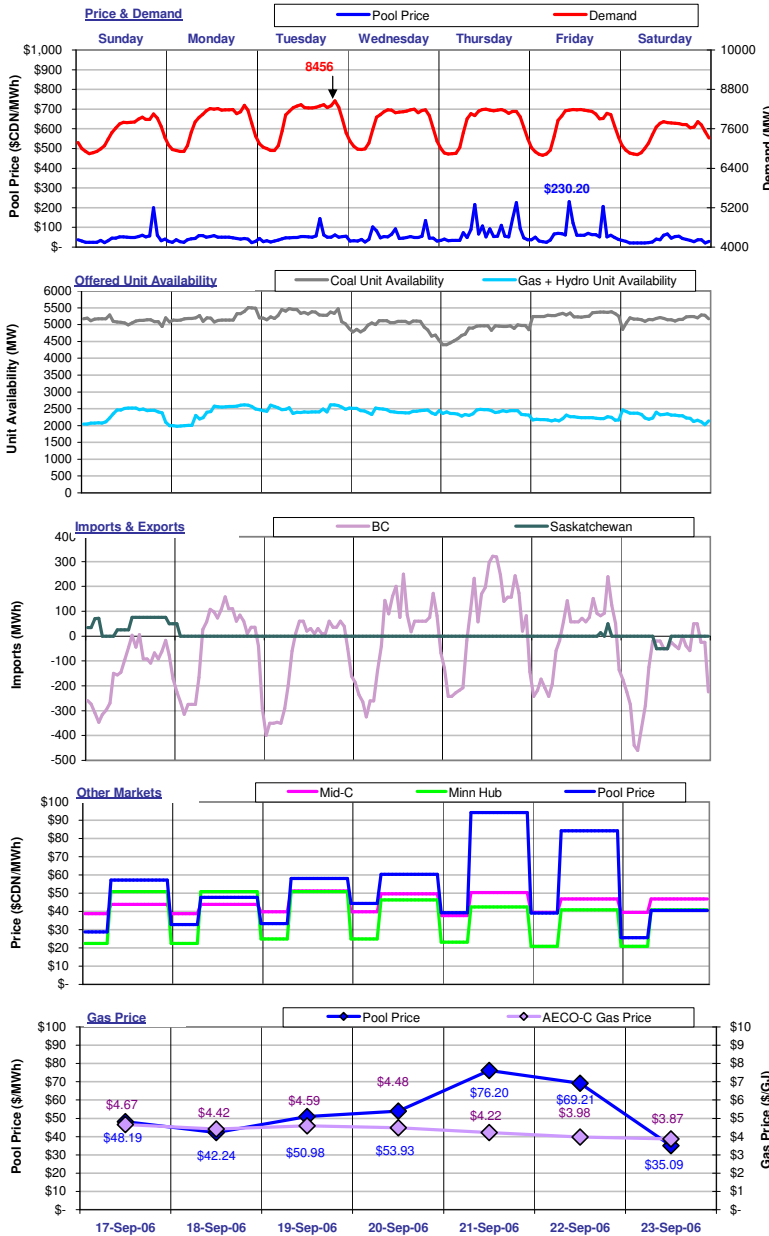


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 23, 2006

Weekly Highlights



For the week ending September 23, 2006, **Pool Price** averaged \$53.69/MWh and ranged from a minimum of \$20.60/MWh in HE07 on Saturday to a maximum of \$230.20/MWh in HE11 on Friday. **Demand** reached a high of 8456 MW in HE21 on Tuesday and a low of 6795 MW in HE04 on Friday. Average demand for the week was 7682 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.22.

Coal Unit Availability averaged 5124 MW last week. This is an equivalent availability of 88% (based on MCR). **Gas and Hydro Unit Availability** averaged 2350 MW last week, which is an equivalent of 41% (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 8,241MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 1,074MWh. Overall, Alberta exported 7,167 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 \$48.17/MWh on-peak and \$39.09/MWh off-peak. **Minn Hub** prices averaged \$45.34/MWh on-peak and \$22.81/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1196.

The average **AECO-C Gas Price** last week was \$4.32/GJ and ranged from a minimum of \$3.87/GJ to \$4.67/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 9.08 GJ/MWh to a high of 18.04GJ/MWh. The average market heat rate for the week was 12.51 GJ/MWh.

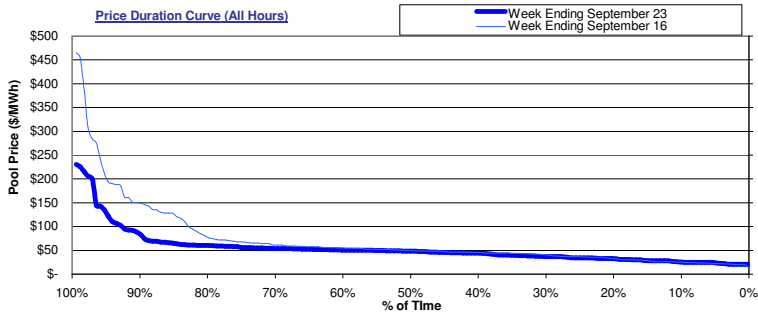


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

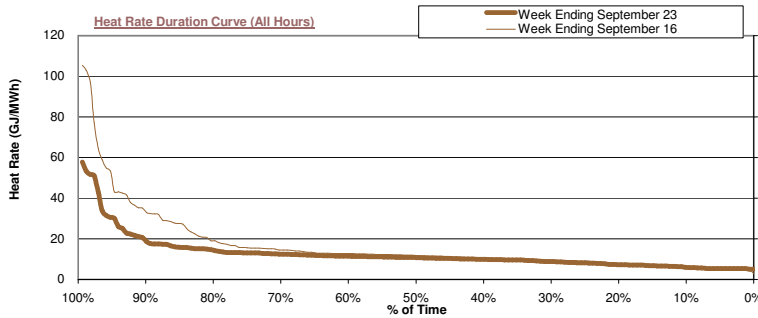
| | Sunday 17-Sep | Monday 18-Sep | Tuesday 19-Sep | Wednesday 20-Sep | Thursday 21-Sep | Friday 22-Sep | Saturday 23-Sep | Average | Last Week | % Change | YTD |
|--|------------------|------------------|-------------------|---------------------|--------------------|------------------|--------------------|-----------------|-----------------|---------------|-----------------|
| Pool Price | | | | | | | | | | | |
| Average | \$ 48.19 | \$ 42.24 | \$ 50.98 | \$ 53.93 | \$ 76.20 | \$ 69.21 | \$ 35.09 | \$ 53.69 | \$ 71.57 | -25.0% | \$ 68.38 |
| On-Peak | NA | \$ 47.65 | \$ 58.14 | \$ 60.28 | \$ 94.20 | \$ 84.21 | \$ 40.49 | \$ 64.16 | \$ 83.62 | -23.3% | \$ 88.93 |
| Off-Peak | \$ 48.19 | \$ 31.43 | \$ 36.68 | \$ 41.23 | \$ 40.22 | \$ 39.22 | \$ 24.30 | \$ 39.74 | \$ 55.50 | -28.4% | \$ 36.91 |
| COV | 0.72 | 0.27 | 0.44 | 0.48 | 0.70 | 0.72 | 0.39 | 0.53 | 0.71 | -25.2% | |
| Heat Rate | | | | | | | | | | | |
| Average | 10.33 | 9.56 | 11.12 | 12.03 | 18.04 | 17.38 | 9.08 | 12.51 | 15.42 | -18.9% | 11.19 |
| On-Peak | NA | 10.79 | 12.68 | 13.45 | 22.30 | 21.15 | 10.47 | 15.14 | 18.20 | -16.8% | 14.56 |
| Off-Peak | 10.33 | 7.12 | 8.00 | 9.20 | 9.52 | 9.85 | 6.29 | 8.99 | 11.70 | -23.1% | 6.04 |
| Demand | | | | | | | | | | | |
| Average | 7,490 | 7,773 | 7,873 | 7,773 | 7,728 | 7,703 | 7,437 | 7,682 | 7,775 | -1.2% | 7,840 |
| Minimum | 6,845 | 6,913 | 6,943 | 6,970 | 6,831 | 6,795 | 6,815 | 6,873 | 6,939 | -1.0% | 6,351 |
| Maximum | 8,053 | 8,313 | 8,456 | 8,199 | 8,196 | 8,190 | 7,823 | 8,176 | 8,295 | -1.4% | 9,306 |
| Coal Unit Availability | | | | | | | | | | | |
| Average | 5,117 | 5,223 | 5,292 | 4,961 | 4,820 | 5,292 | 5,162 | 5,124 | 5,162 | -0.7% | 5,347 |
| Utilization | 88% | 89% | 91% | 85% | 83% | 91% | 88% | 88% | 88% | -0.7% | 92% |
| Gas and Hydro Unit Availability | | | | | | | | | | | |
| Average | 2,303 | 2,367 | 2,478 | 2,429 | 2,389 | 2,209 | 2,273 | 2,350 | 2,224 | 2.6% | 2,065 |
| Utilization | 48% | 50% | 52% | 51% | 50% | 46% | 48% | 49% | 47% | 2.6% | 43% |



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 23**, prices were at or below:

\$20/MWh **0%** of the time
 \$50/MWh **55%** of the time
 \$100/MWh **92%** of the time
 \$250/MWh **100%** 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 23** implied market heat rates were at or below:

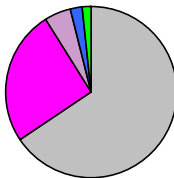
5.0 GJ/MWh **1%** of the time
 10.0 GJ/MWh **42%** of the time
 15.0 GJ/MWh **82%** of the time
 20.0 GJ/MWh **90%** of the time

Market Share Statistics

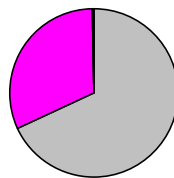
By Fuel Type:

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

Weekly Generation by Fuel Type

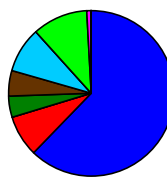


Weekly Price Setting by Fuel Type



By Submitting Customer:

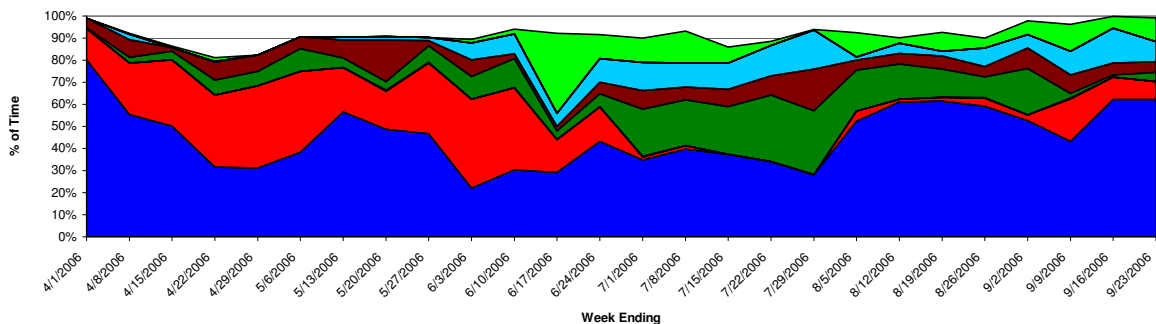
Weekly Price Setting by Submitting Customer



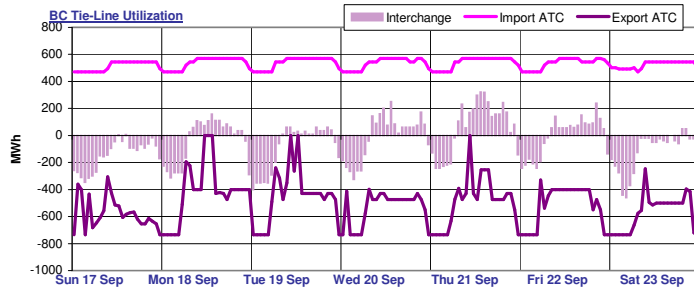
Last week, **coal units** were responsible for **65.6%** of the generation in the province and set price **68.2%** of the time. **Gas-cogen** units accounted for **25.6%** of the generation and set price **31.6%** of the time last week while **other gas** units made up **5.0%** of generation and set price **0.0%** of the time.

A total of **8** 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 **62.2%** of the time and the top five price setters set price a total of **94.9%** of the time.

Weekly Price Setting by Submitting Customer

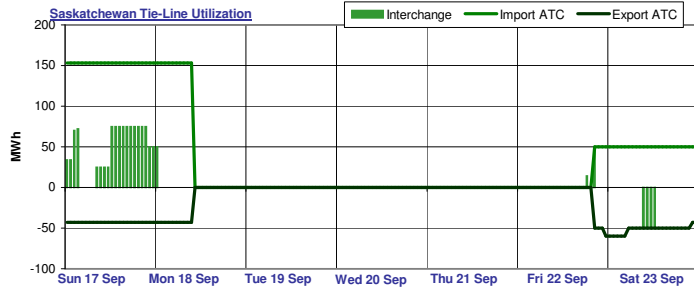


Interties

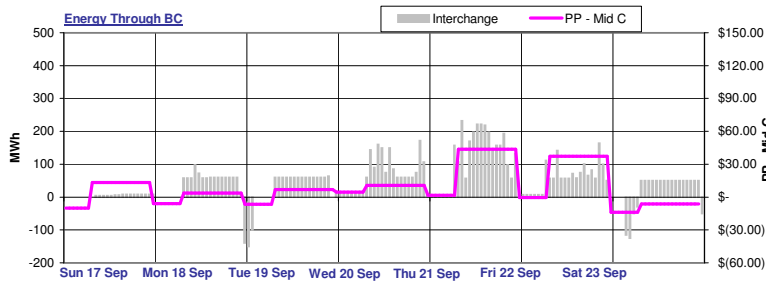


BC import capacity was 8% utilized last week while BC export capacity was 16% utilized. Energy was being imported into Alberta over the BC tie-line 47% of the time and exported out of Alberta over the BC tie-line 52% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



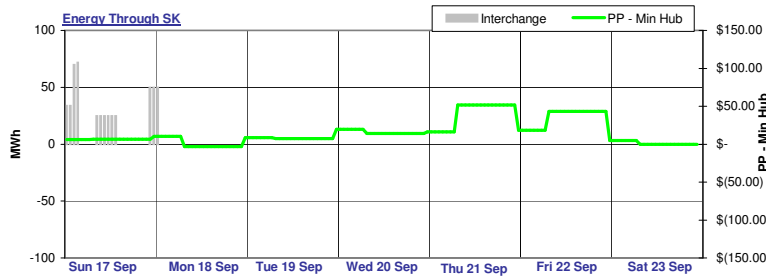
Saskatchewan import capacity was 14% utilized last week while Saskatchewan export capacity was 6% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 14% of the time and exported out of Alberta over the Saskatchewan tie-line 2% of the time last week. There was no activity on the Saskatchewan tie-line 84% of the time last week.



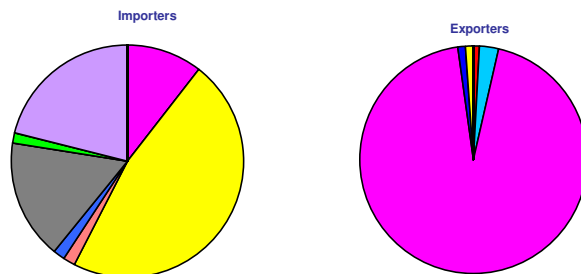
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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 prices used in energy through BC and SK graphs.



Tie-Line Market Shares

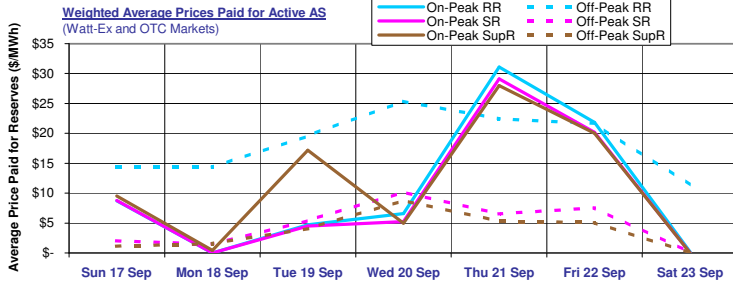


Last week, there were a total of 8 importers. The most active importer had a market share of 47.0% while the second most active importer had a market share of 21.2%.

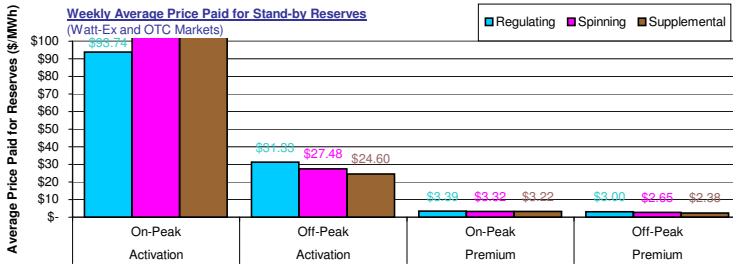
There were a total of 5 exporters last week. The most active exporter had a market share of 94.1% while the next largest exporter had a market share of 2.8%.

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

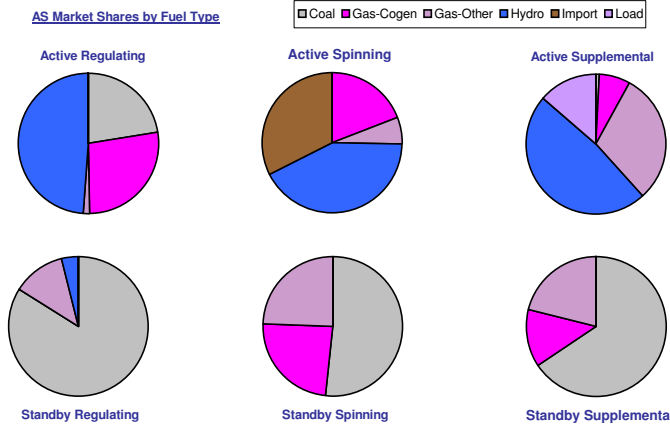
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$10.44/MWh**, **\$9.80/MWh** and **\$11.61/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices averaged **\$18.42/MWh**, **\$4.82/MWh** and **\$3.75/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$24.60/MWh** for **off-peak supplemental** reserves to **\$132.18/MWh** for **on-peak regulating** reserves.
Weekly average premium prices ranged from **\$2.38/MWh** for **off-peak supplemental** reserves up to **\$3.39/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **48.8%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **42.2%** while in the **active supplemental** reserve market, **hydro** units dominated with a **48.1%** market share.

Coal units dominated the **standby regulating** reserve market with a **84.0%** 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, **coal** units had the leading market share with **65.5%**.

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. |