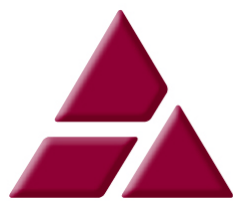


Energy Wholesale Market Review

Week Ending 2nd May 2014



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Headlines

Spot power and gas prices neared four-year lows this week as continued low demand combined with increasing supplies. Day-ahead gas tumbled 4.7% over the week to reach a four-year low of 46.3p/th as LNG and continental deliveries continued. Day-ahead power followed lower and dropped below £40/MWh for the first time in three years on Friday with low demand. In long-term contracts, the reduced need for storage injections pulled gas contracts lower. These fall influenced long-term power, with the Annual October 14 contract down 2.1% to £51.1/MWh. The annual October 14 clean spark spread rose 10% to £3.9/MWh as gas prices fell faster than power, while the annual October 14 clean dark spread decreased 2.4% to £18.8/MWh as coal prices rose and power fell. In commodities, Brent crude oil prices fell 1% to a weekly average of \$108.6/bl as US crude stocks reached new highs. In contrast, coal prices rose 1.3%, with the contract reaching a three-month high of \$83.7/t on Tuesday.

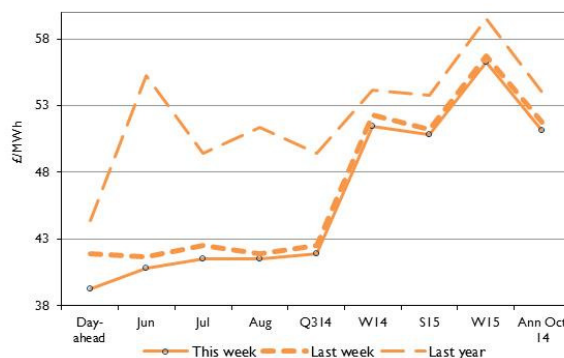
Baseload electricity

- Power contracts fell across the board this week.
- Annual October 14 baseload dropped 1.2% to £51.1/MWh.
- The day-ahead contract fell 6.2% week-on-week, as lower gas prices were complemented by returning nuclear and coal output. The contract dropped below £40/MWh for the first time in three years on Friday, falling to £39.3/MWh.

Annual October contract



Forward curve comparison



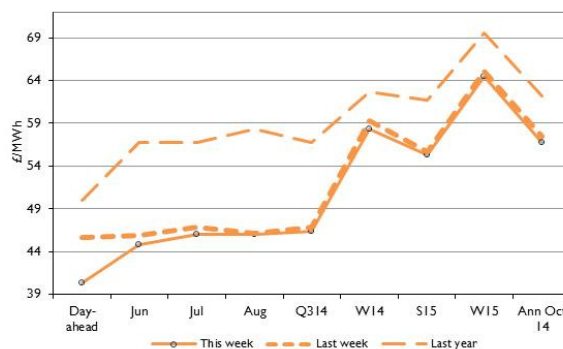
Peak electricity

- Most peak power contracts decreased as demand remained below seasonal averages.
- The annual October 2014 peak power contract fell 1.2% to settle at £56.8/MWh.
- Day-ahead peak electricity tumbled 11.5% to end the week at £40.35/MWh, a four-year low.
- The spread between peak and baseload prices has fallen over recent weeks on reduced demand.

Annual October contract



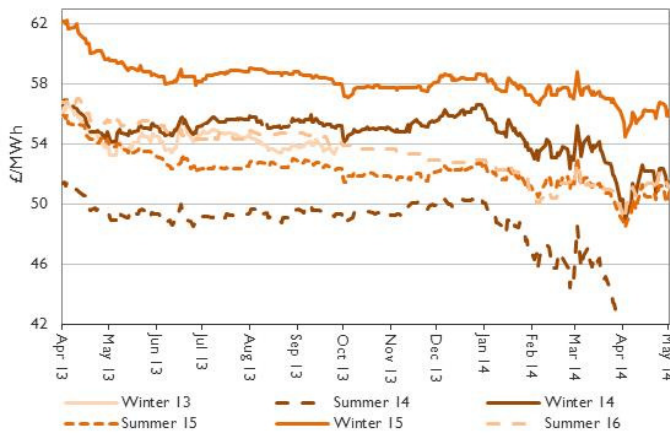
Forward curve comparison





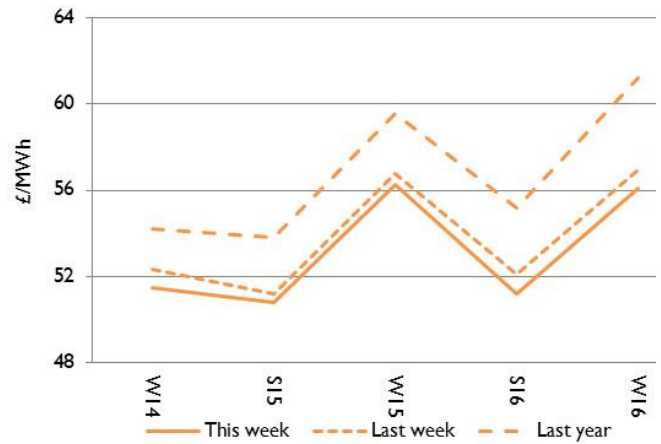
Seasonal power prices

Seasonal power contracts



- Seasonal power contracts followed their gas counterparts lower. Winter power contracts were down 1.2% over the week with winter 14 power 1.7% lower at £51.5/MWh.
- Summer power contracts were down 1.4% on average over the week.

Seasonal power curve

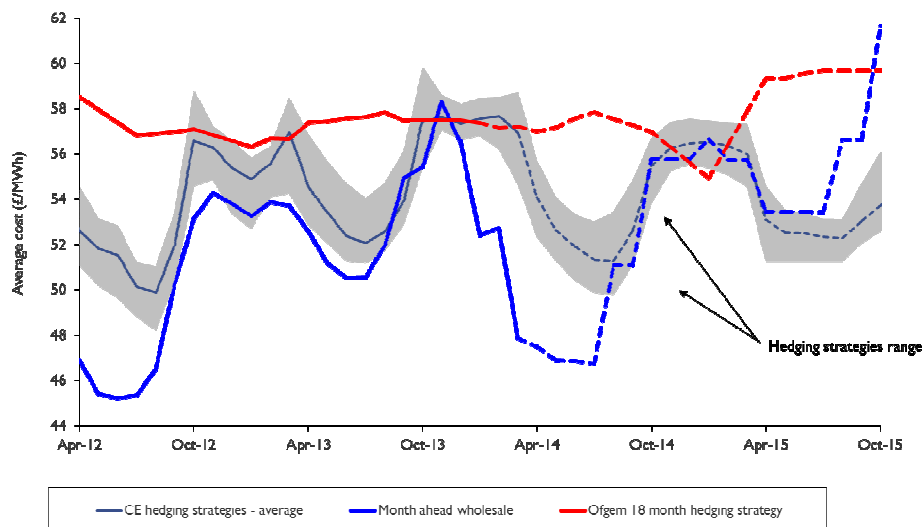


- Summer 15 power declined 0.8% to £50.8/MWh.
- The contract is now 0.8% below last month and 5.6% lower than last year's level.

Supplier hedging strategies

On 26 March SSE revealed it would be freezing domestic gas and electricity prices at their current levels until 2016, announcing 500 job cuts and shelving four planned offshore wind farm developments to pay for the costs. A day later, Ofgem announced its intention to refer the energy market for a Competition and Markets Authority (CMA) investigation. Ofgem also announced it had updated its supply market indicators.

Although both Ofgem's and our assessments show a similar overall trend, the incorporation of nearer-term prices makes our assessments more volatile than Ofgem's smoothed quarterly and seasonally based approach.





Wholesale price snapshot

Key market indicators:

02/05/2014

		Gas (p/th)		Electricity (£/MWh)		Coal	Carbon	Brent crude
		Day-ahead	Year-ahead	Day-ahead	Year-ahead	(\$/t)	(€/t)	(\$/bl)
This week	2 May 14	46.25	60.30	39.30	51.13	82.75	5.43	108.08
Last week	25 Apr 14	48.55	61.60	41.90	51.77	82.30	5.64	109.97
Last month	4 Apr 14	48.00	57.28	40.25	49.03	80.00	4.85	106.50
Last year	3 May 13	63.75	66.03	44.35	54.00	92.25	3.18	102.86
Year-on-year % change		(27%)	(9%)	(11%)	(5%)	(10%)	71%	5%
Year high		71.95	68.93	58.30	52.66	92.70	7.22	116.17
Year low		46.25	58.38	39.30	46.45	80.00	3.18	100.05

This table shows the price this week compared with prices from the previous week, month and year. The graphs show the position of this week's prices with a red X and the range of prices over the year is represented by the black line.



About EDW Technology Limited

EDW has an extensive history of developing, implementing and supporting its 'best of breed' retail electricity software solutions.

In 2000, EDW began building a revolutionary new electricity software platform to support the rigorous demands of the UK's deregulated electricity supply market – a market characterised by rapidly changing government regulation, business processes, market rules, industry dataflows and customer demands. EDW were founded as a provider of high quality, end-to-end IT services and we have remained true to that aim ever since, servicing a range of companies in the energy industry.

For over 13 years, our software product ERS has empowered business electricity suppliers to transform customer experience, improve business efficiency, reduce costs to serve and improve profitability.

EDW has a UK based team of 85 employees working from the EDW offices in Milton Keynes.

Industrial and commercial billing specialists

The industrial and commercial electricity supply market has unique business requirements that need to be serviced with a specialised set of IT system capabilities. Sophisticated business customers are willing to actively engage in the management of their energy accounts and solutions need to provide tools that support enhanced service interaction. EDW has gathered an extensive knowledge of the industrial and commercial market sector that enables the delivery of a powerful set of system capabilities essential to your requirements to service this complex and demanding market sector.

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