

Fast Reserve

Market Information for Tenders for February 2003

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

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.

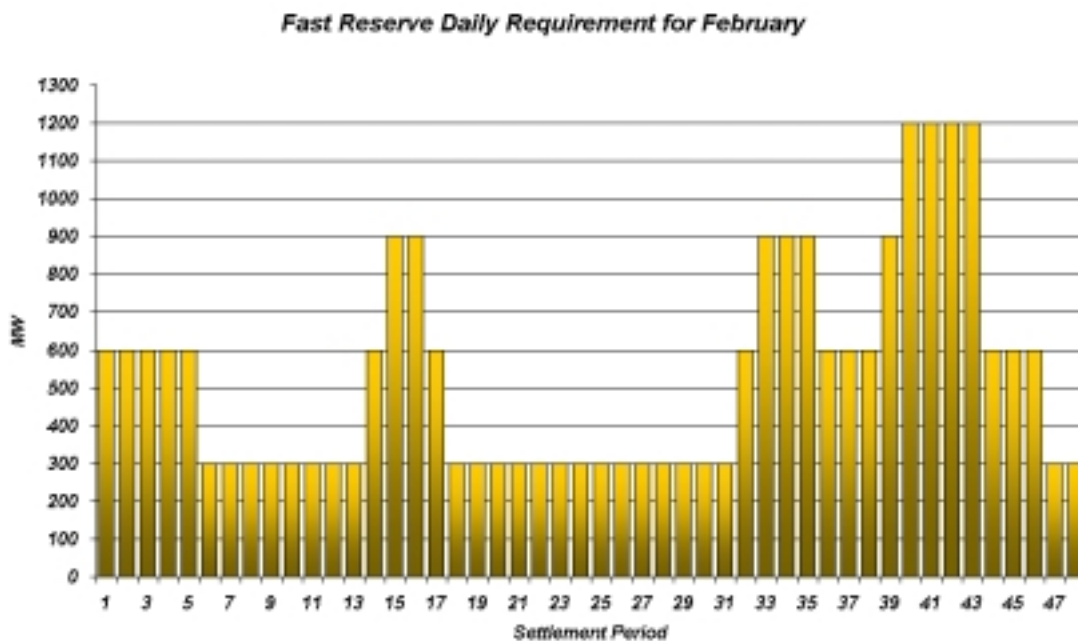


Figure 1

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 November (1st – 30th November 2002) and December (1st – 31st December 2002). This information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve in the BM.

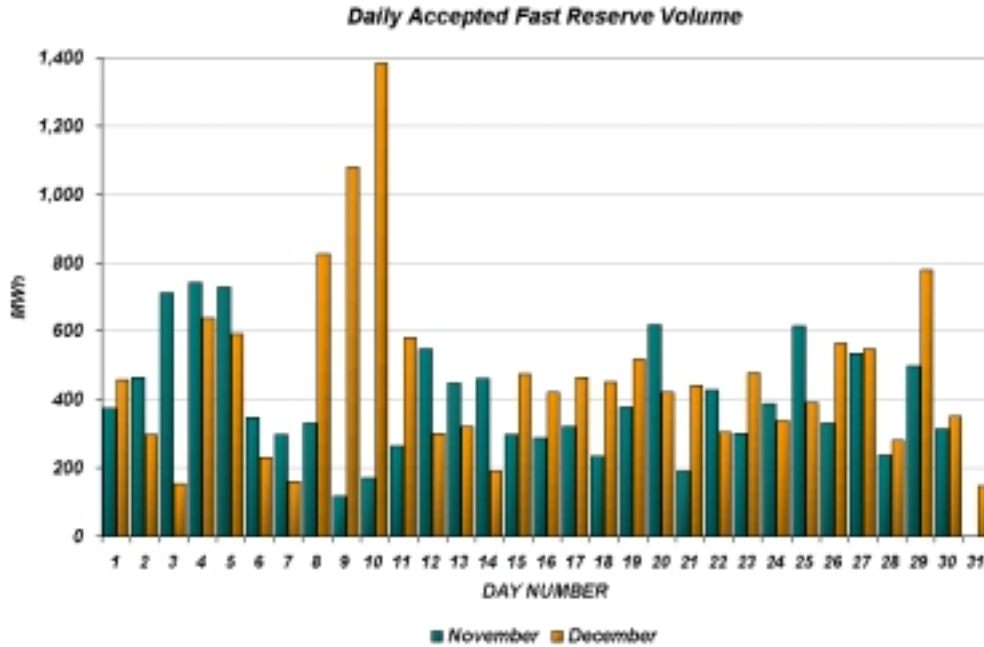


Figure 2

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.

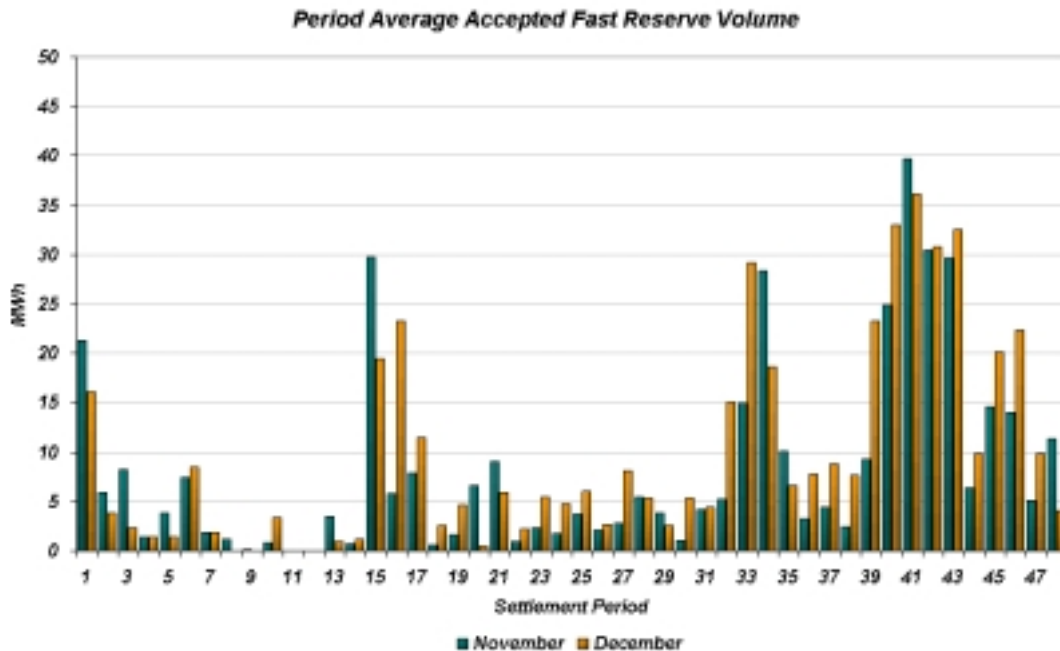


Figure 3

The total volumes of Fast Reserve utilisation of **12.0 GWh** for November and **14.6 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	0	n/a	n/a
	300 to 1000	199	465	0.09
	0 to 300	10,688	142	1.52
Total		10.9 GWh		£1.6 m
BIDS	0 to 300	-199	10	0.00
	-300 to 0	-797	-53	0.04
	-1000 to -300	-95	-549	0.05
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-1.1 GWh		£0.1 m
Total		12.0 GWh		£1.7 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	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

The above charts and tables show that from November to December Fast Reserve utilisation increased by ~20%. Overall Fast Reserve spend rose to £2.3m for December, a 34% rise from November. This is the result of a fully 'winter' demand shape for December over November and high utilisation over the 9th & 10th December.

For the February demand shape, winter demand characteristics continue to prevail. As such Fast Reserve utilisation patterns for February are expected to be similar to those seen in December 2002 and January 2003. However, overall Fast Reserve utilisation for February is forecast to begin to fall from December/January levels as a result of the less extreme demand conditions during the month.

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 Wednesday 15th January. National Grid will notify Service Providers of the outcome of the tender assessment by Wednesday 22nd January.