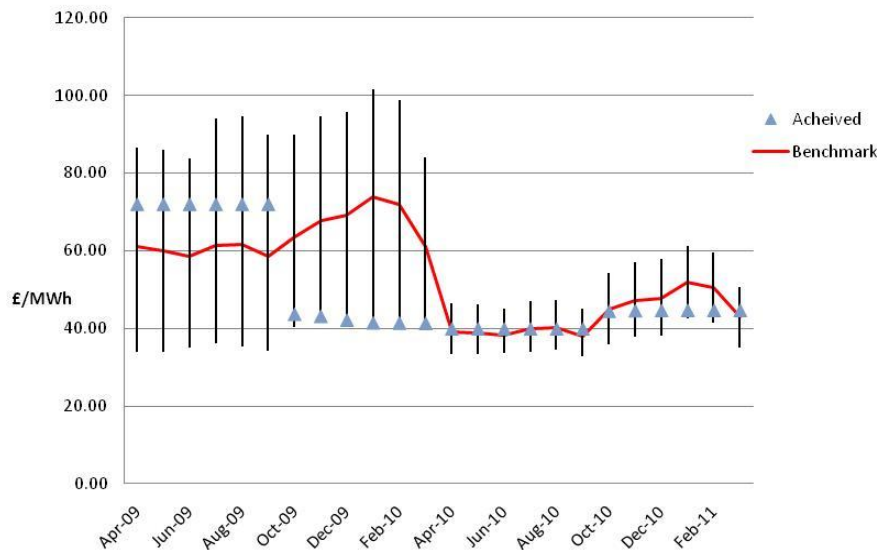


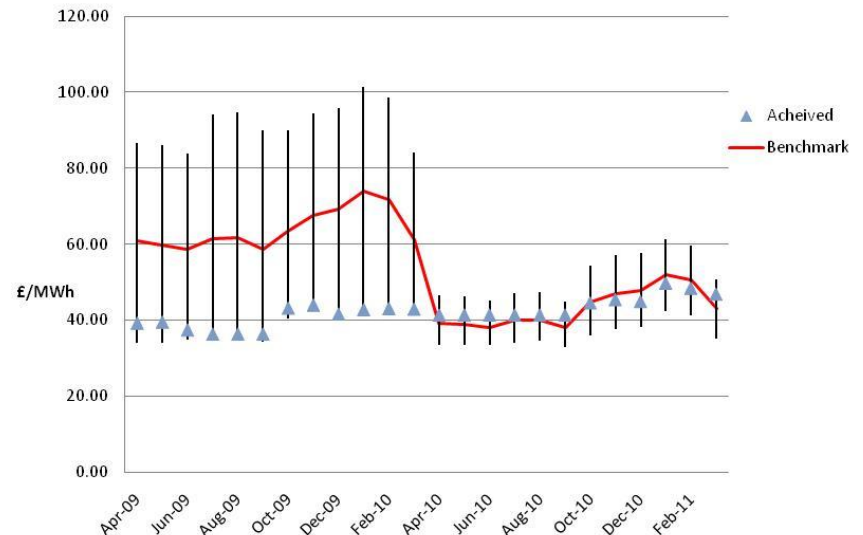
Energy Purchasing Performance (Electricity)

- The Efficiency and Reform group within the Cabinet Office has developed metrics to help assess the performance of wholesale energy purchasing as part of its work on Centralising Category Procurement
- These aim to show the performance of wholesale purchasing for a financial year (April to March) against a market average of prices¹ achievable over the 12 months preceding the financial year. No account has been taken of 'purchasing windows' or strategy to focus on direct financial performance effecting the budget holder over the financial year
- The wholesale cost of energy is 50 to 60% of the total delivered costs on average and is the greatest variable in terms of value for money
- ERG analysis has shown that the best public sector PBO's consistently outperform the market average which is considered class leading performance in either the public or private sectors for energy procurement
- ERG have independently compared the wholesale prices that Laser achieved against this benchmark as shown on the graphs below. These show the range of prices that were available from market (black vertical lines) and the benchmark (red line) and achieved price of Laser
- While monthly performance has been variable (this is to be expected given the volatility of the market) it shows that over the 2 year period Laser has outperformed the benchmark price by 7% for the PIA strategy and 20% for the PWP strategy on average²

Laser PIA Electricity Performance



Laser PWP Electricity Performance

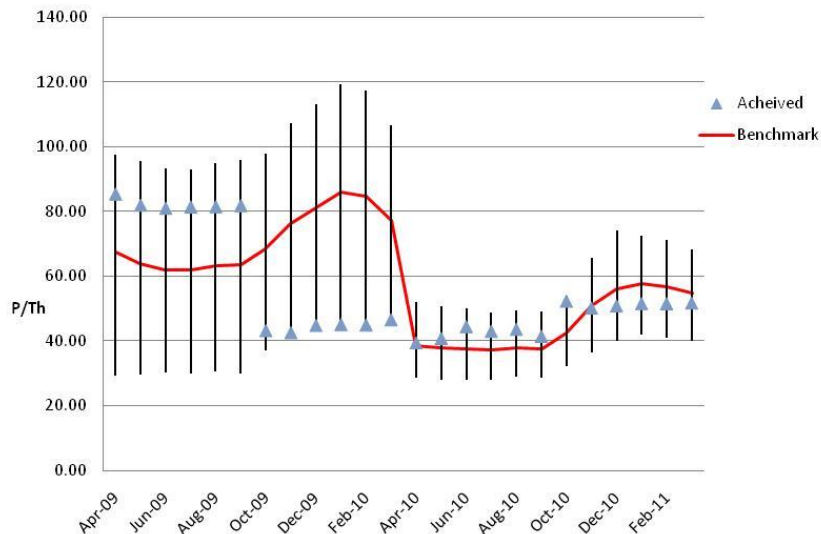


1. Analysis based on base load volumes purchased from the wholesale market
 2. PIA and PWP strategy performance will vary year on year depending on market conditions. Past performance may not be repeated

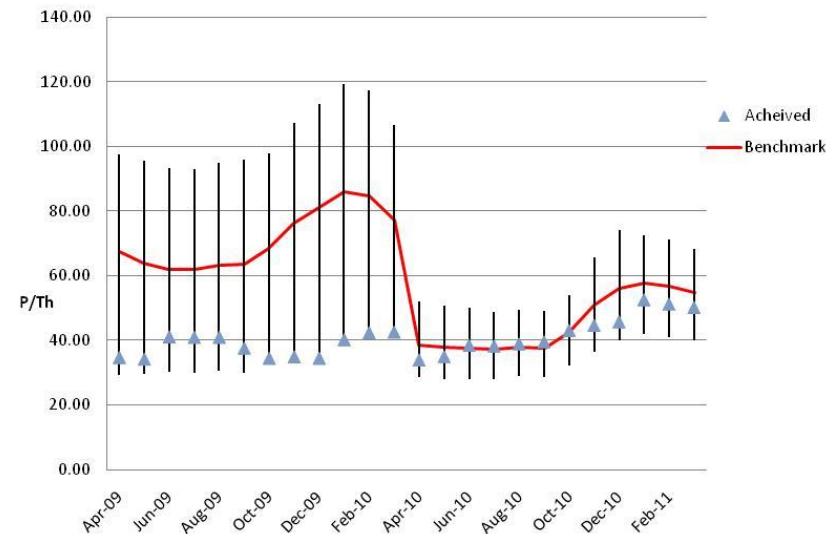
Energy Purchasing Performance (Gas)

- A similar approach to assessing the performance of wholesale purchasing has been developed for gas ¹
- The wholesale cost of gas is 60 to 70% of the total delivered costs on average and is the greatest variable in terms of value for money that can be influenced by the buyer / PBO
- ERG analysis has shown that the best public sector PBO's consistently outperform the market average. This is class leading performance in either the public or private sectors for energy procurement
- ERG have independently compared the wholesale prices that Laser achieved against this benchmark as shown on the graphs below. These show the range of prices that were available from market (black vertical lines) and the benchmark (red line) and achieved price of Laser
- While monthly performance has been variable (this is to be expected given the volatility of the market and October pricing for PIA) it shows that over the 2 year period Laser has outperformed² the benchmark price by 6% for the PIA strategy and 30% for the PWP strategy based on a flat consumption profile
- It is notable that the performance for the winter heating period (Nov to March) which is the key consuming months for gas has been excellent

Laser PIA Gas Performance



Laser PWP Gas Performance



1. Analysis based on a flat profile purchased wholesale market

2. PIA and PWP strategy performance will vary year on year depending on market conditions. Past performance may not be repeated