

Fast Reserve

Market Information for Tenders for February 2004

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

Fast Reserve Availability

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

Fast Reserve Daily Requirement for February

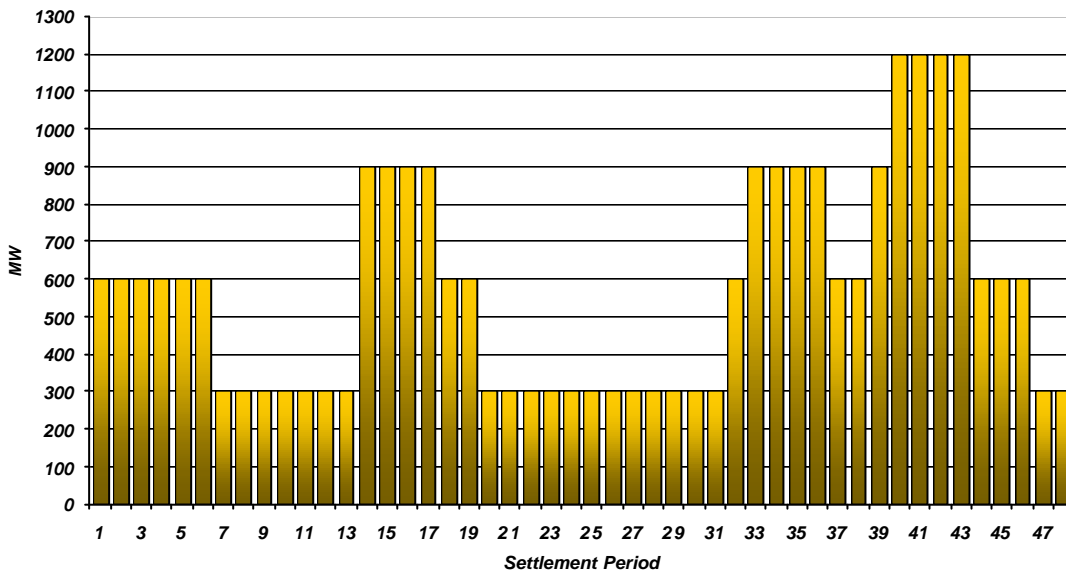


Figure 1

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 November (1st – 30th November 2003) and December (1st – 31st December 2003). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve.

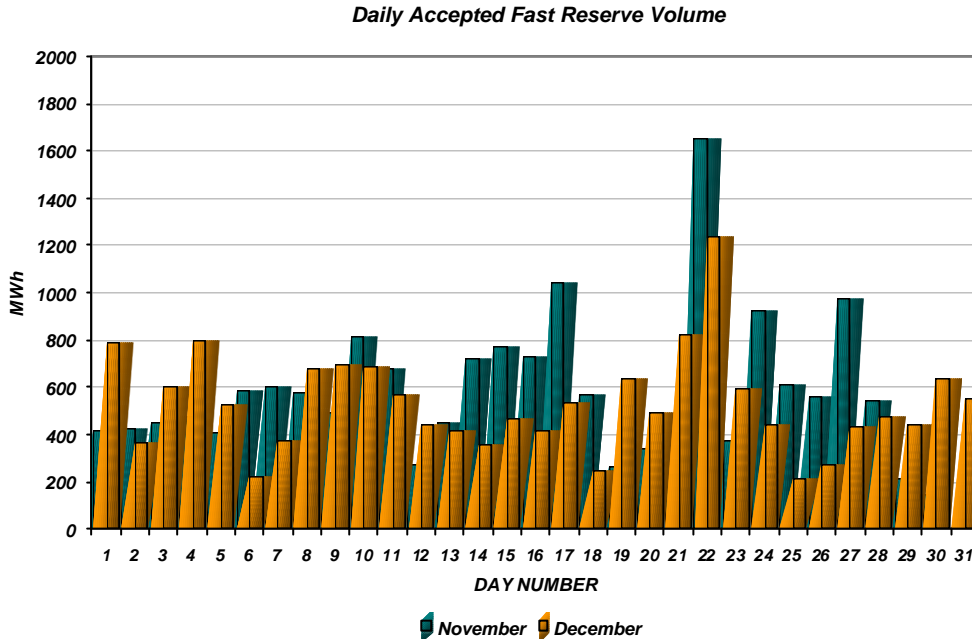


Figure 2

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.

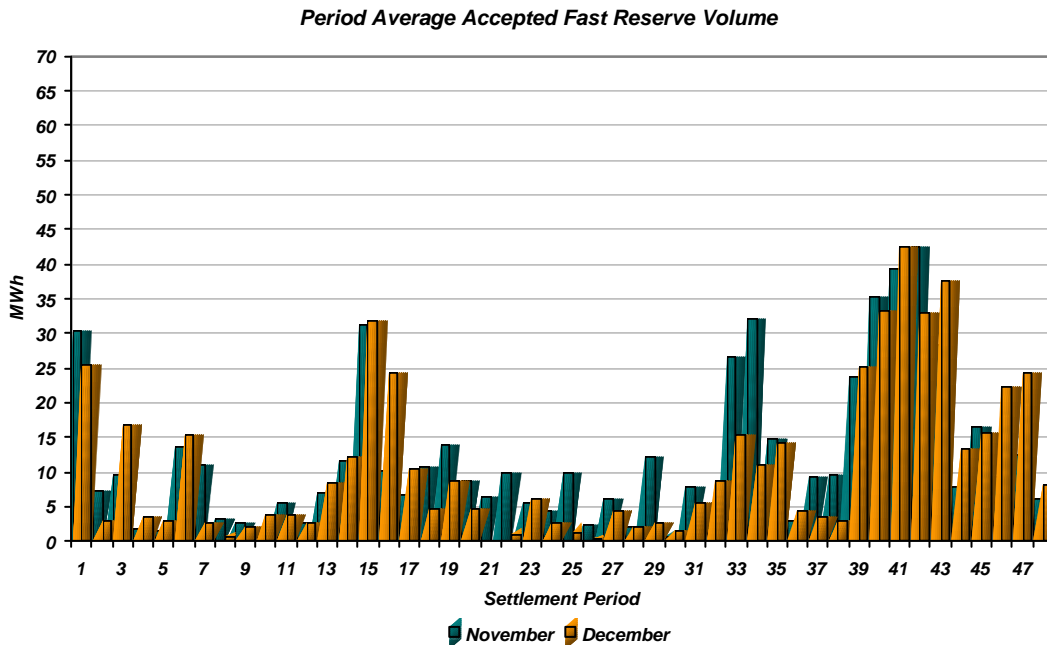


Figure 3

The total volumes of Fast Reserve utilisation of **17.4 GWh** for November and **16.4 GWh** for December break down into price bands as follows:

November	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	11	1,500	0.02
	300 to 1000	126	495	0.06
	0 to 300	16,244	126	2.04
Total		16.4 GWh		£2.12 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-922	-64	0.06
	-1000 to -300	-76	-462	0.03
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-1.0 GWh		£0.09 m
Total		17.4 GWh		£2.22 m

December	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	10	1,500	0.01
	300 to 1000	63	371	0.02
	0 to 300	15,795	130	2.05
Total		15.9 GWh		£2.09 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-488	-66	0.03
	-1000 to -300	-60	-600	0.04
	-2000 to -1000	-26	-1,350	0.03
	-10000 to -2000	0	n/a	n/a
Total		-0.6 GWh		£0.10 m
Total		16.4 GWh		£2.19 m

The above charts and tables show that from November to December overall Fast Reserve spend decreased by ~6% as a result of the seasonal influence creating some lower demand.

For February, the demand shape will display winter characteristics. Fast Reserve utilisation patterns for February are expected to be similar to those seen in January/February 2003. Overall Fast Reserve utilisation is forecast to outturn similar to January/February 2003.

For the month of **February**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Thursday 15th January 2004. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Thursday 22nd January 2004.

Tenders should be sent for the attention of:

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

Tenders can be sent by fax to Paul Bagg on 01926 656612.