Fast Reserve

Market Report of Tenders received for provision of service from January 2011 to August 2011

The Fast Reserve service was established by National Grid on 1 August 2001. Further details on this service can be obtained from our industry website at:

www.nationalgrid.com/uk/Electricity/Balancing/services/reserveservices/fastreserve/

To be eligible to participate, all potential Service Providers are required to fulfil a pre-qualification process to demonstrate their capability to meet the service criteria. Upon successful fulfilment of this, terms for the provision of Fast Reserve are drawn up which establish the relevant Fast Reserve parameters and a fee for the provision of an optional service. In addition, these same terms permit the Service Provider to tender for a firm service in accordance with the timetable of the monthly tender process, which is set out in the terms.

Since October 2004, new changes were made to the Fast Reserve Tender that increases the flexibility for providers in an attempt to facilitate competition and enhance the existing process. To reiterate the changes as set out on the website, the changes are as follows:

- You may now tender for a Firm Fast Reserve Period covering a period of consecutive calendar months, if desired, rather than simply a calendar month.
- You now have the opportunity to aggregate more than one unit at station to meet a required deliverability of 50MW at an aggregated unit (the minimum 50MW still applies for single BM units). This facility allows stations that are comprised of a number of smaller BM units that would not otherwise meet the required deliverability, the opportunity to submit a tender.

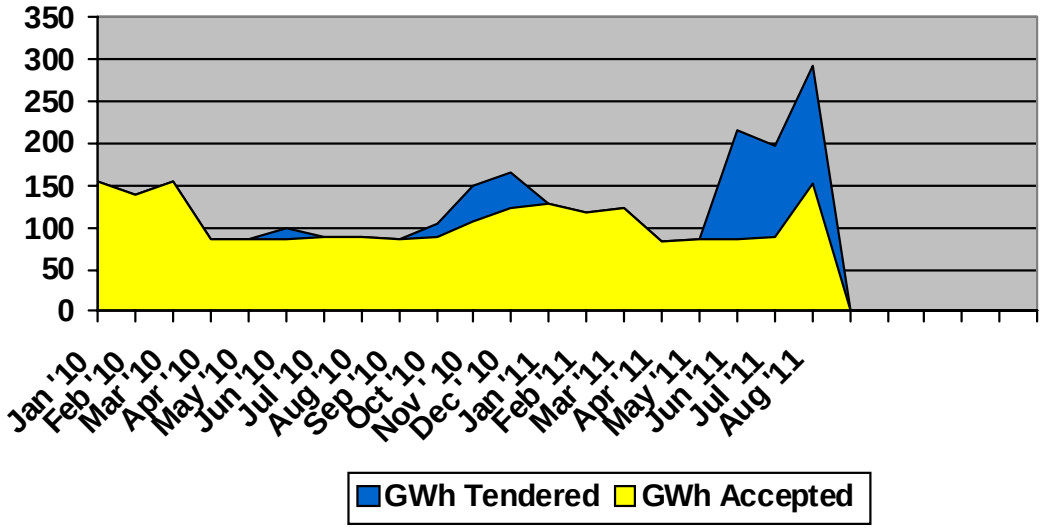
Summary of Market Participation to date

The following table provides data relating to the Fast Reserve tenders accepted or rejected on a month by month basis.

	Operational Month tendered MW effective from					
	Jul '10	**Aug '10**	**Sep '10**	**Oct '10**	**Nov '10**	**Dec '10**
Eligible number of companies to tender (BM and non BM)	6	6	6	6	6	6
Eligible No. of units	18	18	18	18	18	18
No. of new units tendered	0	0	0	1	1	1
No. units accepted for month	2	2	2	2	3	3
MW total tendered	180	180	180	236	349	389
MW total taken	180	180	180	180	259	299
Max tendered volume (GWh)	87.84	87.12	84.96	103.97	149.60	164.29
Max accepted volume (GWh)	87.84	87.12	84.96	87.48	107.48	122.17

	Operational Month tendered MW effective from							
	Jan '11	**Feb '11**	**Mar '11**	**Apr '11**	**May '11**	**Jun '11**	**Jul '11**	**Aug '11**
Eligible number of companies to tender (BM and non BM)	6	6	6	6	6	6	6	6
Eligible No. of units	18	18	18	18	18	18	18	18
No. of new units tendered	0	0	0	0	0	2	2	4
No. units accepted for month	3	3	3	2	2	2	2	3
MW total tendered	320	320	300	180	180	415	380	620
MW total taken	320	320	300	180	180	180	180	300
Max tendered volume (GWh)	128.17	116.44	123.18	84.24	86.76	216.09	195.98	291.18
Max accepted volume (GWh)	128.17	116.44	123.18	84.24	86.76	84.96	87.48	152.58

Please note that the table above also include those units that have been previously tendered on a long term basis covering the period from 1st April 2009 to 28th February 2013.

Note: Eligible means those providers who have units available to provide the service via a CSA (Commercial Services Agreement).

The graph below shows the maximum volume tendered and accepted on a month by month basis since January 2010.