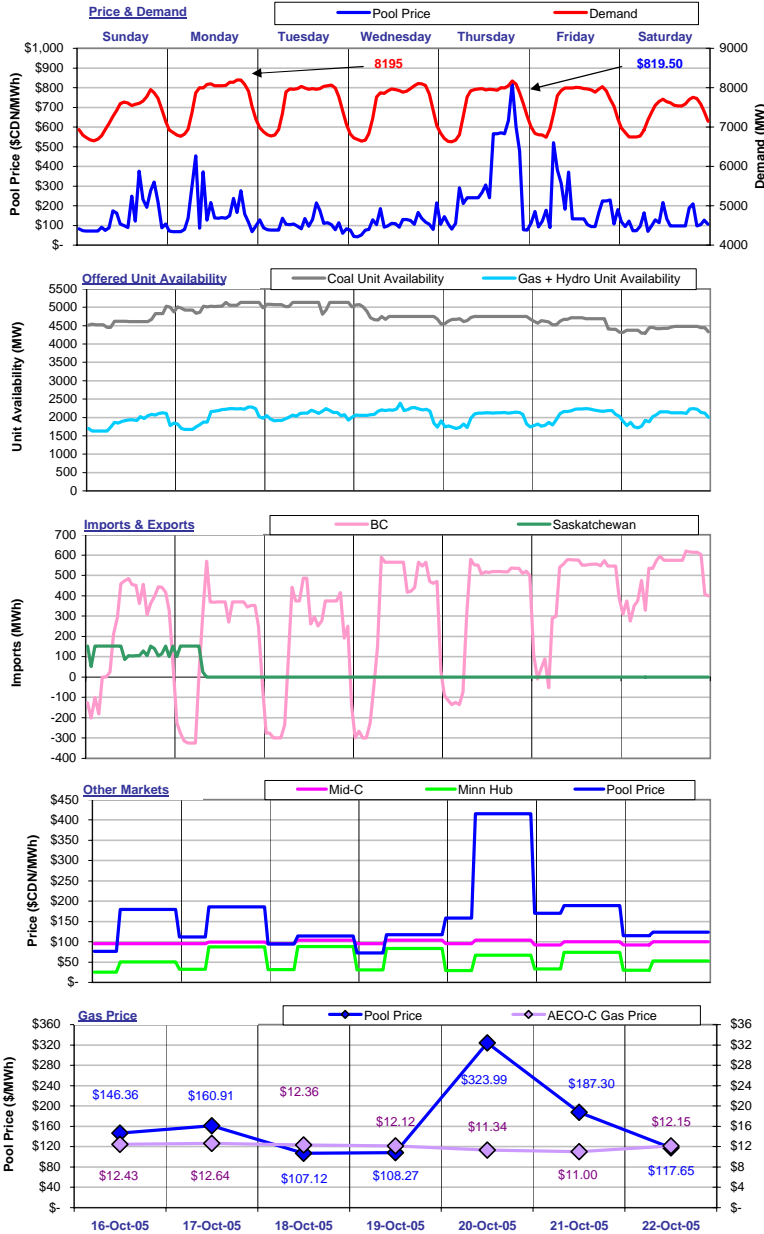


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending October 22, 2005

Weekly Highlights



For the week ending October 22, 2005, **Pool Price** averaged \$164.51/MWh and ranged from a minimum of \$42.91/MWh in HE03 on Wednesday to a maximum of \$819.50/MWh in HE20 on Thursday. **Demand** reached a high of 8195 MW in HE20 on Monday and a low of 6623 MW in HE04 on Thursday. Average demand for the week was 7520MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.16.

Coal Unit Availability averaged 4755 MW last week. This is an equivalent availability of 81% (based on MCR). **Gas and Hydro Unit Availability** averaged 2026MW last week, which is an equivalent of 36% (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 51,429MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 4,129MWh. Overall, Alberta imported 55,558MWh 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 \$101.86/MWh on-peak and \$94.44/MWh off-peak. **Minn Hub** prices averaged \$75.46/MWh on-peak and \$30.30/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.1864.

The average **AECO-C Gas Price** last week was \$12.01/GJ and ranged from a minimum of \$11.00/GJ to \$12.64/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 8.67GJ/MWh to a high of 28.57GJ/MWh. The average market heat rate for the week was 13.91GJ/MWh.

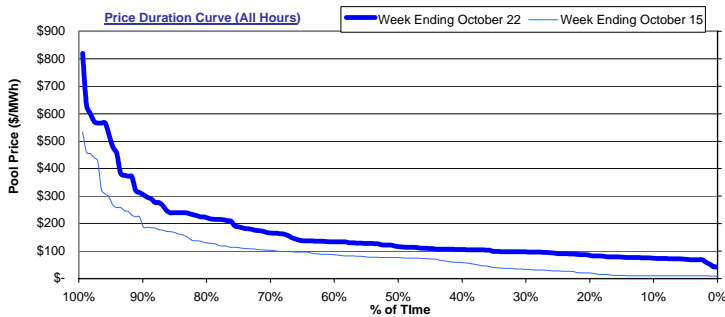


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

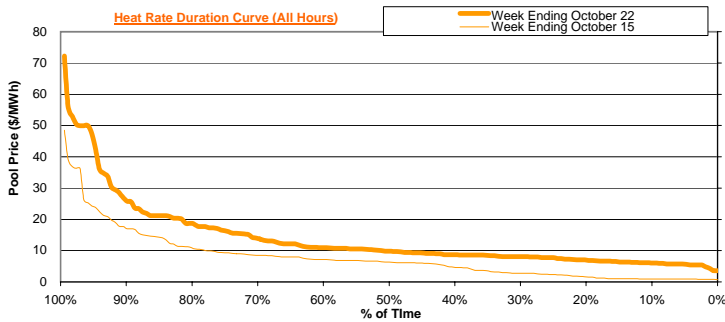
	Sunday 16-Oct	Monday 17-Oct	Tuesday 18-Oct	Wednesday 19-Oct	Thursday 20-Oct	Friday 21-Oct	Saturday 22-Oct	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 146.36	\$ 160.91	\$ 107.12	\$ 108.27	\$ 323.99	\$ 187.30	\$ 117.65	\$ 164.51	\$ 92.86	77.2%	\$ 59.28
On-Peak	NA	\$ 185.96	\$ 114.30	\$ 117.72	\$ 415.57	\$ 189.38	\$ 123.61	\$ 191.09	\$ 117.41	62.7%	\$ 72.22
Off-Peak	\$ 146.36	\$ 110.82	\$ 92.76	\$ 89.36	\$ 140.83	\$ 183.15	\$ 105.74	\$ 129.08	\$ 60.13	114.7%	\$ 39.18
COV	0.61	0.63	0.32	0.38	0.67	0.58	0.34	0.50	0.86	-41.2%	
Heat Rate											
Average	11.77	12.73	8.67	8.93	28.57	17.03	9.69	13.91	7.82	78.0%	7.59
On-Peak	NA	14.71	9.25	9.71	36.64	17.21	10.18	16.28	9.87	65.1%	9.22
Off-Peak	11.77	8.77	7.51	7.37	12.42	16.65	8.71	10.75	4.99	115.3%	5.49
Demand											
Average	7,296	7,670	7,608	7,551	7,581	7,596	7,335	7,520	7,493	0.4%	7,446
Minimum	6,649	6,768	6,771	6,641	6,623	6,741	6,747	6,706	6,740	-0.5%	6,017
Maximum	7,950	8,195	8,068	8,104	8,168	8,028	7,757	8,039	7,984	0.7%	9,236
Coal Unit Availability											
Average	4,657	5,029	5,084	4,771	4,715	4,608	4,420	4,755	5,161		5,173
Utilization	80%	86%	87%	82%	81%	79%	76%	81%	88%	-7.0%	89%
Gas and Hydro Unit Availability											
Average	1,878	2,032	2,064	2,134	1,977	2,072	2,029	2,026	1,862		2,106
Utilization	39%	43%	43%	45%	42%	44%	43%	36%	33%	2.9%	37%



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 22**, prices were at or below:

- \$20/MWh 0% of the time
- \$50/MWh 1% of the time
- \$100/MWh 35% of the time
- \$250/MWh 86% of the time
- \$500/MWh 95% of the time

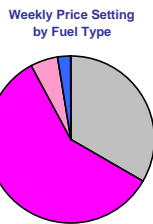
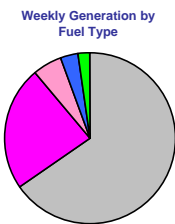


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **October 22**, implied market heat rates were at or below:

- 5.0 GJ/MWh 2% of the time
- 10.0 GJ/MWh 51% of the time
- 15.0 GJ/MWh 71% of the time
- 20.0 GJ/MWh 82% of the time

Market Share Statistics

By Fuel Type:



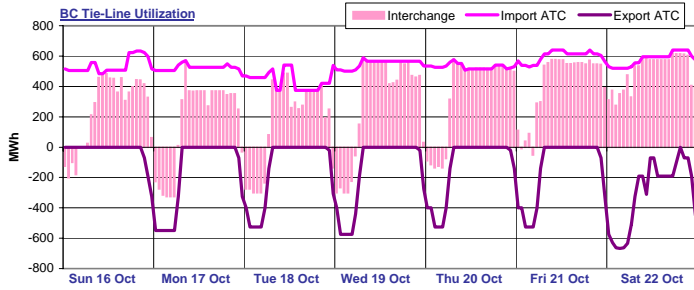
By Submitting Customer:



Last week, coal units were responsible for 65.3% of the generation in the province and set price 33.3% of the time. Gas-cogen units accounted for 23.6% of the generation and set price 58.8% of the time last week while other gas units made up 5.4% of generation and set price 5.4% of the time.

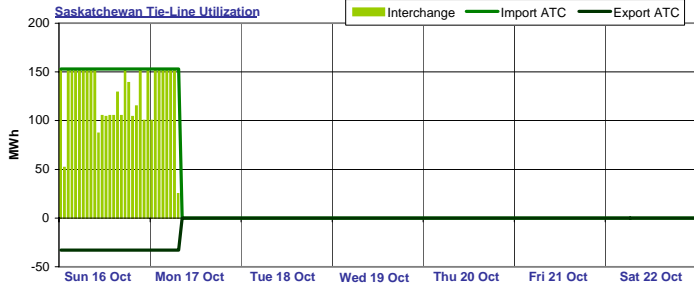
A total of 9 market participants set price last week. One market participant set price more than 20% of the time last week. The top price setter set price 25.9% of the time and the top five price setters set price a total of 81.6% of the time.

Interties

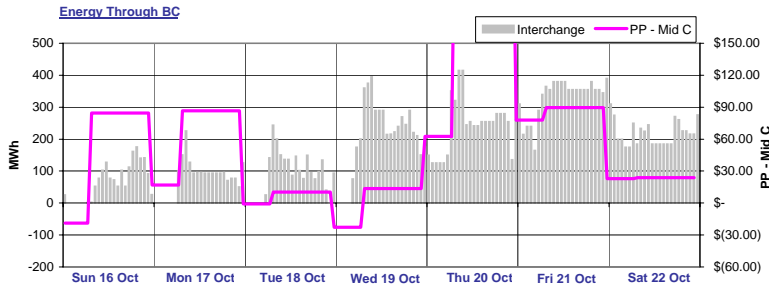


BC import capacity was 63% utilized last week while BC export capacity was 16% utilized. Energy was being imported into Alberta over the BC tie-line 80% of the time and exported out of Alberta over the BC tie-line 19% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



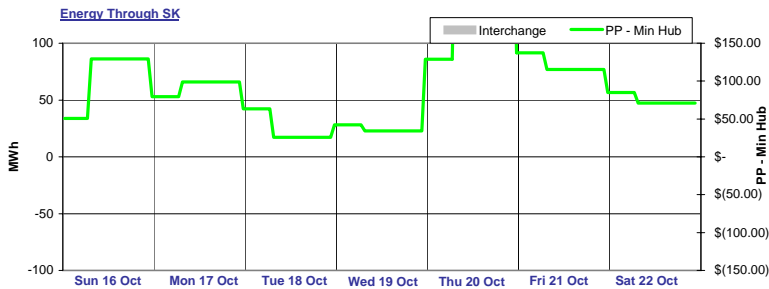
Saskatchewan import capacity was 84% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 19% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 81% of the time last week. Beginning Monday Oct 17 the SK tie line was down due to maintenance.



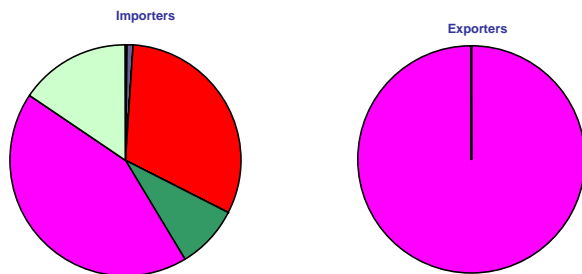
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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 for Mid C and Min Hub in energy through graphs.



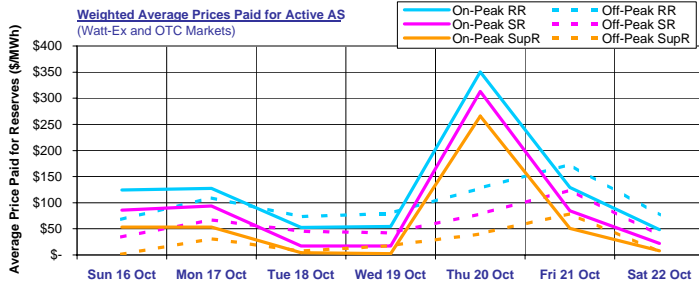
Tie-Line Market Shares



Last week, there were a total of 6 importers. The most active importer had a market share of 43.0% while the second most active importer had a market share of 31.5%. There were a total of 1 exporter last week. The most active exporter had a market share of 100.0%.

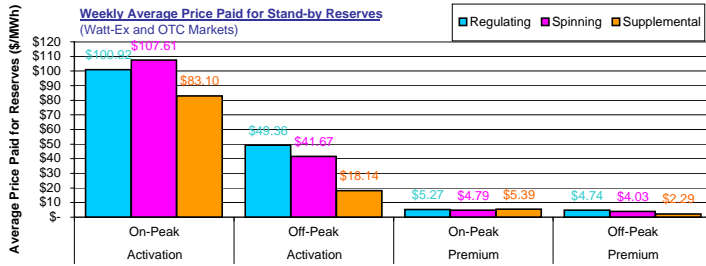
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$125.84/MWh, \$91.52/MWh and \$63.58/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.

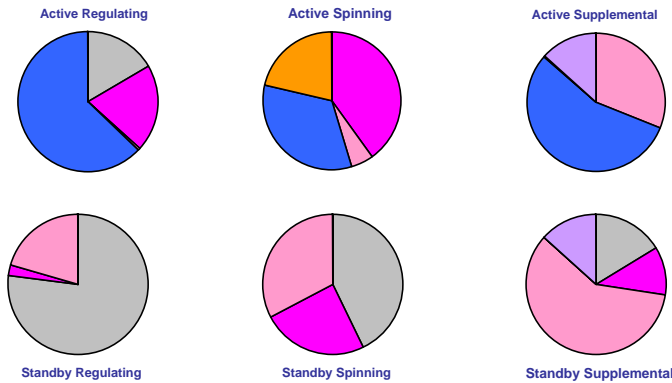
Active average off-peak prices were somewhat lower and averaged \$101.34/MWh, \$61.79/MWh and \$26.49/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$18.14/MWh for **off-peak supplemental** reserves to \$107.61/MWh for **on-peak spinning** reserves.

Weekly average premium prices ranged from \$2.29/MWh for **off-peak supplemental** reserves up to \$5.27/MWh for **on-peak regulating** reserves.

AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 62.8%. In the **active spinning** reserve market, **Gas-Cogen** units had the leading market share with 40.0% while in the **active supplemental** reserve market, **hydro** units dominated with a 55.3% market share.

Coal units dominated the **standby regulating** reserve market with a 76.9% market share. Leading market share in the **standby spinning** market was held by **coal** units with a 42.9% market share. In the **standby supplemental** reserve market, **Gas-Other** units had the leading market share with 59.2%.

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.