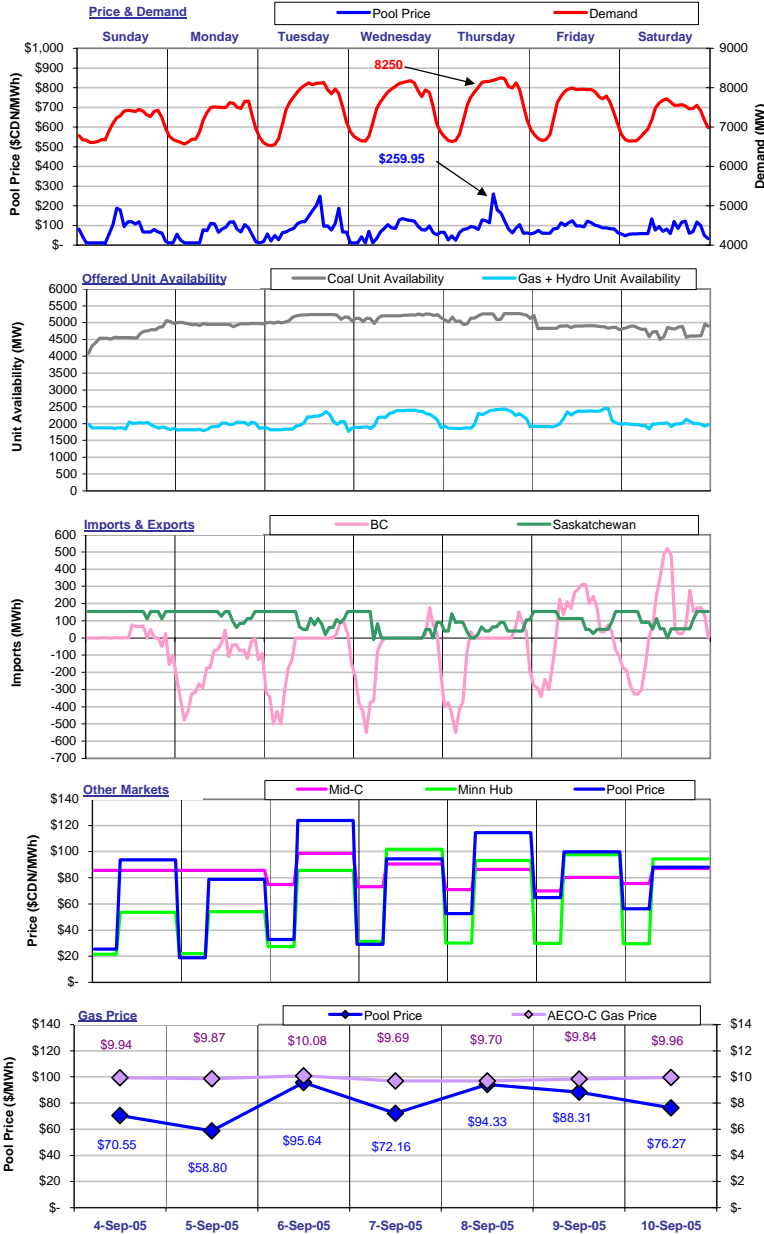


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 10, 2005

Weekly Highlights



For the week ending September 10, 2005, **Pool Price** averaged \$79.44/MWh and ranged from a minimum of \$9.87/MWh in HE08 on Sunday to a maximum of \$259.95/MWh in HE15 on Thursday. **Demand** reached a high of 8250 MW in HE17 on Thursday and a low of 6525 MW in HE04 on Tuesday. Average demand for the week was 7380MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.55.

Coal Unit Availability averaged 4959 MW last week. This is an equivalent availability of 85% (based on MCR). **Gas and Hydro Unit Availability** averaged 2044MW last week, which is an equivalent of 36% (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 8,776MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 17,023MWh. Overall, Alberta imported 8,247MWh of electricity last week.

Pool Prices were generally lower than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$88.07/MWh on-peak and \$76.56/MWh off-peak. **Minn Hub** prices averaged \$87.85/MWh on-peak and \$27.36/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1903.

The average **AECO-C Gas Price** last week was \$9.87/GJ and ranged from a minimum of \$9.69/GJ to \$10.08/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 5.96GJ/MWh to a high of 9.73GJ/MWh. The average market heat rate for the week was 8.05GJ/MWh.

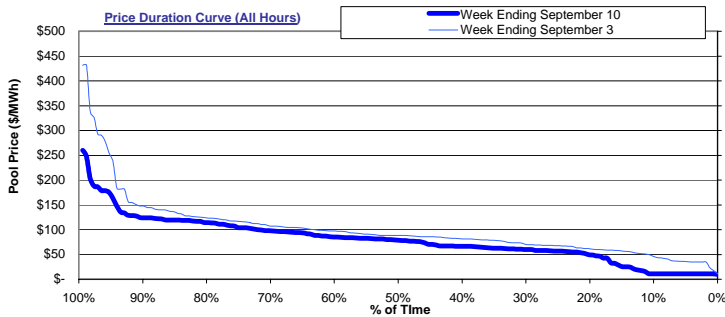


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

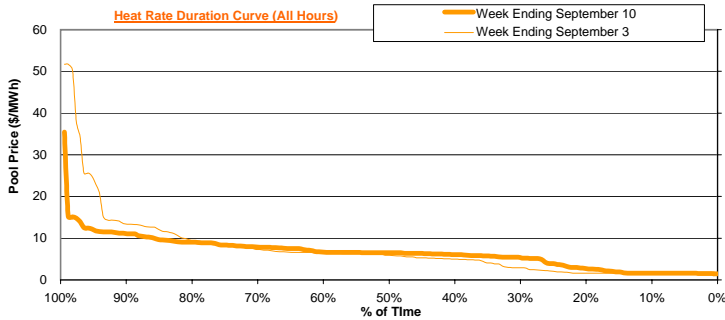
	Sunday 4-Sep	Monday 5-Sep	Tuesday 6-Sep	Wednesday 7-Sep	Thursday 8-Sep	Friday 9-Sep	Saturday 10-Sep	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 70.55	\$ 58.80	\$ 95.64	\$ 72.16	\$ 94.33	\$ 88.31	\$ 76.27	\$ 79.44	\$ 100.89	-21.3%	\$ 53.81
On-Peak	NA	\$ 78.87	\$ 123.87	\$ 94.56	\$ 114.63	\$ 99.93	\$ 88.12	\$ 99.99	\$ 122.43	-18.3%	\$ 64.12
Off-Peak	\$ 70.55	\$ 18.68	\$ 39.19	\$ 27.38	\$ 53.74	\$ 65.07	\$ 52.57	\$ 52.03	\$ 72.17	-27.9%	\$ 37.24
COV	0.73	0.68	0.64	0.58	0.55	0.24	0.37	0.54	0.50	7.9%	
Heat Rate											
Average	7.10	5.96	9.49	7.45	9.73	8.98	7.66	8.05	9.94	-19.0%	7.36
On-Peak	NA	7.99	12.29	9.76	11.82	10.16	8.85	10.15	12.44	-18.5%	8.80
Off-Peak	7.10	1.89	3.89	2.83	5.54	6.62	5.28	5.26	7.30	-27.9%	5.53
Demand											
Average	7,081	7,165	7,514	7,544	7,620	7,501	7,232	7,380	7,499	-1.6%	7,460
Minimum	6,608	6,571	6,525	6,641	6,633	6,659	6,643	6,611	6,682	-1.1%	6,017
Maximum	7,446	7,661	8,131	8,177	8,250	7,993	7,714	7,910	8,083	-2.1%	9,236
Coal Unit Availability											
Average	4,640	4,956	5,145	5,179	5,160	4,880	4,753	4,959	4,676	4.9%	5,178
Utilization	79%	85%	88%	89%	88%	84%	81%	85%	80%	4.9%	89%
Gas and Hydro Unit Availability											
Average	1,915	1,914	2,003	2,182	2,141	2,172	1,982	2,044	2,323	-4.9%	2,139
Utilization	40%	40%	42%	46%	45%	46%	42%	36%	41%	-4.9%	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 **September 10**, prices were at or below:

- \$20/MWh 13% of the time
- \$50/MWh 20% of the time
- \$100/MWh 72% 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 **September 10**, implied market heat rates were at or below:

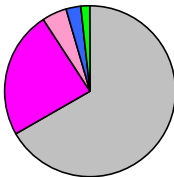
- 5.0 GJ/MWh 27% of the time
- 10.0 GJ/MWh 86% of the time
- 15.0 GJ/MWh 98% of the time
- 20.0 GJ/MWh 99% of the time

Market Share Statistics

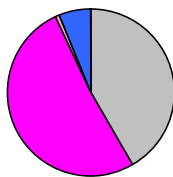
By Fuel Type:



Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



By Submitting Customer:

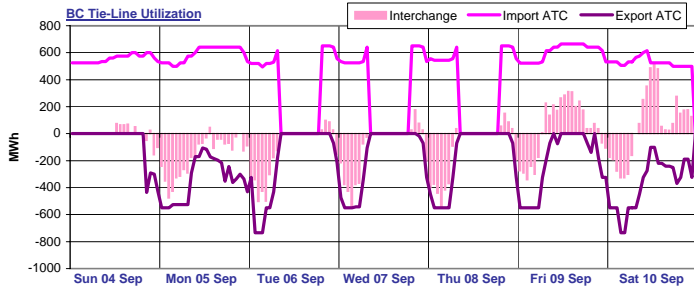
Weekly Price Setting by Submitting Customer



Last week, coal units were responsible for 66.7% of the generation in the province and set price 41.6% of the time. Gas-cogen units accounted for 24.0% of the generation and set price 51.5% of the time last week while other gas units made up 4.7% of generation and set price 0.8% of the time.

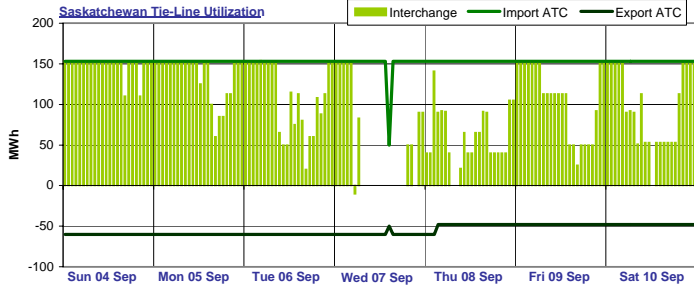
A total of 11 market participants set price last week. One market participants set price more than 20% of the time last week. The top price setter set price 22.5% of the time and the top five price setters set price a total of 79.9% of the time.

Interties

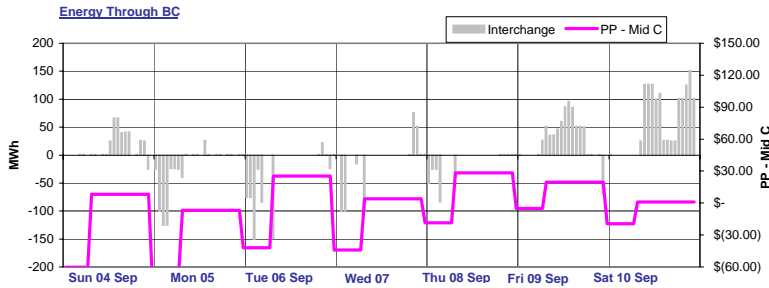


BC import capacity was 1% utilized last week while BC export capacity was 41% utilized. Energy was being imported into Alberta over the BC tie-line 34% of the time and exported out of Alberta over the BC tie-line 39% of the time last week. There was no activity on the BC tie-line 27% of the time last week. Transmission system maintenance caused on-peak curtailment of the AB-BC tie in the on-peak periods of Tue, Wed, & Thur.

Note: External reserve contract volumes have been subtracted from the BC import ATC as this capacity is not available to import energy into Alberta.



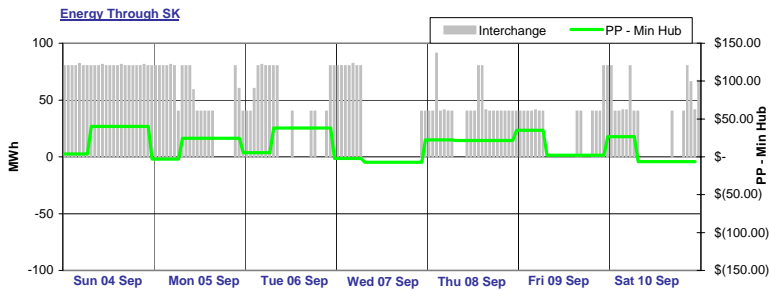
Saskatchewan import capacity was 94% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 90% of the time and exported out of Alberta over the Saskatchewan tie-line 1% of the time last week. There was no activity on the Saskatchewan tie-line 10% of the time last week.



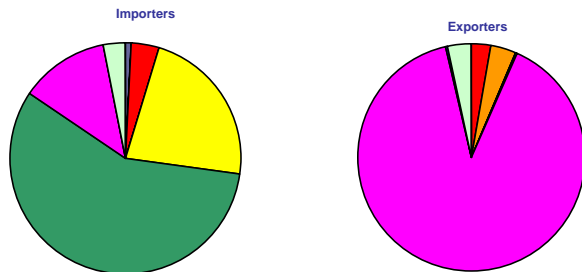
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

Note: Platt's day-ahead strip used for Mid-C and Min Hub in energy through BC & energy through SK graphs.



Tie-Line Market Shares

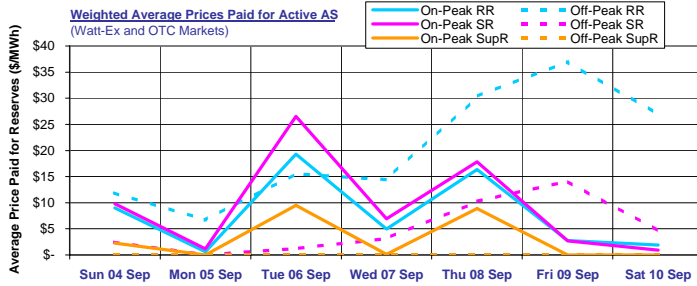


Last week, there were a total of 7 importers. The most active importer had a market share of 57.2% while the second most active importer had a market share of 22.4%.

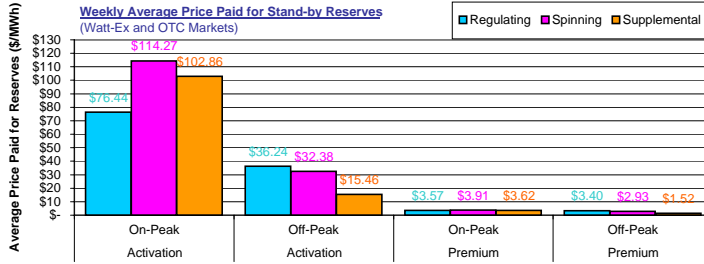
There were a total of 6 exporters last week. The most active exporter had a market share of 89.8% while the next largest exporter had a market share of 3.6%.

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

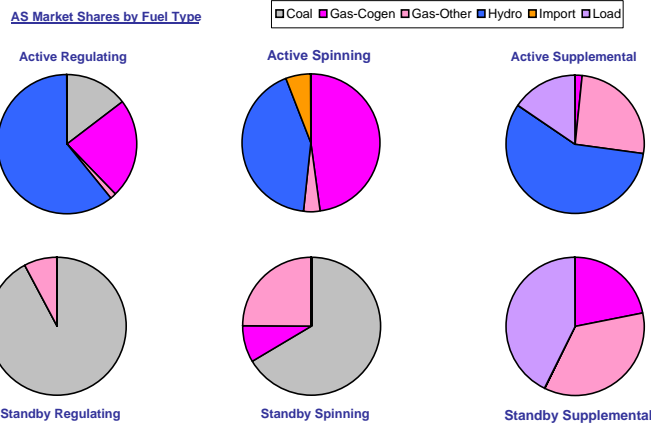
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$7.83/MWh**, **\$9.57/MWh** and **\$3.05/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were somewhat lower and averaged **\$20.75/MWh**, **\$5.17/MWh** and **\$0.01/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$15.46/MWh** for **off-peak supplemental** reserves to **\$114.27/MWh** for **on-peak spinning** reserves. Weekly average premium prices ranged from **\$1.52/MWh** for **off-peak supplemental** reserves up to **\$3.91/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with a **60.9%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **47.6%** while in the **active supplemental** reserve market, **hydro** units dominated with a **57.3%** market share.

Coal units dominated the **standby regulating** reserve market with a **92.3%** market share. Leading market share in the **standby spinning** market was held by coal units with a **66.3%** market share. In the **standby supplemental** reserve market, **load** had the leading market share with **42.8%**.

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.
- Sparks spread** Sparks spreads 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.