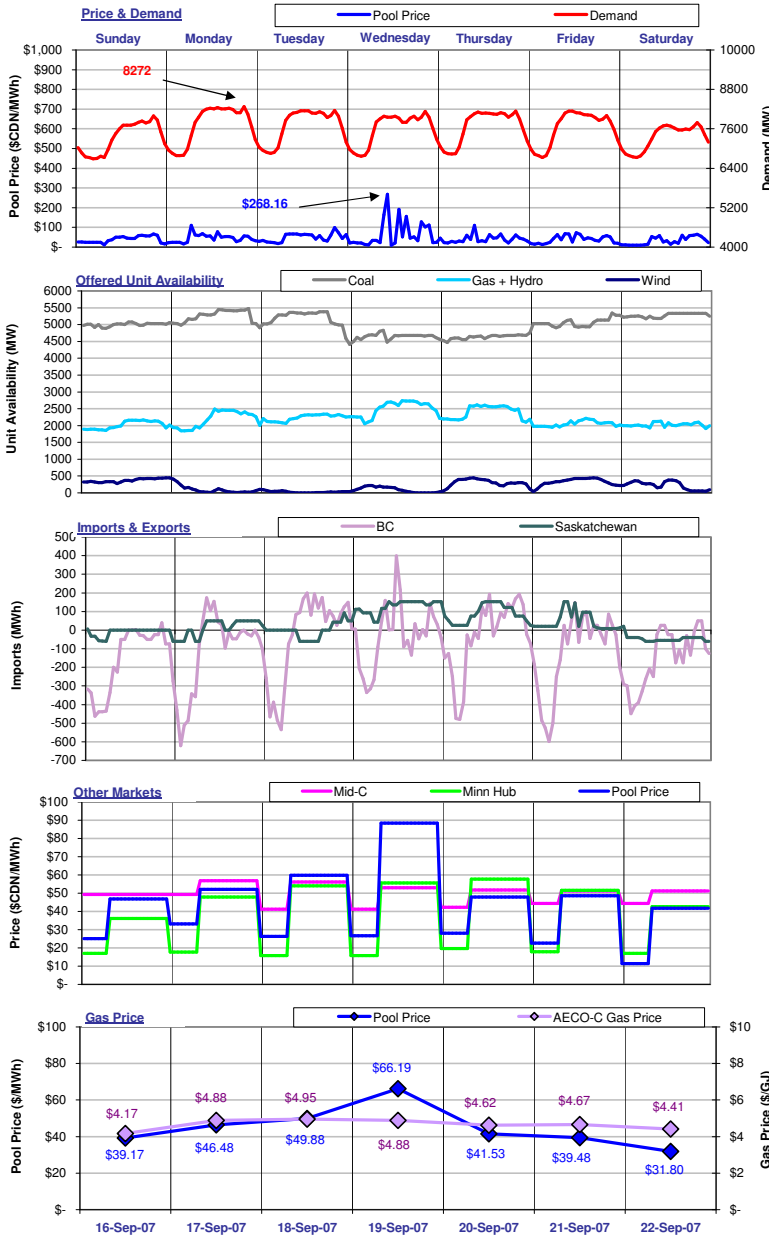


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 22, 2007

Weekly Highlights



For the week ending September 22, 2007, **Pool Price** averaged \$44.93/MWh and ranged from a minimum of \$9.30/MWh in HE06 on Saturday to a maximum of \$268.16/MWh in HE11 on Wednesday. **Demand** reached a high of 8272 MW in HE21 on Monday and a low of 6688 MW in HE05 on Sunday. Average demand for the week was 7574 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.25.

Coal Unit Availability averaged 5006 MW last week. This is an equivalent availability of 86% (based on MCR). **Gas and Hydro Unit Availability** averaged 2203 MW last week, which is an equivalent of 46% (based on MCR). **Wind Generation** averaged 205 MW last week. This is an equivalent availability of 46% (based on MCR). 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 15,578 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 5,176 MWh. Overall, Alberta exported 10,402 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 \$53.35/MWh on-peak and \$44.58/MWh off-peak. **Minn Hub** prices averaged \$51.57/MWh on-peak and \$17.24/MWh off-peak.

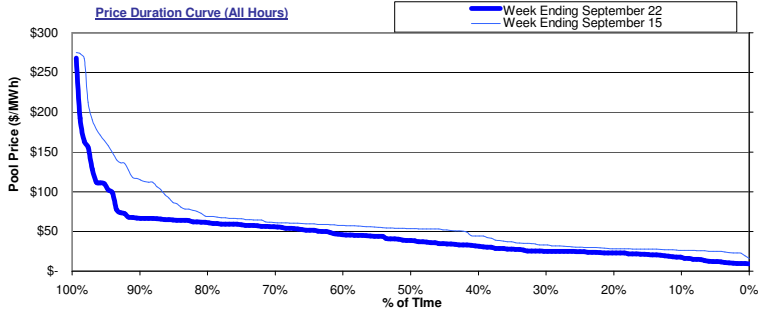
Prices in \$/MWh at an exchange rate of 1.03038.

The average **AECO-C Gas Price** last week was \$4.65/GJ and ranged from a minimum of \$4.17/GJ to \$4.95/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 7.20 GJ/MWh to a high of 13.56 GJ/MWh. The average market heat rate for the week was 9.60 GJ/MWh.

Wholesale Market

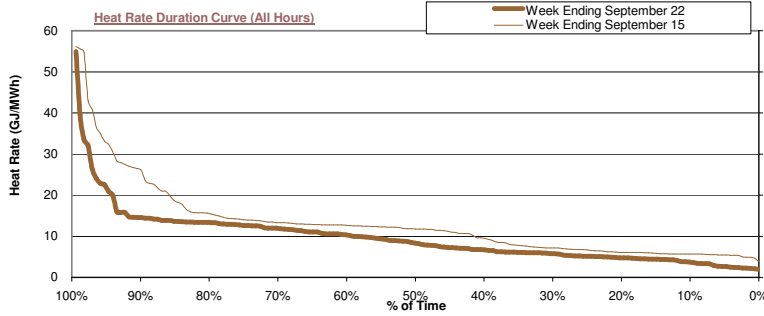
Weekly Market Statistics

	Sunday 16-Sep	Monday 17-Sep	Tuesday 18-Sep	Wednesday 19-Sep	Thursday 20-Sep	Friday 21-Sep	Saturday 22-Sep	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 39.17	\$ 46.48	\$ 49.88	\$ 66.19	\$ 41.53	\$ 39.48	\$ 31.80	\$ 44.93	\$ 61.20	-26.6%	\$ 69.49
On-Peak	NA	\$ 52.06	\$ 59.75	\$ 88.50	\$ 47.85	\$ 48.55	\$ 41.78	\$ 56.41	\$ 75.84	-25.6%	\$ 90.12
Off-Peak	\$ 39.17	\$ 35.31	\$ 30.14	\$ 21.56	\$ 28.89	\$ 21.33	\$ 11.85	\$ 29.62	\$ 41.67	-28.9%	\$ 36.58
COV	0.42	0.46	0.42	1.04	0.49	0.49	0.64	0.57	0.60	-5.6%	
Heat Rate											
Average	9.39	9.52	10.08	13.56	8.99	8.46	7.20	9.60	12.65	-24.1%	11.16
On-Peak	NA	10.67	12.07	18.13	10.36	10.40	9.46	11.85	15.51	-23.6%	14.47
Off-Peak	9.39	7.24	6.09	4.42	6.26	4.57	2.68	6.60	8.85	-25.4%	5.88
Demand											
Average	7,341	7,732	7,700	7,599	7,677	7,632	7,334	7,574	7,697	-1.6%	7,891
Minimum	6,688	6,782	6,851	6,771	6,832	6,726	6,730	6,769	6,851	-1.2%	6,440
Maximum	7,997	8,272	8,161	8,128	8,144	8,144	7,785	8,090	8,256	-2.0%	9,478
Coal Unit Availability											
Average	5,002	5,248	5,171	4,652	4,635	5,062	5,276	5,006	4,880		5,172
Utilization	86%	90%	89%	80%	79%	87%	90%	86%	84%	2.2%	89%
Gas and Hydro Unit Availability											
Average	2,018	2,187	2,237	2,501	2,400	2,056	2,024	2,203	2,322		2,206
Utilization	52%	56%	57%	64%	61%	53%	52%	46%	59%	-12.9%	56%



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 22**, prices were at or below:

- \$20/MWh 13% of the time
- \$50/MWh 62% of the time
- \$100/MWh 94% of the time
- \$250/MWh 99% of the time
- \$500/MWh 100% of the time



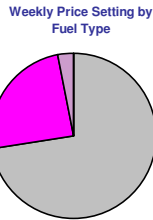
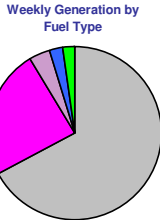
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **September 22** implied market heat rates were at or below:

- 5.0 GJ/MWh 23% of the time
- 10.0 GJ/MWh 60% of the time
- 15.0 GJ/MWh 92% of the time
- 20.0 GJ/MWh 95% of the time

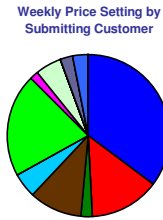
Market Share Statistics

By Fuel Type:

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

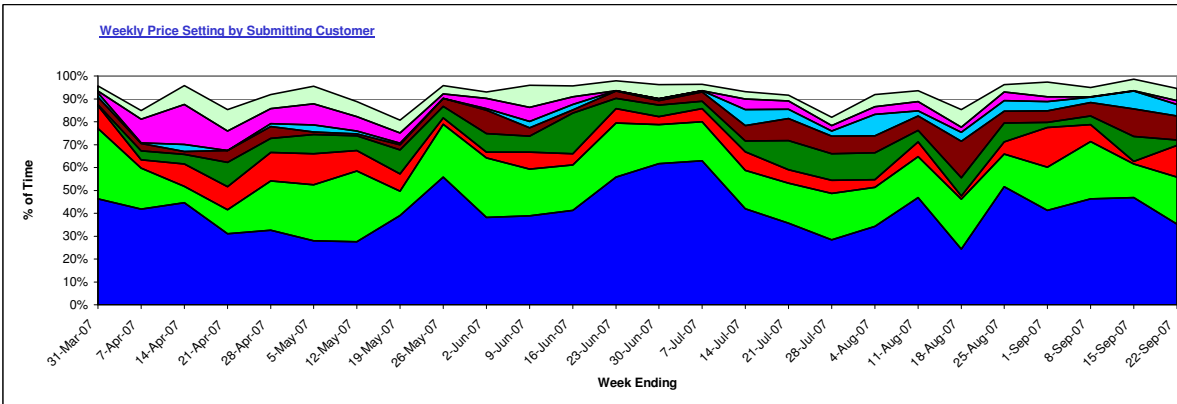


By Submitting Customer:

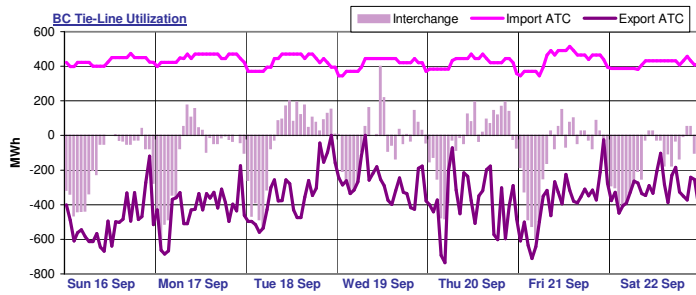


Last week, coal units were responsible for 67.2% of the generation in the province and set price 72.4% of the time. Gas-cogen units accounted for 24.3% of the generation and set price 24.6% of the time last week while other gas units made up 3.6% of generation and set price 3.0% of the time.

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 35.2% of the time and the top five price setters set price a total of 85.4% of the time.

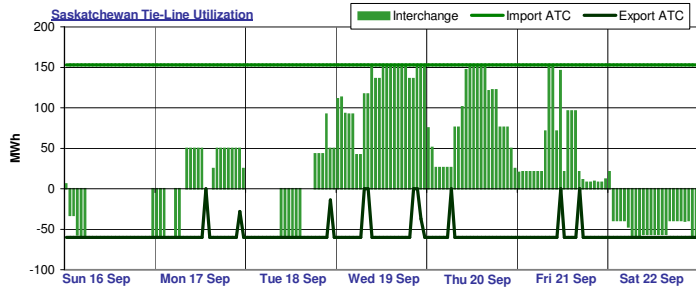


Interties

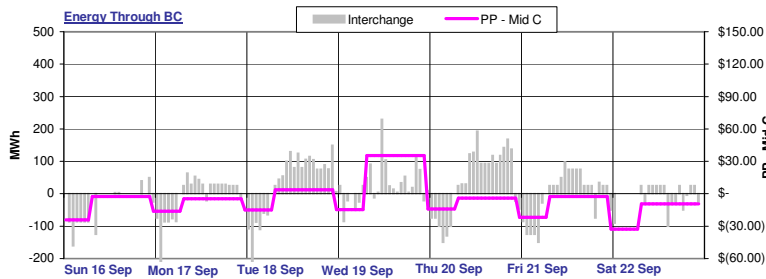


BC import capacity was 10% utilized last week while BC export capacity was 37% utilized. Energy was being imported into Alberta over the BC tie-line 36% of the time and exported out of Alberta over the BC tie-line 63% of the time last week. There was no activity on the BC tie-line 2% of the time last 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.



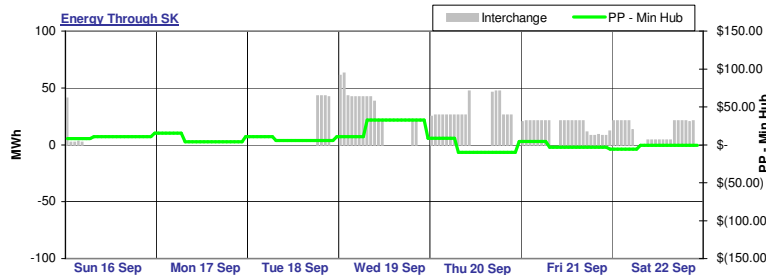
Saskatchewan import capacity was 30% utilized last week while Saskatchewan export capacity was 26% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 56% of the time and exported out of Alberta over the Saskatchewan tie-line 24% of the time last week. There was no activity on the Saskatchewan tie-line 20% of the time last week.



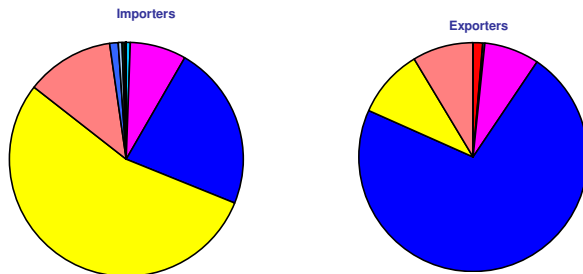
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



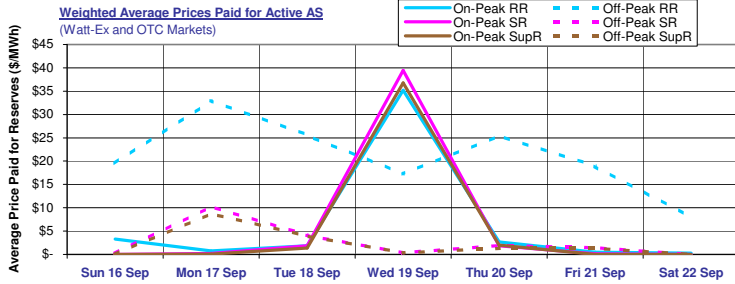
Tie-Line Market Shares



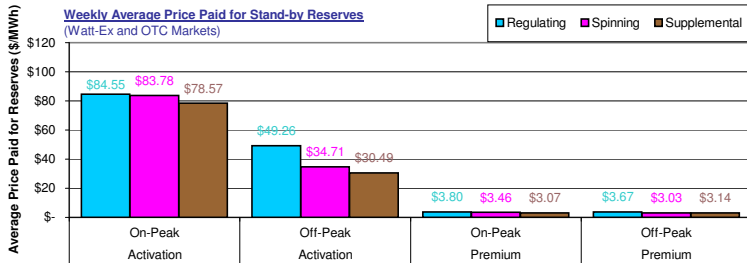
Last week, there were a total of 9 importers. The most active importer had a market share of 54.3% while the second most active importer had a market share of 22.8%. There were a total of 6 exporters last week. The most active exporter had a market share of 72.3% while the next largest exporter had a market share of 9.8%.

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

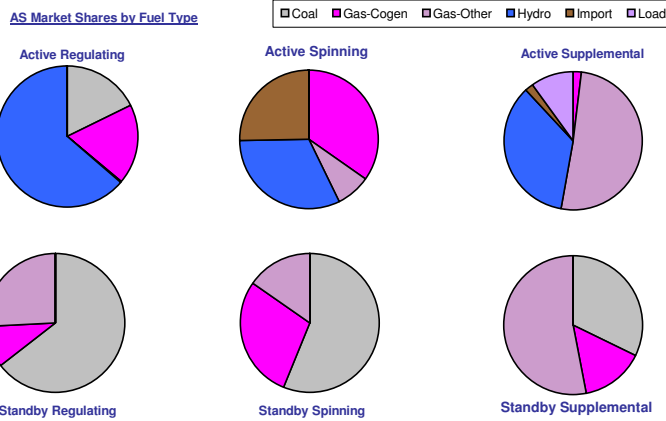
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$6.39/MWh**, **\$6.86/MWh** and **\$5.63/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were lower with the exception of off-peak regulating reserves and averaged **\$21.11/MWh**, **\$2.61/MWh** and **\$2.20/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



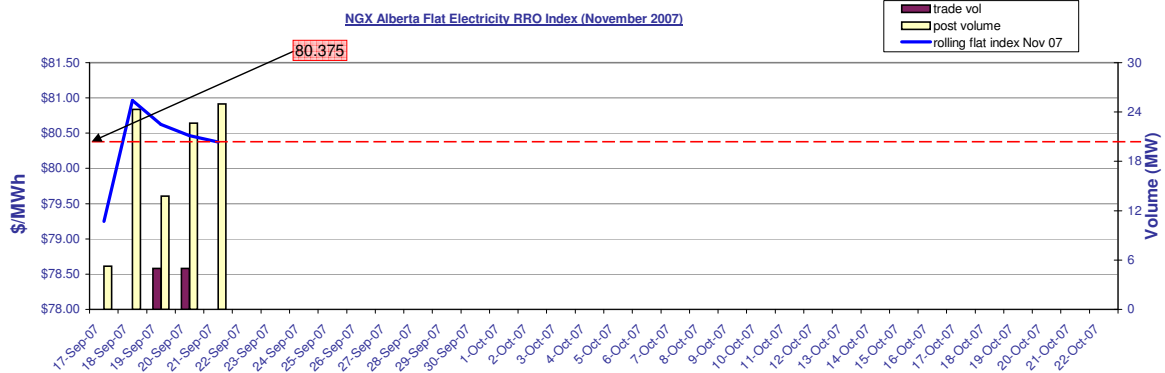
Weekly average activation prices for stand-by reserves ranged from **\$30.49/MWh** for **off-peak supplemental** reserves to **\$84.55/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$3.03/MWh** for **off-peak spinning** reserves up to **\$3.80/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **63.5%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **34.8%** while in the **active supplemental** reserve market, **gas** units dominated with a **50.8%** market share.

Coal units dominated the **standby regulating** reserve market with a **64.6%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **56.1%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **53.2%**.

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 + 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)
- 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.