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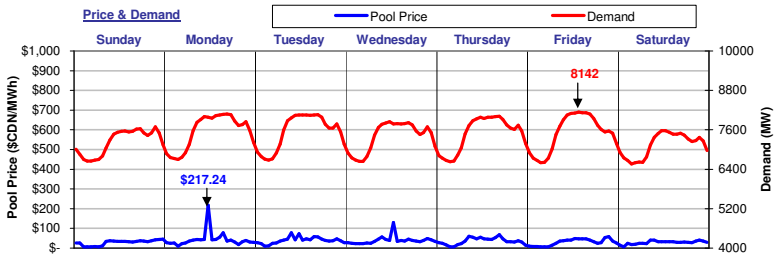
The Market Monitor

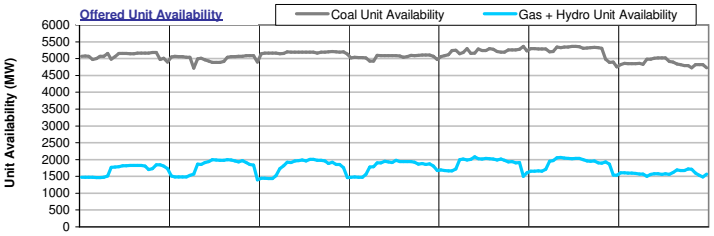
WATCHING THE MARKET : your fact source

Week Ending May 6, 2006

Weekly Highlights

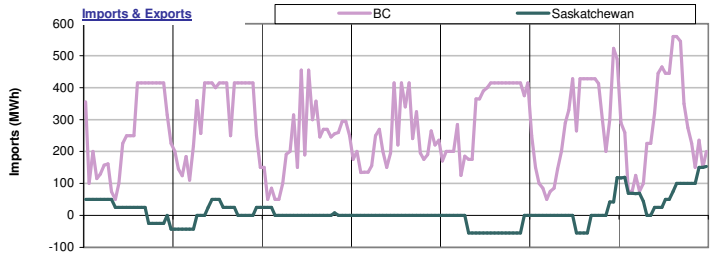


For the week ending **May 6, 2006**, **Pool Price** averaged **$35.10/MWh** and ranged from a minimum of **$6.93/MWh** in **HE05** on **Thursday** to a maximum of **$217.24/MWh** in **HE12** on **Monday**.
Demand reached a high of **8142 MW** in **HE14** on **Friday** and a low of **6558 MW** in **HE04** on **Saturday**. Average demand for the week was **7412 MW**.
Pool Price and **Demand** were **positively** correlated last week with an R-squared value of **0.37**.

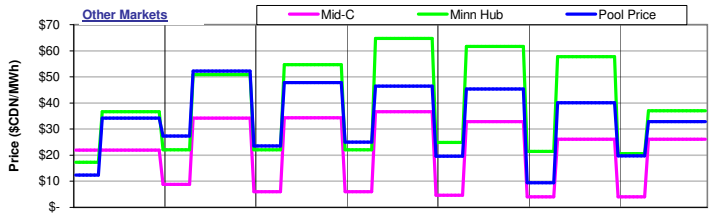


Coal Unit Availability averaged **5093 MW** last week. This is an equivalent availability of **87%** (based on MCR).
Gas and Hydro Unit Availability averaged **1778MW** last week, which is an equivalent of **31%** (based on MCR).

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

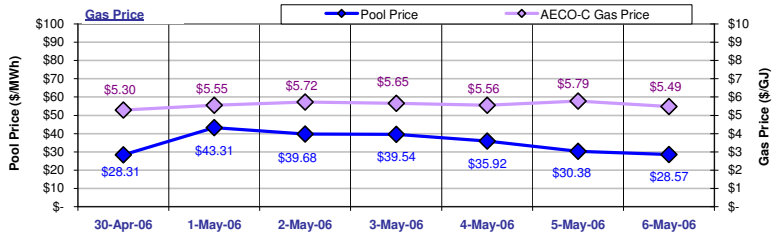


Alberta was a net **importer from** BC last week with total **imports** equal to **46,435MWh.**
Alberta was a net **importer from** Saskatchewan last week with total **imports** equal to **1,622MWh**.
Overall, Alberta **imported 48,058MWh** of electricity last week.



Pool Prices were generally **higher** than prices in **Mid-C** and **lower** than prices in **Minn Hub** last week.
Mid-C prices averaged **$37.71/MWh** on-peak and **$7.95/MWh** off peak.
Minn Hub prices averaged **$54.45/MWh** on-peak and **$21.49/MWh** off-peak.

Prices in $CDN at an exchange rate of **1.11751**.



The average AECO-C Gas Price last week was **5.58/GJ** and ranged from a minimum of **$5.30/GJ** to **$5.79/GJ**.
Prevailing gas prices resulted in market heat rates ranging from a low of **5.1 GJ/MWh** to a high of **7.80GJ/MWh**. The average market heat rate for the week was **6.29 GJ/MWh**.

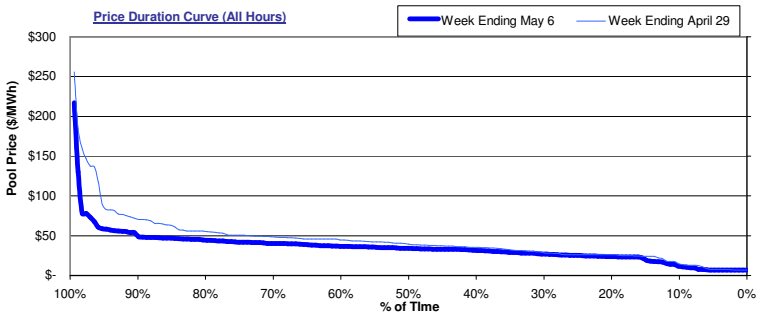
MARKET SURVEILLANCE ADMINISTRATOR

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

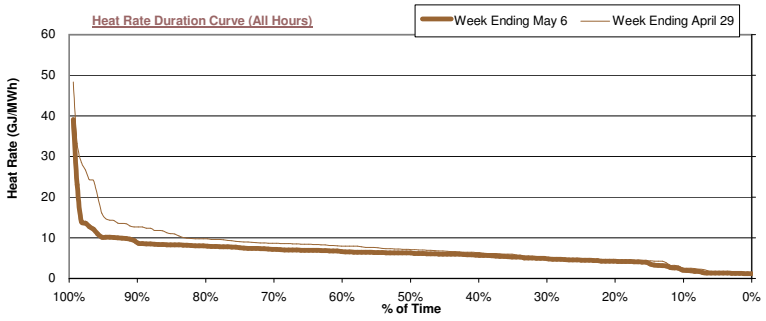
Weekly Market Statistics

	Sunday 30-Apr	Monday 1-May	Tuesday 2-May	Wednesday 3-May	Thursday 4-May	Friday 5-May	Saturday 6-May	Average	Last Week	% Change	YTD
Pool Price											
Average	$ 28.31	$ 43.31	$ 39.68	$ 39.54	$ 35.92	$ 30.38	$ 28.57	*$ 35.10*	*$ 44.18*	*-20.6%*	*$ 52.54*
On-Peak	NA	$ 52.28	$ 47.84	$ 46.44	$ 45.30	$ 40.13	$ 32.82	*$ 44.13*	*$ 55.01*	*-19.8%*	*$ 65.18*
Off-Peak	$ 28.31	$ 25.37	$ 23.35	$ 25.75	$ 17.16	$ 10.89	$ 20.08	*$ 23.06*	*$ 29.74*	*-22.5%*	*$ 33.60*
COV	0.46	0.91	0.41	0.54	0.47	0.55	0.29	*0.52*	*0.70*	*-25.6%*	
Heat Rate											
Average	5.35	7.80	6.94	7.00	6.46	5.25	5.21	*6.29*	*7.36*	*-14.6%*	*7.67*
On-Peak	NA	9.42	8.36	8.22	8.15	6.94	5.98	*7.84*	*9.27*	*-15.4%*	*9.52*
Off-Peak	5.35	4.57	4.08	4.56	3.09	1.88	3.66	*4.21*	*4.80*	*-12.4%*	*4.90*
Demand											
Average	7,235	7,560	7,550	7,397	7,488	7,507	7,146	*7,412*	*7,545*	*-1.8%*	*7,945*
Minimum	6,648	6,696	6,682	6,637	6,626	6,604	*6,558*	*6,636*	*6,774*	*-2.0%*	*6,558*
Maximum	7,690	8,086	8,065	7,848	8,010	8,142	7,578	*7,917*	*8,053*	*-1.7%*	*9,306*
Coal Unit Availability											
Average	5,090	4,997	5,180	5,056	5,219	5,239	4,871	*5,093*	*5,213*		*5,595*
Utilization	87%	86%	89%	87%	89%	90%	83%	*87%*	*89%*	*-2.1%*	*96%*
Gas and Hydro Unit Availability											
Average	1,689	1,787	1,799	1,802	1,891	1,878	1,596	*1,778*	*1,811*		*2,001*
Utilization	35%	38%	38%	38%	40%	39%	34%	*31%*	*32%*	*-0.6%*	*35%*



The price duration curves show the % of time that prices were at or below a certain value during the week.
For the week ending **February 4**, prices were at or below:

$20/MWh	**15%** of the time
$50/MWh	**90%** of the time
$100/MWh	**98%** of the time
$250/MWh	**100%** of the time
$500/MWh	**100%** of the time

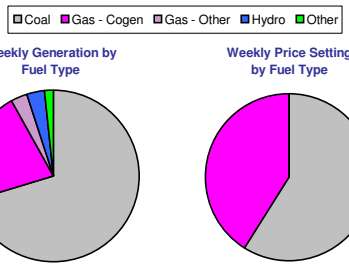


The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **February 4** implied market heat rates were at or below:

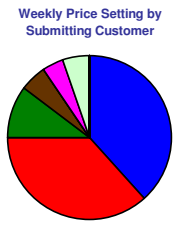
5.0 GJ/MWh	**32%** of the time
10.0 GJ/MWh	**93%** of the time
15.0 GJ/MWh	**99%** of the time
20.0 GJ/MWh	**99%** of the time

Market Share Statistics

By Fuel Type:

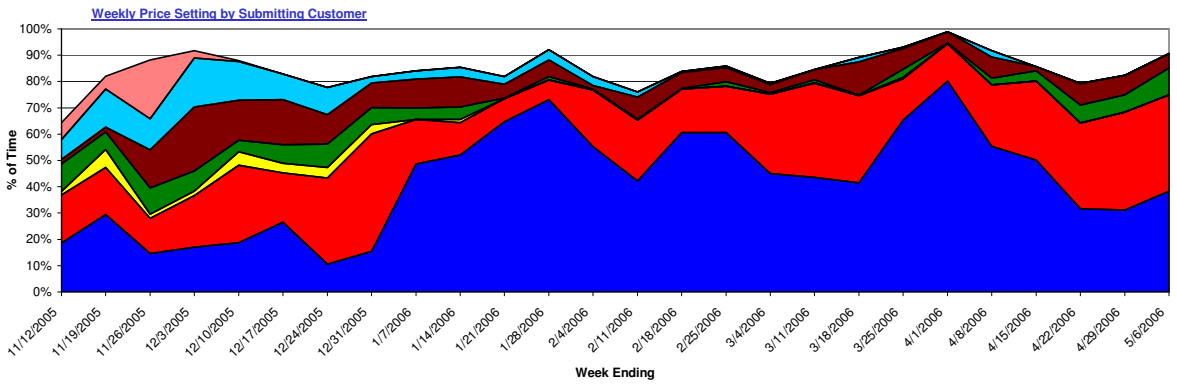


By Submitting Customer:

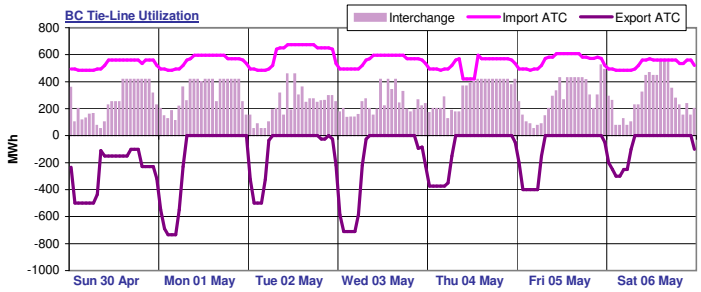


Last week, coal units were responsible for **70.2%** of the generation in the province and set price **59.0%** of the time. Gas-cogen units accounted for **21.7%** of the generation and set price **40.9%** of the time last week while other gas units made up **3.3%** of generation and set price **0.1%** of the time.

A total of **8** 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 **38.3%** of the time and the top five price setters set price a total of **95.8%** of the time.

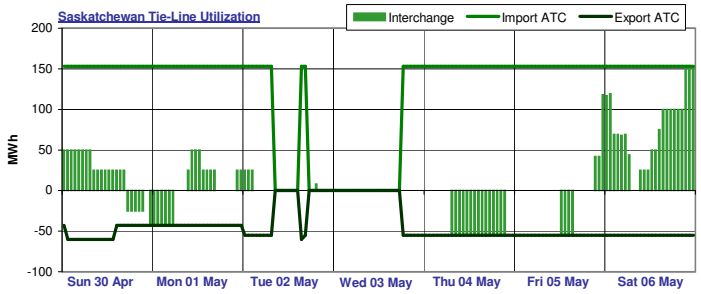


Interties

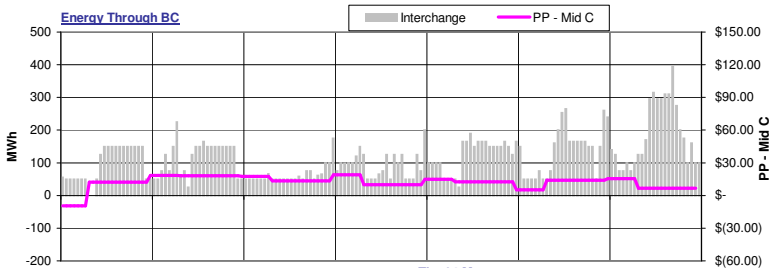


BC import capacity was **50%** utilized last week while **BC export capacity** was **0%** utilized. Energy was being imported into Alberta over the BC tie-line **100%** of the time and exported out of Alberta over the BC tie-line **0%** of the time last week. There was no activity on the BC tie-line **0%** 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.



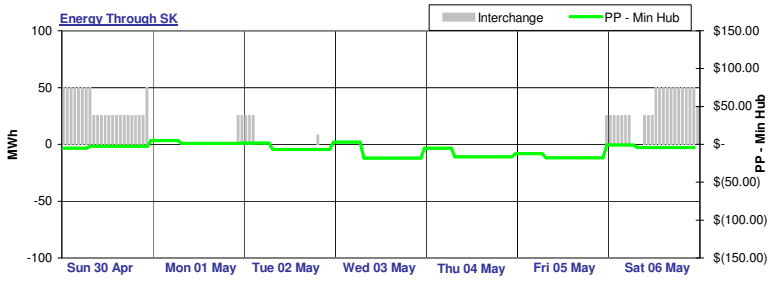
Saskatchewan import capacity was **15%** utilized last week while **Saskatchewan export capacity** was **21%** utilized. Energy was being imported into Alberta over the Saskatchewan tie-line **33%** of the time and exported out of Alberta over the Saskatchewan tie-line **18%** of the time last week. There was no activity on the Saskatchewan tie-line **48%** of the time last week.

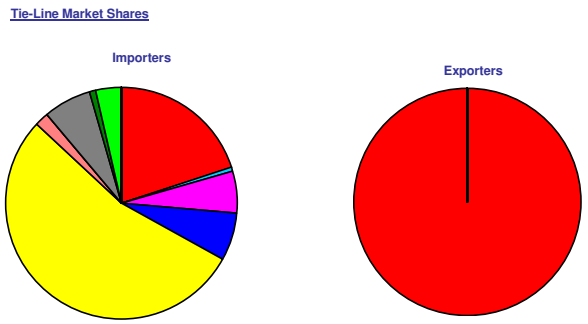


Last week, Alberta spot prices were mostly **higher** relative to prices in the Pacific Northwest as represented by **Mid-C** index prices, supporting **import** activity across the Alberta - BC interconnection.

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

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

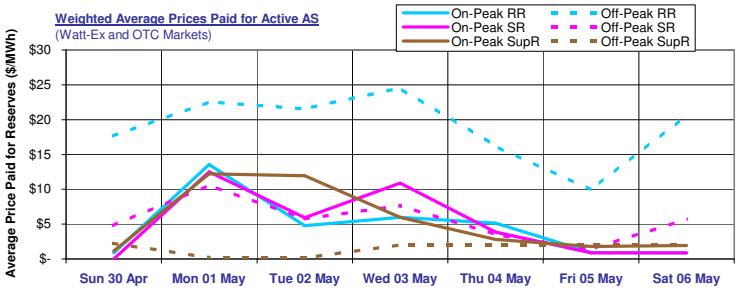




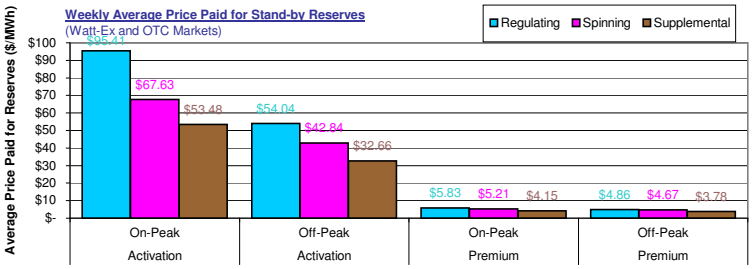
Last week, there were a total of **10** importers. The most active importer had a market share of **54.0%** while the second most active importer had a market share of **20.1%**.
There were a total of **1** exporters last week. The most active exporter had a market share of **100%** while the next largest exporter had a market share of **0%**.

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

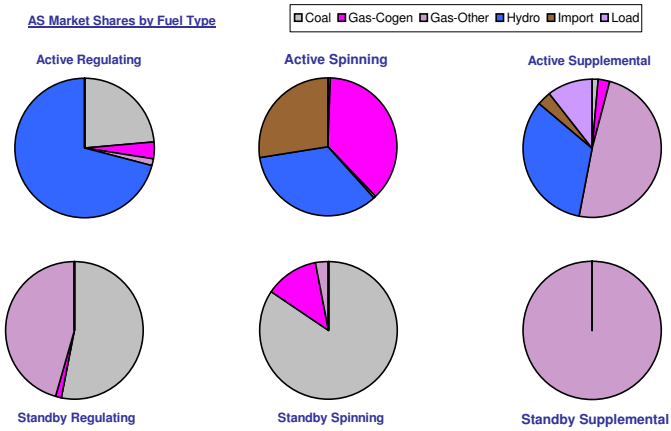
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **$4.59/MWh**, **$5.07/MWh** and **$5.47/MWh** respectively for active regulating, spinning and supplemental reserves.
Active average off-peak prices were somewhat **higher** and averaged **$19.00/MWh**, **$5.64/MWh** and **$1.50/MWh** for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **$32.66/MWh** for **off-peak supplemental** reserves to **$95.41/MWh** for **on-peak regulating** reserves.
Weekly average premium prices ranged from **$3.78/MWh** for **off-peak supplemental** reserves up to **$5.83/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the active regulating reserve market with **70.9%**. In the active spinning reserve market, **gas** units had the leading market share with **37.2%** while in the active supplemental reserve market, **load** units dominated with a **49.0%** market share.

Coal units dominated the standby regulating reserve market with a **52.9%** market share. Leading market share in the standby spinning market was held by **coal** units with a **84.6%** market share. In the standby supplemental reserve market, **gas** units had the leading market share with **100%.**

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 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 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.
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.