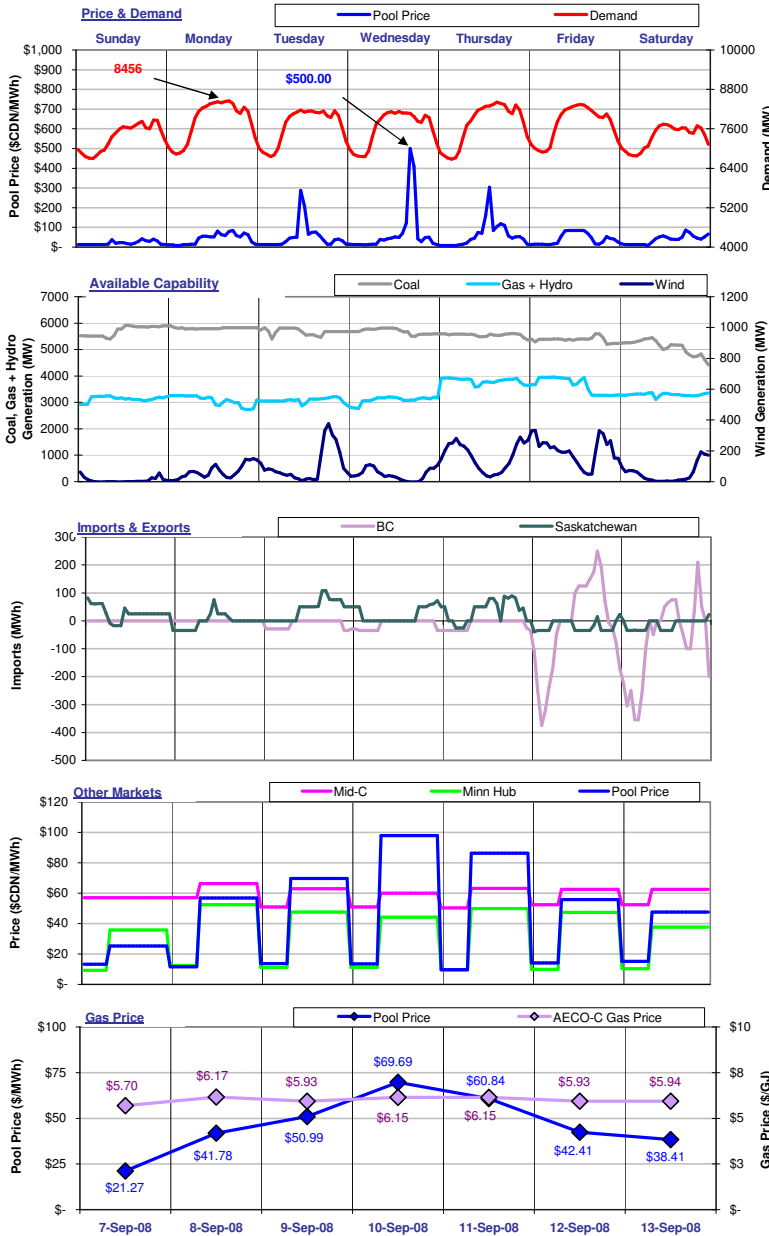


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 13, 2008

Weekly Highlights



For the week ending September 13, 2008 **Pool Price** averaged \$46.48/MWh and ranged from a minimum of \$7.60/MWh in HE08 on Saturday to a maximum of \$500.00/MWh in HE17 on Wednesday. **Demand** reached a high of 8456 MW in HE17 on Monday and a low of 6682 MW in HE04 on Thursday. Average demand for the week was 7778 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.22.

Coal Unit Availability averaged 5558 MW last week. This is an equivalent availability of 93%. **Gas, Hydro and Other Unit Availability** averaged 3305 MW last week, which is an equivalent of 63%. **Wind Generation** averaged 92 MW last week. This is an equivalent availability of 18%. Availability numbers are based on MW offered into the energy merit order.

Alberta was a net exporter from BC last week with total exports equal to 3,184 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,062 MWh. Overall, Alberta exported 1,122 MWh 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 \$62.93/MWh on-peak and \$53.00/MWh off-peak. **Minn Hub** prices averaged \$46.50/MWh on-peak and \$10.55/MWh off-peak.

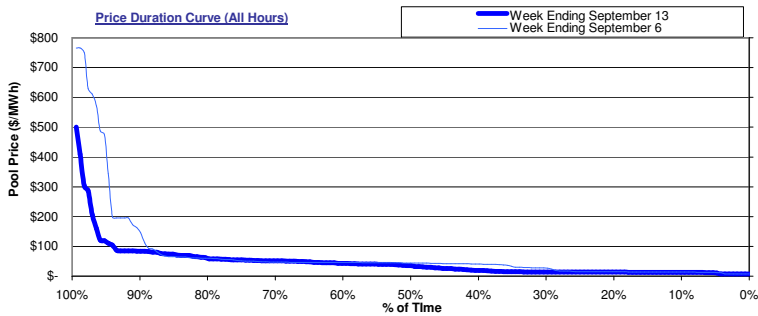
Prices in \$CDN at an exchange rate of 1.06294.

The average **AECO-C Gas Price** last week was \$6.00/GJ and ranged from a minimum of \$5.70/GJ to \$6.17/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 3.73 GJ/MWh to a high of 11.34 GJ/MWh. The average market heat rate for the week was 7.71 GJ/MWh.

Wholesale Market

Weekly Market Statistics

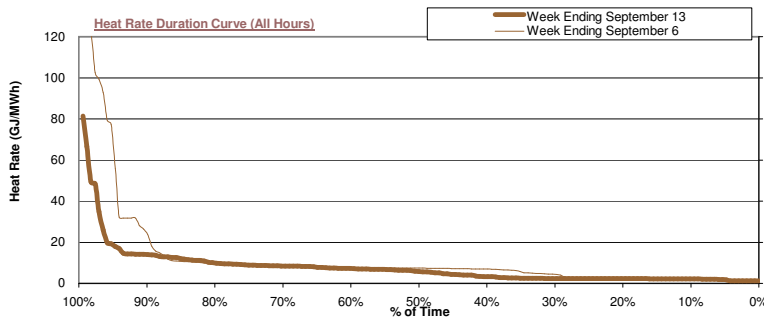
	Sunday 7-Sep	Monday 8-Sep	Tuesday 9-Sep	Wednesday 10-Sep	Thursday 11-Sep	Friday 12-Sep	Saturday 13-Sep	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 21.27	\$ 41.78	\$ 50.99	\$ 69.69	\$ 60.84	\$ 42.41	\$ 38.41	\$ 46.48	\$ 73.99	-37.2%	\$ 86.20
On-Peak	NA	\$ 56.88	\$ 69.68	\$ 97.90	\$ 86.38	\$ 55.77	\$ 47.53	\$ 69.02	\$ 105.49	-34.6%	\$ 111.79
Off-Peak	\$ 21.27	\$ 11.58	\$ 13.61	\$ 13.27	\$ 9.74	\$ 15.68	\$ 20.15	\$ 16.43	\$ 31.99	-48.6%	\$ 47.41
COV	0.45	0.63	1.27	1.75	1.09	0.69	0.58	0.92	0.70	31.9%	
Heat Rate											
Average	3.73	6.77	8.60	11.34	9.89	7.15	6.46	7.71	12.50	-38.4%	10.32
On-Peak	NA	9.22	11.75	15.93	14.05	9.40	8.00	11.39	18.01	-36.8%	13.38
Off-Peak	3.73	1.88	2.29	2.16	1.58	2.64	3.39	2.79	5.15	-45.7%	5.68
Demand											
Average	7,343	7,846	7,685	7,622	7,744	7,750	7,342	7,619	7,677	-0.8%	7,938
Minimum	6,700	6,838	6,759	6,752	6,682	6,893	6,777	6,772	6,916	-2.1%	6,411
Maximum	7,870	8,456	8,168	8,131	8,413	8,342	7,742	8,160	8,181	-0.3%	9,710
Coal Unit Availability											
Average	5,710	5,810	5,678	5,688	5,550	5,377	5,091	5,558	5,261		5,113
AC/MC	95%	97%	95%	95%	92%	90%	85%	93%	88%	4.9%	85%
Gas, Hydro and Other Unit Availability											
Average	3,136	3,072	3,080	3,093	3,815	3,648	3,292	3,305	3,547		3,601
AC/MC	60%	58%	59%	59%	73%	69%	63%	63%	68%	-4.6%	69%



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 13**, prices were at or below:

\$20/MWh	40% of the time
\$50/MWh	67% of the time
\$100/MWh	93% of the time
\$250/MWh	97% of the time
\$500/MWh	99% of the time



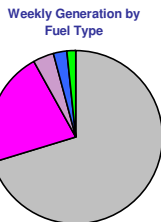
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **September 13** implied market heat rates were at or below:

5.0 GJ/MWh	47% of the time
10.0 GJ/MWh	80% of the time
15.0 GJ/MWh	94% of the time
20.0 GJ/MWh	96% of the time

Market Share Statistics

By Fuel Type:

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



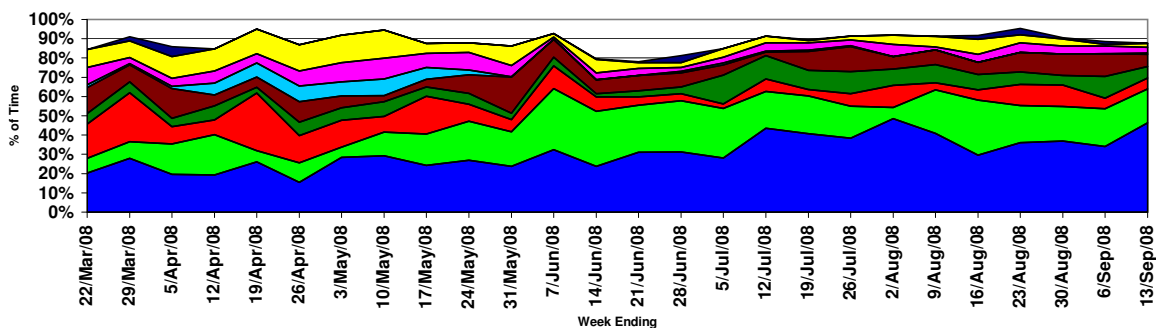
By Submitting Customer:



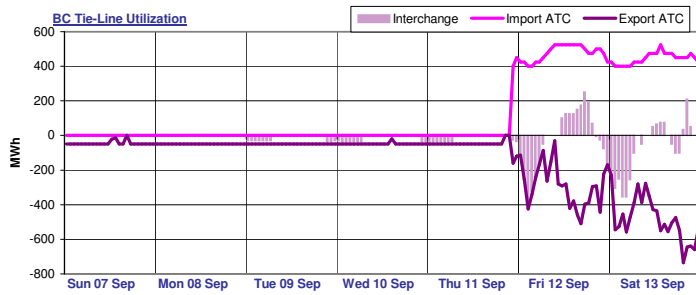
Last week, coal units were responsible for 70.3% of the generation in the province and set price 73.0% of the time. Gas-cogen units accounted for 21.7% of the generation and set price 20.7% of the time last week while other gas units made up 3.7% of generation and set price 6.3% of the time.

A total of 13 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 46.3% of the time and the top five price setters set price a total of 82.4% of the time.

Weekly Price Setting by Submitting Customer

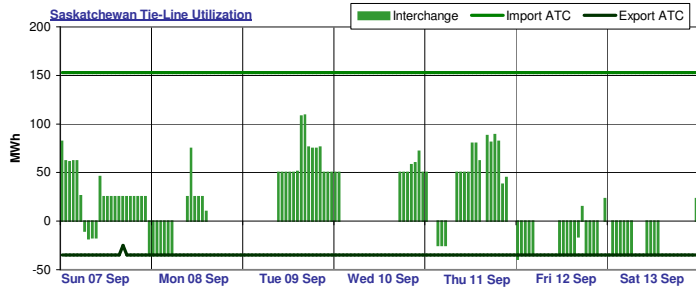


Interties

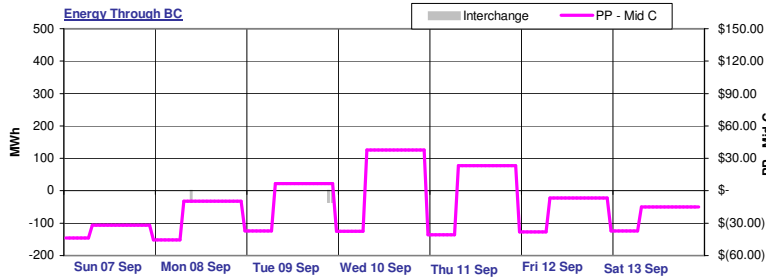


BC import capacity was 8% utilized last week while BC export capacity was 19% utilized. Energy was being imported into Alberta over the BC tie-line 10% of the time and exported out of Alberta over the BC tie-line 30% of the time last week. There was no activity on the BC tie-line 60% of the time last 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.



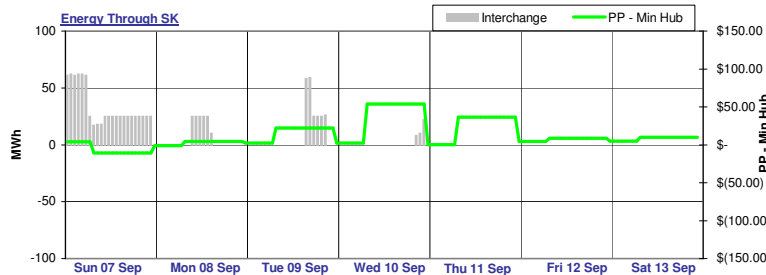
Saskatchewan import capacity was 14% utilized last week while Saskatchewan export capacity was 26% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 39% of the time and exported out of Alberta over the Saskatchewan tie-line 23% of the time last week. There was no activity on the Saskatchewan tie-line 38% of the time last week.



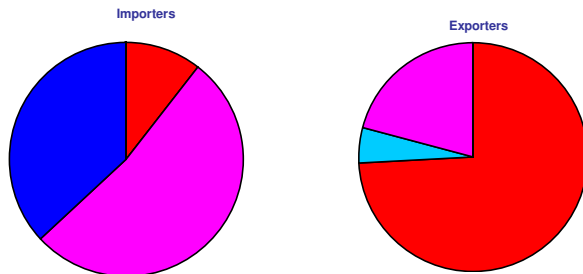
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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

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



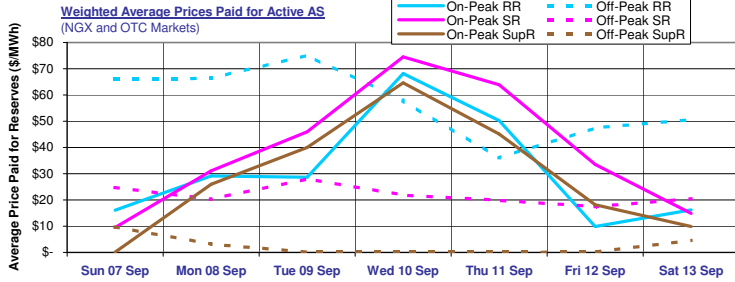
Tie-Line Market Shares



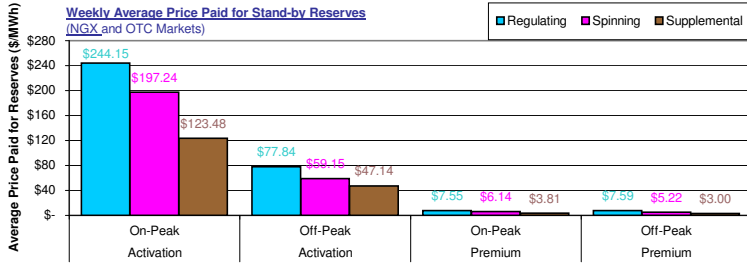
Last week, there were a total of 3 importers. The most active importer had a market share of 52.6% while the second most active importer had a market share of 36.9%. There were a total of 3 exporters last week. The most active exporter had a market share of 74.1% while the next largest exporter had a market share of 20.8%.

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

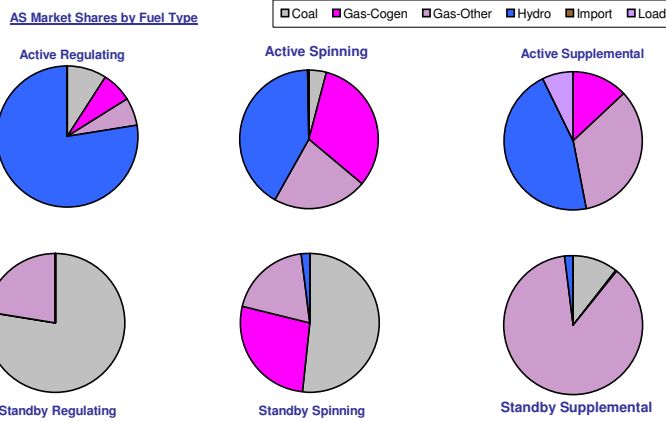
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$31.23/MWh**, **\$39.76/MWh** and **\$29.65/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices were **lower** and averaged **\$57.19/MWh**, **\$21.80/MWh** and **\$2.53/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



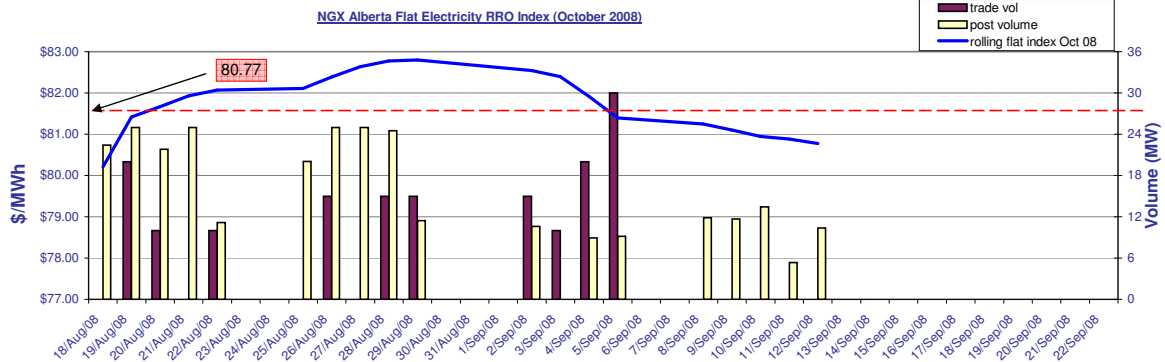
Weekly average activation prices for stand-by reserves ranged from **\$47.14/MWh** for **off-peak supplemental** reserves to **\$244.15/MWh** for **on-peak regulating** reserves.
Weekly average premium prices ranged from **\$3.00/MWh** for **off peak supplemental** reserves up to **\$7.59/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **77.5%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **41.6%** while in the **active supplemental** reserve market, **hydro** units dominated with a **45.9%** market share.

Coal units dominated the **standby regulating** reserve market with a **77.6%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **51.7%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **87.3%**.

RRO Procurement



Glossary

- 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 (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)
- ATC**
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.