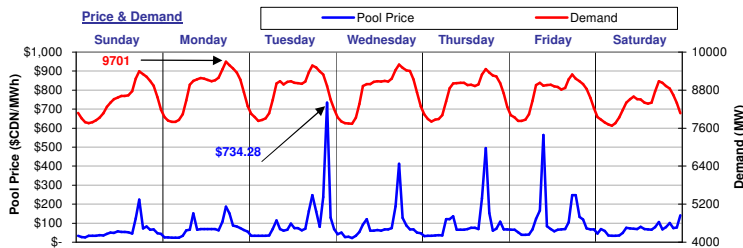


The Market Monitor

WATCHING THE MARKET : your fact source

Week Ending December 8, 2007

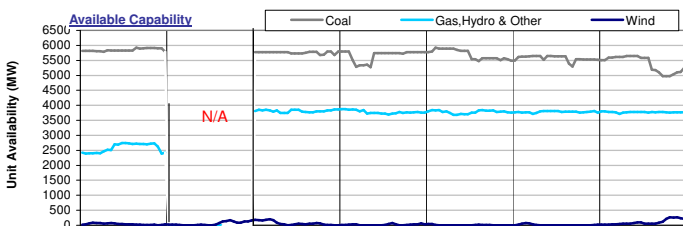
Weekly Highlights



For the week ending December 8, 2007, **Pool Price** averaged \$86.57/MWh and ranged from a minimum of \$22.30/MWh in HE05 on Wednesday to a maximum of \$734.28/MWh in HE22 on Tuesday.

Demand reached a high of 9701 MW in HE18 on Monday and a low of 7679 MW in HE05 on Saturday. Average demand for the week was 8647 MW.

Pool Price and **Demand** were positively correlated last week with an R-squared value of 0.21.

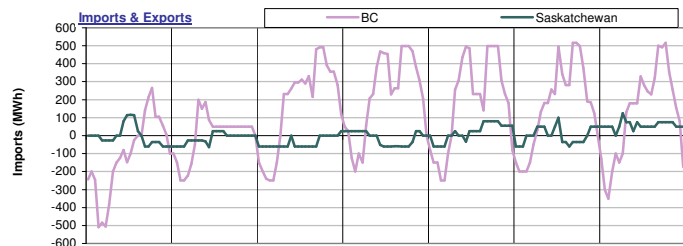


Coal Unit Availability averaged 4846 MW last week. This is an equivalent availability of 83% (based on MCR).

Gas, Hydro and Other Unit Availability averaged 3071 MW last week, which is an equivalent of 65% (based on MCR).

Wind Generation averaged 44 MW last week. This is an equivalent availability of 10% (based on MCR).

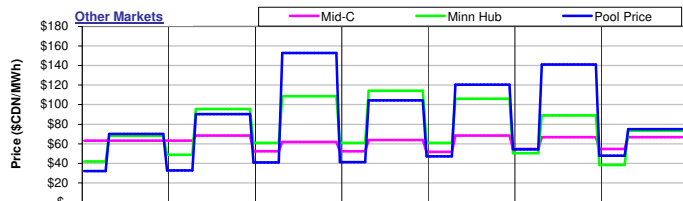
Availability numbers are based on MW offered into the energy merit order.



Alberta was a net importer from BC last week with total imports equal to 18,262MWh.

Alberta was a net importer from Saskatchewan last week with total imports equal to 170 MWh.

Overall, Alberta imported 18,432MWh of electricity last week.

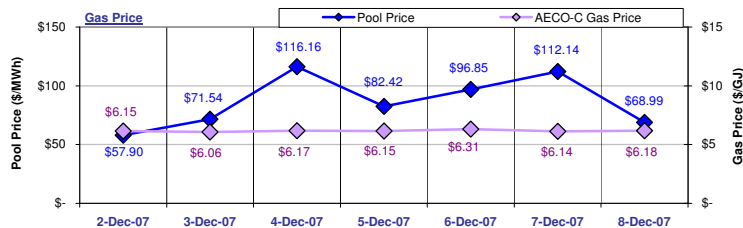


Pool Prices were generally higher than prices in Mid-C and higher than prices in Minn Hub last week.

Mid-C prices averaged \$65.98/MWh on-peak and \$56.01/MWh off-peak.

Minn Hub prices averaged \$97.78/MWh on-peak and \$51.73/MWh off-peak.

Prices in \$/MWh at an exchange rate of 1.0003.



The average **AECO-C Gas Price** last week was \$6.16GJ and ranged from a minimum of \$6.06/GJ to \$6.31/GJ.

Prevailing gas prices resulted in market heat rates ranging from a low of 9.41 GJ/MWh to a high of 18.82 GJ/MWh. The average market heat rate for the week was 14.03 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

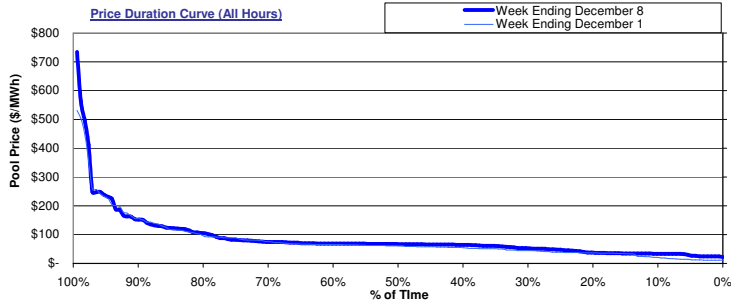
Wholesale Market

Weekly Market Statistics

	Sunday 2-Dec	Monday 3-Dec	Tuesday 4-Dec	Wednesday 5-Dec	Thursday 6-Dec	Friday 7-Dec	Saturday 8-Dec	Average	Last Week	% Change	YTD
Pool Price											
Average	\$ 57.90	\$ 71.54	\$ 116.16	\$ 82.42	\$ 96.85	\$ 112.14	\$ 68.99	\$ 86.57	\$ 79.30	9.2%	\$ 67.37
On-Peak	NA	\$ 90.22	\$ 152.89	\$ 104.39	\$ 120.52	\$ 141.05	\$ 75.09	\$ 114.03	\$ 105.06	8.5%	\$ 87.14
Off-Peak	\$ 57.90	\$ 34.17	\$ 42.69	\$ 38.46	\$ 49.51	\$ 54.30	\$ 56.80	\$ 49.96	\$ 44.96	11.1%	\$ 36.30
COV	0.71	0.59	1.25	0.96	1.00	1.00	0.35	0.84	0.74	12.5%	
Heat Rate											
Average	9.41	11.81	18.82	13.40	15.36	18.27	11.17	14.03	12.61	11.3%	11.05
On-Peak	NA	14.89	24.77	16.98	19.11	22.98	12.16	18.48	16.68	10.8%	14.29
Off-Peak	9.41	5.64	6.92	6.25	7.85	8.85	9.20	8.10	7.18	12.8%	5.95
Demand											
Average	8,475	8,815	8,761	8,760	8,721	8,651	8,346	8,647	8,514	1.6%	7,928
Minimum	7,756	7,795	7,825	7,734	7,808	7,824	7,679	7,774	7,591	2.4%	6,440
Maximum	9,393	9,701	9,576	9,604	9,462	9,295	9,084	9,445	9,346	1.1%	9,701
Coal Unit Available Capability											
Average*	5,848	N/A	5,759	5,659	5,699	5,569	5,386	5,653	5,673		5,208
AC/MC**	100%	N/A	96%	94%	95%	93%	90%	94%	94%	-0.3%	87%
Gas, Hydro and Other Unit Available Capability											
Average*	2,582	N/A	3,810	3,777	3,779	3,781	3,771	3,583	2,409		2,255
AC/MC**	66%	N/A	78%	78%	78%	78%	78%	74%	50%	24.1%	46%

*From December 4, 2007 onwards figures reflect Available Capability. No consistent data available for December 3, 2007.

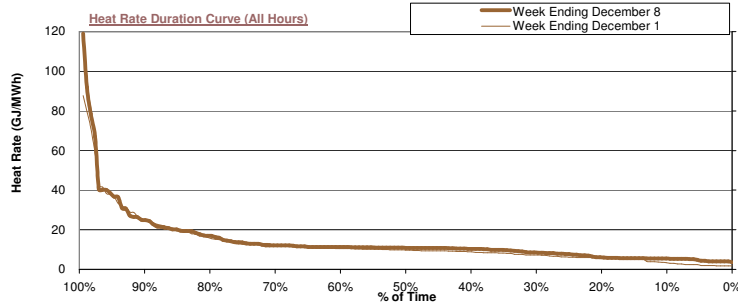
** As of December 4, 2007 values reflect Available Capability/Maximum Capability



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

For the week ending December 8, prices were at or below:

\$20/MWh	0% of the time
\$50/MWh	27% of the time
\$100/MWh	79% of the time
\$250/MWh	97% of the time
\$500/MWh	98% 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 December 8 implied market heat rates were at or below:

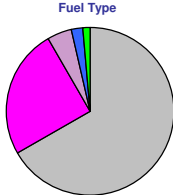
5.0 GJ/MWh	6% of the time
10.0 GJ/MWh	38% of the time
15.0 GJ/MWh	79% of the time
20.0 GJ/MWh	85% of the time

Market Share Statistics

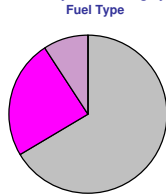
By Fuel Type:

Coal Gas - Cogen Gas - Other Hydro Other

Weekly Generation by Fuel Type

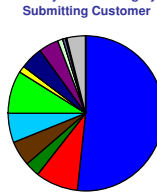


Weekly Price Setting by Fuel Type



By Submitting Customer:

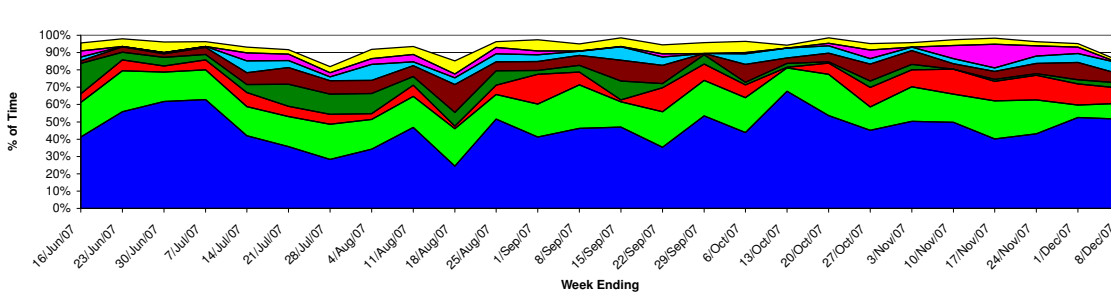
Weekly Price Setting by Submitting Customer



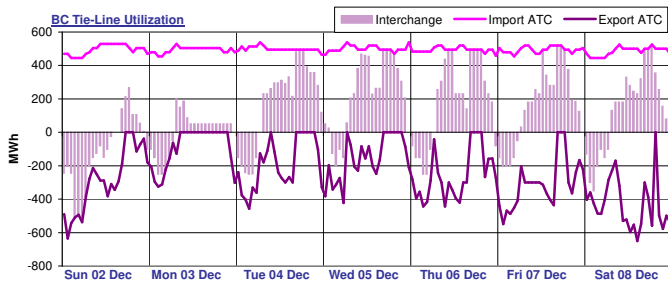
Last week, coal units were responsible for 66.7% of the generation in the province and set price 66.2% of the time. Gas-cogen units accounted for 24.9% of the generation and set price 24.3% of the time last week while other gas units made up 4.8% of generation and set price 9.0% of the time.

A total of 14 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 51.6% of the time and the top five price setters set price a total of 81.1% of the time.

Weekly Price Setting by Submitting Customer

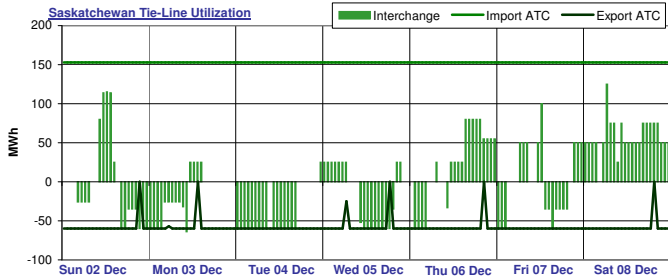


Interties

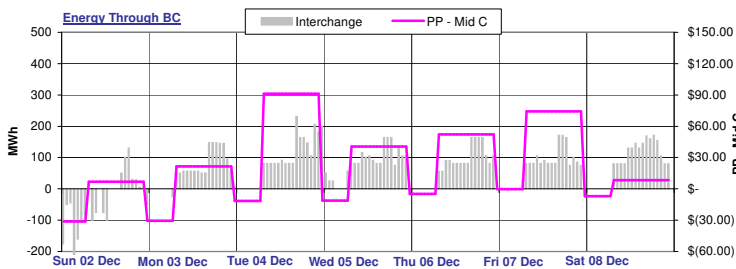


BC import capacity was 34% utilized last week while BC export capacity was 22% utilized. Energy was being imported into Alberta over the BC tie-line 64% of the time and exported out of Alberta over the BC tie-line 32% of the time last week. There was no activity on the BC tie-line 4% of the time last 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.



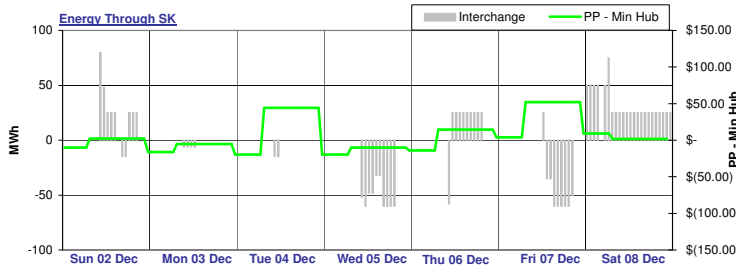
Saskatchewan import capacity was 15% utilized last week while Saskatchewan export capacity was 36% utilized. Energy was being imported into Alberta over the Saskatchewan tie-line 38% of the time and exported out of Alberta over the Saskatchewan tie-line 38% of the time last week. There was no activity on the Saskatchewan tie-line 24% of the time last week.



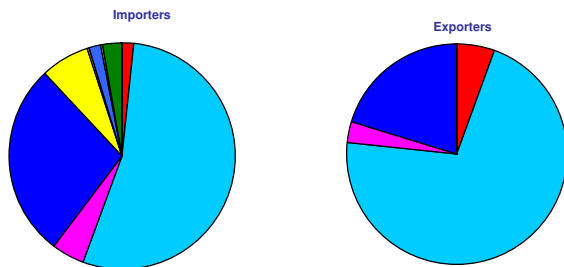
Last week, Alberta spot prices were mostly higher relative to prices in the Pacific Northwest as represented by Mid-C index prices, supporting import activity across the Alberta - BC interconnection.

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.



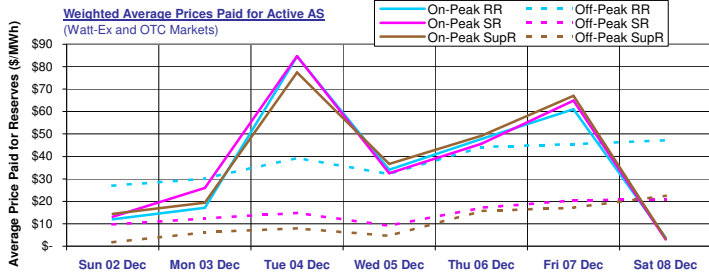
Tie-Line Market Shares



Last week, there were a total of 9 importers. The most active importer had a market share of 53.9% while the second most active importer had a market share of 27.7%. There were a total of 4 exporters last week. The most active exporter had a market share of 71.1% while the next largest exporter had a market share of 20.2%.

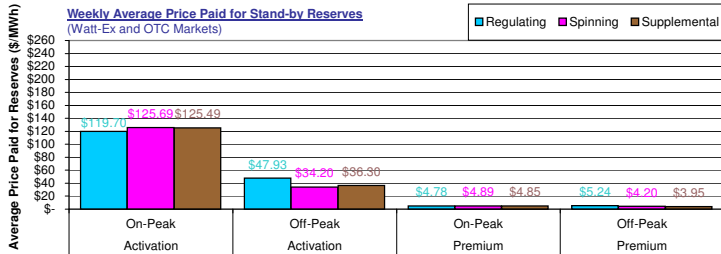
Note: Market shares are based on the combined activity on both interties.

Ancillary Services Market



Average on-peak prices paid for active ancillary services last week were **\$37.05/MWh**, **\$39.50/MWh** and **\$38.27/MWh** respectively for active **regulating**, **spinning** and **supplemental** reserves.

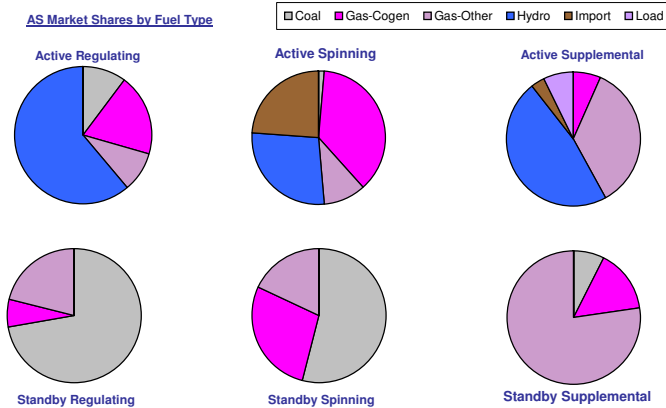
Active average off-peak prices were lower with the exception of off-peak regulating reserves and averaged **\$37.64/MWh**, **\$14.90/MWh** and **\$10.77/MWh** for active **regulating**, **spinning** and **supplemental** reserves respectively.



Weekly average activation prices for stand-by reserves ranged from **\$34.20/MWh** for **off-peak spinning** reserves to **\$125.69/MWh** for **on-peak spinning** reserves.

Weekly average premium prices ranged from **\$3.95/MWh** for **off-peak supplemental** reserves up to **\$5.24/MWh** for **on-peak regulating** reserves.

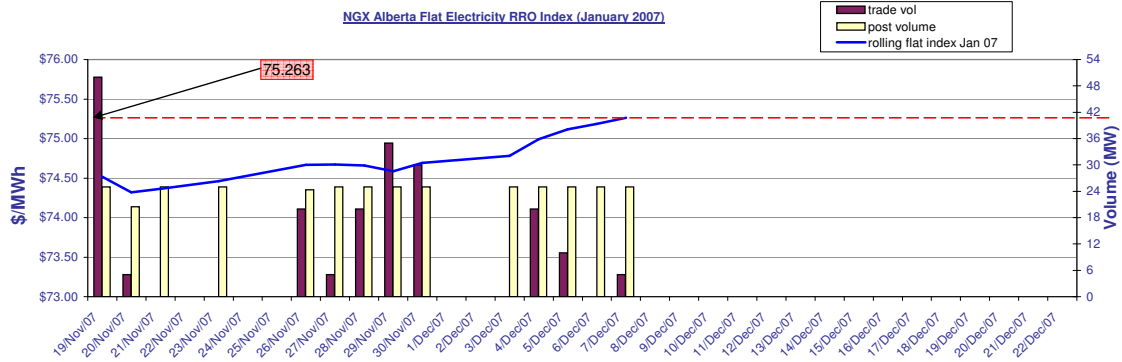
AS Market Shares by Fuel Type



Last week **hydro** units had the largest market share in the **active regulating** reserve market with **61.0%**. In the **active spinning** reserve market, **gas-cogen** units had the leading market share with **36.7%** while in the **active supplemental** reserve market, **hydro** units dominated with a **47.6%** market share.

Coal units dominated the **standby regulating** reserve market with a **72.1%** market share. Leading market share in the **standby spinning** market was held by **coal** units with a **53.9%** market share. In the **standby supplemental** reserve market, **gas** units had the leading market share with **77.1%**.

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.