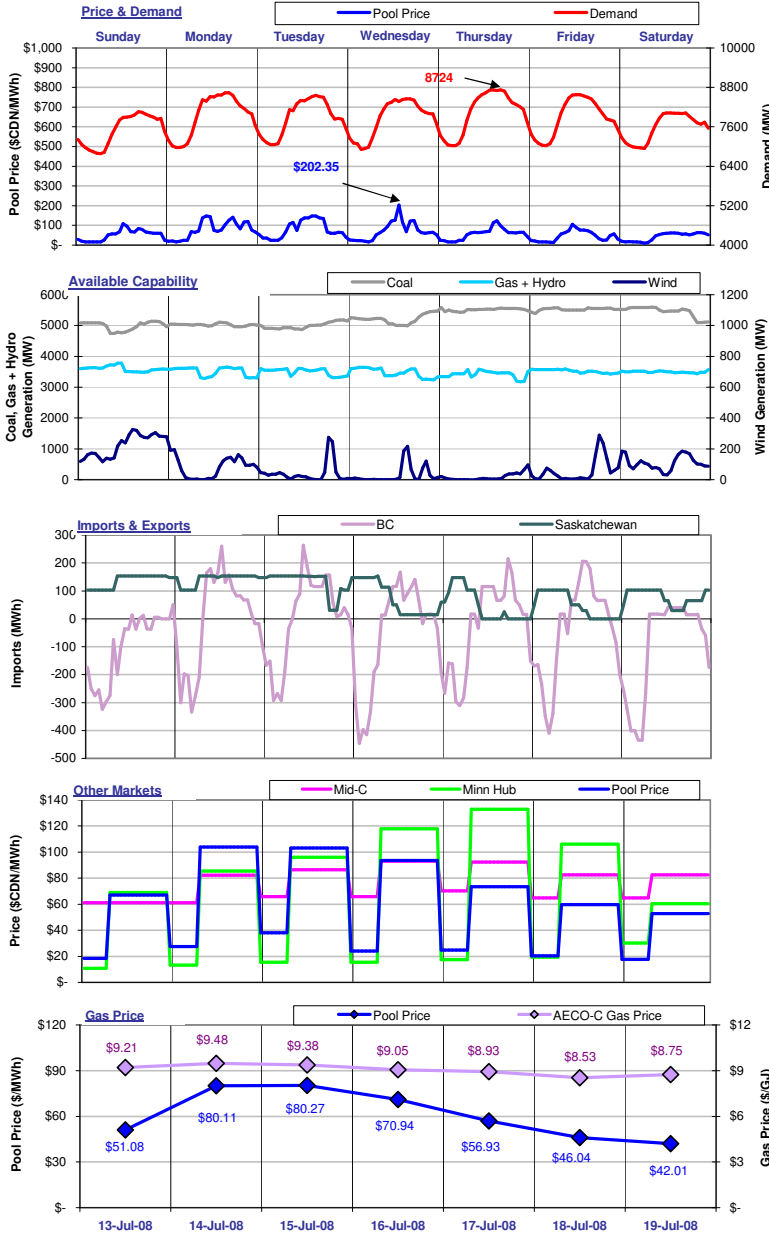


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending July 19, 2008

Weekly Highlights



For the week ending July 19, 2008, **Pool Price** averaged \$61.05/MWh and ranged from a minimum of \$10.30/MWh in HE07 on Saturday to a maximum of \$202.35/MWh in HE14 on Wednesday. **Demand** reached a high of 8724 MW in HE15 on Thursday and a low of 6785 MW in HE07 on Sunday. Average demand for the week was 7810 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.66.

Coal Unit Availability averaged 5244 MW last week. This is an equivalent availability of 87%. **Gas, Hydro and Other Unit Availability** averaged 3503 MW last week, which is an equivalent of 72%. **Wind Generation** averaged 80 MW last week. This is an equivalent availability of 16%. Availability numbers are based on MW offered into the energy merit order.

Alberta was a net exporter from BC last week with total exports equal to 7,888 MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 15,681 MWh. Overall, Alberta imported 7,793 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 \$86.57/MWh on-peak and \$64.86/MWh off-peak. **Minn Hub** prices averaged \$99.76/MWh on-peak and \$17.47/MWh off-peak.

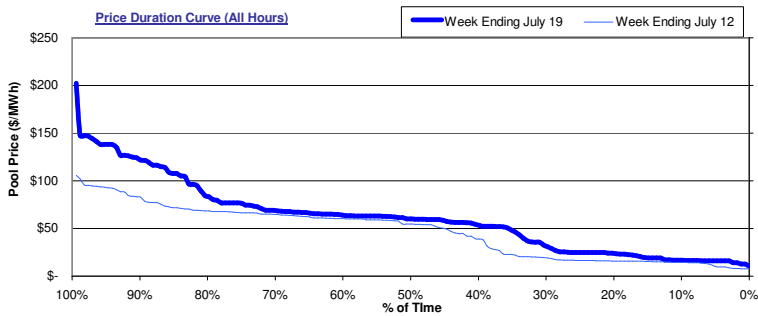
Prices in \$CDN at an exchange rate of 1.00977.

The average **AECO-C Gas Price** last week was \$9.05/GJ and ranged from a minimum of \$8.53/GJ to \$9.48/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 4.81 GJ/MWh to a high of 8.56 GJ/MWh. The average market heat rate for the week was 6.71 GJ/MWh.

Wholesale Market

Weekly Market Statistics

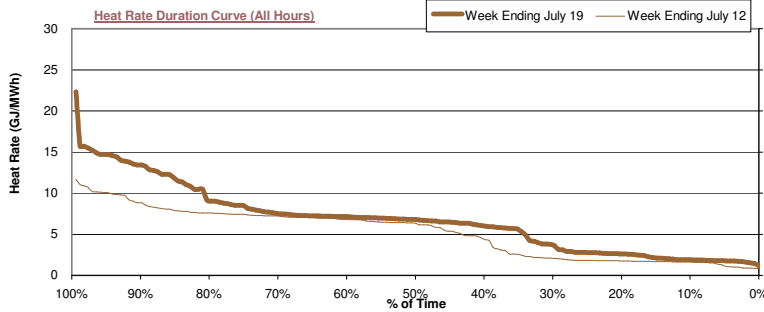
	Sunday 13-Jul	Monday 14-Jul	Tuesday 15-Jul	Wednesday 16-Jul	Thursday 17-Jul	Friday 18-Jul	Saturday 19-Jul	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 51.08	\$ 80.11	\$ 80.27	\$ 70.94	\$ 56.93	\$ 46.04	\$ 42.01	\$ 61.05	\$ 46.66	30.9%	\$ 88.79
On-Peak	NA	\$ 103.84	\$ 103.09	\$ 93.56	\$ 73.55	\$ 59.65	\$ 52.82	\$ 81.08	\$ 62.23	30.3%	\$ 114.15
Off-Peak	\$ 51.08	\$ 32.65	\$ 34.63	\$ 25.71	\$ 23.69	\$ 18.83	\$ 20.39	\$ 34.35	\$ 25.90	32.6%	\$ 50.42
COV	0.55	0.54	0.55	0.65	0.52	0.59	0.49	0.56	0.57	-2.9%	
Heat Rate											
Average	5.55	8.45	8.56	7.83	6.37	5.40	4.80	6.71	4.67	43.8%	10.16
On-Peak	NA	10.95	10.99	10.33	8.23	6.99	6.04	8.92	6.29	41.9%	13.06
Off-Peak	5.55	3.44	3.69	2.84	2.65	2.21	2.33	3.76	2.50	50.3%	5.77
Demand											
Average	7,499	7,944	7,882	7,852	8,033	7,883	7,578	7,810	7,824	-0.2%	7,947
Minimum	6,785	6,966	7,054	6,908	7,029	7,030	6,941	6,959	6,970	-0.2%	6,411
Maximum	8,057	8,633	8,556	8,449	8,724	8,578	8,022	8,431	8,448	-0.2%	9,710
Coal Unit Availability											
Average	4,989	5,023	4,995	5,208	5,515	5,525	5,451	5,244	5,120		5,096
AC/MC	83%	84%	83%	87%	92%	92%	91%	87%	85%	2.1%	85%
Gas, Hydro and Other Unit Availability											
Average	3,600	3,509	3,501	3,474	3,418	3,521	3,497	3,503	3,619		3,592
AC/MC	74%	72%	72%	71%	70%	72%	72%	72%	74%	-2.4%	74%



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

For the week ending **July 19**, prices were at or below:

\$20/MWh	15% of the time
\$50/MWh	35% of the time
\$100/MWh	83% of the time
\$250/MWh	100% of the time
\$500/MWh	100% of the time



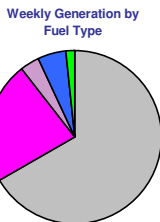
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **July 19** implied market heat rates were at or below:

5.0 GJ/MWh	35% of the time
10.0 GJ/MWh	81% of the time
15.0 GJ/MWh	97% of the time
20.0 GJ/MWh	99% of the time

Market Share Statistics

By Fuel Type:

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

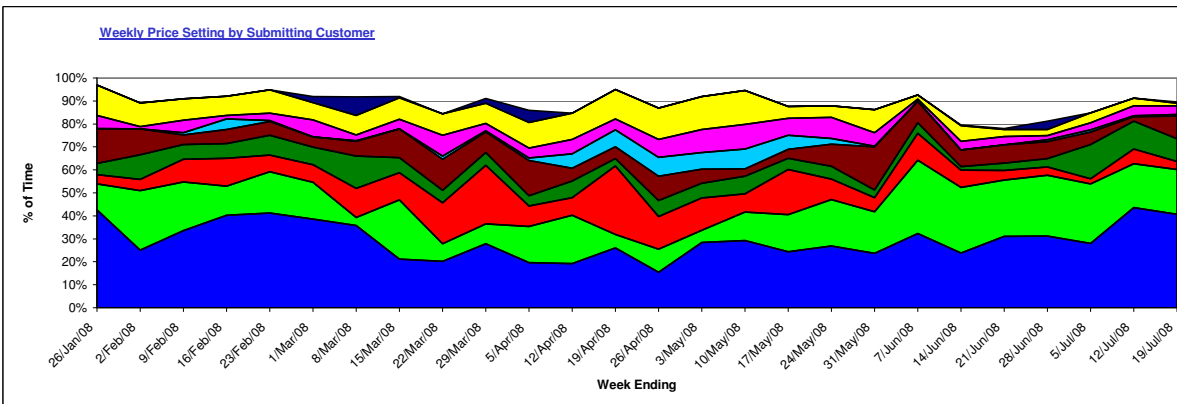


By Submitting Customer:

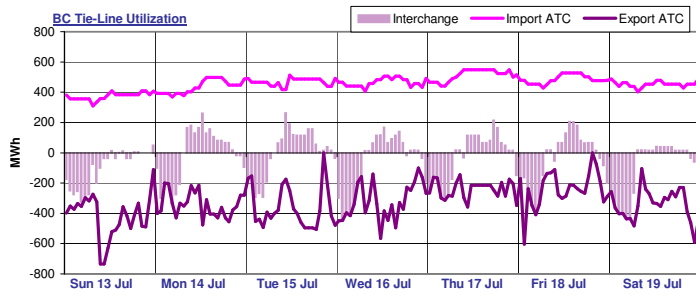


Last week, **coal units** were responsible for **66.8%** of the generation in the province and set price **60.2%** of the time. **Gas-cogen** units accounted for **22.6%** of the generation and set price **30%** of the time last week while **other gas** units made up **3.8%** of generation and set price **9.7%** of the time.

A total of **13** 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 **40.6%** of the time and the top five price setters set price a total of **86.1%** of the time.

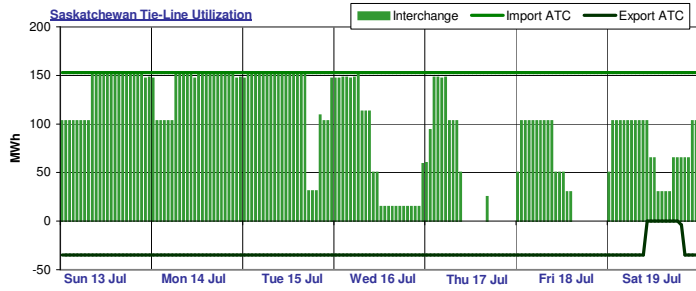


Interties

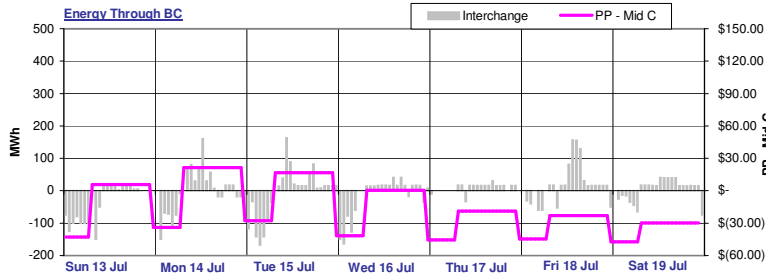


BC import capacity was 9% utilized last week while BC export capacity was 29% utilized. Energy was being imported into Alberta over the BC tie-line 54% of the time and exported out of Alberta over the BC tie-line 43% of the time last week. There was no activity on the BC tie-line 3% of the time last 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.



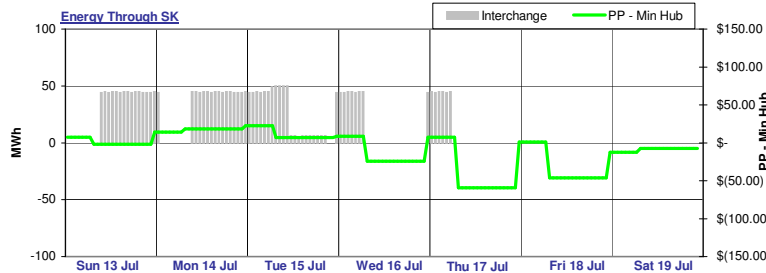
Saskatchewan import capacity was 62% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 87% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 13% of the time last week.



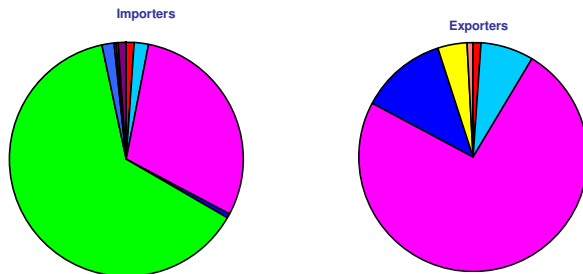
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



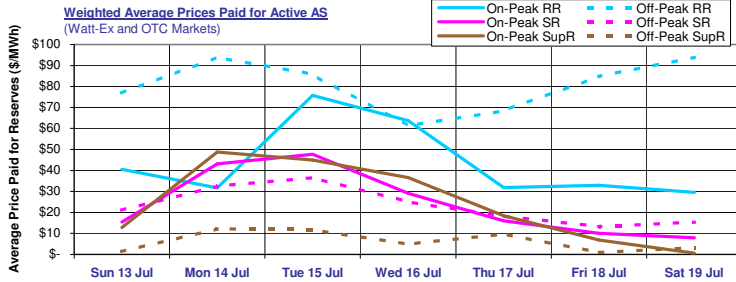
Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 63.4% while the second most active importer had a market share of 29.7%. There were a total of 6 exporters last week. The most active exporter had a market share of 74% while the next largest exporter had a market share of 12.3%.

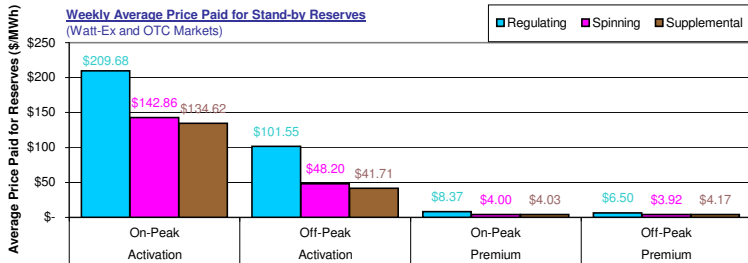
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



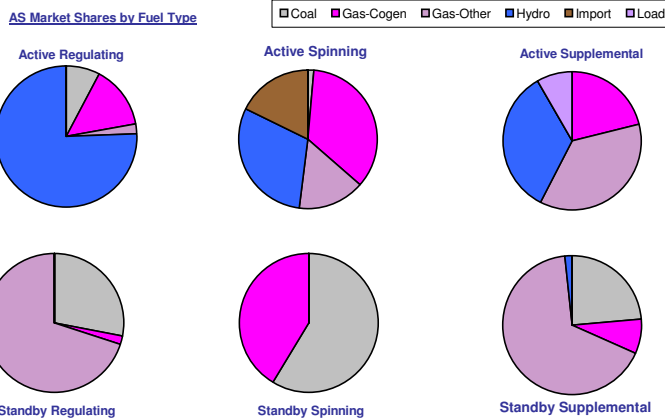
Average on-peak prices paid for active ancillary services last week were **\$43.63/MWh**, **\$24.66/MWh** and **\$23.85/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

Active average off-peak prices were **lower** with the exception of regulating reserves and averaged **\$80.50/MWh**, **\$23.02/MWh** and **\$6.28/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$41.71/MWh** for **off-peak spinning** reserves to **\$209.68/MWh** for **on-peak supplemental** reserves.

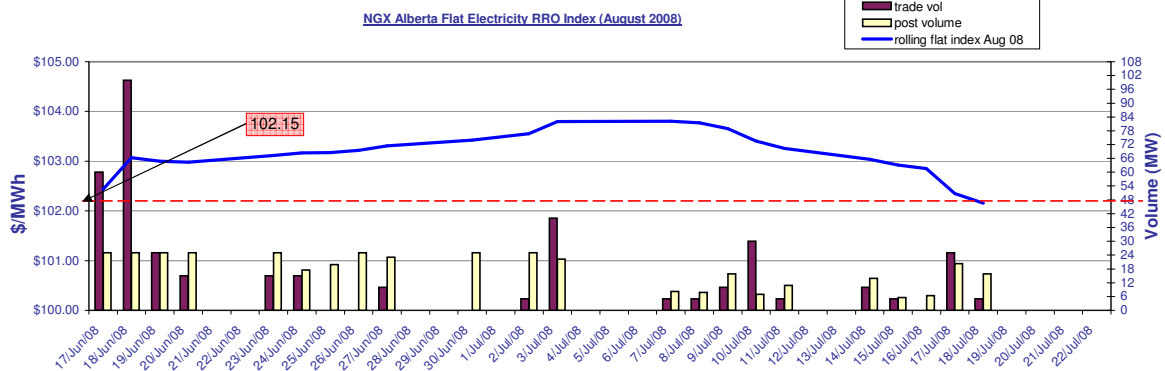
Weekly average premium prices ranged from **\$3.92/MWh** for **off-peak supplemental** reserves up to **\$8.37/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **75.7%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **35%** while in the **active supplemental** reserve market, **gas** units dominated with a **36.5%** market share.

Gas units dominated the **standby regulating** reserve market with a **70%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **58.7%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **66.6%**.

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.