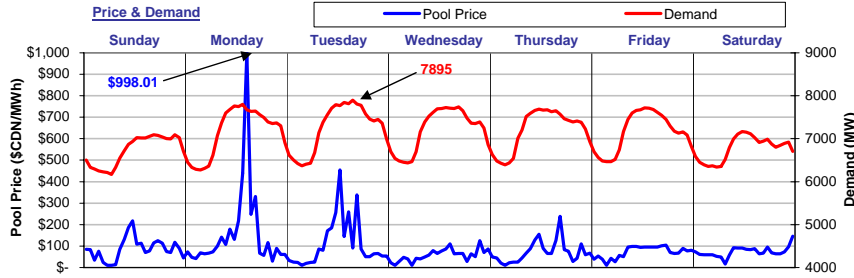


The Market Monitor

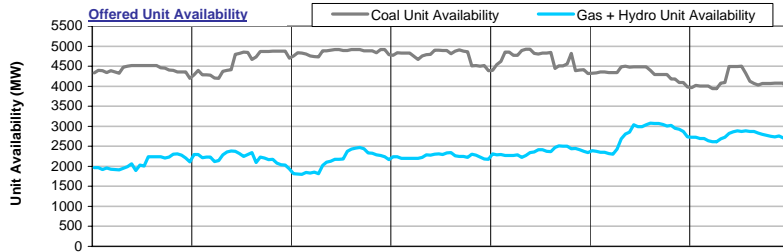
WATCHING THE MARKET : your fact source

Week Ending May 22, 2004

Weekly Highlights

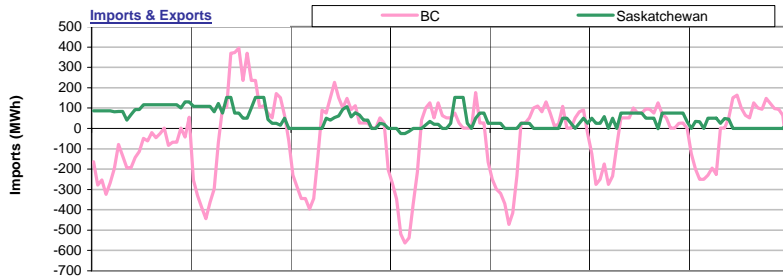


For the week ending May 22, 2004, **Pool Price** averaged \$90.28/MWh and ranged from a minimum of \$10.04/MWh in HE04 on Thursday to a maximum of \$998.01/MWh in HE15 on Monday. **Demand** reached a high of 7895 MW in HE16 on Tuesday and a low of 6172 MW in HE07 on Sunday. Average demand for the week was 7073MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.18.

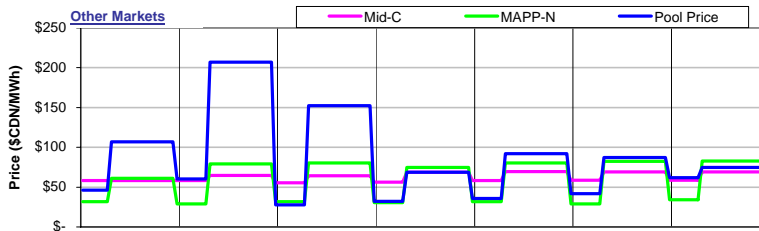


Coal Unit Availability averaged 4538 MW last week. This is an equivalent availability of 82% (based on MCR). **Gas and Hydro Unit Availability** averaged 2370 MW last week, which is an equivalent of 42% (based on MCR).

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

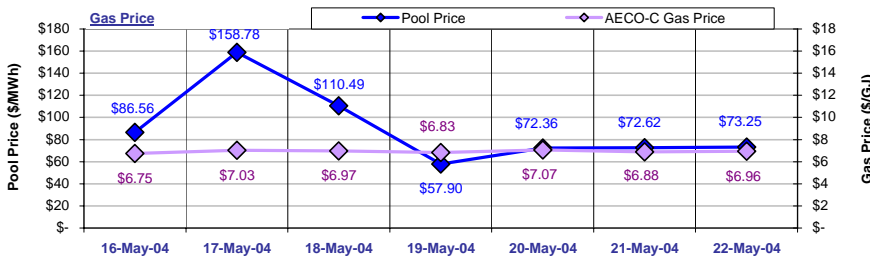


Alberta was a net exporter to **BC** last week with total exports equal to 6,871 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 7,998MWh. Overall, Alberta imported 1,127 MWh of electricity last week.



Pool Prices were generally higher than prices in **Mid-C** and higher than prices in **MAPP-N** last week. **Mid-C** prices averaged \$67.74/MWh on-peak and \$57.67/MWh off-peak. **MAPP-N** prices averaged \$80.08/MWh on-peak and \$31.22/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.3876.

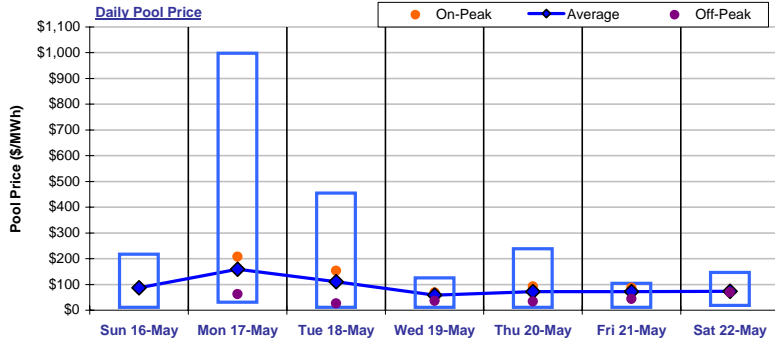


The average **AECO-C Gas Price** last week was \$6.93GJ and ranged from a minimum of \$6.75/GJ to \$7.07/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 8.47GJ/MWh to a high of 22.59GJ/MWh. The average market heat rate for the week was 13.01GJ/MWh.

Wholesale Market

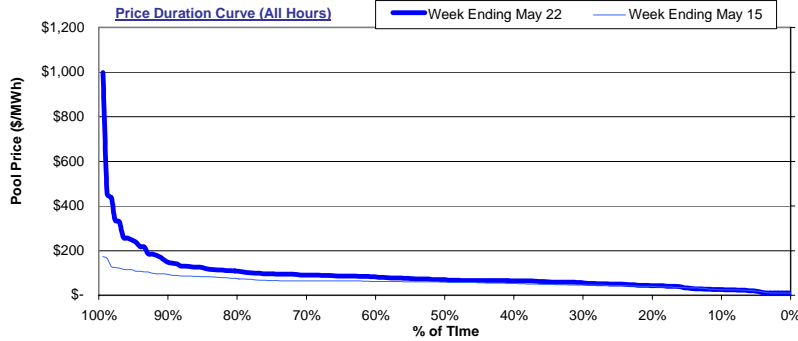
Weekly Market Statistics

	Sunday 16-May	Monday 17-May	Tuesday 18-May	Wednesday 19-May	Thursday 20-May	Friday 21-May	Saturday 22-May	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 86.56	\$ 158.78	\$ 110.49	\$ 57.90	\$ 72.36	\$ 72.62	\$ 73.25	\$ 90.28	\$ 58.70	53.8%	\$ 52.62
On-Peak	NA	\$ 207.09	\$ 152.39	\$ 68.78	\$ 91.99	\$ 87.11	\$ 74.87	\$ 113.70	\$ 67.84	67.6%	\$ 60.93
Off-Peak	\$ 86.56	\$ 62.17	\$ 26.68	\$ 36.16	\$ 33.10	\$ 43.63	\$ 70.01	\$ 59.05	\$ 46.50	27.0%	\$ 37.42
COV	0.59	1.29	1.03	0.49	0.71	0.37	0.33	0.69	0.44	56.8%	
Demand											
Average	6,731	7,166	7,257	7,213	7,208	7,161	6,776	7,073	7,067	0.1%	7,408
Minimum	6,172	6,271	6,372	6,440	6,394	6,468	6,339	6,351	6,395	-0.7%	6,094
Maximum	7,090	7,800	7,895	7,741	7,692	7,715	7,165	7,585	7,496	1.2%	8,967
Coal Unit Availability											
Average	4,421	4,610	4,858	4,759	4,668	4,329	4,123	4,538	4,629		5,089
Utilization	80%	84%	88%	86%	85%	78%	75%	82%	84%	-1.7%	92%
Gas and Hydro Unit Availability											
Average	2,087	2,212	2,139	2,250	2,365	2,778	2,758	2,370	2,276	1.7%	2,208
Utilization	44%	46%	45%	47%	50%	58%	58%	42%	40%	1.7%	39%



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 \$113.70/MWh while the **off-peak Pool price** for the week was \$59.05/MWh.

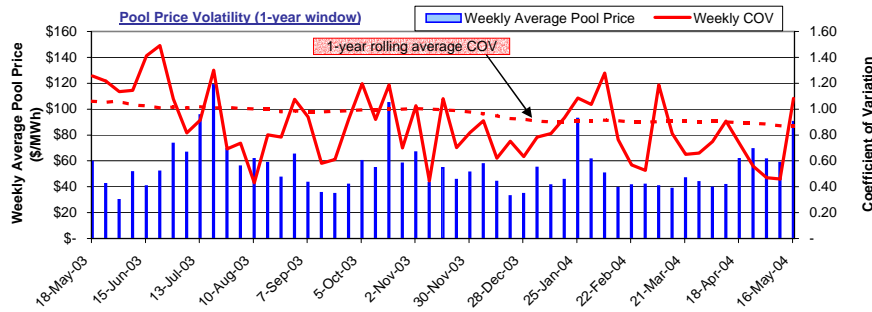
Note: Sundays and most statutory holidays are defined as off-peak.



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

For the week ending **May 22**, prices were at or below:

- \$20/MWh 5% of the time
- \$50/MWh 26% of the time
- \$100/MWh 77% of the time
- \$250/MWh 95% 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 **May 22** from the previous week.

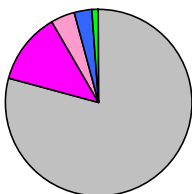
Pool price volatility also moved **above** the 1-year rolling average COV value.

Market Share Statistics

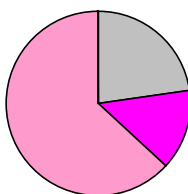
By Fuel Type:



Weekly Generation by Fuel Type

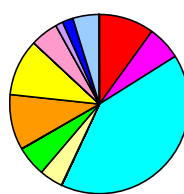


Weekly Price Setting by Fuel Type



By Submitting Customer:

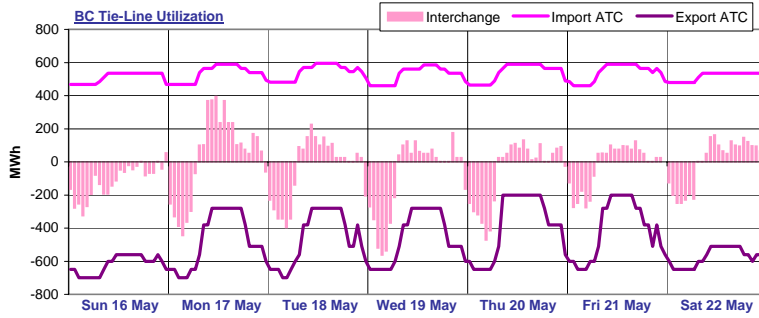
Weekly Price Setting by Submitting Customer



Last week, coal units were responsible for 79.1% of the generation in the province and set price 22.7% of the time. **Gas-cogen** units accounted for 12.4% of the generation and set price 14.1% of the time last week while **other gas** units made up 4.3% of generation and set price 63.1% of the time.

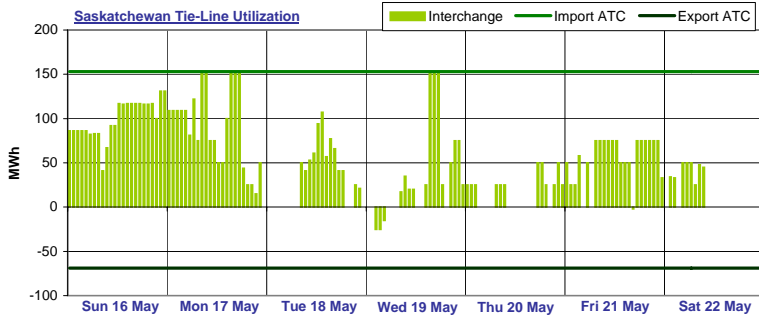
A total of 12 market participants set price last week. One market participant set price more than 20% of the time last week. The top price setter set price 40.8% of the time and the top five price setters set price a total of 76.9% of the time.

Interties



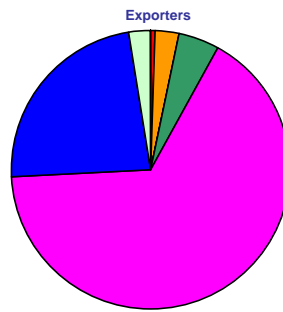
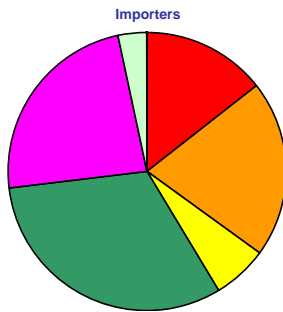
BC import capacity was 9% utilized last week while BC export capacity was 14% utilized. Energy was being imported into Alberta over the BC tie-line 59% of the time and exported out of Alberta over the BC tie-line 40% of the time last week. There was no activity on the BC tie-line 1% of the time last 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 1% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 68% of the time and exported out of Alberta over the Saskatchewan tie-line 2% of the time last week. There was no activity on the Saskatchewan tie-line 29% of the time last week.

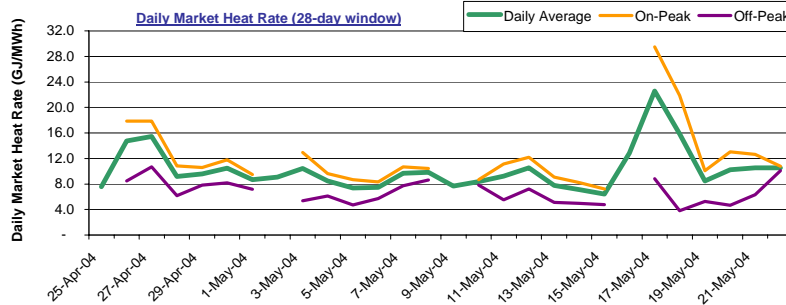
Tie-Line Market Shares



Last week, there were a total of 7 importers. The most active importer had a market share of 31.7% while the second most active importer had a market share of 23.4%. There were a total of 7 exporters last week. The most active exporter had a market share of 66.2% while the next largest exporter had a market share of 23.3%.

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 10.2 GJ/MWh and ranged from a low of 6.4 GJ/MWh to a high of 22.6 GJ/MWh.

The daily On-Peak Market Heat Rate for the last 28 days averaged 12.2 GJ/MWh while the daily Off-Peak Market Heat Rate averaged 6.7 GJ/MWh.

Sparksreads

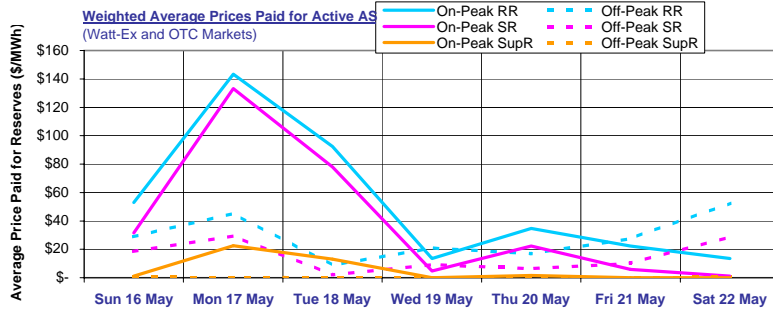
Date	AECO-C Gas Price (\$/GJ)	Daily Average			On-Peak			Off-Peak		
		Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0
Sun 16 May	\$ 6.75	\$ 86.56	35.94	19.07	NA	NA	NA	\$ 86.56	35.94	19.07
Mon 17 May	\$ 7.03	\$ 158.78	106.08	88.51	\$ 207.09	154.39	136.82	\$ 62.17	9.46	(8.11)
Tue 18 May	\$ 6.97	\$ 110.49	58.18	40.75	\$ 152.39	100.09	82.65	\$ 26.68	(25.63)	(43.06)
Wed 19 May	\$ 6.83	\$ 57.90	6.65	(10.44)	\$ 68.78	17.52	0.43	\$ 36.16	(15.09)	(32.18)
Thu 20 May	\$ 7.07	\$ 72.36	19.37	1.71	\$ 91.99	39.00	21.33	\$ 33.10	(19.89)	(37.55)
Fri 21 May	\$ 6.88	\$ 72.62	21.01	3.81	\$ 87.11	35.50	18.30	\$ 43.63	(7.97)	(25.18)
Sat 22 May	\$ 6.96	\$ 73.25	21.06	3.67	\$ 74.87	22.68	5.29	\$ 70.01	17.83	0.43

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

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

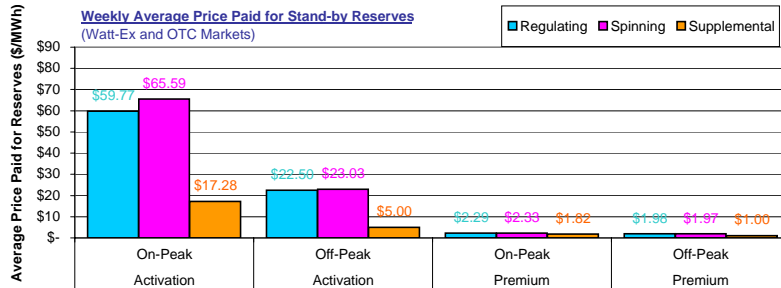
Off-peak sparksreads last week were mostly negative for a heat rate of 7.5 GJ/MWh and mostly negative for a heat rate of 10.0 GJ/MWh.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were \$53.17/MWh, \$39.79/MWh and \$5.56/MWh respectively for active regulating, spinning and supplemental reserves.

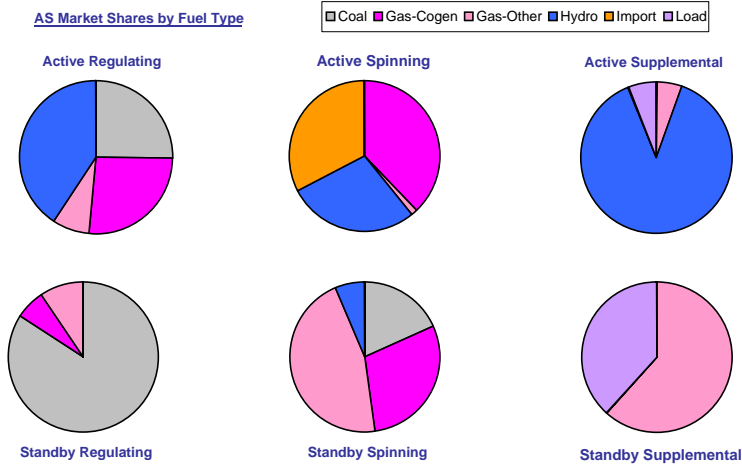
Active average off-peak prices were somewhat lower and averaged \$28.66/MWh, \$14.51/MWh and \$0.24/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$5.00/MWh for off-peak supplemental reserves to \$65.59/MWh for on-peak spinning reserves.

Weekly average premium prices ranged from \$1.00/MWh for off-peak supplemental reserves up to \$2.33/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 40.8%. 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 88.3% market share.

Coal units dominated the standby regulating reserve market with a 84.2% market share. Leading market share in the standby spinning market was held by gas-other units with a 46.0% market share. In the standby supplemental reserve market, gas-other units had the leading market share with 61.6%.

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 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 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.
- Sparks spread** Sparks spreads 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.