

Fast Reserve

Market Information for Tenders for December 2004

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

Fast Reserve Availability

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

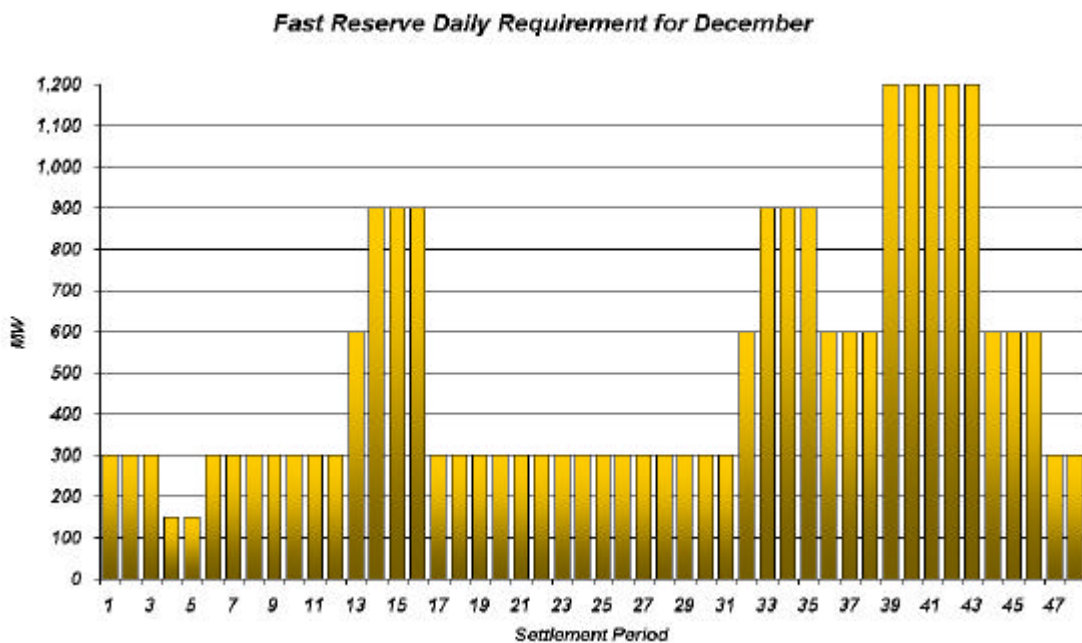


Figure 1

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 September (1st – 30th September 2004) and October (1st – 31st October 2004). The BM information is based on the aggregate of Offers plus [Bids] accepted to provide Fast Reserve or an equivalent service.

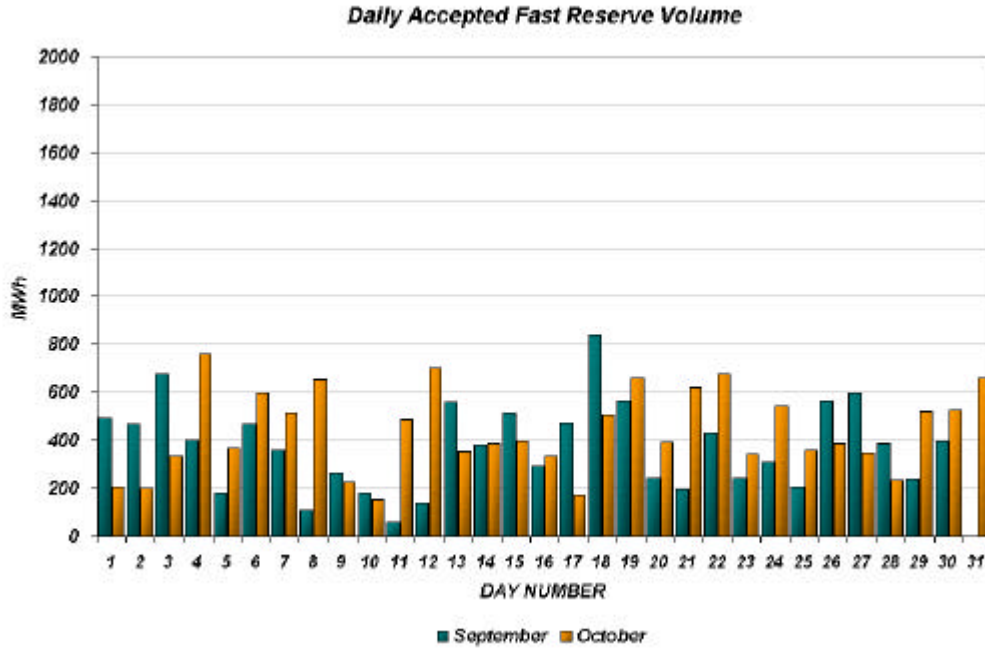


Figure 2

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.

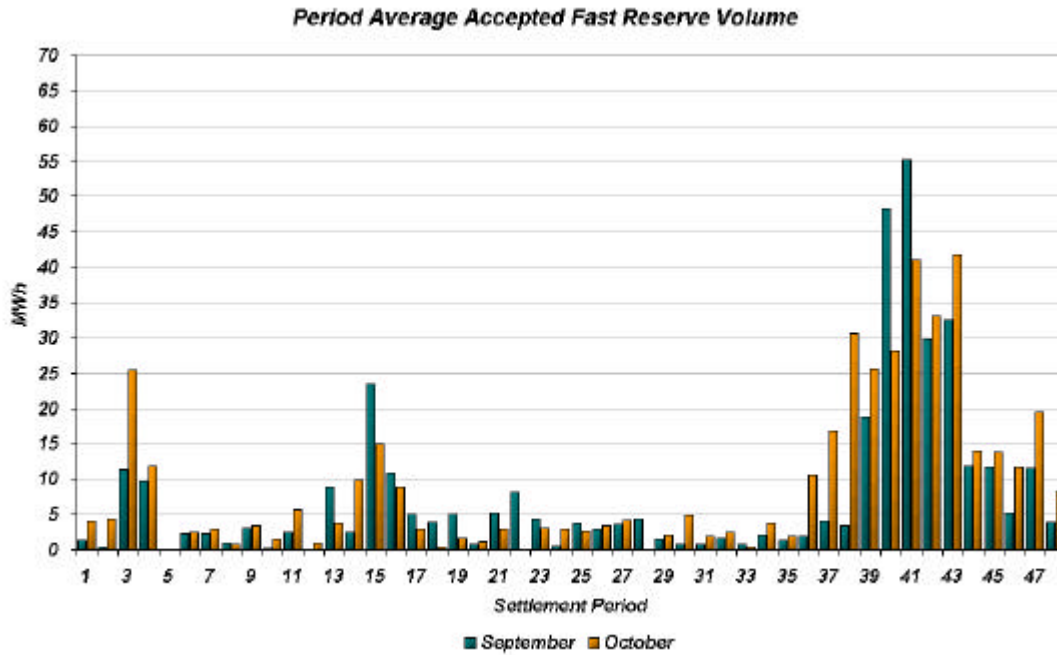


Figure 3

Figure 4 re-presents the same historical data, as an average utilisation price per Settlement Period for each month.

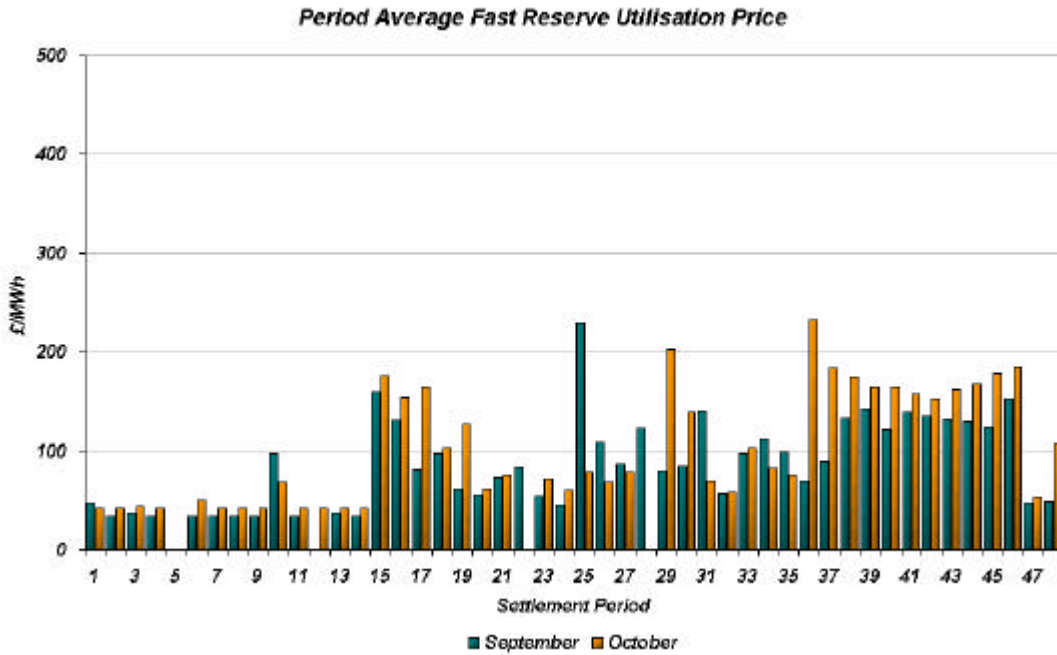


Figure 4

Finally, the same data is used in figure 5, below, to show the profile of total Fast Reserve utilisation expenditure per Settlement Period for each month.

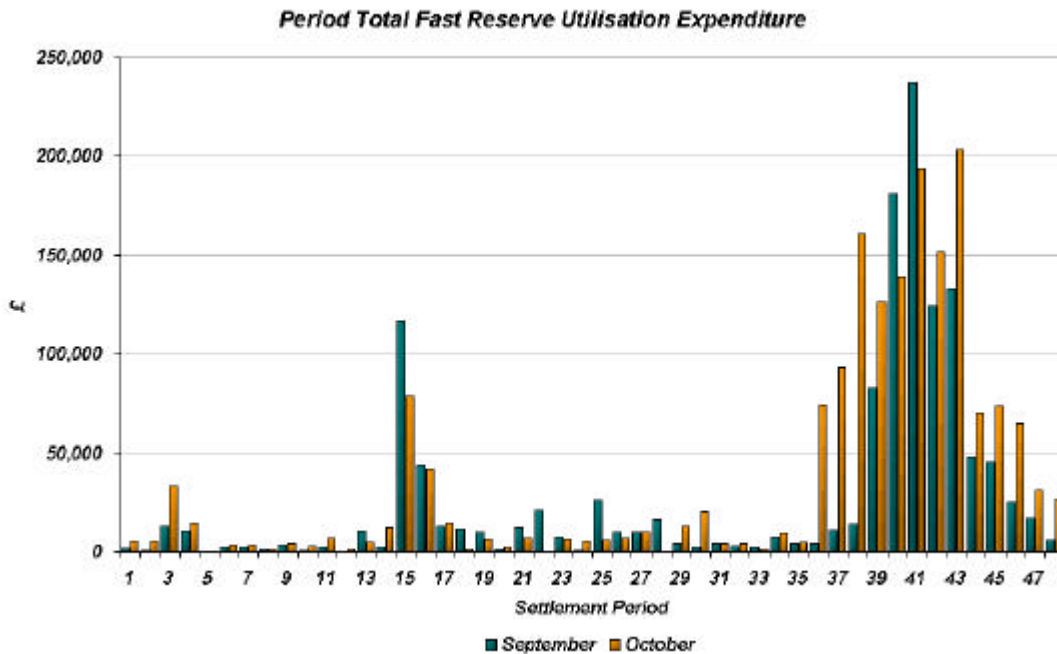


Figure 5

The total volumes of Fast Reserve utilisation of **11.2 GWh** for September and **13.6 GWh** for October break down into price bands as follows:

September	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	0	n/a	n/a
	300 to 1000	14	350	0.00
	0 to 300	10,837	120	1.30
Total		10.9 GWh		£1.31 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-293	-109	0.03
	-1000 to -300	-84	-569	0.05
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-0.4 GWh		£0.08 m
Total		11.2 GWh		£1.39 m

October	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	0	n/a	n/a
	300 to 1000	0	n/a	n/a
	0 to 300	13,418	131	1.76
Total		13.4 GWh		£1.76 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-52	-169	0.01
	-1000 to -300	-120	-442	0.05
	-2000 to -1000	-24	-1,600	0.04
	-10000 to -2000	0	n/a	n/a
Total		-0.2 GWh		£0.10 m
Total		13.6 GWh		£1.86 m

The above charts and tables show that from September to October overall Fast Reserve utilisation rose by ~21%, with an associated rise in total costs of ~ 34% as the demand profile continues to trend towards a full winter shape.

For December 2004, the demand shape is a full winter profile with an associated requirement for Fast Reserve. However, due to the holiday season overall Fast Reserve utilisation for December 2004 is expected to be slightly lower than that seen in November 2004 but should remain above October 2004 levels. Fast Reserve utilisation patterns for December 2004 are, overall, expected to be similar to December 2003.

Further to information provided in the Market Report for the October 2004 tender round, NGT has taken forward an offer made outside the tender process, but assessed in tandem, for an equivalent fast reserve service for the period November 2004 to April 2005 inclusive. As a result, the level of requirement shown in the Fast Reserve Requirement Graph, figure 1, above, has been discounted to reflect the anticipated availability of such pre-contracted services.

For the month of **December**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Friday 12th November 2004. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Friday 19th November 2004.

Tenders should be sent for the attention of:

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

Tenders can be sent by fax to Beth Robinson on 01926 656612.