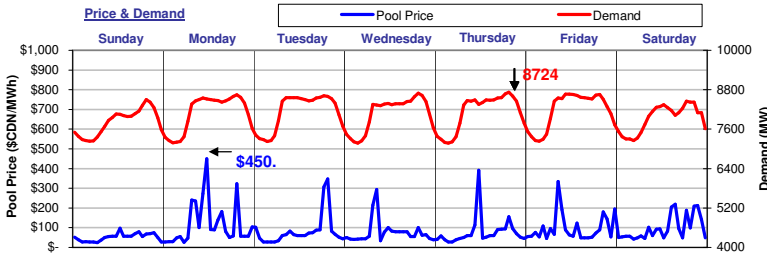


# The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending October 28, 2006

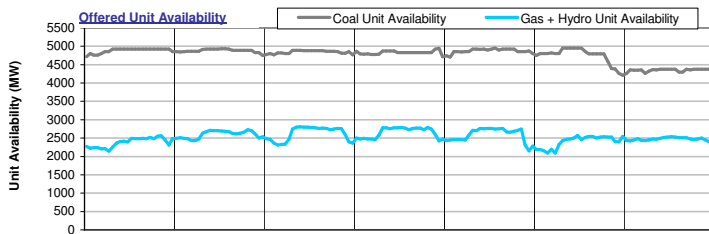
## Weekly Highlights



For the week ending **October 28, 2006**, **Pool Price** averaged **\$86.34/MWh** and ranged from a minimum of **\$25.16/MWh** in **HE07** on **Sunday** to a maximum of **\$450/MWh** in **HE12** on **Monday**.

**Demand** reached a high of **8724 MW** in **HE20** on **Thursday** and a low of **7176 MW** in **HE04** on **Thursday**. Average demand for the week was **8052 MW**.

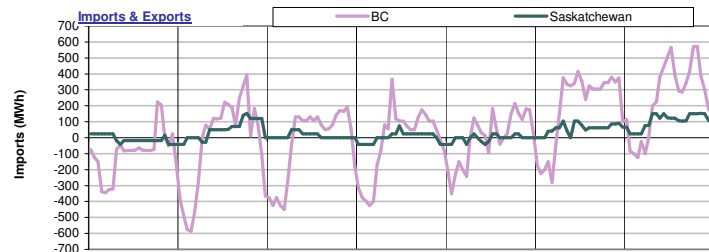
**Pool Price** and **Demand** were positively correlated last week with an R-squared value of **0.16**.



**Coal Unit Availability** averaged **4773 MW** last week. This is an equivalent availability of **82%** (based on MCR).

**Gas and Hydro Unit Availability** averaged **2532 MW** last week, which is an equivalent of **45%** (based on MCR).

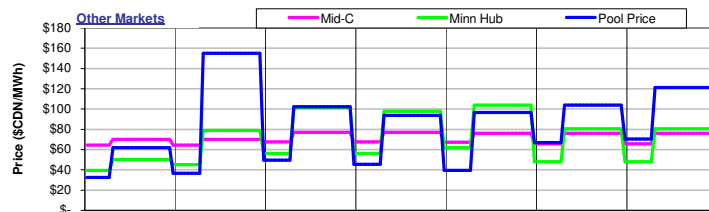
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer from **BC** last week with total imports equal to **6,199 MWh**.

Alberta was a net importer from **Saskatchewan** last week with total imports equal to **5,163 MWh**.

Overall, Alberta imported **11,362 MWh** of electricity last week.

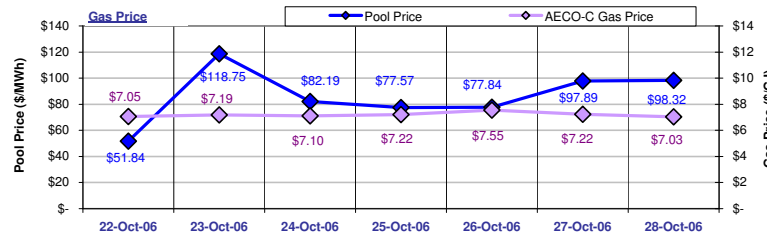


**Pool Prices** were generally higher than prices in **Mid-C** and higher than prices in **Minn Hub** last week.

**Mid-C** prices averaged **\$75.49/MWh** on-peak and **\$66.07/MWh** off-peak.

**Minn Hub** prices averaged **\$90.55/MWh** on-peak and **\$50.76/MWh** off-peak.

Prices in \$/MWh at an exchange rate of 1.12599.



The average **AECO-C Gas Price** last week was **\$7.20/GJ** and ranged from a minimum of **\$7.03/GJ** to **\$7.55/GJ**.

Prevailing gas prices resulted in market heat rates ranging from a low of **7.35 GJ/MWh** to a high of **16.51 GJ/MWh**. The average market heat rate for the week was **12.00 GJ/MWh**.

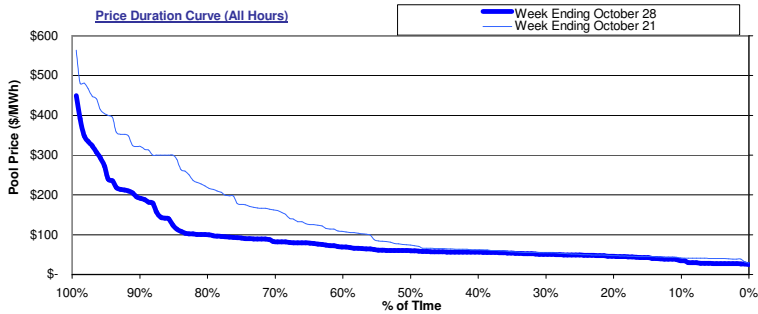


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

# Wholesale Market

## Weekly Market Statistics

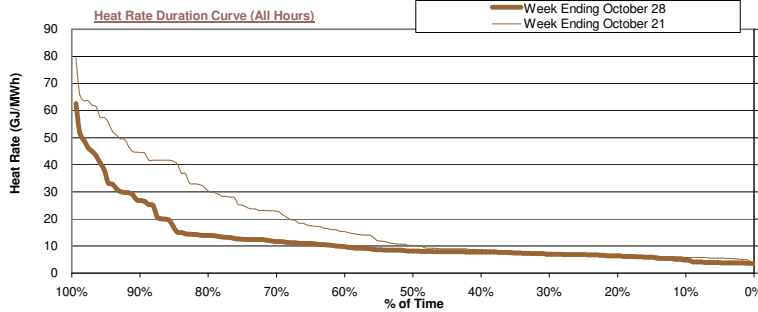
	Sunday 22-Oct	Monday 23-Oct	Tuesday 24-Oct	Wednesday 25-Oct	Thursday 26-Oct	Friday 27-Oct	Saturday 28-Oct	Average	Last Week	% Change	YTD
<b>Pool Price</b>											
Average	\$ 51.84	\$ 118.75	\$ 82.19	\$ 77.57	\$ 77.84	\$ 97.89	\$ 98.32	\$ 86.34	\$ 133.77	-35.5%	\$ 78.23
On-Peak	NA	\$ 155.05	\$ 102.24	\$ 93.91	\$ 96.64	\$ 104.02	\$ 121.41	\$ 112.21	\$ 180.31	-37.8%	\$ 102.77
Off-Peak	\$ 51.84	\$ 46.16	\$ 42.10	\$ 44.90	\$ 40.26	\$ 85.64	\$ 52.13	\$ 51.86	\$ 71.73	-27.7%	\$ 41.54
COV	0.37	0.93	0.96	0.76	0.94	0.70	0.63	0.75	0.77	-2.6%	
<b>Heat Rate</b>											
Average	7.35	16.51	11.57	10.75	10.31	13.55	13.98	12.00	22.03	-45.5%	13.06
On-Peak	NA	21.56	14.40	13.01	12.79	14.40	17.26	15.57	28.93	-46.2%	17.15
Off-Peak	7.35	6.42	5.93	6.22	5.33	11.86	7.41	7.25	12.82	-43.5%	6.93
<b>Demand</b>											
Average	7,819	8,106	8,142	8,075	8,118	8,176	7,926	8,052	8,029	0.3%	7,845
Minimum	7,234	7,189	7,222	7,178	7,176	7,238	7,252	7,213	7,190	0.3%	6,351
Maximum	8,503	8,645	8,613	8,692	8,724	8,668	8,455	8,614	8,578	0.4%	9,306
<b>Coal Unit Availability</b>											
Average	4,884	4,880	4,843	4,831	4,876	4,748	4,351	4,773	4,662	1.9%	5,267
Utilization	84%	84%	83%	83%	83%	81%	74%	82%	80%	1.9%	90%
<b>Gas and Hydro Unit Availability</b>											
Average	2,382	2,601	2,621	2,654	2,592	2,405	2,473	2,532	2,690	-3.3%	2,118
Utilization	50%	55%	55%	56%	54%	51%	52%	53%	56%	-3.3%	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 28**, prices were at or below:

\$20/MWh	0% of the time
\$50/MWh	27% of the time
\$100/MWh	80% of the time
\$250/MWh	95% of the time
\$500/MWh	100% of the time



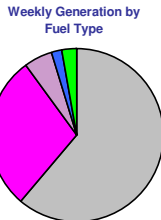
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **October 28** implied market heat rates were at or below:

5.0 GJ/MWh	11% of the time
10.0 GJ/MWh	61% of the time
15.0 GJ/MWh	85% of the time
20.0 GJ/MWh	87% of the time

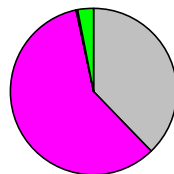
### Market Share Statistics

By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

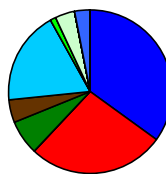


Weekly Price Setting by Fuel Type



By Submitting Customer:

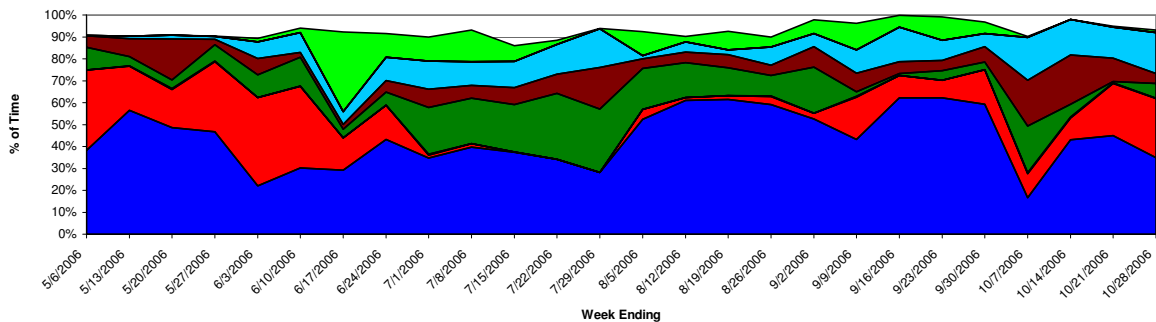
Weekly Price Setting by Submitting Customer



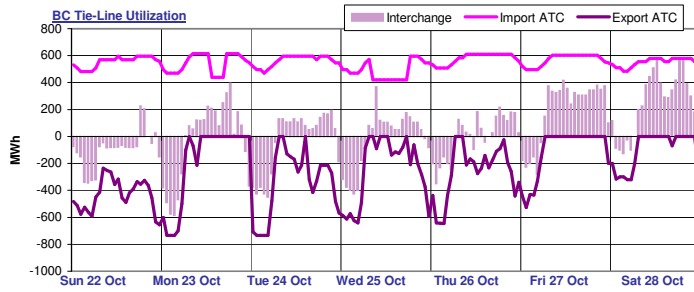
Last week, **coal** units were responsible for 61.2% of the generation in the province and set price 37.7% of the time. **Gas-cogen** units accounted for 28.7% of the generation and set price 58.9% of the time last week while **other gas** units made up 5.4% of generation and set price 0.0% of the time.

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 35.0% of the time and the top five price setters set price a total of 91.9% of the time.

### Weekly Price Setting by Submitting Customer

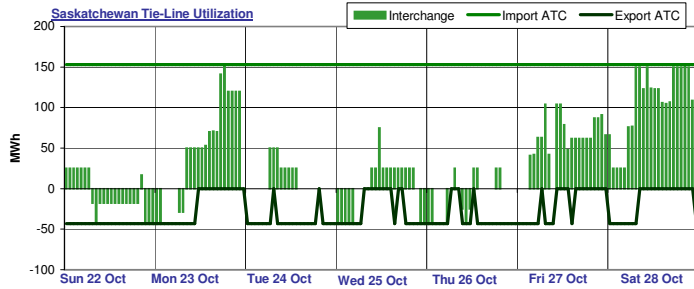


# Interties

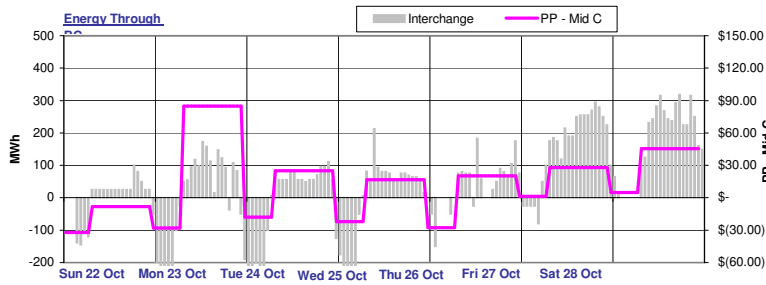


BC import capacity was 21% utilized last week while BC export capacity was 24% utilized. Energy was being imported into Alberta over the BC tie-line 60% of the time and exported out of Alberta over the BC tie-line 38% of the time last week. There was no activity on the BC tie-line 2% of the time last 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.



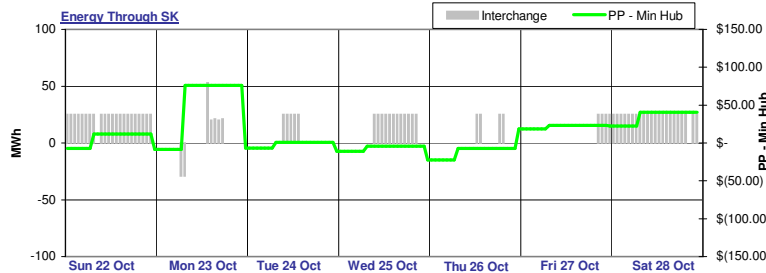
Saskatchewan import capacity was 24% utilized last week while Saskatchewan export capacity was 22% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 55% of the time and exported out of Alberta over the Saskatchewan tie-line 20% of the time last week. There was no activity on the Saskatchewan tie-line 26% of the time last week.



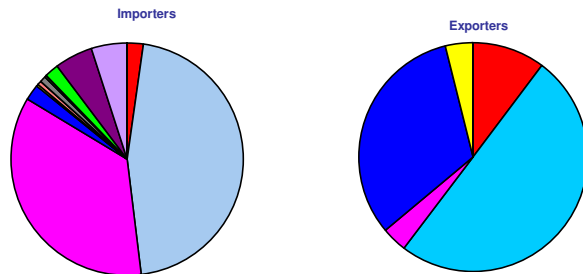
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



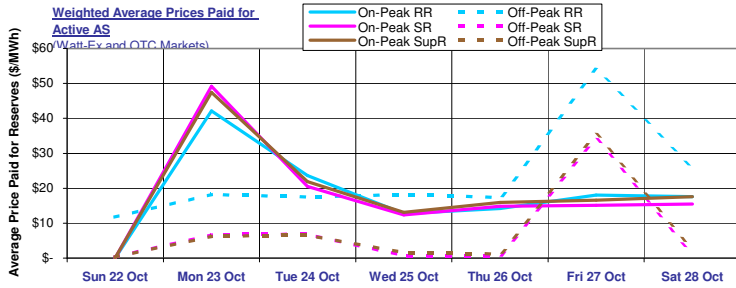
## Tie-Line Market Shares



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%.

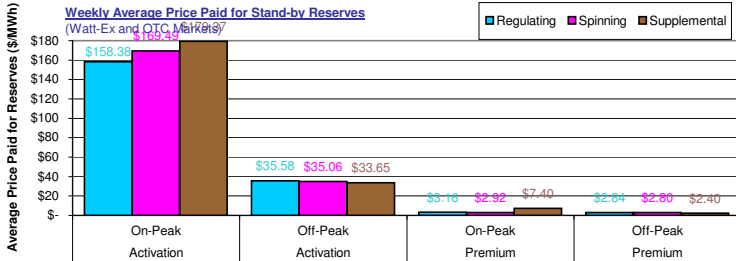
Note: Market shares are based on the combined activity on both interties.

# Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$18.30/MWh**, **\$18.33/MWh** and **\$19.07/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

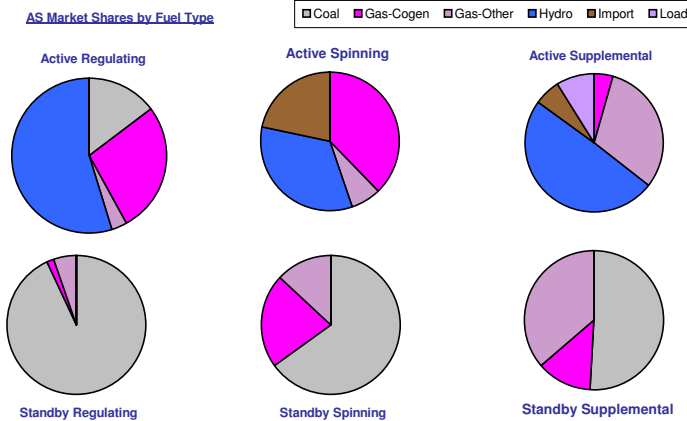
Active average off-peak prices were **\$23.60/MWh**, **\$7.31/MWh** and **\$7.83/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$33.65/MWh** for **off-peak supplemental** reserves to **\$179.37/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$2.40/MWh** for **off-peak supplemental** reserves up to **\$7.40/MWh** for **on-peak regulating** reserves.

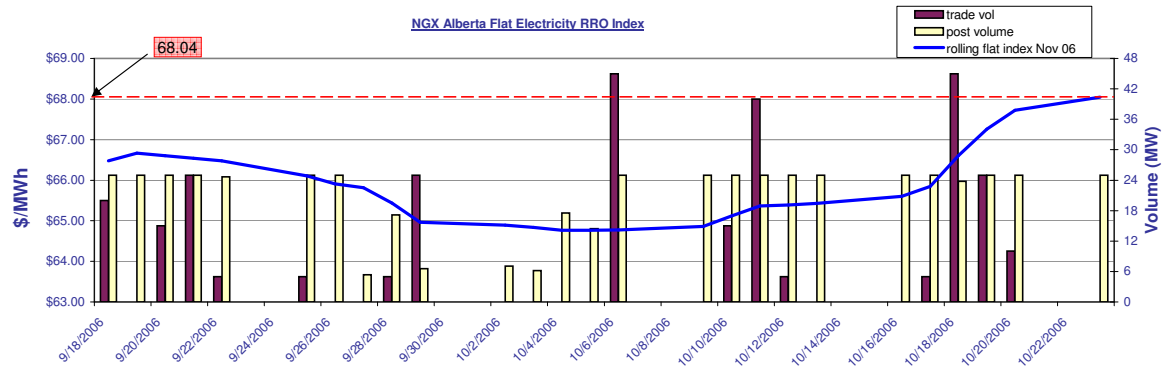
**AS Market Shares by Fuel Type**



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **54.6%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **37.9%** while in the **active supplemental** reserve market, **hydro** units dominated with a **49.3%** market share.

**Coal** units dominated the **standby regulating** reserve market with a **93.1%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **65.1%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **50.8%**.

# 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.
- 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.