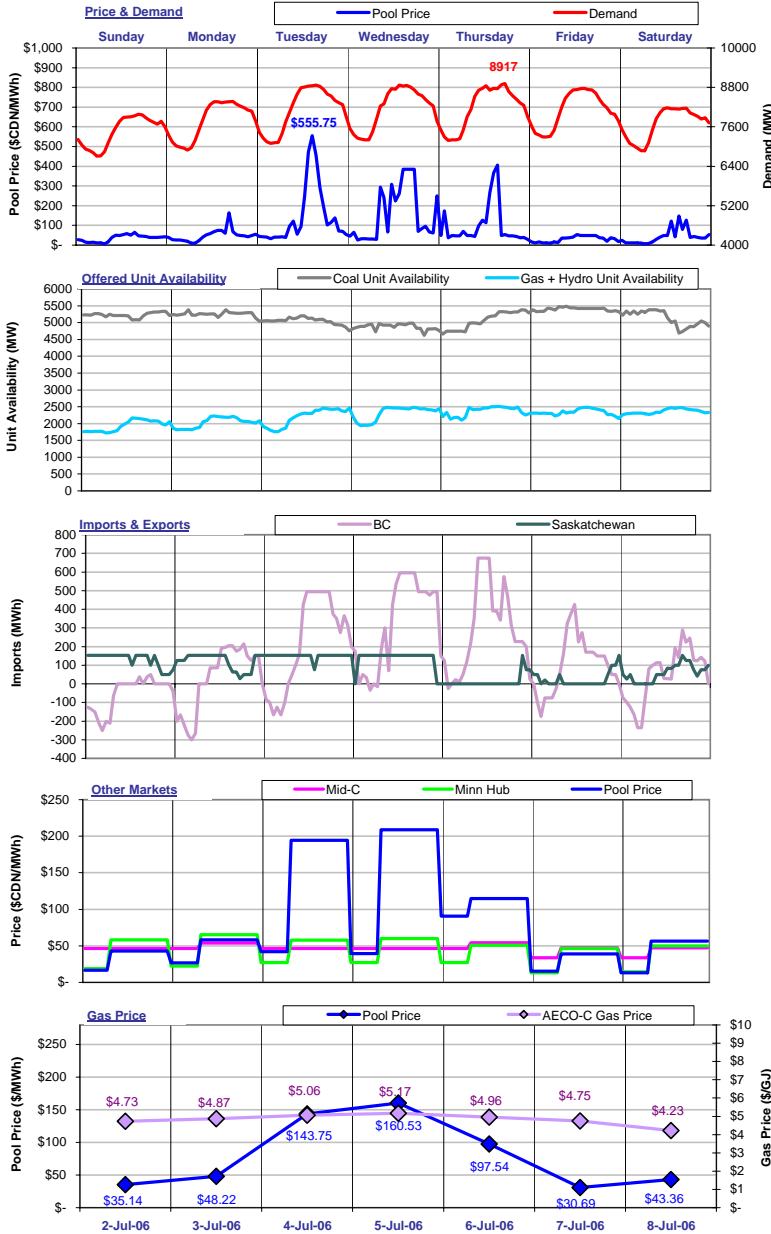


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 8, 2006

Weekly Highlights



For the week ending July 8, 2006, **Pool Price** averaged \$79.89/MWh and ranged from a minimum of \$6.76/MWh in HE07 on Saturday to a maximum of \$555.75/MWh in HE15 on Tuesday. **Demand** reached a high of 8917 MW in HE18 on Thursday and a low of 6703 MW in HE06 on Sunday. Average demand for the week was 7931 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.31.

Coal Unit Availability averaged 5143 MW last week. This is an equivalent availability of 88% (based on MCR). **Gas and Hydro Unit Availability** averaged 2220 MW last week, which is an equivalent of 39% (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 23,160 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 15,146 MWh. Overall, Alberta imported 38,306 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 \$49.19/MWh on-peak and \$42.58/MWh off-peak. **Minn Hub** prices averaged \$55.06/MWh on-peak and \$21.43/MWh off-peak.

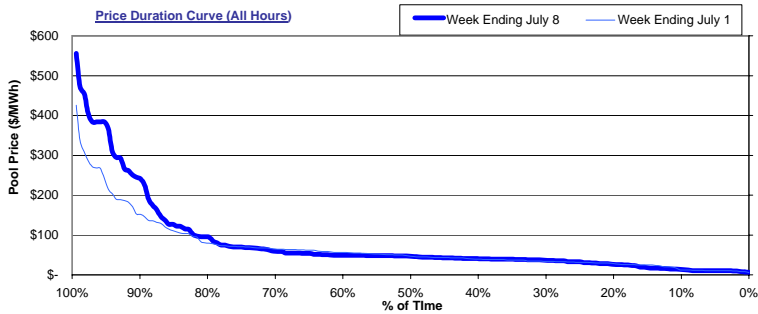
Prices in \$CDN at an exchange rate of 1.11685.

The average **AECO-C Gas Price** last week was \$4.82/GJ and ranged from a minimum of \$4.23/GJ to \$5.17/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.46 GJ/MWh to a high of 31.06 GJ/MWh. The average market heat rate for the week was 16.17 GJ/MWh.

Wholesale Market

Weekly Market Statistics

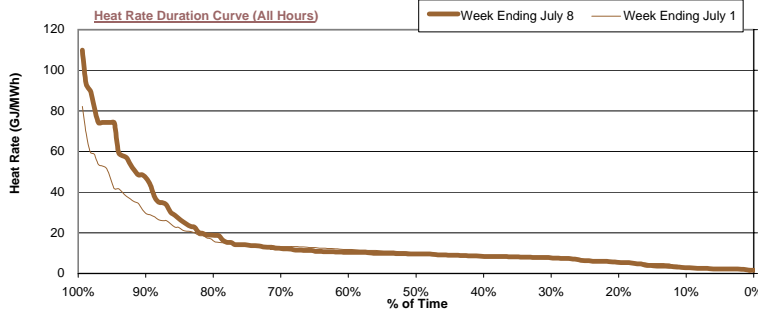
	Sunday 2-Jul	Monday 3-Jul	Tuesday 4-Jul	Wednesday 5-Jul	Thursday 6-Jul	Friday 7-Jul	Saturday 8-Jul	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 35.14	\$ 48.22	\$ 143.75	\$ 160.53	\$ 97.54	\$ 30.69	\$ 43.36	\$ 79.89	\$ 67.72	18.0%	\$ 56.00
On-Peak	NA	\$ 58.18	\$ 194.56	\$ 208.78	\$ 114.85	\$ 39.15	\$ 56.27	\$ 111.97	\$ 87.92	27.3%	\$ 72.86
Off-Peak	\$ 35.14	\$ 28.29	\$ 42.13	\$ 64.03	\$ 62.92	\$ 13.77	\$ 17.54	\$ 37.12	\$ 40.77	-8.9%	\$ 31.71
COV	0.49	0.65	1.05	0.86	1.07	0.50	0.89	0.79	0.73	8.3%	
Heat Rate											
Average	7.43	9.90	28.42	31.06	19.68	6.46	10.26	16.17	12.84	26.0%	8.83
On-Peak	NA	11.95	38.46	40.39	23.17	8.24	13.32	22.59	16.67	35.5%	11.49
Off-Peak	7.43	5.81	8.33	12.39	12.69	2.90	4.15	7.62	7.73	-1.4%	5.00
Demand											
Average	7,459	7,791	8,129	8,156	8,177	8,111	7,691	7,931	7,848	1.0%	7,817
Minimum	6,703	6,889	7,100	7,203	7,188	7,289	6,871	7,035	6,901	1.9%	6,351
Maximum	7,983	8,375	8,868	8,866	8,917	8,768	8,183	8,566	8,525	0.5%	9,306
Coal Unit Availability											
Average	5,227	5,252	5,051	4,874	5,067	5,400	5,126	5,143	5,115		5,410
Utilization	89%	90%	86%	83%	87%	92%	88%	88%	88%	0.5%	93%
Gas and Hydro Unit Availability											
Average	1,937	2,033	2,195	2,311	2,363	2,339	2,363	2,220	2,125		1,980
Utilization	41%	43%	46%	49%	50%	49%	50%	39%	37%	1.7%	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 8, prices were at or below:

\$20/MWh	16% of the time
\$50/MWh	62% of the time
\$100/MWh	82% of the time
\$250/MWh	90% 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 July 8 implied market heat rates were at or below:

5.0 GJ/MWh	18% of the time
10.0 GJ/MWh	57% of the time
15.0 GJ/MWh	77% of the time
20.0 GJ/MWh	82% of the time

Market Share Statistics

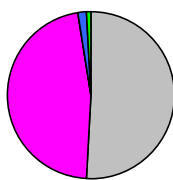
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type

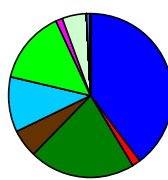


Weekly Price Setting by Fuel Type



By Submitting Customer:

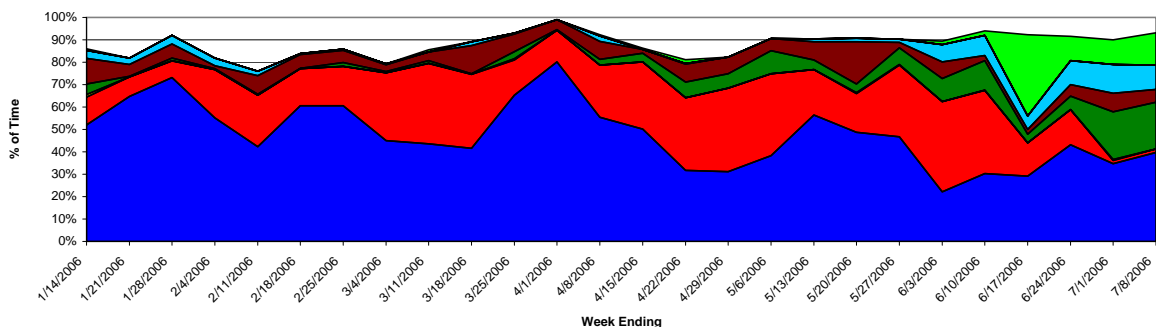
Weekly Price Setting by Submitting Customer



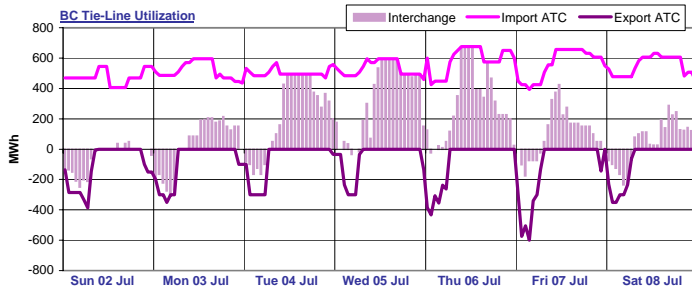
Last week, coal units were responsible for 65.2% of the generation in the province and set price 50.8% of the time. Gas-cogen units accounted for 24.4% of the generation and set price 46.5% of the time last week while other gas units made up 4.9% of generation and set price 0.0% of the time.

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 39.7% of the time and the top five price setters set price a total of 91.5% of the time.

Weekly Price Setting by Submitting Customer

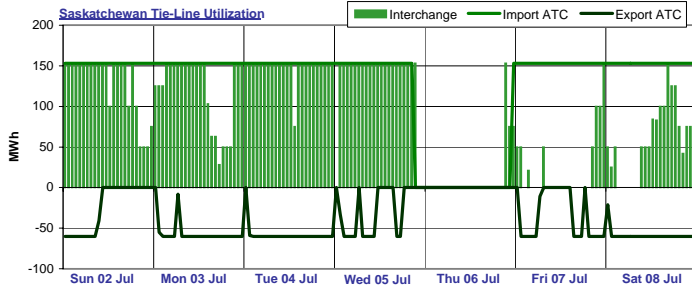


Interties

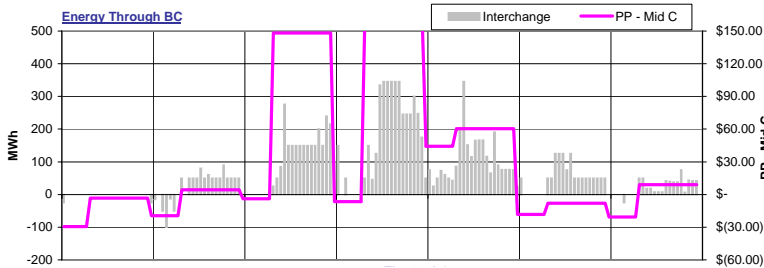


BC import capacity was 30% utilized last week while BC export capacity was 35% utilized. Energy was being imported into Alberta over the BC tie-line 64% of the time and exported out of Alberta over the BC tie-line 22% of the time last week. There was no activity on the BC tie-line 14% of the time last 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.



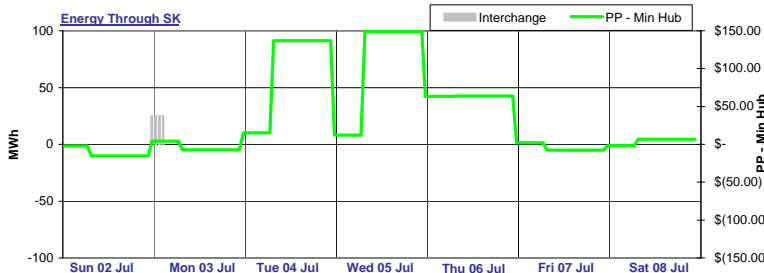
Saskatchewan import capacity was 68% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 73% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 27% of the time last week.



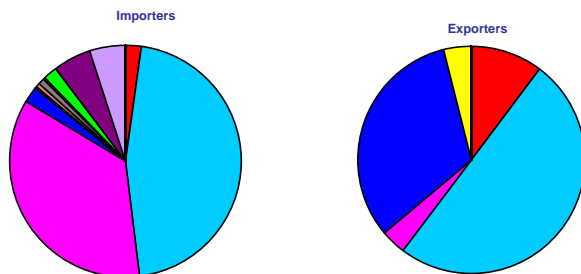
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



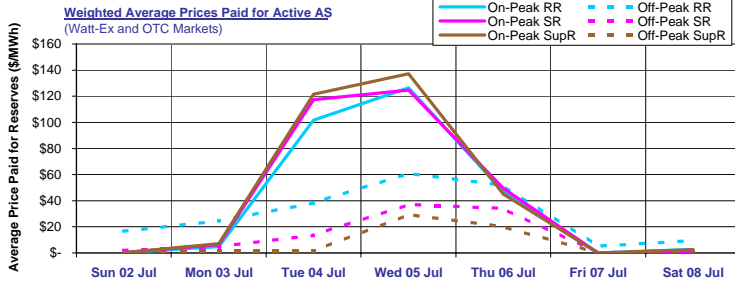
Tie-Line Market Shares



Last week, there were a total of 12 importers. The most active importer had a market share of 46.0% while the second most active importer had a market share of 35.5%. There were a total of 5 exporters last week. The most active exporter had a market share of 50.2% while the next largest exporter had a market share of 32.4%.

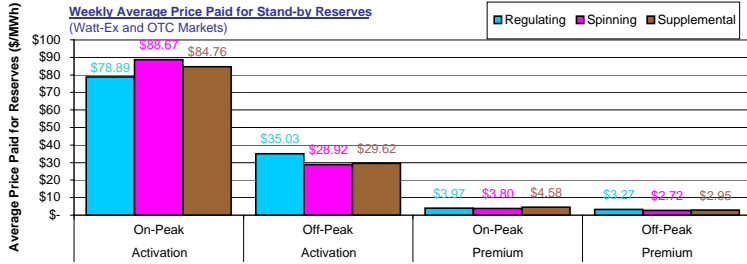
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



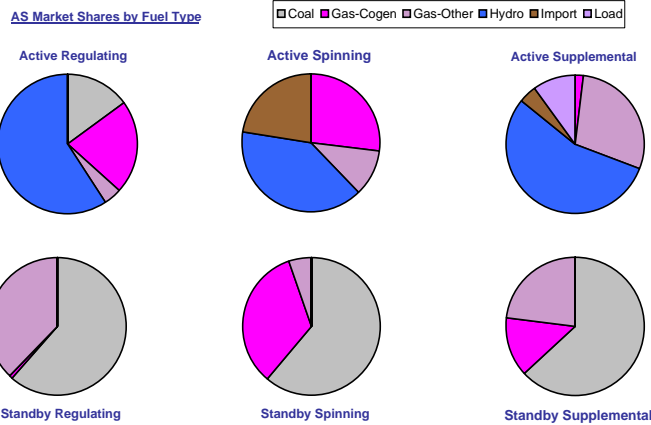
Average on-peak prices paid for active ancillary services last week were \$40.74/MWh, \$44.50/MWh and \$46.42/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat **higher** and averaged \$29.64/MWh, \$13.67/MWh and \$7.75/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$28.92/MWh for **off-peak spinning** reserves to \$88.67/MWh for **on-peak spinning** reserves.

Weekly average premium prices ranged from \$2.72/MWh for **off-peak spinning** reserves up to \$4.58/MWh for **on-peak supplemental** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 59.0%. In the **active spinning** reserve market, **hydro** units had the leading market share with 39.7% while in the **active supplemental** reserve market, **hydro** units dominated with a 54.9% market share.

Coal units dominated the **standby regulating** reserve market with a 61.3% market share. Leading market share in the **standby spinning** market was held by coal units with a 61.1% market share. In the **standby supplemental** reserve market, coal units had the leading market share with 63.1%.

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.