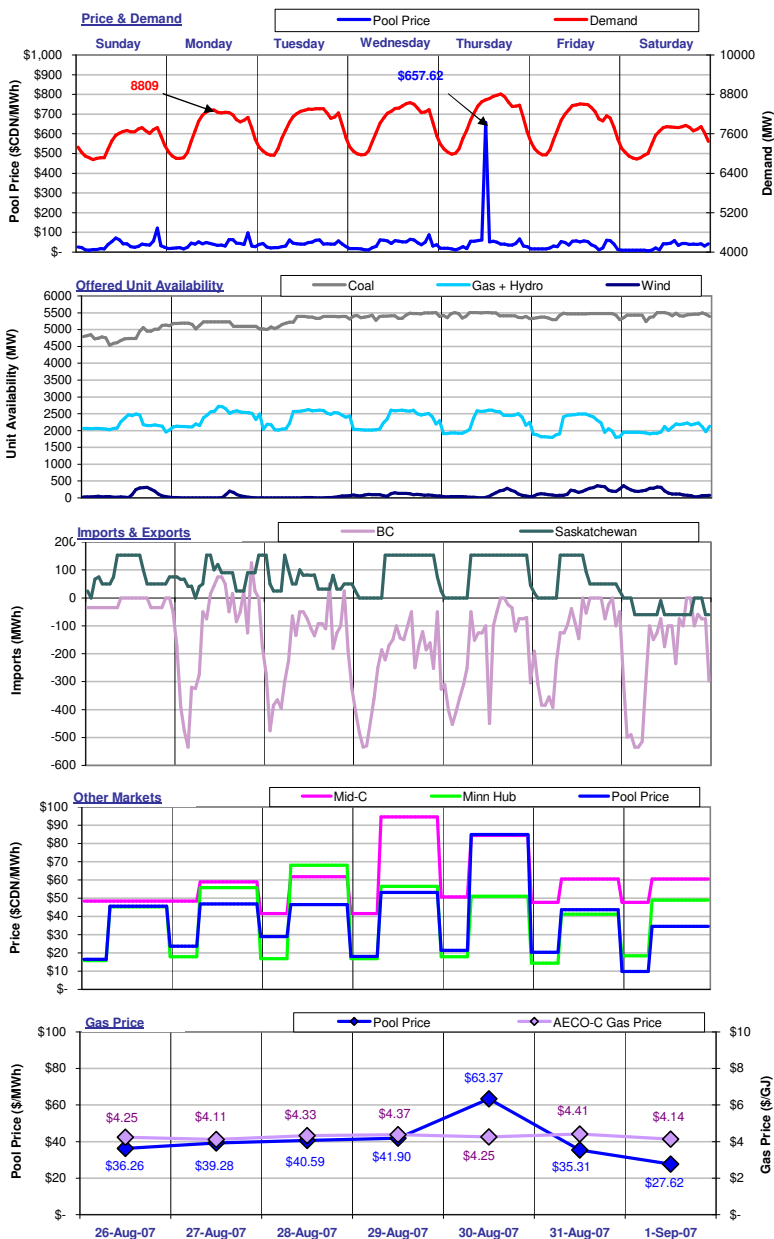


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 1, 2007

Weekly Highlights



For the week ending September 1, 2007, **Pool Price** averaged \$40.62/MWh and ranged from a minimum of \$7.00/MWh in HE08 on Saturday to a maximum of \$657.62/MWh in HE13 on Thursday. **Demand** reached a high of 8809 MW in HE17 on Monday and a low of 6819 MW in HE05 on Friday. Average demand for the week was 7747 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.13.

Coal Unit Availability averaged 5283 MW last week. This is an equivalent availability of 90% (based on MCR). **Gas and Hydro Unit Availability** averaged 2251 MW last week, which is an equivalent of 47% (based on MCR). **Wind Generation** averaged 96 MW last week. This is an equivalent availability of 22% (based on MCR). 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 25,684MWh. Alberta was a net importer from Saskatchewan last week with total imports equal to 10,746 MWh. Overall, Alberta imported 14,938MWh 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 \$70.15/MWh on-peak and \$46.56/MWh off-peak. **Minn Hub** prices averaged \$53.59/MWh on-peak and \$16.88/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.0525.

The average **AECO-C Gas Price** last week was \$4.26/GJ and ranged from a minimum of \$4.11/GJ to \$4.41/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 6.67 GJ/MWh to a high of 14.91 GJ/MWh. The average market heat rate for the week was 9.52 GJ/MWh.

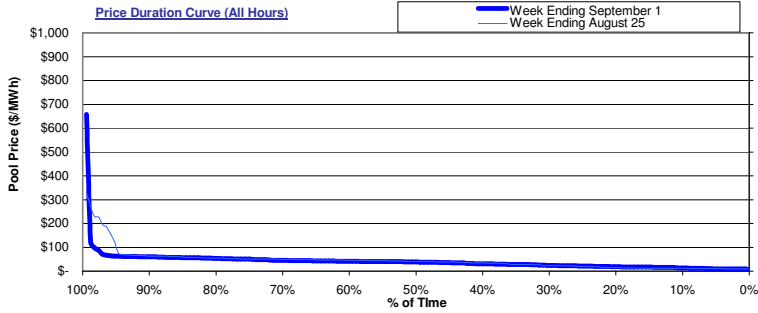


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

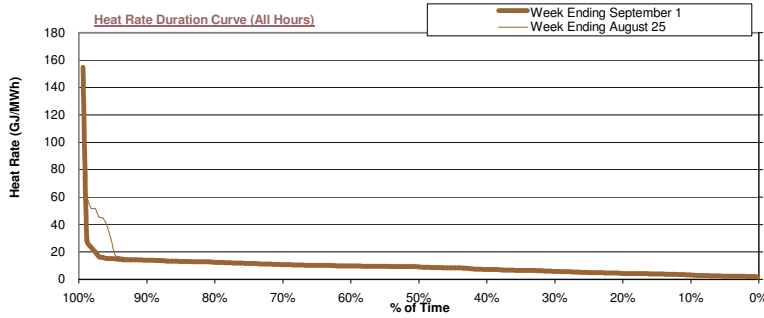
	Sunday 26-Aug	Monday 27-Aug	Tuesday 28-Aug	Wednesday 29-Aug	Thursday 30-Aug	Friday 31-Aug	Saturday 1-Sep	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 36.26	\$ 39.28	\$ 40.59	\$ 41.90	\$ 63.37	\$ 35.31	\$ 27.62	\$ 40.62	\$ 44.82	-9.4%	\$ 70.90
On-Peak	NA	\$ 46.76	\$ 46.49	\$ 53.13	\$ 84.93	\$ 43.75	\$ 34.63	\$ 51.61	\$ 61.43	-16.0%	\$ 92.18
Off-Peak	\$ 36.26	\$ 24.32	\$ 28.78	\$ 19.44	\$ 20.25	\$ 18.43	\$ 13.61	\$ 25.96	\$ 22.69	14.4%	\$ 36.70
COV	0.67	0.46	0.30	0.49	2.01	0.50	0.61	0.72	0.66	8.4%	
Heat Rate											
Average	8.54	9.55	9.38	9.58	14.91	8.01	6.67	9.52	9.90	-3.8%	11.15
On-Peak	NA	11.37	10.74	12.15	19.99	9.93	8.36	12.09	13.74	-12.0%	14.49
Off-Peak	8.54	5.91	6.65	4.45	4.76	4.18	3.29	6.10	4.79	27.3%	5.77
Demand											
Average	7,375	7,759	7,838	7,887	8,047	7,868	7,454	7,747	7,682	0.8%	7,911
Minimum	6,819	6,851	6,949	6,959	6,982	6,961	6,839	6,909	6,855	0.8%	6,440
Maximum	7,793	8,326	8,359	8,550	8,809	8,508	7,856	8,314	8,231	1.0%	9,478
Coal Unit Availability											
Average	4,840	5,156	5,275	5,420	5,437	5,424	5,431	5,283	4,945		5,187
Utilization	83%	88%	90%	93%	93%	93%	93%	90%	85%	5.8%	89%
Gas and Hydro Unit Availability											
Average	2,165	2,405	2,391	2,325	2,295	2,127	2,047	2,251	2,295	-11.2%	2,200
Utilization	55%	62%	61%	59%	59%	54%	52%	47%	59%		56%



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

For the week ending **September 1**, prices were at or below:

\$20/MWh 22% of the time
 \$50/MWh 74% of the time
 \$100/MWh 98% of the time
 \$250/MWh 99% of the time
 \$500/MWh 99% of the time



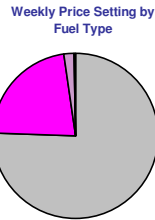
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **September 1** implied market heat rates were at or below:

5.0 GJ/MWh 26% of the time
 10.0 GJ/MWh 62% of the time
 15.0 GJ/MWh 95% 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)

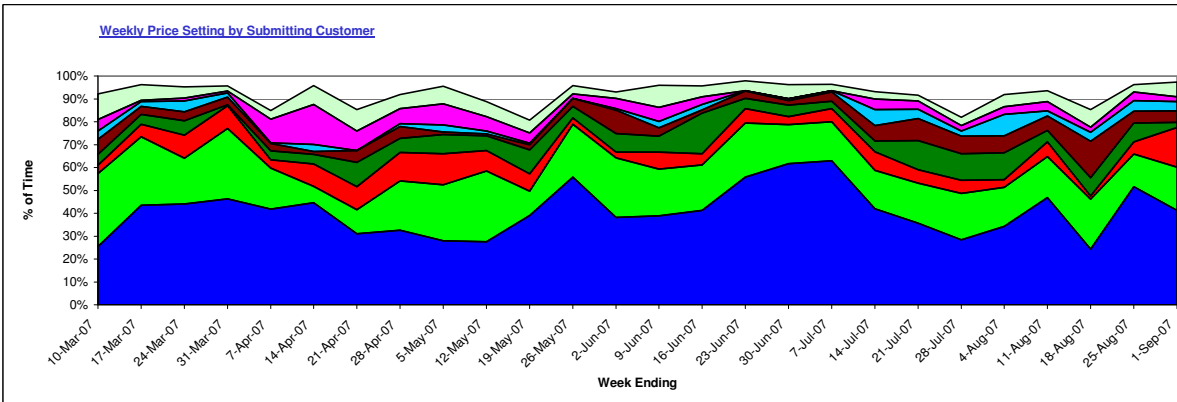


By Submitting Customer:

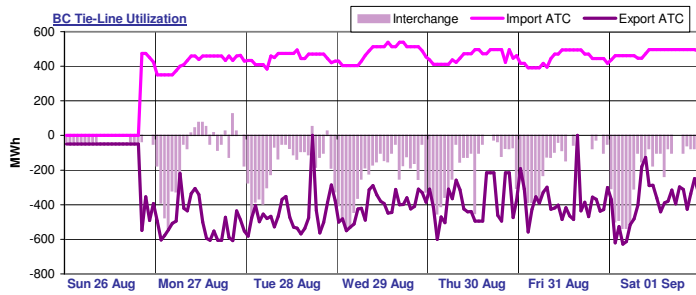


Last week, **coal units** were responsible for 67.1% of the generation in the province and set price 75.7% of the time. **Gas-cogen** units accounted for 23.8% of the generation and set price 22.1% of the time last week while **other gas** units made up 4.4% of generation and set price 2.0% of the time.

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 41.3% of the time and the top five price setters set price a total of 89.0% of the time.

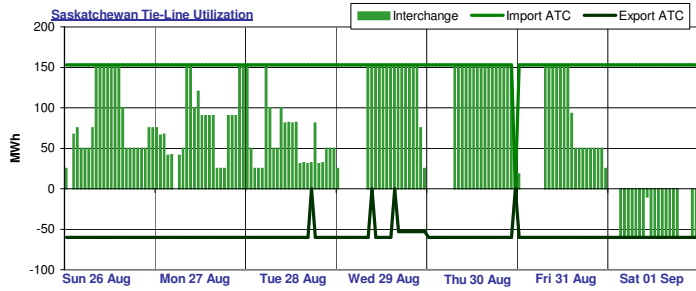


Interties

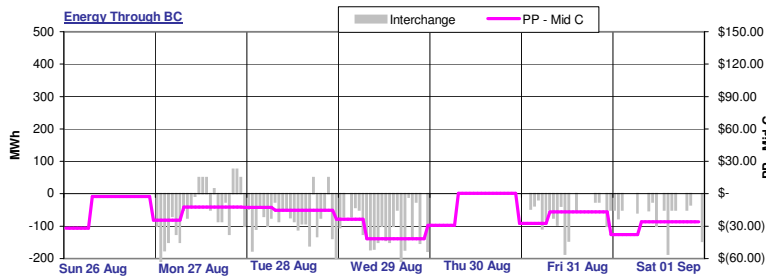


BC import capacity was 3% utilized last week while BC export capacity was 44% utilized. Energy was being imported into Alberta over the BC tie-line 7% of the time and exported out of Alberta over the BC tie-line 81% of the time last week. There was no activity on the BC tie-line 13% of the time last 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.



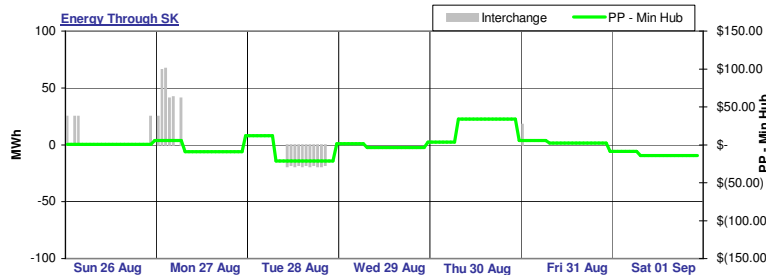
Saskatchewan import capacity was 47% utilized last week while Saskatchewan export capacity was 13% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 73% of the time and exported out of Alberta over the Saskatchewan tie-line 11% of the time last week. There was no activity on the Saskatchewan tie-line 17% of the time last week.



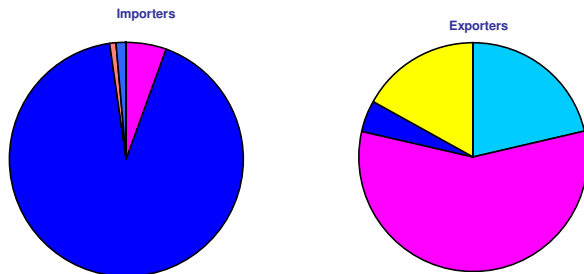
Last week, Alberta spot prices were mostly lower relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting export activity across the Alberta - BC interconnection.

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.



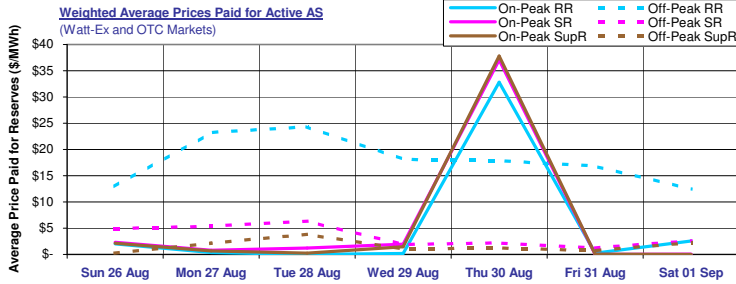
Tie-Line Market Shares



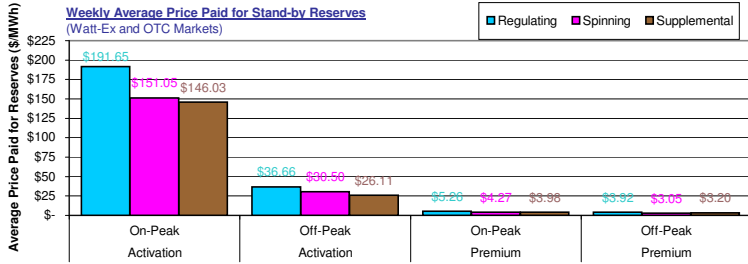
Last week, there were a total of 4 importers. The most active importer had a market share of 92.2% while the second most active importer had a market share of 5.7%. There were a total of 5 exporters last week. The most active exporter had a market share of 57.1% while the next largest exporter had a market share of 21.3%.

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

Ancillary Services Market

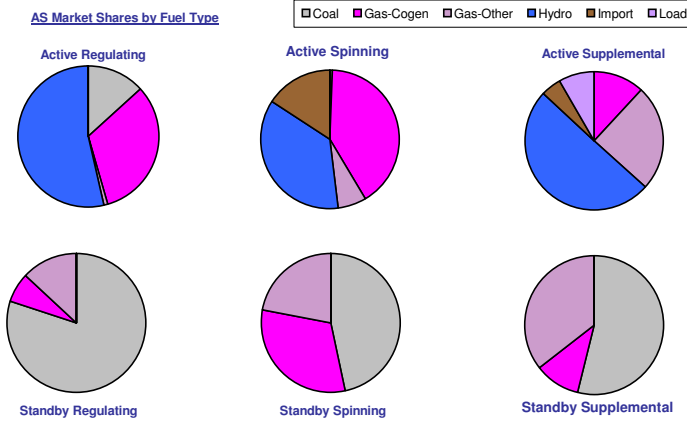


Average on-peak prices paid for active ancillary services last week were **\$5.30/MWh**, **\$6.83/MWh** and **\$6.01/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves. Active average off-peak prices were **lower** with the exception of off-peak regulating reserves and averaged **\$17.98/MWh**, **\$3.45/MWh** and **\$1.62/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$26.11/MWh** for **off-peak supplemental** reserves to **\$191.65/MWh** for **on-peak regulating** reserves. Weekly average premium prices ranged from **\$3.05/MWh** for **off-peak spinning** reserves up to **\$5.26/MWh** for **on-peak regulating** reserves.

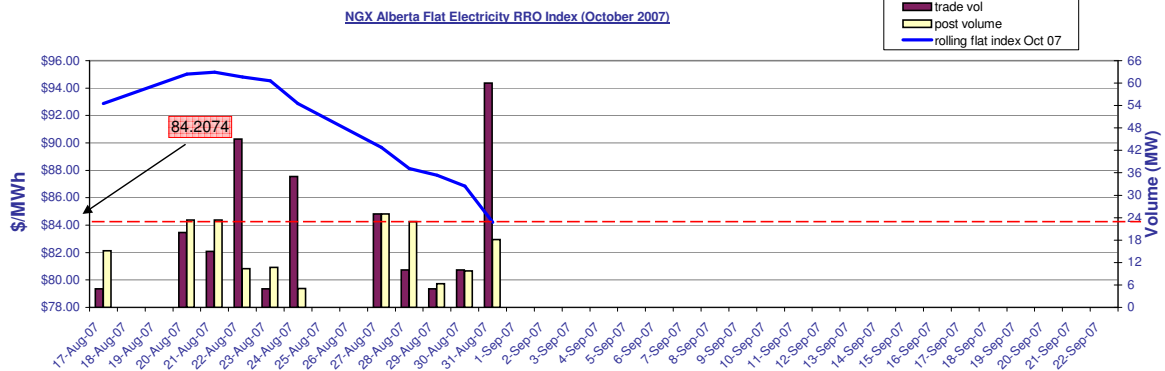
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **53.6%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **41.0%** while in the **active supplemental** reserve market, **hydro** units dominated with a **50.3%** market share.

Coal units dominated the **standby regulating** reserve market with a **79.9%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **46.6%** market share. In the **standby supplemental** reserve market, **coal** units had the leading market share with **54.0%**.

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.