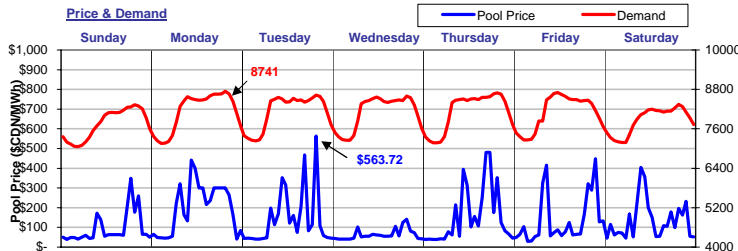


The Market Monitor

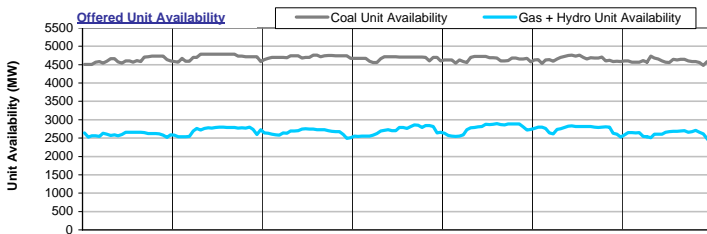
WATCHING THE MARKET : your fact source

Week Ending October 21, 2006

Weekly Highlights

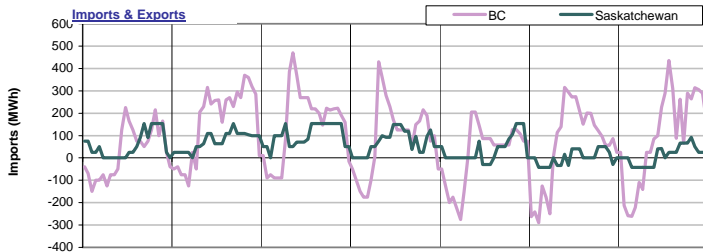


For the week ending October 21, 2006, **Pool Price** averaged \$133.77/MWh and ranged from a minimum of \$28.96/MWh in HE04 on Friday to a maximum of \$563.72/MWh in HE20 on Tuesday. **Demand** reached a high of 8741 MW in HE20 on Monday and a low of 7061 MW in HE05 on Sunday. Average demand for the week was 8029 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.25.

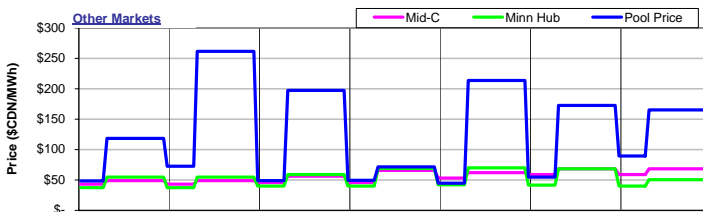


Coal Unit Availability averaged 4662 MW last week. This is an equivalent availability of 80% (based on MCR). **Gas and Hydro Unit Availability** averaged 2690 MW last week, which is an equivalent of 47% (based on MCR).

Availability numbers are based on MW offered into the energy merit order.

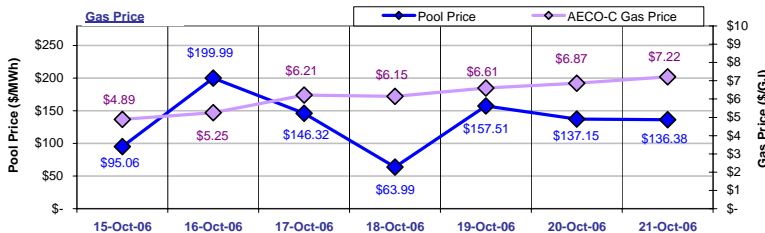


Alberta was a net importer from **BC** last week with total imports equal to 14,619 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 8,326 MWh. Overall, Alberta imported 22,945 MWh of electricity last week.



Pool Prices were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week. **Mid-C** prices averaged \$61.70/MWh on-peak and \$49.82/MWh off-peak. **Minn Hub** prices averaged \$62.01/MWh on-peak and \$39.79/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.13839.



The average **AECO-C Gas Price** last week was \$6.17/GJ and ranged from a minimum of \$4.89/GJ to \$7.22/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 10.41 GJ/MWh to a high of 38.12GJ/MWh. The average market heat rate for the week was 22.03 GJ/MWh.

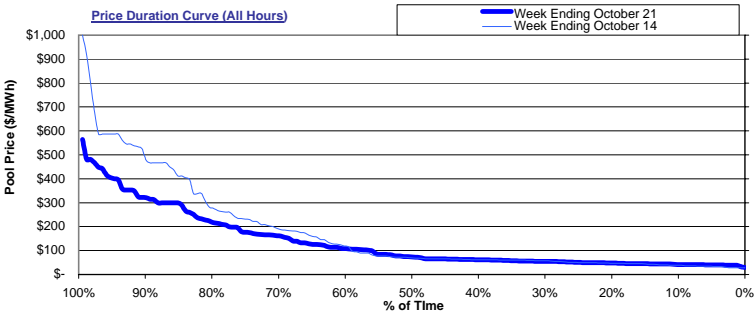


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

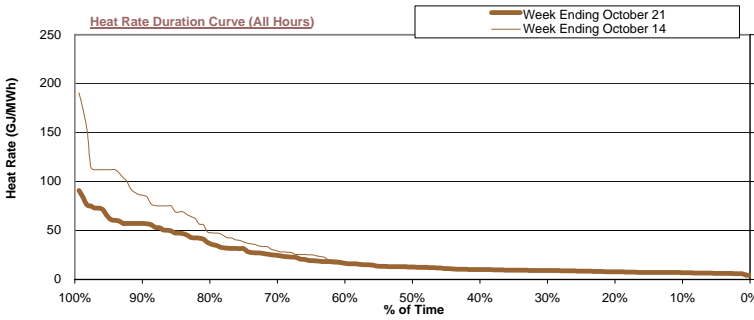
	Sunday 15-Oct	Monday 16-Oct	Tuesday 17-Oct	Wednesday 18-Oct	Thursday 19-Oct	Friday 20-Oct	Saturday 21-Oct	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 95.06	\$ 199.99	\$ 146.32	\$ 63.99	\$ 157.51	\$ 137.15	\$ 136.38	\$ 133.77	\$ 174.60	-23.4%	\$ 78.04
On-Peak	NA	\$ 261.50	\$ 197.47	\$ 71.44	\$ 213.61	\$ 172.82	\$ 165.01	\$ 180.31	\$ 223.57	-19.4%	\$ 102.54
Off-Peak	\$ 95.06	\$ 76.98	\$ 44.01	\$ 49.09	\$ 45.32	\$ 65.81	\$ 79.12	\$ 71.73	\$ 109.32	-34.4%	\$ 41.29
COV	0.85	0.62	0.98	0.43	0.92	0.91	0.71	0.77	0.85	-9.0%	
Heat Rate											
Average	19.42	38.12	23.55	10.41	23.83	19.98	18.88	22.03	37.87	-41.8%	13.09
On-Peak	NA	49.84	31.78	11.62	32.32	25.17	22.85	28.93	46.72	-38.1%	17.20
Off-Peak	19.42	14.67	7.08	7.99	6.86	9.59	10.95	12.82	26.08	-50.8%	6.93
Demand											
Average	7,749	8,138	8,124	8,103	8,131	8,101	7,854	8,029	7,832	2.5%	7,840
Minimum	7,061	7,153	7,234	7,252	7,175	7,264	7,188	7,190	7,058	1.9%	6,351
Maximum	8,331	8,741	8,631	8,596	8,696	8,706	8,346	8,578	8,341	2.8%	9,306
Coal Unit Availability											
Average	4,617	4,714	4,717	4,674	4,651	4,660	4,602	4,662	4,462		5,278
Utilization	79%	81%	81%	80%	80%	80%	79%	80%	76%	3.4%	90%
Gas and Hydro Unit Availability											
Average	2,604	2,715	2,663	2,707	2,767	2,757	2,619	2,690	2,620	1.5%	2,108
Utilization	55%	57%	56%	57%	58%	58%	55%	56%	55%	1.5%	44%



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 21, prices were at or below:

\$20/MWh	0% of the time
\$50/MWh	23% of the time
\$100/MWh	56% of the time
\$250/MWh	82% of the time
\$500/MWh	99% of the time



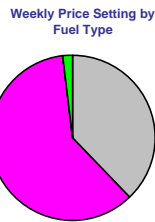
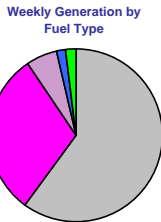
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending October 21 implied market heat rates were at or below:

5.0 GJ/MWh	1% of the time
10.0 GJ/MWh	39% of the time
15.0 GJ/MWh	57% of the time
20.0 GJ/MWh	66% of the time

Market Share Statistics

By Fuel Type:

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

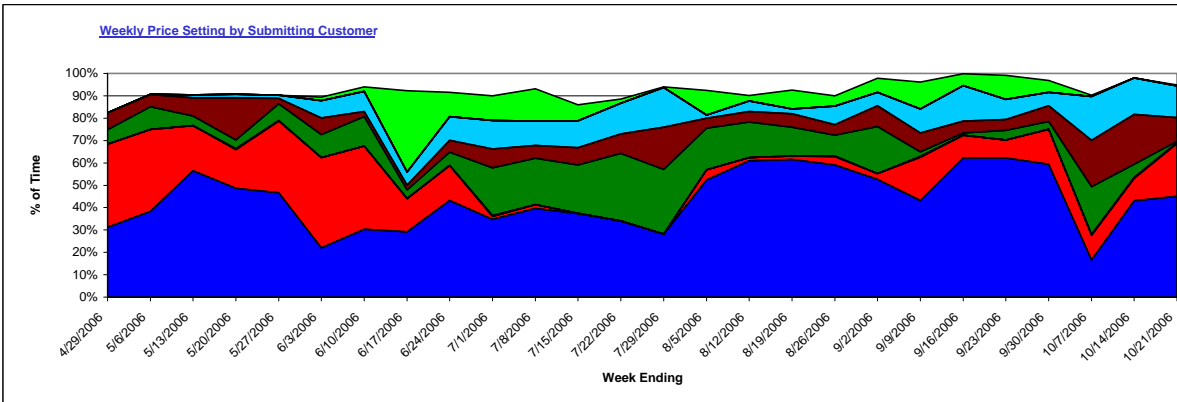


By Submitting Customer:

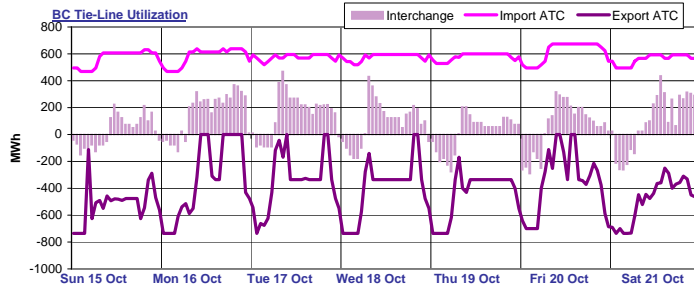


Last week, coal units were responsible for 60.0% of the generation in the province and set price 37.9% of the time. Gas-cogen units accounted for 30.5% of the generation and set price 60.1% of the time last week while other gas units made up 5.8% of generation and set price 0.0% of the time.

A total of 9 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 45.0% of the time and the top five price setters set price a total of 96.7% of the time.

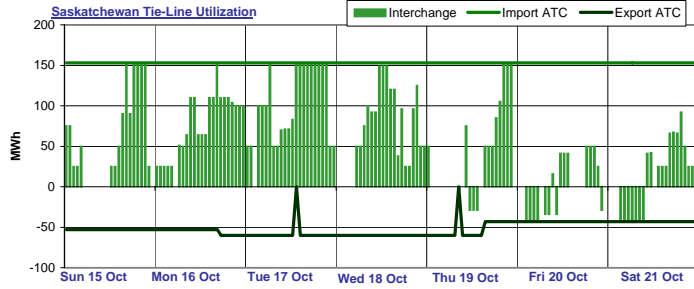


Interties

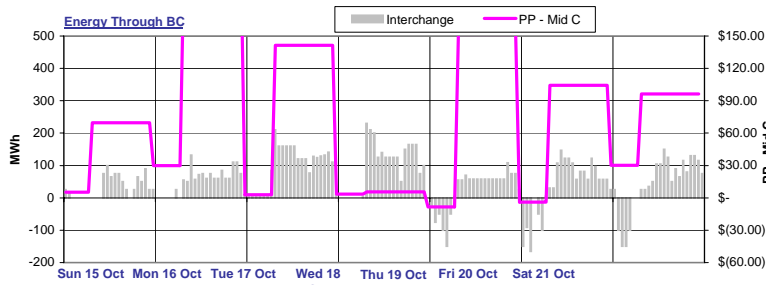


BC import capacity was 21% utilized last week while BC export capacity was 7% utilized. Energy was being imported into Alberta over the BC tie-line 71% of the time and exported out of Alberta over the BC tie-line 29% of the time last week. There was no activity on the BC tie-line 0% of the time last 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.



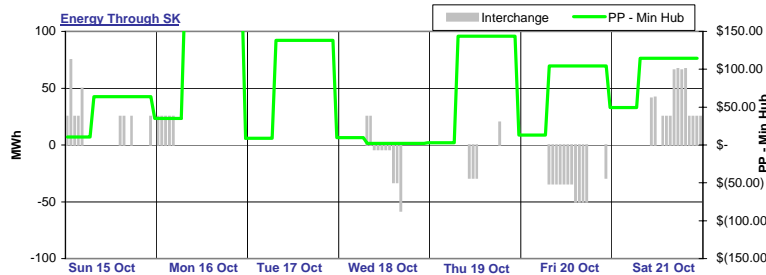
Saskatchewan import capacity was 35% utilized last week while Saskatchewan export capacity was 9% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 67% of the time and exported out of Alberta over the Saskatchewan tie-line 11% of the time last week. There was no activity on the Saskatchewan tie-line 23% of the time last week.



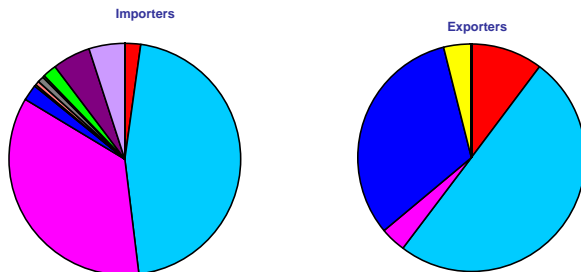
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



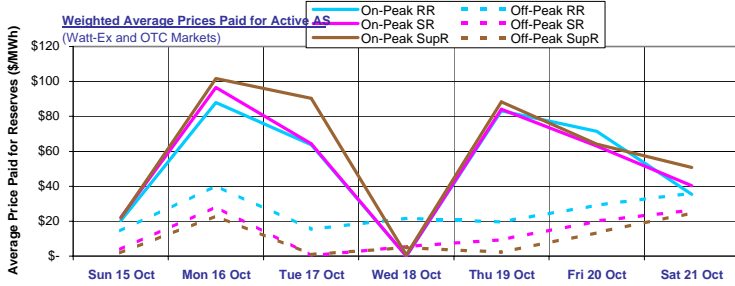
Tie-Line Market Shares



Last week, there were a total of 12 importers. The most active importer had a market share of 46.0% while the second most active importer had a market share of 35.5%. There were a total of 5 exporters last week. The most active exporter had a market share of 50.2% while the next largest exporter had a market share of 32.4%.

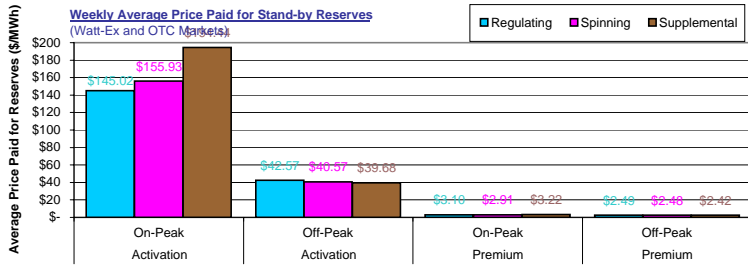
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$51.75/MWh, \$53.33/MWh and \$60.19/MWh respectively for active regulating, spinning and supplemental reserves.

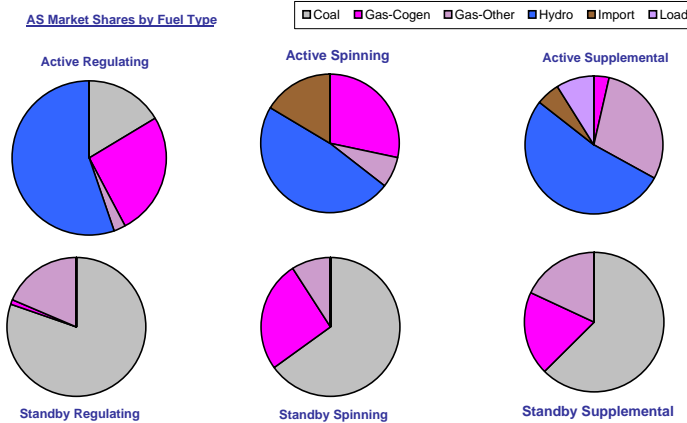
Active average off-peak prices were somewhat higher and averaged \$25.23/MWh, \$13.40/MWh and \$10.13/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$39.68/MWh for off-peak supplemental reserves to \$194.44/MWh for on-peak regulating reserves.

Weekly average premium prices ranged from \$2.42/MWh for off-peak supplemental reserves up to \$3.22/MWh for on-peak spinning reserves.

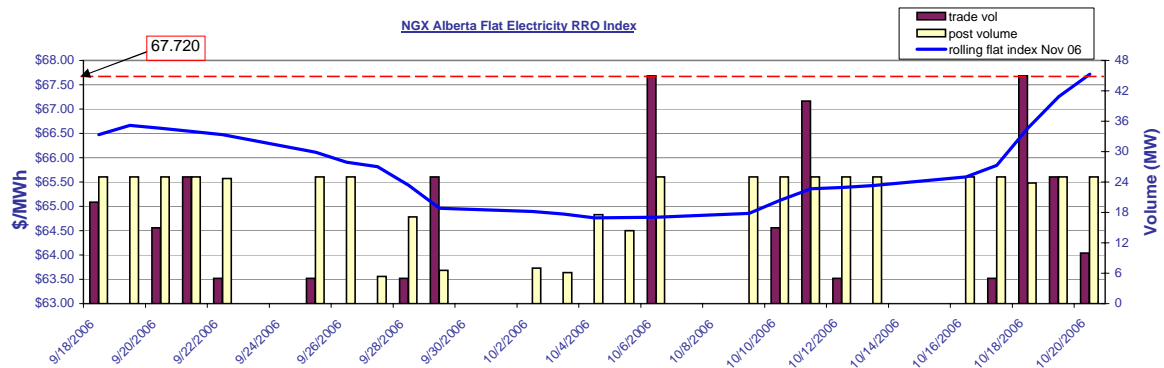
AS Market Shares by Fuel Type



Last week hydro units had the largest market share in the active regulating reserve market with 55.4%. In the active spinning reserve market, hydro units had the leading market share with 47.9% while in the active supplemental reserve market, hydro units dominated with a 52.6% market share.

Coal units dominated the standby regulating reserve market with a 80.2% market share. Leading market share in the standby spinning market was held by coal units with a 64.9% market share. In the standby supplemental reserve market, coal units had the leading market share with 62.4%.

RRO Index



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.