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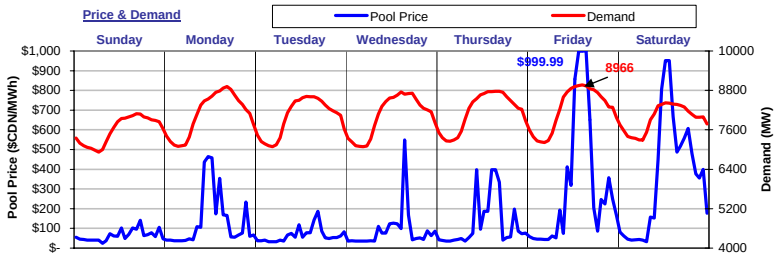
The Market Monitor

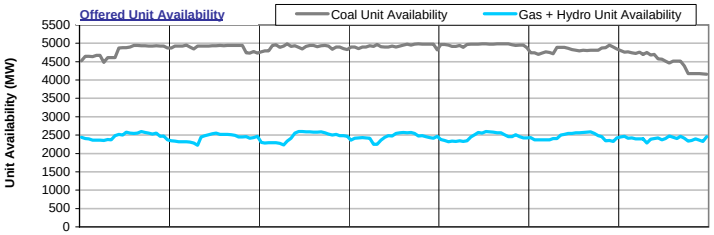
WATCHING THE MARKET : your fact source

Week Ending July 22, 2006

Weekly Highlights

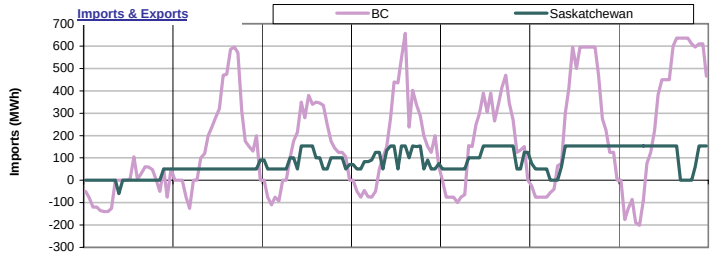


For the week ending July 22, 2006, Pool Price averaged $164.37/MWh and ranged from a minimum of $25.07/MWh in HE08 on Sunday to a maximum of $999.99/MWh in HE15 on Friday.
Demand reached a high of 8966 MW in HE15 on Friday and a low of 6918 MW in HE07 on Sunday Average demand for the week was 8005 MW.
Pool Price and Demand were positively correlated last week with an R-squared value of 0.25.

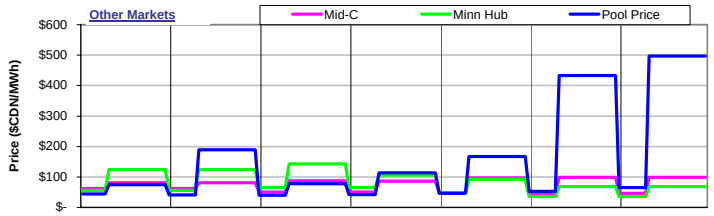


Coal Unit Availability averaged 4828 MW last week. This is an equivalent availability of 83% (based on MCR).
Gas and Hydro Unit Availability averaged 2445 MW last week, which is an equivalent of 51% (based on MCR).

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

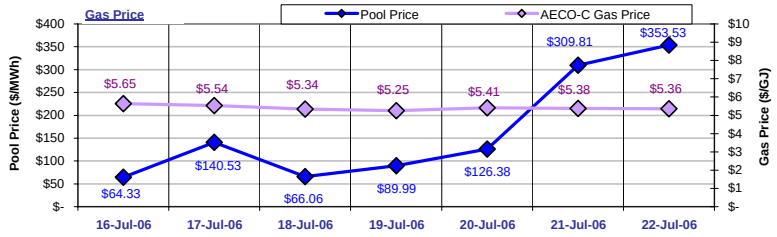


Alberta was a net importer from BC last week with total imports equal to 28,852MWh.
Alberta was a net importer from Saskatchewan last week with total imports equal to 13,873 MWh.
Overall, Alberta imported 42,725 MWh of electricity last week.



Pool Prices were generally higher than prices in Mid-C and higher than prices in Minn Hub last week.
Mid-C prices averaged $91.27/MWh on-peak and $51.98/MWh off-peak.
Minn Hub prices averaged $100.23/MWh on-peak and $51.55/MWh off-peak.

Prices in $CDN at an exchange rate of1.1290.



The average AECO-C Gas Price last week was $5.42/GJ and ranged from a minimum of $5.25/GJ to $5.65/GJ.
Prevailing gas prices resulted in market heat rates ranging from a low of 11.39 GJ/MWh to a high of 65.96GJ/MWh. The average market heat rate for the week was 30.44 GJ/MWh.

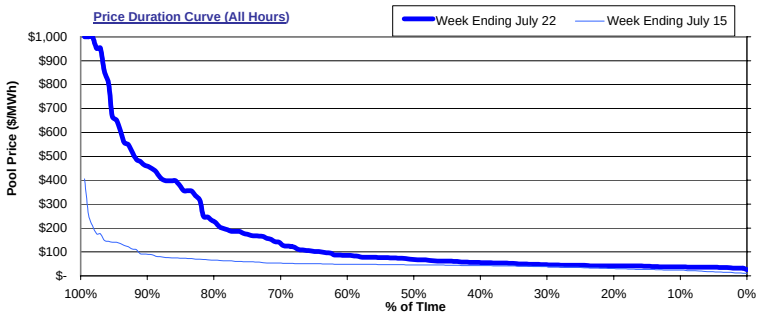
MARKET SURVEILLANCE ADMINISTRATOR

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

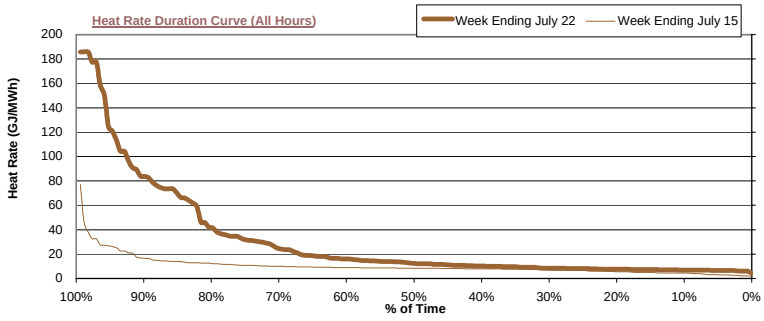
Weekly Market Statistics

	Sunday 16-Jul	Monday 17-Jul	Tuesday 18-Jul	Wednesday 19-Jul	Thursday 20-Jul	Friday 21-Jul	Saturday 22-Jul	Average	Last Week	% Change	YTD
Pool Price											
Average	$ 64.33	$ 140.53	$ 66.06	$ 89.99	$ 126.38	$ 309.81	$ 353.53	$ 164.37	$ 55.02	198.7%	$ 59.71
On-Peak	NA	$ 189.11	$ 78.03	$ 113.96	$ 166.83	$ 432.62	$ 496.85	$ 246.23	$ 68.85	257.6%	$ 78.70
Off-Peak	$ 64.33	$ 43.37	$ 42.11	$ 42.06	$ 45.48	$ 64.19	$ 66.88	$ 55.23	$ 36.58	51.0%	$ 32.55
COV	0.43	1.02	0.57	1.17	1.00	1.08	0.84	0.87	0.69	26.8%	
Heat Rate											
Average	11.39	25.36	12.36	17.13	23.37	57.53	65.96	30.44	10.61	186.9%	9.53
On-Peak	NA	34.13	14.60	21.69	30.85	80.34	92.71	45.72	13.00	251.6%	12.55
Off-Peak	11.39	7.83	7.88	8.00	8.41	11.92	12.48	10.08	7.42	35.8%	5.19
Demand											
Average	7,593	8,088	7,991	8,037	8,160	8,233	7,935	8,005	7,830	2.2%	7,824
Minimum	6,918	7,093	7,085	7,090	7,257	7,212	7,295	7,136	6,940	2.8%	6,351
Maximum	8,089	8,921	8,618	8,755	8,777	8,966	8,426	8,650	8,498	1.8%	9,306
Coal Unit Availability											
Average	4,788	4,895	4,895	4,928	4,957	4,818	4,520	4,828	4,976		5,375
Utilization	82%	84%	84%	84%	85%	82%	77%	83%	85%	-2.5%	92%
Gas and Hydro Unit Availability											
Average	2,470	2,426	2,455	2,450	2,455	2,459	2,403	2,445	2,346		2,009
Utilization	52%	51%	52%	51%	52%	52%	50%	51%	49%	2.1%	42%



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 22, prices were at or below:

$20/MWh	0% of the time
$50/MWh	34% of the time
$100/MWh	64% of the time
$250/MWh	82% of the time
$500/MWh	92% of the time

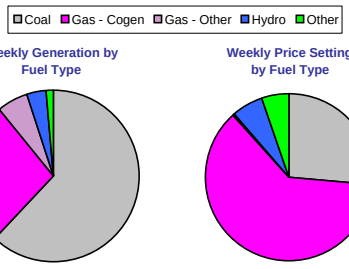


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending July 22 implied market heat rates were at or below:

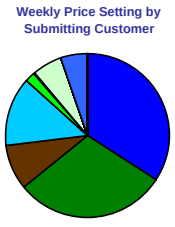
5.0 GJ/MWh	1% of the time
10.0 GJ/MWh	39% of the time
15.0 GJ/MWh	58% of the time
20.0 GJ/MWh	67% of the time

Market Share Statistics

By Fuel Type:

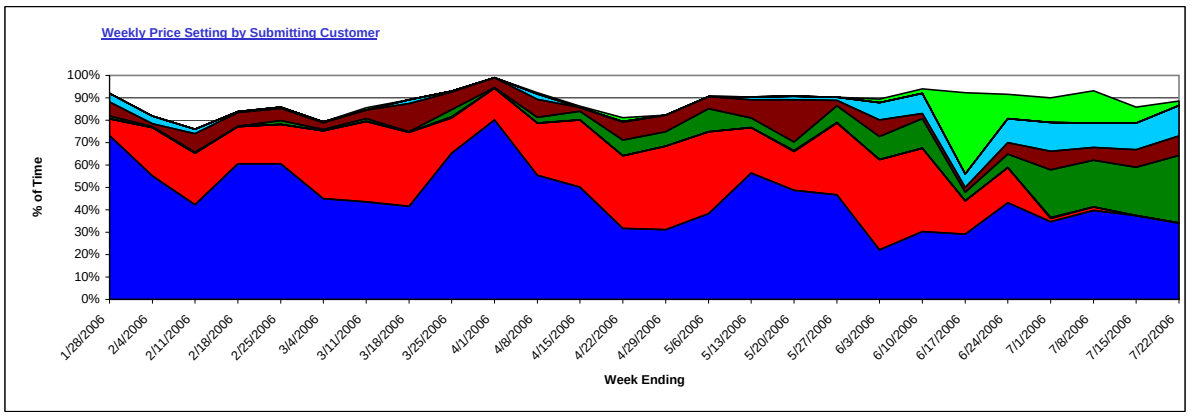


By Submitting Customer:

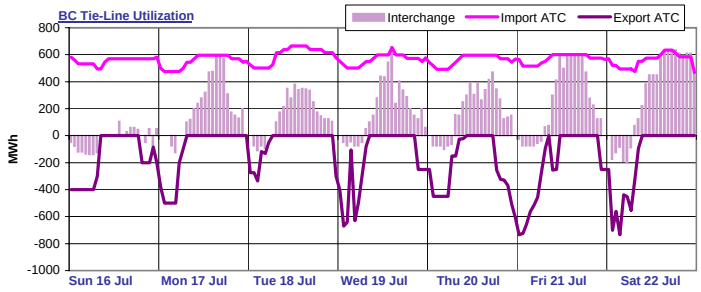


Last week, coal units were responsible for 61.8% of the generation in the province and set price 26.5% of the time. Gas-cogen units accounted for 27.4% of the generation and set price 61.8% of the time last week while other gas units made up 5.6% of generation and set price 0.2% of the time.

A total of 8 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 34.1% of the time and the top five price setters set price a total of 92.6% of the time.

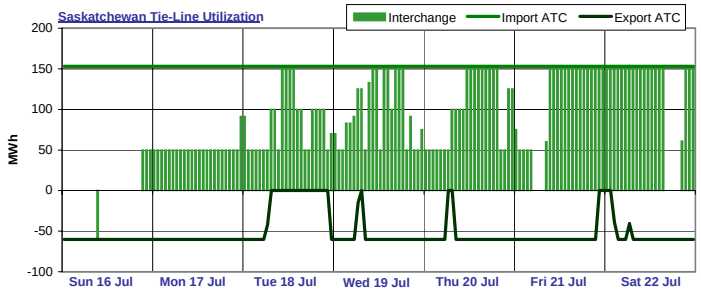


Interties

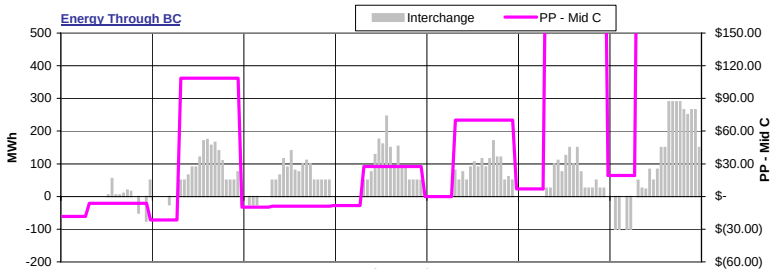


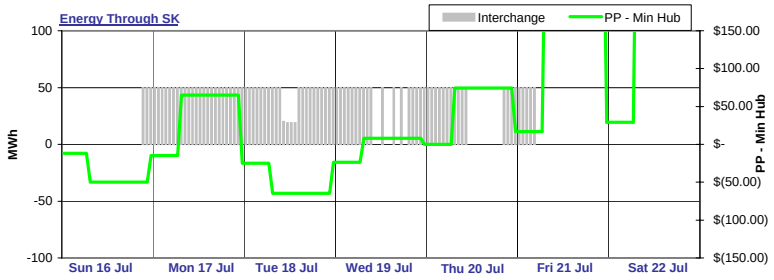
BC import capacity was 33% utilized last week while BC export capacity was 14% utilized. Energy was being imported into Alberta over the BC tie-line 64% of the time and exported out of Alberta over the BC tie-line 24% of the time last week. There was no activity on the BC tie-line 12% of the time last 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 54% utilized last week while Saskatchewan export capacity was 1% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 83% of the time and exported out of Alberta over the Saskatchewan tie-line 1% of the time last week. There was no activity on the Saskatchewan tie-line 16% of the time last week.

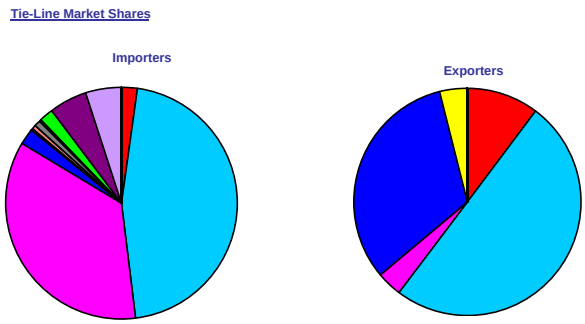




Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.

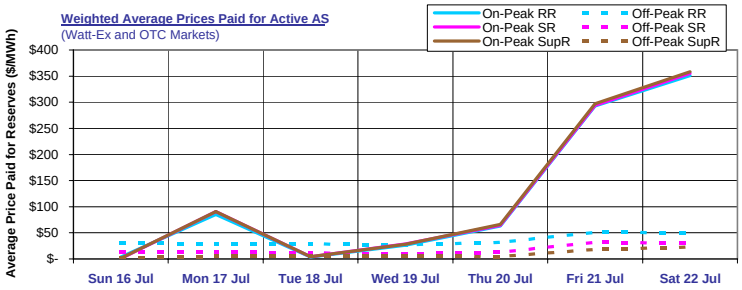
Note: Platt's day-ahead strip prices used in energy through BC and SK graphs.



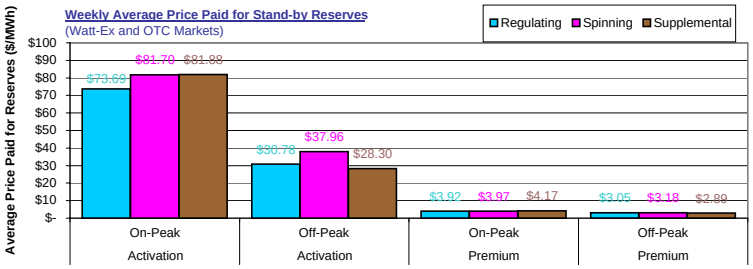
Last week, there were a total of 12 importers. The most active importer had a market share of 46.0% while the second most active importer had a market share of 35.5%.
There were a total of 5 exporters last week. The most active exporter had a market share of 50.2% while the next largest exporter had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

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

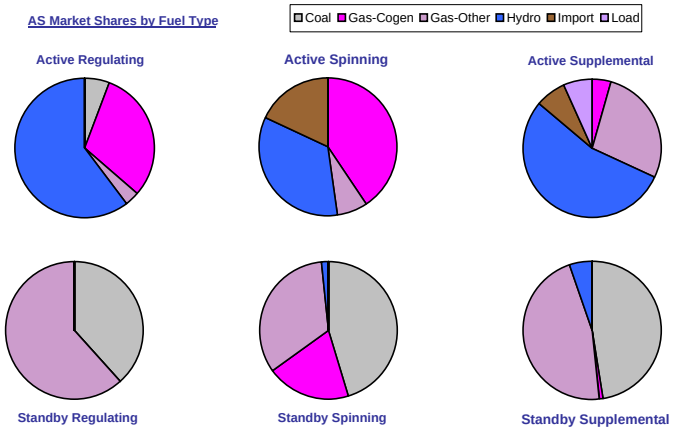
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were $119.22/MWh, $118.90/MWh and $119.98/MWh respectively for active regulating, spinning and supplemental reserves.
Active average off-peak prices were somewhat higher and averaged $35.26/MWh, $17.63/MWh and $8.92/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from $28.30/MWh for off-peak supplemental reserves to $81.88/MWh for on-peak regulating reserves.
Weekly average premium prices ranged from $2.89/MWh for off-peak supplemental reserves up to $4.17/MWh for on-peak regulating reserves.



Last week hydro units had the largest market share in the active regulating reserve market with 60.4%. In the active spinning reserve market, gas-cogen units had the leading market share with 40.7% while in the active supplemental reserve market, hydro units dominated with a 54.3% market share.

gas units dominated the standby regulating reserve market with a 61.6% market share. Leading market share in the standby spinning market was held by coal units with a 45.4% market share. In the standby supplemental reserve market, coal units had the leading market share with 47.4%.

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 Mountian 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.
Sparkspread	Sparkspreads 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.