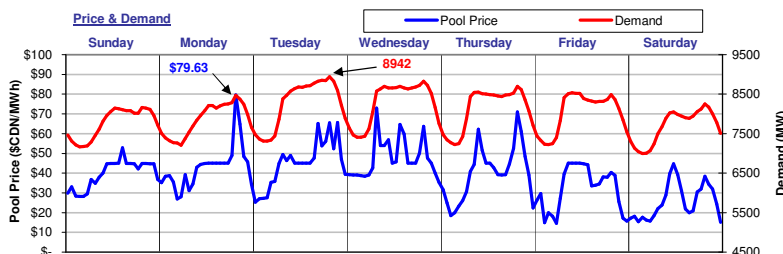


The Market Monitor

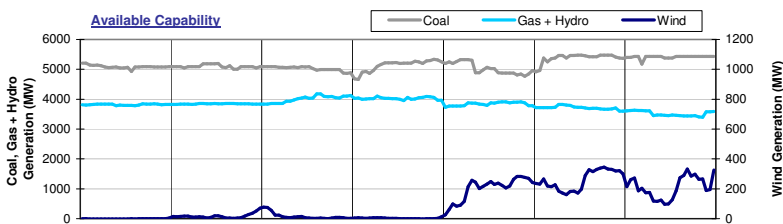
WATCHING THE MARKET : your fact source

Week Ending **October 17, 2009**

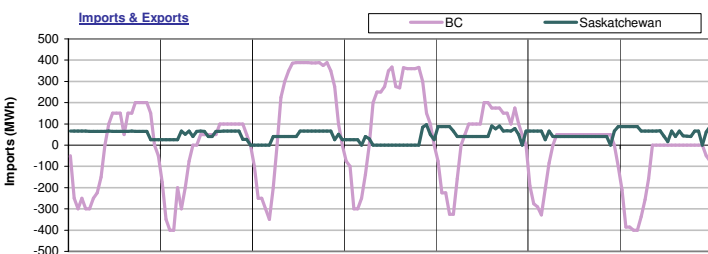
Weekly Highlights



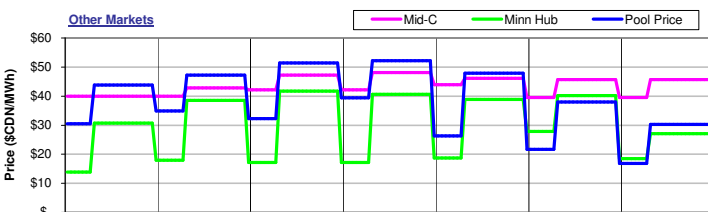
For the week ending **October 17, 2009**, **Pool Price** averaged **\$39.12/MWh** and ranged from a minimum of **\$14.63/MWh** in **HE06** on **Friday** to a maximum of **\$79.63/MWh** in **HE20** on **Monday**. **Demand** reached a high of **8942 MW** in **HE20** on **Tuesday** and a low of **6996 MW** in **HE04** on **Saturday**. Average demand for the week was **8008 MW**. **Pool Price** and **Demand** were **positively correlated** last week with an R-squared value of **0.60**.



Coal Unit Availability averaged **5167 MW** last week. This is an equivalent availability of **86%**. **Gas, Hydro and Other Unit Availability** averaged **3824 MW** last week, which is an equivalent of **70%**. **Wind Generation** averaged **101 MW** last week. This is an equivalent availability of **18%**. Availability numbers are based on MW offered into the energy merit order.

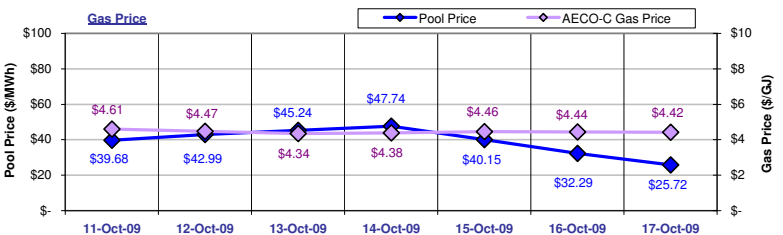


Alberta was a net importer from **BC** last week with total imports equal to **3,459 MWh**. Alberta was a net importer from **Saskatchewan** last week with total imports equal to **8,035 MWh**. Overall, Alberta imported **11,494 MWh** of electricity last week.



Pool Prices were generally lower than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged **\$45.94/MWh** on-peak and **\$41.02/MWh** off-peak. **Minn Hub** prices averaged **\$37.84/MWh** on-peak and **\$18.77/MWh** off-peak.

Prices in \$CDN at an exchange rate of 1.04276.



The average **AECO-C Gas Price** last week was **\$4.45 GJ** and ranged from a minimum of **\$4.34/GJ** to **\$4.61/GJ**. Prevailing gas prices resulted in market heat rates ranging from a low of **5.83 GJ/MWh** to a high of **10.89 GJ/MWh**. The average market heat rate for the week was **8.80 GJ/MWh**.

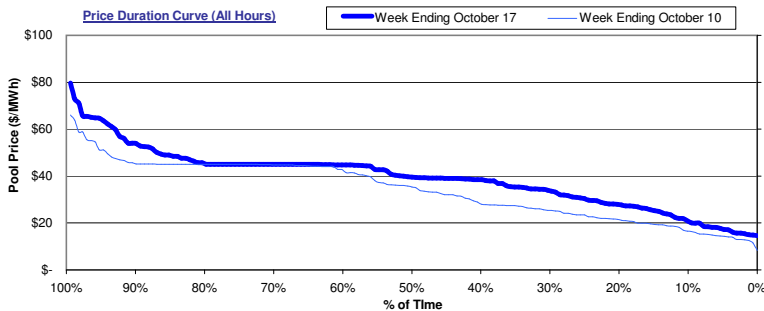


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

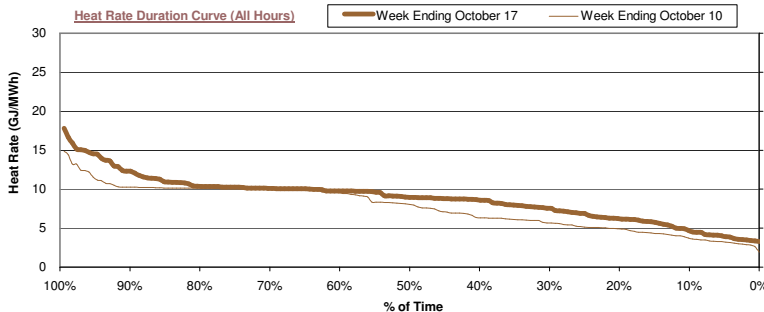
	Sunday 11-Oct	Monday 12-Oct	Tuesday 13-Oct	Wednesday 14-Oct	Thursday 15-Oct	Friday 16-Oct	Saturday 17-Oct	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 39.68	\$ 42.99	\$ 45.24	\$ 47.74	\$ 40.15	\$ 32.29	\$ 25.72	\$ 39.12	\$ 33.97	15.2%	\$ 47.52
On-Peak	NA	\$ 47.22	\$ 51.44	\$ 52.14	\$ 47.88	\$ 38.03	\$ 30.22	\$ 44.49	\$ 40.89	8.8%	\$ 61.09
Off-Peak	\$ 39.68	\$ 34.54	\$ 32.85	\$ 38.93	\$ 24.70	\$ 20.81	\$ 16.73	\$ 31.95	\$ 24.74	29.2%	\$ 28.32
COV	0.18	0.26	0.26	0.21	0.34	0.34	0.35	0.28	0.30	-9.0%	
Heat Rate											
Average	8.61	9.61	10.42	10.89	9.00	7.27	5.83	8.80	9.27	-5.0%	13.22
On-Peak	NA	10.55	11.84	11.90	10.74	8.57	6.84	10.07	10.53	-4.4%	16.99
Off-Peak	8.61	7.72	7.56	8.88	5.54	4.69	3.79	7.11	7.58	-6.2%	7.88
Demand											
Average	7,766	7,864	8,279	8,289	8,134	8,040	7,687	8,008	7,951	0.7%	7,885
Minimum	7,169	7,205	7,312	7,409	7,222	7,221	6,996	7,219	7,113	1.5%	6,454
Maximum	8,159	8,472	8,942	8,829	8,701	8,532	8,256	8,556	8,498	0.7%	9,753
Coal Unit Availability											
Average	5,090	5,099	5,026	5,132	5,027	5,384	5,408	5,167	5,335		5,062
AC/MC	85%	85%	84%	85%	84%	90%	90%	86%	89%	-2.8%	84%
Gas, Hydro and Other Unit Availability											
Average	3,819	3,843	4,008	4,028	3,841	3,713	3,513	3,824	3,792		3,597
AC/MC	70%	71%	74%	74%	71%	68%	65%	70%	70%	0.6%	68%



The price duration curves show the % of time that prices were at or below a certain value during the week.

For the week ending **October 17**, prices were at or below:

- \$20/MWh 9% of the time
- \$50/MWh 86% of the time
- \$100/MWh 100% 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 **October 17** implied market heat rates were at or below:

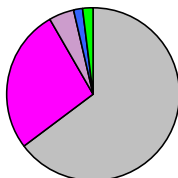
- 5.0 GJ/MWh 12% of the time
- 10.0 GJ/MWh 65% of the time
- 15.0 GJ/MWh 97% of the time
- 20.0 GJ/MWh 100% of the time

Market Share Statistics

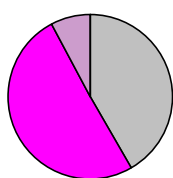
By Fuel Type:

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

Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



By Submitting Customer:

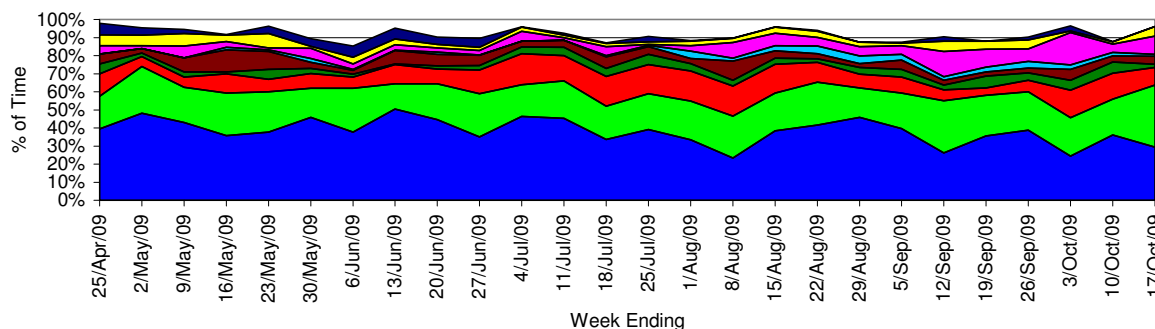
Weekly Price Setting by Submitting Customer



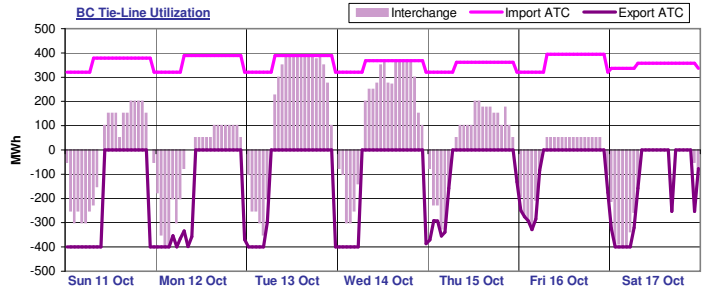
Last week, **coal units** were responsible for **64.8%** of the generation in the province and set price **41.8%** of the time. **Gas-cogen** units accounted for **26.9%** of the generation and set price **50.5%** of the time last week while **other gas** units made up **4.7%** of generation and set price **7.7%** of the time.

A total of **12** 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 **34.2%** of the time and the top five price setters set price a total of **88.8%** of the time.

Weekly Price Setting by Submitting Customer

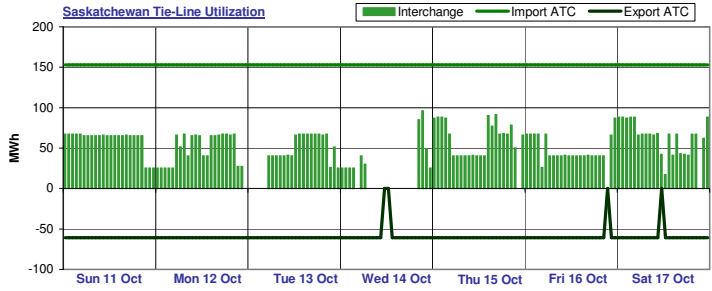


Interties

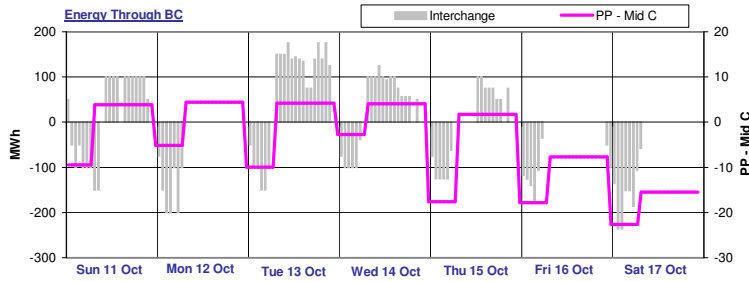


BC import capacity was 25% utilized last week while BC export capacity was 59% utilized. Energy was being imported into Alberta over the BC tie-line 52% of the time and exported out of Alberta over the BC tie-line 32% of the time last week. There was no activity on the BC tie-line 16% of the time last 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.



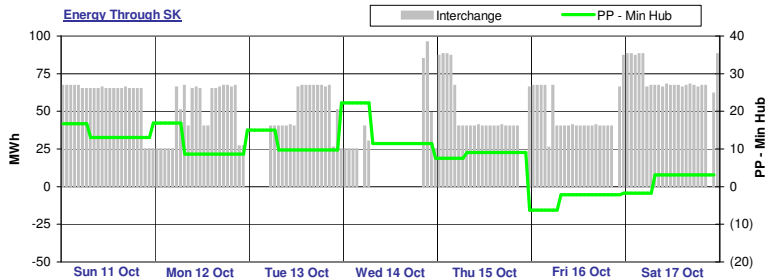
Saskatchewan import capacity was 51% utilized last week while Saskatchewan export capacity was 2% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 71% of the time and exported out of Alberta over the Saskatchewan tie-line 3% of the time last week. There was no activity on the Saskatchewan tie-line 26% of the time last week.



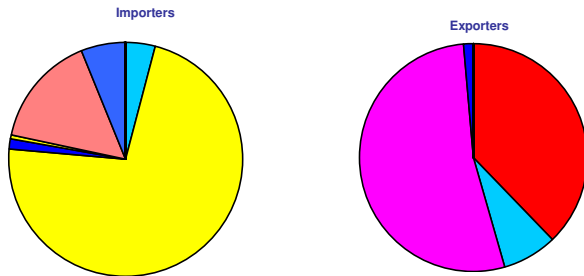
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



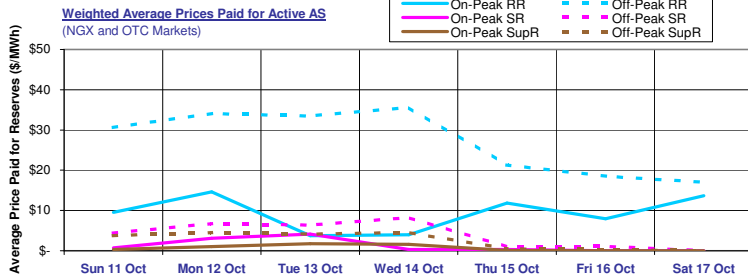
Tie-Line Market Shares



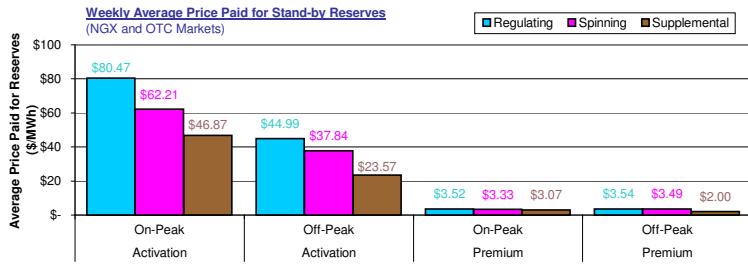
Last week, there were a total of 6 importers. The most active importer had a market share of 72.3% while the second most active importer had a market share of 15.5%. There were a total of 4 exporters last week. The most active exporter had a market share of 53.0% while the next largest exporter had a market share of 37.7%.

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

Ancillary Services Market

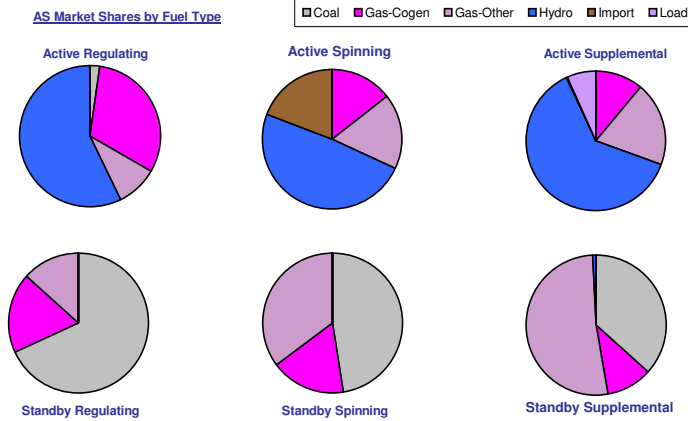


Average on-peak prices paid for active ancillary services last week were **\$9.31/MWh**, **\$1.21/MWh** and **\$.68/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were **higher** and averaged **\$27.16/MWh**, **\$3.97/MWh** and **\$2.51/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$23.57/MWh** for **off-peak supplemental** reserves to **\$80.47/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$2.00/MWh** for **off-peak supplemental** reserves up to **\$3.54/MWh** for **on-peak spinning** reserves.

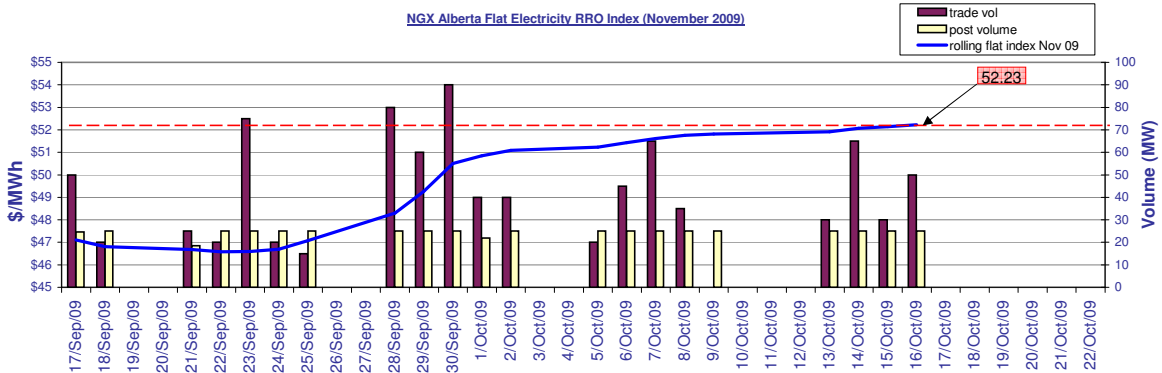
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **57.3%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **49.0%** while in the **active supplemental** reserve market, **hydro** units dominated with a **62.6%** market share.

Coal units dominated the **standby regulating** reserve market with a **68.1%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **47.4%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **52.0%**.

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.