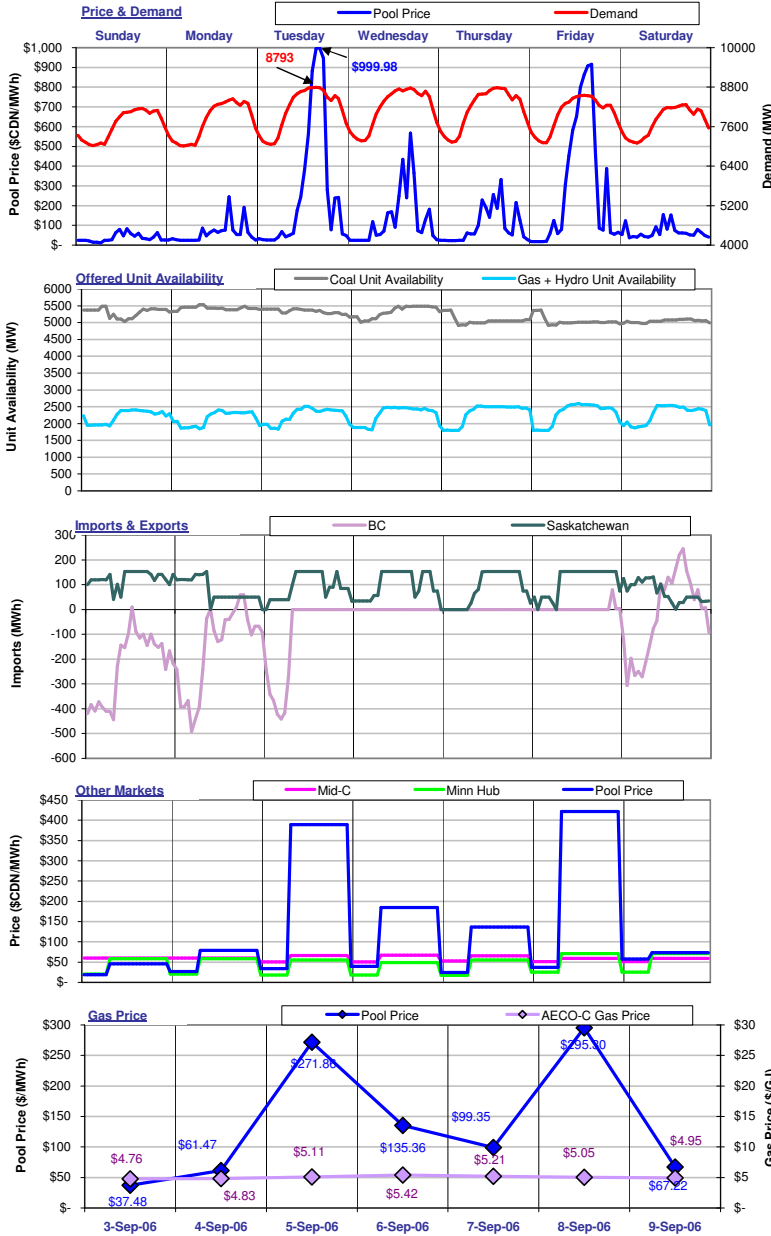


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending September 9, 2006

Weekly Highlights



For the week ending **September 9 2006**, **Pool Price** averaged \$138.29/MWh and ranged from a minimum of \$11.33/MWh in HE07 on **Sunday** to a maximum of \$999.98/MWh in HE17 on **Tuesday**. **Demand** reached a high of 8793 MW in HE16 on **Tuesday** and a low of 7016 MW in HE05 on **Sunday**. Average demand for the week was 7941 MW. **Pool Price** and **Demand** were positively correlated last week with an R-squared value of 0.30.

Coal Unit Availability averaged 5221 MW last week. This is an equivalent availability of 89% (based on MCR). **Gas and Hydro Unit Availability** averaged 2249 MW last week, which is an equivalent of 40% (based on MCR).

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

Alberta was a net exporter to **BC** last week with total exports equal to 12,089 MWh. Alberta was a net importer from **Saskatchewan** last week with total imports equal to 15,918 MWh. Overall, Alberta imported 3,829 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 \$62.92/MWh on-peak and \$53.90/MWh off-peak. **Minn Hub** prices averaged \$59.78/MWh on-peak and \$20.77/MWh off-peak.

Prices in \$CDN at an exchange rate of 1.10473.

The average **AECO-C Gas Price** last week was \$5.05/GJ and ranged from a minimum of \$4.76/GJ to \$5.42/GJ. Prevailing gas prices resulted in market heat rates ranging from a low of 7.88GJ/MWh to a high of 58.53GJ/MWh. The average market heat rate for the week was 27.13GJ/MWh.

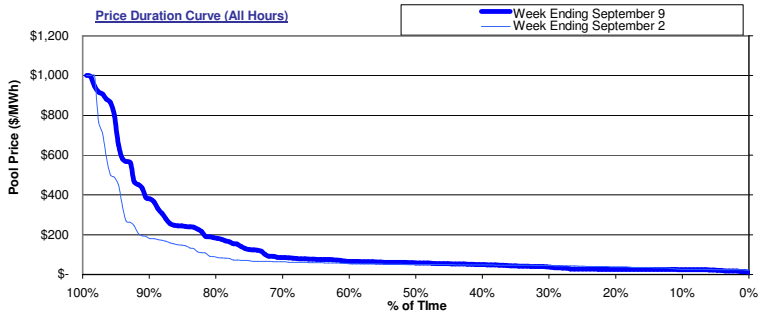


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

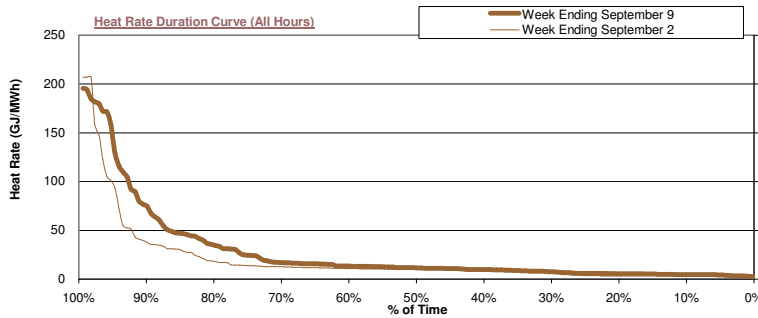
	Sunday 3-Sep	Monday 4-Sep	Tuesday 5-Sep	Wednesday 6-Sep	Thursday 7-Sep	Friday 8-Sep	Saturday 9-Sep	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 37.48	\$ 61.47	\$ 271.86	\$ 135.36	\$ 99.35	\$ 295.30	\$ 67.22	\$ 138.29	\$ 101.24	36.6%	\$ 68.69
On-Peak	NA	\$ 78.97	\$ 389.44	\$ 184.57	\$ 136.89	\$ 421.93	\$ 73.54	\$ 214.22	\$ 127.30	68.3%	\$ 89.77
Off-Peak	\$ 37.48	\$ 26.47	\$ 36.70	\$ 36.92	\$ 24.25	\$ 42.03	\$ 54.58	\$ 37.05	\$ 66.50	-44.3%	\$ 36.58
COV	0.55	0.87	1.25	1.07	0.90	1.10	0.49	0.89	0.63	40.5%	
Heat Rate											
Average	7.88	12.74	53.17	24.96	19.07	58.53	13.58	27.13	18.66	45.4%	11.08
On-Peak	NA	16.36	76.17	34.03	26.28	83.63	14.86	41.89	23.85	75.6%	14.48
Off-Peak	7.88	5.48	7.18	6.81	4.66	8.33	11.03	7.46	11.73	-36.4%	5.90
Demand											
Average	7,653	7,766	8,121	8,149	8,134	8,000	7,765	7,941	7,953	-0.2%	7,846
Minimum	7,021	7,016	7,060	7,173	7,130	7,114	7,104	7,088	7,121	-0.5%	6,351
Maximum	8,155	8,444	8,793	8,770	8,789	8,549	8,268	8,538	8,531	0.1%	9,306
Coal Unit Availability											
Average	5,303	5,428	5,335	5,323	5,070	5,046	5,045	5,221	5,267		5,359
Utilization	91%	93%	91%	91%	87%	86%	86%	89%	90%	-0.8%	92%
Gas and Hydro Unit Availability											
Average	2,217	2,149	2,241	2,258	2,304	2,300	2,271	2,249	2,293		2,053
Utilization	47%	45%	47%	47%	48%	48%	48%	47%	48%	-0.9%	43%



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

For the week ending **Sept 9**, prices were at or below:

- \$20/MWh 4% of the time
- \$50/MWh 40% of the time
- \$100/MWh 72% of the time
- \$250/MWh 86% of the time
- \$500/MWh 92% 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 **Sept 9** implied market heat rates were at or below:

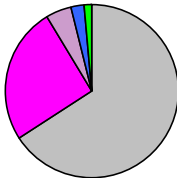
- 5.0 GJ/MWh 14% of the time
- 10.0 GJ/MWh 42% of the time
- 15.0 GJ/MWh 62% of the time
- 20.0 GJ/MWh 73% of the time

Market Share Statistics

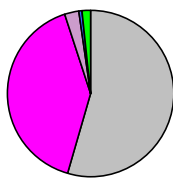
By Fuel Type:

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

Weekly Generation by Fuel Type

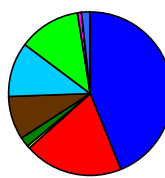


Weekly Price Setting by Fuel Type



By Submitting Customer:

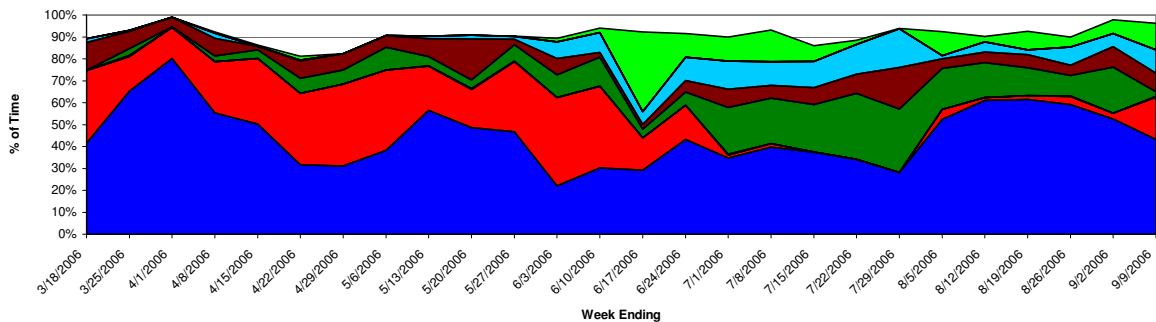
Weekly Price Setting by Submitting Customer



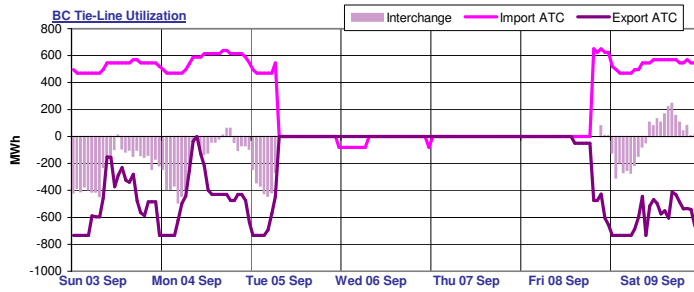
Last week, coal units were responsible for 65.9% of the generation in the province and set price 54.5% of the time. Gas-cogen units accounted for 25.4% of the generation and set price 40.4% of the time last week while other gas units made up 4.8% of generation and set price 2.8% of the time.

A total of 9 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 43.2% of the time and the top five price setters set price a total of 93.7% of the time.

Weekly Price Setting by Submitting Customer

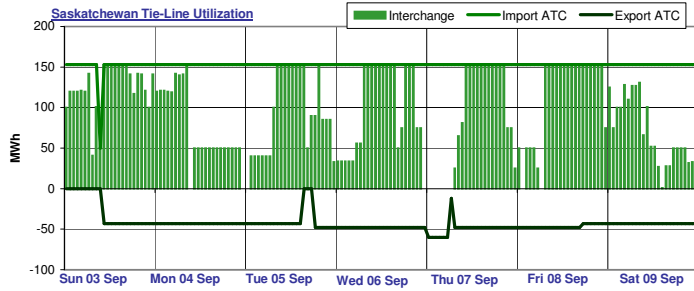


Interties

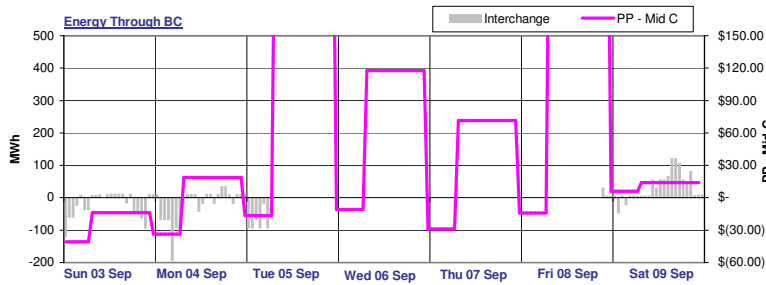


BC import capacity was 3% utilized last week while BC export capacity was 30% utilized. Energy was being imported into Alberta over the BC tie-line 13% of the time and exported out of Alberta over the BC tie-line 36% of the time last week. There was no activity on the BC tie-line 51% of the time last 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.



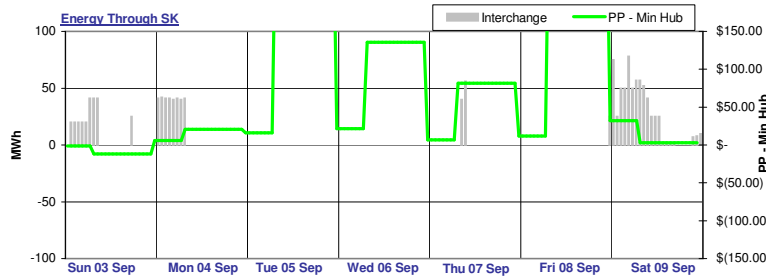
Saskatchewan import capacity was 62% utilized last week while Saskatchewan export capacity was 0% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 92% of the time and exported out of Alberta over the Saskatchewan tie-line 0% of the time last week. There was no activity on the Saskatchewan tie-line 8% of the time last week.



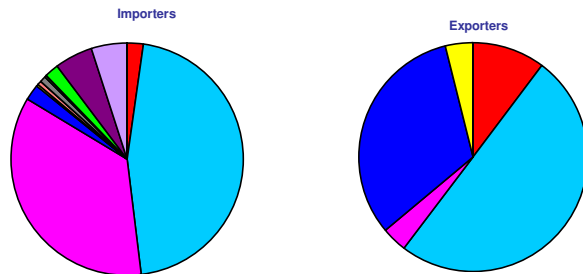
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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

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



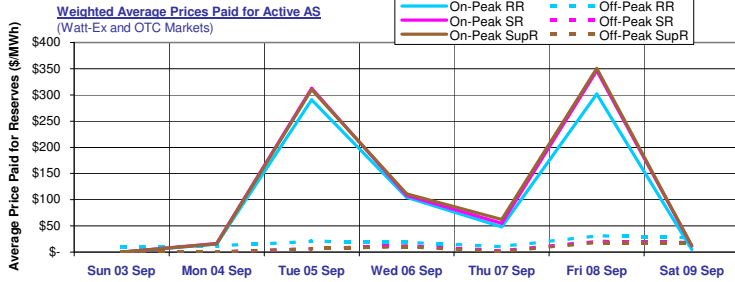
Tie-Line Market Shares



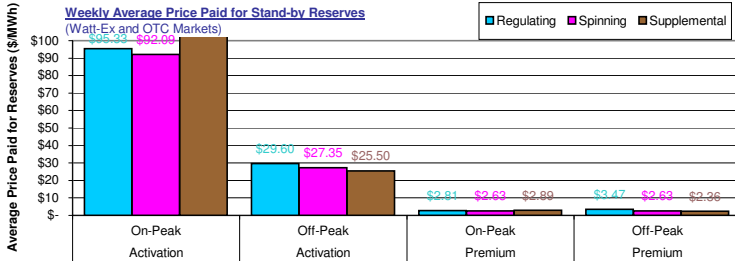
Last week, there were a total of 12 importers. The most active importer had a market share of 46.0% while the second most active importer had a market share of 35.5%. There were a total of 5 exporters last week. The most active exporter had a market share of 50.2% while the next largest exporter had a market share of 32.4%.

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

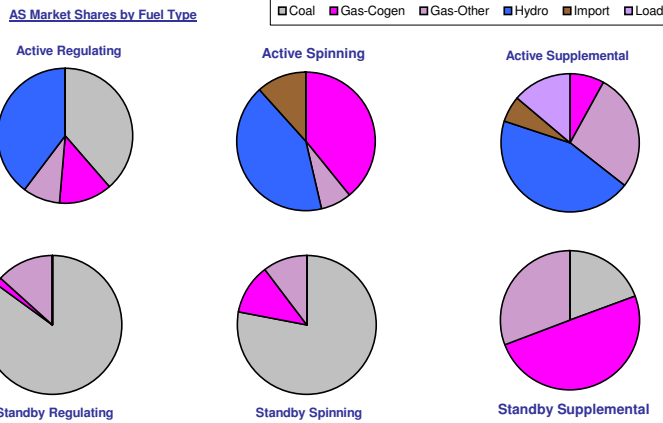
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$110.27/MWh**, **\$125.03/MWh** and **\$126.75/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices averaged **\$18.33/MWh**, **\$8.77/MWh** and **\$7.59/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$25.5/MWh** for **off-peak supplemental** reserves to **\$129.64/MWh** for **on-peak regulating** reserves.
Weekly average premium prices ranged from **\$2.36/MWh** for **off-peak supplemental** reserves up to **\$3.47/MWh** for **on-peak spinning** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **39.8%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **42.1%** while in the **active supplemental** reserve market, **hydro** units dominated with a **44.6%** market share.

Coal units dominated the **standby regulating** reserve market with a **84.9%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **78.1%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **49.7%**.

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.