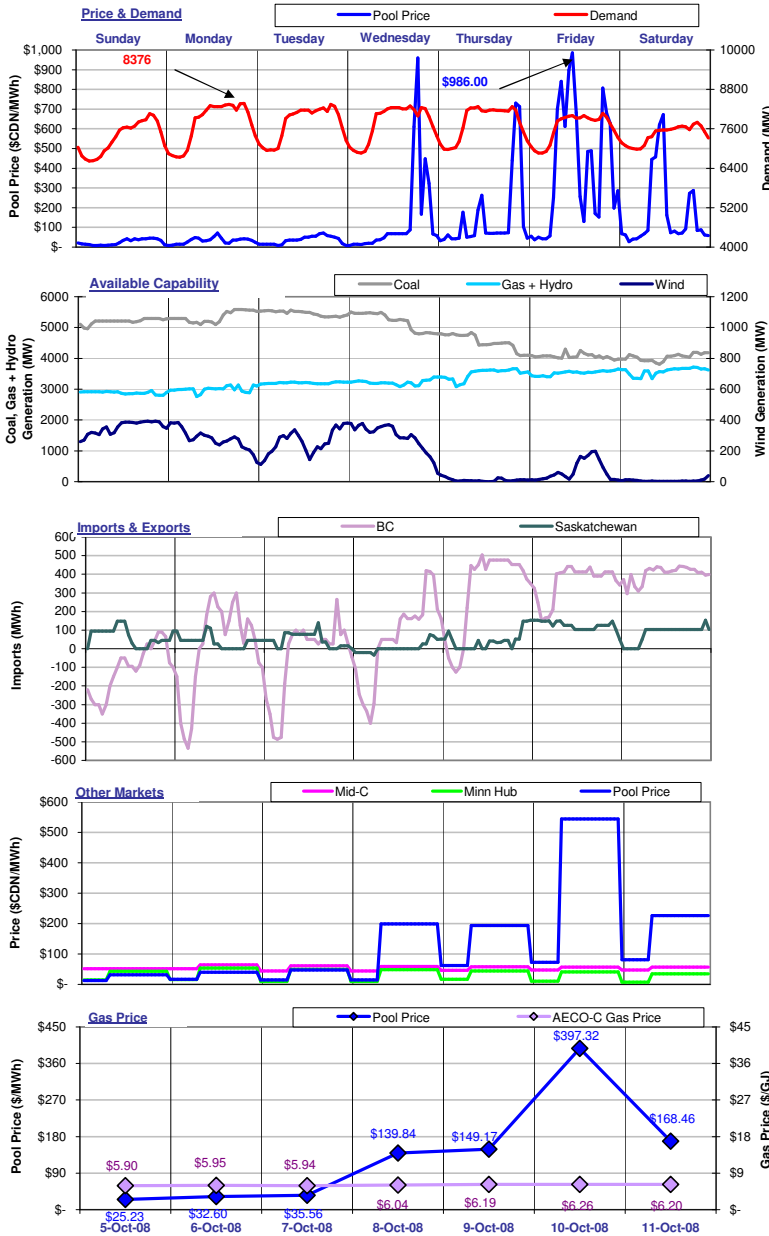


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending October 11, 2008

Weekly Highlights



For the week ending **October 11, 2008**, **Pool Price** averaged **\$135.45/MWh** and ranged from a minimum of **\$7.60/MWh** in **HE06** on **Tuesday** to a maximum of **\$986/MWh** in **HE12** on **Friday**. **Demand** reached a high of **8376 MW** in **HE21** on **Monday** and a low of **6625 MW** in **HE04** on **Sunday**. Average demand for the week was **7642 MW**. **Pool Price** and **Demand** were **positively correlated** last week with an R-squared value of **0.06**.

Coal Unit Availability averaged **4836 MW** last week. This is an equivalent availability of **81%**. **Gas, Hydro and Other Unit Availability** averaged **3272 MW** last week, which is an equivalent of **62%**. **Wind Generation** averaged **181 MW** last week. This is an equivalent availability of **36%**. 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 **23,502 MWh**. Alberta was a net importer from **Saskatchewan** last week with total imports equal to **9,679 MWh**. Overall, Alberta imported **33,181 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 **\$59.18/MWh** on-peak and **\$47.15/MWh** off-peak. **Minn Hub** prices averaged **\$45.27/MWh** on-peak and **\$11.99/MWh** off-peak.

Prices in \$CDN at an exchange rate of 1.08313.

The average **AECO-C Gas Price** last week was **\$6.07/GJ** and ranged from a minimum of **\$5.90/GJ** to **\$6.26/GJ**. Prevailing gas prices resulted in market heat rates ranging from a low of **4.28 GJ/MWh** to a high of **63.44 GJ/MWh**. The average market heat rate for the week was **21.94 GJ/MWh**.

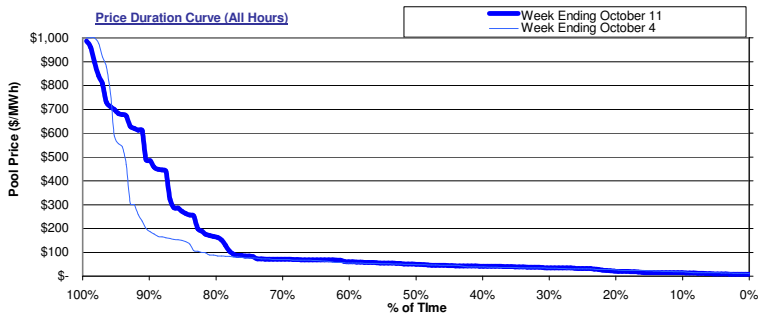


Alberta's Market Surveillance Administrator is in place to monitor the fair, efficient and openly competitive operation of all electricity markets within the province. The **Market Monitor** is a weekly publication by the MSA intended to educate industry participants and the public on market activities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

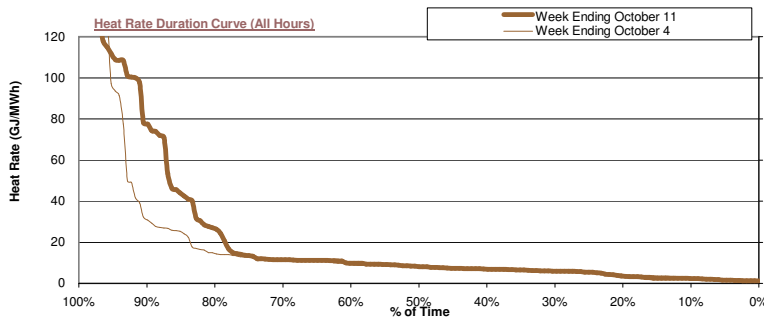
	Sunday 5-Oct	Monday 6-Oct	Tuesday 7-Oct	Wednesday 8-Oct	Thursday 9-Oct	Friday 10-Oct	Saturday 11-Oct	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 25.23	\$ 32.60	\$ 35.56	\$ 139.84	\$ 149.17	\$ 397.32	\$ 168.46	\$ 135.45	\$ 107.44	26.1%	\$ 89.65
On-Peak	NA	\$ 39.52	\$ 47.05	\$ 199.42	\$ 193.44	\$ 544.47	\$ 226.36	\$ 208.38	\$ 163.21	27.7%	\$ 118.45
Off-Peak	\$ 25.23	\$ 18.76	\$ 12.57	\$ 20.69	\$ 60.63	\$ 103.03	\$ 52.67	\$ 38.22	\$ 33.07	15.6%	\$ 46.71
COV	0.58	0.47	0.57	1.64	1.33	0.80	1.12	0.93	1.14	-18.4%	
Heat Rate											
Average	4.28	5.48	5.98	23.14	24.08	63.44	27.18	21.94	18.05	21.5%	11.06
On-Peak	NA	6.64	7.92	32.99	31.23	86.94	36.52	33.71	27.36	23.2%	14.61
Off-Peak	4.28	3.15	2.12	3.42	9.79	16.45	8.50	6.25	5.65	10.7%	5.76
Demand											
Average	7,328	7,773	7,764	7,787	7,794	7,625	7,421	7,642	7,740	-1.3%	7,911
Minimum	6,625	6,739	6,946	6,861	6,968	6,864	6,979	6,855	6,878	-0.3%	6,411
Maximum	8,060	8,376	8,343	8,293	8,276	8,068	7,800	8,174	8,360	-2.2%	9,710
Coal Unit Availability											
Average	5,203	5,347	5,462	5,197	4,536	4,070	4,037	4,836	4,996		5,094
AC/MC	87%	89%	91%	87%	76%	68%	67%	81%	83%	-2.7%	85%
Gas, Hydro and Other Unit Availability											
Average	2,885	2,997	3,203	3,221	3,493	3,527	3,582	3,272	3,037		3,560
AC/MC	55%	57%	61%	61%	67%	67%	68%	62%	58%	4.5%	68%



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

For the week ending **October 11**, prices were at or below:

\$20/MWh	18% of the time
\$50/MWh	50% of the time
\$100/MWh	77% of the time
\$250/MWh	83% of the time
\$500/MWh	90% of the time



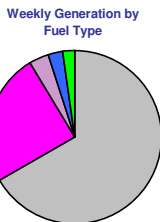
The heat rate duration curves show the % of time that the implied market heat rate was at or below a certain value during the week. For the week ending **October 11** implied market heat rates were at or below:

5.0 GJ/MWh	23% of the time
10.0 GJ/MWh	61% of the time
15.0 GJ/MWh	78% of the time
20.0 GJ/MWh	79% of the time

Market Share Statistics

By Fuel Type:

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

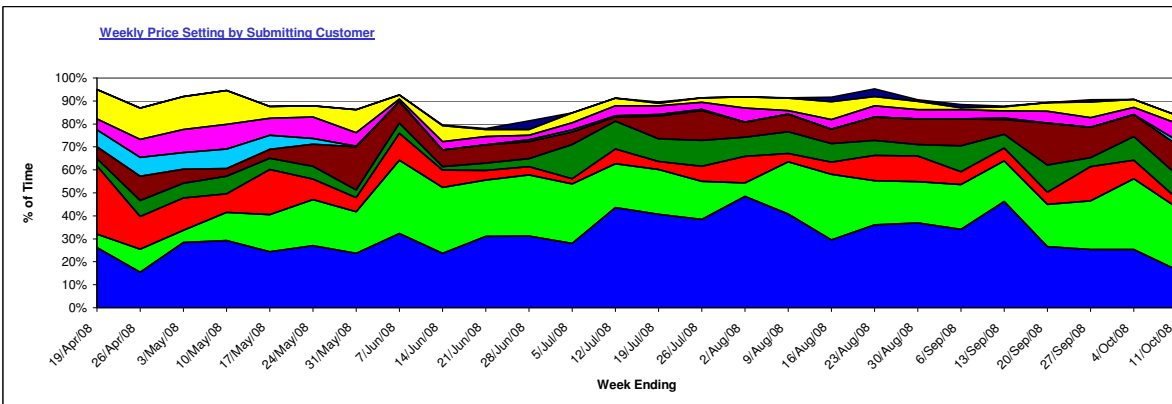


By Submitting Customer:

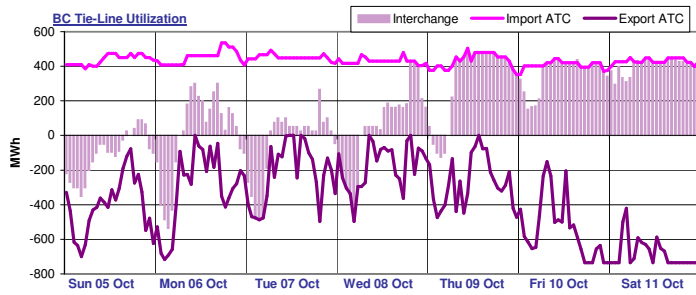


Last week, **coal units** were responsible for 66.7% of the generation in the province and set price 43.3% of the time. **Gas-cogen** units accounted for 24.6% of the generation and set price 41.2% of the time last week while **other gas** units made up 3.7% of generation and set price 12.7% of the time.

A total of **12** 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 27.1% of the time and the top five price setters set price a total of 74.6% of the time.

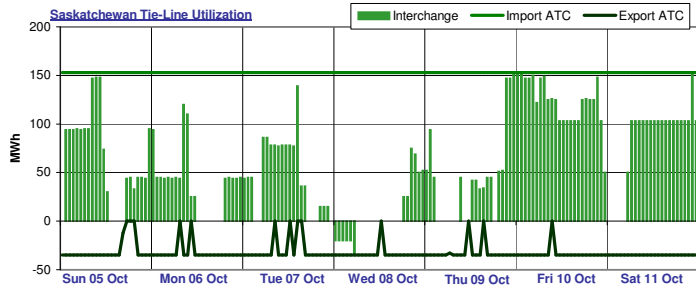


Interties

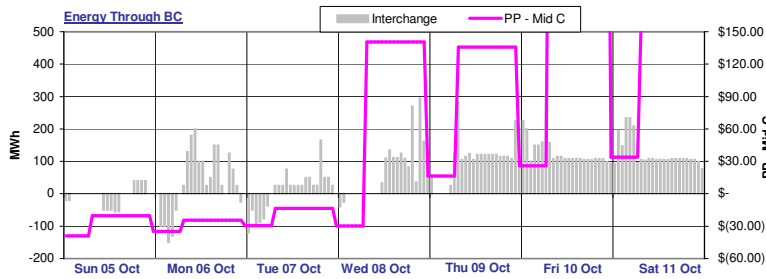


BC import capacity was 46% utilized last week while BC export capacity was 14% utilized. Energy was being imported into Alberta over the BC tie-line 72% of the time and exported out of Alberta over the BC tie-line 26% of the time last week. There was no activity on the BC tie-line 2% of the time last 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.



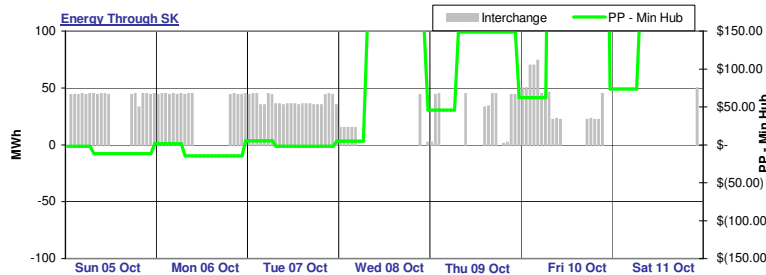
Saskatchewan import capacity was 40% utilized last week while Saskatchewan export capacity was 9% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 70% of the time and exported out of Alberta over the Saskatchewan tie-line 4% of the time last week. There was no activity on the Saskatchewan tie-line 26% of the time last week.



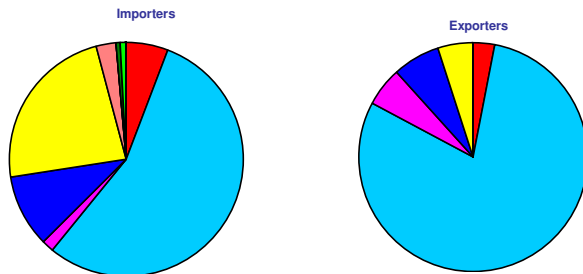
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



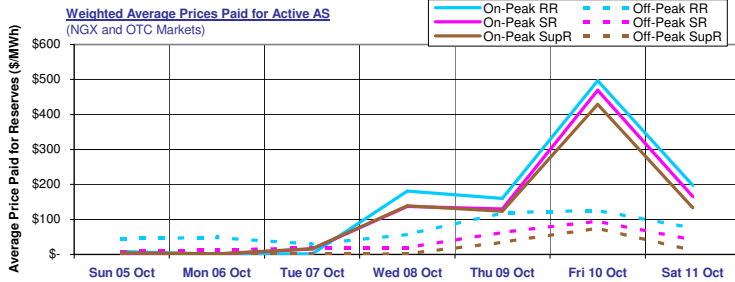
Tie-Line Market Shares



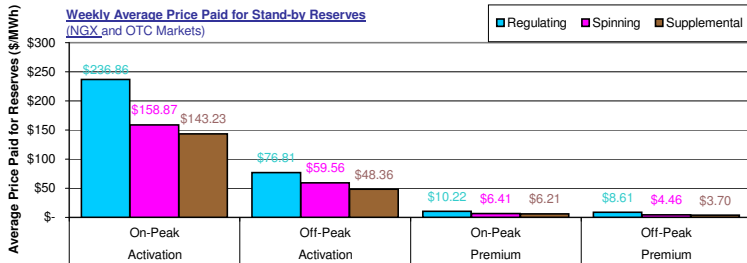
Last week, there were a total of 10 importers. The most active importer had a market share of 54.9% while the second most active importer had a market share of 23.2%. There were a total of 5 exporters last week. The most active exporter had a market share of 79.9% while the next largest exporter had a market share of 6.8%.

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

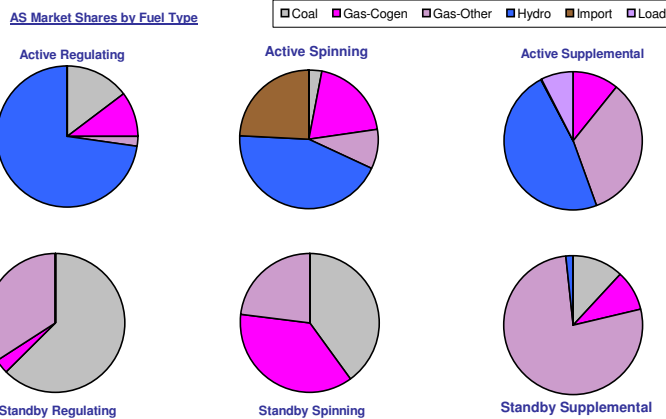
Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$147.56/MWh**, **\$132.80/MWh** and **\$128.21/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.
Active average off-peak prices were **lower** and averaged **\$72.26/MWh**, **\$37.75/MWh** and **\$18.18/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



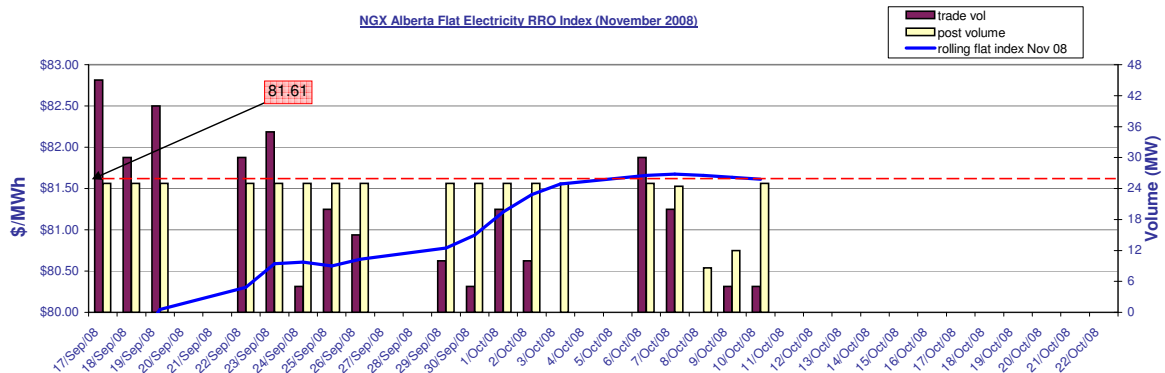
Weekly average activation prices for stand-by reserves ranged from **\$48.36/MWh** for **off-peak supplemental** reserves to **\$236.86/MWh** for **on-peak regulating** reserves.
Weekly average premium prices ranged from **\$3.70/MWh** for **off-peak supplemental** reserves up to **\$10.22/MWh** for **on-peak regulating** reserves.



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **72.8%**. In the **active spinning** reserve market, **hydro** units had the leading market share with **43.7%** while in the **active supplemental** reserve market, **hydro** units dominated with a **47.9%** market share.

Coal units dominated the **standby regulating** reserve market with a **62.5%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **40%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **76.9%**.

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.