

Fast Reserve

Market Information for Tenders for October 2001

National Grid publish the following information, in order to inform participants in the Fast Reserve tender round for October 2001.

Fast Reserve Availability

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

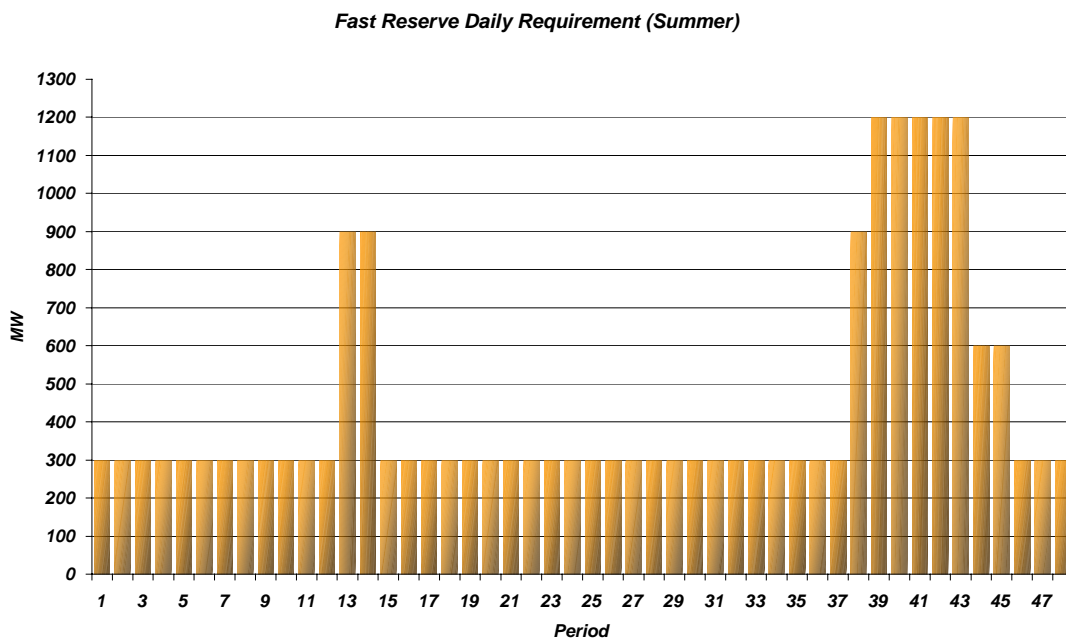


Figure 1

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 May and July 2001. This information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve in the BM.

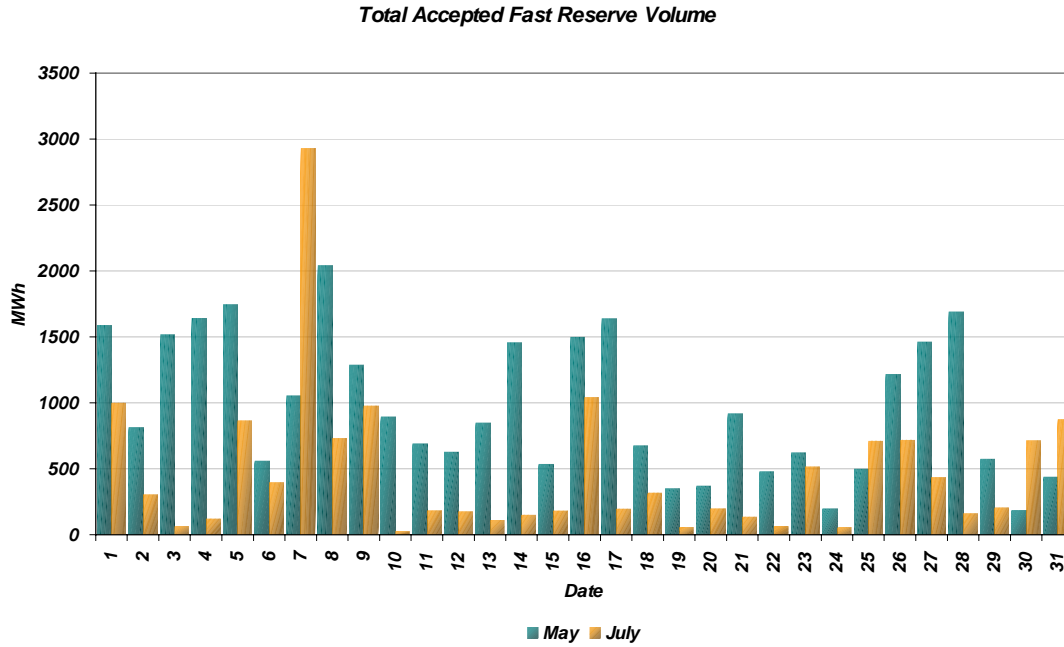


Figure 2

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.

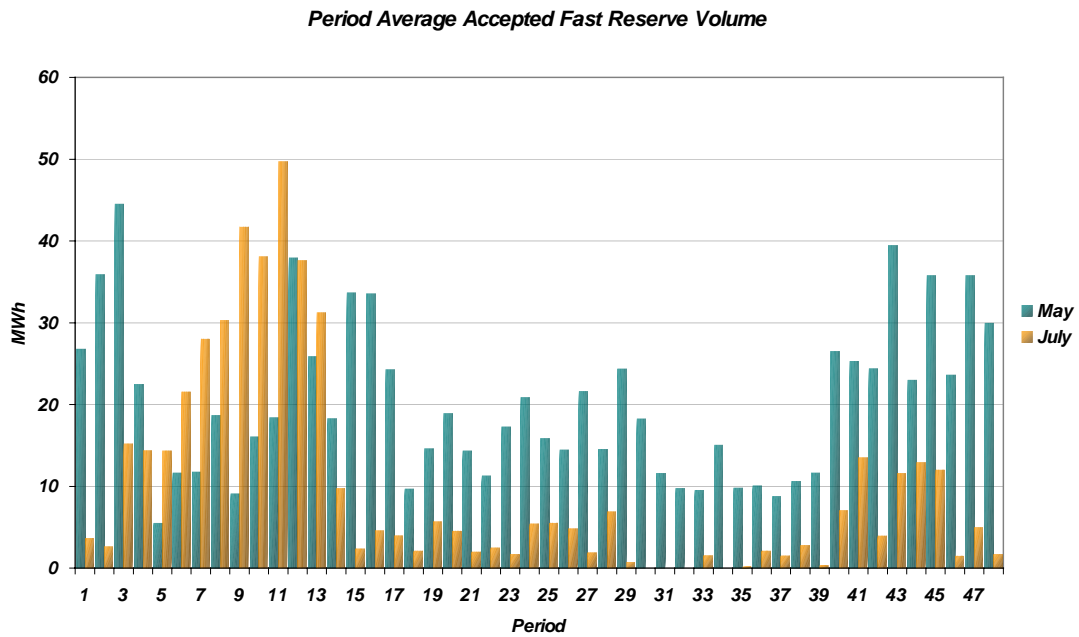


Figure 3

The total volumes of Fast Reserve utilisation of **30 GWh** for May and **14 GWh** for July break down into price bands as follows:

MAY	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	392.3	5,000.0	1.96
	1000 to 2000	416.5	1,775.0	0.74
	300 to 1000	3,930.9	482.3	1.90
	0 to 300	9,400.3	167.4	1.57
BIDS	0 to 300	-12,528.9	11.3	-0.14
	-300 to 0	-2,731.2	-146.3	0.40
	-1000 to -300	-325.3	-500.0	0.16
	-2000 to -1000	0.0	n/a	n/a
	-10000 to -2000	0.0	n/a	n/a
Total		30 GWh		£6.6 m

JULY	Priceband (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	76.5	5,000.0	0.38
	1000 to 2000	62.0	1,850.0	0.11
	300 to 1000	497.7	614.2	0.31
	0 to 300	3,101.2	109.2	0.34
BIDS	0 to 300	-5,761.4	6.4	-0.04
	-300 to 0	-4,775.2	-24.1	0.12
	-1000 to -300	-26.6	-750.0	0.02
	-2000 to -1000	0.0	n/a	n/a
	-10000 to -2000	0.0	n/a	n/a
Total		14 GWh		£1.2 m

These charts and tables show considerable differences in Fast Reserve utilisation between May and July. This can be expected, given:

- daily variations in system conditions, which give a variability in utilisation of Fast Reserve;
- different demand characteristics of May and July;
- National Grid's growing experience of operating the BM.

Indications for October 2001

In considering the possible utilisation of Fast Reserve in October, we draw providers' attention to the following issues:

- the periods of characteristic changes in demand during days in October will have greater rates of change associated with them, and we forecast total Fast Reserve utilisation volume to be nearer the May level rather than the July level;
- the overnight demand peak, around 01:00, barely features in October;
- evening demand peaks occur at different times in October than in May;
- the clock change from BST to GMT occurs in the last week of October.

To illustrate these points, demand curves for the first and last Tuesdays of October 2000, namely 3/10/00 and 31/10/00, are shown in Figure 4.

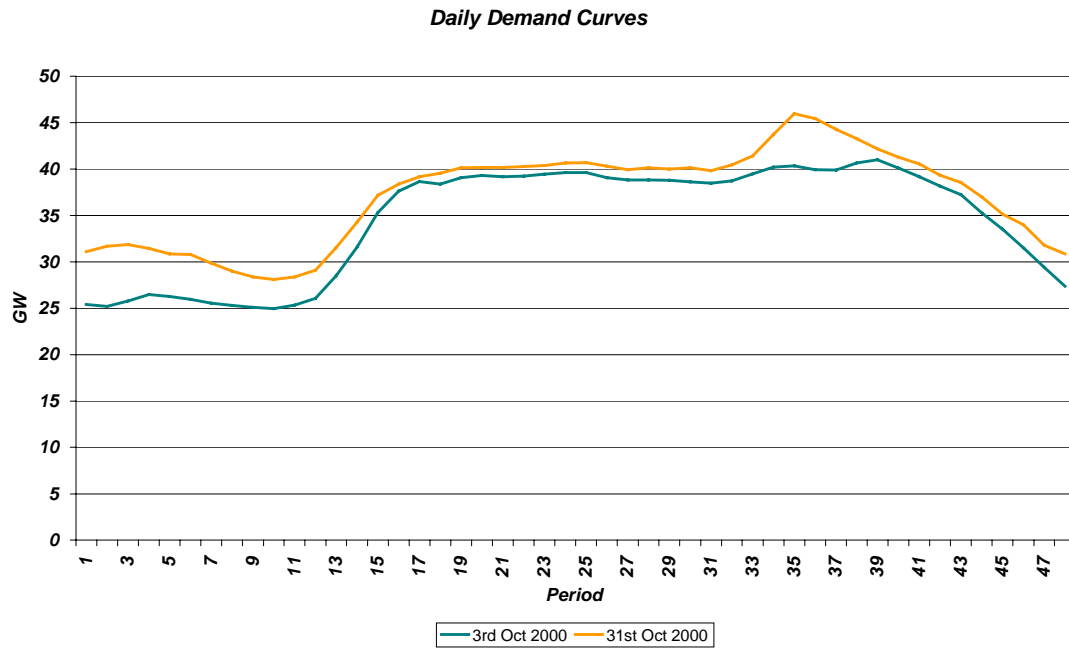


Figure 4