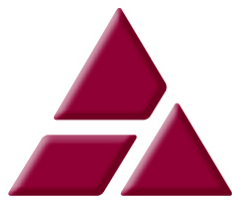




Energy Wholesale Market Review

Week Ending 21st October 2016



edw technology

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Contents

Baseload electricity	3
Peak electricity	3
Seasonal power prices	4
Supplier hedging strategies	4
Wholesale price snapshot	5
About EDW Technology Limited	6



Headlines 21/10/2016

For the first time in six weeks, not all gas contracts made gains. Day-ahead gas rose 6.0% to 45.3p/th. The contract reached a 17-month high on Wednesday, priced at 45.3p/th, on lower imports and a cooler weather outlook. In contrast, most seasonal gas contracts decreased. The day-ahead contract went up 66.7% to £90.0/MWh, with negative surplus capacity margins forecast for Monday. The month-ahead contract gained 10.5% to £69.3/MWh, amid supply fears following news that the French nuclear regulator has asked for additional checks on five of EDF's reactors. This is expected to raise French prices and reduce interconnector imports. Summer 17 was up 1.0% to £44.6/MWh, under the influence of higher gas prices. On Tuesday 18 October the contract reached £45.1/MWh, its highest price since March 2015. On Tuesday 18 October API 2 coal climbed to \$70.0/t, a new 21-month high. On Tuesday, EU ETS carbon prices reached a four-month high of €6.0/t.

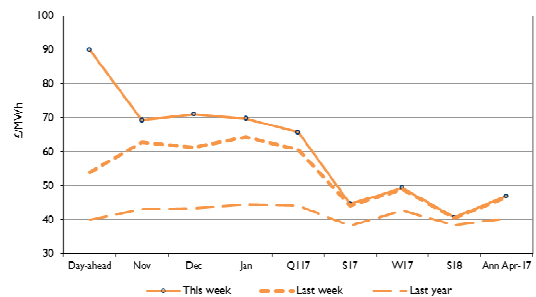
Baseload electricity

- All baseload power contracts experienced increases this week.
- Annual April 17 power went up 0.9% to £46.9/MWh this week.
- The contract is now 13.0% above its level last month (£41.5/MWh), and 16.2% higher than its value last year (£40.4/MWh).
- The day-ahead contract went up 66.7% to £90.0/MWh, with negative surplus capacity margins forecast for Monday 24 October.
- The month-ahead contract (November) gained 10.5% to £69.3/MWh, amid supply fears following news that the French nuclear regulator has asked for additional checks on five of EDF's reactors.

Annual April contract



Forward curve comparison



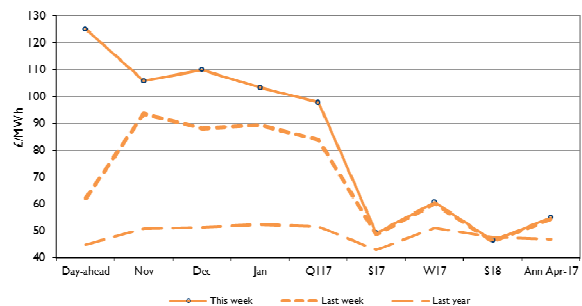
Peak electricity

- Annual April 17 peak power went up 1.0% this week to £55.0/MWh.
- The contract is now 14.8% above its level last month (£47.9/MWh), and 17.0% greater than its level last year (£47.0/MWh).
- All peak power contracts experienced gains this week.
- The month-ahead contract (November) climbed 12.9% to £105.8/MWh, amid supply fears following news that the French nuclear regulator has asked for additional checks on five of EDF's reactors.

Annual April contract



Forward curve comparison



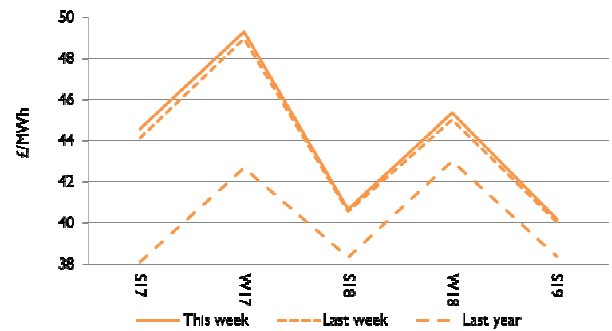


Seasonal power prices

Seasonal power contracts



Seasonal power curve



- All seasonal peak-power contracts experienced gains.
- Summer 17 peak power increased 1.1% to £49.3/MWh, while the winter 17 contract climbed 0.9% to £60.7/MWh.
- Summer 17 baseload power went up 1.0% to £44.6/MWh, under the influence of higher gas prices. On Tuesday 18 October the contract reached £45.1/MWh, its highest price since March 2015.

Supplier hedging strategies

In September commodity markets experienced gains, whereas most gas and power contracts declined. The annual October 16 gas contract lost 4.3% to 38.2p/th. The annual October 16 baseload power contract fell 0.5% to average £42.2/MWh, following the gas market lower. Brent crude oil prices rose 0.8% to average \$47.1/bl in September, whilst API 2 coal went up 0.3% to average \$58.6/t.

There were 28 price changes to fixed domestic dual-fuel tariffs in September. Of these, eighteen were reductions and ten were increases. Some notable tariff increases (>4.0%) were seen at Green Star Energy (+14.8%), EDF Energy (+9.6%) and Robin Hood Energy (+5.7%). Notable tariff decreases (>4.0%) were seen at Co-operative Energy (-8.9% and -8.3%), EDF Energy (-8.2% and -6.7%), First Utility (-5.9%) and nPower (-4.2%).

The market leading dual-fuel tariff at the beginning of the month was at £770 per year for a typical medium user, however by the end of the month this had fallen to a tariff of £741. The falling cost of supply may have allowed some shorter hedged suppliers to pass on reductions in their tariff offering. Other suppliers could be pursuing a customer acquisition strategy, driving prices down.





Wholesale price snapshot

Key market indicators: 21/10/2016

		Gas (p/th)		Electricity (£/MWh)		Coal	Carbon	Brent crude
		Day-ahead	Year-ahead	Day-ahead	Year-ahead	(\$/t)	(€/t)	(\$/bl)
This week	21 Oct 16	45.30	45.66	90.00	46.93	67.00	5.65	51.55
Last week	14 Oct 16	42.75	45.66	54.00	46.53	65.75	5.69	52.32
Last month	23 Sep 16	34.00	40.98	40.25	41.53	60.00	4.44	47.22
Last year	23 Oct 15	39.30	40.22	40.05	40.39	47.25	8.58	48.32
Year-on-year % change		15%	14%	125%	16%	42%	(34%)	7%
Year high		46.20	46.36	157.73	47.31	70.00	8.64	52.90
Year low		21.50	30.11	26.56	32.47	36.55	3.98	27.83

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 16 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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