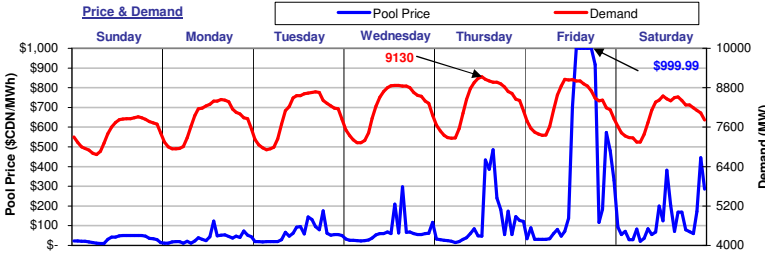


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 14, 2007

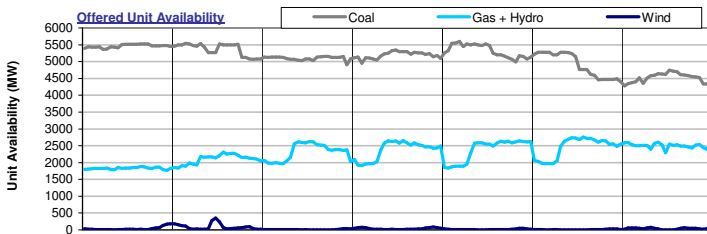
Weekly Highlights



For the week ending July 14, 2007, **Pool Price** averaged \$117.40/MWh and ranged from a minimum of \$9.22/MWh in HE08 on Sunday to a maximum of \$999.99/MWh in HE14 on Friday.

Demand reached a high of 9130 MW in HE13 on Thursday and a low of 6762 MW in HE07 on Sunday. Average demand for the week was 8003 MW.

Pool Price and **Demand** were positively correlated last week with an R-squared value of 0.20.

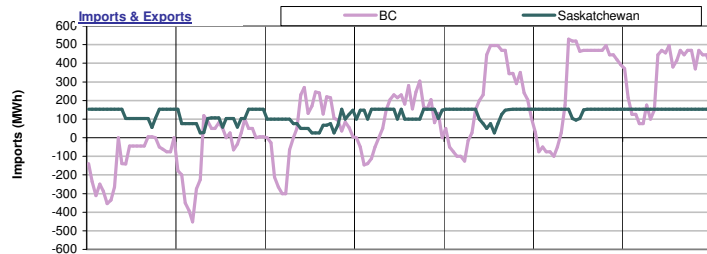


Coal Unit Availability averaged 5123 MW last week. This is an equivalent availability of 88% (based on MCR).

Gas and Hydro Unit Availability averaged 2247 MW last week, which is an equivalent of 43% (based on MCR).

Wind Generation averaged 33 MW last week. This is an equivalent availability of 7% (based on MCR).

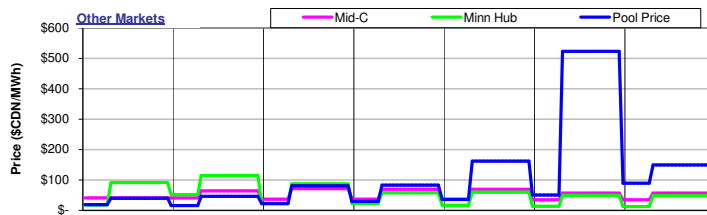
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer to **BC** last week with total imports equal to 19,032 MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 20,955 MWh.

Overall, Alberta imported 39,987 MWh of electricity last week.

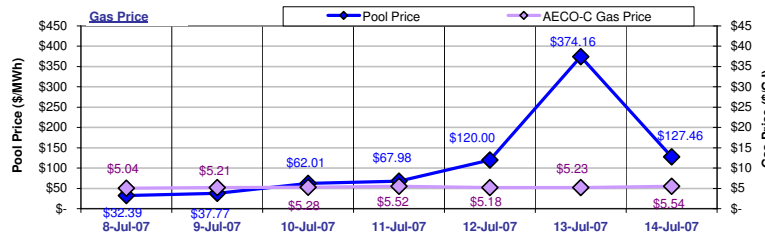


Pool Prices were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week.

Mid-C prices averaged \$64.45/MWh on-peak and \$37.51/MWh off-peak.

Minn Hub prices averaged \$69.63/MWh on-peak and \$22.71/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.04996.



The average **AECO-C Gas Price** last week was \$5.29/GJ and ranged from a minimum of \$5.04/GJ to \$5.54/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 6.42 GJ/MWh to a high of 71.52 GJ/MWh. The average market heat rate for the week was 22.20 GJ/MWh.

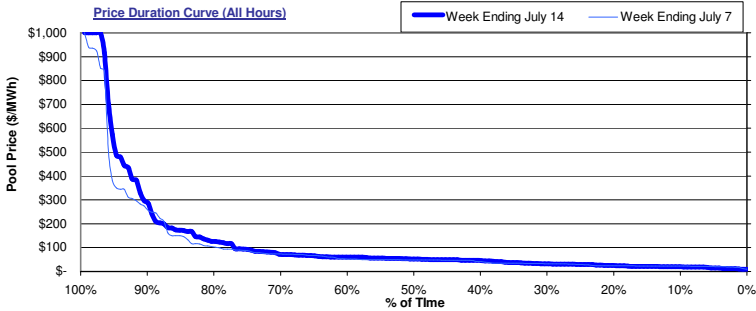


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

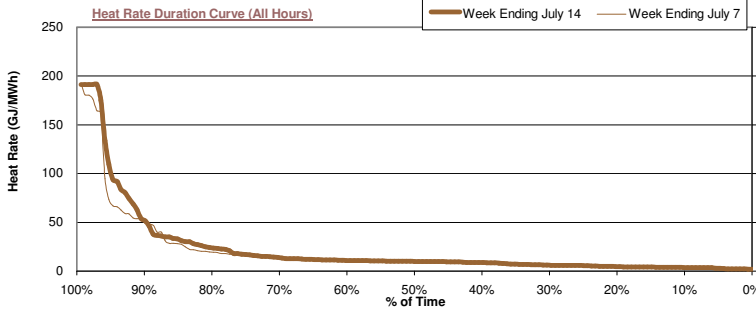
	Sunday 8-Jul	Monday 9-Jul	Tuesday 10-Jul	Wednesday 11-Jul	Thursday 12-Jul	Friday 13-Jul	Saturday 14-Jul	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 32.39	\$ 37.77	\$ 62.01	\$ 67.98	\$ 120.00	\$ 374.16	\$ 127.46	\$ 117.40	\$ 104.60	12.2%	\$ 60.48
On-Peak	NA	\$ 46.74	\$ 81.44	\$ 83.35	\$ 162.03	\$ 523.03	\$ 149.45	\$ 174.34	\$ 156.68	11.3%	\$ 78.70
Off-Peak	\$ 32.39	\$ 19.83	\$ 23.16	\$ 37.25	\$ 35.92	\$ 76.44	\$ 83.48	\$ 41.47	\$ 35.16	18.0%	\$ 34.02
COV	0.47	0.65	0.69	0.92	1.14	1.08	0.87	0.83	0.92	-9.8%	
Heat Rate											
Average	6.42	7.25	11.74	12.32	23.15	71.52	22.99	22.20	19.98	11.1%	8.98
On-Peak	NA	8.97	15.42	15.11	31.26	99.98	26.96	32.95	29.92	10.1%	11.68
Off-Peak	6.42	3.81	4.38	6.75	6.93	14.61	15.06	7.87	6.73	17.0%	5.05
Demand											
Average	7,462	7,802	7,973	8,192	8,346	8,299	7,950	8,003	7,884	1.5%	7,991
Minimum	6,762	6,939	6,914	7,123	7,267	7,353	7,144	7,072	6,969	1.5%	6,653
Maximum	7,915	8,437	8,678	8,875	9,130	9,056	8,551	8,663	8,541	1.4%	9,478
Coal Unit Availability											
Average	5,462	5,367	5,099	5,193	5,323	4,904	4,516	5,123	4,995		5,288
Utilization	94%	92%	87%	89%	91%	84%	77%	88%	86%	2.2%	91%
Gas and Hydro Unit Availability											
Average	1,828	2,101	2,318	2,372	2,374	2,454	2,504	2,279	2,153		2,195
Utilization	39%	45%	49%	50%	50%	52%	53%	48%	46%	2.7%	47%



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 14**, prices were at or below:

\$20/MWh	11% of the time
\$50/MWh	45% of the time
\$100/MWh	77% of the time
\$250/MWh	89% of the time
\$500/MWh	95% of the time



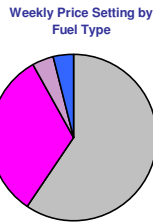
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **July 14** implied market heat rates were at or below:

5.0 GJ/MWh	23% of the time
10.0 GJ/MWh	51% of the time
15.0 GJ/MWh	72% of the time
20.0 GJ/MWh	77% of the time

Market Share Statistics

By Fuel Type:

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

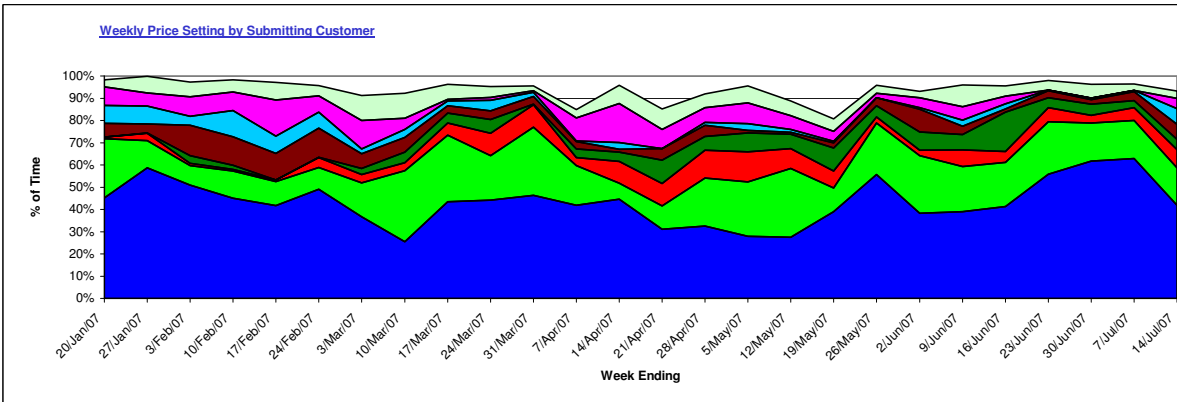


By Submitting Customer:

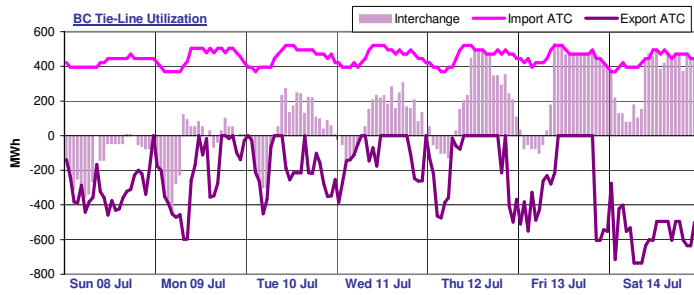


Last week, **coal units** were responsible for **65.6%** of the generation in the province and set price **59.5%** of the time. **Gas-cogen** units accounted for **23.4%** of the generation and set price **32.5%** of the time last week while **other gas** units made up **4.8%** of generation and set price **4.2%** of the time.

A total of **11** market participants set price last week. **One** market participants set price more than **20%** of the time last week. The top price setter set price **41.9%** of the time and the top five price setters set price a total of **80.6%** of the time.

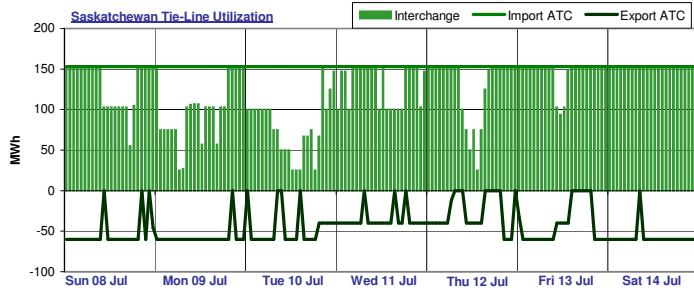


Interties



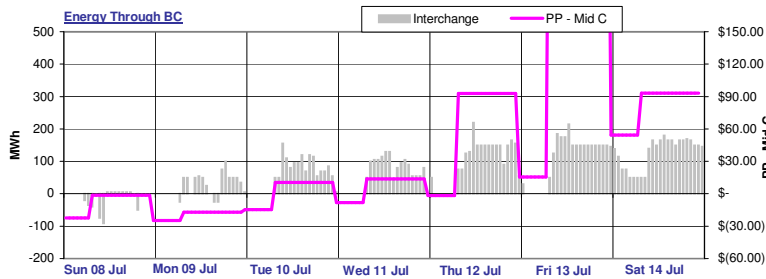
BC import capacity was 35% utilized last week while BC export capacity was 28% utilized. Energy was being imported into Alberta over the BC tie-line 64% of the time and exported out of Alberta over the BC tie-line 30% of the time last week. There was no activity on the BC tie-line 6% of the time last 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.
Note: Graph displays hourly net import volume.



Saskatchewan import capacity was 84% utilized last week while Saskatchewan export capacity was 7% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 100% 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 0% of the time last week.

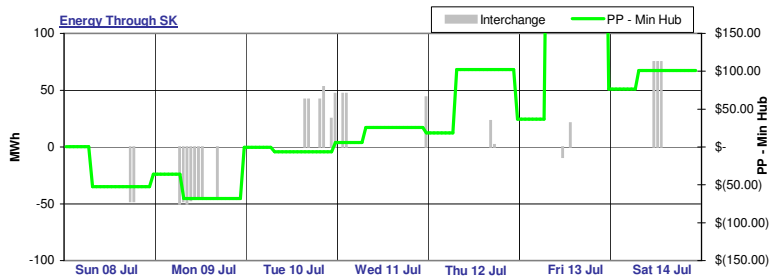
Note: Graph displays hourly net import volume.



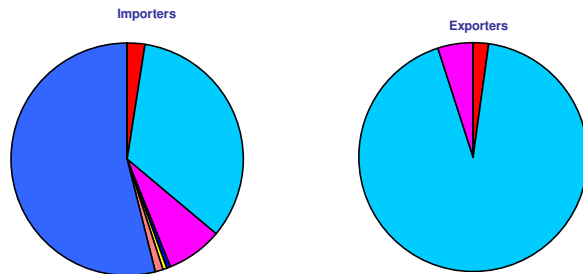
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally higher than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supports import activity across the Alberta - Saskatchewan interconnection.

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



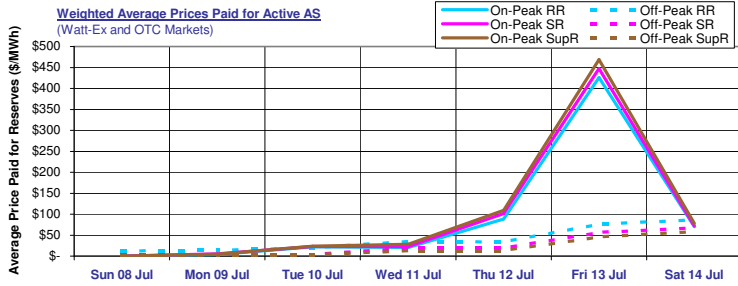
Tie-Line Market Shares



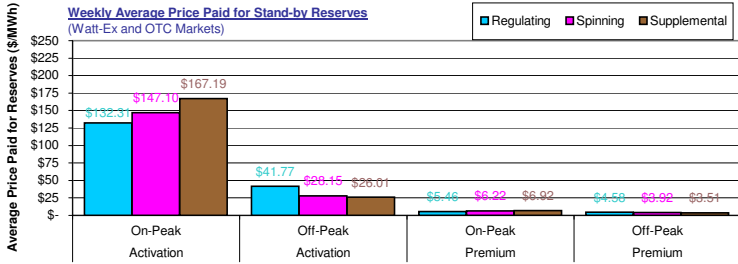
Last week, there were a total of 7 importers. The most active importer had a market share of 53.9% while the second most active importer had a market share of 33.6%. There were a total of 3 exporters last week. The most active exporter had a market share of 92.7% while the next largest exporter had a market share of 5.1%.

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

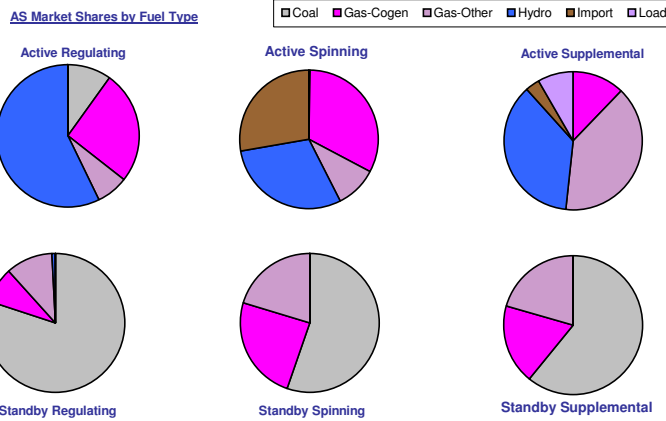
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$90.50/MWh**, **\$102.91/MWh** and **\$98.69/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices were **lower** and averaged **\$45.55/MWh**, **\$30.48/MWh** and **\$24.53/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



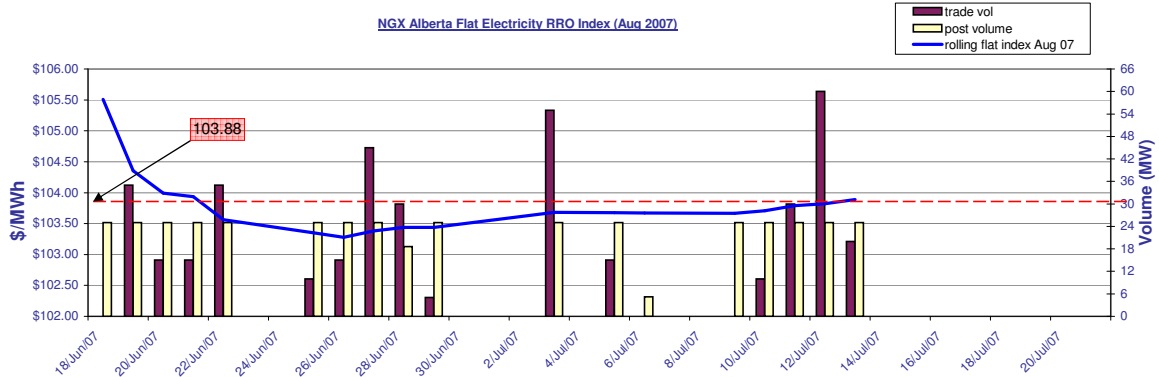
Weekly average activation prices for stand-by reserves ranged from **\$26.01/MWh** for **off-peak supplemental** reserves to **\$167.19/MWh** for **on-peak regulating** reserves.
Weekly average premium prices ranged from **\$3.51/MWh** for **off-peak supplemental** reserves up to **\$6.92/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **57.2%**. In the **active spinning** reserve market, **gas cogen** units had the leading market share with **32.4%** while in the **active supplemental** reserve market, **gas** units dominated with a **39.5%** market share.

Coal units dominated the **standby regulating** reserve market with a **80.1%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **55.1%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **60.9%**.

RRO Procurement



Glossary

- 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)
- ATC**
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.