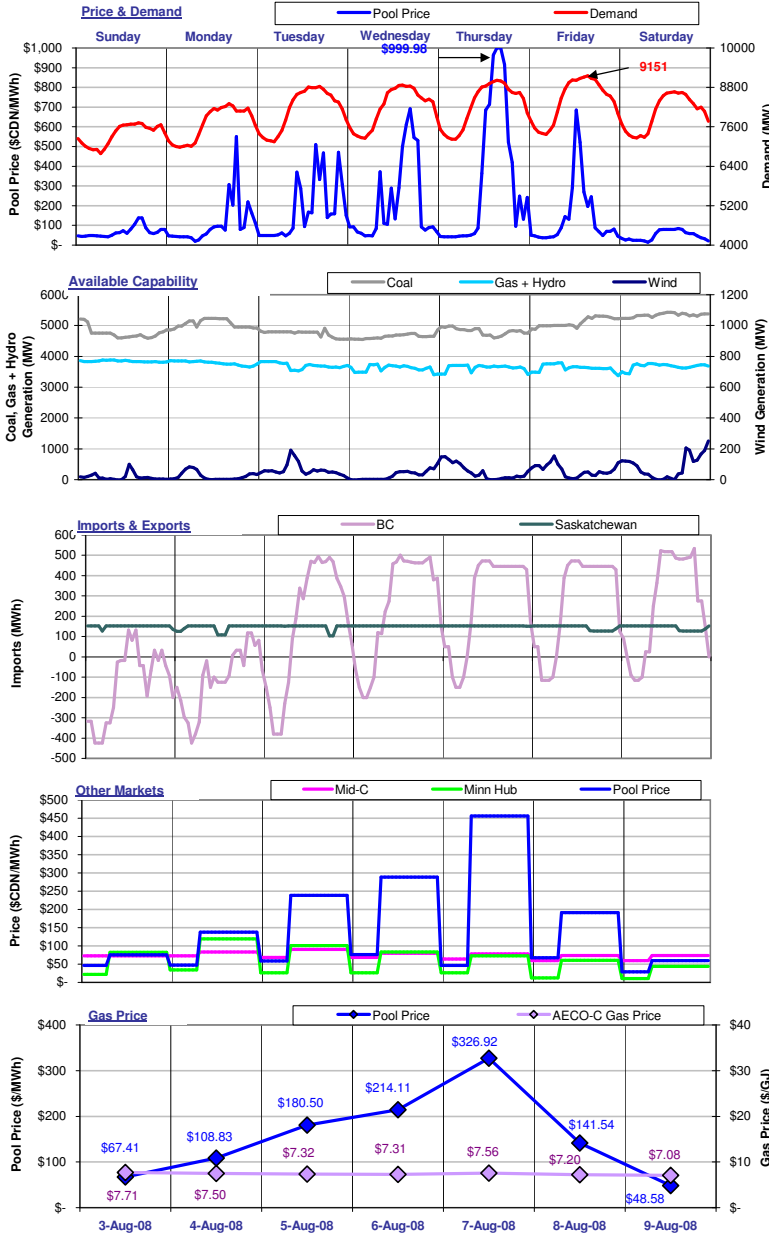


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending August 9, 2008

Weekly Highlights



For the week ending August 9, 2008, **Pool Price** averaged \$155.41/MWh and ranged from a minimum of \$14.51/MWh in HE08 on Saturday to a maximum of \$999.98/MWh in HE17 on Thursday. **Demand** reached a high of 9151 MW in HE16 on Friday and a low of 6788 MW in HE07 on Sunday. Average demand for the week was 8008 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.35.

Coal Unit Availability averaged 4922 MW last week. This is an equivalent availability of 82%. **Gas, Hydro and Other Unit Availability** averaged 3695 MW last week, which is an equivalent of 76%. **Wind Generation** averaged 47 MW last week. This is an equivalent availability of 9%. 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 23,552 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 24,962 MWh. Overall, Alberta imported 48,514 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 \$79.79/MWh on-peak and \$66.77/MWh off-peak. **Minn Hub** prices averaged \$80.42/MWh on-peak and \$22.35/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.02775.

The average **AECO-C Gas Price** last week was \$7.38/GJ and ranged from a minimum of \$7.08/GJ to \$7.71/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.86 GJ/MWh to a high of 43.24 GJ/MWh. The average market heat rate for the week was 20.99 GJ/MWh.

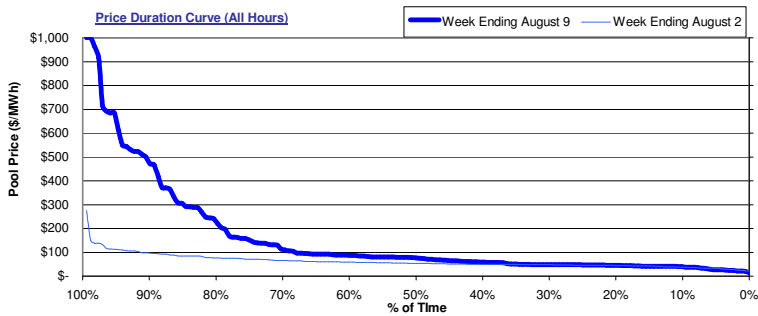


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

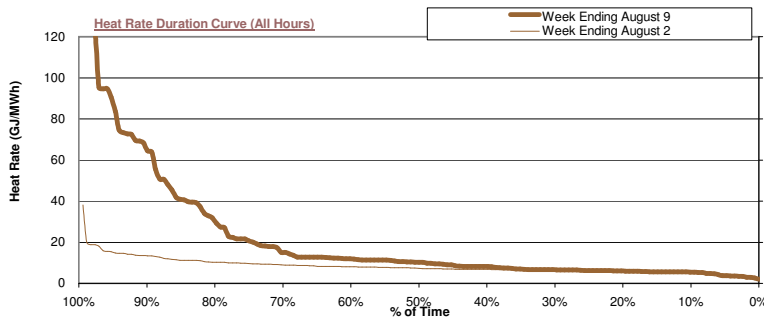
	Sunday 3-Aug	Monday 4-Aug	Tuesday 5-Aug	Wednesday 6-Aug	Thursday 7-Aug	Friday 8-Aug	Saturday 9-Aug	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 67.41	\$ 108.83	\$ 180.50	\$ 214.11	\$ 326.92	\$ 141.54	\$ 48.58	\$ 155.41	\$ 61.78	151.5%	\$ 90.06
On-Peak	NA	\$ 137.57	\$ 238.93	\$ 288.36	\$ 456.23	\$ 190.97	\$ 59.98	\$ 228.68	\$ 74.69	206.1%	\$ 116.14
Off-Peak	\$ 67.41	\$ 51.36	\$ 63.63	\$ 65.62	\$ 68.29	\$ 42.68	\$ 25.76	\$ 57.73	\$ 44.57	29.5%	\$ 50.36
COV	0.40	1.07	0.84	0.98	1.09	1.15	0.51	0.86	0.37	131.4%	
Heat Rate											
Average	8.74	14.51	24.65	29.28	43.24	19.67	6.86	20.99	8.26	154.3%	10.43
On-Peak	NA	18.34	32.63	39.44	60.35	26.54	8.47	30.96	9.97	210.6%	13.45
Off-Peak	8.74	6.85	8.69	8.97	9.03	5.93	3.64	7.70	5.97	29.0%	5.83
Demand											
Average	7,363	7,692	8,132	8,185	8,259	8,397	8,026	8,008	7,917	1.1%	7,950
Minimum	6,788	6,977	7,144	7,253	7,224	7,368	7,266	7,146	7,061	1.2%	6,411
Maximum	7,724	8,308	8,831	8,867	9,020	9,151	8,664	8,652	8,540	1.3%	9,710
Coal Unit Availability											
Average	4,755	5,062	4,739	4,647	4,813	5,097	5,339	4,922	5,062		5,091
AC/MC	79%	84%	79%	77%	80%	85%	89%	82%	84%	-2.3%	85%
Gas, Hydro and Other Unit Availability											
Average	3,842	3,783	3,703	3,607	3,633	3,626	3,673	3,695	3,796		3,605
AC/MC	79%	78%	76%	74%	75%	75%	76%	76%	78%	-2.1%	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 August 9, prices were at or below:

\$20/MWh	1% of the time
\$50/MWh	33% of the time
\$100/MWh	68% of the time
\$250/MWh	82% of the time
\$500/MWh	90% of the time



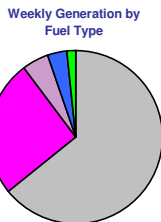
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending August 9 implied market heat rates were at or below:

5.0 GJ/MWh	8% of the time
10.0 GJ/MWh	49% of the time
15.0 GJ/MWh	70% of the time
20.0 GJ/MWh	74% of the time

Market Share Statistics

By Fuel Type:

■ Coal
 ■ Gas - Cogen
 ■ Gas - Other
 ■ Hydro
 ■ Other



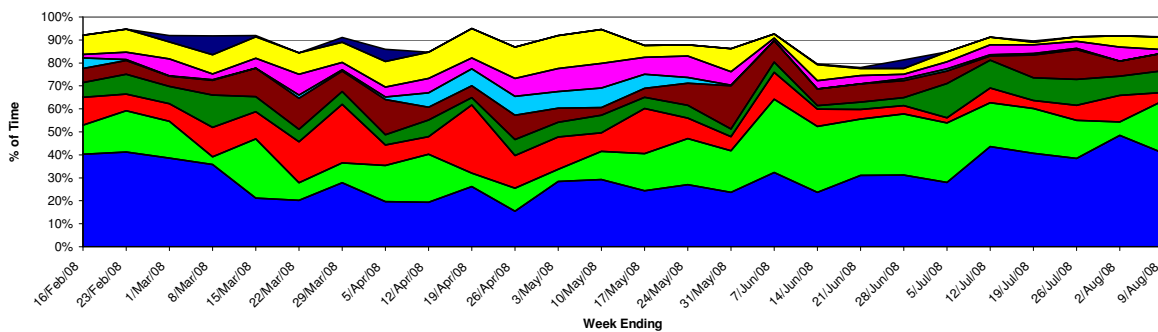
By Submitting Customer:



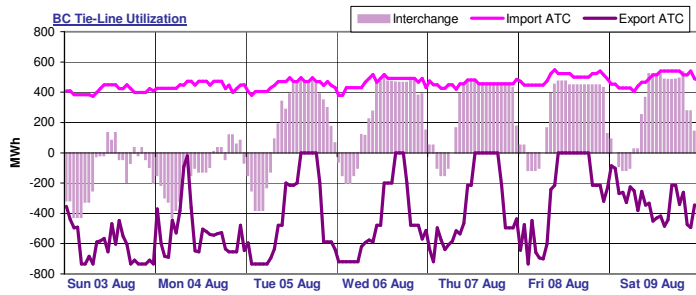
Last week, coal units were responsible for 64.3% of the generation in the province and set price 58.6% of the time. Gas-cogen units accounted for 25.5% of the generation and set price 34.1% of the time last week while other gas units made up 4.8% of generation and set price 5.1% of the time.

A total of 12 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 40.8% of the time and the top five price setters set price a total of 86.1% of the time.

Weekly Price Setting by Submitting Customer

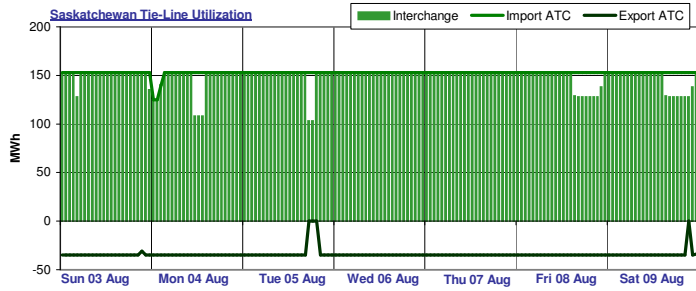


Interties

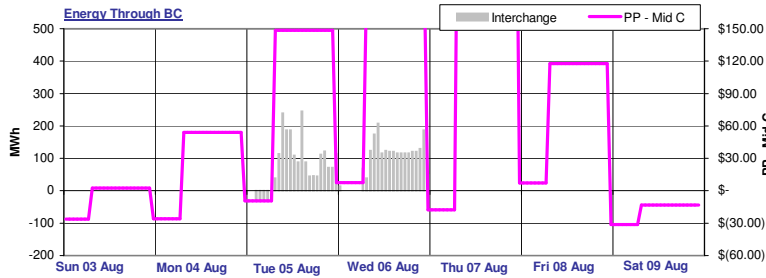


BC import capacity was 43% utilized last week while BC export capacity was 17% utilized. Energy was being imported into Alberta over the BC tie-line 61% of the time and exported out of Alberta over the BC tie-line 36% of the time last week. There was no activity on the BC tie-line 2% of the time last 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.



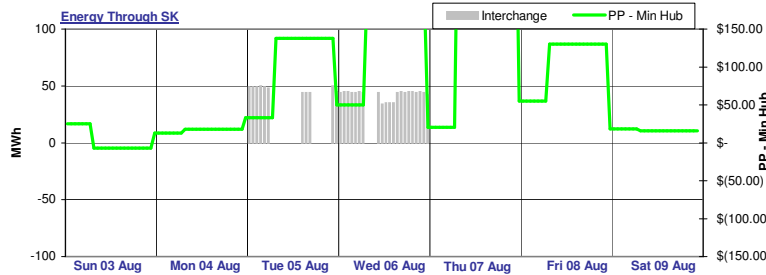
Saskatchewan import capacity was 97% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 100% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 0% of the time last week.



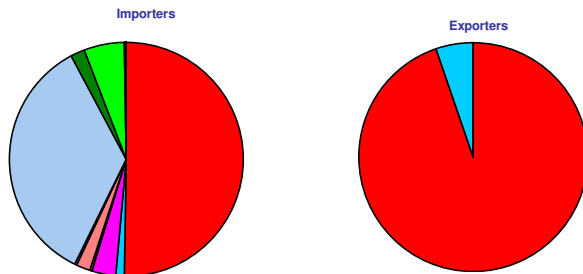
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



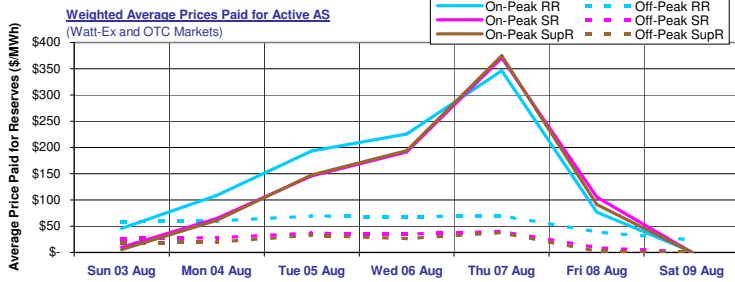
Tie-Line Market Shares



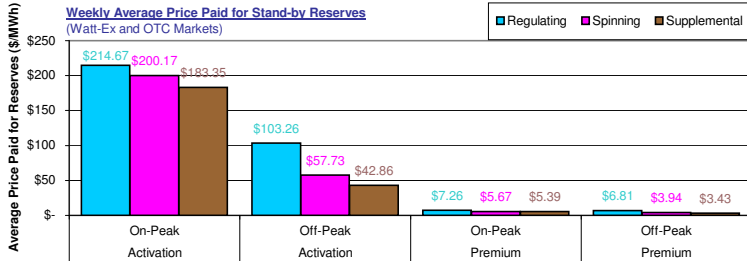
Last week, there were a total of 11 importers. The most active importer had a market share of 50.2% while the second most active importer had a market share of 34.9%. There were a total of 2 exporters last week. The most active exporter had a market share of 94.7% while the next largest exporter had a market share of 5.3%.

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

Ancillary Services Market

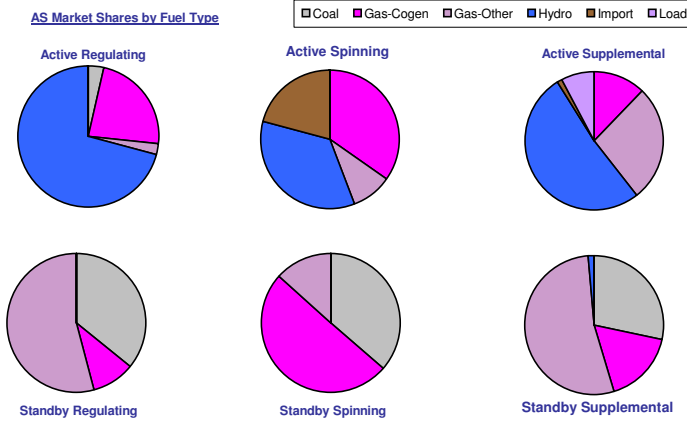


Average on-peak prices paid for active ancillary services last week were \$141.92/MWh, \$131.17/MWh and \$130.71/MWh respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices were lower and averaged \$55.51/MWh, \$25.08/MWh and \$19.79/MWh for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$42.86/MWh for **off-peak spinning** reserves to \$214.67/MWh for **on-peak supplemental** reserves. Weekly average premium prices ranged from \$3.43/MWh for **off-peak supplemental** reserves up to \$7.26/MWh for **on-peak regulating** reserves.

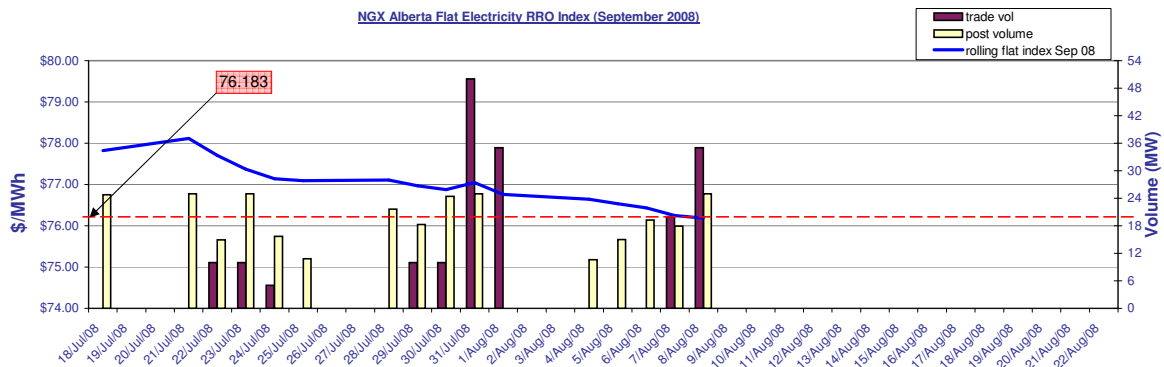
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with 70.7%. In the **active spinning** reserve market, **hydro** units had the leading market share with 35.0% while in the **active supplemental** reserve market, **hydro** units dominated with a 51.7% market share.

Gas units dominated the **standby regulating** reserve market with a 54.3% market share. Leading market share in the **standby spinning** market was held by **gas cogen** units with a 50.2% market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with 53.2%.

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 (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.