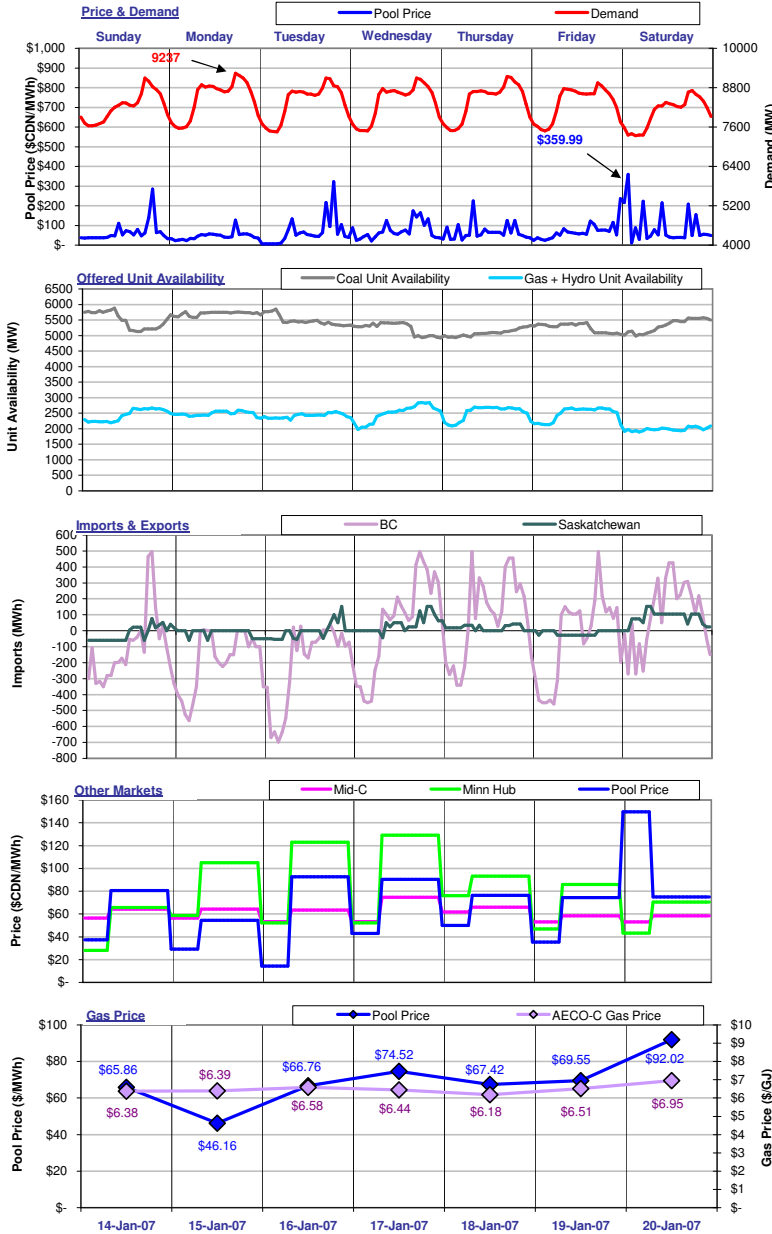


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending January 20, 2007

Weekly Highlights



For the week ending January 20, 2007, **Pool Price** averaged \$68.90/MWh and ranged from a minimum of \$7.08/MWh in HE05 on Tuesday to a maximum of \$359.99/MWh in HE2 on Saturday. **Demand** reached a high of 9237 MW in HE18 on Monday and a low of 7333 MW in HE04 on Saturday. Average demand for the week was 8313 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.07.

Coal Unit Availability averaged 5368 MW last week. This is an equivalent availability of 92% (based on MCR). **Gas and Hydro Unit Availability** averaged 2401 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 7,293MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,248 MWh. Overall, Alberta exported 5,045 MWh of electricity last week.

Pool Prices were generally higher than prices in Mid-C and lower than prices in Minn Hub last week. **Mid-C** prices averaged \$62.94/MWh on-peak and \$55.20/MWh off-peak. **Minn Hub** prices averaged \$91.37/MWh on-peak and \$50.39/MWh off-peak.

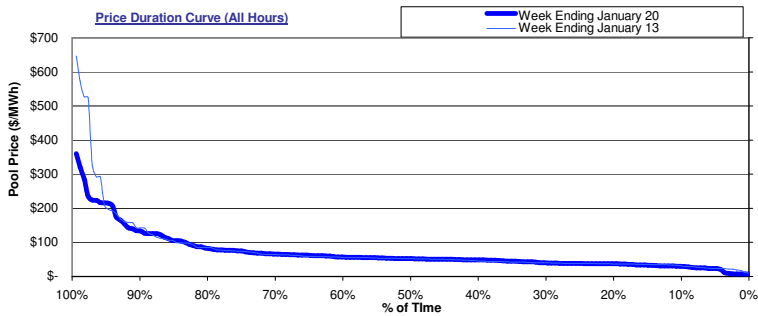
Prices in \$/CDN at an exchange rate of 1.17089.

The average **AECO-C Gas Price** last week was \$6.49/GJ and ranged from a minimum of \$6.18/GJ to \$6.95/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 7.23 GJ/MWh to a high of 13.24GJ/MWh. The average market heat rate for the week was 10.58 GJ/MWh.

Wholesale Market

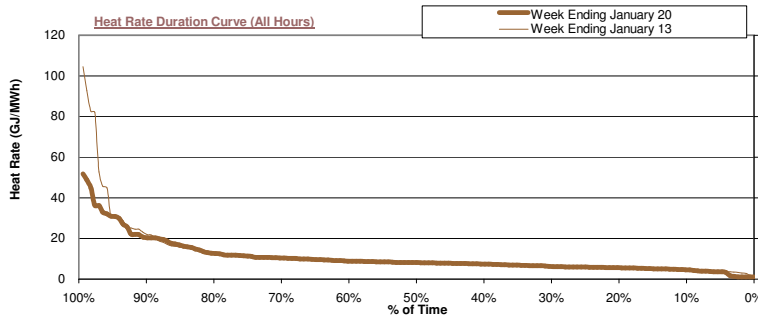
Weekly Market Statistics

	Sunday 14-Jan	Monday 15-Jan	Tuesday 16-Jan	Wednesday 17-Jan	Thursday 18-Jan	Friday 19-Jan	Saturday 20-Jan	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 65.86	\$ 46.16	\$ 66.76	\$ 74.52	\$ 67.42	\$ 69.55	\$ 92.02	\$ 68.90	\$ 76.84	-10.3%	\$ 64.05
On-Peak	NA	\$ 54.46	\$ 92.73	\$ 90.48	\$ 76.24	\$ 74.30	\$ 74.95	\$ 77.19	\$ 100.53	-23.2%	\$ 75.83
Off-Peak	\$ 65.86	\$ 29.56	\$ 14.82	\$ 42.59	\$ 49.77	\$ 60.05	\$ 126.17	\$ 57.84	\$ 45.25	27.8%	\$ 44.27
COV	0.81	0.45	1.08	0.59	0.64	0.63	0.96	0.74	0.87	-15.3%	
Heat Rate											
Average	10.32	7.23	10.14	11.57	10.90	10.69	13.24	10.58	12.05	-12.2%	10.26
On-Peak	NA	8.53	14.09	14.05	12.33	11.41	10.78	11.87	15.65	-24.2%	12.14
Off-Peak	10.32	4.63	2.25	6.61	8.05	9.23	18.15	8.88	7.26	22.3%	7.09
Demand											
Average	8,218	8,474	8,356	8,366	8,386	8,322	8,045	8,310	8,369	-0.7%	8,266
Minimum	7,637	7,559	7,453	7,486	7,488	7,483	7,333	7,491	7,482	0.1%	7,029
Maximum	9,091	9,237	9,088	9,088	9,142	8,949	8,711	9,044	9,186	-1.5%	9,466
Coal Unit Availability											
Average	5,497	5,707	5,482	5,226	5,089	5,254	5,321	5,368	5,359		5,415
Utilization	94%	98%	94%	89%	87%	90%	91%	92%	92%	0.2%	93%
Gas and Hydro Unit Availability											
Average	2,439	2,485	2,420	2,495	2,508	2,473	1,986	2,401	2,501	-2.1%	2,385
Utilization	52%	53%	51%	53%	53%	53%	42%	51%	53%	-2.1%	51%



The price duration curves show the % of time that prices were at or below a certain value during the week. For the week ending **January 20**, prices were at or below:

- \$20/MWh 4% of the time
- \$50/MWh 42% of the time
- \$100/MWh 83% of the time
- \$250/MWh 98% of the time
- \$500/MWh 100% of the time



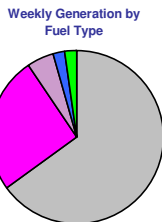
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **January 20** implied market heat rates were at or below:

- 5.0 GJ/MWh 14% of the time
- 10.0 GJ/MWh 68% of the time
- 15.0 GJ/MWh 83% of the time
- 20.0 GJ/MWh 89% of the time

Market Share Statistics

By Fuel Type:

Legend: ■ Coal ■ Gas - Cogen ■ Gas - Other ■ Hydro ■ Other



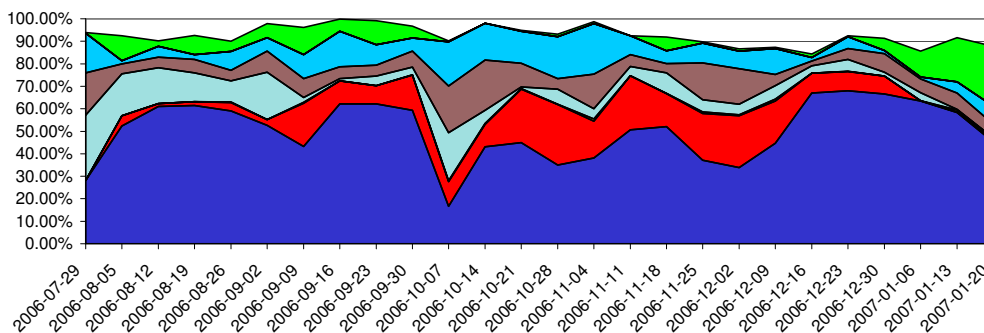
By Submitting Customer:



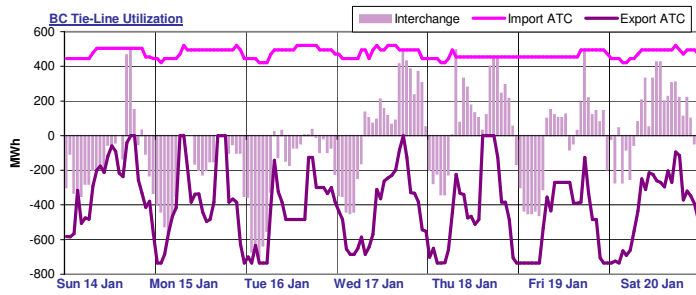
Last week, coal units were responsible for 65.1% of the generation in the province and set price 58.6% of the time. Gas-cogen units accounted for 25.4% of the generation and set price 40.3% of the time last week while other gas units made up 4.8% of generation and set price 0.2% of the time.

A total of 10 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 45.2% of the time and the top five price setters set price a total of 94.3% of the time.

Weekly Price Setting by Submitting Customer

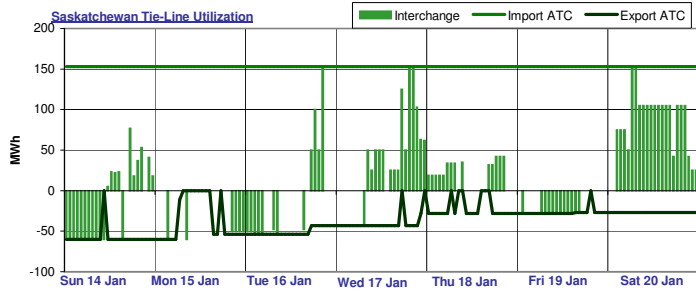


Interties

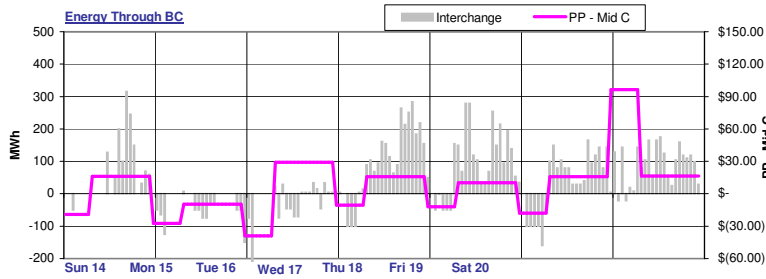


BC import capacity was 20% utilized last week while BC export capacity was 31% utilized. Energy was being imported into Alberta over the BC tie-line 44% of the time and exported out of Alberta over the BC tie-line 52% of the time last week. There was no activity on the BC tie-line 4% of the time last 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.



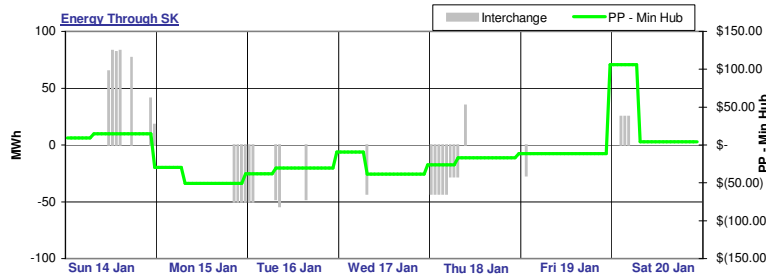
Saskatchewan import capacity was 18% utilized last week while Saskatchewan export capacity was 34% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 39% of the time and exported out of Alberta over the Saskatchewan tie-line 23% of the time last week. There was no activity on the Saskatchewan tie-line 38% of the time last week.



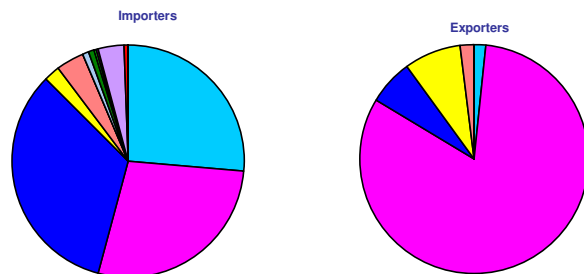
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

Alberta prices were generally lower than prices in MAPP as represented by spot prices at the Minnesota Hub, which generally supports export activity across the Alberta - Saskatchewan interconnection.

Note: Platt's day-ahead strip prices used in energy through BC and SK graphs.



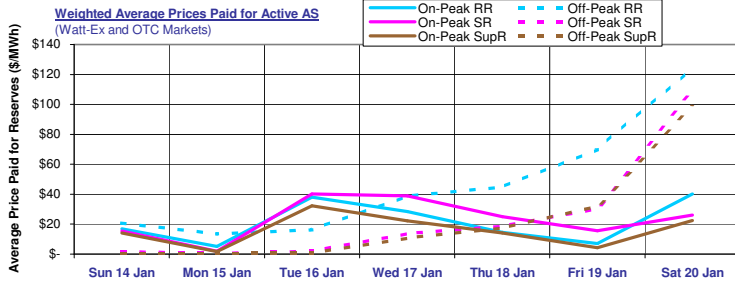
Tie-Line Market Shares



Last week, there were a total of 12 importers. The most active importer had a market share of 33.4% while the second most active importer had a market share of 27.9%. There were a total of 7 exporters last week. The most active exporter had a market share of 81.8% while the next largest exporter had a market share of 8.2%.

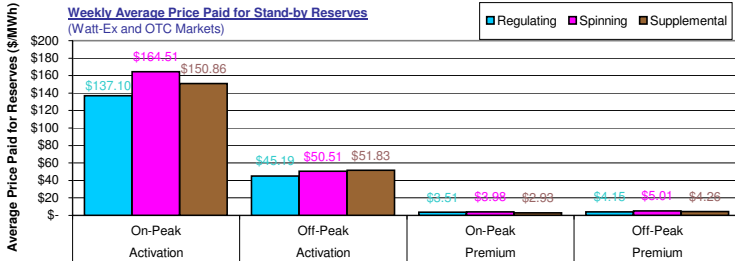
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$21.70/MWh**, **\$23.29/MWh** and **\$15.78/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

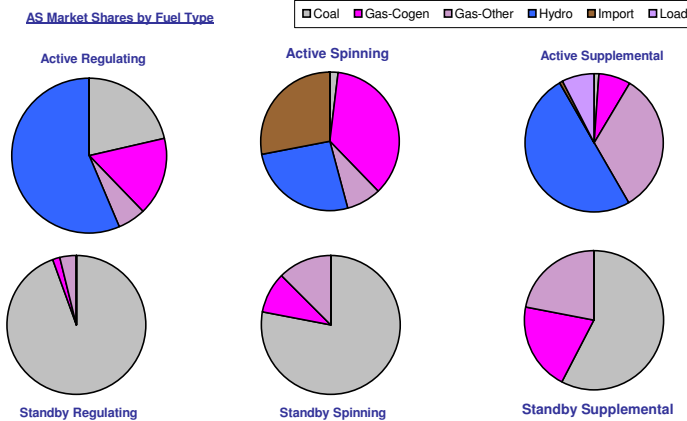
Active average off-peak prices were somewhat **higher** and averaged **\$46.76/MWh**, **\$24.30/MWh** and **\$22.17/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$45.19/MWh** for **off-peak regulating** reserves to **\$164.51/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$2.93/MWh** for **on-peak supplemental** reserves up to **\$5.01/MWh** for **off-peak spinning** reserves.

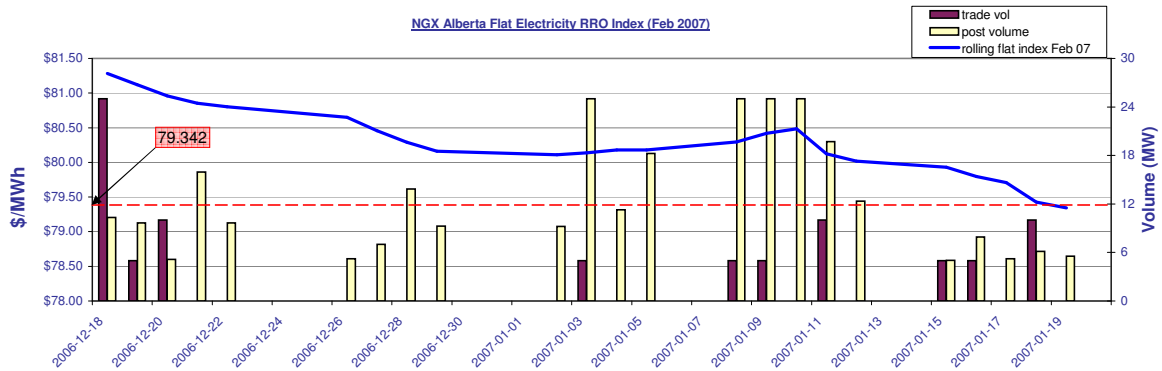
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **56.4%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **35.9%** while in the **active supplemental** reserve market, **hydro** units dominated with a **50.0%** market share.

Coal units dominated the **standby regulating** reserve market with a **94.4%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **77.9%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **57.6%**.

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.
- 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.