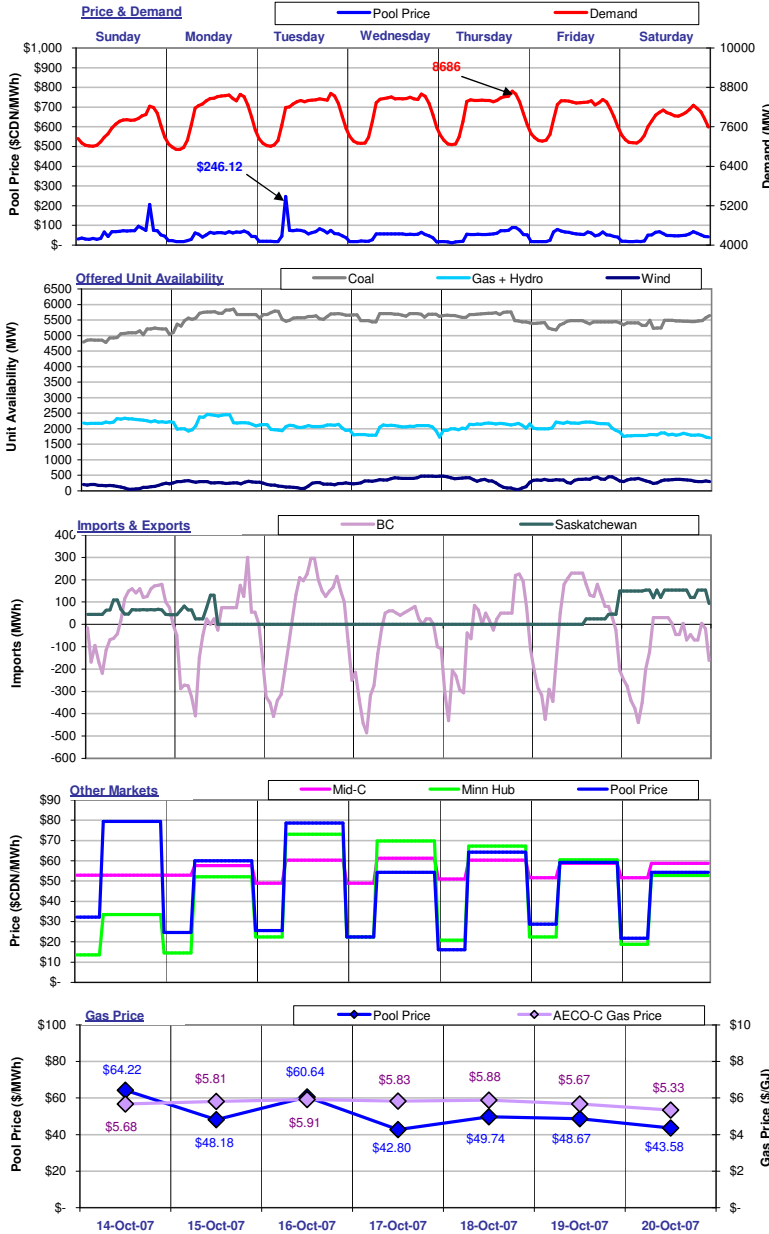


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending October 20, 2007

Weekly Highlights



For the week ending **October 20, 2007**, **Pool Price** averaged **\$51.12/MWh** and ranged from a minimum of **\$11.34/MWh** in HE04 on Thursday to a maximum of **\$246.12/MWh** in HE08 on Tuesday. **Demand** reached a high of **8686 MW** in HE20 on Thursday and a low of **6910 MW** in HE03 on Monday. Average demand for the week was **7911 MW**. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of **0.39**.

Coal Unit Availability averaged **5482 MW** last week. This is an equivalent availability of **94%** (based on MCR). **Gas and Hydro Unit Availability** averaged **2072 MW** last week, which is an equivalent of **44%** (based on MCR). **Wind Generation** averaged **282 MW** last week. This is an equivalent availability of **64%** (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 **5,058MWh**. Alberta was a net importer from **Saskatchewan** last week with total imports equal to **6,074 MWh**. Overall, Alberta imported **1,016MWh** 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 **\$59.50/MWh** on-peak and **\$51.14/MWh** off-peak. **Minn Hub** prices averaged **\$62.60/MWh** on-peak and **\$19.26/MWh** off-peak.

Prices in \$CDN at an exchange rate of 0.9723.

The average **AECO-C Gas Price** last week was **\$5.73/GJ** and ranged from a minimum of **\$5.33/GJ** to **\$5.91/GJ**. Prevailing gas prices resulted in market heat rates ranging from a low of **7.34 GJ/MWh** to a high of **11.30 GJ/MWh**. The average market heat rate for the week was **8.91 GJ/MWh**.

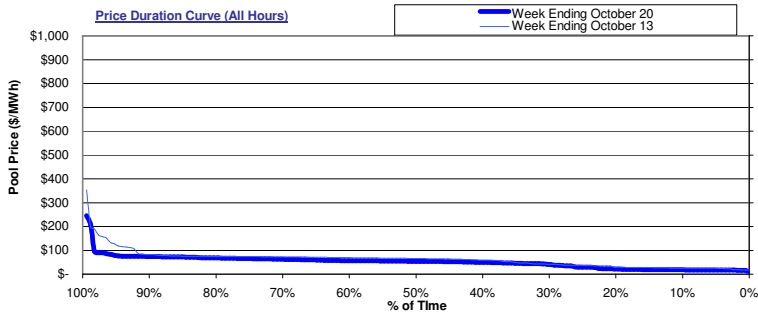


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

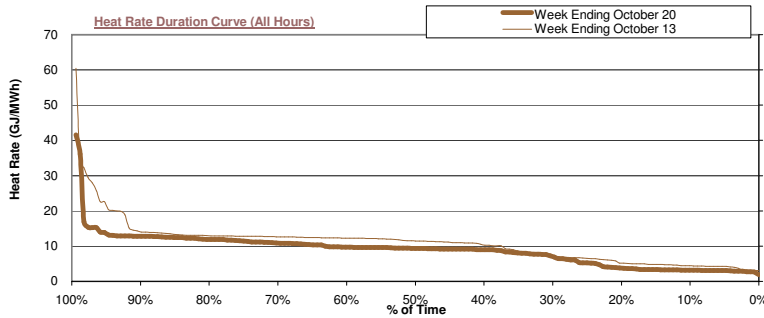
	Sunday 14-Oct	Monday 15-Oct	Tuesday 16-Oct	Wednesday 17-Oct	Thursday 18-Oct	Friday 19-Oct	Saturday 20-Oct	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 64.22	\$ 48.18	\$ 60.64	\$ 42.80	\$ 49.74	\$ 48.67	\$ 43.58	\$ 51.12	\$ 62.78	-18.6%	\$ 68.10
On-Peak	NA	\$ 60.01	\$ 78.57	\$ 54.37	\$ 64.31	\$ 59.28	\$ 54.33	\$ 61.81	\$ 78.40	-21.2%	\$ 87.92
Off-Peak	\$ 64.22	\$ 24.54	\$ 24.77	\$ 19.65	\$ 20.60	\$ 27.47	\$ 22.07	\$ 36.86	\$ 41.95	-12.1%	\$ 36.33
COV	0.56	0.39	0.75	0.41	0.49	0.41	0.40	0.49	0.55	-11.1%	
Heat Rate											
Average	11.30	8.29	10.25	7.34	8.46	8.59	8.17	8.91	11.40	-21.8%	11.08
On-Peak	NA	10.32	13.28	9.33	10.93	10.46	10.19	10.75	14.11	-23.8%	14.30
Off-Peak	11.30	4.22	4.19	3.37	3.50	4.85	4.14	6.46	7.79	-17.0%	5.91
Demand											
Average	7,569	7,980	7,980	8,052	8,050	7,999	7,744	7,911	7,764	1.9%	7,876
Minimum	7,006	6,910	7,014	7,097	7,063	7,161	7,107	7,051	6,992	0.8%	6,440
Maximum	8,224	8,583	8,614	8,594	8,686	8,428	8,255	8,483	8,279	2.5%	9,478
Coal Unit Availability											
Average	5,021	5,632	5,627	5,635	5,633	5,400	5,425	5,482	4,894		5,171
Utilization	86%	96%	96%	96%	96%	92%	93%	94%	84%	10.1%	89%
Gas and Hydro Unit Availability											
Average	2,238	2,222	2,056	1,982	2,097	2,115	1,796	2,072	2,207	-12.8%	2,195
Utilization	57%	57%	53%	51%	54%	54%	46%	44%	56%		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 **October 20**, prices were at or below:

\$20/MWh	18% of the time
\$50/MWh	40% of the time
\$100/MWh	98% 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 20** implied market heat rates were at or below:

5.0 GJ/MWh	24% of the time
10.0 GJ/MWh	64% of the time
15.0 GJ/MWh	96% of the time
20.0 GJ/MWh	99% of the time

Market Share Statistics

By Fuel Type:

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



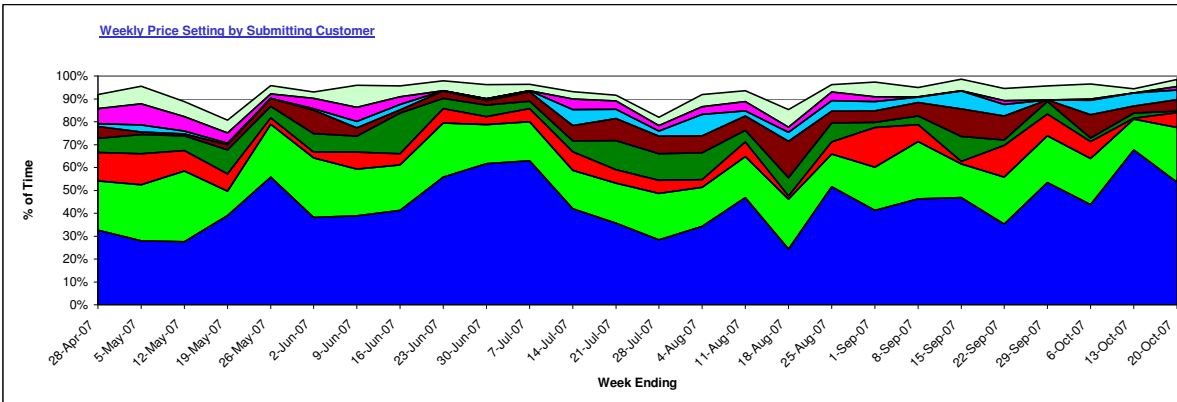
By Submitting Customer:



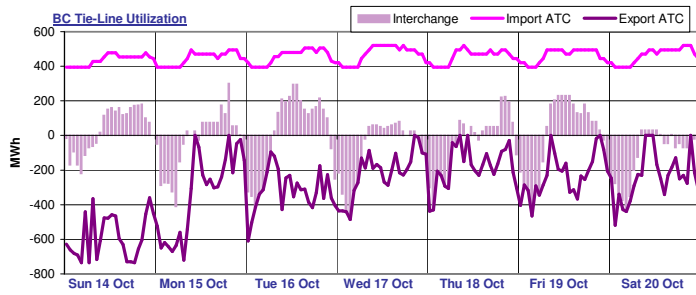
Last week, **coal units** were responsible for **69.0%** of the generation in the province and set price **85.8%** of the time. **Gas-cogen** units accounted for **22.3%** of the generation and set price **13.2%** of the time last week while **other gas** units made up **4.3%** of generation and set price **1.0%** 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 **53.5%** of the time and the top five price setters set price a total of **93.1%** of the time.

Weekly Price Setting by Submitting Customer

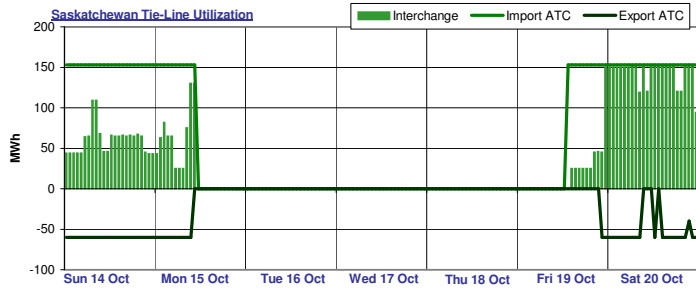


Interties

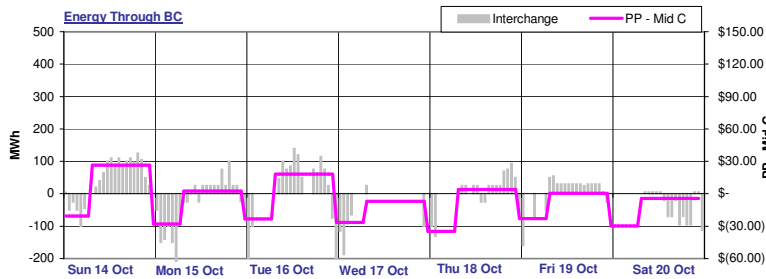


BC import capacity was 13% utilized last week while BC export capacity was 32% utilized. Energy was being imported into Alberta over the BC tie-line 54% of the time and exported out of Alberta over the BC tie-line 43% of the time last week. There was no activity on the BC tie-line 2% of the time last 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.



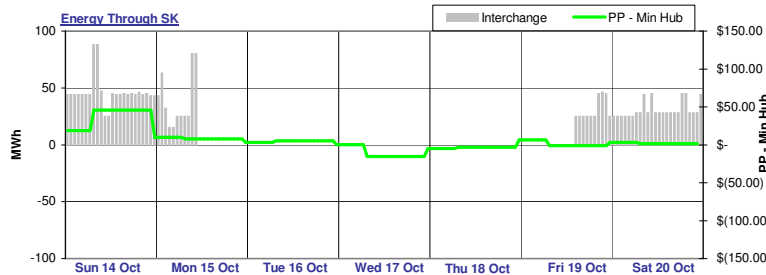
Saskatchewan import capacity was 57% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 41% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 59% of the time last week.



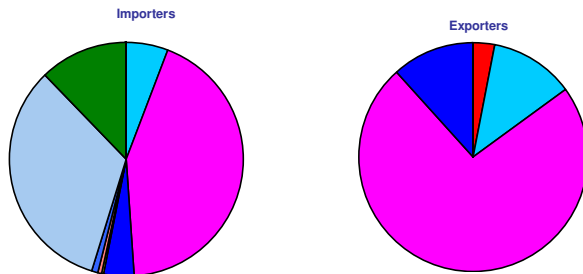
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



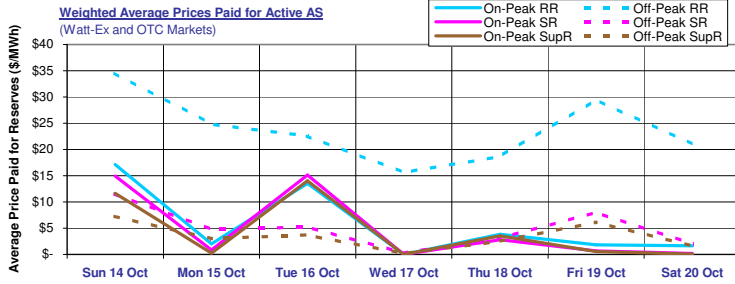
Tie-Line Market Shares



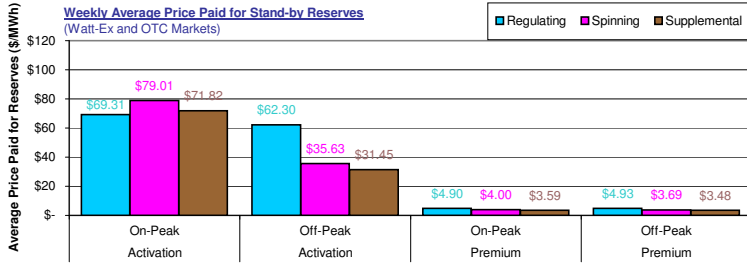
Last week, there were a total of 8 importers. The most active importer had a market share of 43.0% while the second most active importer had a market share of 33.2%. There were a total of 4 exporters last week. The most active exporter had a market share of 73.4% while the next largest exporter had a market share of 11.9%.

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

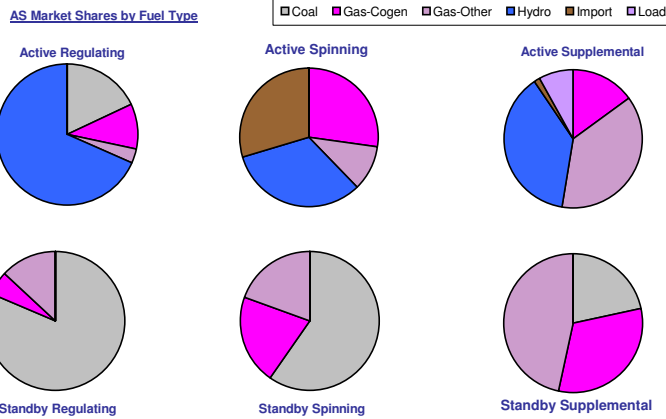
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$5.83/MWh**, **\$4.69/MWh** and **\$4.32/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were **higher** with the exception of off-peak supplemental reserves and averaged **\$23.71/MWh**, **\$4.92/MWh** and **\$3.46/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



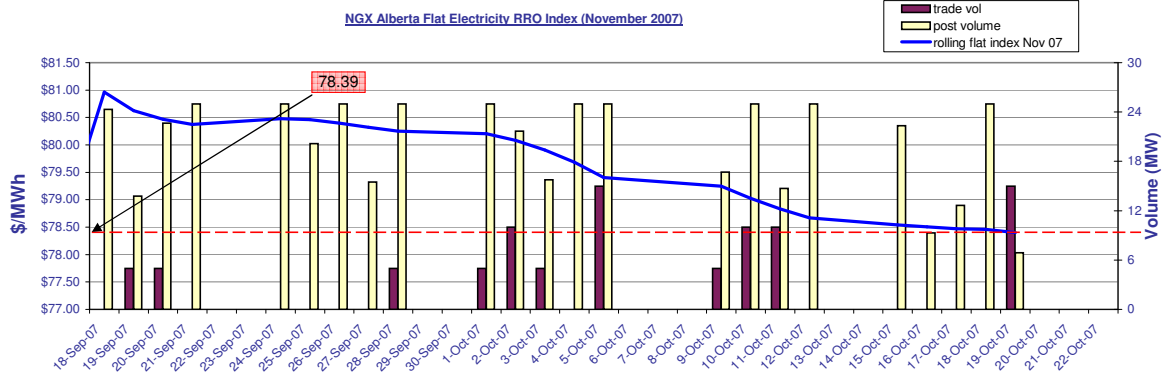
Weekly average activation prices for stand-by reserves ranged from **\$31.45/MWh** for **off-peak supplemental** reserves to **\$79.01/MWh** for **on-peak spinning** reserves. Weekly average premium prices ranged from **\$3.48/MWh** for **off-peak supplemental** reserves up to **\$4.93/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **68.4%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **32.5%** while in the **active supplemental** reserve market, **hydro** units dominated with a **38.1%** market share.

Coal units dominated the **standby regulating** reserve market with a **81.5%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **59.6%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **46.6%**.

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.