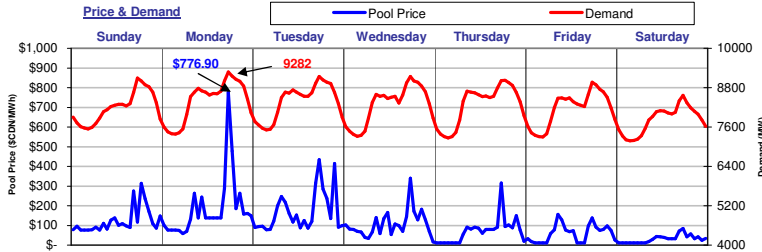


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending December 24, 2005

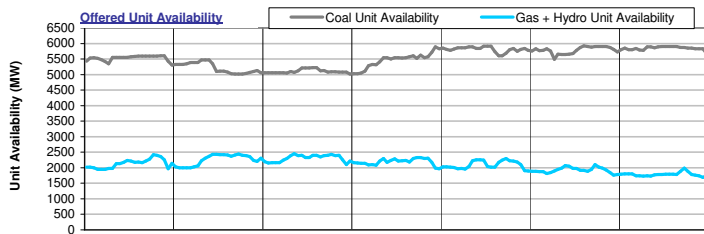
Weekly Highlights



For the week ending December 24, 2005, **Pool Price** averaged \$106.96/MWh and ranged from a minimum of \$10.84/MWh in HE24 on Saturday to a maximum of \$776.90/MWh in HE18 on Monday.

Demand reached a high of 9282 MW in HE18 on Monday and a low of 7177 MW in HE05 on Wednesday. Average demand for the week was 8215MW.

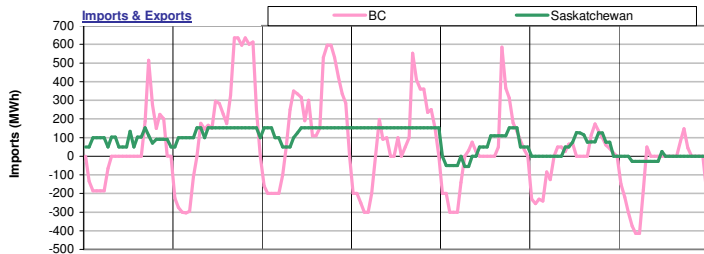
Pool Price and **Demand** were positively correlated last week with an R-squared value of 0.39.



Coal Unit Availability averaged 5537 MW last week. This is an equivalent availability of 95% (based on MCR).

Gas and Hydro Unit Availability averaged 2100MW last week, which is an equivalent of 37% (based on MCR).

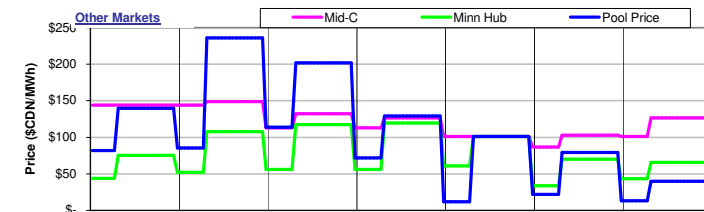
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer from **BC** last week with total imports equal to 9,153MWh.

Alberta was a net importer from **Saskatchewan** last week with total imports equal to 14,054MWh.

Overall, Alberta imported 23,207MWh of electricity last week.

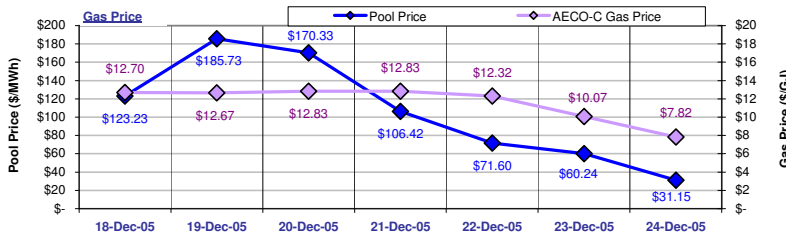


Pool Prices were generally lower than prices in **Mid-C** and higher than prices in **Minn Hub** last week.

Mid-C prices averaged \$123.01/MWh on-peak and \$114.77/MWh off-peak.

Minn Hub prices averaged \$96.81/MWh on-peak and \$49.40/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.1575.



The average **AECO-C Gas Price** last week was \$11.61/GJ and ranged from a minimum of \$7.82/GJ to \$12.83/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 3.98GJ/MWh to a high of 14.66GJ/MWh. The average market heat rate for the week was 8.82GJ/MWh.

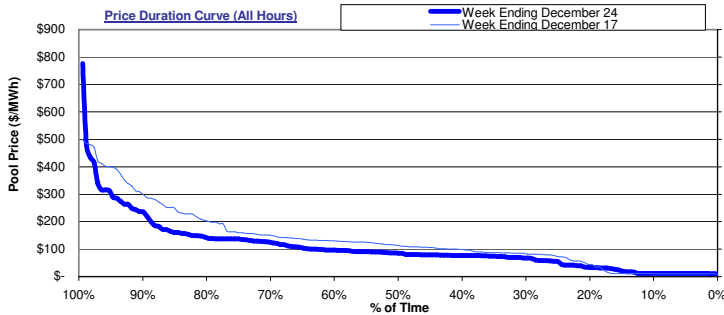


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

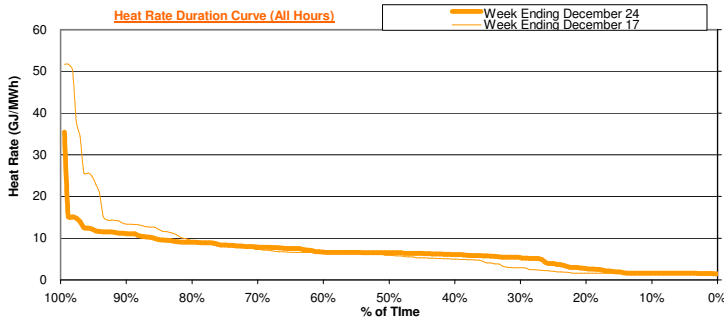
	Sunday 18-Dec	Monday 19-Dec	Tuesday 20-Dec	Wednesday 21-Dec	Thursday 22-Dec	Friday 23-Dec	Saturday 24-Dec	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 123.23	\$ 185.73	\$ 170.33	\$ 106.42	\$ 71.60	\$ 60.24	\$ 31.15	\$ 106.96	\$ 135.34	-21.0%	\$ 70.59
On-Peak	NA	\$ 235.93	\$ 201.74	\$ 128.95	\$ 101.26	\$ 79.08	\$ 39.65	\$ 131.10	\$ 188.80	-30.6%	\$ 86.64
Off-Peak	\$ 123.23	\$ 85.35	\$ 107.51	\$ 61.35	\$ 12.30	\$ 22.58	\$ 14.15	\$ 74.77	\$ 64.05	16.7%	\$ 44.93
COV	0.52	0.84	0.61	0.63	0.91	0.74	0.64	0.70	0.78	-9.9%	
Heat Rate											
Average	9.70	14.66	13.28	8.30	5.81	5.98	3.98	8.82	10.39	-15.1%	8.56
On-Peak	NA	18.62	15.73	10.47	8.90	7.85	5.07	11.11	17.45	-36.4%	10.50
Off-Peak	9.70	6.74	8.38	4.94	1.07	2.24	1.81	6.03	6.03	0.0%	5.45
Demand											
Average	8,195	8,394	8,380	8,279	8,283	8,159	7,818	8,215	8,304	-1.1%	7,560
Minimum	7,544	7,381	7,511	7,317	7,273	7,302	7,177	7,358	7,369	-0.1%	6,104
Maximum	9,095	9,282	9,145	9,137	9,022	8,962	8,562	9,029	9,163	-1.5%	9,580
Coal Unit Availability											
Average	5,528	5,213	5,105	5,466	5,812	5,787	5,847	5,537	5,541		5,174
Utilization	95%	89%	87%	94%	100%	99%	100%	95%	95%	-0.1%	89%
Gas and Hydro Unit Availability											
Average	2,137	2,260	2,308	2,192	2,096	1,923	1,786	2,100	2,223		2,086
Utilization	45%	47%	48%	46%	44%	40%	38%	37%	39%	-2.2%	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 **December 24**, prices were at or below:

- \$20/MWh 15% of the time
- \$50/MWh 24% of the time
- \$100/MWh 63% of the time
- \$250/MWh 92% of the time
- \$500/MWh 99% of the time

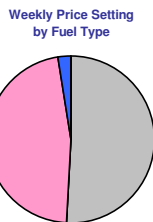
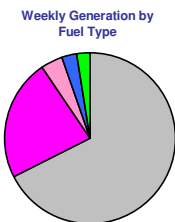


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **December 24**, implied market heat rates were at or below:

- 5.0 GJ/MWh 27% of the time
- 10.0 GJ/MWh 86% of the time
- 15.0 GJ/MWh 98% of the time
- 20.0 GJ/MWh 99% of the time

Market Share Statistics

By Fuel Type:



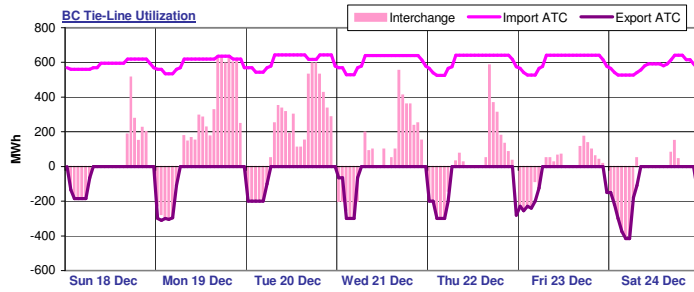
By Submitting Customer:



Last week, coal units were responsible for **67.6%** of the generation in the province and set price **50.9%** of the time. **Gas-cogen** units accounted for **22.9%** of the generation and set price **0.0%** of the time last week while **other gas** units made up **4.3%** of generation and set price **46.7%** of the time.

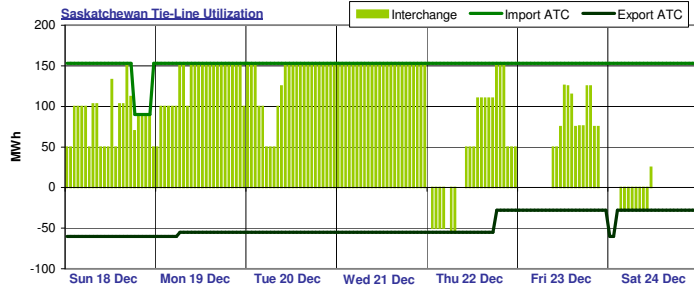
A total of **9** market participants set price last week. **One** market participants set price more than 20% of the time last week. The top price setter set price **32.7%** of the time and the top five price setters set price a total of **76.4%** of the time.

Interties

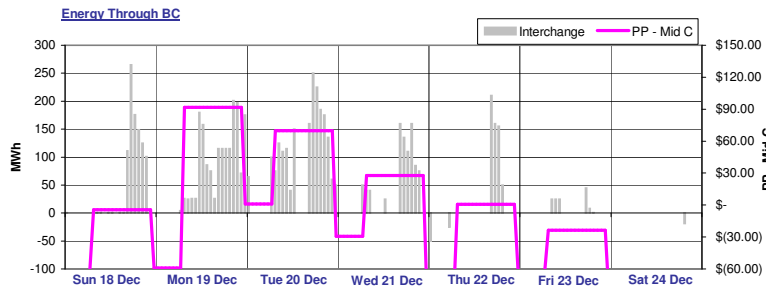


BC import capacity was 18% utilized last week while **BC export capacity** was 100% utilized. Energy was being imported into Alberta over the BC tie-line 48% of the time and exported out of Alberta over the BC tie-line 26% of the time last week. There was no activity on the BC tie-line 26% of the time 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.



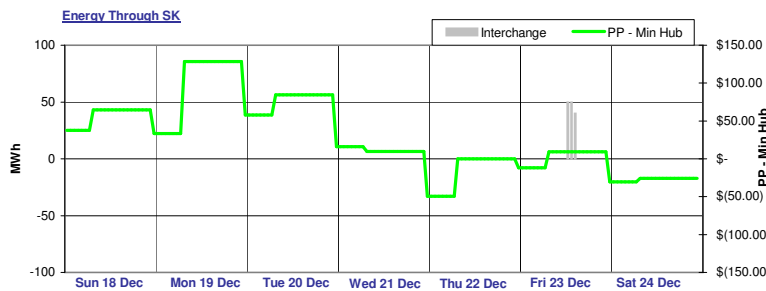
Saskatchewan import capacity was 58% utilized last week while **Saskatchewan export capacity** was 8% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 74% of the time and exported out of Alberta over the Saskatchewan tie-line 8% of the time last week. There was no activity on the Saskatchewan tie-line 18% of the time last week.



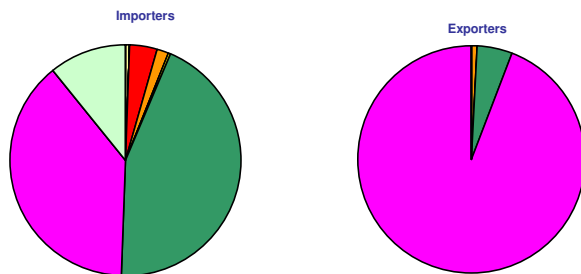
Last week, Alberta spot prices were mostly **lower** relative to prices in the Pacific Northwest as represented by **Mid-C** index prices, supporting **export** activity across the Alberta - BC interconnection.

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: Dow Jones hourly Mid-C index used in energy through BC graph; Platt's day-ahead strip for Min Hub used in energy through SK graph.



Tie-Line Market Shares

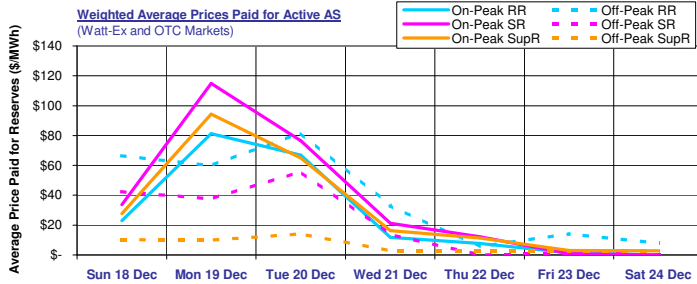


Last week, there were a total of 7 importers. The most active importer had a market share of 44.1% while the second most active importer had a market share of 38.6%.

There were a total of 3 exporters last week. The most active exporter had a market share of 94.2% while the next largest exporter had a market share of 5.0%.

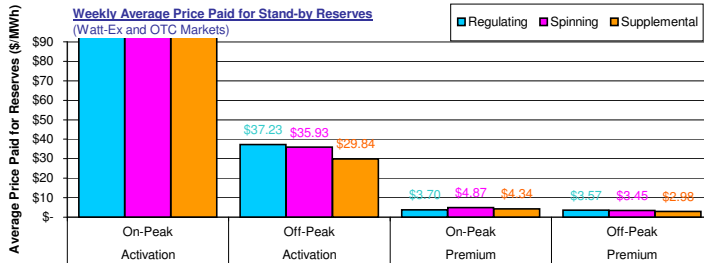
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$38.16/MWh**, **\$55.61/MWh** and **\$44.65/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

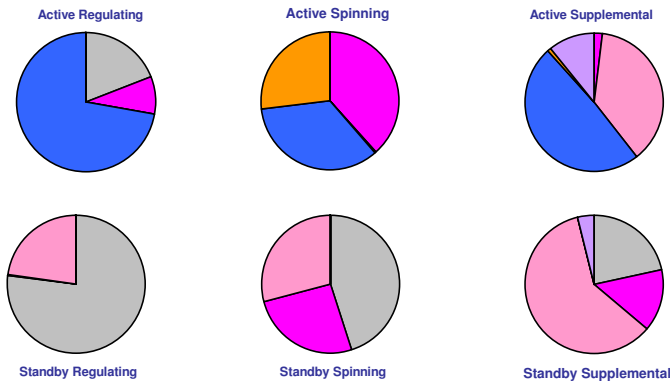
Active average off-peak prices were somewhat **lower** and averaged **\$50.22/MWh**, **\$31.81/MWh** and **\$9.70/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$29.84/MWh** for **off-peak supplemental** reserves to **\$151.70/MWh** for **on-peak regulating** reserves.

Weekly average premium prices ranged from **\$2.98/MWh** for **off-peak supplemental** reserves up to **\$4.87/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 **72.2%**. In the **active spinning** reserve market, **Gas-Cogen** units had the leading market share with **38.2%** while in the **active supplemental** reserve market, **hydro** units dominated with a **49.0%** 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 **45.1%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **60.0%**.

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.