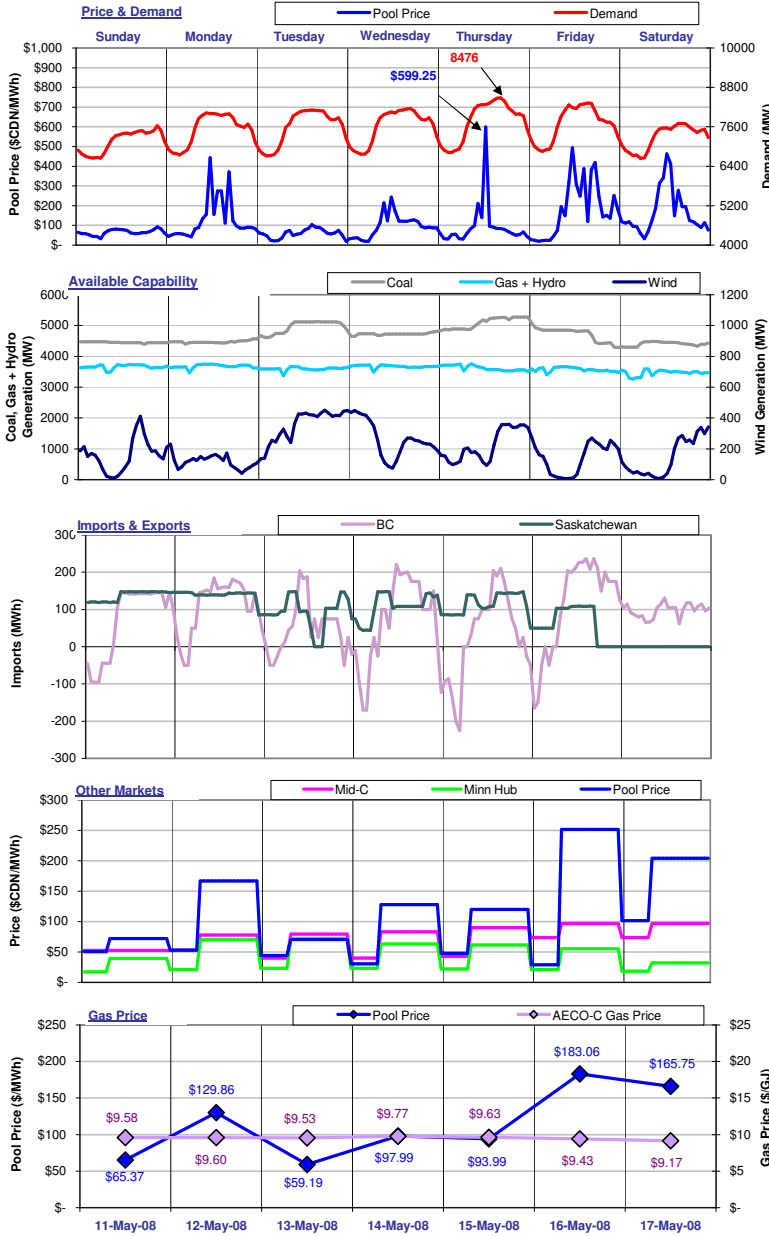


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending May 17, 2008

Weekly Highlights



For the week ending May 17, 2008, **Pool Price** averaged \$113.60/MWh and ranged from a minimum of \$19.02/MWh in HE06 on Wednesday to a maximum of \$599.25/MWh in HE13 on Thursday. **Demand** reached a high of 8476 MW in HE17 on Thursday and a low of 6643 MW in HE06 on Saturday. Average demand for the week was 7521 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.23.

Coal Unit Availability averaged 4689 MW last week. This is an equivalent availability of 78%. **Gas, Hydro and Other Unit Availability** averaged 3610 MW last week, which is an equivalent of 74%. **Wind Generation** averaged 200 MW last week. This is an equivalent availability of 40%. 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 12,871 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 15,604 MWh. Overall, Alberta imported 28,475 MWh of electricity last week.

Pool Prices were generally higher than prices in Mid-C and higher than prices in Minn Hub last week. **Mid-C** prices averaged \$87.36/MWh on-peak and \$53.53/MWh off-peak. **Minn Hub** prices averaged \$58.92/MWh on-peak and \$20.87/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.00578.

The average **AECO-C Gas Price** last week was \$9.53/GJ and ranged from a minimum of \$9.17/GJ to \$9.77/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.21 GJ/MWh to a high of 19.41 GJ/MWh. The average market heat rate for the week was 11.98 GJ/MWh.

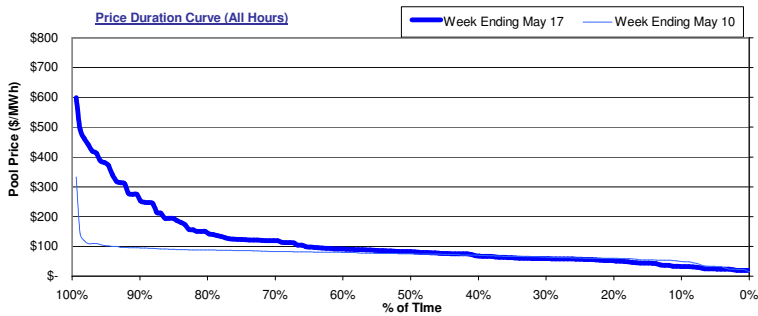


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The Market Monitor is a weekly publication by the MSA intended to educate industry participants and the public on market activities for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

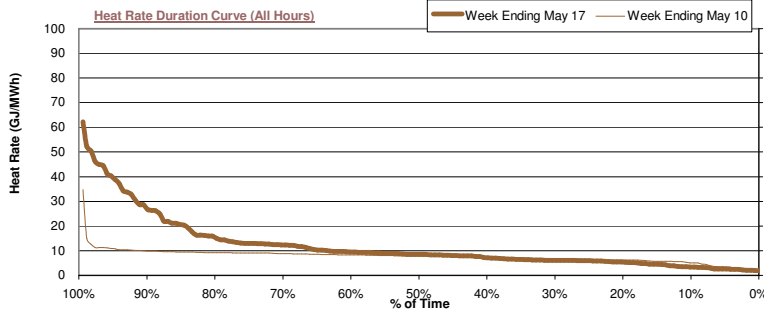
	Sunday 11-May	Monday 12-May	Tuesday 13-May	Wednesday 14-May	Thursday 15-May	Friday 16-May	Saturday 17-May	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 65.37	\$ 129.86	\$ 59.19	\$ 97.99	\$ 93.99	\$ 183.06	\$ 165.75	\$ 113.60	\$ 73.94	53.6%	\$ 91.73
On-Peak	NA	\$ 166.93	\$ 70.64	\$ 127.64	\$ 120.00	\$ 251.52	\$ 204.35	\$ 156.85	\$ 79.08	98.3%	\$ 111.92
Off-Peak	\$ 65.37	\$ 55.71	\$ 36.30	\$ 38.69	\$ 41.97	\$ 46.15	\$ 88.55	\$ 55.94	\$ 67.09	-16.6%	\$ 60.84
COV	0.22	0.81	0.39	0.59	1.22	0.78	0.69	0.67	0.32	111.5%	
Heat Rate											
Average	6.83	13.53	6.21	10.03	9.76	19.41	18.08	11.98	7.75	54.6%	11.33
On-Peak	NA	17.39	7.41	13.07	12.46	26.67	22.30	16.55	8.26	100.3%	13.83
Off-Peak	6.83	5.80	3.81	3.96	4.36	4.89	9.66	5.88	7.07	-16.7%	7.52
Demand											
Average	7,162	7,523	7,589	7,621	7,779	7,691	7,279	7,521	7,481	0.5%	8,088
Minimum	6,646	6,751	6,718	6,762	6,821	6,855	6,643	6,742	6,749	-0.1%	6,643
Maximum	7,631	8,020	8,107	8,159	8,476	8,326	7,703	8,060	7,975	1.1%	9,710
Coal Unit Availability											
Average	4,457	4,473	4,957	4,724	5,088	4,718	4,403	4,689	4,987		5,237
AC/MC	74%	74%	83%	79%	85%	79%	73%	78%	83%	-5.0%	87%
Gas, Hydro and Other Unit Availability											
Average	3,664	3,679	3,595	3,674	3,620	3,572	3,467	3,610	3,567		3,650
AC/MC	75%	76%	74%	76%	74%	73%	71%	74%	73%	0.9%	75%



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 17**, prices were at or below:

- \$20/MWh 2% of the time
- \$50/MWh 18% of the time
- \$100/MWh 65% of the time
- \$250/MWh 89% of the time
- \$500/MWh 99% of the time



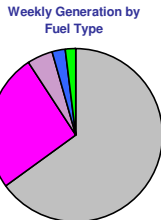
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **May 17** implied market heat rates were at or below:

- 5.0 GJ/MWh 18% of the time
- 10.0 GJ/MWh 64% of the time
- 15.0 GJ/MWh 80% of the time
- 20.0 GJ/MWh 85% of the time

Market Share Statistics

By Fuel Type:

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



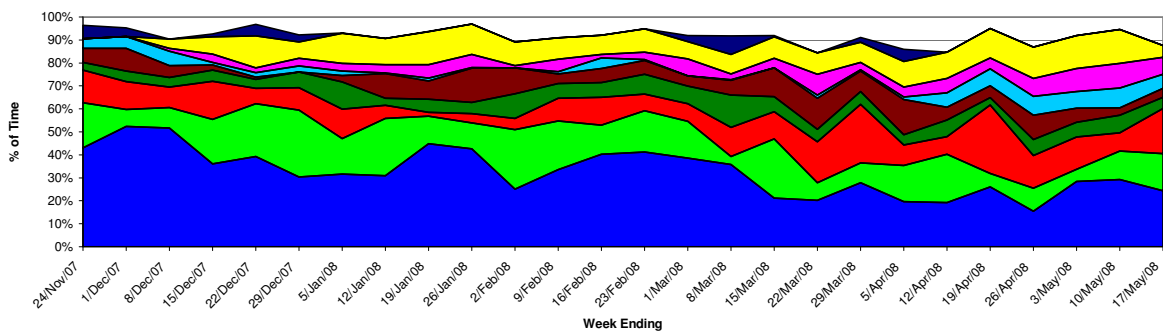
By Submitting Customer:



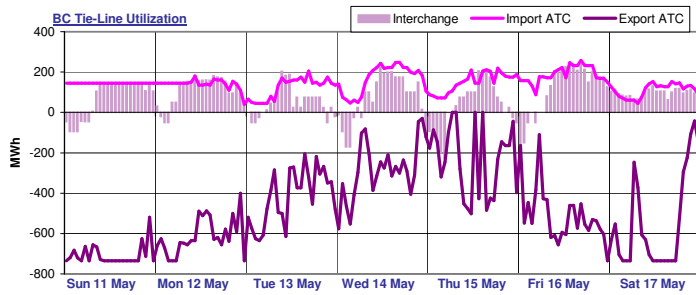
Last week, **coal units** were responsible for 65.1% of the generation in the province and set price 41.6% of the time. **Gas-cogen** units accounted for 25.7% of the generation and set price 43.4% of the time last week while **other gas** units made up 4.7% of generation and set price 13.8% of the time.

A total of **11** 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 24.4% of the time and the top five price setters set price a total of 73.8% of the time.

Weekly Price Setting by Submitting Customer

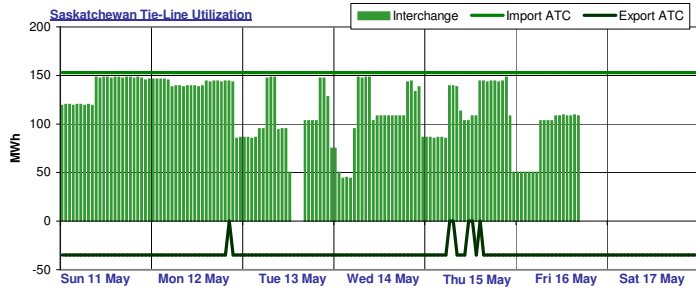


Interties

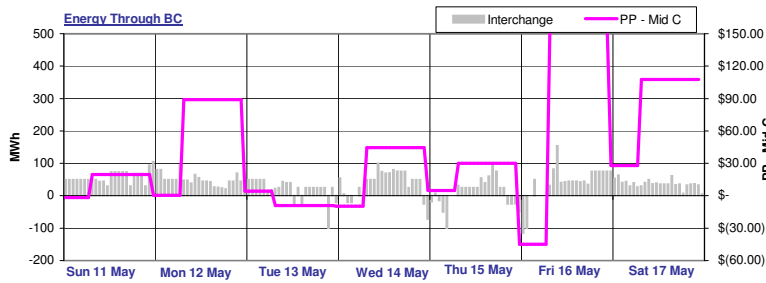


BC import capacity was 70% utilized last week while BC export capacity was 10% utilized. Energy was being imported into Alberta over the BC tie-line 76% of the time and exported out of Alberta over the BC tie-line 20% of the time last week. There was no activity on the BC tie-line 5% of the time last 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.



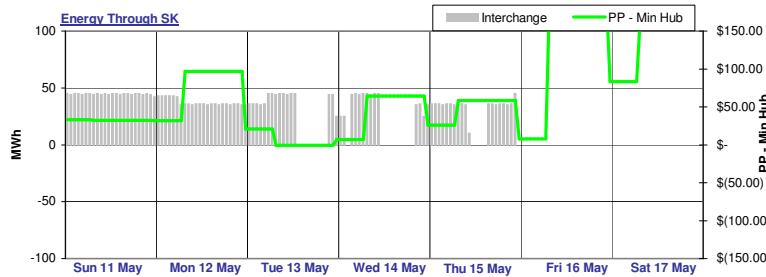
Saskatchewan import capacity was 61% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 80% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 20% of the time last week.



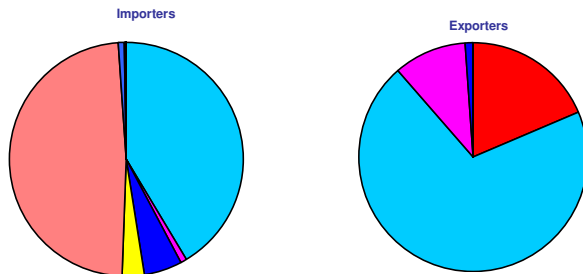
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



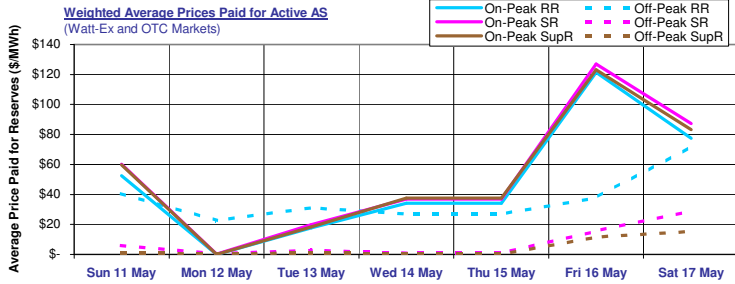
Tie-Line Market Shares



Last week, there were a total of 8 importers. The most active importer had a market share of 48.3% while the second most active importer had a market share of 41.5%. There were a total of 4 exporters last week. The most active exporter had a market share of 70.0% while the next largest exporter had a market share of 18.5%.

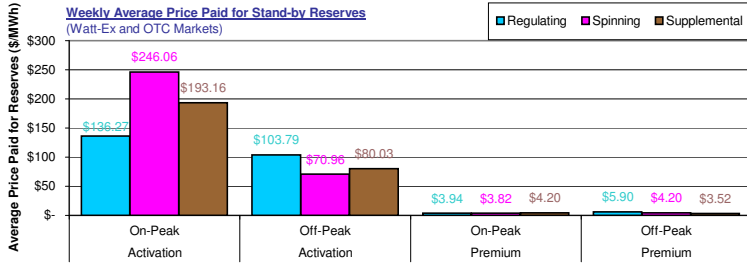
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$43.47/MWh**, **\$48.74/MWh** and **\$46.40/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

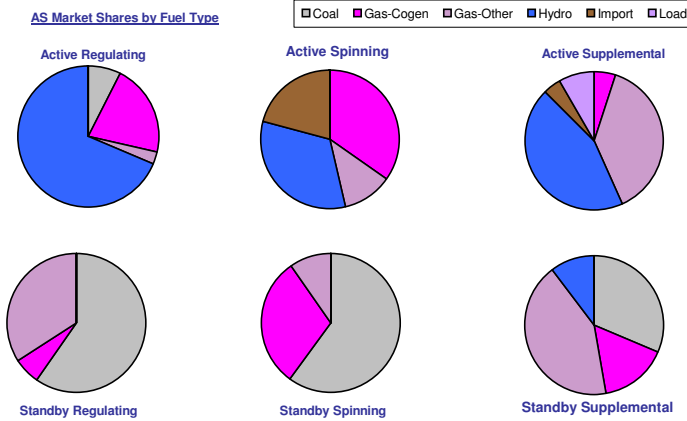
Active average off-peak prices were **lower** and averaged **\$38.08/MWh**, **\$8.37/MWh** and **\$4.23/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$70.96/MWh** for **off-peak spinning** reserves to **\$246.06/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$3.52/MWh** for **off-peak supplemental** reserves up to **\$5.90/MWh** for **off-peak regulating** reserves.

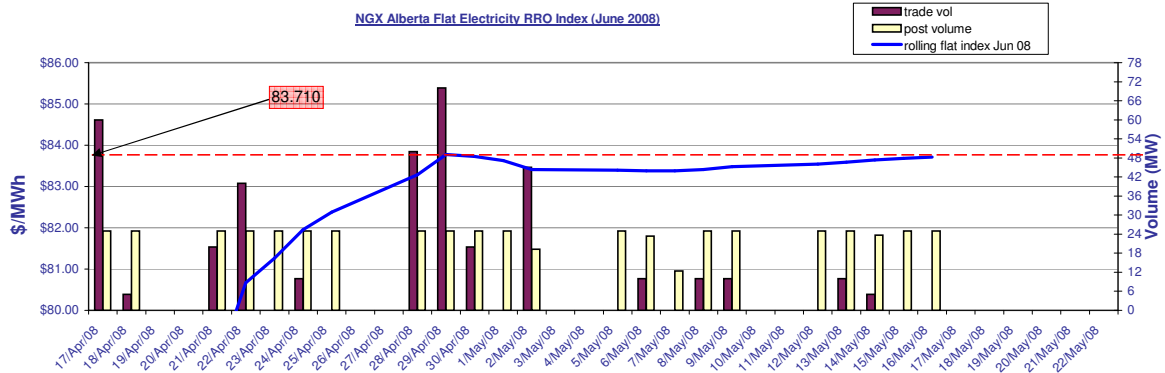
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **68.6%**. In the **active spinning** reserve market, **gas cogen** units had the leading market share with **34.6%** while in the **active supplemental** reserve market, **hydro** units dominated with a **44.2%** market share.

Gas units dominated the **standby regulating** reserve market with a **59.7%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **60%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **42.5%**.

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.