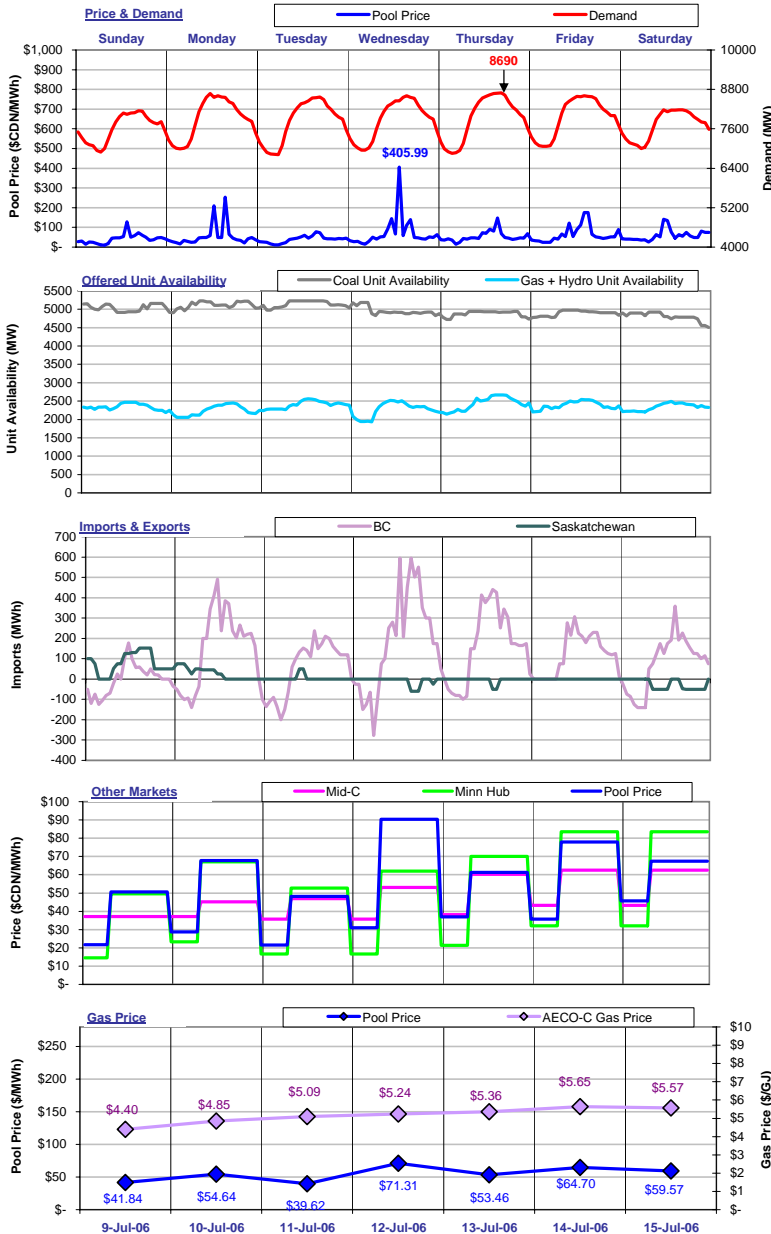


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 15, 2006

Weekly Highlights



For the week ending June 24, 2006, **Pool Price** averaged \$55.02/MWh and ranged from a minimum of \$10.14/MWh in HE08 on Sunday to a maximum of \$405.99/MWh in HE14 on Wednesday. **Demand** reached a high of 8690 MW in HE17 on Thursday and a low of 6816 MW in HE06 on Tuesday. Average demand for the week was 7830 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.27.

Coal Unit Availability averaged 4976 MW last week. This is an equivalent availability of 85% (based on MCR). **Gas and Hydro Unit Availability** averaged 2346 MW last week, which is an equivalent of 41% (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 18,003MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 1,725 MWh. Overall, Alberta imported 19,728 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 \$55.09/MWh on-peak and \$38.65/MWh off-peak. **Minn Hub** prices averaged \$69.81/MWh on-peak and \$22.42/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.11321.

The average **AECO-C Gas Price** last week was \$5.17/GJ and ranged from a minimum of \$4.40/GJ to \$5.65/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 7.78 GJ/MWh to a high of 13.60GJ/MWh. The average market heat rate for the week was 10.61 GJ/MWh.

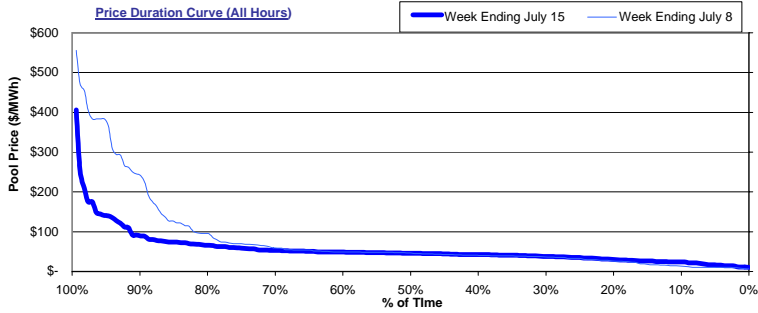


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

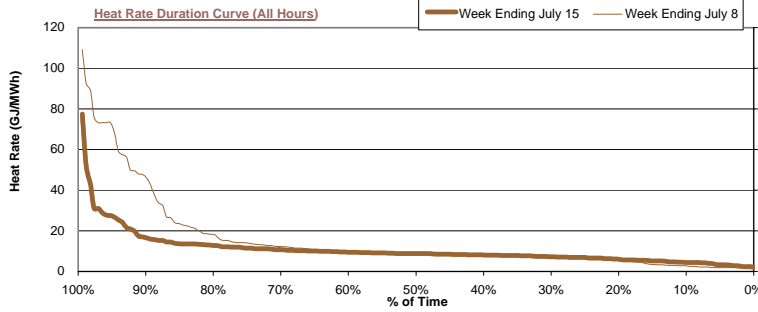
Weekly Market Statistics

	Sunday 9-Jul	Monday 10-Jul	Tuesday 11-Jul	Wednesday 12-Jul	Thursday 13-Jul	Friday 14-Jul	Saturday 15-Jul	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 41.84	\$ 54.64	\$ 39.62	\$ 71.31	\$ 53.46	\$ 64.70	\$ 59.57	\$ 55.02	\$ 79.89	-31.1%	\$ 55.97
On-Peak	NA	\$ 67.86	\$ 48.25	\$ 90.34	\$ 61.31	\$ 77.90	\$ 67.46	\$ 68.85	\$ 111.97	-38.5%	\$ 72.71
Off-Peak	\$ 41.84	\$ 28.22	\$ 22.37	\$ 33.26	\$ 37.78	\$ 38.30	\$ 43.80	\$ 36.58	\$ 37.12	-1.5%	\$ 31.83
COV	0.59	1.03	0.45	1.11	0.50	0.66	0.48	0.69	0.79	-12.7%	
Heat Rate											
Average	9.52	11.26	7.78	13.60	9.97	11.46	10.70	10.61	16.17	-34.4%	8.89
On-Peak	NA	13.98	9.47	17.23	11.43	13.79	12.12	13.00	22.59	-42.4%	11.54
Off-Peak	9.52	5.81	4.39	6.35	7.04	6.78	7.87	7.42	7.62	-2.6%	5.05
Demand											
Average	7,624	7,901	7,820	7,873	7,917	7,960	7,716	7,830	7,931	-1.3%	7,818
Minimum	6,897	6,992	6,816	6,955	6,854	7,066	6,998	6,940	7,035	-1.4%	6,351
Maximum	8,150	8,672	8,571	8,611	8,690	8,612	8,181	8,498	8,566	-0.8%	9,306
Coal Unit Availability											
Average	5,041	5,118	5,144	4,957	4,878	4,893	4,803	4,976	5,143		5,394
Utilization	86%	88%	88%	85%	84%	84%	82%	85%	88%	-2.8%	92%
Gas and Hydro Unit Availability											
Average	2,343	2,244	2,402	2,270	2,435	2,386	2,340	2,346	2,220		1,993
Utilization	49%	47%	50%	48%	51%	50%	49%	49%	47%	2.6%	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 15, prices were at or below:

- \$20/MWh 7% of the time
- \$50/MWh 64% of the time
- \$100/MWh 91% of the time
- \$250/MWh 98% of the time
- \$500/MWh 100% of the time



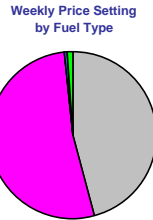
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending July 15 implied market heat rates were at or below:

- 5.0 GJ/MWh 13% of the time
- 10.0 GJ/MWh 65% of the time
- 15.0 GJ/MWh 87% of the time
- 20.0 GJ/MWh 92% of the time

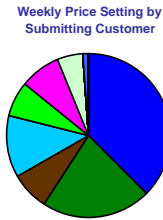
Market Share Statistics

By Fuel Type:

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

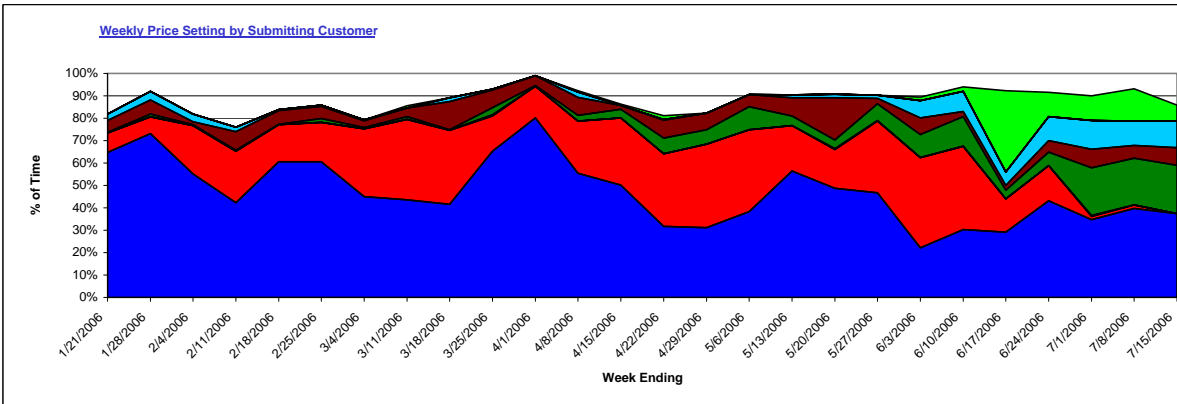


By Submitting Customer:

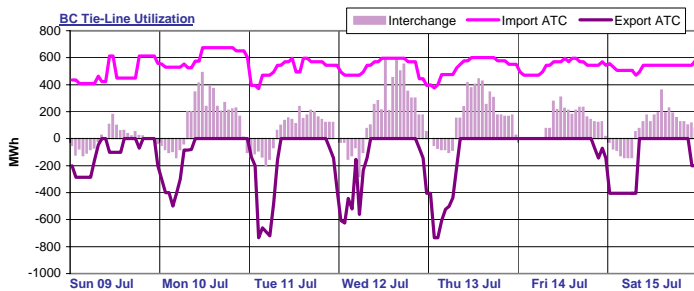


Last week, coal units were responsible for 63.6% of the generation in the province and set price 46.0% of the time. Gas-cogen units accounted for 25.8% of the generation and set price 52.3% of the time last week while other gas units made up 4.8% of generation and set price 0.0% of the time.

A total of 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 37.4% of the time and the top five price setters set price a total of 86.5% of the time.

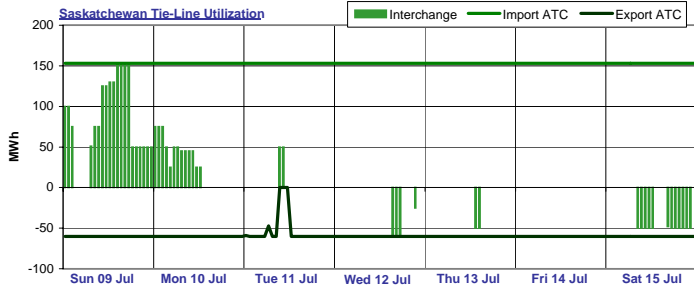


Interties

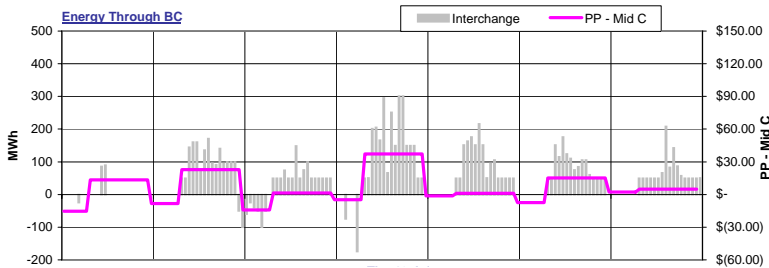


BC import capacity was 23% utilized last week while BC export capacity was 18% utilized. Energy was being imported into Alberta over the BC tie-line 66% of the time and exported out of Alberta over the BC tie-line 26% of the time last week. There was no activity on the BC tie-line 8% of the time last 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.



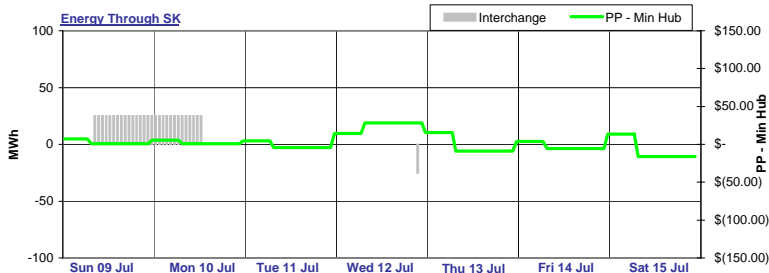
Saskatchewan import capacity was 10% utilized last week while Saskatchewan export capacity was 9% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 21% of the time and exported out of Alberta over the Saskatchewan tie-line 11% of the time last week. There was no activity on the Saskatchewan tie-line 68% of the time last week.



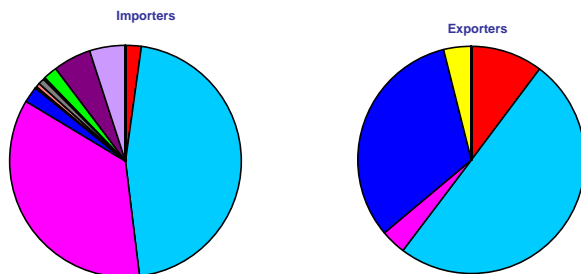
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



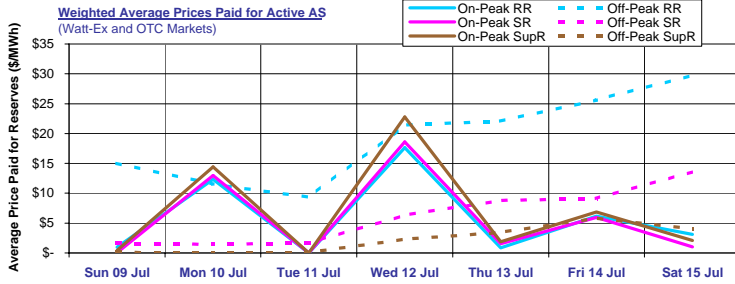
Tie-Line Market Shares



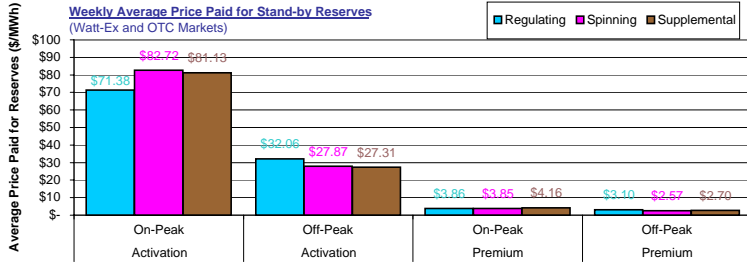
Last week, there were a total of 12 importers. The most active importer had a market share of 46.0% while the second most active importer had a market share of 35.5%. There were a total of 5 exporters last week. The most active exporter had a market share of 50.2% while the next largest exporter had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

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

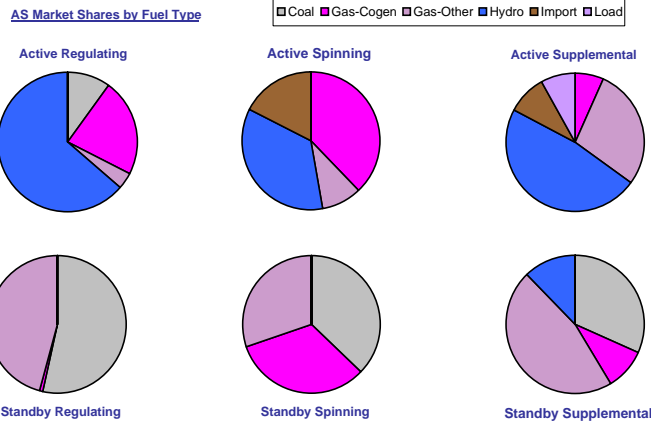
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$5.87/MWh, \$6.22/MWh and \$6.57/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were somewhat higher and averaged \$19.27/MWh, \$6.09/MWh and \$2.27/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$27.31/MWh for **off-peak supplemental** reserves to \$82.72/MWh for **on-peak spinning** reserves. Weekly average premium prices ranged from \$2.57/MWh for **off-peak spinning** reserves up to \$4.16/MWh for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 63.7%. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with 37.7% while in the **active supplemental** reserve market, **hydro** units dominated with a 47.7% market share.

Coal units dominated the **standby regulating** reserve market with a 53.3% market share. Leading market share in the **standby spinning** market was held by coal units with a 37.3% market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with 46.3%.

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.