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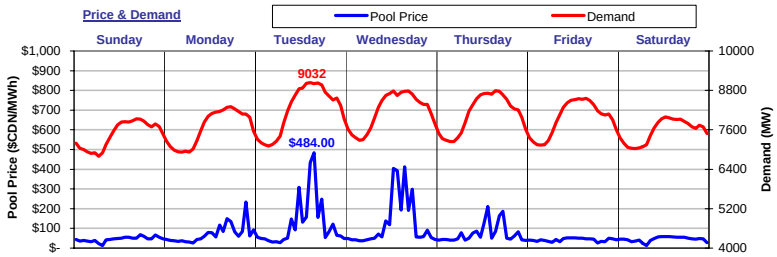
The Market Monitor

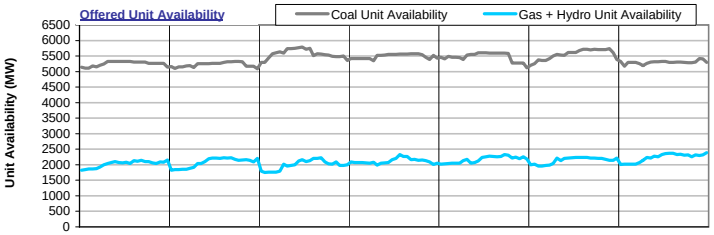
WATCHING THE MARKET : your fact source

Week Ending August 12, 2006

Weekly Highlights

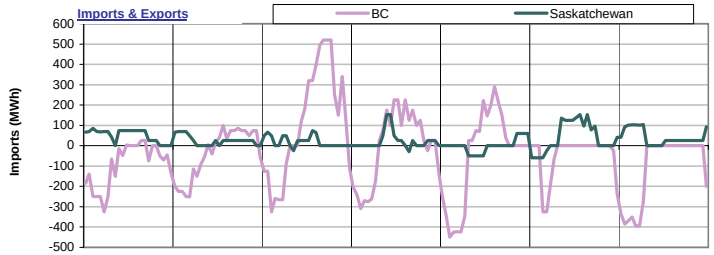


For the week ending August 12, 2006, Pool Price averaged $75.47/MWh and ranged from a minimum of $13.01/MWh in HE08 on Sunday to a maximum of $484.00/MWh in HE16 on Tuesday.
Demand reached a high of 9032 MW in HE15 on Tuesday and a low of 6797 MW in HE07 on Sunday. Average demand for the week was 7875 MW.
Pool Price and Demand were positively correlated last week with an R-squared value of 0.35.

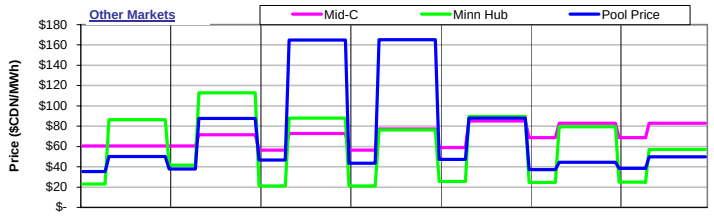


Coal Unit Availability averaged 5409 MW last week. This is an equivalent availability of 93% (based on MCR).
Gas and Hydro Unit Availability averaged 2108 MW last week, which is an equivalent of 37% (based on MCR).

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

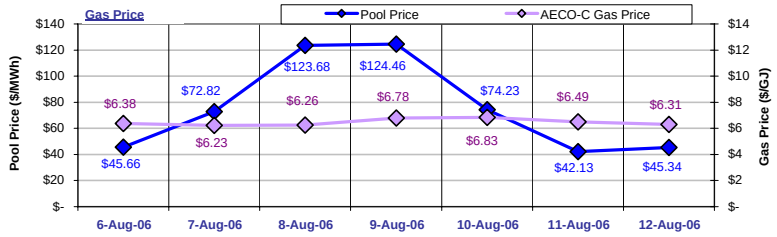


Alberta was a net exporter to BC last week with total exports equal to 5,668MWh.
Alberta was a net importer from Saskatchewan last week with total imports equal to 4,824 MWh.
Overall, Alberta exported 844 MWh of electricity last week.



Pool Prices were generally higher than prices in Mid-C and higher than prices in Minn Hub last week.
Mid-C prices averaged $78.71/MWh on-peak and $61.47/MWh off-peak.
Minn Hub prices averaged $83.80/MWh on-peak and $26.03/MWh off-peak.

Prices in $CDN at an exchange rate of1.12792.



The average AECO-C Gas Price last week was $6.47/GJ and ranged from a minimum of $6.23/GJ to $6.83/GJ.
Prevailing gas prices resulted in market heat rates ranging from a low of 6.49 GJ/MWh to a high of 19.76GJ/MWh. The average market heat rate for the week was 11.64 GJ/MWh.

MARKET SURVEILLANCE ADMINISTRATOR

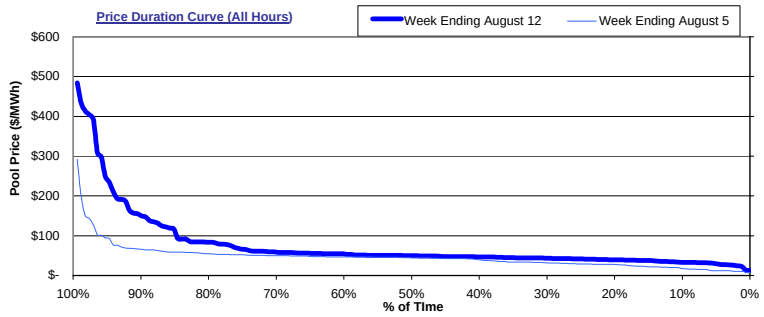
Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for 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 6-Aug	Monday 7-Aug	Tuesday 8-Aug	Wednesday 9-Aug	Thursday 10-Aug	Friday 11-Aug	Saturday 12-Aug	Average	Last Week	% Change	YTD
Pool Price											
Average	$ 45.66	$ 72.82	$ 123.68	$ 124.46	$ 74.23	$ 42.13	$ 45.34	$ 75.47	$ 45.69	65.2%	$ 65.87
On-Peak	NA	$ 87.48	$ 165.01	$ 165.23	$ 88.09	$ 44.40	$ 49.66	$ 99.98	$ 57.62	73.5%	$ 85.33
Off-Peak	$ 45.66	$ 43.50	$ 41.01	$ 42.91	$ 46.52	$ 37.59	$ 36.71	$ 42.80	$ 29.79	43.7%	$ 35.89
COV	0.27	0.66	1.01	1.01	0.66	0.19	0.26	0.58	0.48	19.8%	
Heat Rate											
Average	7.15	11.69	19.76	18.35	10.87	6.49	7.18	11.64	6.97	67.2%	10.49
On-Peak	NA	14.05	26.36	24.36	12.90	6.84	7.87	15.40	8.67	77.5%	13.59
Off-Peak	7.15	6.99	6.55	6.33	6.81	5.79	5.82	6.64	4.69	41.6%	5.72
Demand											
Average	7,460	7,669	8,215	8,175	8,094	7,951	7,561	7,875	7,845	0.4%	7,833
Minimum	6,797	6,920	7,110	7,278	7,239	7,141	7,025	7,073	7,060	0.2%	6,351
Maximum	7,931	8,304	9,032	8,779	8,793	8,557	7,993	8,484	8,431	0.6%	9,306
Coal Unit Availability											
Average	5,254	5,223	5,572	5,492	5,472	5,553	5,299	5,409	5,470		5,353
Utilization	90%	89%	95%	94%	94%	95%	91%	93%	94%	-1.0%	92%
Gas and Hydro Unit Availability											
Average	2,028	2,075	1,997	2,118	2,169	2,140	2,232	2,108	2,197		2,033
Utilization	43%	44%	42%	44%	46%	45%	47%	44%	46%	-1.9%	43%

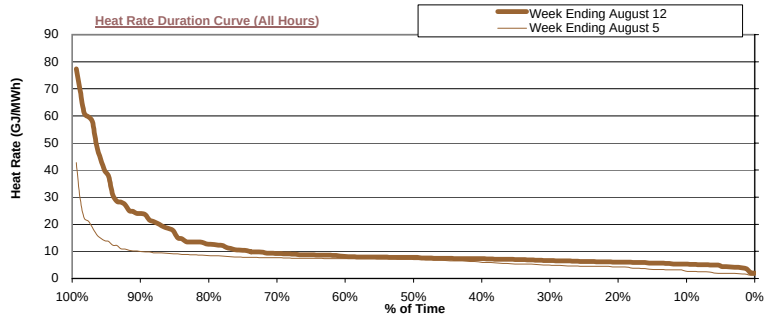
Price Duration Curve (All Hours)



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 12, prices were at or below:

$20/MWh	1% of the time
$50/MWh	50% of the time
$100/MWh	85% of the time
$250/MWh	95% of the time
$500/MWh	100% of the time

Heat Rate Duration Curve (All Hours)

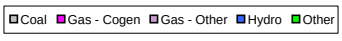


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending August 12 implied market heat rates were at or below:

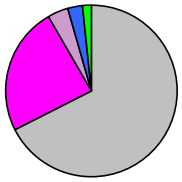
5.0 GJ/MWh	7% of the time
10.0 GJ/MWh	74% of the time
15.0 GJ/MWh	85% of the time
20.0 GJ/MWh	87% of the time

Market Share Statistics

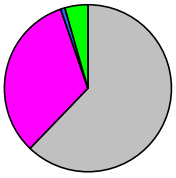
By Fuel Type:



Weekly Generation by Fuel Type

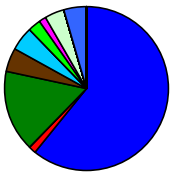


Weekly Price Setting by Fuel Type



By Submitting Customer:

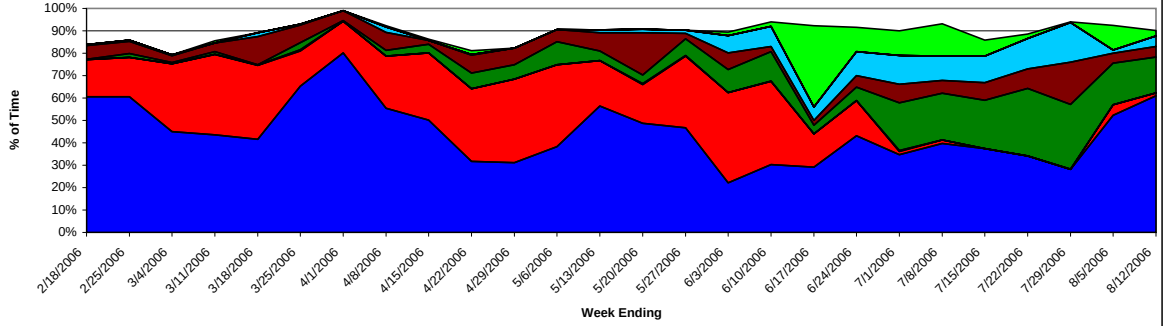
Weekly Price Setting by Submitting Customer



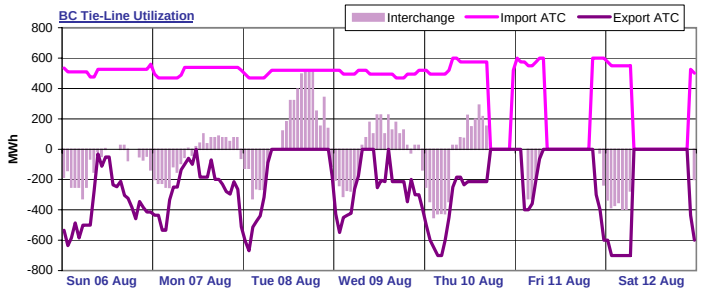
Last week, coal units were responsible for 67.5% of the generation in the province and set price 62.2% of the time. Gas-cogen units accounted for 24.1% of the generation and set price 32.5% of the time last week while other gas units made up 3.9% of generation and set price 0.0% of the time.

A total of 9 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 61.0% of the time and the top five price setters set price a total of 90.7% of the time.

Weekly Price Setting by Submitting Customer

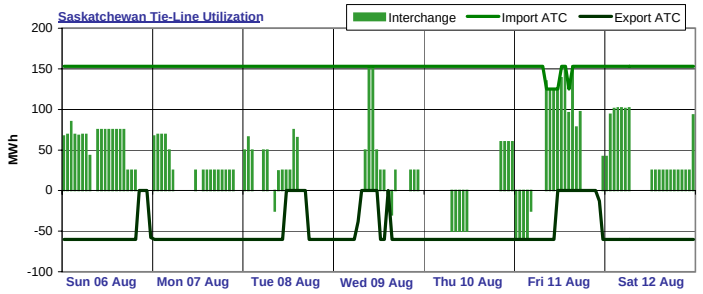


Interties

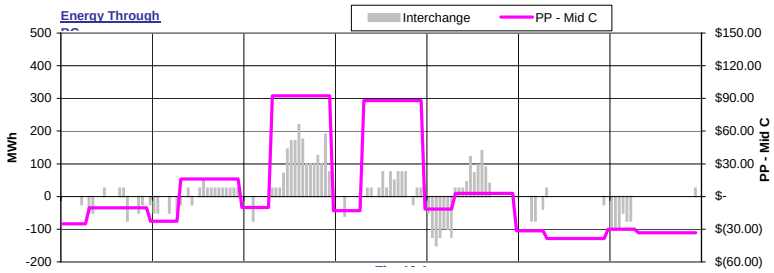


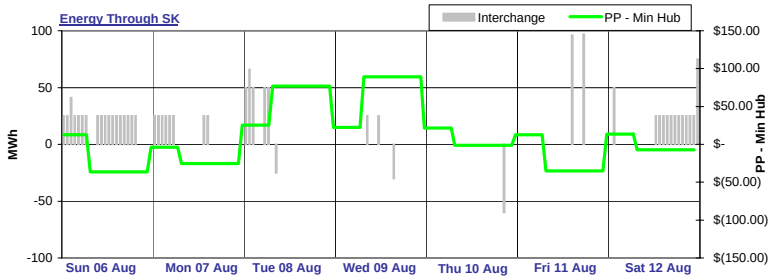
BC import capacity was 12% utilized last week while BC export capacity was 31% utilized. Energy was being imported into Alberta over the BC tie-line 33% of the time and exported out of Alberta over the BC tie-line 39% of the time last week. There was no activity on the BC tie-line 29% of the time last 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 22% utilized last week while Saskatchewan export capacity was 7% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 54% of the time and exported out of Alberta over the Saskatchewan tie-line 7% of the time last week. There was no activity on the Saskatchewan tie-line 39% of the time last week.



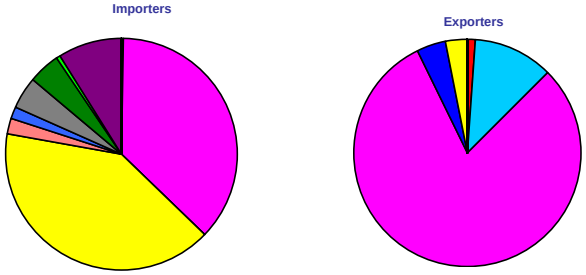


Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally 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.

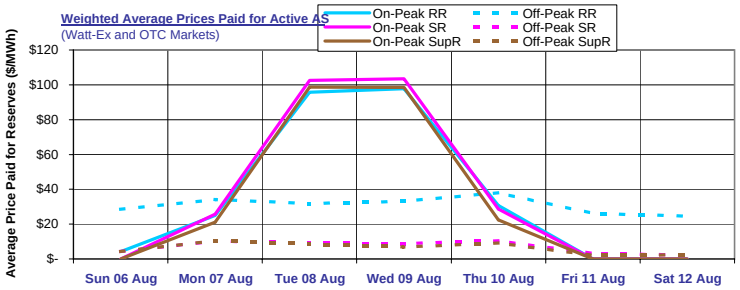
Tie-Line Market Shares



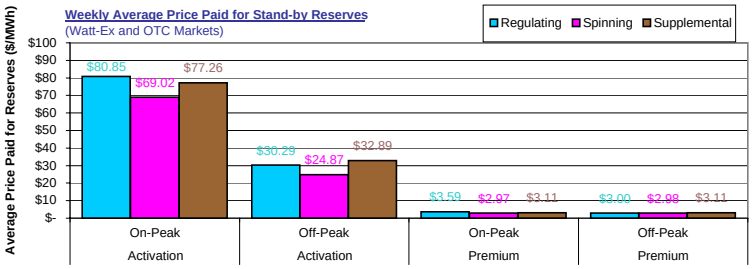
Last week, there were a total of 9 importers. The most active importer had a market share of 40.8% while the second most active importer had a market share of 36.9%.
There were a total of 5 exporters last week. The most active exporter had a market share of 80.2% while the next largest exporter had a market share of 11.5%.

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

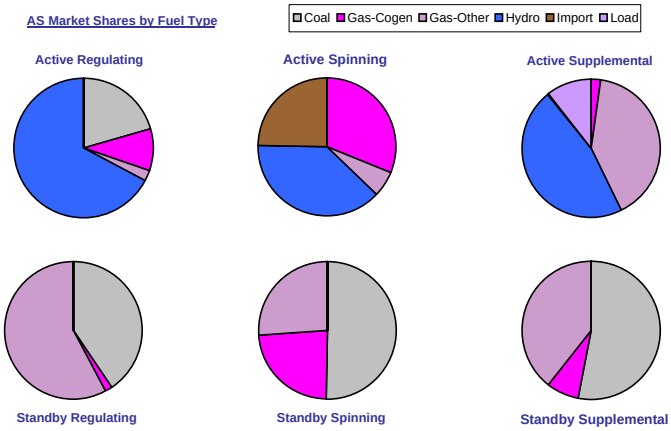
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were $36.43/MWh, $38.97/MWh and $36.07/MWh respectively for active regulating, spinning and supplemental reserves.
Active average off-peak prices were somewhat lower and averaged $30.85/MWh, $6.86/MWh and $6.23/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from $24.87/MWh for off-peak spinning reserves to $80.85/MWh for on-peak regulating reserves.
Weekly average premium prices ranged from $2.97/MWh for on-peak spinning reserves up to $3.59/MWh for on-peak regulating reserves.



Last week hydro units had the largest market share in the active regulating reserve market with 67.1%. In the active spinning reserve market, hydro units had the leading market share with 38.2% while in the active supplemental reserve market, hydro units dominated with a 46.6% market share.

Gas units dominated the standby regulating reserve market with a 57.8% market share. Leading market share in the standby spinning market was held by coal units with a 50.2% market share. In the standby supplemental reserve market, coal units had the leading market share with 53.0%.

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.