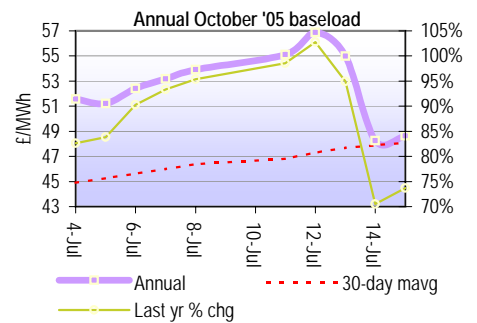
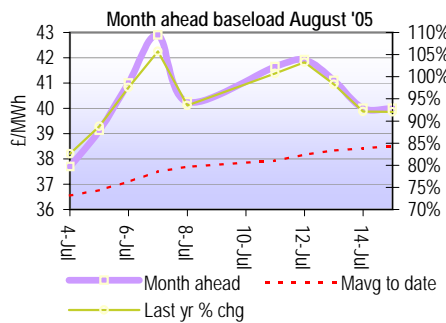
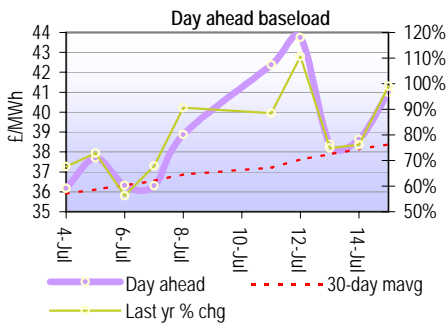


ELECTRICITY



Electricity market commentary

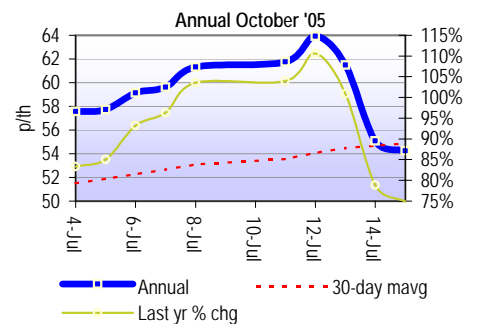
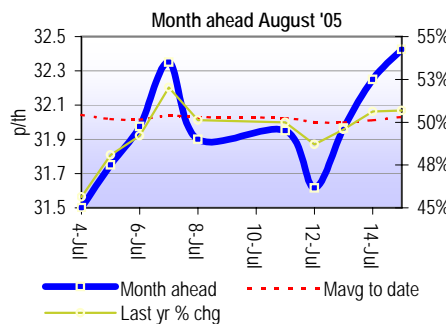
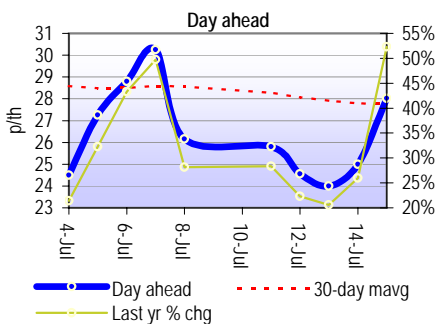
Prompt

Stronger prompt gas provided support to the day-ahead price which increased by over £2/MWh to £41/MWh, its highest level since early last week and double the level seen this time last year.

Curve

Weaker gas markets put further downward pressure on the winter contracts with the winter ahead losing over £1/MWh to leave the spark spread steady but trading activity was limited. Forward summer power prices increased widening the spark and clean spark spreads as carbon was relatively unchanged.

GAS



Gas market commentary

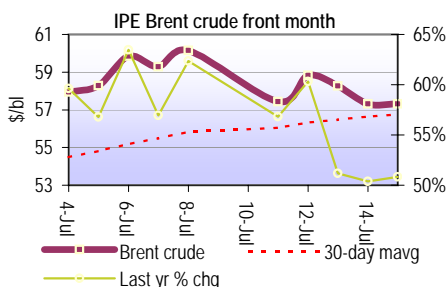
Prompt

A short system within-day together with cooler weather forecasts for early next week provided support to the day-ahead price which increased by over 3p/ft to 28p/ft, its highest level in over a week.

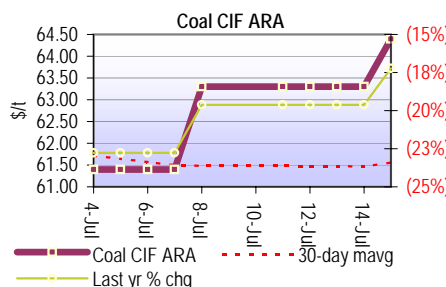
Curve

Following the large decline in yesterday's session forward prices steadied but in limited liquidity and widening bid/ offer spreads. Activity was centered on the months with Jan '06 closing at around 79p/ft to leave the winter '05 contract just above 66p/ft at its lowest level since mid June.

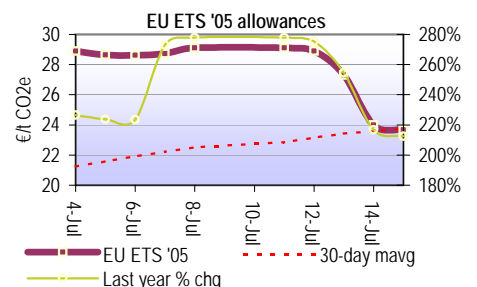
ENERGY PRICE DRIVERS



Oil prices were higher, including the new Brent front month of September, in advance of the weekend after concerns that hurricane Emily may affect oil supplies in the Gulf of Mexico.



Coal prices continued to gain reflecting a narrowing of the near term dark spread.



Prices for '05 allowances rose within-day but were little changed by the close due to natural buyers entering the market and weaker gas prices.

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