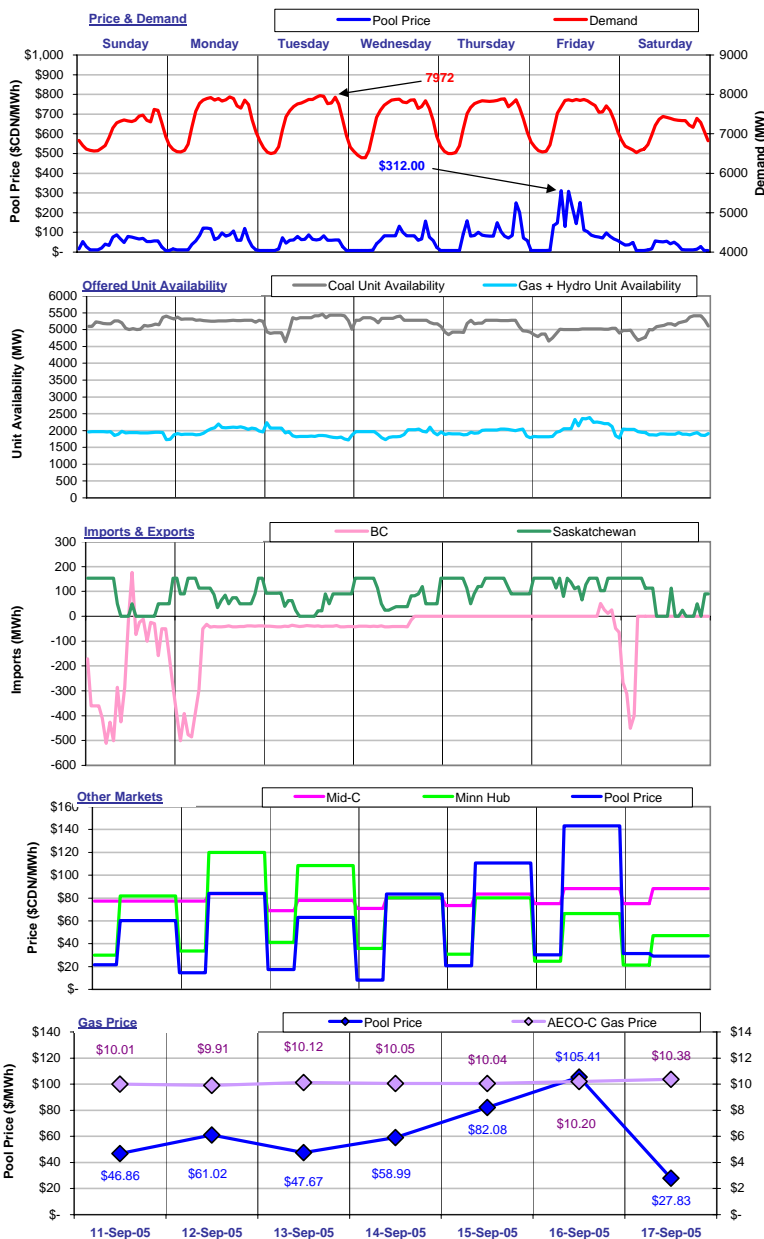


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 17, 2005

Weekly Highlights



For the week ending September 17, 2005, **Pool Price** averaged \$61.41/MWh and ranged from a minimum of \$7.48/MWh in HE02 on Tuesday to a maximum of \$312.00/MWh in HE9 on Friday. **Demand** reached a high of 7972 MW in HE17 on Tuesday and a low of 6394 MW in HE05 on Wednesday. Average demand for the week was 7309MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.46.

Coal Unit Availability averaged 5159 MW last week. This is an equivalent availability of 88% (based on MCR). **Gas and Hydro Unit Availability** averaged 1956MW last week, which is an equivalent of 34% (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 11,539MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 15,283MWh. Overall, Alberta imported 3,744MWh 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 \$83.64/MWh on-peak and \$74.04/MWh off-peak. **Minn Hub** prices averaged \$83.68/MWh on-peak and \$31.06/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1768.

The average **AECO-C Gas Price** last week was \$10.10/GJ and ranged from a minimum of \$9.91/GJ to \$10.38/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 2.68GJ/MWh to a high of 10.33GJ/MWh. The average market heat rate for the week was 6.09GJ/MWh.

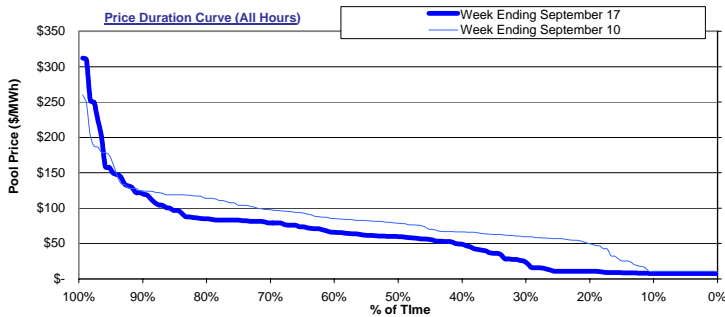


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

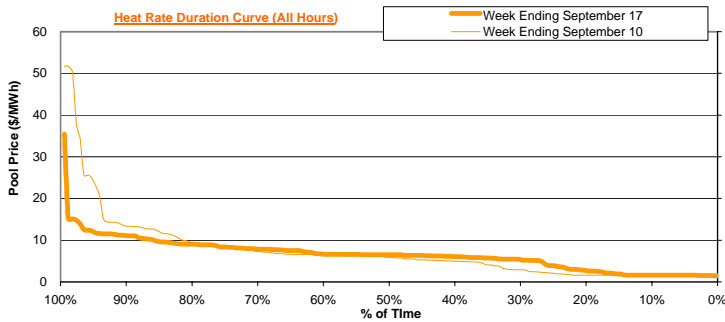
	Sunday 11-Sep	Monday 12-Sep	Tuesday 13-Sep	Wednesday 14-Sep	Thursday 15-Sep	Friday 16-Sep	Saturday 17-Sep	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 46.86	\$ 61.02	\$ 47.67	\$ 58.99	\$ 82.08	\$ 105.41	\$ 27.83	\$ 61.41	\$ 79.44	-22.7%	\$ 54.01
On-Peak	NA	\$ 84.16	\$ 62.94	\$ 83.44	\$ 110.69	\$ 143.10	\$ 29.14	\$ 85.58	\$ 99.99	-14.4%	\$ 64.69
Off-Peak	\$ 46.86	\$ 14.75	\$ 17.13	\$ 10.09	\$ 24.85	\$ 30.03	\$ 25.21	\$ 29.18	\$ 52.03	-43.9%	\$ 36.89
COV	0.54	0.67	0.58	0.71	0.75	0.86	0.67	0.68	0.54	26.8%	
Heat Rate											
Average	4.68	6.16	4.71	5.87	8.17	10.33	2.68	6.09	8.05	-24.4%	7.35
On-Peak	NA	8.49	6.22	8.30	11.02	14.03	2.81	8.48	9.88	-14.2%	8.81
Off-Peak	4.68	1.49	1.69	1.00	2.47	2.94	2.43	2.90	5.16	-43.8%	5.47
Demand											
Average	7,092	7,441	7,417	7,358	7,404	7,393	7,056	7,309	7,380	-1.0%	7,459
Minimum	6,564	6,537	6,504	6,394	6,500	6,542	6,526	6,510	6,611	-1.5%	6,017
Maximum	7,619	7,935	7,972	7,879	7,891	7,874	7,441	7,802	7,910	-1.4%	9,236
Coal Unit Availability											
Average	5,168	5,276	5,218	5,284	5,119	4,950	5,098	5,159	4,959		-
Utilization	89%	90%	89%	90%	88%	85%	87%	88%	85%	3.4%	0%
Gas and Hydro Unit Availability											
Average	1,923	2,010	1,888	1,928	1,956	2,061	1,924	1,956	2,044		-
Utilization	40%	42%	40%	40%	41%	43%	40%	34%	36%	-1.6%	0%



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 17**, prices were at or below:

- \$20/MWh 29% of the time
- \$50/MWh 41% of the time
- \$100/MWh 86% of the time
- \$250/MWh 98% 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 17**, implied market heat rates were at or below:

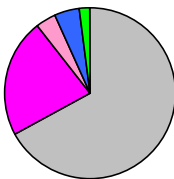
- 5.0 GJ/MWh 27% of the time
- 10.0 GJ/MWh 86% of the time
- 15.0 GJ/MWh 98% of the time
- 20.0 GJ/MWh 99% of the time

Market Share Statistics

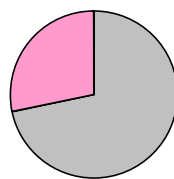
By Fuel Type:



Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



By Submitting Customer:

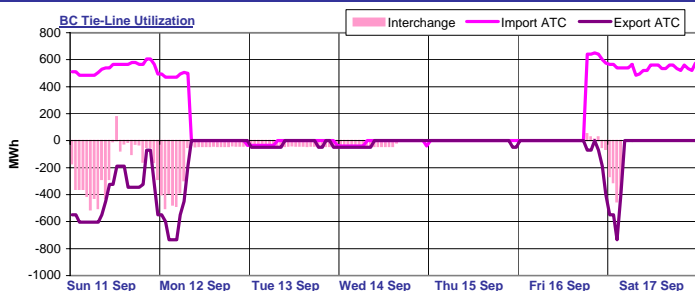
Weekly Price Setting by Submitting Customer



Last week, coal units were responsible for **67.0%** of the generation in the province and set price **71.6%** of the time. **Gas-cogen** units accounted for **22.4%** of the generation and set price **0.0%** of the time last week while **other gas** units made up **3.9%** of generation and set price **28.4%** of the time.

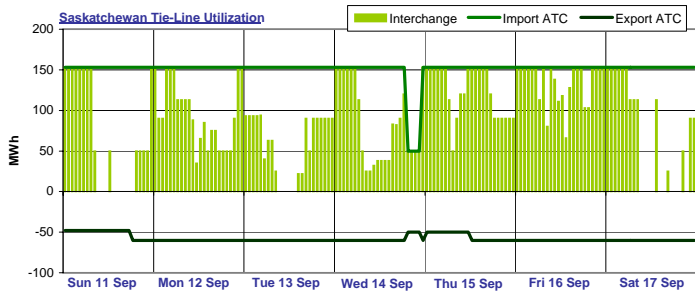
A total of **11** market participants set price last week. **Two** market participants set price more than **20%** of the time last week. The top price setter set price **32.7%** of the time and the top five price setters set price a total of **86.0%** of the time.

Interties

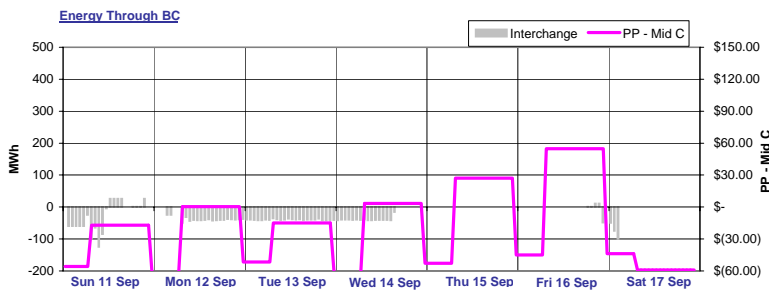


BC import capacity was 1% utilized last week while BC export capacity was 57% utilized. Energy was being imported into Alberta over the BC tie-line 3% of the time and exported out of Alberta over the BC tie-line 55% of the time last week. There was no activity on the BC tie-line 42% of the time last 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.



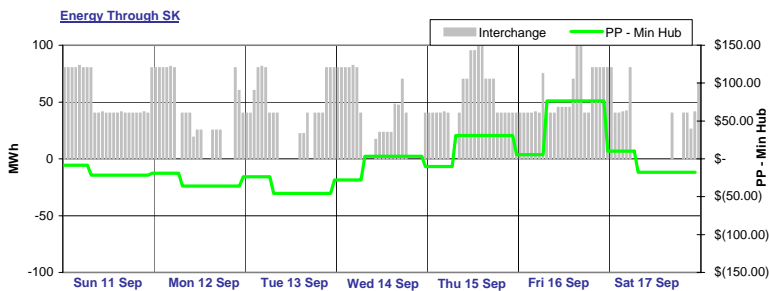
Saskatchewan import capacity was 61% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 86% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 14% of the time last week.



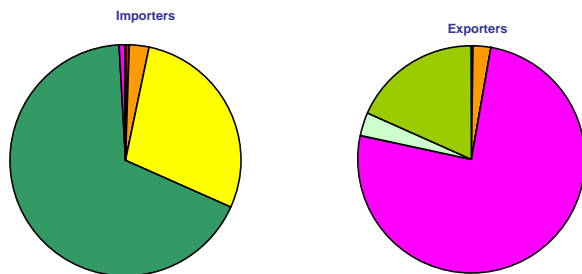
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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: 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.



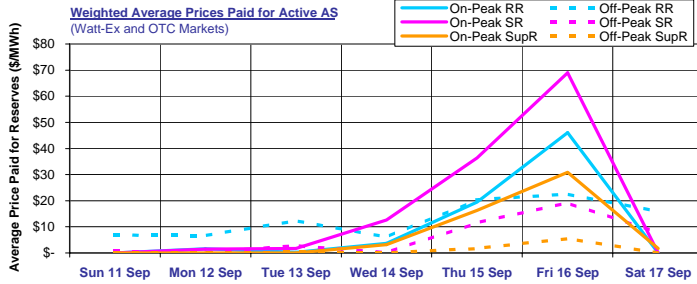
Tie-Line Market Shares



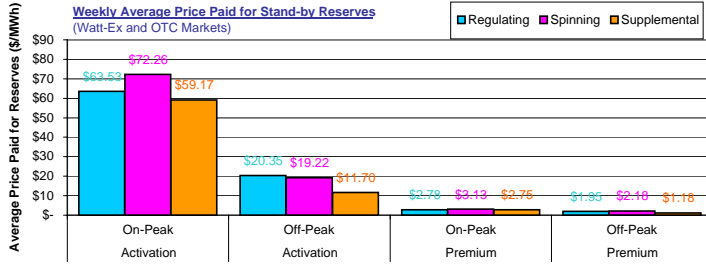
Last week, there were a total of 7 importers. The most active importer had a market share of 67.5% while the second most active importer had a market share of 28.1%. There were a total of 5 exporters last week. The most active exporter had a market share of 75.6% while the next largest exporter had a market share of 18.5%.

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

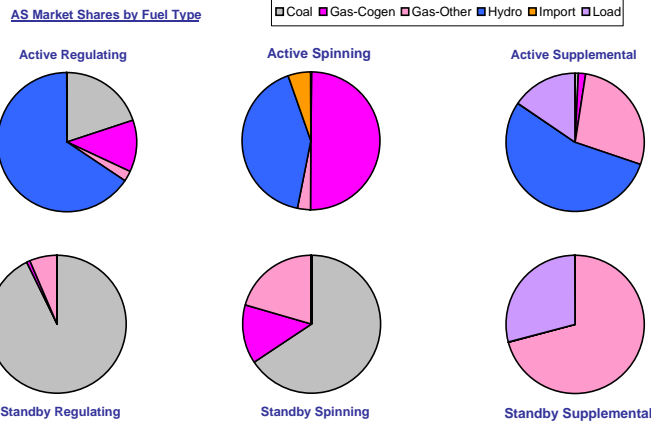
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$10.16/MWh**, **\$17.81/MWh** and **\$7.64/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices were somewhat lower and averaged **\$12.73/MWh**, **\$5.98/MWh** and **\$1.07/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$11.70/MWh** for **off-peak supplemental** reserves to **\$72.26/MWh** for **on-peak spinning** reserves.
Weekly average premium prices ranged from **\$1.18/MWh** for **off-peak supplemental** reserves up to **\$3.13/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **65.7%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **49.6%** while in the **active supplemental** reserve market, **hydro** units dominated with a **54.1%** market share.

Coal units dominated the **standby regulating** reserve market with a **92.7%** market share. Leading market share in the **standby spinning** market was held by **Coal** units with a **65.4%** market share. In the **standby supplemental** reserve market, **gas-cogen** units had the leading market share with **70.7%**.

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.