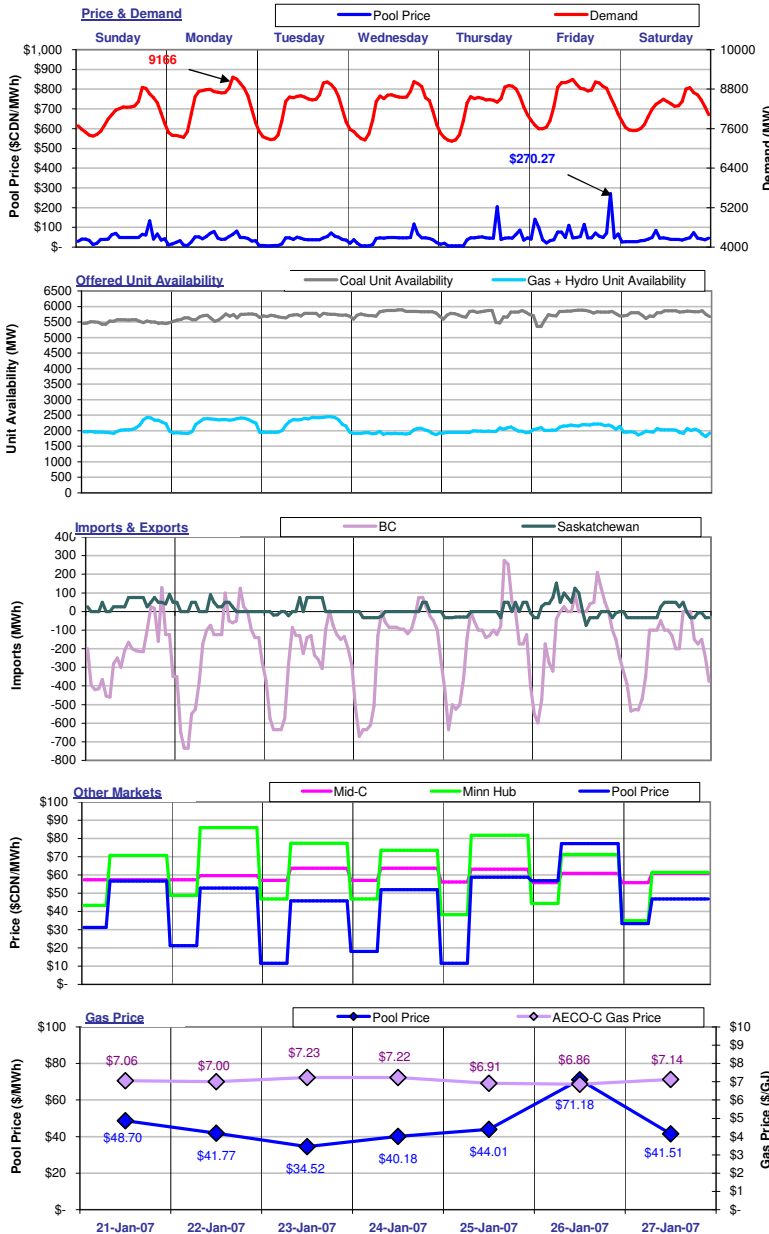


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending January 27, 2007

Weekly Highlights



For the week ending January 27, 2007, **Pool Price** averaged \$45.98/MWh and ranged from a minimum of \$6.77/MWh in HE05 on Thursday to a maximum of \$270.27/MWh in HE22 on Friday. **Demand** reached a high of 9166 MW in HE18 on Monday and a low of 7215 MW in HE04 on Thursday. Average demand for the week was 8253 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.24.

Coal Unit Availability averaged 5711 MW last week. This is an equivalent availability of 98% (based on MCR). **Gas and Hydro Unit Availability** averaged 2085 MW 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 33,644MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 2,153 MWh. Overall, Alberta exported 31,491 MWh of electricity last week.

Pool Prices were generally lower than prices in **Mid-C** and lower than prices in **Minn Hub** last week. **Mid-C** prices averaged \$62.01/MWh on-peak and \$56.66/MWh off-peak. **Minn Hub** prices averaged \$75.23/MWh on-peak and \$43.36/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.17286.

The average **AECO-C Gas Price** last week was \$7.06/GJ and ranged from a minimum of \$6.86/GJ to \$7.23/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 4.77 GJ/MWh to a high of 10.37GJ/MWh. The average market heat rate for the week was 6.54 GJ/MWh.

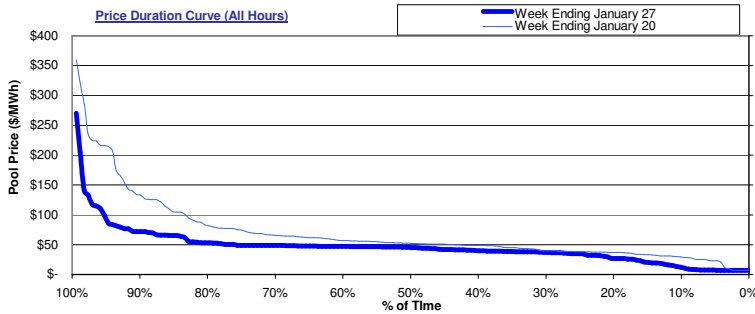


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

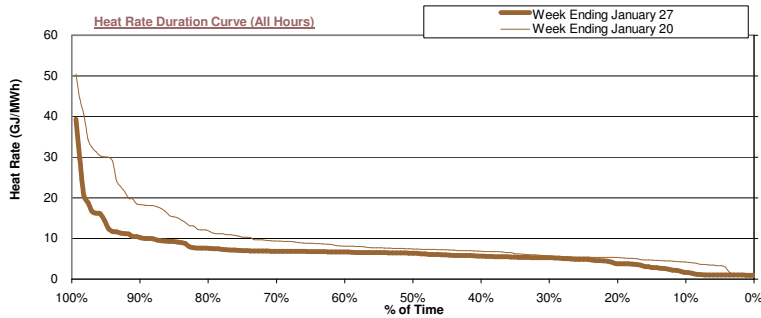
Weekly Market Statistics

	Sunday 21-Jan	Monday 22-Jan	Tuesday 23-Jan	Wednesday 24-Jan	Thursday 25-Jan	Friday 26-Jan	Saturday 27-Jan	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 48.70	\$ 41.77	\$ 34.52	\$ 40.18	\$ 44.01	\$ 71.18	\$ 41.51	\$ 45.98	\$ 68.90	-33.3%	\$ 59.36
On-Peak	NA	\$ 52.72	\$ 45.80	\$ 51.97	\$ 58.75	\$ 77.19	\$ 46.88	\$ 55.55	\$ 77.19	-28.0%	\$ 70.76
Off-Peak	\$ 48.70	\$ 19.88	\$ 11.95	\$ 16.60	\$ 14.54	\$ 59.16	\$ 30.77	\$ 33.22	\$ 57.84	-42.6%	\$ 40.26
COV	0.47	0.49	0.54	0.58	0.91	0.72	0.33	0.58	0.74	-21.7%	
Heat Rate											
Average	6.90	5.97	4.77	5.56	6.37	10.37	5.82	6.54	10.58	-38.2%	9.19
On-Peak	NA	7.53	6.33	7.19	8.50	11.25	6.57	7.90	11.87	-33.5%	10.96
Off-Peak	6.90	2.84	1.65	2.30	2.10	8.62	4.31	4.72	8.88	-46.8%	6.24
Demand											
Average	8,042	8,352	8,235	8,245	8,207	8,509	8,183	8,253	8,310	-0.7%	8,263
Minimum	7,371	7,333	7,267	7,255	7,215	7,595	7,540	7,368	7,491	-1.6%	7,029
Maximum	8,848	9,166	9,018	9,032	8,913	9,096	8,840	8,988	9,044	-0.6%	9,466
Coal Unit Availability											
Average	5,506	5,656	5,720	5,798	5,750	5,759	5,785	5,711	5,368		5,492
Utilization	94%	97%	98%	99%	98%	99%	99%	98%	92%	5.9%	94%
Gas and Hydro Unit Availability											
Average	2,097	2,226	2,243	1,941	1,988	2,127	1,973	2,085	2,401		2,307
Utilization	45%	47%	48%	41%	42%	45%	42%	44%	51%	-6.7%	49%



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 27**, prices were at or below:

- \$20/MWh 14% of the time
- \$50/MWh 76% of the time
- \$100/MWh 95% of the time
- \$250/MWh 99% of the time
- \$500/MWh 100% of the time



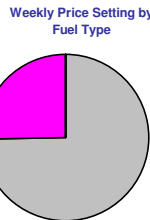
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **January 27** implied market heat rates were at or below:

- 5.0 GJ/MWh 27% of the time
- 10.0 GJ/MWh 89% of the time
- 15.0 GJ/MWh 96% of the time
- 20.0 GJ/MWh 98% of the time

Market Share Statistics

By Fuel Type:

Legend: Coal (Grey), Gas - Cogen (Pink), Gas - Other (Light Blue), Hydro (Dark Blue), Other (Green)



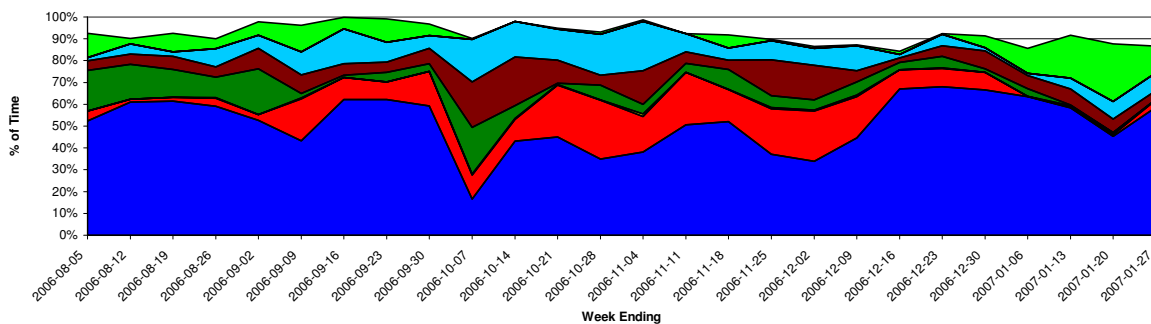
By Submitting Customer:



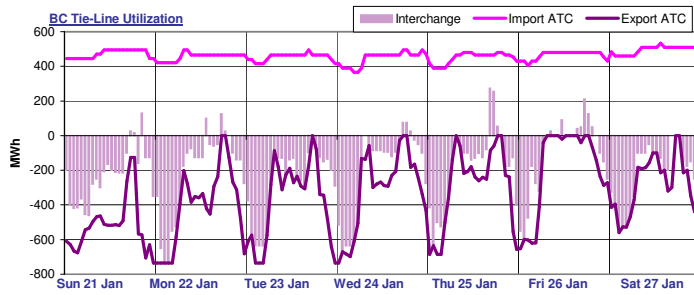
Last week, **coal units** were responsible for **68.6%** of the generation in the province and set price **74.7%** of the time. **Gas-cogen** units accounted for **22.3%** of the generation and set price **25.3%** of the time last week while **other gas** units made up **4.3%** of generation and set price **0.0%** 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 **58.6%** of the time and the top five price setters set price a total of **92.3%** of the time.

Weekly Price Setting by Submitting Customer

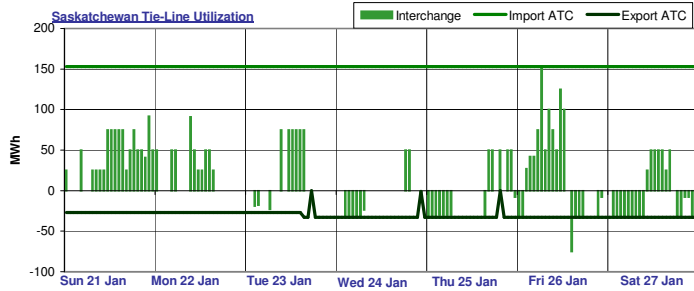


Interties

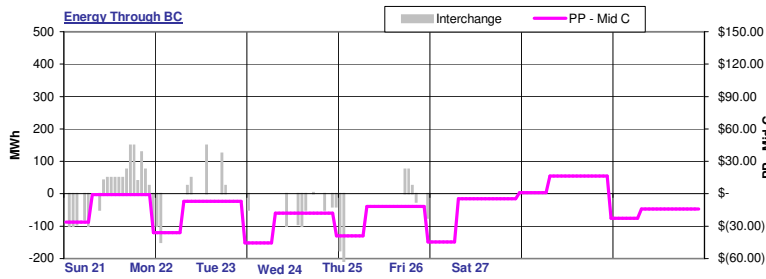


BC import capacity was 4% utilized last week while BC export capacity was 61% utilized. Energy was being imported into Alberta over the BC tie-line 13% of the time and exported out of Alberta over the BC tie-line 80% of the time last week. There was no activity on the BC tie-line 8% of the time last 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.



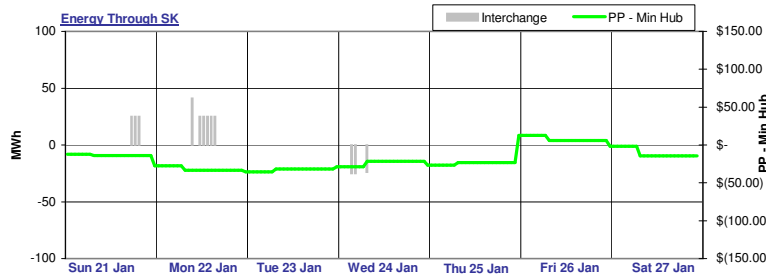
Saskatchewan import capacity was 14% utilized last week while Saskatchewan export capacity was 28% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 36% of the time and exported out of Alberta over the Saskatchewan tie-line 24% of the time last week. There was no activity on the Saskatchewan tie-line 40% of the time last week.



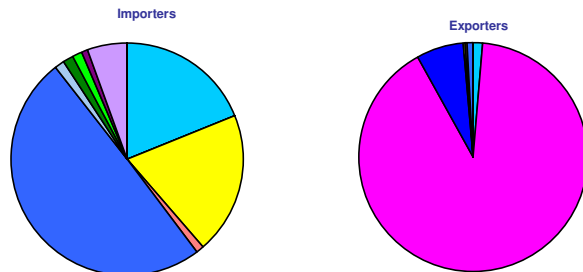
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

Alberta prices were generally 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.



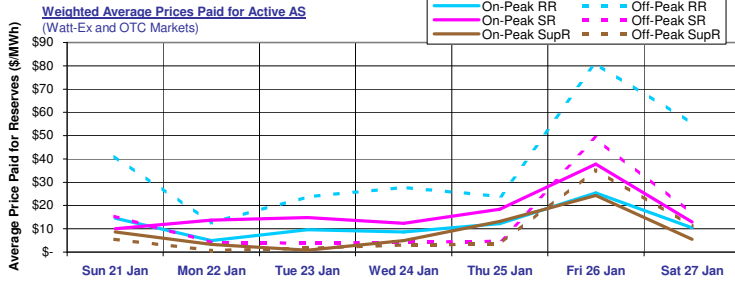
Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 49.8% while the second most active importer had a market share of 19.6%. There were a total of 7 exporters last week. The most active exporter had a market share of 90.4% while the next largest exporter had a market share of 6.6%.

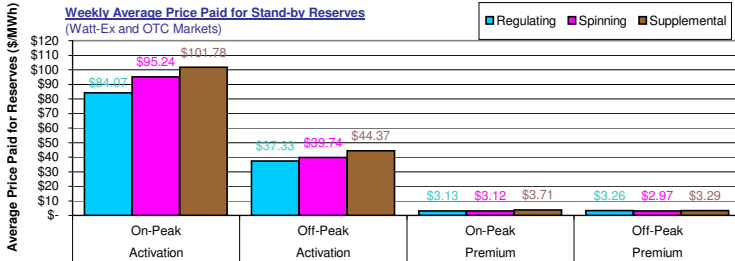
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



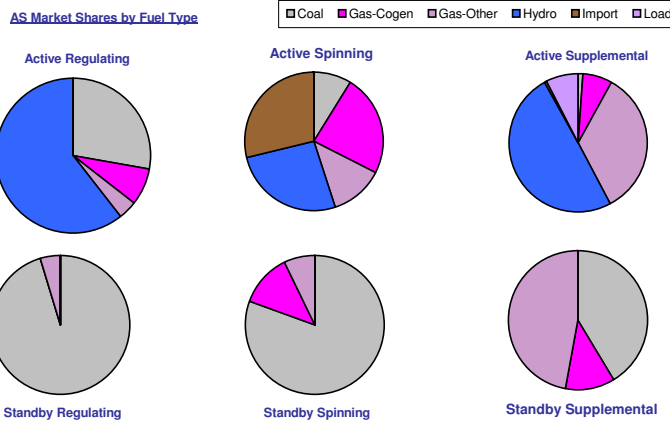
Average on-peak prices paid for active ancillary services last week were **\$12.29/MWh**, **\$17.24/MWh** and **\$8.73/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were somewhat **higher**, with the exception of active spinning, and averaged **\$37.83/MWh**, **\$14.02/MWh** and **\$8.75/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$37.33/MWh** for **off-peak regulating** reserves to **\$101.78/MWh** for **on-peak regulating** reserves.

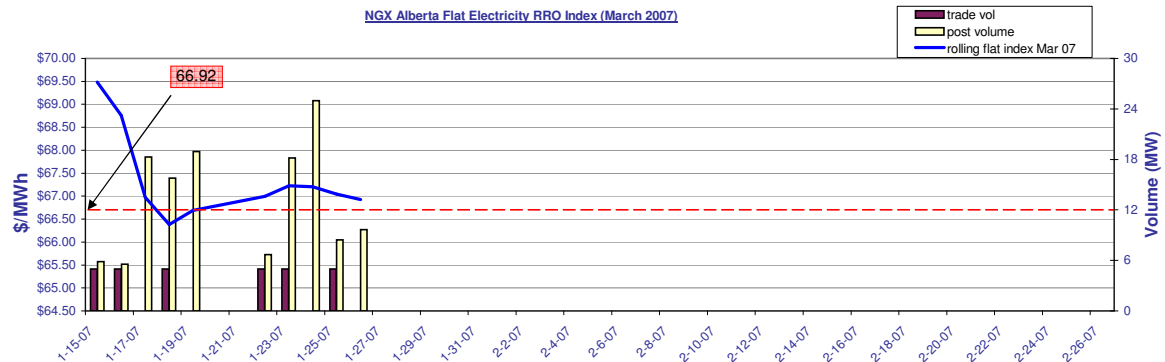
Weekly average premium prices ranged from **\$2.97/MWh** for **off-peak spinning** reserves up to **\$3.71/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **60.6%**. In the **active spinning** reserve market, **import** units had the leading market share with **28.8%** while in the **active supplemental** reserve market, **hydro** units dominated with a **49.6%** market share.

Coal units dominated the **standby regulating** reserve market with a **95.3%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **80.7%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **47.1%**.

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.