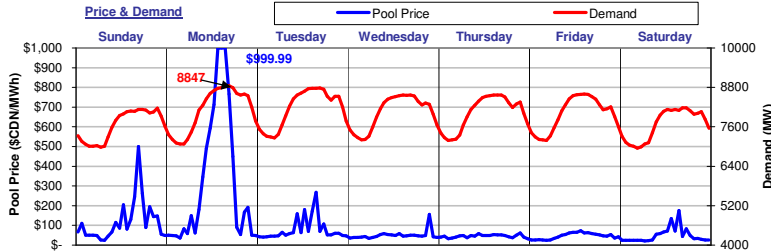


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 2, 2006

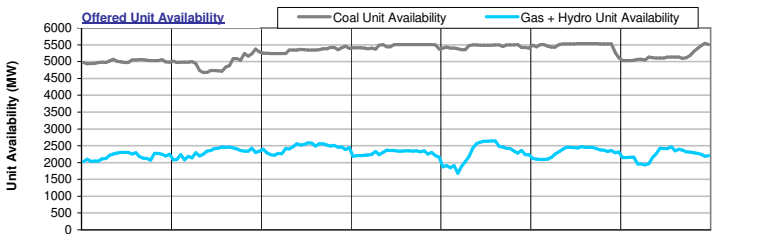
## Weekly Highlights



For the week ending September 2, 2006, **Pool Price** averaged \$101.24/MWh and ranged from a minimum of \$20.44/MWh in HE07 on Saturday to a maximum of \$999.99/MWh in HE15 on Monday.

**Demand** reached a high of 8847 MW in HE17 on Monday and a low of 6948 MW in HE05 on Saturday. Average demand for the week was 7953 MW.

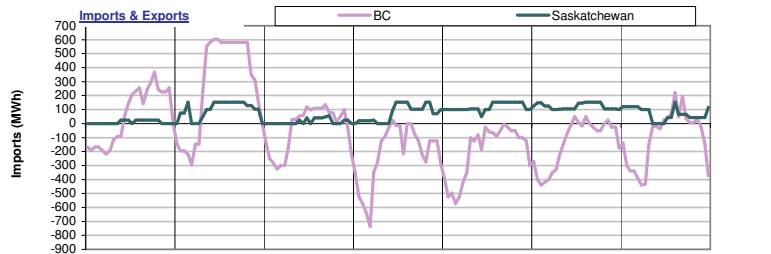
**Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.15.



**Coal Unit Availability** averaged 5267 MW last week. This is an equivalent availability of 90% (based on MCR).

**Gas and Hydro Unit Availability** averaged 2293 MW last week, which is an equivalent of 40% (based on MCR).

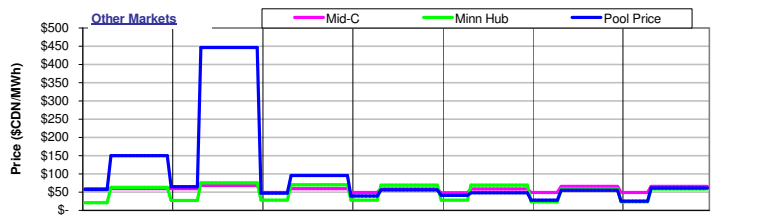
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net exporter to BC last week with total exports equal to 8759 MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 12,233 MWh.

Overall, Alberta imported 3,474 MWh of electricity last week.

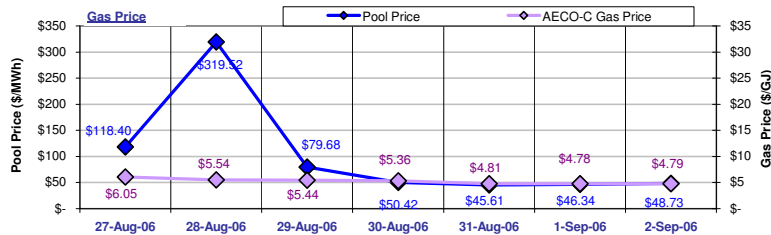


**Pool Prices** were generally higher than prices in Mid-C and higher than prices in Minn Hub last week.

**Mid-C** prices averaged \$62.73/MWh on-peak and \$52.03/MWh off-peak.

**Minn Hub** prices averaged \$66.91/MWh on-peak and \$25.65/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.1096.



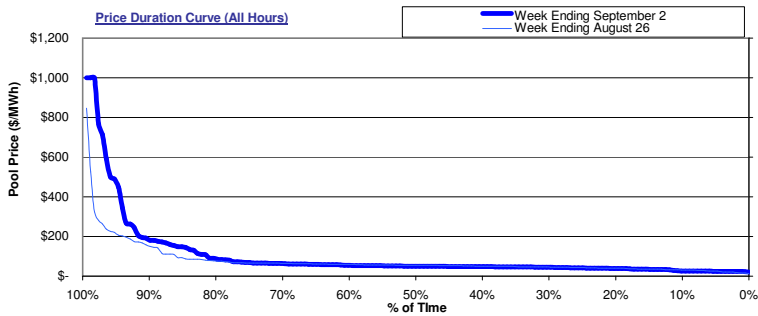
The average **AECO-C Gas Price** last week was \$5.25/GJ and ranged from a minimum of \$4.78/GJ to \$6.05/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 9.41 GJ/MWh to a high of 57.62GJ/MWh. The average market heat rate for the week was 18.66 GJ/MWh.

# Wholesale Market

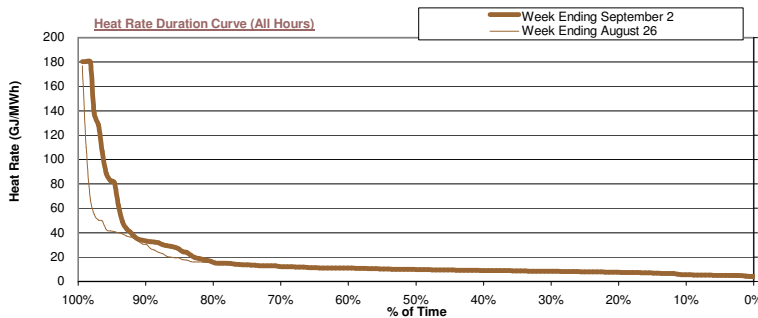
## Weekly Market Statistics

|  | Sunday<br>27-Aug | Monday<br>28-Aug | Tuesday<br>29-Aug | Wednesday<br>30-Aug | Thursday<br>31-Aug | Friday<br>1-Sep | Saturday<br>2-Sep | Average   | Last<br>Week | % Change | YTD      |
|--|------------------|------------------|-------------------|---------------------|--------------------|-----------------|-------------------|-----------|--------------|----------|----------|
| <b>Pool Price</b>                      |                  |                  |                   |                     |                    |                 |                   |           |              |          |          |
| Average                                | \$ 118.40        | \$ 319.52        | \$ 79.68          | \$ 50.42            | \$ 45.61           | \$ 46.34        | \$ 48.73          | \$ 101.24 | \$ 75.53     | 34.0%    | \$ 66.71 |
| On-Peak                                | NA               | \$ 446.71        | \$ 96.02          | \$ 56.33            | \$ 48.35           | \$ 55.15        | \$ 61.25          | \$ 127.30 | \$ 98.71     | 29.0%    | \$ 86.21 |
| Off-Peak                               | \$ 118.40        | \$ 65.14         | \$ 47.01          | \$ 38.60            | \$ 40.14           | \$ 28.73        | \$ 23.68          | \$ 66.50  | \$ 44.63     | 49.0%    | \$ 36.57 |
| COV                                    | 0.89             | 1.07             | 0.72              | 0.46                | 0.16               | 0.33            | 0.79              | 0.63      | 0.66         | -4.3%    |          |
| <b>Heat Rate</b>                       |                  |                  |                   |                     |                    |                 |                   |           |              |          |          |
| Average                                | 19.57            | 57.62            | 14.64             | 9.41                | 9.48               | 9.70            | 10.18             | 18.66     | 12.54        | 48.8%    | 10.70    |
| On-Peak                                | NA               | 80.56            | 17.64             | 10.51               | 10.05              | 11.54           | 12.80             | 23.85     | 16.37        | 45.7%    | 13.84    |
| Off-Peak                               | 19.57            | 11.75            | 8.64              | 7.20                | 8.35               | 6.01            | 4.95              | 11.73     | 7.43         | 57.9%    | 5.87     |
| <b>Demand</b>                          |                  |                  |                   |                     |                    |                 |                   |           |              |          |          |
| Average                                | 7,649            | 8,112            | 8,172             | 8,041               | 8,026              | 7,999           | 7,673             | 7,953     | 8,007        | -0.7%    | 7,843    |
| Minimum                                | 6,983            | 7,074            | 7,261             | 7,201               | 7,188              | 7,189           | 6,948             | 7,121     | 7,156        | -0.5%    | 6,351    |
| Maximum                                | 8,165            | 8,847            | 8,785             | 8,573               | 8,572              | 8,598           | 8,175             | 8,531     | 8,634        | -1.2%    | 9,306    |
| <b>Coal Unit Availability</b>          |                  |                  |                   |                     |                    |                 |                   |           |              |          |          |
| Average                                | 5,007            | 4,964            | 5,336             | 5,461               | 5,450              | 5,481           | 5,169             | 5,267     | 5,547        |          | 5,363    |
| Utilization                            | 86%              | 85%              | 91%               | 94%                 | 93%                | 94%             | 89%               | 90%       | 95%          | -4.8%    | 92%      |
| <b>Gas and Hydro Unit Availability</b> |                  |                  |                   |                     |                    |                 |                   |           |              |          |          |
| Average                                | 2,184            | 2,309            | 2,442             | 2,287               | 2,279              | 2,321           | 2,230             | 2,293     | 2,074        |          | 2,047    |
| Utilization                            | 46%              | 48%              | 51%               | 48%                 | 48%                | 49%             | 47%               | 48%       | 44%          | 4.6%     | 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 **September 2**, prices were at or below:

- \$20/MWh 0% of the time
- \$50/MWh 49% of the time
- \$100/MWh 81% of the time
- \$250/MWh 92% of the time
- \$500/MWh 96% of the time



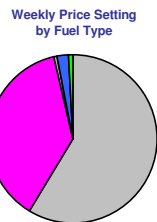
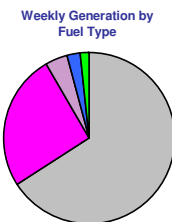
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **September 2** implied market heat rates were at or below:

- 5.0 GJ/MWh 2% of the time
- 10.0 GJ/MWh 52% of the time
- 15.0 GJ/MWh 79% of the time
- 20.0 GJ/MWh 83% of the time

### Market Share Statistics

By Fuel Type:

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



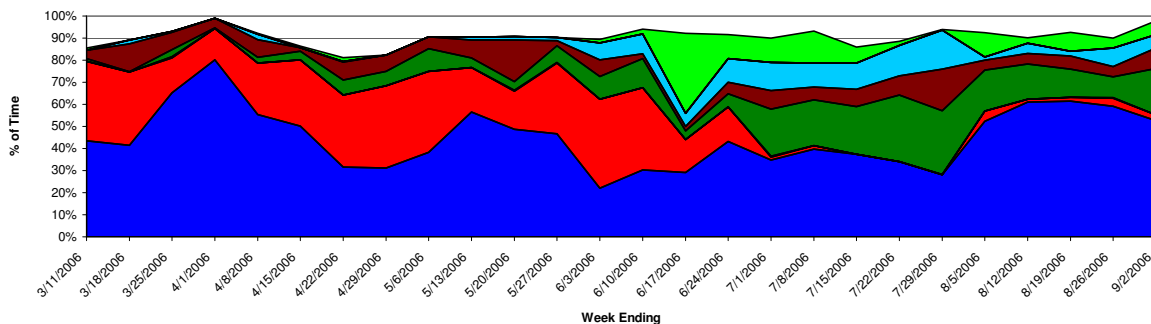
By Submitting Customer:



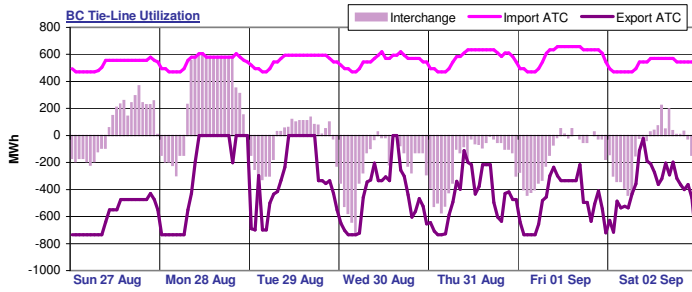
Last week, coal units were responsible for 65.9% of the generation in the province and set price 58.7% of the time. Gas-cogen units accounted for 25.8% of the generation and set price 37.8% of the time last week while other gas units made up 4.2% of generation and set price 0.4% of the time.

A total of 10 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 52.6% of the time and the top five price setters set price a total of 95.2% of the time.

### Weekly Price Setting by Submitting Customer

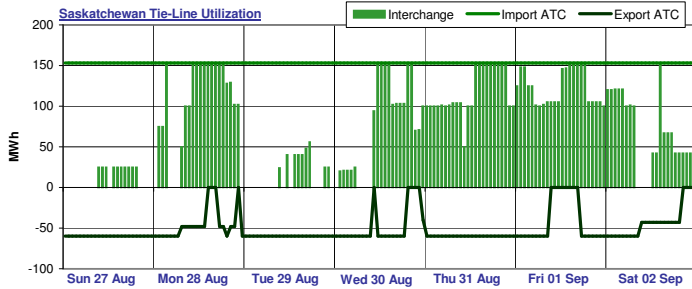


# Interties

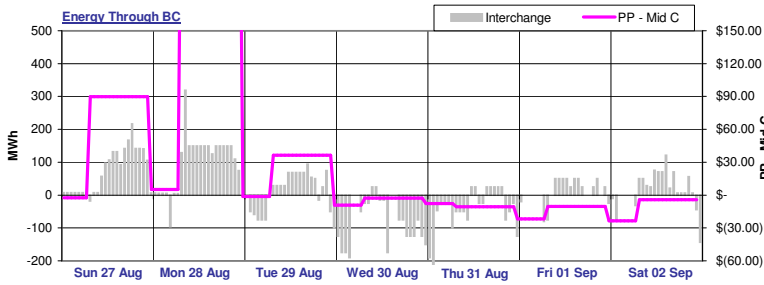


BC import capacity was 13% utilized last week while BC export capacity was 28% utilized. Energy was being imported into Alberta over the BC tie-line 36% of the time and exported out of Alberta over the BC tie-line 61% of the time last week. There was no activity on the BC tie-line 3% of the time last 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.



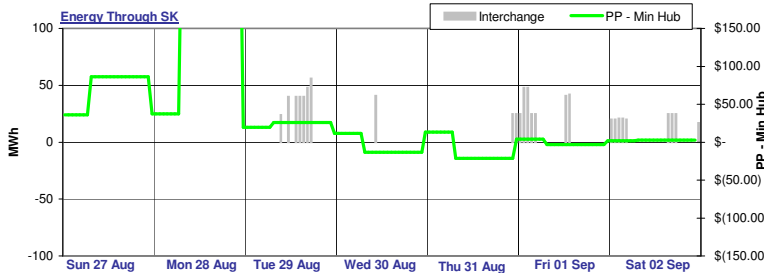
Saskatchewan import capacity was 48% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 74% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 26% of the time last week.



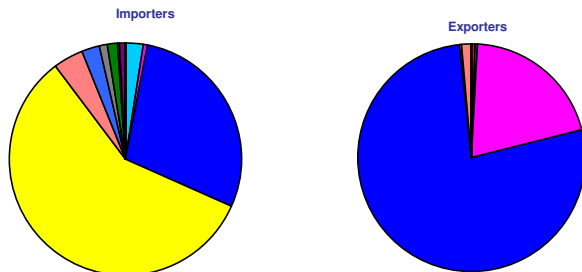
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



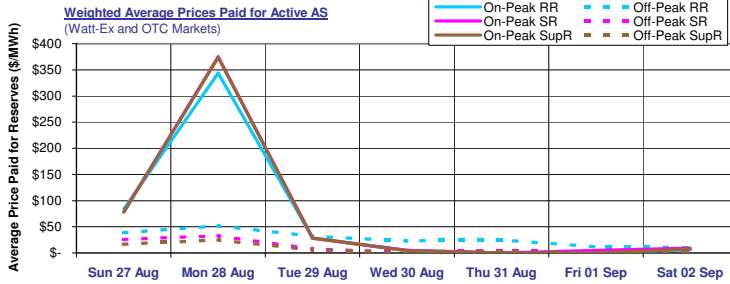
**Tie-Line Market Shares**



Last week, there were a total of 10 importers. The most active importer had a market share of 57.9% while the second most active importer had a market share of 28.6%. There were a total of 6 exporters last week. The most active exporter had a market share of 77.1% while the next largest exporter had a market share of 20.5%.

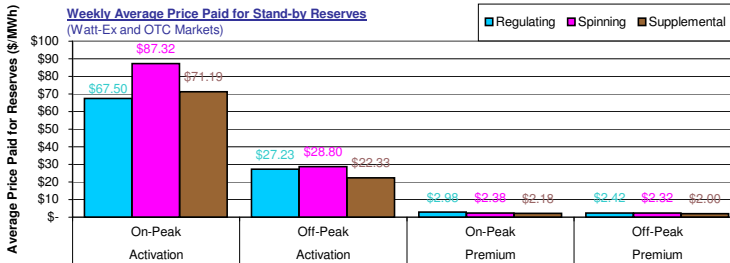
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



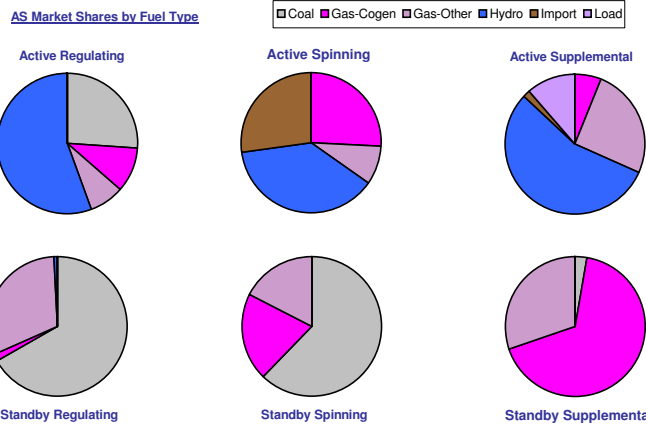
Average on-peak prices paid for active ancillary services last week were **\$67.21/MWh**, **\$73.78/MWh** and **\$72.63/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat **higher** and averaged **\$27.28/MWh**, **\$10.48/MWh** and **\$7.17/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$22.33/MWh** for **off-peak supplemental** reserves to **\$87.32/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$2.00/MWh** for **off-peak supplemental** reserves up to **\$32.98/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **55.6%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **38%** while in the **active supplemental** reserve market, **hydro** units dominated with a **55.3%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **66.6%** 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, **gas** units had the leading market share with **67.0%**.

## 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 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.