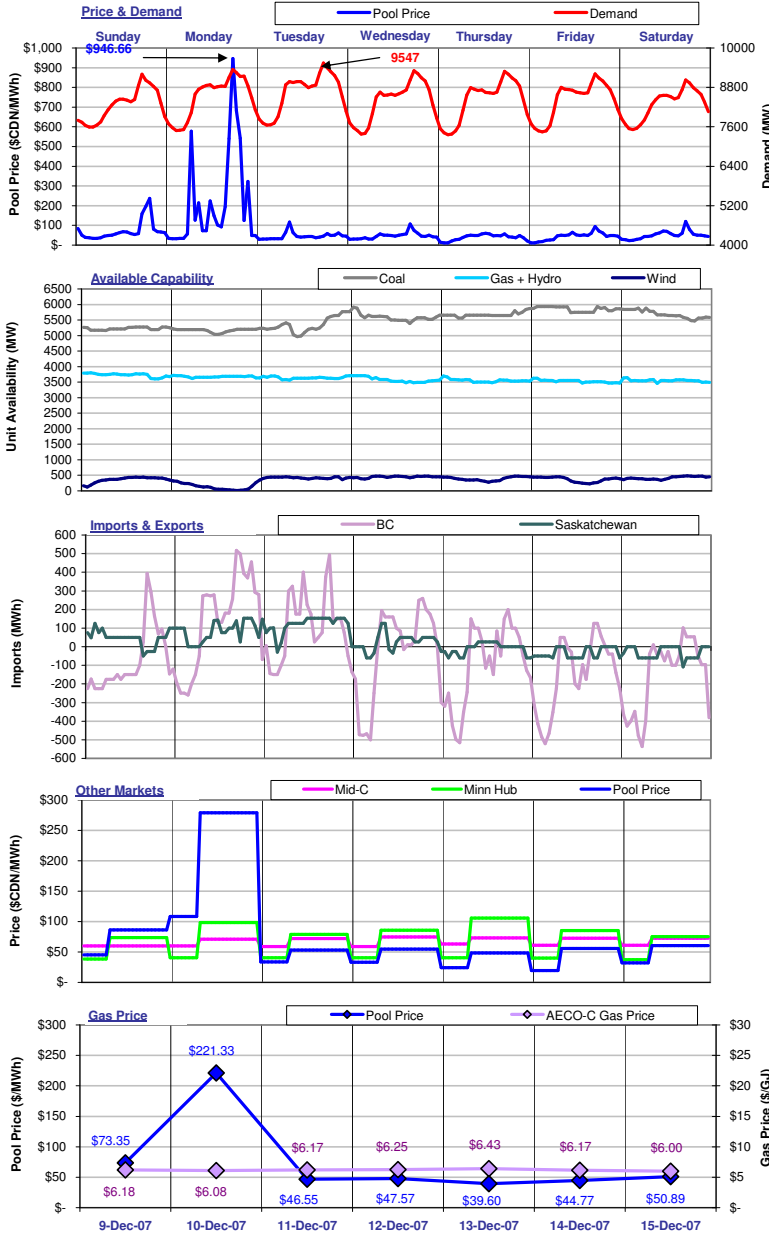


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending December 15, 2007

Weekly Highlights



For the week ending December 15, 2007, **Pool Price** averaged \$74.87/MWh and ranged from a minimum of \$11.23/MWh in HE02 on Thursday to a maximum of \$946.66/MWh in HE18 on Monday. **Demand** reached a high of 9547 MW in HE18 on Tuesday and a low of 7358 MW in HE03 on Thursday. Average demand for the week was 8411 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.11.

Coal Unit Availability averaged 5506 MW last week. This is an equivalent availability of 92%. **Gas, Hydro and Other Unit Availability** averaged 3612 MW last week, which is an equivalent of 74%. **Wind Generation** averaged 364 MW last week. This is an equivalent availability of 73%. Availability numbers are based on MW offered into the energy merit order.

Alberta was a net exporter to BC last week with total exports equal to 6,231MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 4,719 MWh. Overall, Alberta exported 1,512MWh 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 \$72.74/MWh on-peak and \$60.46/MWh off-peak. **Minn Hub** prices averaged \$88.31/MWh on-peak and \$39.78/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.00578.

The average **AECO-C Gas Price** last week was \$6.18/GJ and ranged from a minimum of \$6.00/GJ to \$6.43/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.16 GJ/MWh to a high of 36.41 GJ/MWh. The average market heat rate for the week was 12.19 GJ/MWh.

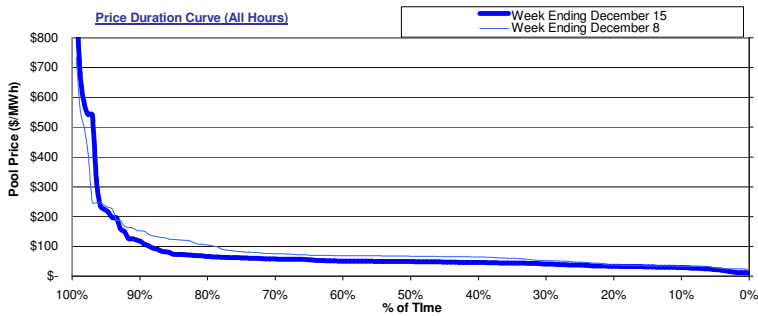


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

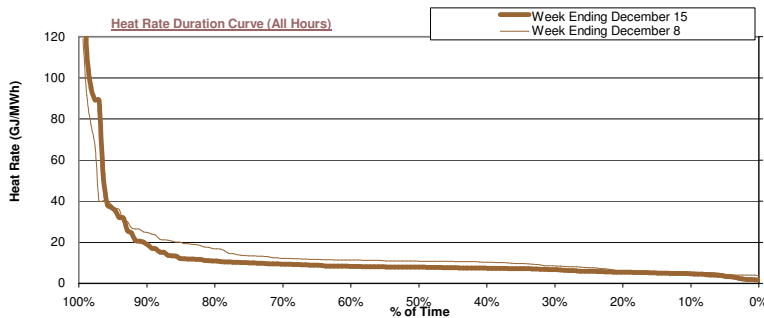
	Sunday 9-Dec	Monday 10-Dec	Tuesday 11-Dec	Wednesday 12-Dec	Thursday 13-Dec	Friday 14-Dec	Saturday 15-Dec	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 73.35	\$ 221.33	\$ 46.55	\$ 47.57	\$ 39.60	\$ 44.77	\$ 50.89	\$ 74.87	\$ 86.57	-13.5%	\$ 67.52
On-Peak	NA	\$ 278.78	\$ 53.23	\$ 54.95	\$ 48.56	\$ 55.89	\$ 60.51	\$ 91.99	\$ 114.03	-19.3%	\$ 87.23
Off-Peak	\$ 73.35	\$ 106.44	\$ 33.20	\$ 32.81	\$ 21.68	\$ 22.51	\$ 31.67	\$ 52.04	\$ 49.96	4.2%	\$ 36.49
COV	0.70	1.13	0.39	0.35	0.38	0.45	0.42	0.55	0.84	-34.8%	
Heat Rate											
Average	11.87	36.41	7.54	7.61	6.16	7.26	8.48	12.19	14.03	-13.1%	11.07
On-Peak	NA	45.87	8.62	8.79	7.55	9.06	10.08	15.00	18.48	-18.9%	14.31
Off-Peak	11.87	17.51	5.38	5.25	3.37	3.65	5.28	8.45	8.10	4.3%	5.98
Demand											
Average	8,266	8,505	8,630	8,378	8,409	8,411	8,276	8,411	8,647	-2.7%	8,254
Minimum	7,590	7,487	7,651	7,382	7,358	7,452	7,517	7,491	7,774	-3.6%	7,154
Maximum	9,200	9,349	9,547	9,312	9,289	9,215	9,024	9,277	9,445	-1.8%	9,480
Coal Unit Availability											
Average	5,225	5,169	5,348	5,589	5,673	5,855	5,684	5,506	4,846		5,214
AC/MC	87%	86%	89%	93%	94%	98%	95%	92%	81%	11.0%	87%
Gas, Hydro and Other Unit Availability											
Average	3,729	3,675	3,642	3,574	3,553	3,530	3,551	3,608	3,068		2,282
AC/MC	77%	76%	75%	73%	73%	73%	73%	74%	63%	11.1%	47%



The price duration curves show the % of time that prices were at or below a certain value during the week.

For the week ending **December 15**, prices were at or below:

\$20/MWh	4% of the time
\$50/MWh	55% of the time
\$100/MWh	88% of the time
\$250/MWh	96% of the time
\$500/MWh	96% of the time



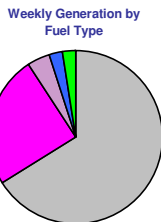
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **December 15** implied market heat rates were at or below:

5.0 GJ/MWh	15% of the time
10.0 GJ/MWh	76% of the time
15.0 GJ/MWh	87% of the time
20.0 GJ/MWh	90% of the time

Market Share Statistics

By Fuel Type:

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



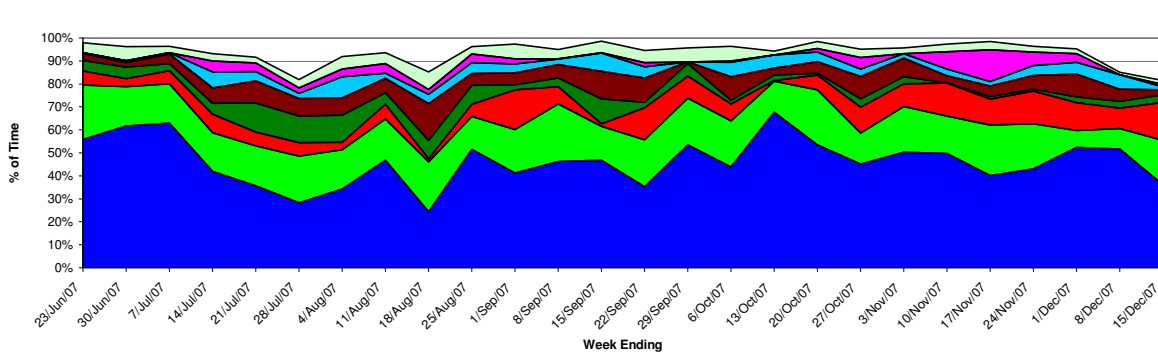
By Submitting Customer:



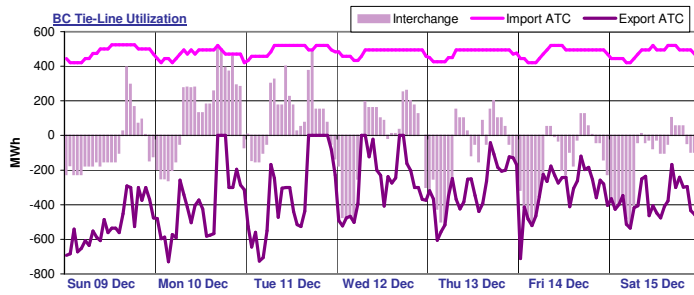
Last week, **coal** units were responsible for **66.2%** of the generation in the province and set price **71.0%** of the time. **Gas-cogen** units accounted for **24.5%** of the generation and set price **21.1%** of the time last week while **other gas** units made up **4.4%** of generation and set price **7.2%** of the time.

A total of **14** 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 **36.0%** of the time and the top five price setters set price a total of **83.5%** of the time.

Weekly Price Setting by Submitting Customer

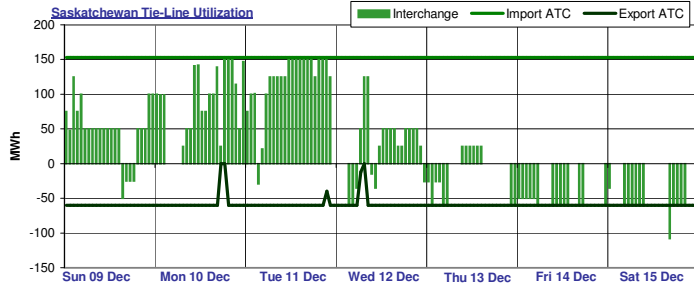


Interties

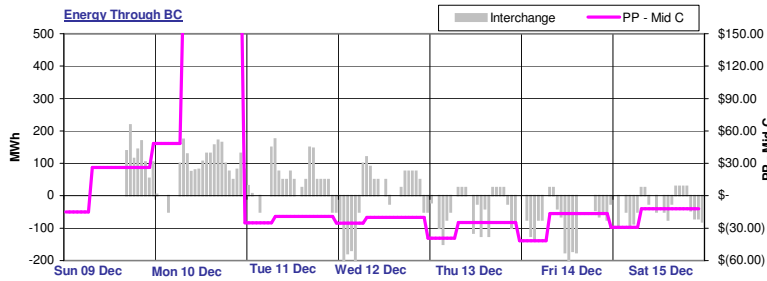


BC import capacity was 21% utilized last week while BC export capacity was 40% utilized. Energy was being imported into Alberta over the BC tie-line 45% of the time and exported out of Alberta over the BC tie-line 54% of the time last week. There was no activity on the BC tie-line 1% of the time last 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.



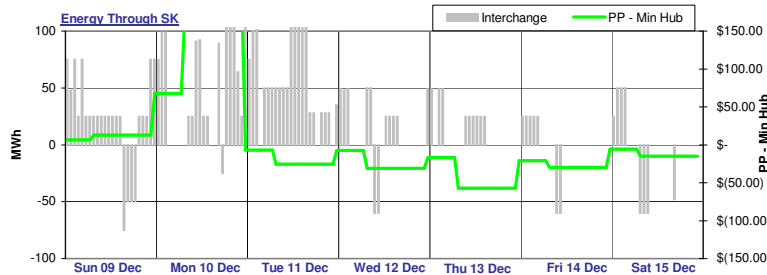
Saskatchewan import capacity was 31% utilized last week while Saskatchewan export capacity was 33% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 49% of the time and exported out of Alberta over the Saskatchewan tie-line 27% of the time last week. There was no activity on the Saskatchewan tie-line 24% of the time last week.



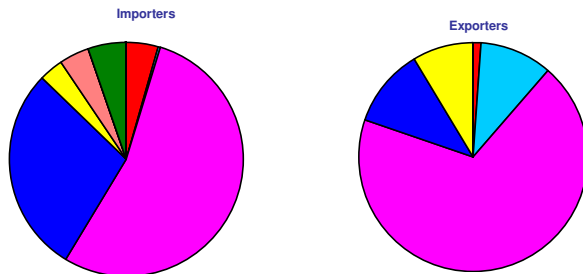
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



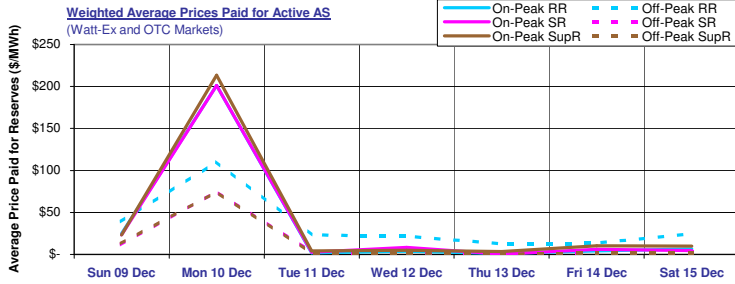
Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 53.8% while the second most active importer had a market share of 28.7%. There were a total of 5 exporters last week. The most active exporter had a market share of 68.8% while the next largest exporter had a market share of 11.1%.

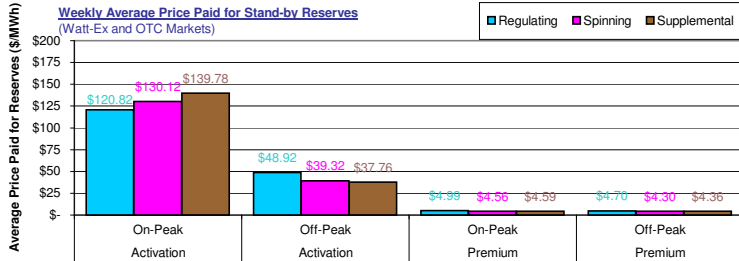
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



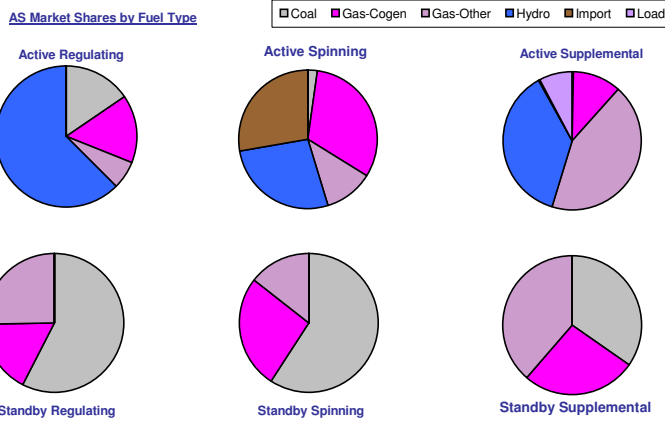
Average on-peak prices paid for active ancillary services last week were **\$34.24/MWh**, **\$36.44/MWh** and **\$38.74/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were **lower** with the exception of off-peak regulating reserves and averaged **\$35.63/MWh**, **\$14.06/MWh** and **\$13.63/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$37.76/MWh** for **off-peak supplemental** reserves to **\$139.78/MWh** for **on-peak regulating** reserves.

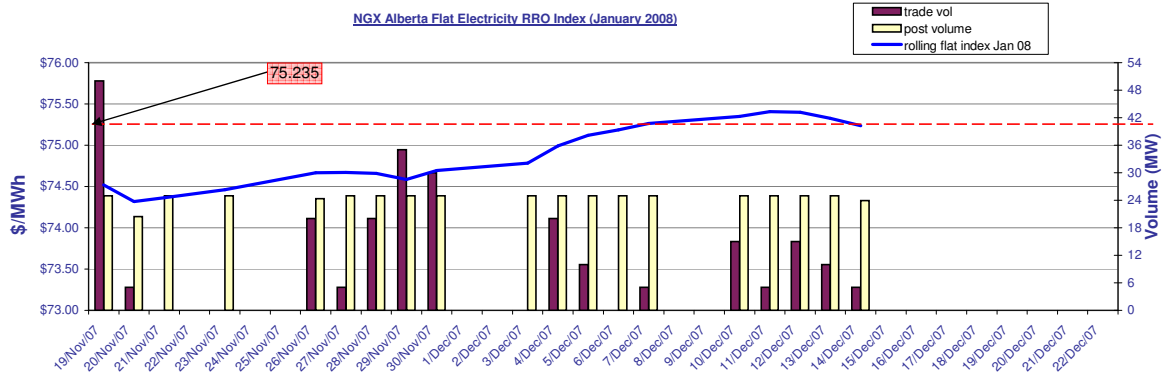
Weekly average premium prices ranged from **\$4.30/MWh** for **off-peak spinning** reserves up to **\$4.99/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **62.4%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **31.7%** while in the **active supplemental** reserve market, **gas** units dominated with a **43.2%** market share.

Coal units dominated the **standby regulating** reserve market with a **57.4%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **59.0%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **38.5%**.

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.