Quarterly report for Nord Pool market surveillance
1 July to 30 September 2007

General focus areas

Implementation of revised information disclosure requirements
The revisions of the information disclosure rules at Nord Pool’s markets, based on the adoption of EU Congestion Management Guidelines, have resulted in a need for improving reporting mechanisms and web presentation. Due to delay in testing the implementation of new functionality for reporting and presenting UMMs is postponed and is expected to be in place by the end of Q4-2007.

Implementation of MiFID in Nord Pool markets
Nord Pool has developed an overview of The EU Markets in Financial Instruments Directive (“MiFID”) and the impact of the directive on Nord Pool and the Nord Pool market participants. The document can be found on the Nord Pool web site under regulation and compliance / market surveillance / impact of MiFID in Nord Pool markets.

Investigations

Market manipulation
No new cases of possible misuse of market manipulation in the physical or financial market were started this period.

Disclosure of insider information - insider trading
Market surveillance has detected possible breach of the rules of insider trading in Elbas in past and present periods and has investigated these further. The investigations have concluded that two members have conducted active trades in Elbas when being in insider position and consequently breached section 9.4 in the Standard Terms at Nord Pool Spot. The participants in question have received a statement of breach of the rules on insider trading from the market surveillance department.

From 9 October, pursuant to the implementation of the revised Standard Terms at Nord Pool Spot, participants cannot conduct trading in Elbas and must consequently cancel all orders when holding inside information. In this respect market surveillance has updated frequently asked questions, which can be found on the Nord Pool web site under regulation and compliance / market surveillance/ frequently asked questions.

Further, market surveillance has also investigated possible breaches on the disclosure requirements in the period and found that four participants have breached section 9.2 in the Standard Terms at Nord Pool Spot / section 3.1 in the Trading Rules at Nord Pool ASA. The breaches involve disclosing information on changes in available production capacity incorrectly and outside time limits. All involved participants have received statement of breach of the rules on disclosure of inside information from the market surveillance department.
**Reporting of non-exchange trades**

Regarding the reporting of non-exchange electricity trades, the enclosed table shows that the share of late reported deals for the financial electricity contracts in the period has been 1.7% (previous period 1.6%), and the share of cancelled deals has been 2.3% (previous period 2.2%).

In general the compliance of the reporting rules is not satisfactory and market surveillance pays continuous attention to this. Thus, whenever a suspected breach on the reporting rules is detected market surveillance will contact the broker of the trade for further investigations and will sanction breaches. Market surveillance has developed written information on the reporting of OTC-trades, which can be found on the Nord Pool web site under *regulation and compliance / market surveillance/ news*.

Market surveillance has detected possible breaches of the reporting rules in the past period and has investigated these further. Further investigations have found breach of the rules with respect of 23 reported contracts and involving five brokers. The contracts include breaches on both section 2.3 of the Market Conduct Rules (i.e. reporting of correct information) and section 2.5.2 (i.e. reporting within 15 minutes of the trading time). All these brokers have received a statement of breach of the reporting rules from the market surveillance department.