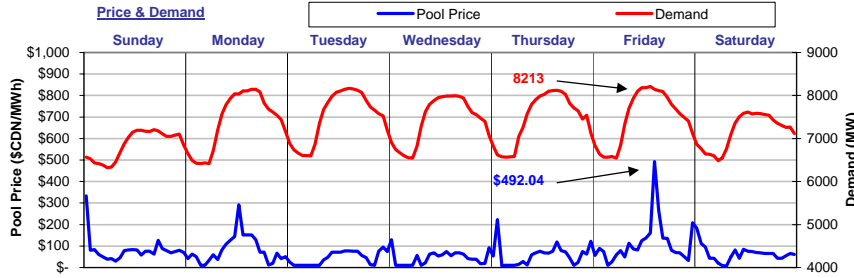


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending June 26, 2004

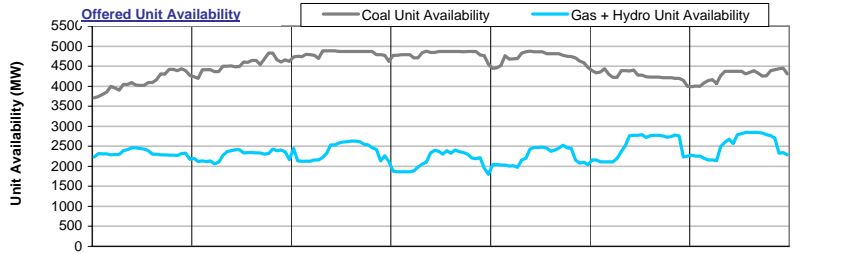
Weekly Highlights



For the week ending June 26, 2004, **Pool Price** averaged \$69.69/MWh and ranged from a minimum of \$7.20/MWh in HE08 on Saturday to a maximum of \$492.04/MWh in HE15 on Friday.

Demand reached a high of 8213 MW in HE14 on Friday and a low of 6325 MW in HE06 on Sunday. Average demand for the week was 7331MW.

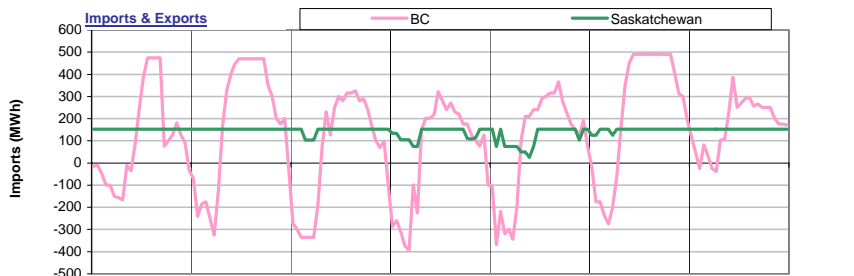
Pool Price and **Demand** were positively correlated last week with an R-squared value of 0.10.



Coal Unit Availability averaged 4504 MW last week. This is an equivalent availability of 82% (based on MCR).

Gas and Hydro Unit Availability averaged 2345MW last week, which is an equivalent of 42% (based on MCR).

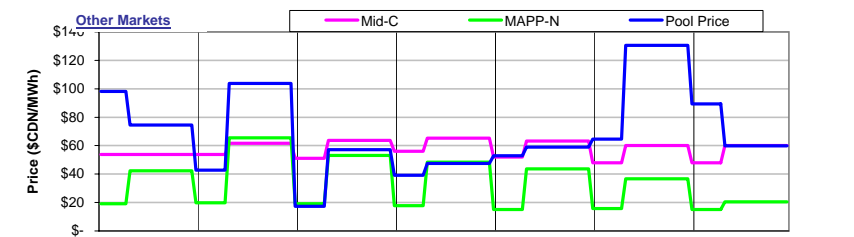
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer from **BC** last week with total imports equal to 21,300MWh.

Alberta was a net importer from **Saskatchewan** last week with total imports equal to 24,153MWh.

Overall, Alberta imported 45,453MWh of electricity last week.

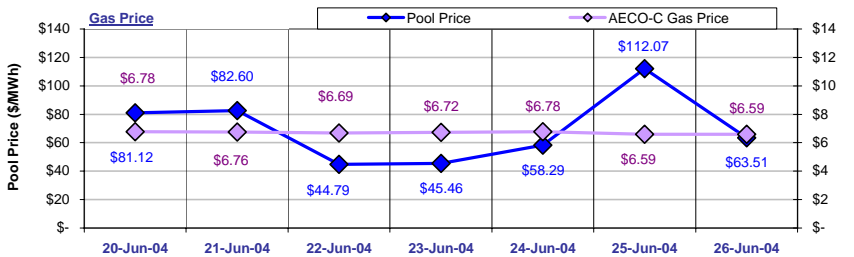


Pool Prices were generally higher than prices in **Mid-C** and higher than prices in **MAPP-N** last week.

Mid-C prices averaged \$62.31/MWh on-peak and \$51.81/MWh off-peak.

MAPP-N prices averaged \$44.62/MWh on-peak and \$17.32/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.3623.



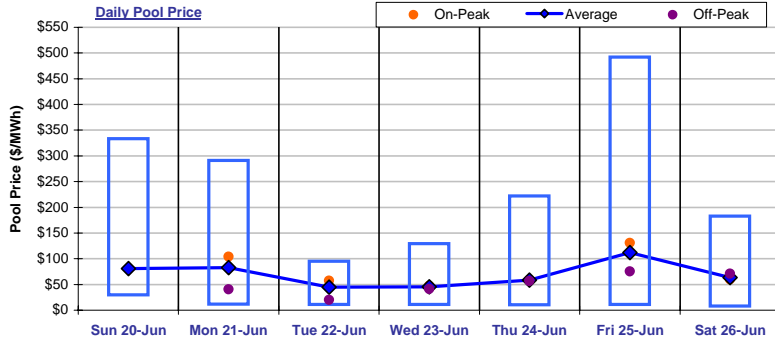
The average **AECO-C Gas Price** last week was \$6.70/GJ and ranged from a minimum of \$6.59/GJ to \$6.78/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 6.70GJ/MWh to a high of 17.00GJ/MWh. The average market heat rate for the week was 10.41GJ/MWh.

Wholesale Market

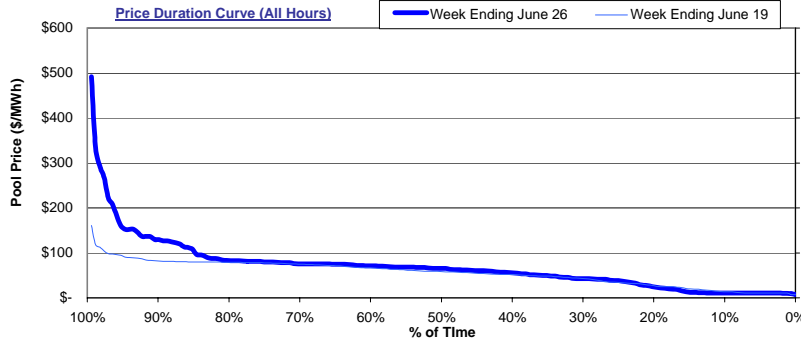
Weekly Market Statistics

	Sunday 20-Jun	Monday 21-Jun	Tuesday 22-Jun	Wednesday 23-Jun	Thursday 24-Jun	Friday 25-Jun	Saturday 26-Jun	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 81.12	\$ 82.60	\$ 44.79	\$ 45.46	\$ 58.29	\$ 112.07	\$ 63.51	\$ 69.69	\$ 55.41	25.8%	\$ 53.88
On-Peak	NA	\$ 103.68	\$ 57.10	\$ 47.57	\$ 59.02	\$ 130.43	\$ 59.81	\$ 76.27	\$ 67.08	13.7%	\$ 62.16
Off-Peak	\$ 81.12	\$ 40.42	\$ 20.18	\$ 41.25	\$ 56.83	\$ 75.35	\$ 70.93	\$ 60.93	\$ 39.84	52.9%	\$ 39.08
COV	0.71	0.79	0.69	0.68	0.83	0.89	0.56	0.73	0.47	55.8%	
Demand											
Average	6,854	7,415	7,509	7,421	7,462	7,483	7,169	7,331	7,055	3.9%	7,355
Minimum	6,325	6,416	6,597	6,544	6,564	6,547	6,487	6,497	6,265	3.7%	6,017
Maximum	7,207	8,146	8,165	7,999	8,125	8,213	7,615	7,924	7,599	4.3%	8,967
Coal Unit Availability											
Average	4,104	4,534	4,818	4,812	4,720	4,271	4,269	4,504	4,266		4,946
Utilization	74%	82%	87%	87%	86%	77%	77%	82%	77%	4.3%	90%
Gas and Hydro Unit Availability											
Average	2,328	2,283	2,377	2,137	2,243	2,510	2,533	2,345	2,306		2,238
Utilization	49%	48%	50%	45%	47%	53%	53%	41%	41%	0.7%	40%



The Daily Pool Price graph plots the daily range in hourly Pool price (defined by the blue box) along with the daily average and daily on and off-peak prices. The **on-peak Pool price** for the week was **\$76.27/MWh** while the **off-peak Pool price** for the week was **\$60.93/MWh**.

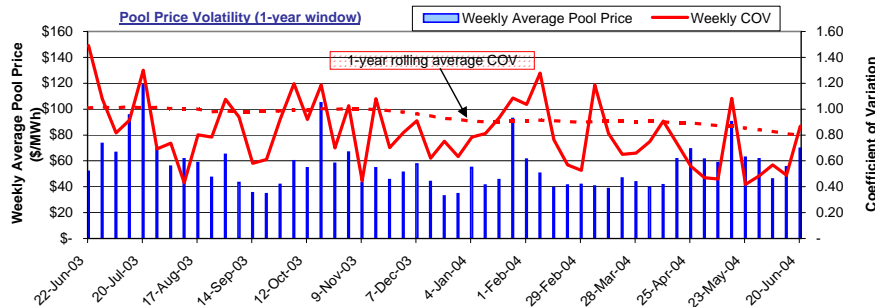
Note: Sundays and most statutory holidays are defined as off-peak.



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

For the week ending **June 26**, prices were at or below:

\$20/MWh	18% of the time
\$50/MWh	35% of the time
\$100/MWh	85% of the time
\$250/MWh	97% of the time
\$500/MWh	100% of the time



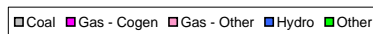
The chart plots average weekly Pool Price and the Coefficient of Variation (COV) of hourly Pool prices for the week. The COV is a standard statistical measure of volatility.

Pool price volatility increased for the week ending **June 26** from the previous week.

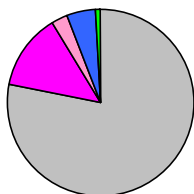
Pool price volatility also moved **above** the 1-year rolling average COV value.

Market Share Statistics

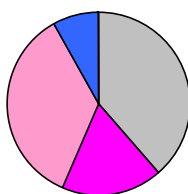
By Fuel Type:



Weekly Generation by Fuel Type



Weekly Price Setting by Fuel Type



By Submitting Customer:

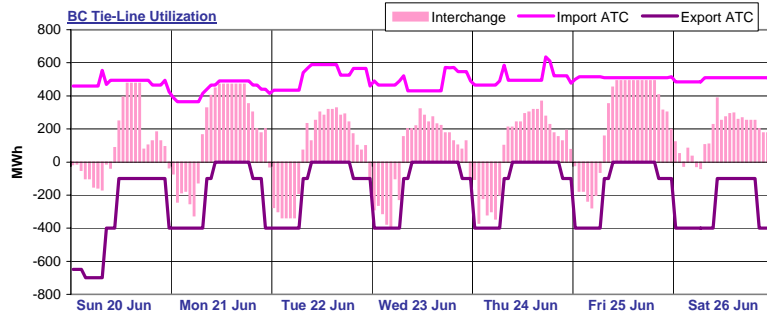
Weekly Price Setting by Submitting Customer



Last week, coal units were responsible for **78.1%** of the generation in the province and set price **38.6%** of the time. **Gas-cogen** units accounted for **13.2%** of the generation and set price **17.7%** of the time last week while **other gas** units made up **2.9%** of generation and set price **35.7%** of the time.

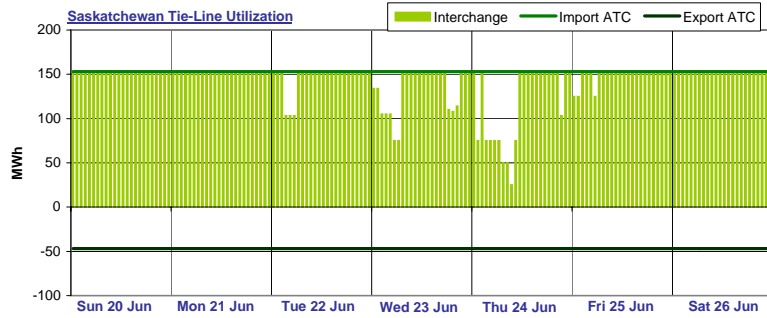
A total of **12** market participants set price last week. One market participants set price more than **20%** of the time last week. The top price setter set price **28.8%** of the time and the top five price setters set price a total of **73.6%** of the time.

Interties



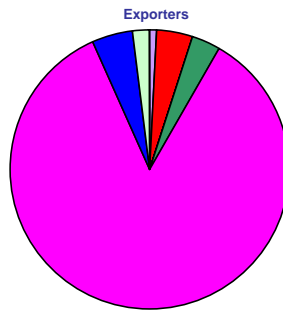
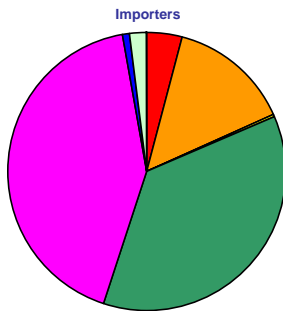
BC import capacity was 37% utilized last week while BC export capacity was 22% utilized. Energy was being imported into Alberta over the BC tie-line 69% of the time and exported out of Alberta over the BC tie-line 31% of the time last week. There was no activity on the BC tie-line 0% of the time last 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 94% 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.

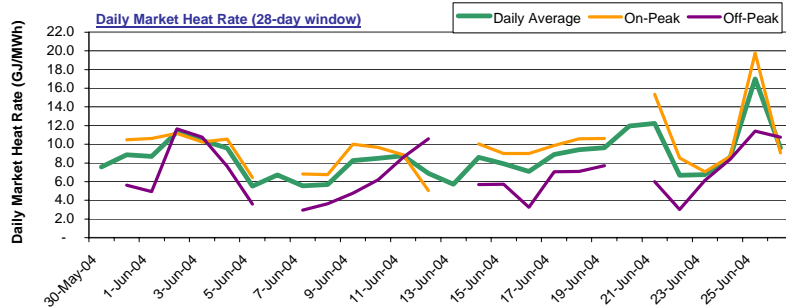
Tie-Line Market Shares



Last week, there were a total of 8 importers. The most active importer had a market share of 42.3% while the second most active importer had a market share of 36.4%. There were a total of 6 exporters last week. The most active exporter had a market share of 84.9% while the next largest exporter had a market share of 4.7%.

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

Market Heat Rates



Over the past 28 days, the daily Market Heat Rate averaged 8.7 GJ/MWh and ranged from a low of 5.5 GJ/MWh to a high of 17.0 GJ/MWh.

The daily On-Peak Market Heat Rate for the last 28 days averaged 9.8 GJ/MWh while the daily Off-Peak Market Heat Rate averaged 6.8 GJ/MWh.

Sparksreads

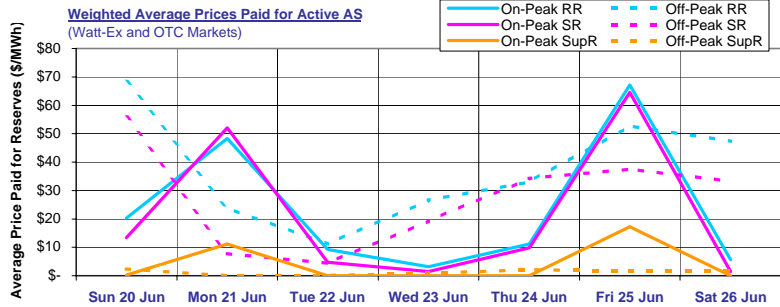
Date	AECO-C Gas Price (\$/GJ)	Daily Average			On-Peak			Off-Peak		
		Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0	Pool Price (\$/MWh)	Sparksread (\$/MWh) HR=7.5	Sparksread (\$/MWh) HR=10.0
Sun 20 Jun	\$ 6.78	\$ 81.12	30.27	13.33	NA	NA	NA	\$ 81.12	30.27	13.33
Mon 21 Jun	\$ 6.76	\$ 82.60	31.91	15.02	\$ 103.68	53.00	36.11	\$ 40.42	(10.26)	(27.15)
Tue 22 Jun	\$ 6.69	\$ 44.79	(5.36)	(22.08)	\$ 57.10	6.94	(9.78)	\$ 20.18	(29.97)	(46.69)
Wed 23 Jun	\$ 6.72	\$ 45.46	(4.97)	(21.78)	\$ 47.57	(2.87)	(19.68)	\$ 41.25	(9.19)	(26.00)
Thu 24 Jun	\$ 6.78	\$ 58.29	7.44	(9.51)	\$ 59.02	8.17	(8.78)	\$ 56.83	5.98	(10.97)
Fri 25 Jun	\$ 6.59	\$ 112.07	62.62	46.13	\$ 130.43	80.98	64.49	\$ 75.35	25.90	9.41
Sat 26 Jun	\$ 6.59	\$ 63.51	14.09	(2.38)	\$ 59.81	10.39	(6.09)	\$ 70.93	21.51	5.03

Daily average sparksreads last week were mostly positive for a heat rate of 7.5 GJ/MWh and mostly negative for a heat rate of 10.0 GJ/MWh.

On-peak sparksreads last week were mostly positive for a heat rate of 7.5 GJ/MWh and mostly negative for a heat rate of 10.0 GJ/MWh.

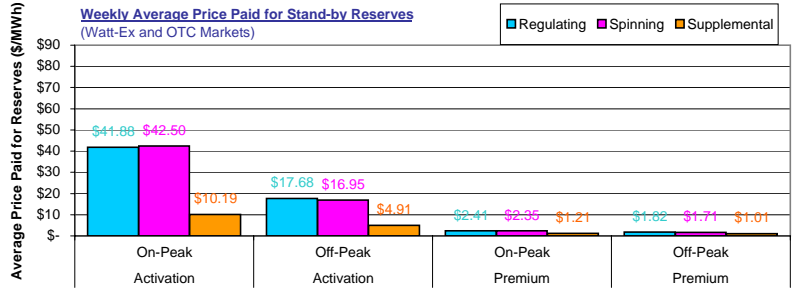
Off-peak sparksreads last week were mostly positive for a heat rate of 7.5 GJ/MWh and mostly negative for a heat rate of 10.0 GJ/MWh.

Ancillary Services Market



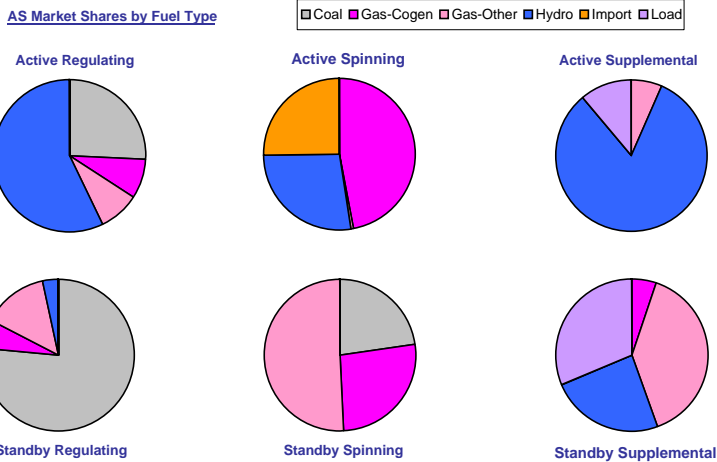
Average on-peak prices paid for active ancillary services last week were \$23.34/MWh, \$21.31/MWh and \$4.16/MWh respectively for active regulating, spinning and supplemental reserves.

Active average off-peak prices were somewhat higher and averaged \$37.58/MWh, \$27.55/MWh and \$1.22/MWh for active regulating, spinning and supplemental reserves respectively.



Weekly average activation prices for stand-by reserves ranged from \$4.91/MWh for off-peak supplemental reserves to \$42.50/MWh for on-peak spinning reserves.

Weekly average premium prices ranged from \$1.01/MWh for off-peak supplemental reserves up to \$2.41/MWh for on-peak regulating reserves.



Last week hydro units had the largest market share in the active regulating reserve market with 57.1%. In the active spinning reserve market, hydro units had the leading market share with 47.0% while in the active supplemental reserve market, hydro units dominated with a 82.0% market share.

Coal units dominated the standby regulating reserve market with a 76.4% market share. Leading market share in the standby spinning market was held by gas-other units with a 50.7% market share. In the standby supplemental reserve market, gas-other units had the leading market share with 39.2%.

Glossary

- HE** Hour Ending
- 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 MAPP-N: 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 MAPP-N: HE24 (of the previous day) through HE07 (of the day in question), Monday through Sunday (prevailing Central time)
- COV** Coefficient of Variation
The standard deviation of a series of numbers divided by the mean of the same series of numbers. Used as a measure of volatility.
- ATC** Available Transfer Capacity
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.