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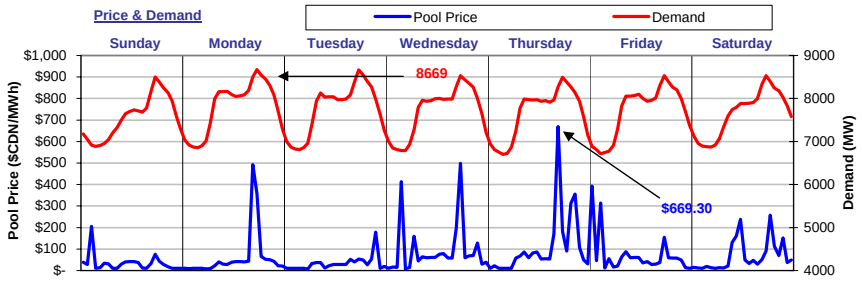
The Market Monitor

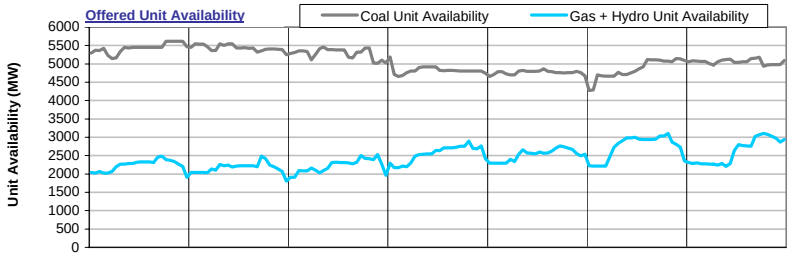
WATCHING THE MARKET : your fact source

Week Ending December 4, 2004

Weekly Highlights

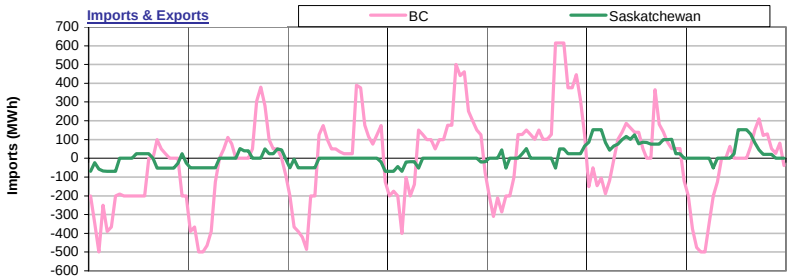


For the week ending December 4, 2004, Pool Price averaged $68.22/MWh and ranged from a minimum of $7.07/MWh in HE05 on Wednesday to a maximum of $669.30/MWh in HE17 on Thursday.
Demand reached a high of 8669 MW in HE18 on Monday and a low of 6704 MW in HE04 on Thursday. Average demand for the week was 7692MW.
Pool Price and Demand were positively correlated last week with an R-squared value of 0.08.

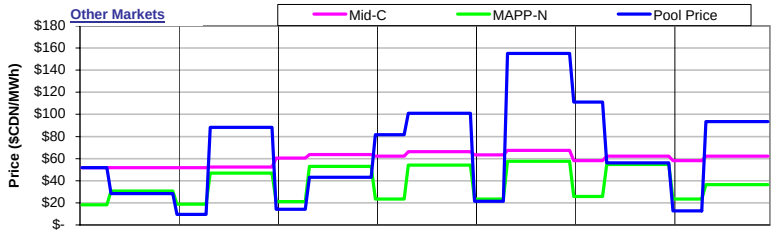


Coal Unit Availability averaged 4574 MW last week. This is an equivalent availability of 83% (based on MCR).
Gas and Hydro Unit Availability averaged 2066MW last week, which is an equivalent of 37% (based on MCR).

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

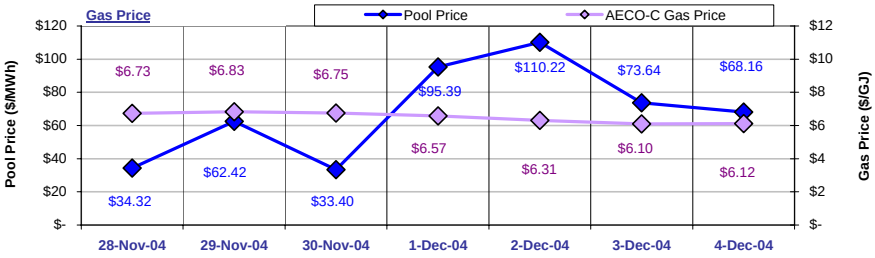


Alberta was a net exporter to BC last week with total exports equal to 1,708MWh.
Alberta was a net importer from Saskatchewan last week with total imports equal to 1,679MWh.
Overall, Alberta exported 29MWh of electricity last week.



Pool Prices were generally higher than prices in Mid-C and higher than prices in MAPP-N last week.
Mid-C prices averaged $62.36/MWh on-peak and $57.98/MWh off-peak.
MAPP-N prices averaged $50.50/MWh on-peak and $22.10/MWh off-peak.

Prices in $CDN at an exchange rate of 1.1779.



The average AECO-C Gas Price last week was $6.49/GJ and ranged from a minimum of $6.10/GJ to $6.83/GJ.
Prevailing gas prices resulted in market heat rates ranging from a low of 4.95GJ/MWh to a high of 17.46GJ/MWh
The average market heat rate for the week was 10.62GJ/MWh.

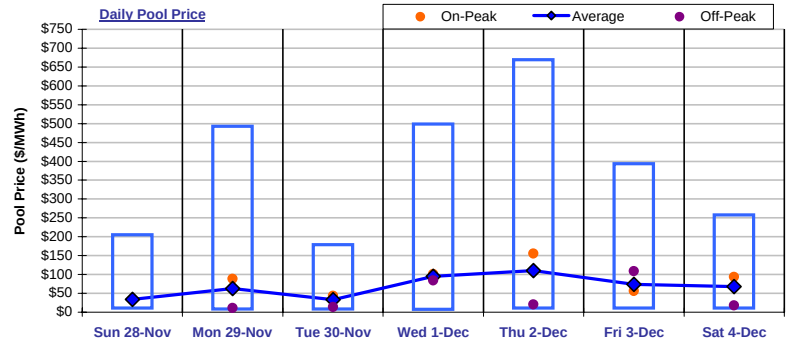
Market Surveillance Administrator

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

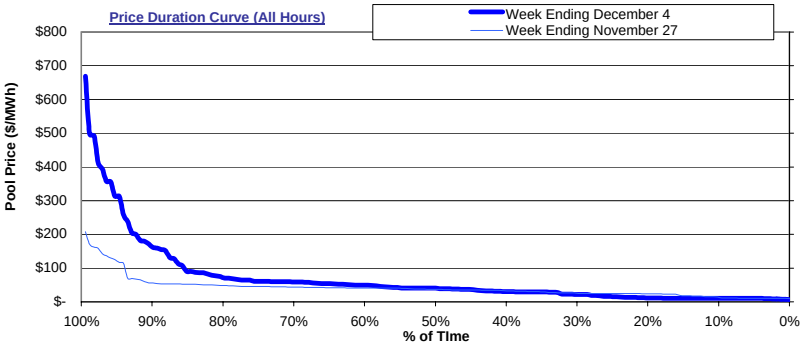
Weekly Market Statistics

	Sunday 28-Nov	Monday 29-Nov	Tuesday 30-Nov	Wednesday 1-Dec	Thursday 2-Dec	Friday 3-Dec	Saturday 4-Dec	Average	Last Week	% Change	YTD
Pool Price											
Average	$ 34.32	$ 62.42	$ 33.40	$ 95.39	$ 110.22	$ 73.64	$ 68.16	$ 68.22	$ 40.95	66.6%	$ 54.20
On-Peak	NA	$ 88.14	$ 43.23	$ 100.96	$ 155.05	$ 56.25	$ 93.43	$ 89.51	$ 48.76	83.6%	$ 63.81
Off-Peak	$ 34.32	$ 10.97	$ 13.73	$ 84.26	$ 20.55	$ 108.43	$ 17.62	$ 39.83	$ 30.54	30.4%	$ 38.41
COV	1.16	1.84	1.04	1.26	1.35	1.25	1.05	1.28	0.67	90.3%	
Demand											
Average	7,561	7,813	7,753	7,699	7,655	7,705	7,660	7,692	7,683	0.1%	7,402
Minimum	6,886	6,859	6,812	6,789	6,704	6,718	6,873	6,806	6,814	-0.1%	6,017
Maximum	8,498	8,669	8,663	8,529	8,495	8,529	8,529	8,559	8,489	0.8%	8,967
Coal Unit Availability											
Average	5,432	5,438	5,283	4,828	4,765	4,853	5,057	5,094	5,328		4,878
Utilization	98%	99%	96%	87%	86%	88%	92%	92%	97%	-4.2%	88%
Gas and Hydro Unit Availability											
Average	2,234	2,167	2,221	2,547	2,525	2,735	2,618	2,435	2,226		2,329
Utilization	47%	46%	47%	53%	53%	57%	55%	43%	39%	3.7%	41%



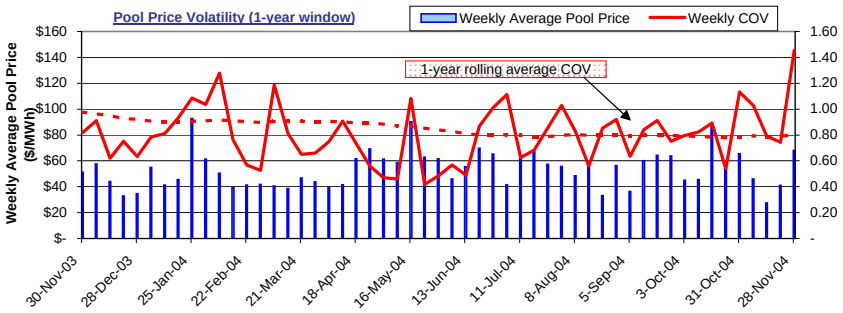
The Daily Pool Price graph plots the daily range in hourly Pool price (defined by the blue box) along with the daily average and daily on and off-peak prices. The on-peak Pool price for the week was $89.51/MWh while the off-peak Pool price for the week was $39.83/MWh.

Note: Sundays and most statutory holidays are defined as off-peak.



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 4, prices were at or below:

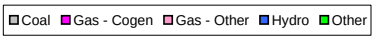
$20/MWh	28% of the time
$50/MWh	61% of the time
$100/MWh	85% of the time
$250/MWh	93% of the time
$500/MWh	99% of the time



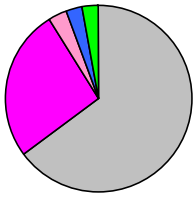
The chart plots average weekly Pool Price and the Coefficient of Variation (COV) of hourly Pool prices for the week. The COV is a standard statistical measure of volatility.
Pool price volatility increased for the week ending December 4 from the previous week.
Pool price volatility also moved above the 1-year rolling average COV value.

Market Share Statistics

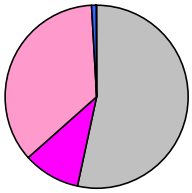
By Fuel Type:



Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



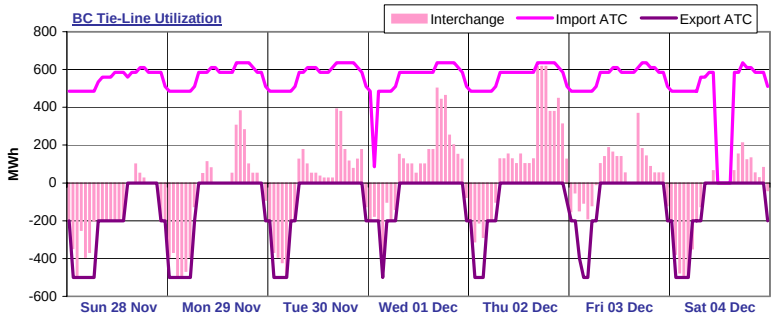
By Submitting Customer:

Weekly Price Setting by Submitting Customer

Last week, coal units were responsible for 64.8% of the generation in the province and set price 53.2% of the time. Gas-cogen units accounted for 26.2% of the generation and set price 10.0% of the time last week while other gas units made up 3.4% of generation and set price 35.9% of the time.

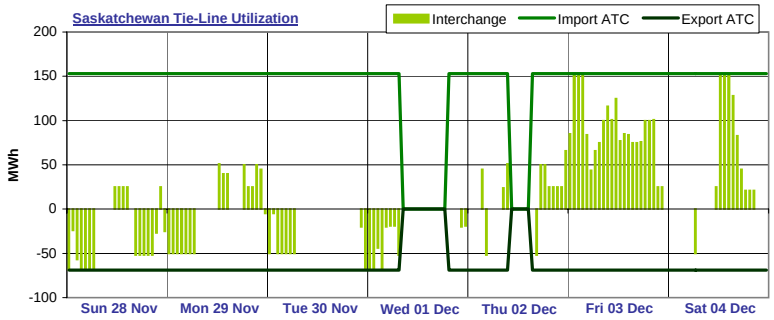
A total of 13 market participants set price last week. Two market participants set price more than 20% of the time last week. The top price setter set price 28.2% of the time and the top five price setters set price a total of 78.8% of the time.

Interties

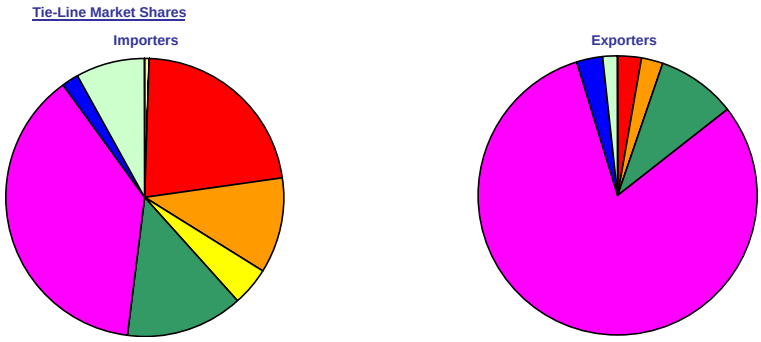


BC import capacity was 14% utilized last week while BC export capacity was 77% utilized. Energy was being imported into Alberta over the BC tie-line 52% of the time and exported out of Alberta over the BC tie-line 38% of the time last week. There was no activity on the BC tie-line 10% of the time last 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.



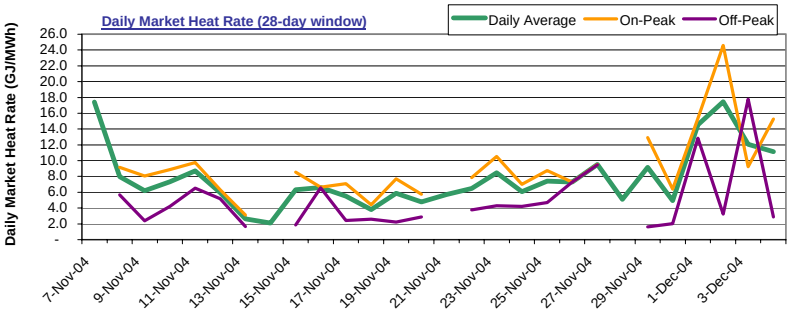
Saskatchewan import capacity was 16% utilized last week while Saskatchewan export capacity was 19% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 33% of the time and exported out of Alberta over the Saskatchewan tie-line 26% of the time last week. There was no activity on the Saskatchewan tie-line 40% of the time last week.



Last week, there were a total of 8 importers. The most active importer had a market share of 38.2% while the second most active importer had a market share of 22.1%. There were a total of 7 exporters last week. The most active exporter had a market share of 80.9% while the next largest exporter had a market share of 9.1%.

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

Market Heat Rates



Over the past 28 days, the daily Market Heat Rate averaged 7.7 GJ/MWh and ranged from a low of 2.1 GJ/MWh to a high of 17.5 GJ/MWh.
The daily On-Peak Market Heat Rate for the last 28 days averaged 9.2 GJ/MWh while the daily Off-Peak Market Heat Rate averaged 4.9 GJ/MWh.

Sparkspreads

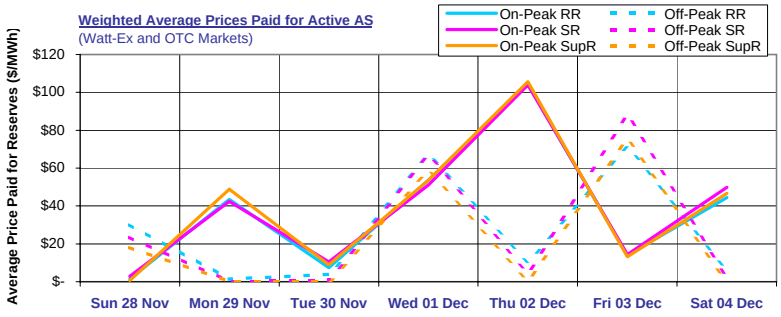
Date	AECO-C Gas Price ($/GJ)	Daily Average Pool Price ($/MWh)	Daily Average Sparkspread ($/MWh) HR=7.5	Daily Average Sparkspread ($/MWh) HR=10.0	On-Peak Pool Price ($/MWh)	On-Peak Sparkspread ($/MWh) HR=7.5	On-Peak Sparkspread ($/MWh) HR=10.0	Off-Peak Pool Price ($/MWh)	Off-Peak Sparkspread ($/MWh) HR=7.5	Off-Peak Sparkspread ($/MWh) HR=10.0
Sun 28 Nov	$ 6.73	$ 34.32	(16.18)	(33.01)	NA	NA	NA	$ 34.32	(16.18)	(33.01)
Mon 29 Nov	$ 6.83	$ 62.42	11.22	(5.85)	$ 88.14	36.94	19.88	$ 10.97	(40.23)	(57.30)
Tue 30 Nov	$ 6.75	$ 33.40	(17.21)	(34.08)	$ 43.23	(7.38)	(24.25)	$ 13.73	(36.87)	(53.74)
Wed 01 Dec	$ 6.57	$ 95.39	46.12	29.69	$ 100.96	51.68	35.26	$ 84.26	34.98	18.56
Thu 02 Dec	$ 6.31	$ 110.22	62.88	47.10	$ 155.05	107.71	91.93	$ 20.55	(26.79)	(42.57)
Fri 03 Dec	$ 6.10	$ 73.64	27.87	12.61	$ 56.25	10.47	(4.78)	$ 108.43	62.65	47.39
Sat 04 Dec	$ 6.12	$ 68.16	22.24	6.93	$ 93.43	47.51	32.20	$ 17.62	(28.31)	(43.61)

Daily average sparkspreads last week were mostly positive for a heat rate of 7.5 GJ/MWh and mostly positive for a heat rate of 10.0 GJ/MWh.

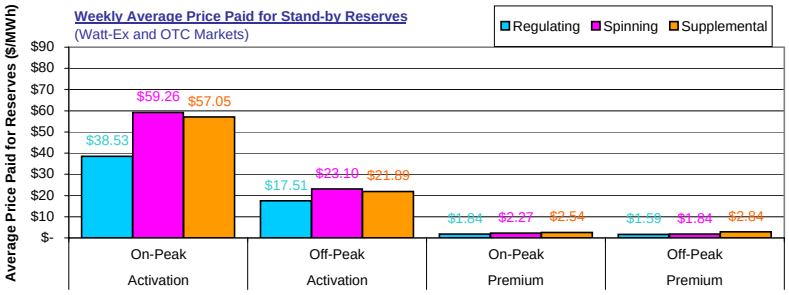
On-peak sparkspreads last week were mostly positive for a heat rate of 7.5 GJ/MWh and mostly positive for a heat rate of 10.0 GJ/MWh.

Off-peak sparkspreads last week were mostly negative for a heat rate of 7.5 GJ/MWh and mostly negative for a heat rate of 10.0 GJ/MWh.

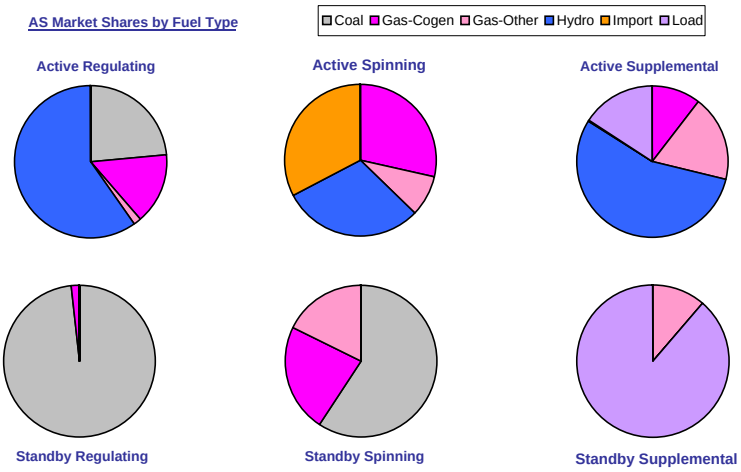
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were $38.50/MWh, $39.53/MWh and $39.42/MWh respectively for active regulating, spinning and supplemental reserves.
Active average off-peak prices were somewhat higher and averaged $27.30/MWh, $26.41/MWh and $21.64/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from $17.51/MWh for off-peak regulating reserves to $59.26/MWh for on-peak spinning reserves.
Weekly average premium prices ranged from $1.59/MWh for off-peak supplemental reserves up to $2.84/MWh for on-peak spinning reserves.



Last week hydro units had the largest market share in the active regulating reserve market with 59.8%. In the active spinning reserve market, hydro units had the leading market share with 32.8% while in the active supplemental reserve market, hydro units dominated with a 54.9% market share.

Coal units dominated the standby regulating reserve market with a 98.3% market share. Leading market share in the standby spinning market was held by gas units with a 59.1% market share. In the standby supplemental reserve market, gas units had the leading market share with 88.5%.

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 MAPP-N: 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 Mountian 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 MAPP-N: 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.
Sparkspread	Sparkspreads 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.

MARKET SURVEILLANCE ADMINISTRATOR

For helpful suggestions on how to interpret information in the Market Monitor, please refer to: www.albertamsa.ca/files/MMhelp.pdf