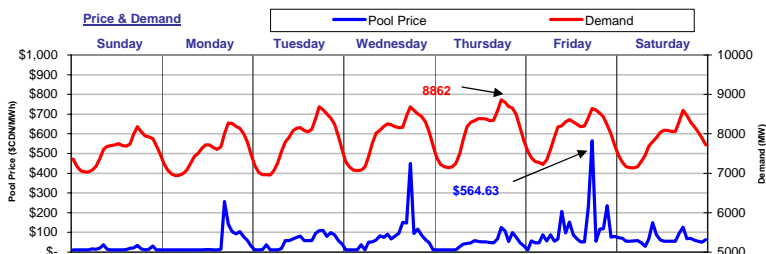


The Market Monitor

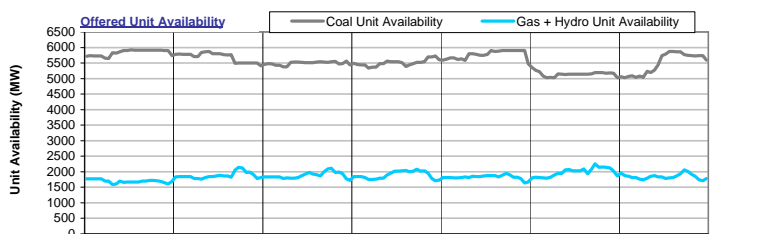
WATCHING THE MARKET : your fact source

Week Ending December 31, 2005

Weekly Highlights

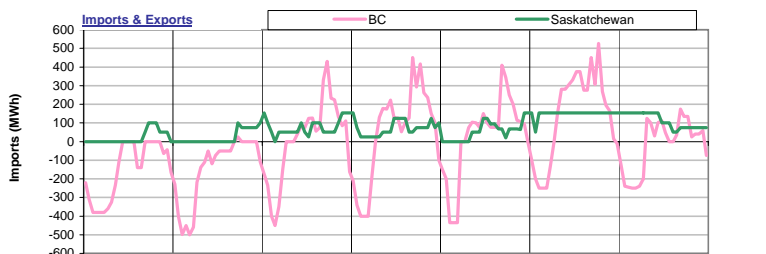


For the week ending December 31, 2005, **Pool Price** averaged \$60.36/MWh and ranged from a minimum of \$10.84/MWh in HE06 on Thursday to a maximum of \$564.63/MWh in HE18 on Friday. **Demand** reached a high of 8862 MW in HE18 on Thursday and a low of 6938 MW in HE04 on Monday. Average demand for the week was 7822MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.30.

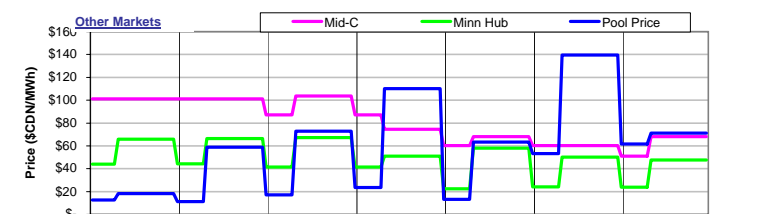


Coal Unit Availability averaged 5560 MW last week. This is an equivalent availability of 95% (based on MCR). Gas and Hydro Unit Availability averaged 1858MW last week, which is an equivalent of 33% (based on MCR).

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

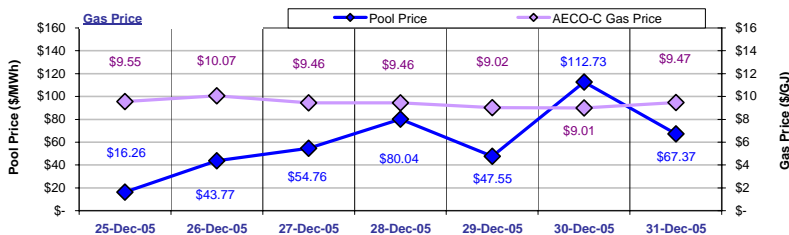


Alberta was a net exporter to BC last week with total exports equal to 2,256MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 12,208MWh. Overall, Alberta imported 9,952MWh of electricity last week.



Pool Prices were generally lower than prices in Mid-C and higher than prices in Minn Hub last week. Mid-C prices averaged \$79.37/MWh on-peak and \$78.38/MWh off-peak. Minn Hub prices averaged \$56.75/MWh on-peak and \$34.50/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.16655.



The average AECO-C Gas Price last week was \$9.43/GJ and ranged from a minimum of \$9.01/GJ to \$10.07/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 1.70GJ/MWh to a high of 12.52GJ/MWh. The average market heat rate for the week was 6.46GJ/MWh.

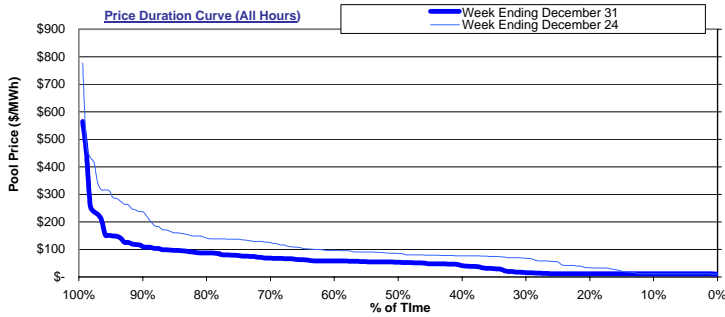


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

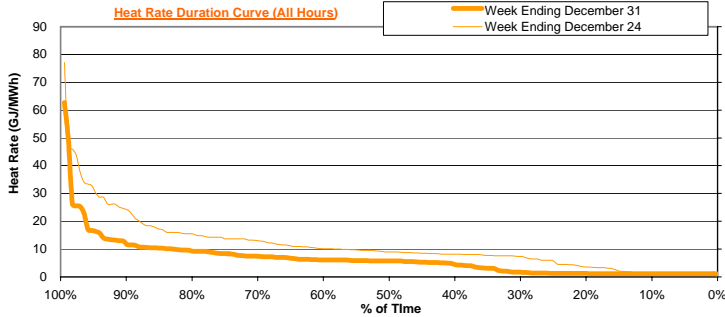
	Sunday 25-Dec	Monday 26-Dec	Tuesday 27-Dec	Wednesday 28-Dec	Thursday 29-Dec	Friday 30-Dec	Saturday 31-Dec	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 16.26	\$ 43.77	\$ 54.76	\$ 80.04	\$ 47.55	\$ 112.73	\$ 67.37	\$ 60.36	\$ 106.96	-43.6%	\$ 70.39
On-Peak	NA	\$ 58.79	\$ 72.89	\$ 110.22	\$ 63.46	\$ 139.52	\$ 71.25	\$ 86.02	\$ 131.10	-34.4%	\$ 86.63
Off-Peak	\$ 16.26	\$ 13.74	\$ 18.52	\$ 19.69	\$ 15.73	\$ 59.16	\$ 59.63	\$ 26.14	\$ 74.77	-65.0%	\$ 44.62
COV	0.48	1.37	0.61	1.11	0.65	1.00	0.38	0.80	0.70	14.0%	
Heat Rate											
Average	1.70	4.35	5.79	8.47	5.27	12.52	7.11	6.46	8.61	-25.0%	8.51
On-Peak	NA	5.84	7.71	12.22	6.84	15.49	7.52	9.27	13.82	-32.9%	10.47
Off-Peak	1.70	1.36	1.96	2.18	1.70	6.57	6.30	2.80	7.85	-64.4%	5.39
Demand											
Average	7,585	7,566	7,820	7,918	8,057	8,005	7,805	7,822	8,215	-4.8%	7,565
Minimum	7,029	6,938	6,960	7,068	7,145	7,224	7,132	7,071	7,358	-3.9%	6,104
Maximum	8,181	8,272	8,685	8,687	8,862	8,646	8,595	8,561	9,029	-5.2%	9,580
Coal Unit Availability											
Average	5,834	5,687	5,493	5,507	5,769	5,148	5,482	5,560	5,537		5,181
Utilization	100%	97%	94%	94%	99%	88%	94%	95%	95%	0.4%	89%
Gas and Hydro Unit Availability											
Average	1,694	1,880	1,883	1,894	1,827	1,985	1,845	1,858	2,100	-4.3%	2,108
Utilization	36%	39%	40%	40%	38%	42%	39%	33%	37%	-4.3%	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 31, prices were at or below:

- \$20/MWh 33% of the time
- \$50/MWh 45% of the time
- \$100/MWh 87% of the time
- \$250/MWh 98% of the time
- \$500/MWh 99% of the time

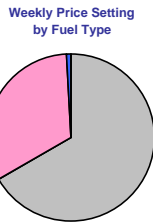
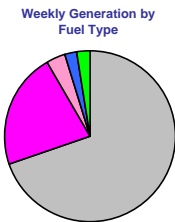


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending December 31, implied market heat rates were at or below:

- 5.0 GJ/MWh 42% of the time
- 10.0 GJ/MWh 83% of the time
- 15.0 GJ/MWh 94% of the time
- 20.0 GJ/MWh 96% of the time

Market Share Statistics

By Fuel Type:



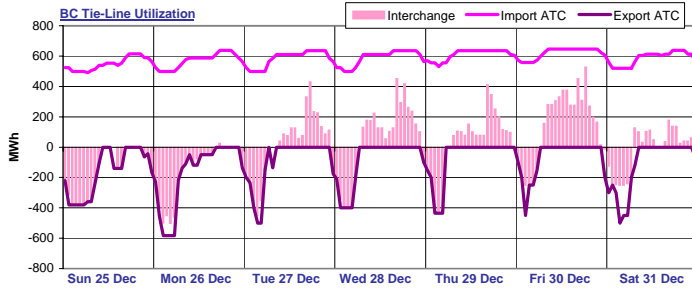
By Submitting Customer:



Last week, coal units were responsible for 69.8% of the generation in the province and set price 66.5% of the time. Gas-cogen units accounted for 21.8% of the generation and set price 0.0% of the time last week while other gas units made up 3.6% of generation and set price 32.7% of the time.

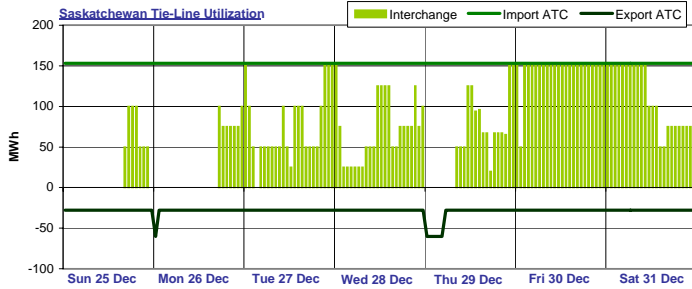
A total of 9 market participants set price last week. One market participants set price more than 20% of the time last week. The top price setter set price 44.8% of the time and the top five price setters set price a total of 87.6% of the time.

Interties

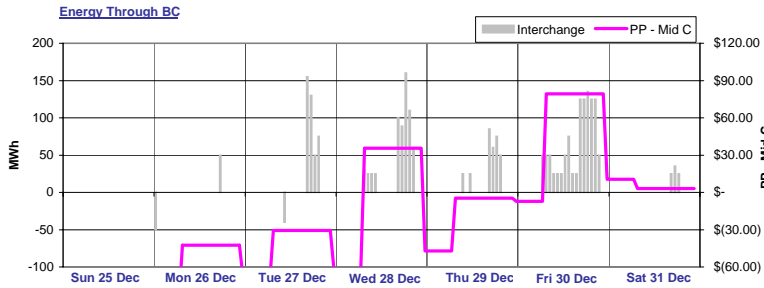


BC import capacity was 13% utilized last week while BC export capacity was 87% utilized. Energy was being imported into Alberta over the BC tie-line 46% of the time and exported out of Alberta over the BC tie-line 39% of the time last week. There was no activity on the BC tie-line 15% of the time last 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.



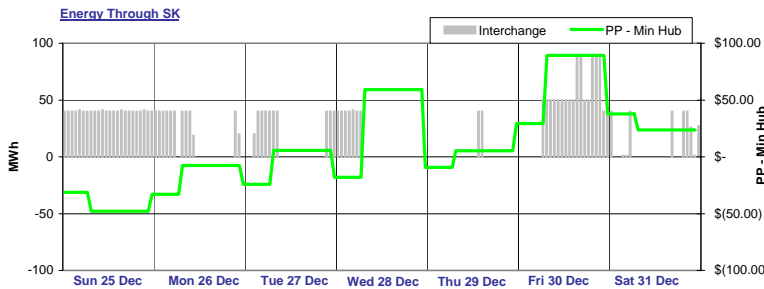
Saskatchewan import capacity was 47% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 74% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 26% of the time last week.



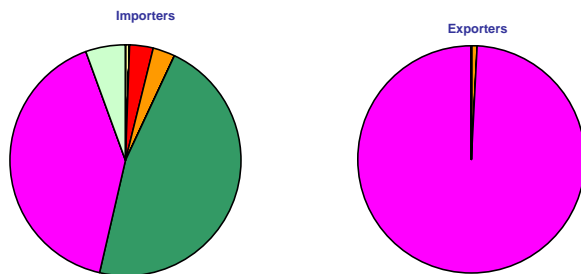
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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: Platt's day-ahead strip used for Mid-C and Min Hub in energy through BC and SK graphs respectively.



Tie-Line Market Shares

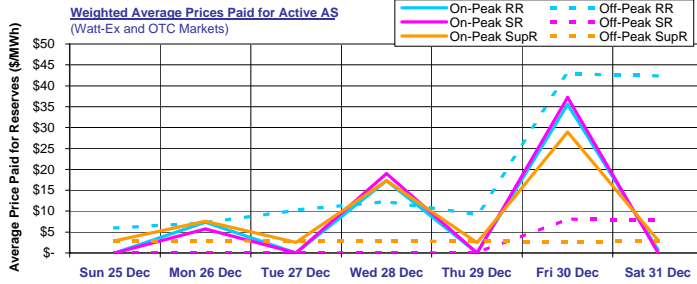


Last week, there were a total of 6 importers. The most active importer had a market share of 46.5% while the second most active importer had a market share of 40.8%.

There were a total of 2 exporters last week. The most active exporter had a market share of 99.3% while the next largest exporter had a market share of 0.7%.

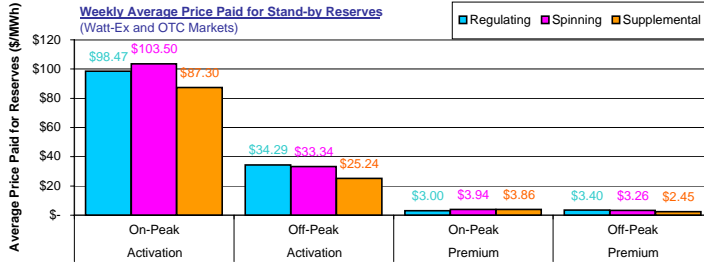
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$28.85/MWh**, **\$7.05/MWh** and **\$0.00/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

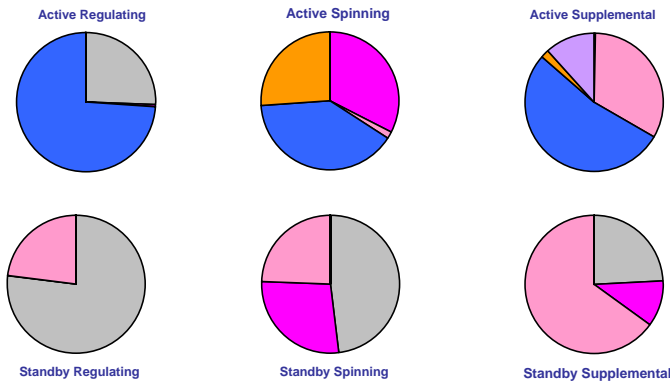
Active average off-peak prices were somewhat **higher** and averaged **\$55.30/MWh**, **\$46.01/MWh** and **\$0.00/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$25.24/MWh** for **off-peak supplemental** reserves to **\$103.50/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$2.45/MWh** for **off-peak supplemental** reserves up to **\$3.94/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 **73.9%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **39.8%** while in the **active supplemental** reserve market, **hydro** units dominated with a **52.9%** market share.

Coal units dominated the **standby regulating** reserve market with a **77.0%** market share. Leading market share in the **standby spinning** market was held by **gas** units with a **48.0%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **65.0%**.

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.