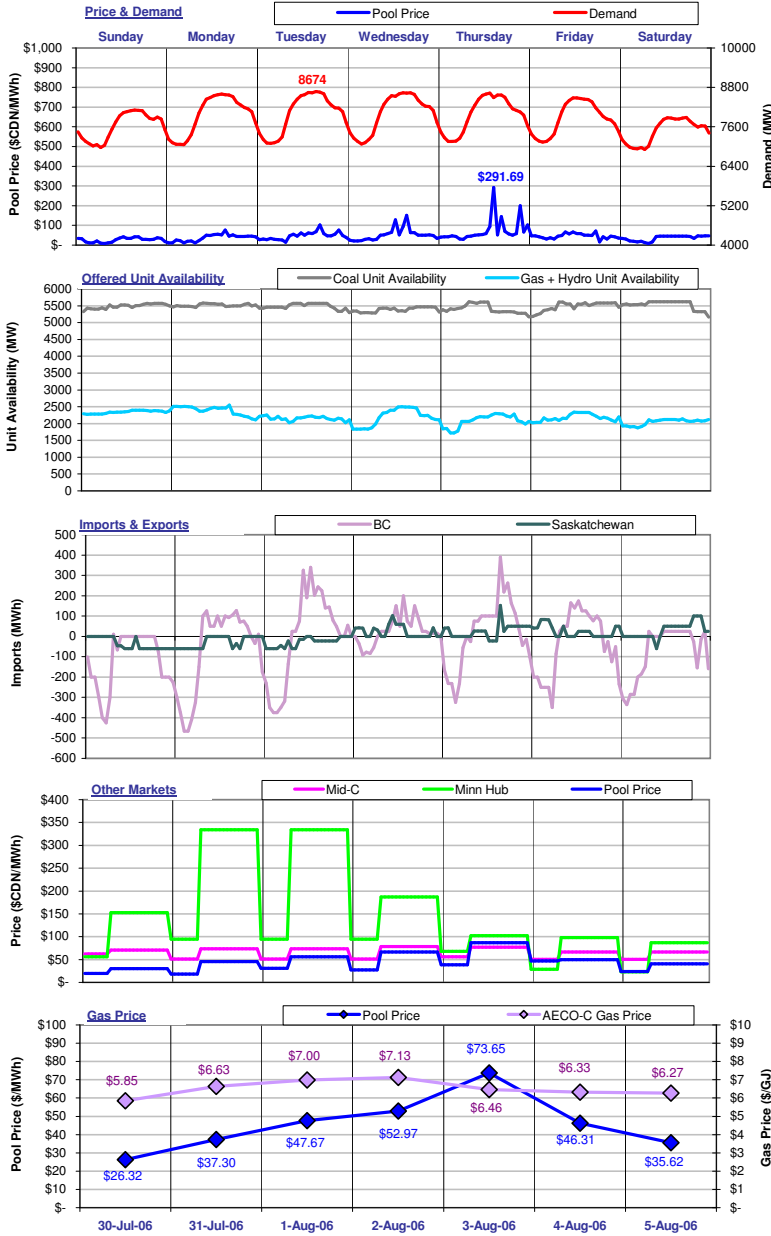


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending August 5, 2006

Weekly Highlights



For the week ending August 5, 2006, **Pool Price** averaged \$45.69/MWh and ranged from a minimum of \$7.31/MWh in HE08 on Sunday to a maximum of \$291.69/MWh in HE15 on Thursday. **Demand** reached a high of 8674 MW in HE16 on Tuesday and a low of 6916 MW in HE07 on Saturday. Average demand for the week was 7845 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.30.

Coal Unit Availability averaged 5470 MW last week. This is an equivalent availability of 94% (based on MCR). **Gas and Hydro Unit Availability** averaged 2197 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 exporter to BC last week with total exports equal to 7,750MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 360 MWh. Overall, Alberta exported 7,390 MWh of electricity last week.

Pool Prices were generally lower than prices in **Mid-C** and lower than prices in **Minn Hub** last week. **Mid-C** prices averaged \$72.75/MWh on-peak and \$53.22/MWh off-peak. **Minn Hub** prices averaged \$190.38/MWh on-peak and \$65.62/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.13171.

The average **AECO-C Gas Price** last week was \$6.52/GJ and ranged from a minimum of \$5.85/GJ to \$7.13/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 4.50 GJ/MWh to a high of 11.39GJ/MWh. The average market heat rate for the week was 6.97 GJ/MWh.

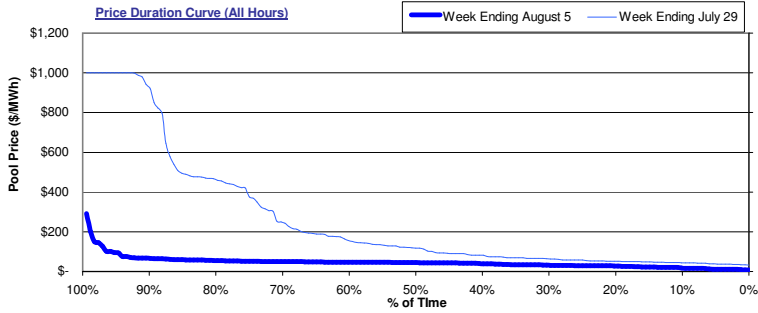


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

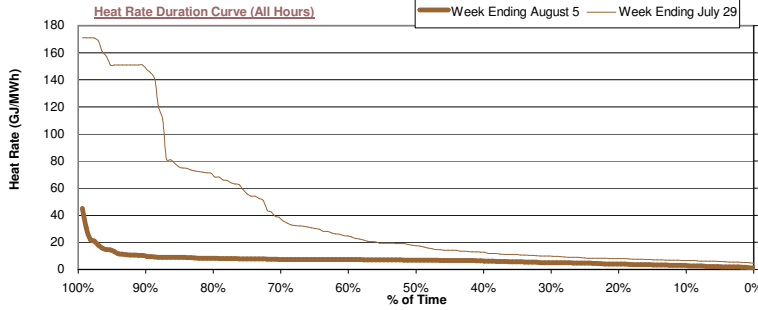
	Sunday 30-Jul	Monday 31-Jul	Tuesday 1-Aug	Wednesday 2-Aug	Thursday 3-Aug	Friday 4-Aug	Saturday 5-Aug	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 26.32	\$ 37.30	\$ 47.67	\$ 52.97	\$ 73.65	\$ 46.31	\$ 35.62	\$ 45.69	\$ 255.20	-82.1%	\$ 65.56
On-Peak	NA	\$ 45.34	\$ 56.26	\$ 66.22	\$ 86.87	\$ 50.07	\$ 40.93	\$ 57.62	\$ 290.64	-80.2%	\$ 84.85
Off-Peak	\$ 26.32	\$ 21.23	\$ 30.49	\$ 26.46	\$ 47.20	\$ 38.79	\$ 24.98	\$ 29.79	\$ 207.95	-85.7%	\$ 35.69
COV	0.42	0.46	0.40	0.61	0.82	0.28	0.39	0.48	0.81	-40.6%	
Heat Rate											
Average	4.50	5.63	6.81	7.43	11.39	7.32	5.68	6.97	43.12	-83.8%	10.45
On-Peak	NA	6.84	8.04	9.28	13.44	7.91	6.53	8.67	47.53	-81.8%	13.53
Off-Peak	4.50	3.20	4.36	3.71	7.30	6.13	3.98	4.69	37.22	-87.4%	5.69
Demand											
Average	7,623	7,962	8,002	8,009	7,978	7,865	7,473	7,845	8,026	-2.3%	7,831
Minimum	6,974	7,063	7,100	7,077	7,154	7,137	6,916	7,060	7,215	-2.1%	6,351
Maximum	8,106	8,599	8,674	8,637	8,627	8,484	7,887	8,431	8,662	-2.7%	9,306
Coal Unit Availability											
Average	5,486	5,513	5,485	5,384	5,407	5,485	5,529	5,470	4,563		5,352
Utilization	94%	94%	94%	92%	93%	94%	95%	94%	78%	15.5%	92%
Gas and Hydro Unit Availability											
Average	2,342	2,381	2,152	2,196	2,084	2,180	2,047	2,197	2,492		2,031
Utilization	49%	50%	45%	46%	44%	46%	43%	39%	44%	-5.2%	36%



The price duration curves show the % of time that prices were at or below a certain value during the week.

For the week ending **August 5**, prices were at or below:

- \$20/MWh 10% of the time
- \$50/MWh 68% of the time
- \$100/MWh 95% of the time
- \$250/MWh 99% 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 **August 5** implied market heat rates were at or below:

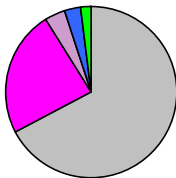
- 5.0 GJ/MWh 32% of the time
- 10.0 GJ/MWh 90% of the time
- 15.0 GJ/MWh 96% of the time
- 20.0 GJ/MWh 98% of the time

Market Share Statistics

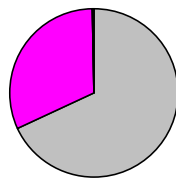
By Fuel Type:

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

Weekly Generation by Fuel Type

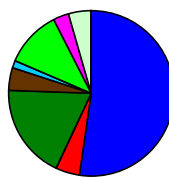


Weekly Price Setting by Fuel Type



By Submitting Customer:

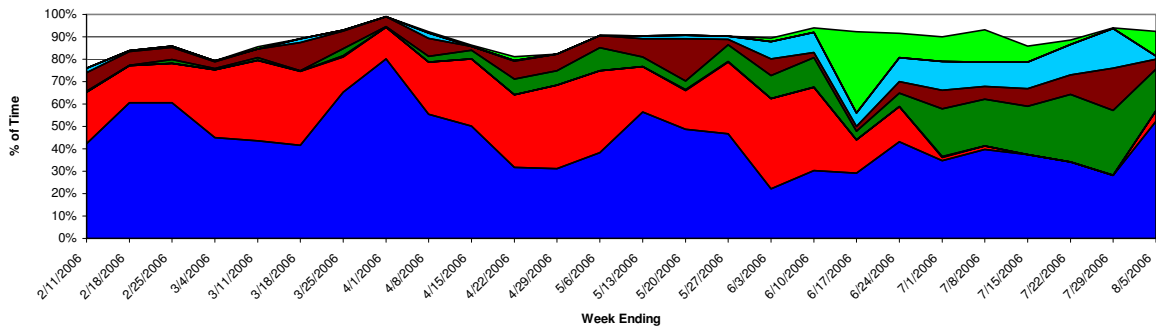
Weekly Price Setting by Submitting Customer



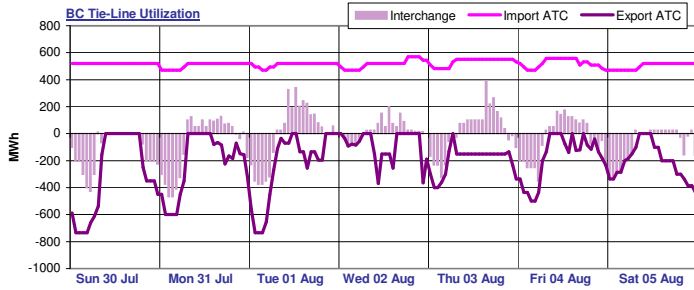
Last week, coal units were responsible for 67.1% of the generation in the province and set price 68.2% of the time. Gas-cogen units accounted for 24.0% of the generation and set price 31.5% of the time last week while other gas units made up 4.0% of generation and set price 0.0% of the time.

A total of 9 market participants set price last week. One market participant set price more than 20% of the time last week. The top price setter set price 52.4% of the time and the top five price setters set price a total of 91.0% of the time.

Weekly Price Setting by Submitting Customer

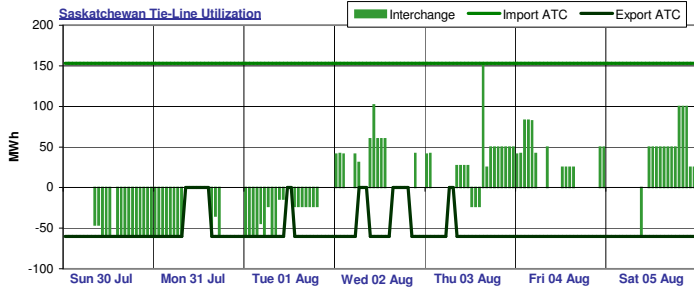


Interties

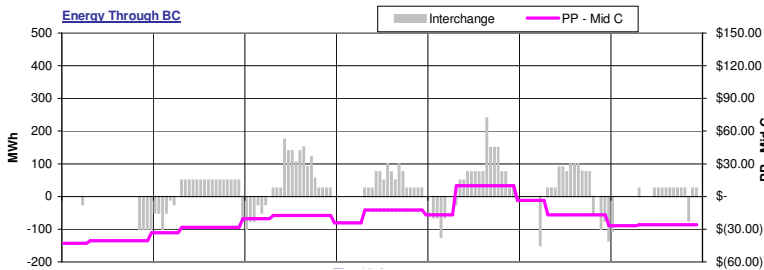


BC import capacity was 7% utilized last week while BC export capacity was 35% utilized. Energy was being imported into Alberta over the BC tie-line 48% of the time and exported out of Alberta over the BC tie-line 42% of the time last week. There was no activity on the BC tie-line 10% of the time last 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.



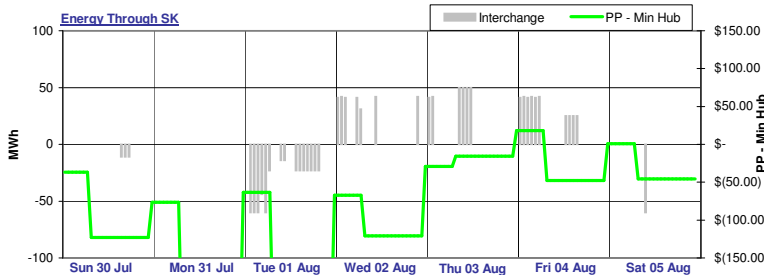
Saskatchewan import capacity was 10% utilized last week while Saskatchewan export capacity was 26% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 31% of the time and exported out of Alberta over the Saskatchewan tie-line 29% of the time last week. There was no activity on the Saskatchewan tie-line 40% of the time last week.



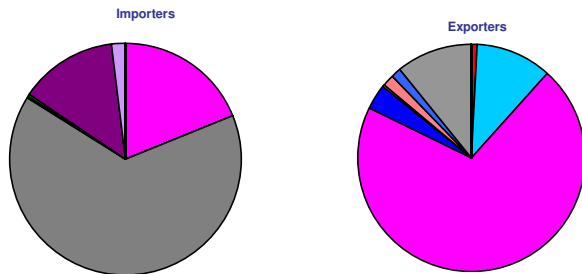
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

Alberta prices were generally lower than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supported export activity across the Alberta - Saskatchewan interconnection.

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



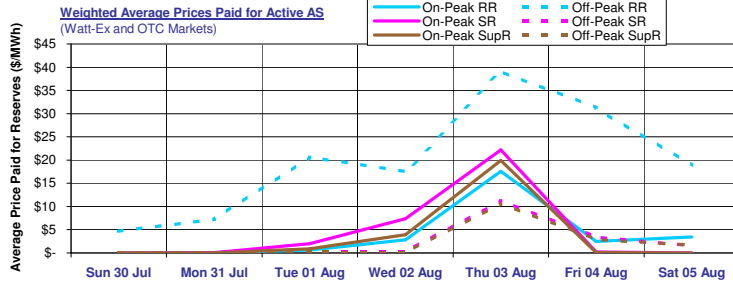
Tie-Line Market Shares



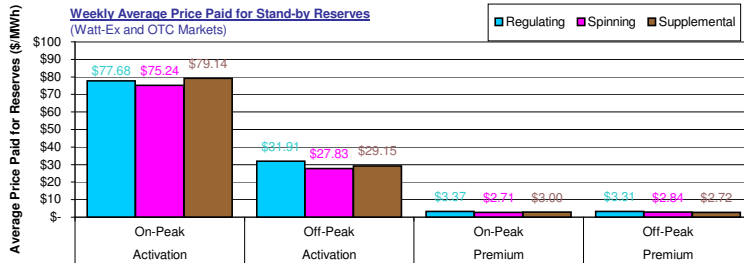
Last week, there were a total of 6 importers. The most active importer had a market share of 48.1% while the second most active importer had a market share of 28.1%. There were a total of 8 exporters last week. The most active exporter had a market share of 70.6% while the next largest exporter had a market share of 10.9%.

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

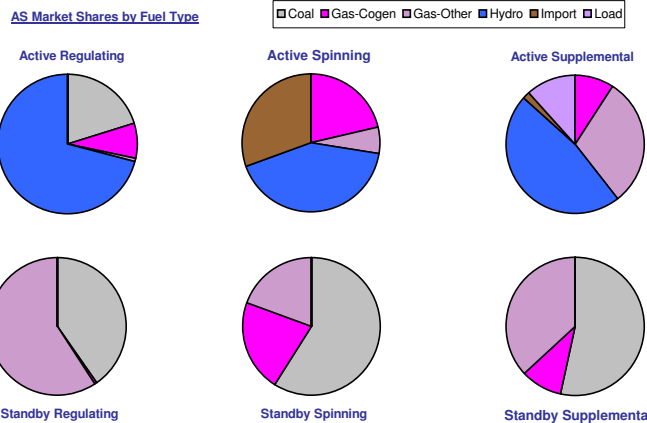
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$3.79/MWh**, **\$4.79/MWh** and **\$3.73/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were somewhat **higher** and averaged **\$20.35/MWh**, **\$2.47/MWh** and **\$2.27/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$27.83/MWh** for **off-peak spinning** reserves to **\$79.14/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$2.71/MWh** for **on-peak spinning** reserves up to **\$3.37/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **70.9%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **42.0%** while in the **active supplemental** reserve market, **hydro** units dominated with a **47.0%** market share.

Gas units dominated the **standby regulating** reserve market with a **59.2%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **58.9%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **53.4%**.

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 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.