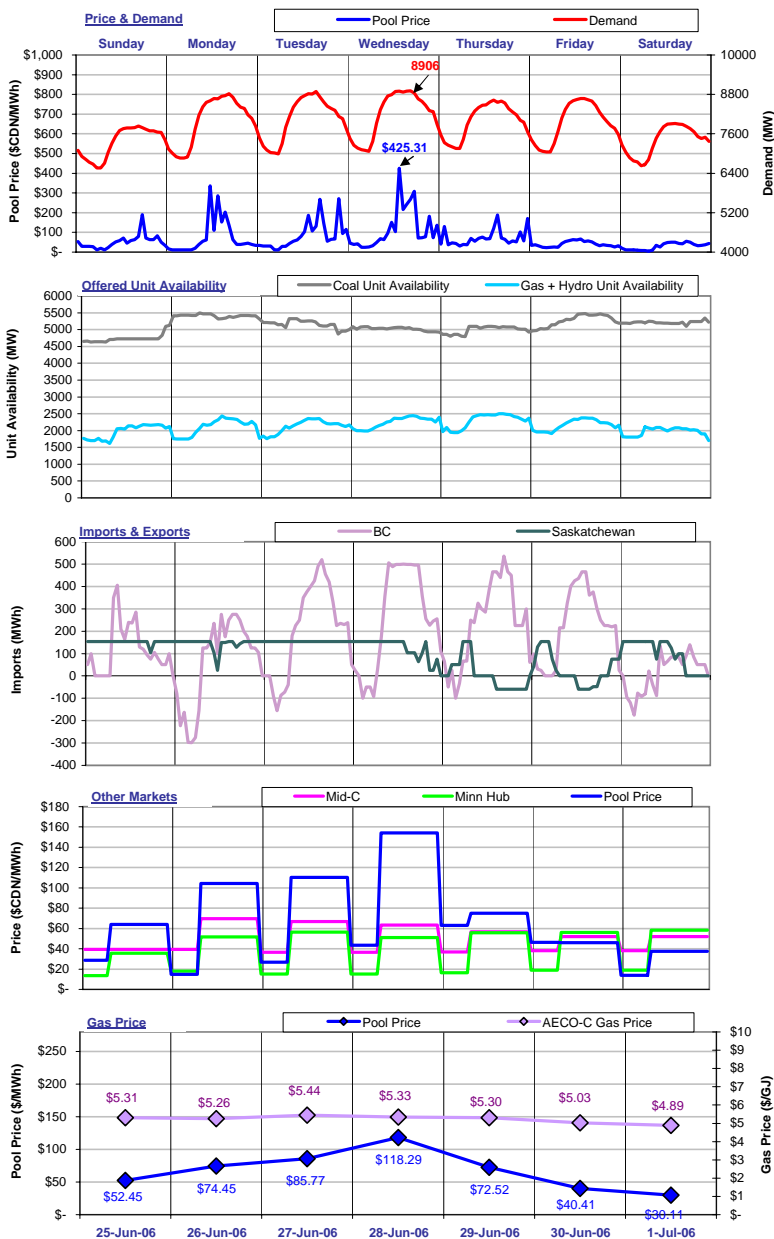


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 1, 2006

Weekly Highlights



For the week ending July 1, 2006, **Pool Price** averaged \$67.72/MWh and ranged from a minimum of \$5.47/MWh in HE08 on Saturday to a maximum of \$425.31/MWh in HE14 on Wednesday. **Demand** reached a high of 8906 MW in HE17 on Wednesday and a low of 6564 MW in HE06 on Sunday. Average demand for the week was 7848 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.36.

Coal Unit Availability averaged 5115 MW last week. This is an equivalent availability of 88% (based on MCR). **Gas and Hydro Unit Availability** averaged 2125 MW 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 26,767 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 16,643 MWh. Overall, Alberta imported 43,410 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 \$60.18/MWh on-peak and \$37.92/MWh off-peak. **Minn Hub** prices averaged \$54.91/MWh on-peak and \$16.53/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1233.

The average **AECO-C Gas Price** last week was \$5.22/GJ and ranged from a minimum of \$4.89/GJ to \$5.44/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.16GJ/MWh to a high of 22.18GJ/MWh. The average market heat rate for the week was 12.84GJ/MWh.

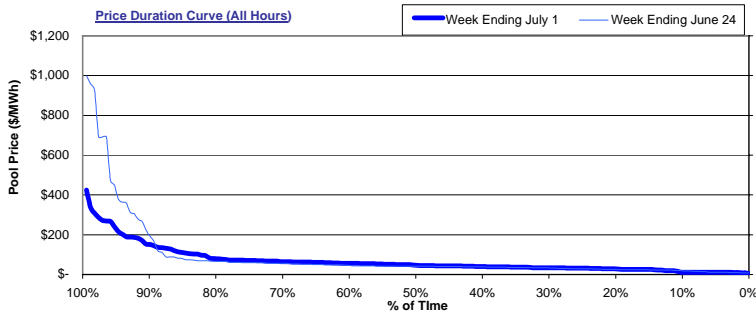


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

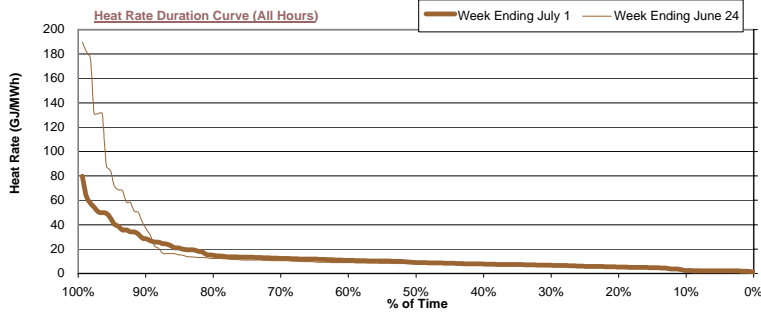
	Sunday 25-Jun	Monday 26-Jun	Tuesday 27-Jun	Wednesday 28-Jun	Thursday 29-Jun	Friday 30-Jun	Saturday 1-Jul	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 52.45	\$ 74.45	\$ 85.77	\$ 118.29	\$ 72.52	\$ 40.41	\$ 30.11	\$ 67.72	\$ 88.51	-23.5%	\$ 55.09
On-Peak	NA	\$ 104.32	\$ 110.28	\$ 154.25	\$ 75.08	\$ 46.02	\$ 37.61	\$ 87.92	\$ 132.72	-33.8%	\$ 71.35
Off-Peak	\$ 52.45	\$ 14.72	\$ 36.77	\$ 46.36	\$ 67.42	\$ 29.18	\$ 15.13	\$ 40.77	\$ 29.55	38.0%	\$ 31.48
COV	0.68	1.19	0.84	0.89	0.57	0.35	0.57	0.73	0.79	-8.0%	
Heat Rate											
Average	9.88	14.15	15.77	22.18	13.69	8.04	6.16	12.84	14.96	-14.2%	8.61
On-Peak	NA	19.83	20.28	28.92	14.17	9.15	7.69	16.67	22.43	-25.7%	11.15
Off-Peak	9.88	2.80	6.76	8.69	12.72	5.80	3.10	7.73	5.00	54.6%	4.92
Demand											
Average	7,343	8,005	8,060	8,184	8,004	7,946	7,396	7,848	7,481	4.9%	7,813
Minimum	6,564	6,860	6,990	7,066	7,152	7,046	6,627	6,901	6,648	3.8%	6,351
Maximum	7,839	8,817	8,894	8,906	8,627	8,678	7,911	8,525	8,036	6.1%	9,306
Coal Unit Availability											
Average	4,737	5,407	5,159	5,023	4,993	5,272	5,213	5,115	4,843		5,420
Utilization	81%	93%	88%	86%	86%	90%	89%	88%	83%	4.6%	93%
Gas and Hydro Unit Availability											
Average	1,971	2,097	2,131	2,243	2,298	2,171	1,967	2,125	2,004		1,971
Utilization	41%	44%	45%	47%	48%	46%	41%	37%	35%	2.1%	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 **July 1**, prices were at or below:

\$20/MWh	13% of the time
\$50/MWh	52% of the time
\$100/MWh	82% of the time
\$250/MWh	95% 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 **July 1** implied market heat rates were at or below:

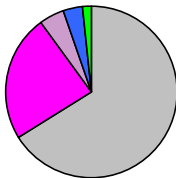
5.0 GJ/MWh	18% of the time
10.0 GJ/MWh	54% of the time
15.0 GJ/MWh	80% of the time
20.0 GJ/MWh	85% of the time

Market Share Statistics

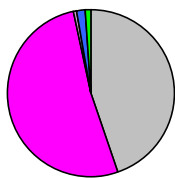
By Fuel Type:

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

Weekly Generation by Fuel Type

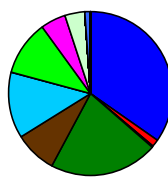


Weekly Price Setting by Fuel Type



By Submitting Customer:

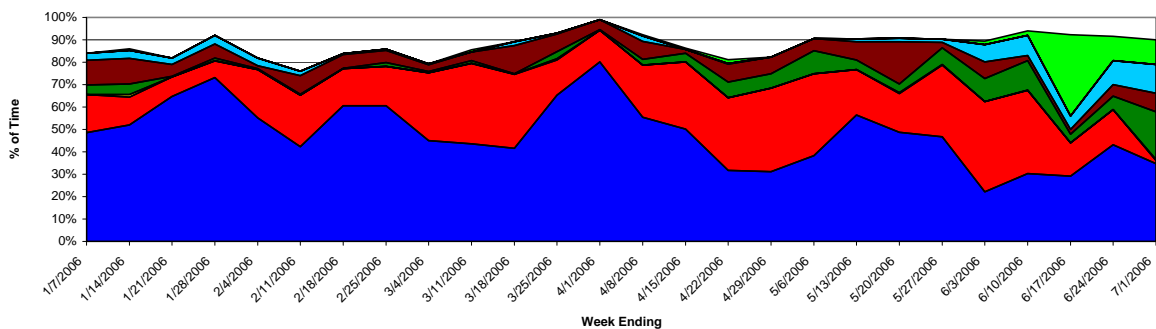
Weekly Price Setting by Submitting Customer



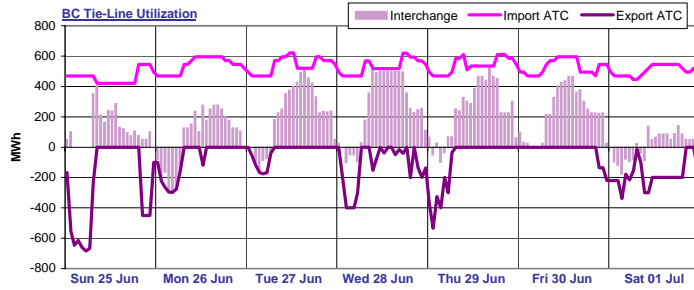
Last week, coal units were responsible for 66.1% of the generation in the province and set price 44.9% of the time. Gas-cogen units accounted for 23.8% of the generation and set price 51.9% of the time last week while other gas units made up 4.7% of generation and set price 0.4% of the time.

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 34.8% of the time and the top five price setters set price a total of 88.3% of the time.

Weekly Price Setting by Submitting Customer

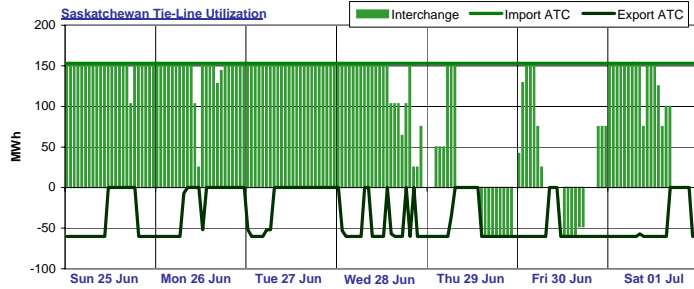


Interties

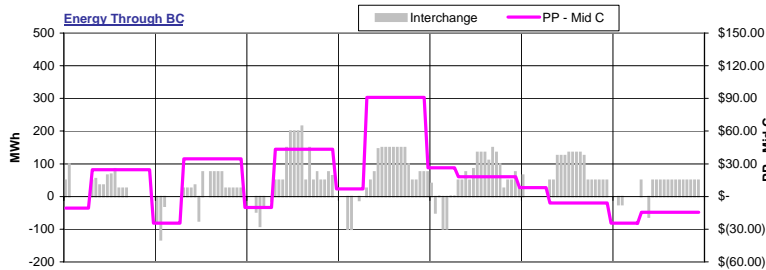


BC import capacity was 33% utilized last week while BC export capacity was 21% utilized. Energy was being imported into Alberta over the BC tie-line 75% of the time and exported out of Alberta over the BC tie-line 16% of the time last week. There was no activity on the BC tie-line 9% of the time last 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.



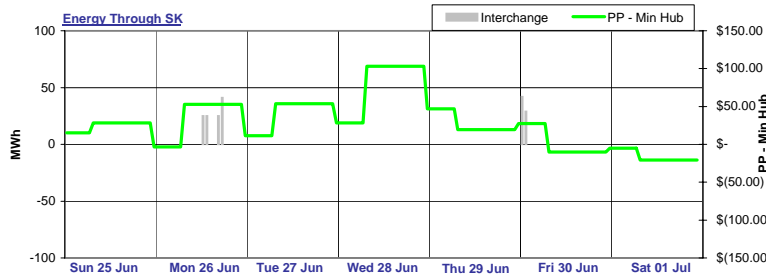
Saskatchewan import capacity was 68% utilized last week while Saskatchewan export capacity was 14% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 76% of the time and exported out of Alberta over the Saskatchewan tie-line 9% of the time last week. There was no activity on the Saskatchewan tie-line 15% of the time last week.



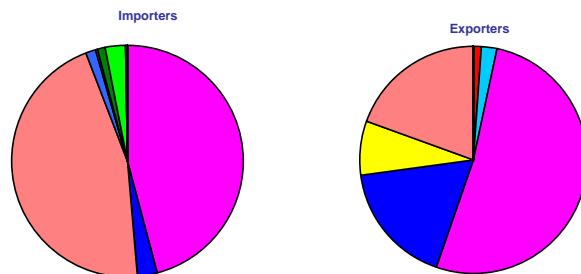
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



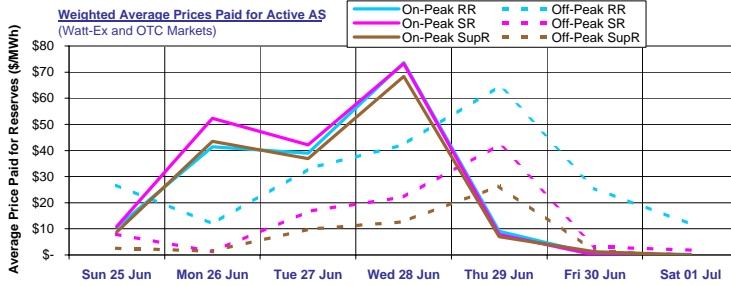
Tie-Line Market Shares



Last week, there were a total of 10 importers. The most active importer had a market share of 45.6% while the second most active importer had a market share of 45.5%. There were a total of 6 exporters last week. The most active exporter had a market share of 51.8% while the next largest exporter had a market share of 19.6%.

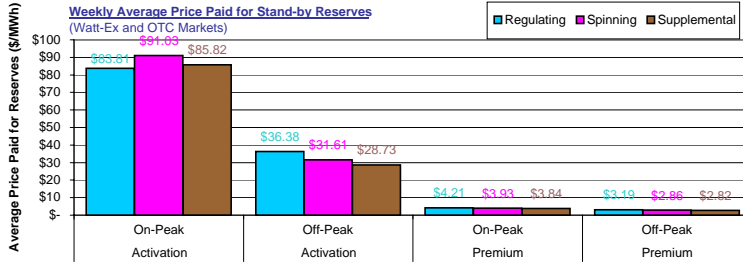
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



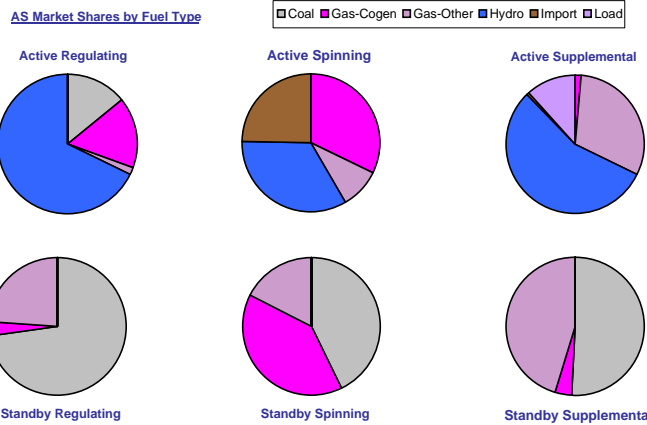
Average on-peak prices paid for active ancillary services last week were \$25.02/MWh, \$27.62/MWh and \$24.58/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat lower and averaged \$30.69/MWh, \$13.76/MWh and \$7.86/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$28.73/MWh for **off-peak supplemental** reserves to \$91.03/MWh for **on-peak spinning** reserves.

Weekly average premium prices ranged from \$2.82/MWh for **off-peak supplemental** reserves up to \$4.21/MWh for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 67.7%. In the **active spinning** reserve market, **hydro** units had the leading market share with 33.5% while in the **active supplemental** reserve market, **hydro** units dominated with a 55.6% market share.

Coal units dominated the **standby regulating** reserve market with a 72.9% market share. Leading market share in the **standby spinning** market was held by coal units with a 42.8% market share. In the **standby supplemental** reserve market, coal units had the leading market share with 50.8%.

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.