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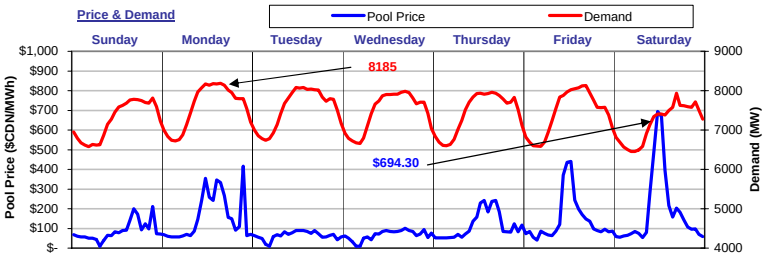
The Market Monitor

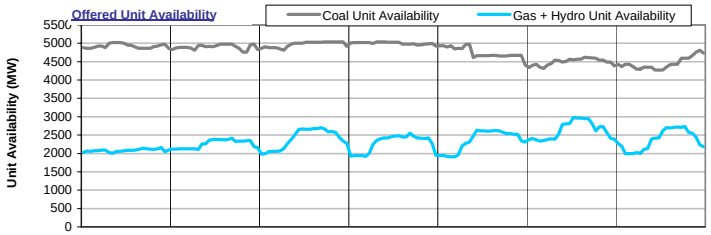
WATCHING THE MARKET : your fact source

Week Ending August 27, 2005

Weekly Highlights

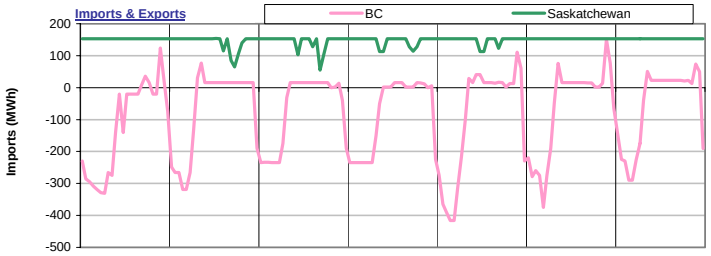


For the week ending August 27, 2005, Pool Price averaged $117.61/MWh and ranged from a minimum of $10.51/MWh in HE05 on Wednesday to a maximum of $694.30/MWh in HE12 on Saturday.
Demand reached a high of 8185 MW in HE16 on Monday and a low of 6455 MW in HE05 on Saturday. Average demand for the week was 7419MW.
Pool Price and Demand were positively correlated last week with an R-squared value of 0.17.

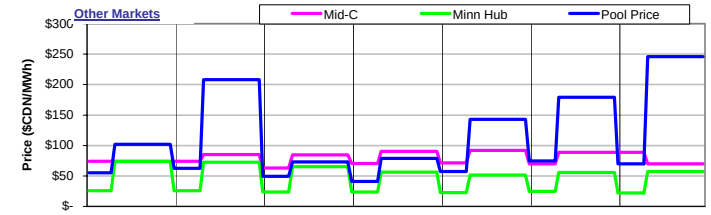


Coal Unit Availability averaged 4784 MW last week. This is an equivalent availability of 82% (based on MCR).
Gas and Hydro Unit Availability averaged 2339MW last week, which is an equivalent of 41% (based on MCR).

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

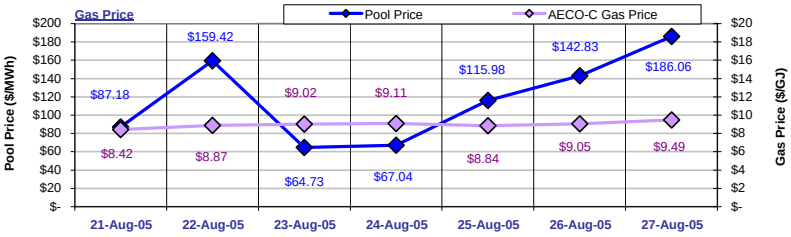


Alberta was a net exporter to BC last week with total exports equal to 13,404MWh. Imports on the BC intertie was curtailed last week due to transmission maintenance in the BC control area.
Alberta was a net importer from Saskatchewan last week with total imports equal to 24,951MWh.
Overall, Alberta imported 11,547MWh 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 $85.06/MWh on-peak and $73.03/MWh off-peak.
Minn Hub prices averaged $59.68/MWh on-peak and 24.03/MWh off-peak.

Prices in $CDN at an exchange rate of 1.2114.



The average AECO-C Gas Price last week was $8.97/GJ and ranged from a minimum of $8.42/GJ to $9.49/GJ.
Prevailing gas prices resulted in market heat rates ranging from a low of 7.17GJ/MWh to a high of 19.61GJ/MWh. The average market heat rate for the week was 13.05GJ/MWh.

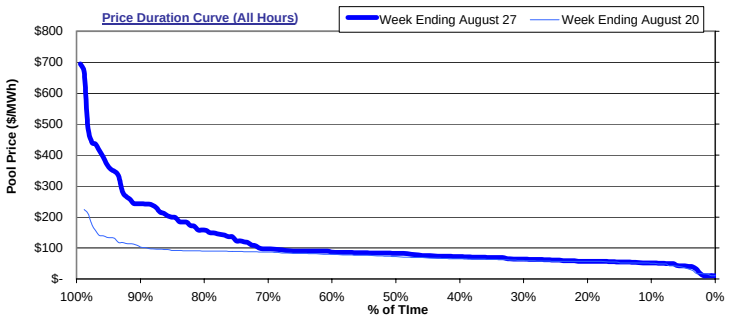
MARKET SURVEILLANCE ADMINISTRATOR

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

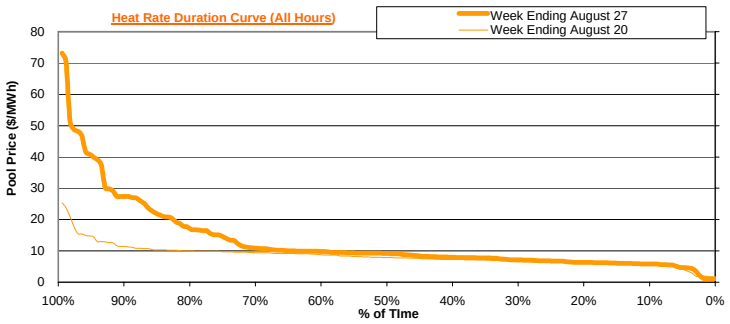
Weekly Market Statistics

	Sunday 21-Aug	Monday 22-Aug	Tuesday 23-Aug	Wednesday 24-Aug	Thursday 25-Aug	Friday 26-Aug	Saturday 27-Aug	Average	Last Week	% Change	YTD
Pool Price											
Average	$ 87.18	$ 159.42	$ 64.73	$ 67.04	$ 115.98	$ 142.83	$ 186.06	$ 117.61	$ 74.94	56.9%	$ 51.68
On-Peak	NA	$ 207.93	$ 73.20	$ 78.77	$ 142.72	$ 179.01	$ 245.77	$ 154.57	$ 84.07	83.9%	$ 61.36
Off-Peak	$ 87.18	$ 62.41	$ 47.80	$ 43.57	$ 62.50	$ 70.48	$ 66.64	$ 68.33	$ 62.76	8.9%	$ 36.05
COV	0.57	0.73	0.32	0.37	0.59	0.81	1.01	0.63	0.37	69.6%	
Heat Rate											
Average	10.35	17.98	7.17	7.36	13.12	15.79	19.61	13.05	8.58	52.1%	7.21
On-Peak	NA	23.45	8.11	8.65	16.15	19.79	25.90	17.01	9.30	83.0%	8.57
Off-Peak	10.35	7.04	5.30	4.78	7.07	7.79	7.02	7.78	7.10	9.6%	5.47
Demand											
Average	7,259	7,600	7,550	7,467	7,441	7,445	7,170	7,419	7,390	0.4%	7,460
Minimum	6,580	6,727	6,739	6,655	6,601	6,589	6,455	6,621	6,634	-0.2%	6,017
Maximum	7,816	8,185	8,084	7,980	7,956	8,132	7,936	8,013	7,892	1.5%	9,236
Coal Unit Availability											
Average	4,923	4,899	4,970	5,003	4,745	4,495	4,451	4,784	4,939		5,199
Utilization	84%	84%	85%	86%	81%	77%	76%	82%	85%	-2.7%	89%
Gas and Hydro Unit Availability											
Average	2,084	2,258	2,402	2,279	2,356	2,626	2,369	2,339	2,034		2,137
Utilization	44%	47%	50%	48%	49%	55%	50%	41%	36%	5.4%	38%



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 27, prices were at or below:

$20/MWh	2% of the time
$50/MWh	8% of the time
$100/MWh	71% of the time
$250/MWh	91% of the time
$500/MWh	98% of the time

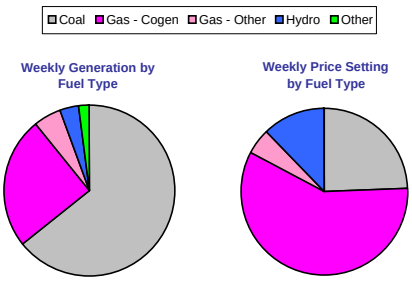


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending August 27, implied market heat rates were at or below:

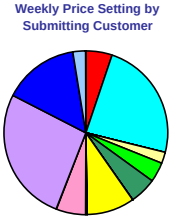
5.0 GJ/MWh	6% of the time
10.0 GJ/MWh	65% of the time
15.0 GJ/MWh	76% of the time
20.0 GJ/MWh	83% of the time

Market Share Statistics

By Fuel Type:



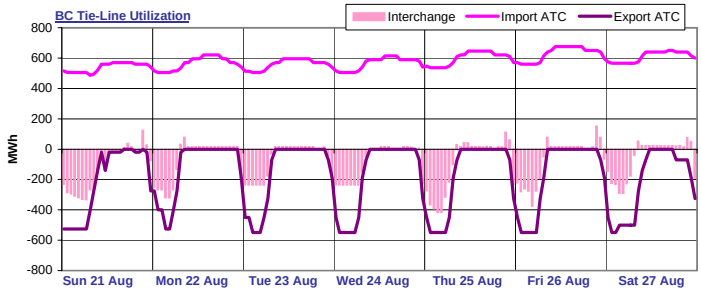
By Submitting Customer:



Last week, coal units were responsible for 64.1% of the generation in the province and set price 24.4% of the time. Gas-cogen units accounted for 25.0% of the generation and set price 58.5% of the time last week while other gas units made up 5.2% of generation and set price 5.0% of the time.

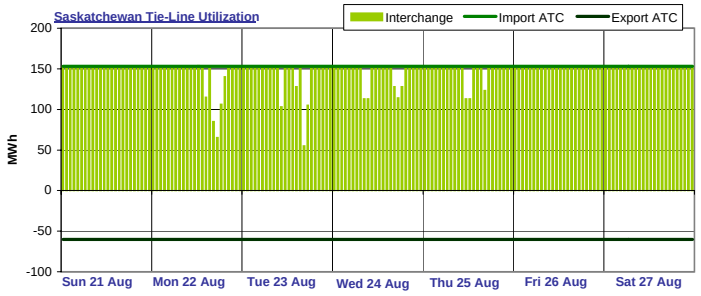
A total of 11 market participants set price last week. One market participants set price more than 20% of the time last week. The top price setter set price 22.5% of the time and the top five price setters set price a total of 79.9% of the time.

Interties

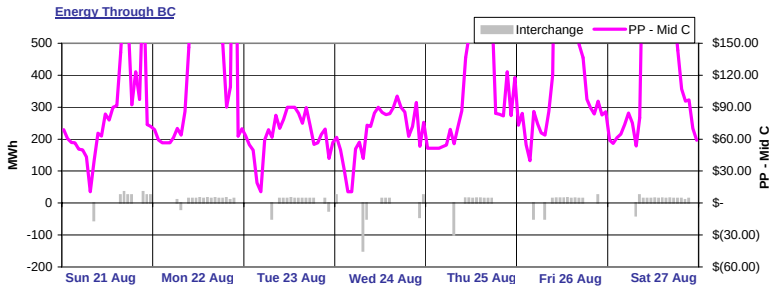


BC import capacity was 2% utilized last week while BC export capacity was 51% utilized. Energy was being imported into Alberta over the BC tie-line 55% of the time and exported out of Alberta over the BC tie-line 44% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



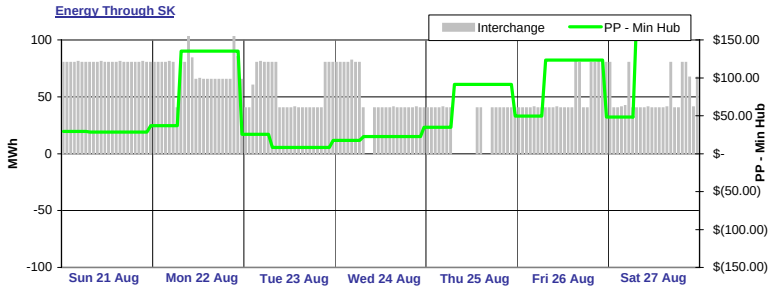
Saskatchewan import capacity was 97% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 100% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 0% of the time last week.

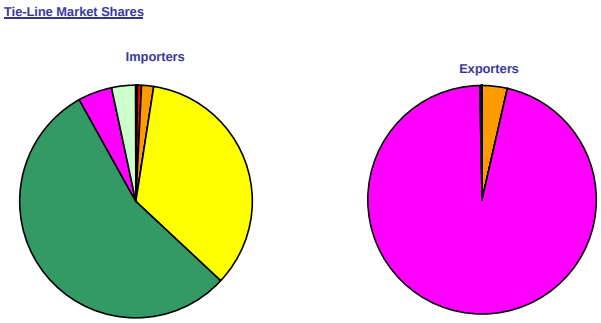


Last week, Alberta spot prices were mostly **higher** relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting **import** activity across the Alberta - BC interconnection however, the AB-BC intertie was curtailed through the week due to transmission maintenance in the BC control area.

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: Dow Jones hourly Mid-C index used in energy through BC graph; Platt's day-ahead strip for Min Hub used in energy through SK graph.

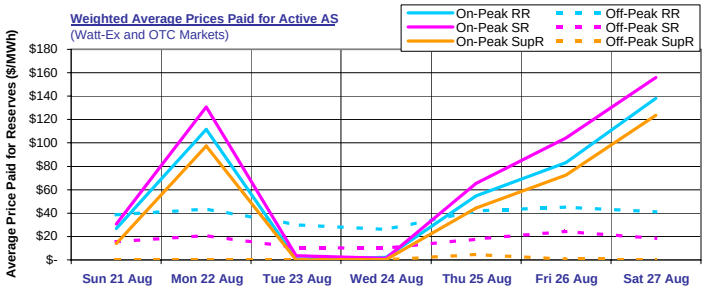




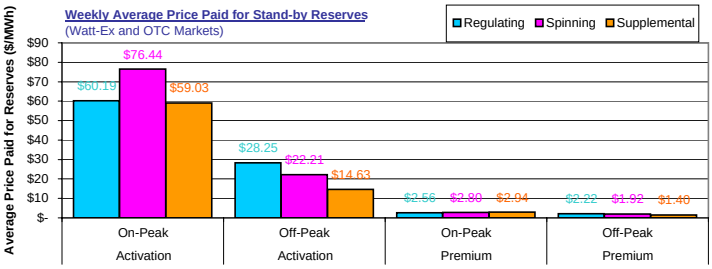
Last week, there were a total of 7 importers. The most active importer had a market share of 55.1% while the second most active importer had a market share of 34.6%.
There were a total of 3 exporters last week. The most active exporter had a market share of 96.0% while the next largest exporter had a market share of 3.7%.

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

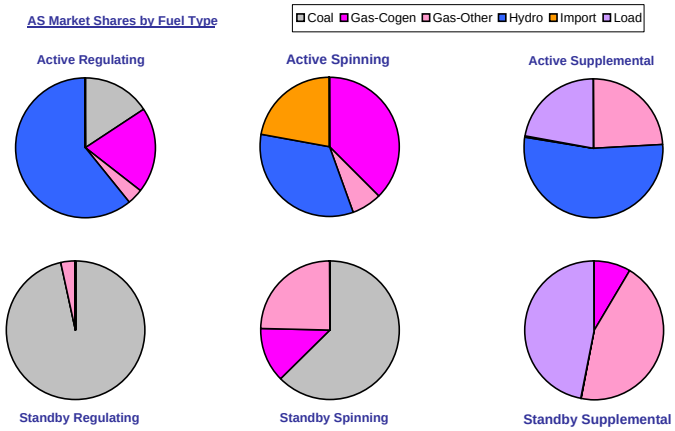
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were $59.89/MWh, $70.11/MWh and $50.11/MWh respectively for active regulating, spinning and supplemental reserves.
Active average off-peak prices were somewhat lower and averaged $37.99/MWh, $16.77/MWh and $0.82/MWh for active regulating spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from $14.63/MWh for off-peak supplemental reserves to $76.44/MWh for on-peak spinning reserves.
Weekly average premium prices ranged from $1.40/MWh for off-peak supplemental reserves up to $2.94/MWh for on-peak supplemental reserves.



Last week hydro units had the largest market share in the active regulating reserve market with 60.8%. In the active spinning reserve market, gas-cogen units had the leading market share with 37.5% while in the active supplemental reserve market, hydro units dominated with a 53.4% market share.

Coal units dominated the standby regulating reserve market with a 96.6% market share. Leading market share in the standby spinning market was held by coal units with a 62.4% market share. In the standby supplemental reserve market, load had the leading market share with 46.9%.

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.