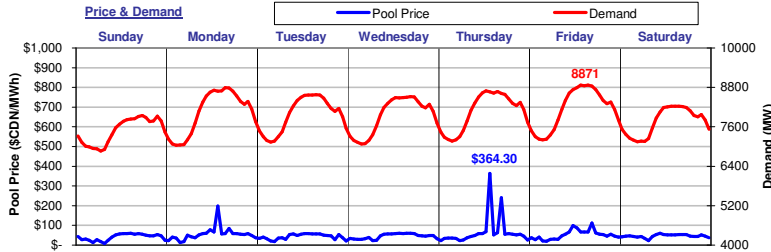


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending August 19, 2006

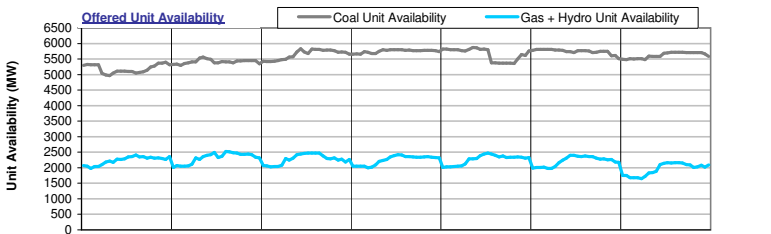
## Weekly Highlights



For the week ending August 19, 2006, **Pool Price** averaged \$50.07/MWh and ranged from a minimum of \$8.63/MWh in HE08 on Sunday to a maximum of \$364.30/MWh in HE14 on Thursday.

**Demand** reached a high of 8871 MW in HE14 on Friday and a low of 6861 MW in HE07 on Sunday. Average demand for the week was 7918 MW.

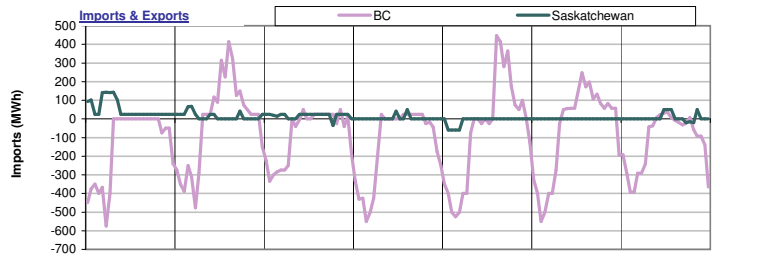
**Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.26.



**Coal Unit Availability** averaged 5573MW last week. This is an equivalent availability of 95% (based on MCR).

**Gas and Hydro Unit Availability** averaged 2217 MW last week, which is an equivalent of 39% (based on MCR).

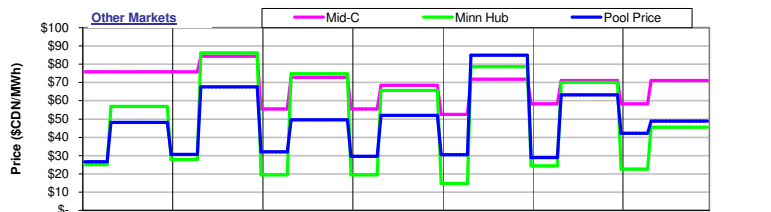
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net exporter to **BC** last week with total exports equal to 14,773MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 2,061 MWh.

Overall, Alberta imported 12,712 MWh of electricity last week.

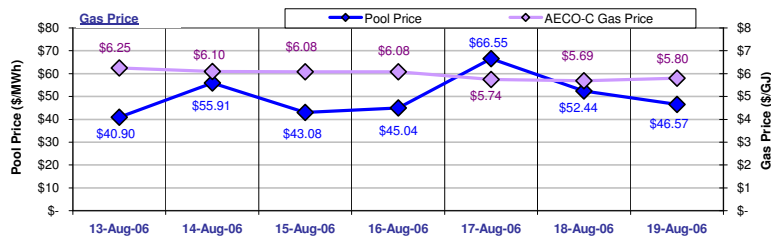


**Pool Prices** were generally lower than prices in **Mid-C** and lower than prices in **Minn Hub** last week.

**Mid-C** prices averaged \$73.29/MWh on-peak and \$61.63/MWh off-peak.

**Minn Hub** prices averaged \$70.12/MWh on-peak and \$21.90/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.12537.



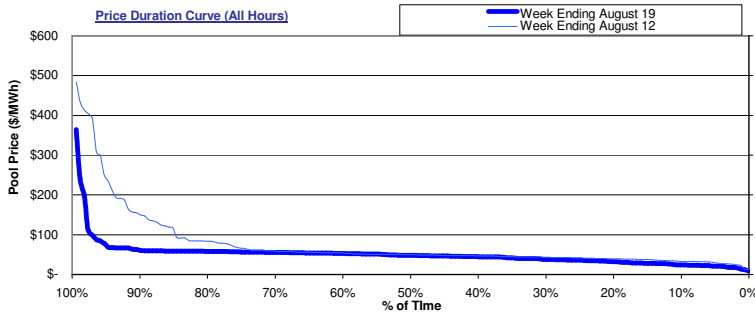
The average **AECO-C Gas Price** last week was \$5.96/GJ and ranged from a minimum of \$5.69/GJ to \$6.25/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 6.55 GJ/MWh to a high of 11.58GJ/MWh. The average market heat rate for the week was 8.43 GJ/MWh.

# Wholesale Market

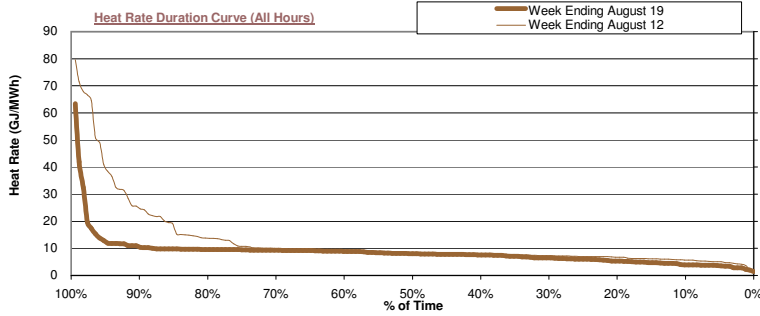
## Weekly Market Statistics

	Sunday 13-Aug	Monday 14-Aug	Tuesday 15-Aug	Wednesday 16-Aug	Thursday 17-Aug	Friday 18-Aug	Saturday 19-Aug	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 40.90	\$ 55.91	\$ 43.08	\$ 45.04	\$ 66.55	\$ 52.44	\$ 46.57	\$ 50.07	\$ 75.47	-33.7%	\$ 65.39
On-Peak	NA	\$ 67.68	\$ 49.63	\$ 52.04	\$ 84.93	\$ 63.30	\$ 48.90	\$ 61.08	\$ 99.98	-38.9%	\$ 84.59
Off-Peak	\$ 40.90	\$ 32.37	\$ 29.98	\$ 31.05	\$ 29.79	\$ 30.73	\$ 41.90	\$ 35.39	\$ 42.80	-17.3%	\$ 35.82
COV	0.40	0.62	0.31	0.28	1.14	0.45	0.17	0.48	0.58	-16.6%	
<b>Heat Rate</b>											
Average	6.55	9.17	7.09	7.41	11.58	9.22	8.03	8.43	11.64	-27.6%	10.43
On-Peak	NA	11.10	8.17	8.56	14.78	11.12	8.43	10.36	15.40	-32.7%	13.50
Off-Peak	6.55	5.31	4.93	5.11	5.18	5.40	7.23	5.87	6.64	-11.6%	5.72
<b>Demand</b>											
Average	7,482	8,051	7,975	7,945	8,064	8,148	7,761	7,918	7,875	0.5%	7,835
Minimum	6,861	7,041	7,134	7,079	7,167	7,203	7,150	7,091	7,073	0.3%	6,351
Maximum	7,948	8,793	8,581	8,524	8,698	8,871	8,229	8,521	8,484	0.4%	9,306
<b>Coal Unit Availability</b>											
Average	5,185	5,416	5,651	5,750	5,650	5,741	5,619	5,573	5,409		5,360
Utilization	89%	93%	97%	98%	97%	98%	96%	95%	93%	2.8%	92%
<b>Gas and Hydro Unit Availability</b>											
Average	2,238	2,318	2,277	2,251	2,267	2,213	1,956	2,217	2,108		2,039
Utilization	47%	49%	48%	47%	48%	46%	41%	39%	37%	1.9%	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 19**, prices were at or below:

- \$20/MWh 4% of the time
- \$50/MWh 54% of the time
- \$100/MWh 97% 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 19** implied market heat rates were at or below:

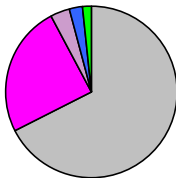
- 5.0 GJ/MWh 17% of the time
- 10.0 GJ/MWh 88% of the time
- 15.0 GJ/MWh 96% of the time
- 20.0 GJ/MWh 98% of the time

### Market Share Statistics

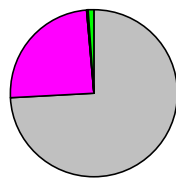
By Fuel Type:

■ Coal 
 ■ Gas - Cogen 
 ■ Gas - Other 
 ■ Hydro 
 ■ Other

Weekly Generation by Fuel Type

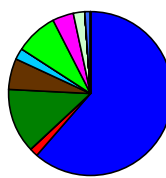


Weekly Price Setting by Fuel Type



By Submitting Customer:

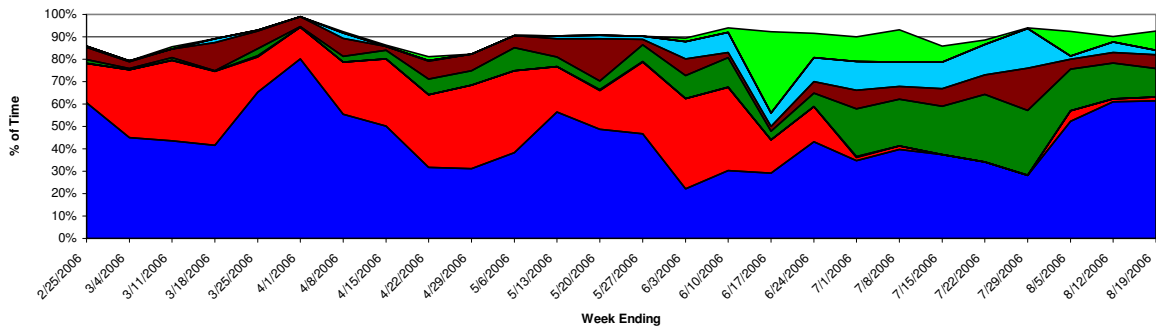
Weekly Price Setting by Submitting Customer



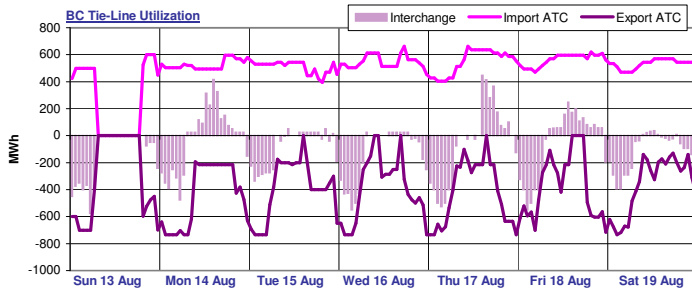
Last week, **coal units** were responsible for **67.5%** of the generation in the province and set price **74.2%** of the time. **Gas-cogen** units accounted for **24.7%** of the generation and set price **24.5%** of the time last week while **other gas** units made up **3.7%** of generation and set 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 **61.5%** of the time and the top five price setters set price a total of **92.9%** of the time.

### Weekly Price Setting by Submitting Customer

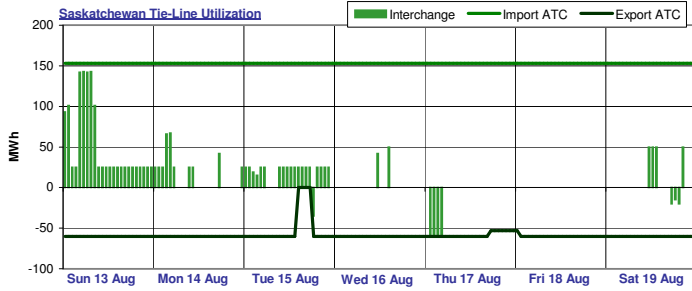


# Interties

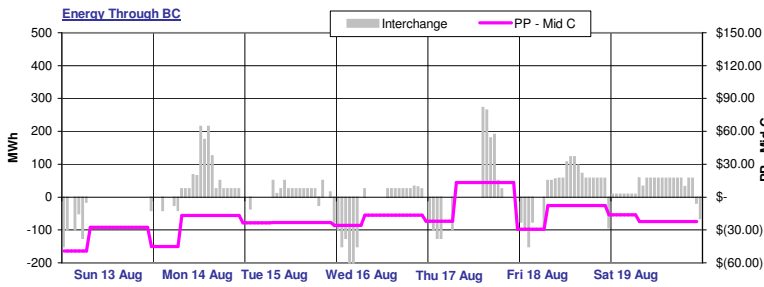


BC import capacity was 7% utilized last week while BC export capacity was 25% utilized. Energy was being imported into Alberta over the BC tie-line 36% of the time and exported out of Alberta over the BC tie-line 48% of the time last week. There was no activity on the BC tie-line 15% of the time last 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.



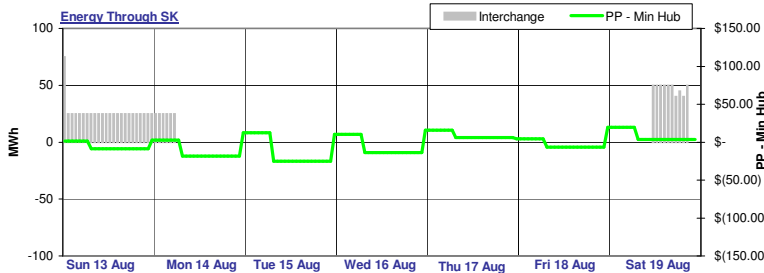
Saskatchewan import capacity was 9% utilized last week while Saskatchewan export capacity was 3% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 35% of the time and exported out of Alberta over the Saskatchewan tie-line 5% of the time last week. There was no activity on the Saskatchewan tie-line 60% of the time last week.



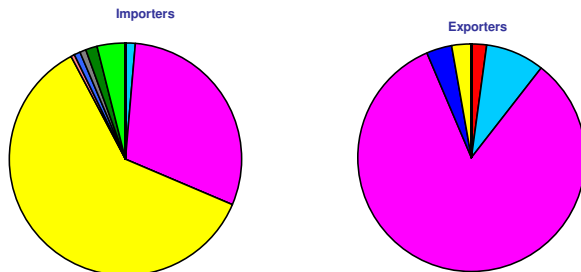
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



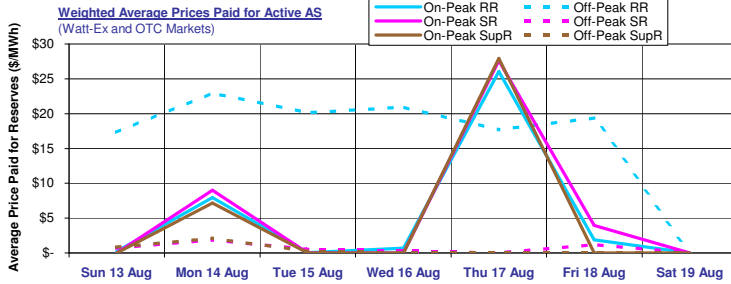
Tie-Line Market Shares



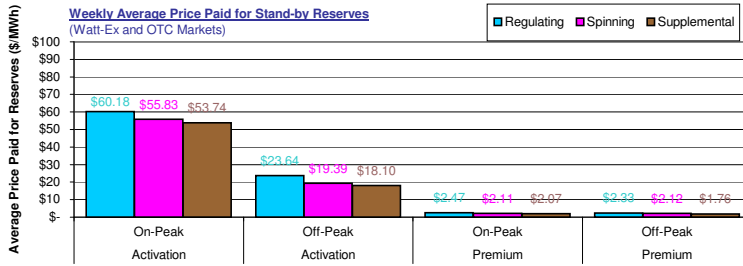
Last week, there were a total of 8 importers. The most active importer had a market share of 60.7% while the second most active importer had a market share of 30.0%. There were a total of 5 exporters last week. The most active exporter had a market share of 83.1% while the next largest exporter had a market share of 8.2%.

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

# Ancillary Services Market

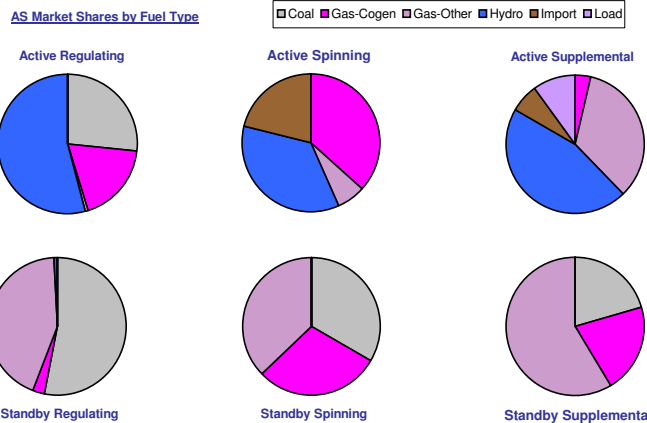


Average on-peak prices paid for active ancillary services last week were **\$3.79/MWh**, **\$4.79/MWh** and **\$3.73/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were somewhat **higher** and averaged **\$20.35/MWh**, **\$1.08/MWh** and **\$0.66/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$18.10/MWh** for **off-peak supplemental** reserves to **\$60.18/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$1.76/MWh** for **off-peak supplemental** reserves up to **\$2.47/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **54.3%**. In the **active spinning** reserve market, **gas** units had the leading market share with **36.8%** while in the **active supplemental** reserve market, **hydro** units dominated with a **45.7%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **52.9%** market share. Leading market share in the **standby spinning** market was held by **gas** units with a **37.2%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **58.7%**.

## 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.