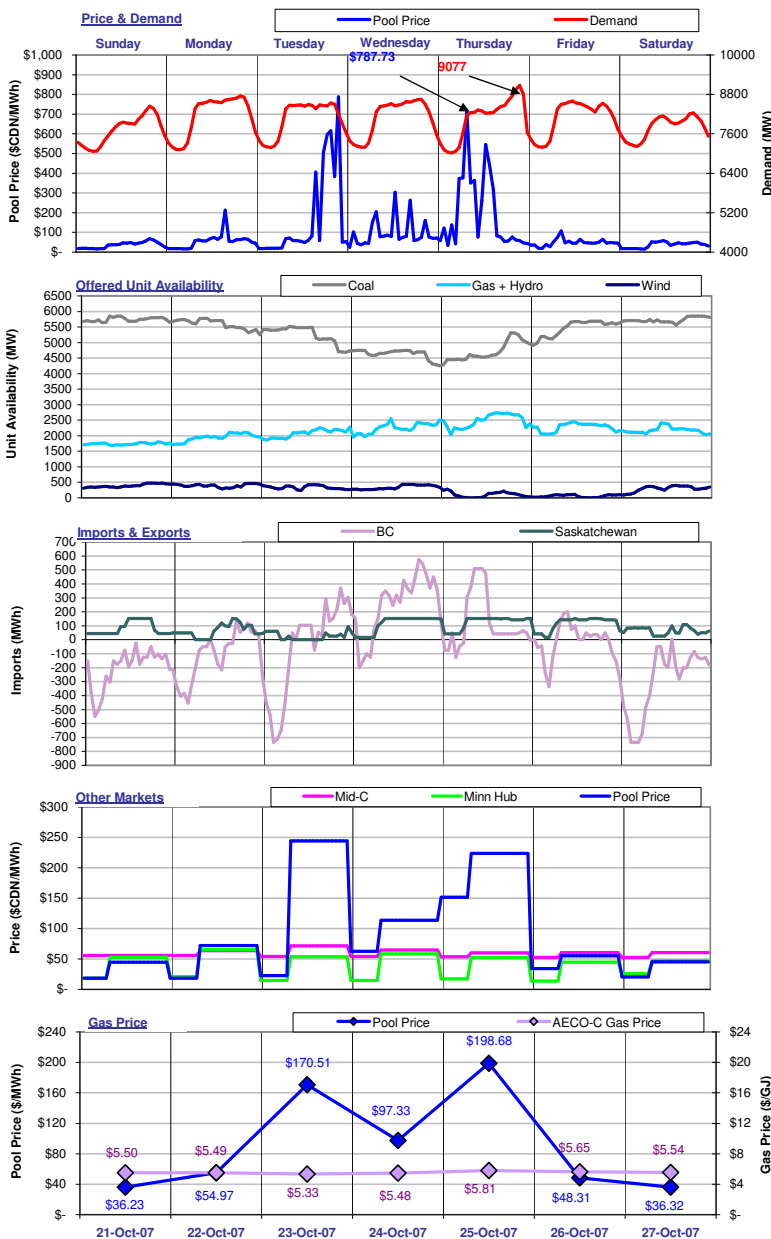


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending October 27, 2007

Weekly Highlights



For the week ending **October 27, 2007**, **Pool Price** averaged **\$91.77/MWh** and ranged from a minimum of **\$15.06/MWh** in HE07 on **Saturday** to a maximum of **\$787.73/MWh** in HE22 on **Tuesday**. **Demand** reached a high of **9077 MW** in HE22 on **Thursday** and a low of **7015 MW** in HE04 on **Thursday**. Average demand for the week was **7995 MW**. **Pool Price** and **Demand** were **positively correlated** last week with an R-squared value of **0.06**.

Coal Unit Availability averaged **5303 MW** last week. This is an equivalent availability of **91%** (based on MCR). **Gas and Hydro Unit Availability** averaged **2136 MW** last week, which is an equivalent of **45%** (based on MCR). **Wind Generation** averaged **276 MW** last week. This is an equivalent availability of **62%** (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 **7,332 MWh**. Alberta was a net **importer** from **Saskatchewan** last week with total **imports** equal to **14,193 MWh**. Overall, Alberta **imported 6,861 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 **\$63.53/MWh** on-peak and **\$54.14/MWh** off-peak. **Minn Hub** prices averaged **\$53.56/MWh** on-peak and **\$17.96/MWh** off-peak.

Prices in \$CDN at an exchange rate of 0.96731.

The average **AECO-C Gas Price** last week was **\$5.54/GJ** and ranged from a minimum of **\$5.33/GJ** to **\$5.81/GJ**. Prevailing gas prices resulted in market heat rates ranging from a low of **6.56 GJ/MWh** to a high of **34.17 GJ/MWh**. The average market heat rate for the week was **16.52 GJ/MWh**.

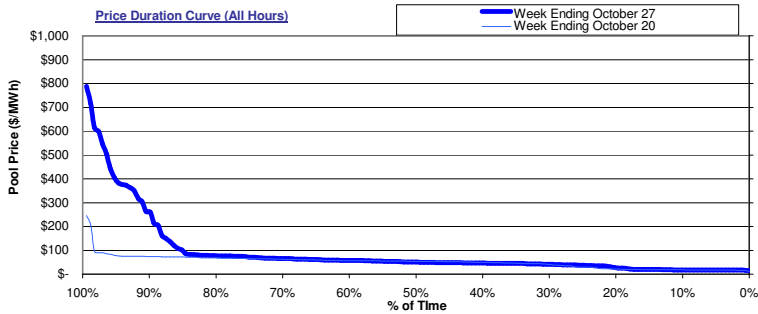


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

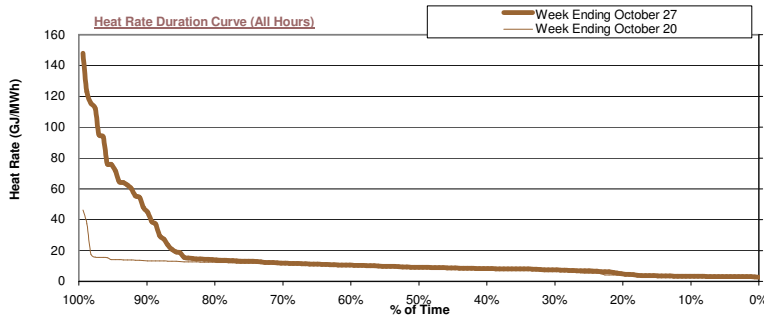
	Sunday 21-Oct	Monday 22-Oct	Tuesday 23-Oct	Wednesday 24-Oct	Thursday 25-Oct	Friday 26-Oct	Saturday 27-Oct	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 36.23	\$ 54.97	\$ 170.51	\$ 97.33	\$ 198.68	\$ 48.31	\$ 36.32	\$ 91.77	\$ 51.12	79.5%	\$ 68.66
On-Peak	NA	\$ 72.03	\$ 244.07	\$ 113.62	\$ 223.91	\$ 55.32	\$ 45.13	\$ 125.68	\$ 61.81	103.3%	\$ 88.80
Off-Peak	\$ 36.23	\$ 20.86	\$ 23.40	\$ 64.76	\$ 148.23	\$ 34.29	\$ 18.71	\$ 46.55	\$ 36.86	26.3%	\$ 36.64
COV	0.43	0.73	1.38	0.72	0.96	0.37	0.40	0.71	0.49	46.2%	
Heat Rate											
Average	6.59	10.01	32.02	17.76	34.17	8.55	6.56	16.52	8.91	85.4%	11.20
On-Peak	NA	13.12	45.83	20.73	38.51	9.79	8.15	22.69	10.75	111.0%	14.48
Off-Peak	6.59	3.80	4.39	11.82	25.49	6.07	3.38	8.30	6.46	28.5%	5.97
Demand											
Average	7,714	8,149	8,067	8,092	8,059	8,089	7,792	7,995	7,911	1.1%	7,879
Minimum	7,064	7,117	7,188	7,193	7,015	7,193	7,213	7,140	7,051	1.3%	6,440
Maximum	8,443	8,756	8,535	8,645	9,077	8,595	8,235	8,612	8,483	1.5%	9,478
Coal Unit Availability											
Average	5,744	5,591	5,244	4,633	4,714	5,466	5,730	5,303	5,482		5,174
Utilization	98%	96%	90%	79%	81%	94%	98%	91%	94%	-3.1%	89%
Gas and Hydro Unit Availability											
Average	1,741	1,951	2,077	2,250	2,479	2,274	2,178	2,136	2,072		2,193
Utilization	45%	50%	53%	58%	63%	58%	56%	45%	53%	-8.0%	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 27**, prices were at or below:

\$20/MWh	16% of the time
\$50/MWh	49% of the time
\$100/MWh	85% of the time
\$250/MWh	89% of the time
\$500/MWh	96% of the time



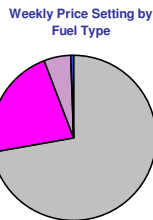
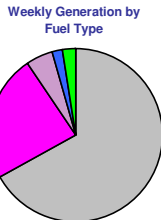
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **October 27** implied market heat rates were at or below:

5.0 GJ/MWh	21% of the time
10.0 GJ/MWh	57% of the time
15.0 GJ/MWh	84% of the time
20.0 GJ/MWh	86% of the time

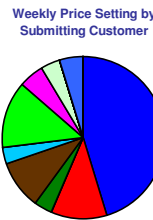
Market Share Statistics

By Fuel Type:

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

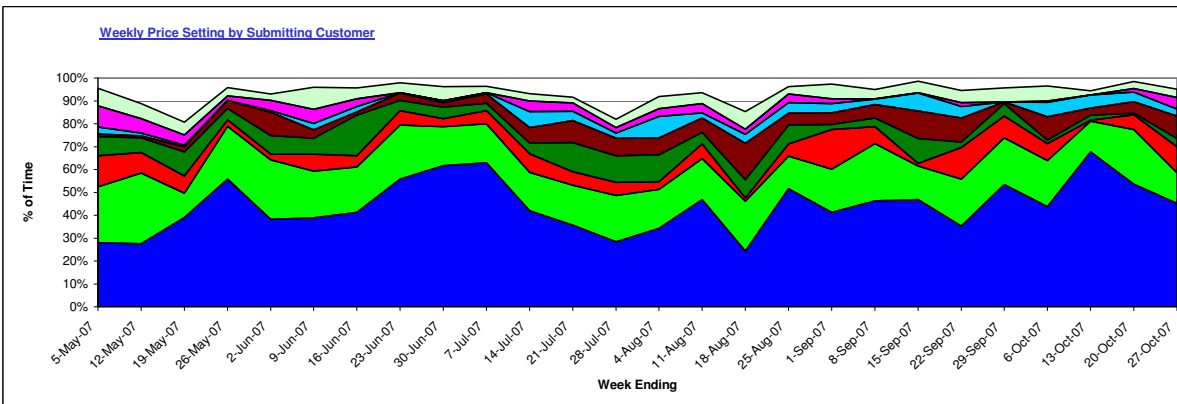


By Submitting Customer:

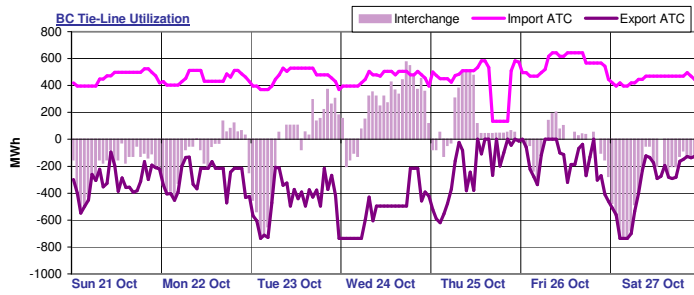


Last week, **coal units** were responsible for **66.8%** of the generation in the province and set price **72.3%** of the time. **Gas-cogen** units accounted for **23.9%** of the generation and set price **21.8%** of the time last week while **other gas** units made up **4.9%** of generation and set price **5.4%** of the time.

A total of **9** 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 **45.2%** of the time and the top five price setters set price a total of **84.8%** of the time.

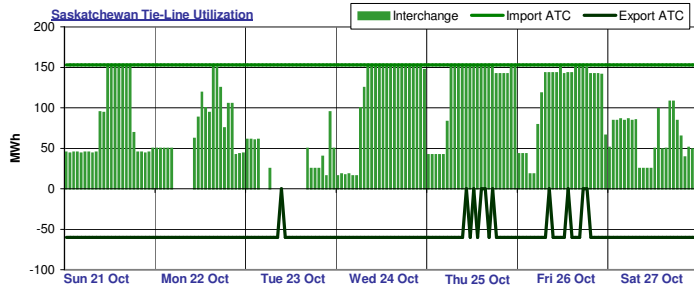


Interties

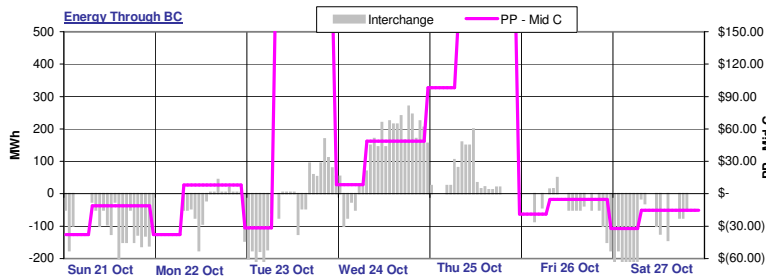


BC import capacity was 18% utilized last week while BC export capacity was 41% utilized. Energy was being imported into Alberta over the BC tie-line 42% of the time and exported out of Alberta over the BC tie-line 53% of the time last week. There was no activity on the BC tie-line 5% of the time last 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.



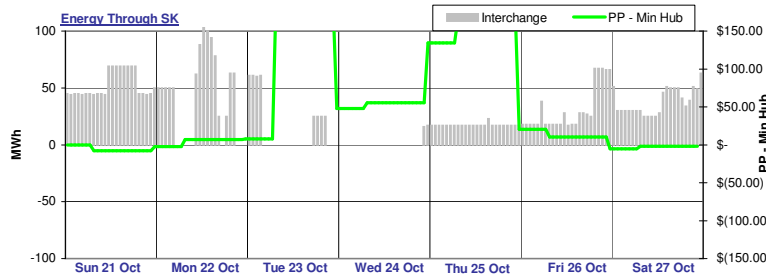
Saskatchewan import capacity was 55% utilized last week while Saskatchewan export capacity was 1% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 90% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 10% of the time last week.



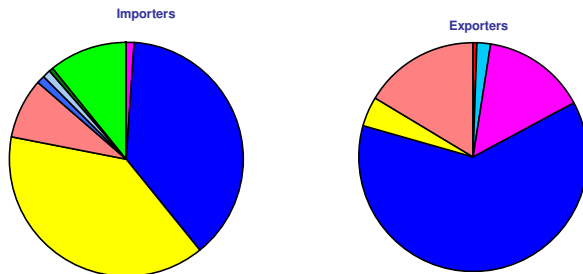
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally higher than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supports import activity across the Alberta - Saskatchewan interconnection.

Note: Platt's day-ahead strip prices used in energy through BC and SK graphs.



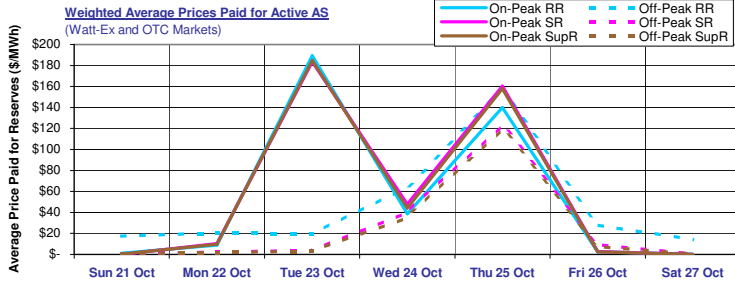
Tie-Line Market Shares



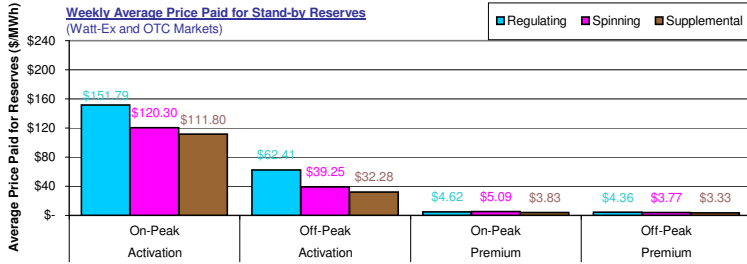
Last week, there were a total of 9 importers. The most active importer had a market share of 38.9% while the second most active importer had a market share of 37.9%. There were a total of 6 exporters last week. The most active exporter had a market share of 62.2% while the next largest exporter had a market share of 16.3%.

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

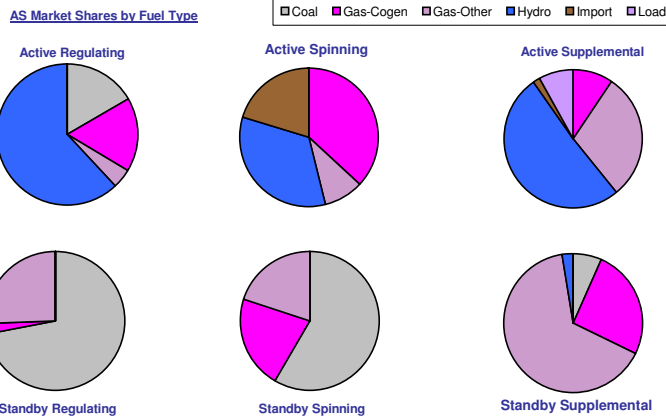
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$54.44/MWh**, **\$59.26/MWh** and **\$59.55/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices were **lower** and averaged **\$46.23/MWh**, **\$26.15/MWh** and **\$24.81/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



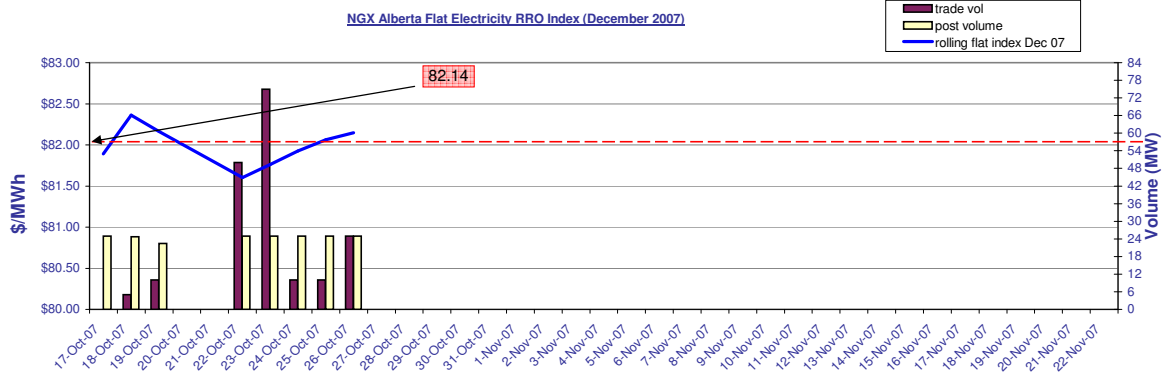
Weekly average activation prices for stand-by reserves ranged from **\$32.28/MWh** for **off-peak supplemental** reserves to **\$151.79/MWh** for **on-peak regulating** reserves.
Weekly average premium prices ranged from **\$3.33/MWh** for **off-peak supplemental** reserves up to **\$5.09/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **61.9%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **36.8%** while in the **active supplemental** reserve market, **hydro** units dominated with a **51.0%** market share.

Coal units dominated the **standby regulating** reserve market with a **71.8%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **48.4%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **65.2%**.

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.