NORD POOL
THE NORDIC POWER EXCHANGE

Input from Nord Pool to Market Abuse meeting on 3 March 2003

Market practice regarding disclosure

Historically, there has been a common interest among producers, retailers and traders (market participants) to create an efficient financial electricity market. In order to achieve this there has been acceptance from the market in setting up common disclosure rules at the exchange. Such rules have been developed in close dialogue with the market participants. The main principles have been to make the highest level of transparency and equal requirements for all market participants, and considering the high level of integration between the underlying physical electricity market and financial electricity market.

Disclosure rules

The disclosure rules apply for all market participants including all major producers domiciled in the Nordic countries. An important aspect to bear in mind is that all market participants are professional corporate entities.

Pursuant to the principle disclosure rule all participants are obliged to inform the exchange about matters that are likely to have an impact on market prices.

Notwithstanding the above principle disclosure rule market participants shall notify the following matters relevant to plants or facilities for production, consumption or transmission within or directly connected to the Nordic electricity exchange area:

- Maintenance plans concerning more than 200 MW for the next 6-week period to be notified as soon as decided
- Maintenance plans concerning more than 400 MW for the next 3-year period to be notified as soon as decided
- Failure or outage concerning more than 200 MW to be notified as soon as possible and not later than 1 hour after the event occurred

Disclosure agreements

Accepted practice has also been formalised in agreements with the Nordic transmission system operators in disclosing information about hourly actual production, consumption and transmission volumes for the relevant national geographical areas or transmission connections. Further, such disclosure also includes trading information from the common Nordic balancing power market. In addition weekly updates on reservoir contents covering the same national geographical areas are also disclosed.

Channels of disclosure

The disclosure is executed through internet communication with Nord Pool and published on the web site of the exchange.

Transaction information and reporting

All exchange trading is executed electronically and simultaneously disclosed to the market through trading platform, real-time feed and web site.

Market acceptance has been reached with market participants in setting up rules for reporting of individual transactions in listed financial electricity products matched outside the exchange and to be cleared by Nord Pool Clearing. Such transactions are to be reported electronically within 15 minutes after the trades being executed and subsequently being published electronically via web site and trading platform.

Enforcement

Nord Pool's market surveillance department for the physical and the financial markets monitor that the market participants comply with above disclosure and reporting rules and make necessary investigations. In the event of breach of any rules Nord Pool may impose sanctions towards the participant being in breach.

Competent authorities

The competent authority for Nord Pool's financial electricity market is Kredittilsynet and the competent authority for Nord Pool's physical electricity market is the Directorate of Energy (NVE).