

The Probable Trend...

Fuel Prices

Over the coming years, fuel prices might be expected to change as follows:

- **GAS?**The wholesale price has already risen and is expected to rise higher over the next decade as the UK imports more gas from Europe.

- **ELECTRICITY?**Prices have recently come down as a result of the New Electricity Trading Arrangement (NETA) and Ofgem constraints. However over the next decade they will rise as gas prices increase and as a consequence of the impact of the Renewables Obligation on electricity generation.

- **OIL?**Prices will continue to fluctuate significantly. It is expected that the oil price will stabilize around 20\$/barrel steadily rising to roughly in line with gas prices over the next decade. After about 2010 the rate of increase will depend significantly on developments in the transport market.

- **LPG?**Prices will follow the same general trend as oil prices (since LPG is derived from oil). However, if LPG use for transport grows, the price of domestic LPG could increase due to limited supply.

- COAL? Prices are expected to be fairly stable due to the very large resource base and the move away from coal as CO2 emission constraints are increased.