



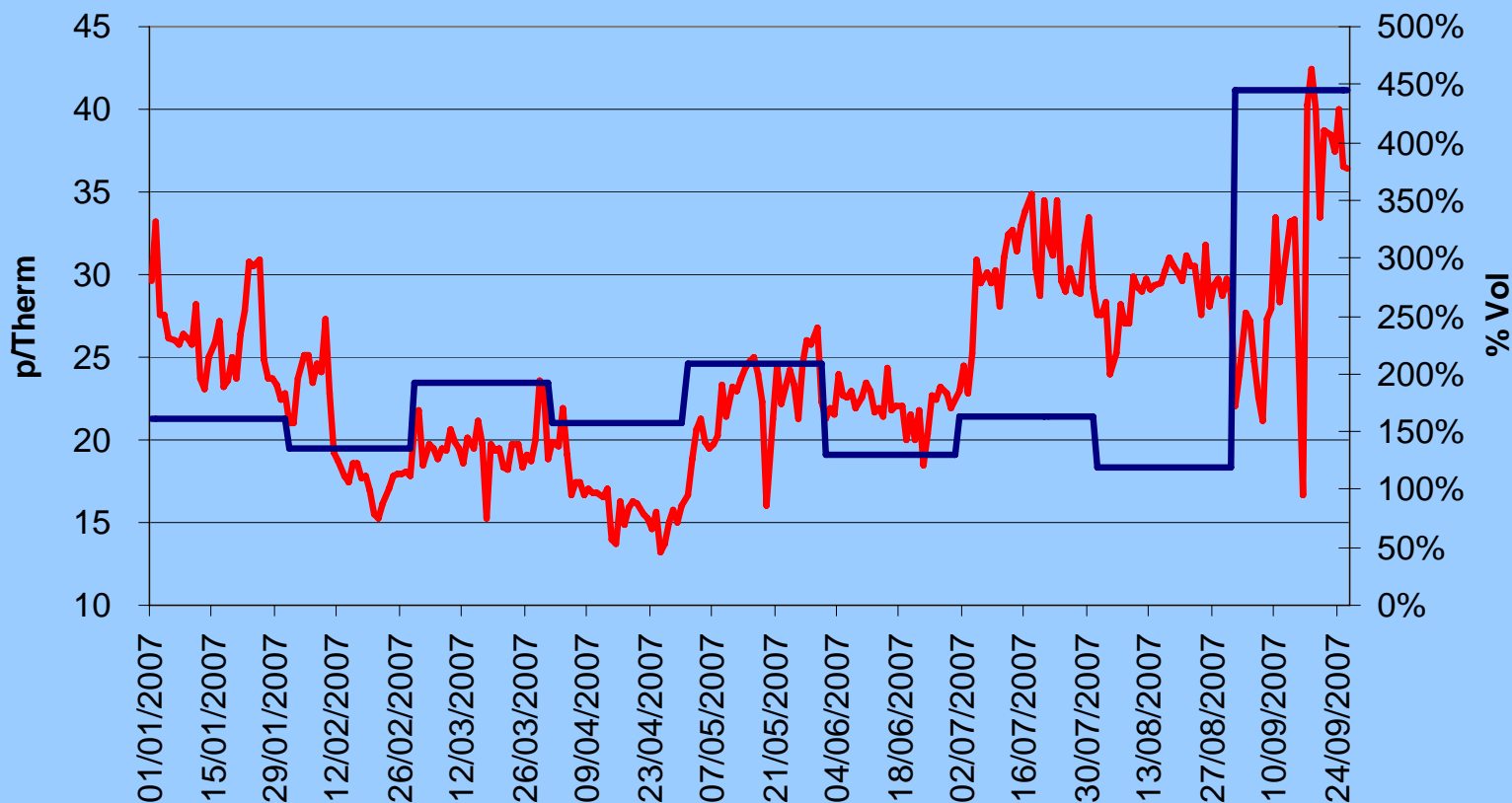
***Winter Outlook Consultation 07/08***  
***Ed Blackmore***  
***Sempra Energy***

***[www.sempra.com](http://www.sempra.com)***



# Sempra Energy *UK Spot Prices YTD Strong*

**SAP (red) v Daily volatility (blue)**





Sempra Energy

*Does it matter?*

- Volatility sets the tone for the market
  - reduces liquidity
  - increases risk premium
  - increases bid/offer spread



## Sempra Energy *Why so volatile?*

- CATS problems (a worry if occurs in winter)
- Japanese reactor problems - LNG
- Inconsistent continental production - plenty in April less in remainder of summer
- Higher average demand in summer
- Lack of gas on gas competition - marginal Therm generally Norwegian.





# Sempra Energy *Source of gas*

**Production by source 28th September**





# Sempra Energy *Tough year for traders...*

Winter 07

