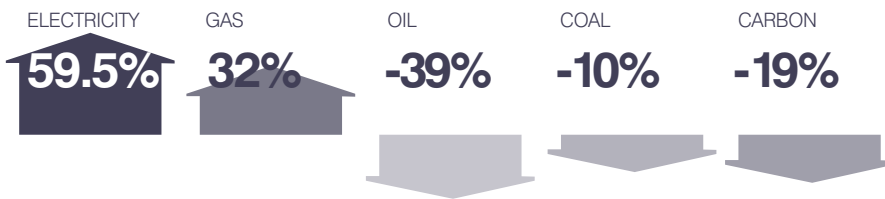


Welcome to CUC's Energy Newsletter

MARKET IN BRIEF

All the key drivers of the electricity price have been falling throughout the last month and we have seen a significant downturn in the electricity price as a result. It would appear that the horrific spike in prices is over, at least for the time being, however we do note that the gas price is still holding up at 32% above its price this time last year and that is the key factor which is continuing to support the electricity price.



INCREASED PRICES COMPARED TO THIS TIME LAST YEAR (AS AT 07/11/2008)

UK ENERGY RATES

	09/10/08	07/11/08
Electricity / MWh	£72	£61
Annual Gas / therm	78p	65.4p
Annual Brent Oil / barrel	\$85	\$59
Coal / tonne	\$138	\$110
Carbon Emissions / tonne	€22	€18

MORE GOOD NEWS: ELECTRICITY STABILISES

The market seems to have stabilised at just over £60/MWh for the supply of electricity between 1st April 2009 right the way out to 31st March 2012.

This is the first real sign of stability that we have seen for some considerable time and shows a very significant move down from the peak prices back in July and during the last month we have seen a fall in the electricity price of 9%.

As per our last email to our Clients, we are recommending that active consideration is given to locking out electricity supply contracts now going forward into 2009/2010 and 2011 and we would urge all Clients to consider this as a possibility.

As mentioned before, our Client Managers are talking to a number of Clients already about securing prices in the long term. For those Clients who signed contracts for supply through 2008/2009 during the course of the last 6 months, by securing your electricity for 2009/2010 now, you will see a reduction in budgets. For those coming from supplies which were signed in 2007, although contracts will rise, the increase is substantially less than it would have been 2 or 3 months ago.

CUC SPOTLIGHT

One thing you will note that has happened during the course of the last 2 weeks, is that Bizz Energy have gone into administration. Very few of our clients are actually exposed to the Bizz Energy situation, and all have been contacted in respect of any action that they need to take as a result of the supplier going out of business. For the record, British Gas have bought the Bizz Energy contracts and are agreeing to honour them on an ongoing basis and until their natural end.

Annual Electricity Wholesale Prices 2009–2012

Period	Price as at 09/10/09	Price as at 07/11/08
April 2009	£71.40	£60.77
Oct 2009	£69.25	£60.50
April 2010	£67.87	£60.62
Oct 2010	£67.37	£61.42
April 2011	£67.35	£61.42
Oct 2011	£67.60	£61.75

QUESTIONS? CONTACT US TODAY

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