



Report for Market Surveillance at Nord Pool ASA and Nord Pool Spot AS

1 May to 31 August 2003

Trading activity

In the period May through August the Market Surveillance Department has closely monitored the trading activity in the physical and financial markets. Market Surveillance has especially looked into the trading activity in Denmark in July and August. For some periods the prices in either one of the two Danish price areas have been higher than the neighbouring Nordic price areas and EEX. We have also seen that the electricity flow has had an illogical direction with respect to the price levels at the Nordic and German exchanges.

Market Surveillance is also looking into the trading activity in Western Denmark the 2 September.

Reporting of non-exchange trades

Market Surveillance has found delays in 1.5% of the non-exchange trades reported in the period. The vast majority are smaller delays. All delays are investigated by communicating with the exchange members or brokers making the registrations. Reasons and extent of each delay are documented by Market Surveillance. All matters have been concluded with no sanctions.

Disclosure of insider information – Disclosure rules

Market Surveillance has monitored the information disclosure regarding nuclear power plants in the Nordic area, especially with respect to the commissioning of such plants after yearly maintenance. Nord Pool Spot has initiated a dialogue with SKI, the Swedish Nuclear Power Inspectorate, in order to co-ordinate the information disclosure.

There have been initiated three matters of possible breach on the disclosure rules at Nord Pool/Nord Pool Spot. Market Surveillance has made requests for explanatory information to the respective parties from whom statements have been received. No sanctions have been issued in this period.

Misuse of insider information

In a few of the issues of late disclosure of insider information market surveillance has made investigations about any possible misuse of insider information. Requests have been sent to the participants concerned in order to receive a statement of the matters. No sanctions have been concluded in this period.

Market manipulation

No new cases of possible price manipulation in the physical or financial market have been started during this period. One investigation connected to market misconduct in the financial market referred to in the previous report has been closed without any sanction. No sanctions have been issued in this period.

As referred to in our status report from the previous period a matter of possible breach of the market manipulation rules has been dispatched to the financial supervisory authority in Norway (Kredittilsynet). This matter is still under investigation by Kredittilsynet.

Other issues

Market Surveillance has experienced difficulties in receiving relevant information in respect of investigations from some of the brokers in the Nordic financial electricity market and has addressed this issue to Nord Pool Clearing. The CDA Broker Agreement between the brokers and Nord Pool Clearing lacks the obligation for the brokers to provide such information. Nord Pool Clearing has introduced a new Broker Agreement to be valid from 1 December 2003. This new Broker Agreement will give brokers the same obligations as exchange members, clearing members and clearing clients to provide Nord Pool with all relevant information in respect of Nord Pool's role in surveillance of the Market Conduct Rules and other applicable laws and regulations.