

Fast Reserve

Market Information for Tenders for September 2004

National Grid Transco publishes this information, in order to inform potential participants for the Fast Reserve tender round for September 2004.

Fast Reserve Availability

Our indicative daily requirement for Fast Reserve in September is shown on a Settlement Period basis in Figure 1. This requirement covers weekdays, Saturdays, Sundays and Bank Holidays.

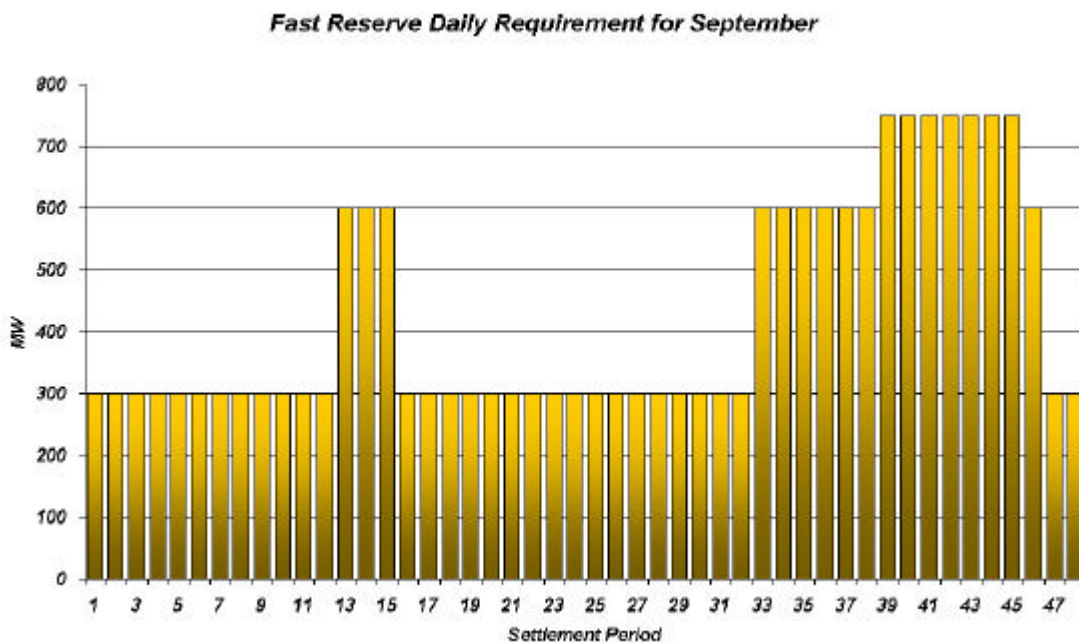


Figure 1

This figure gives an indication of the times of day when Fast Reserve is most useful to us. The actual amount of Fast Reserve "holding" varies from day to day, according to system conditions, but on average amounts to approximately one half of these requirements.

Fast Reserve Utilisation

Figure 2 shows the daily utilisation of Fast Reserve in the BM and elsewhere during June (1st – 30th June 2004) and July (1st – 31st July 2004). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve.

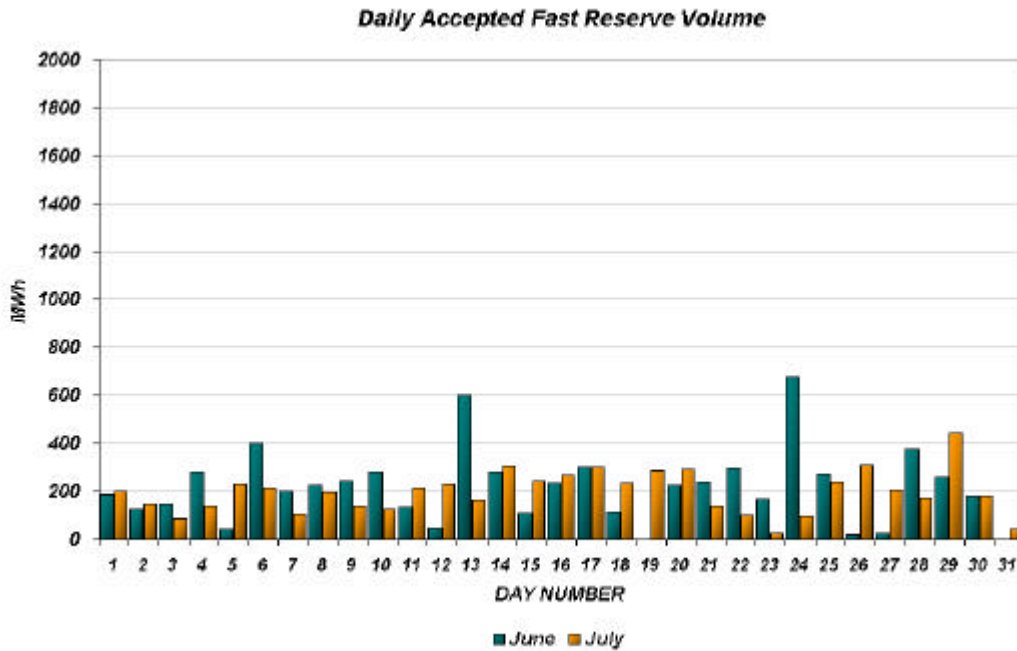


Figure 2

Figure 3 re-presents this data, as an average utilisation per Settlement Period across each month. This shows the daily profile of Fast Reserve utilisation.

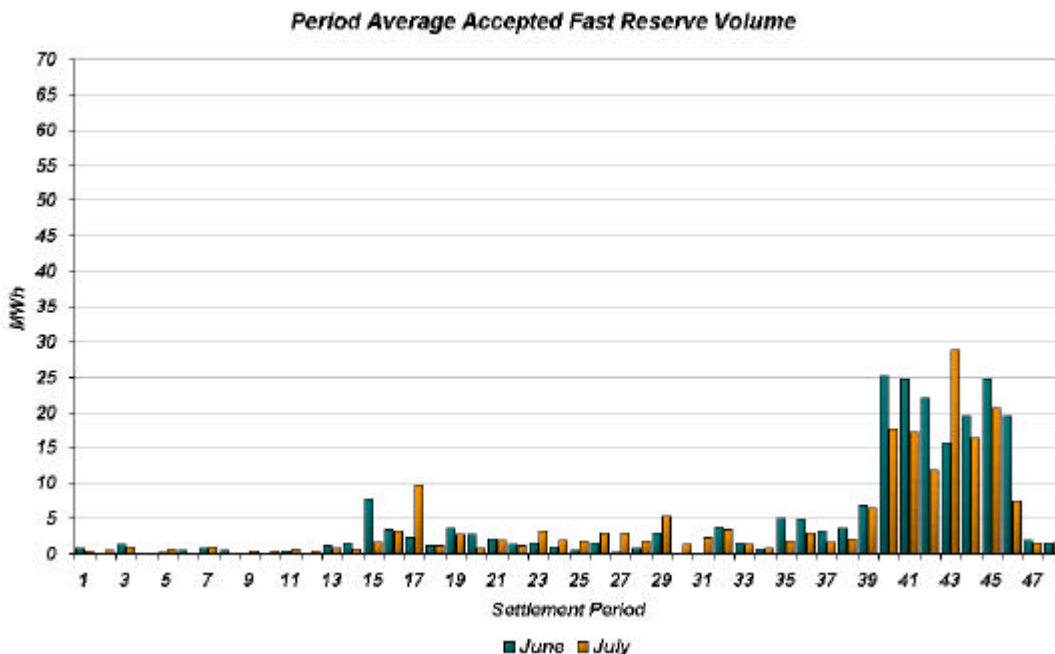


Figure 3

The total volumes of Fast Reserve utilisation of **6.7 GWh** for June and **6.1 GWh** for July break down into price bands as follows:

June	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	14	1,800	0.02
	300 to 1000	15	350	0.01
	0 to 300	6,057	133	0.80
Total		6.1 GWh		£0.83 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-577	-80	0.05
	-1000 to -300	-24	-600	0.01
	-2000 to -1000	-11	-1,500	0.02
	-10000 to -2000	0	n/a	n/a
Total		-0.6 GWh		£0.08 m
Total		6.7 GWh		£0.91 m

July	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	40	1,800	0.07
	300 to 1000	14	600	0.01
	0 to 300	5,972	124	0.74
Total		6.0 GWh		£0.82 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-25	-180	0.00
	-1000 to -300	-3	-600	0.00
	-2000 to -1000	-9	-1,800	0.02
	-10000 to -2000	0	n/a	n/a
Total		0.0 GWh		£0.02 m
Total		6.1 GWh		£0.84 m

The above charts and tables show that from June to July overall Fast Reserve utilisation fell by ~ 10%.

For September, the demand shape will remain broadly on a summer trend but with the beginnings of some winter characteristics as the month progresses. Fast Reserve utilisation patterns for September 2004 are expected to rise from those seen in July/August 2004. Overall Fast Reserve utilisation for September 2004 is forecast to outturn broadly in line with September 2003.

For the month of **September**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Friday 13th August 2004. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Friday 20th August 2004.

Tenders should be sent for the attention of:

Laura Barker
Operations & Trading
National Grid Transco plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Tenders can be sent by fax to Laura Barker on 01926 656612.