

Fast Reserve

Market Information for Tenders for December 2005

National Grid publishes this information, in order to inform potential participants for the Fast Reserve tender round for December 2005.

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.

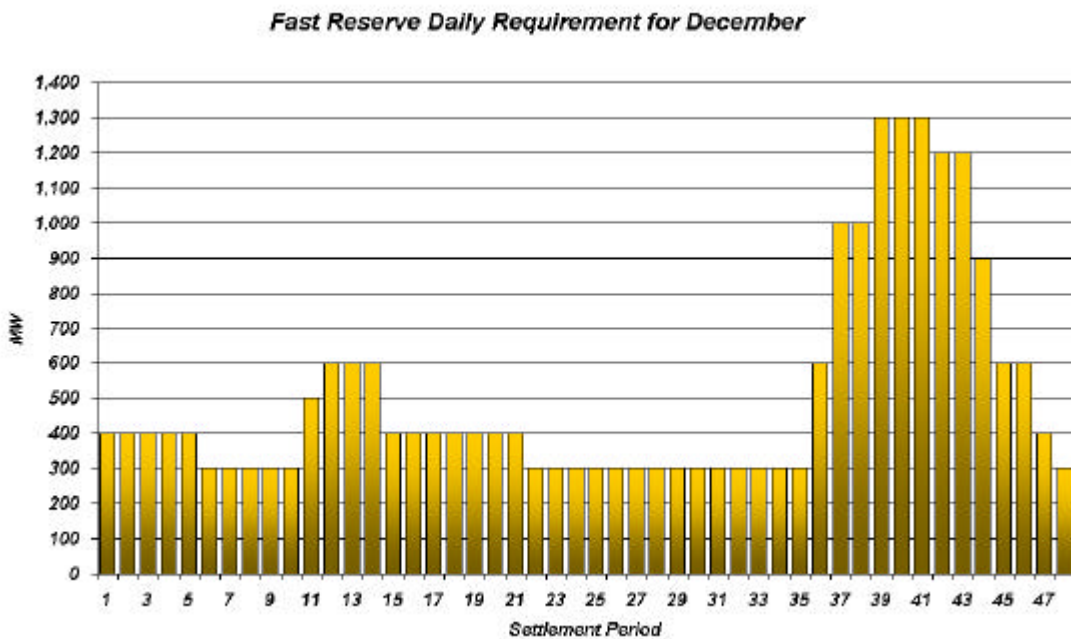


Figure 1

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 2005) and October (1st – 31st October 2005). The BM information is based on the aggregate of Offers plus [Bids] accepted to provide Fast Reserve or an equivalent service.

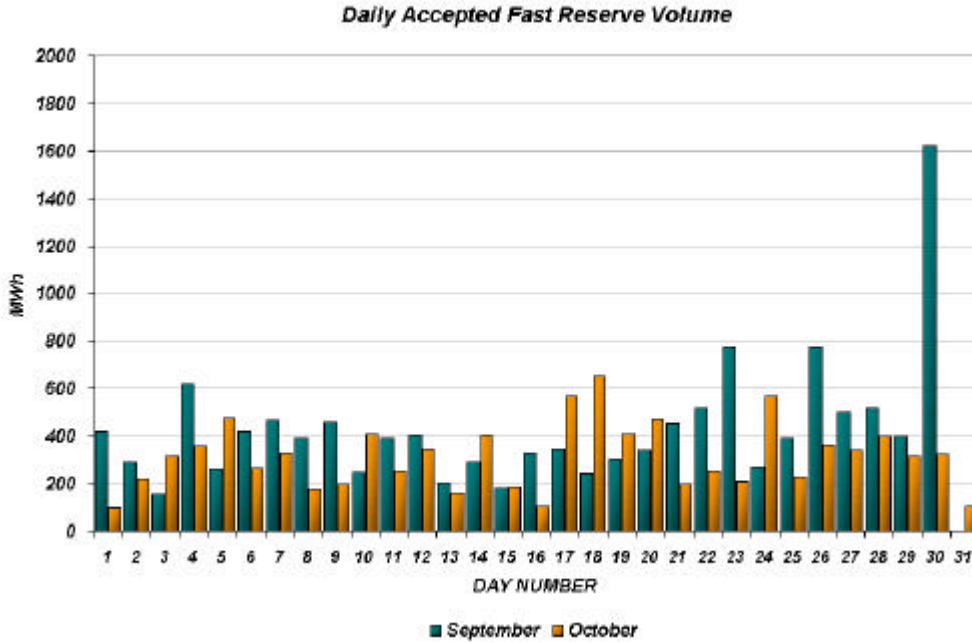


Figure 2

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.

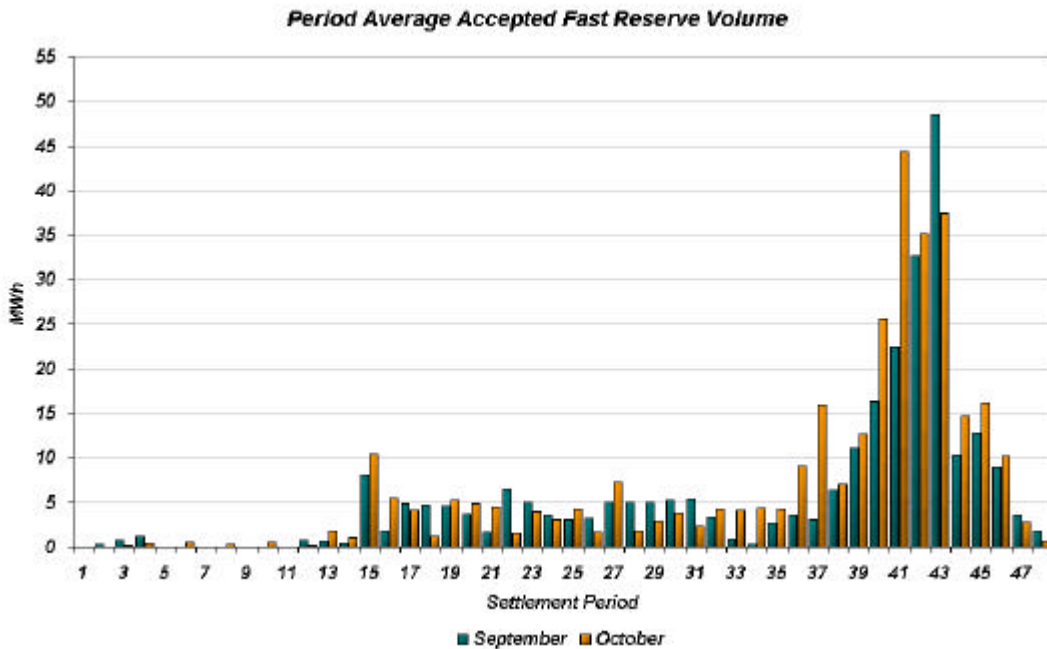


Figure 3

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

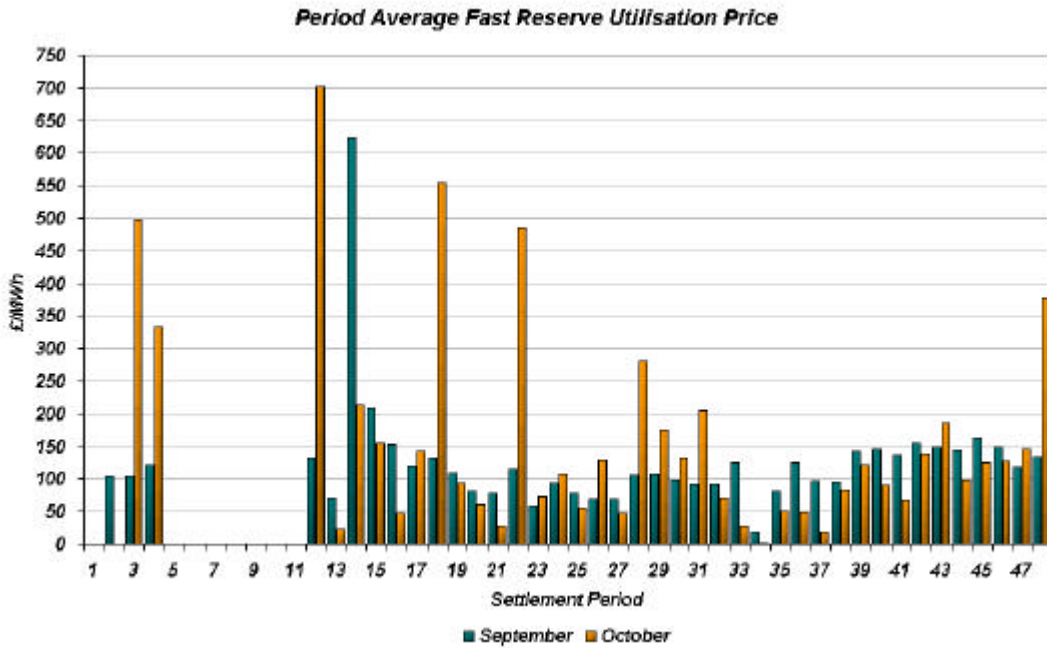


Figure 4

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.

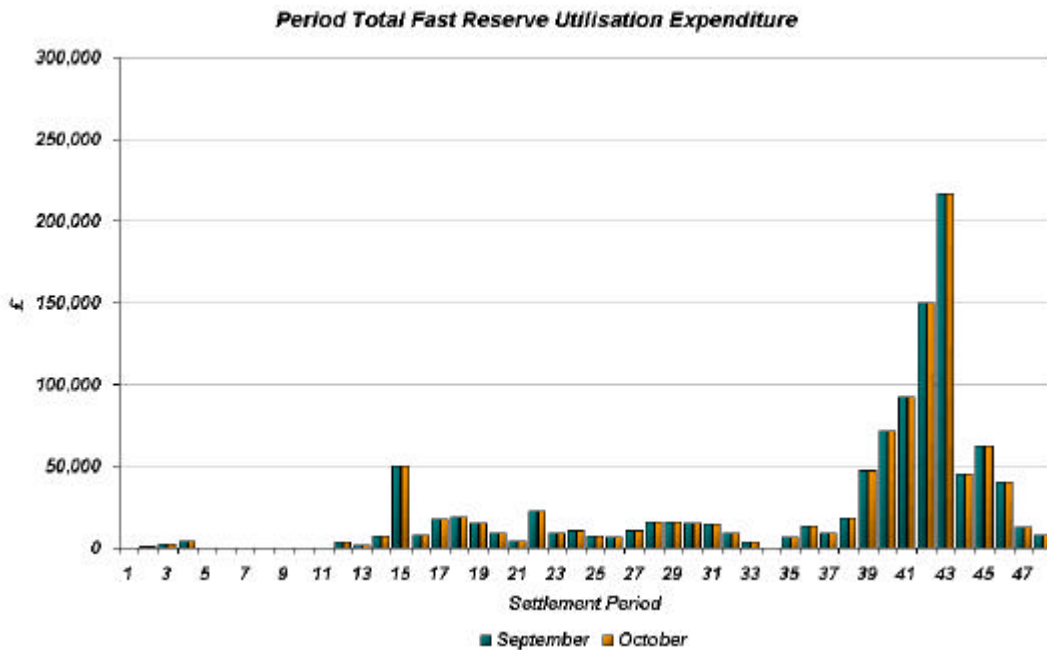


Figure 5

The total volumes of Fast Reserve utilisation of **12.4 GWh** for August and **10.1 GWh** for September 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	0	n/a	n/a
	0 to 300	12,408	133	1.65
Total		12.4 GWh		£1.65 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-18	-21	0.00
	-1000 to -300	0	n/a	n/a
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		0.0 GWh		£0.00 m
Total		12.4 GWh		£1.65 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	23	383	0.01
	0 to 300	9,805	143	1.41
Total		9.8 GWh		£1.41 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-62	-163	0.01
	-1000 to -300	-220	-415	0.09
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	-18	-204	0.00
Total		-0.3 GWh		£0.11 m
Total		10.1 GWh		£1.52 m

The above charts and tables show that from September to October overall Fast Reserve utilisation decreased by ~19% leading to a decrease in costs of ~8%.

For December 2005, the demand shape will move towards a winter profile. This will differ from historic profiles due to the additional 10% demand created by the introduction of the Scottish system through the BETTA. Fast Reserve utilisation patterns for December 2005 are therefore expected to be similar to those seen in October 2005 or November 2004.

For the month of **December** tenders from eligible Service Providers for firm Fast Reserve should be submitted to National Grid by Monday 14th November 2005. National Grid will notify Service Providers of the outcome of the tender assessment by Monday 21st November 2005.

Tenders should be sent for the attention of:

Bea Ennim
Operations & Trading
National Grid plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Tenders can be sent by fax to Bea Ennim on 01926 65 6612.