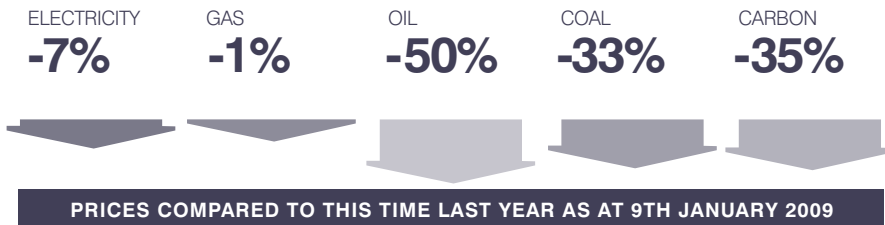


## Welcome to CUC's Energy Newsletter

January 15, 2009  
Energy Newsletter / Issue 5

### MARKET IN BRIEF

The market has continued to soften during the last 2 months and throughout the Christmas and New Year Period. As at Friday 9th January 2009, market price for electricity for an April 2009 contract had fallen to £52.00 and indeed by Monday 12th January it had fallen to £48.65. The information that we are receiving back from suppliers at the current time is that we are now near the 'floor' of the market price as we had expected, although of course with the current recession in place nothing is certain.



### UK ENERGY RATES

|                           | 07/11/08 | 09/01/09 |
|---------------------------|----------|----------|
| Electricity / MWh         | £61      | £52      |
| Annual Gas / therm        | 65.4p    | 54p      |
| Annual Brent Oil / barrel | \$59     | \$45     |
| Coal / tonne              | \$110    | \$83     |
| Carbon Emissions / tonne  | €18      | €14.8    |

## ELECTRICITY CONTRACT RENEWALS AND EXTENSIONS

As all of our Clients will now know, we have actively been in communication with you recommending that we now take action to extend and renew existing contracts through to far as 2011 or 2012.

I am pleased to tell you that the vast majority of Clients have reacted favourably to this and the company is now in the process of extending and renewing these contracts as quickly as it possibly can.

The ongoing sense of stability, which we reported in our last newsletter, continues in the market, with prices holding through a reasonably tight range between £48.65 for an April 2009 contract through to £53.72 for an October 2011 contract. Having said that however, we are noticing that the prices, the further out they go, are beginning to increase a little and this is due to the risk which the suppliers perceive in terms of the recession which is currently building momentum.

We still stand by the recommendations which we have put forward, in that we believe that now is the time to be securing longer term stable prices going forward through 2011 & 2012 and would urge any Client who has yet to make a decision to give urgent consideration to that and contact their Client Manager as soon as possible.

### Annual Electricity Wholesale Prices 2009–2012

| Period     | Price as at 07/11/08 | Price as at 11/01/09 | % Change |
|------------|----------------------|----------------------|----------|
| April 2009 | £60.77               | £48.65               | -19.9%   |
| Oct 2009   | £60.50               | £49.40               | -18.3%   |
| April 2010 | £60.62               | £50.52               | -16.6%   |
| Oct 2010   | £61.42               | £51.67               | -15.8%   |
| April 2011 | £61.42               | £53.10               | -13.5%   |
| Oct 2011   | £61.75               | £53.72               | -12.9%   |

**We know energy.**

utility management electricity gas water

## CUC SPOTLIGHT

We did mention in the newsletter a couple of months ago the fact that the Carbon Reduction Commitment would become a reality with effect from the 1st quarter 2009 and indeed it has done so.

Clients will soon start to receive a pack from the Environment Agency in relation to the CRC which requires an evidence pack to be produced, to show whether or not you qualify or you do not qualify for CRC.

We are currently working on a service by which CUC will take on the preparation of the documentation for you and deal with any compliance issues. We should be able to be in contact with you in the next week or so in relation to that final pack.

Should you have any immediate queries relating to the Carbon Reduction Commitment please do not hesitate to contact your Client Manager.

## QUESTIONS? CONTACT US TODAY

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