



Industrial & Commercial Energy Snapshot Methodology

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ICIS publishes the Industrial and Commercial Energy Snapshot (ICES) on every working day of the year in Britain. ICES provides a concise, one page snapshot of the key power and gas prices in Britain, including ICIS end of day-assessments, Heren Indices and the ICE gas exchange settles.

ICES also provides a bullet-point text summary explaining the main drivers of the over-the-counter (OTC) prices in Britain on a daily basis. The information contained in ICES is a summary of some of the main UK wholesale information contained in the full length daily publication European Spot Gas Markets (ESGM) and European Daily Electricity Markets (EDEM).

The Heren Index - General Definitions

ICIS's various market indices share a number of common characteristics, regardless of market or time period. They are all volume-weighted averages of trades reported to ICIS during the course of its market reporting activities. All of the trades on which the indices are based are published in ESGM on a daily basis as part of its list of trades reported.

All Heren Indices published in ICES are based on actual deals reported to ICIS.

All trading information is subject to ICIS's usual tests of reliability:

1. Confirmation is sought from both parties to the deal.
2. If, as is often the case, both counter-parties are unwilling to confirm, confirmation is accepted from one side only. However, corroboration is also sought from other market participants.
3. If no confirmation is available, the deal may still be included if it is accepted by the wider market, and if ICIS itself regards it as reliable.
4. In addition to price and volume, which are essential for inclusion in the Index, ICIS ensures that deals include in the Index are stand-alone deals.
5. In the event that reported trades fall noticeably above or below the traded range for that contract on a given day, and in the absence of any reasonable explanation, ICIS would discard the deal or deals. Deals would be liable for rejection if they were 1% above or below the highest or lowest deals reported to ESGM and EDEM on that day. Evidence of the traded range given by market participants during the market reporting process would also be taken into account

when assessing whether to include or discard a deal. Any discarded deals would not be entered into ICIS's database and would be excluded from any Heren Index.

For full definitions of the Indices appearing at the top of the ICES publication, please refer to the relevant sections of the ESGM and EDEM methodologies.

NBP Price Assessments - General Definitions

The British wholesale Over-The-Counter (OTC) gas market is assessed each working day during the period 16:30 to 18:00 London time, when ICIS contacts by telephone a wide range of active market participants.

All price assessments published in ICES are formulated by ICIS at the conclusion of this process and represent ICIS's close-of-day bid-offer ranges for flat gas (no swing, 100% take-or-pay) delivered at Britain's National Balancing Point (NBP). Day-ahead and prompt closing prices are assessed as closely as possible to 16:30 London time, while curve price assessments are taken at the time of the latest liquid market, which varies from day-to-day. Prices reported are based on bids and offers widely available to the market at the close. Closing price assessments are not based on deals done during the day (listed separately in ESGM).

"Bid" is deemed to be the highest price bid by buyers at the close of business on the trading day in question.

"Offer" is deemed to be the lowest price offered by sellers at the close of business on the trading day in question.

Prices on the NBP price assessment are given in UK pence per therm to three decimal places (1 therm = 100,000 British Thermal Units = 29.3071 kWh).

Prices quoted are for gas flowing to the specified hub at a flat rate (100% take-or-pay, zero swing) throughout the specified delivery period.

NBP Price Assessments - Definitions of Periods

The periods, from one day to one year, are based on the standard definition of the “gas day” used in Britain. That is, gas flowing from 06:00:00 on the day in question (the day on which the report is published) for 24 hours until 05:59:59 on the following day.

“Day-ahead”: Day-ahead prices are for flat gas (no swing, 100% take-or-pay) to be delivered for the working gas day following the date of the report. Thus, in a report published on Friday, the Day-ahead quote would normally apply to the following Monday, provided that Monday is not a public holiday in Britain (in which case Day-ahead would refer to the next working day after that). Day-ahead prices represent gas to be delivered at a flat rate, beginning at 06:00:00 London time on the next working day after the date of publication and ending at 05:59:59 on the day following the start date of delivery.

“Weekend”: Weekend prices are for the first Saturday and Sunday following the date of the report, as well as other non-working days contiguous with the weekend, and the Christmas and Boxing Day (25th-26th December) holidays, and New Year's Day (1st January) when these fall midweek. Thus, if there is a UK public holiday on a Monday or a Friday, this extra day would be included in the Weekend period which immediately precedes or follows it. Similarly, if Christmas Day and Boxing Day fall on a Tuesday and Wednesday, the Weekend contract quoted on the Monday of the same week would refer to Christmas Day and Boxing Day. Weekend prices represent flat gas (no swing, 100% take-or-pay) with delivery beginning at 06:00:00 London time on the first day of the Weekend period and ending at 05:59:59 on the day following the end of the Weekend. Thus, for a normal weekend, the Weekend price is for gas delivery starting at 06:00:00 on Saturday and ending at 05:59:59 on the following Monday.

“Working Days Next Week (WDNW)”: Working Days Next Week prices are for flat gas (no swing, 100% take-or-pay) to be delivered throughout every working day in the week following the date of the report, i.e. contiguous working days following the next Weekend period. WDNW prices represent flat gas with delivery beginning at 06:00:00 London time on the first day of the WDNW period and ending at 05:59:59 on the day after the last working day of the period. Thus, for a typical WDNW contract, delivery begins at 06:00:00 on the first Monday after the date of publication and ends at 05:59:59 on the following Saturday.

“Balance-of-month (BOM)”: Balance-of-month prices are for flat gas (no swing, 100% take-or-pay) to be delivered throughout each of the remaining days of the current month, excluding the next immediate Day-ahead or Weekend contract, whichever is the sooner. Thus, in a report published on Thursday, the BOM quote would normally apply from the following Saturday to the end of the month (remaining days of the month minus Day-ahead). In a report published on Friday, the BOM quote would normally apply from the following Monday to the end of the month (remaining days of the month minus Weekend). The number of days contained in BOM thus declines through the month. BOM prices represent gas to be delivered at a flat rate, beginning at 06:00:00 on the first day of the contract and ending at 05:59:59 on first day of the succeeding month.

Months: Month prices represent flat gas (no swing, 100% take-or-pay) to be delivered at a flat rate throughout each day of the month, beginning at 06:00:00 on the first day of the month and ending at 05:59:59 on the first day of the succeeding month.

Quarters: A Quarter is the three-month period beginning on 1st January (Q1), 1st April (Q2), 1st July (Q3) and 1st October (Q4). Quarter prices represent gas to be delivered at a flat rate throughout each day of the quarter, beginning at 06:00:00 on the first day of the quarter and ending at 05:59:59 on the first day of the succeeding quarter.

Seasons: A Season is the six-month period running from either 1st April to 30th September of a particular calendar year (known as Summer) or running from 1st October of one year to 30th March of the following year (known as Winter). Season prices represent gas to be delivered at a flat rate throughout each day of the season, beginning at 06:00:00 on the first day of the season and ending at 05:59:59 on the first day of the succeeding season.

Years: A Year is the twelve-month period 1st January-31st December. Year prices represent gas to be delivered at a flat rate throughout each day of the twelve-month period, beginning at 06:00:00 on the first day of the calendar year and ending at 05:59:59 on the first day of the succeeding calendar year.

Gas Year: A Gas Year is the twelve-month period starting on 1st October of a particular calendar year and ending on 30th September of the following calendar year. The title of the gas year always refers to the year in which the contract commences, so that for example, Gas year 08 means the period 1st October 2008 to 30th September 2009. Gas Year prices represent gas to be delivered at a flat rate throughout each day of the twelve-month period, beginning at 06:00:00 on the first day of the gas year and ending at 05:59:59 on the first day of the succeeding gas year.

UK OTC Power Price Assessments

The UK physical power market (variously defined as the spot or over-the-counter market) is assessed each working day during the period 16:30 to 18:00 London time, when ICIS contacts by telephone a wide range of active market participants. Price assessments published in the “UK OTC POWER PRICE ASSESSMENTS” table are formulated by ICIS Heren at the conclusion of this process and represent ICIS’s close-of-day bid-offer ranges for power delivered under Grid Trade Master Agreement (GTMA) terms. They are not based on deals done during the day (listed separately in EDEM).

Load Shapes: Daily power traded on the UK market is by custom split into six, 4-hour Week Day (WD) or Weekend (WE) periods. The periods are laid out as follows:

| Time Period | Weekday | Weekend |
|---------------|---------|---------|
| 23.00 - 03.00 | WD1 | WE1 |
| 03.00 - 07.00 | WD2 | WE2 |
| 07.00 - 11.00 | WD3 | WE3 |
| 11.00 - 15.00 | WD4 | WE4 |
| 15.00 - 19.00 | WD5 | WE5 |
| 19.00 - 23.00 | WD6 | WE6 |

Baseload prices quoted are for power delivered at a flat rate throughout the specified delivery period, i.e. WD 1-6 and WE 1-6 (if the period traded includes a weekend.)

In the context of the UK market Peak prices quoted are for power delivered during the peak period of working days (0700-1900), i.e. WD 3,4 & 5 and does not include Weekend delivery, i.e. Winter Peaks includes WD 3-5 but NOT WD 1,2,6 and NOT WE 1-6. Off-peaks refers to WD 1, 2 & 6 and WE 1-6 (if the period traded includes a weekend.)

Trading periods on the UK power market do not follow the standard calendar format but instead are based on the EFA (Electricity Forwards Agreement) calendar (the calendar can be viewed at https://www.theice.com/publicdocs/EFA_Calendar.pdf).

UK OTC Power Price Assessments - Definitions of periods

Day-ahead: Day-ahead prices are for power to be delivered for the working day following the date of the report. Thus, in a report published on Friday, the Day-ahead quote would apply to the following Monday, unless this was a public holiday.

Weekend: Weekend prices are for the first Saturday and Sunday following the date of the report, and for the Christmas/Boxing Day (December 25/26) holidays, and for New Year’s Day (1st January) when these fall midweek. In the latter circumstance, the Weekend price on the publishing days immediately preceding Christmas or New Year’s Day would apply to power to be delivered on Christmas/Boxing Day or New Year’s Day, while the Weekend price on the one or two publishing days following Christmas or New Year would apply to the Weekend following Christmas or New Year.

Months: Each month quoted represents power to be delivered on each day of the month.

Quarters: The quarters are three month periods beginning on 1st January (Q1), 1st April (Q2), 1st July (Q3) and 1st October (Q4). Each represents power to be delivered on each day of the quarter.

Seasons: The seasons are six month periods beginning on 1st April (Summer) and 1st October (Winter). The exceptions to this rule are the UK market, which follows EFA month patterns rather than calendar months (the calendar can be viewed at https://www.theice.com/publicdocs/EFA_Calendar.pdf and the Nordic (Nord Pool) market, which has three seasons per year in four month blocks.

Years: EDEM Price Assessment Yearly quotes are for Calendar Years unless otherwise stated. Each assessment listed represents electricity to be delivered on each day of the twelve-month period. April Annual refers to electricity supplied for a Year from the beginning of April (not necessarily 1st April in the UK, see above) of a particular year while October Annual refers to electricity supplied for a Year from the beginning of October (not necessarily 1st October in the UK).

“Balance (Bal.)”: The ‘Balance’ of a period, whether it be month, quarter, season or year, refers to prices for power to be delivered on each of the remaining days of the current period, beginning with the day following the date of the report. The number of days thus declines through the period.

ICE Natural Gas Futures

This table shows the closing (“settle”) prices for the natural gas futures contracts traded on the Intercontinental Exchange, ICE, (formerly the International Petroleum Exchange). Prices and other data are passed to ICIS by ICE at close of futures business, currently at about 16:00-16:15 London time. “Change” is the change from the previous working day’s settlement price. “High” and “Low” represent the high and low traded prices for the day in question. “Lots” represents the volume of trade for each contract: 1 lot = 1,000 therms per day, although it should be noted that under current exchange rules the minimum trade size is 5 lots. “Mn th total” represents the total number of therms traded, expressed in millions of therms. “Open interest” represents the open interest for each contract at the previous day’s close. For further information, visit ICE’s website: www.theice.com