

Fast Reserve

Market Information for Tenders for March 2003

National Grid publishes the following information, in order to inform participants in the Fast Reserve tender round for March 2003.

Fast Reserve Availability

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

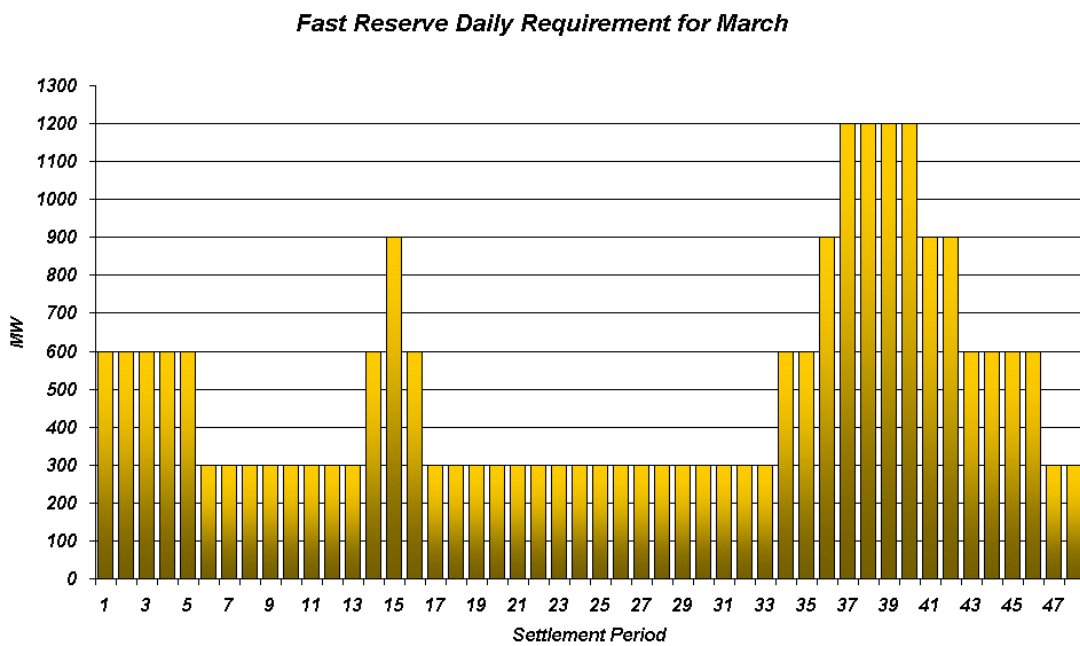


Figure 1

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 during December (1st – 31st December 2002) and January (1st – 31st January 2003). This information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve in the BM.

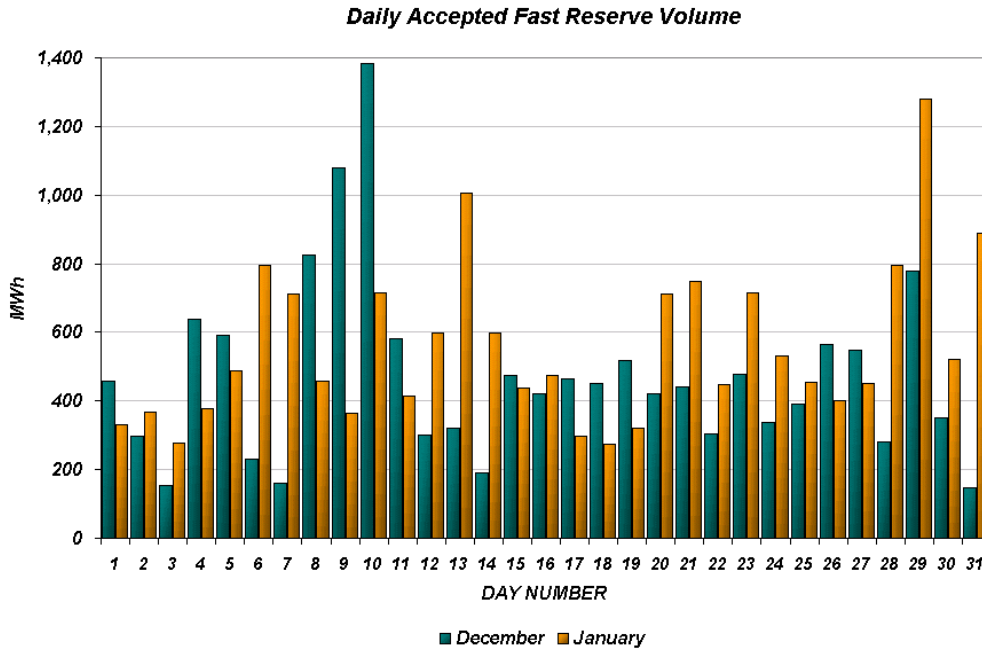


Figure 2

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.

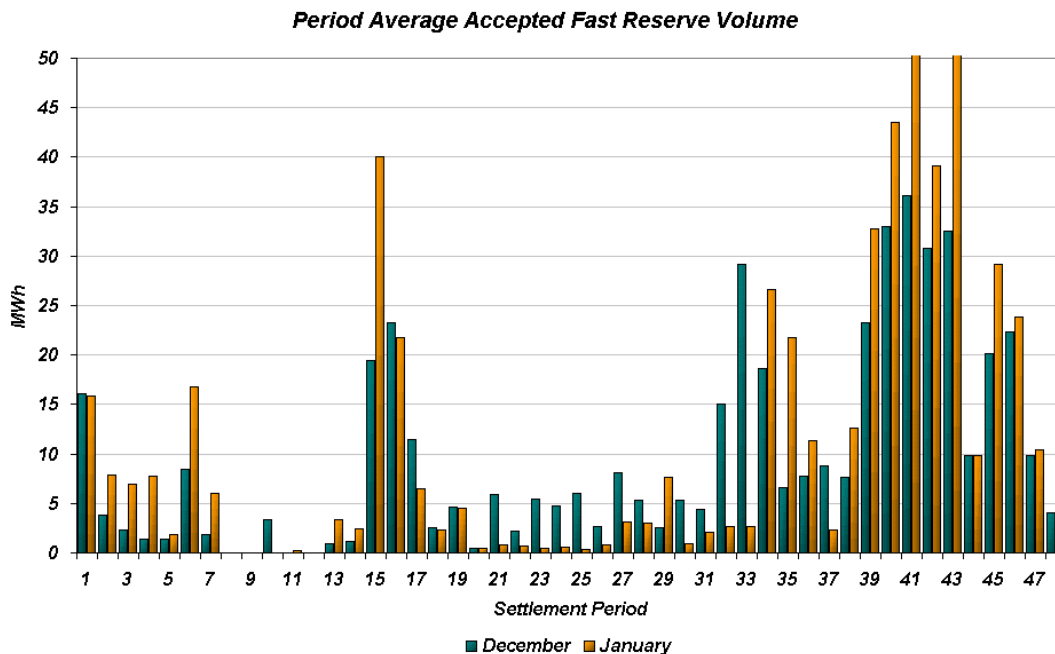


Figure 3

The total volumes of Fast Reserve utilisation of **14.6 GWh** for December and **17.2 GWh** for January break down into price bands as follows:

DECEMBER	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	147	595	0.09
	0 to 300	13,234	150	1.99
Total		13.4 GWh		£2.1 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-1,025	-104	0.11
	-1000 to -300	-182	-503	0.09
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-1.2 GWh		£0.2 m
Total		14.6 GWh		£2.3 m

JANUARY	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	340	525	0.18
	0 to 300	15,243	155	2.36
Total		15.6 GWh		£2.5 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-1,482	-76	0.11
	-1000 to -300	-178	-588	0.10
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-1.7 GWh		£0.2 m
Total		17.2 GWh		£2.8 m

The above charts and tables show that from December to January Fast Reserve utilisation increased by ~20%. Overall Fast Reserve spend rose to 2.8 £m for January, again a ~20% rise from December. This is the result of high utilisation over the peak of the day, continuing on through the evening.

For March, the demand shape begins to move away from the extreme winter peaks. As such Fast Reserve utilisation patterns for March are expected to be similar to those seen in late February and March 2002. Overall Fast Reserve utilisation for March is forecast to begin to fall from winter levels as a result of the less extreme demand and lower overall demand peak.

For the month of **March**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Friday 14th February. National Grid will notify Service Providers of the outcome of the tender assessment by Friday 21st February.