

Operational Update

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Agenda

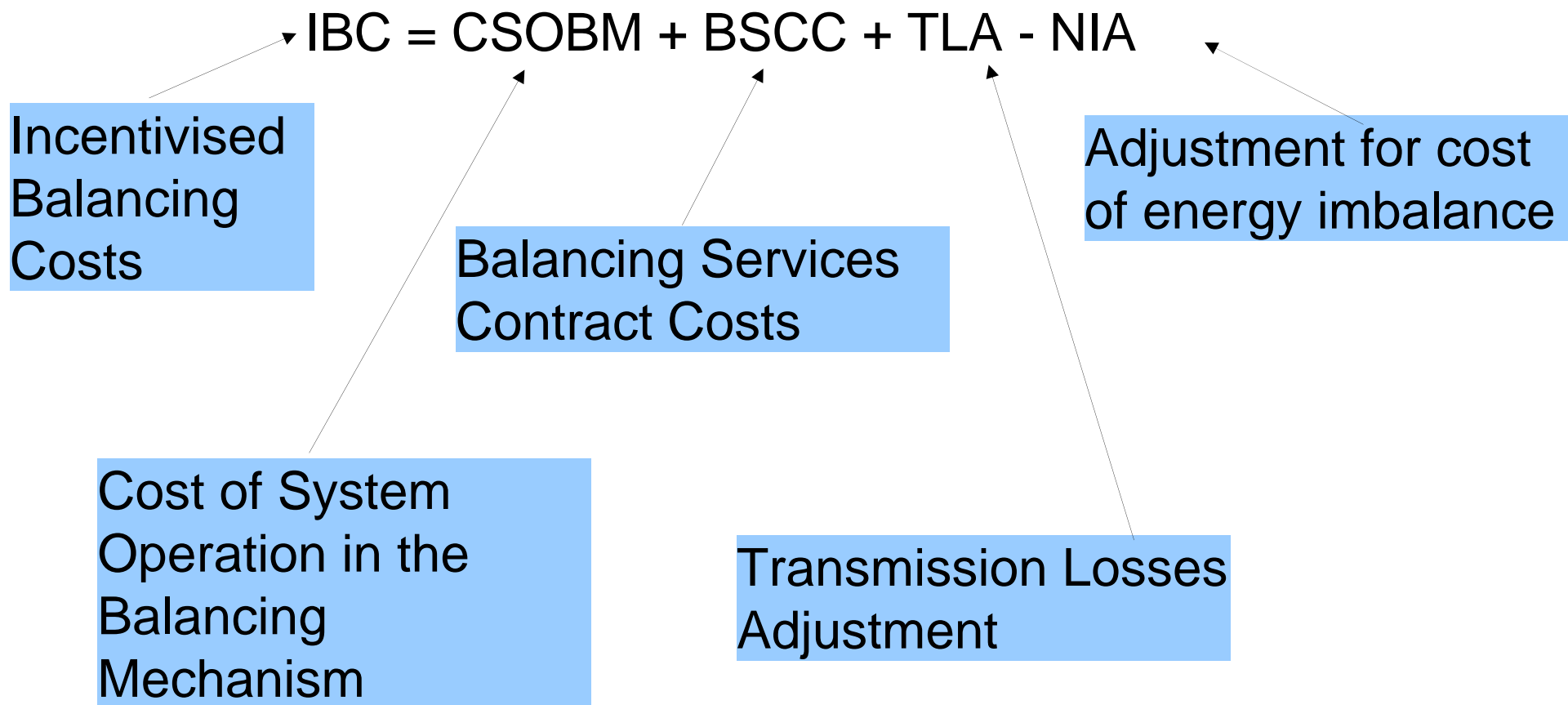
- System Operator cost update
- Information Provision

System Operator cost update

Operational Performance Summary

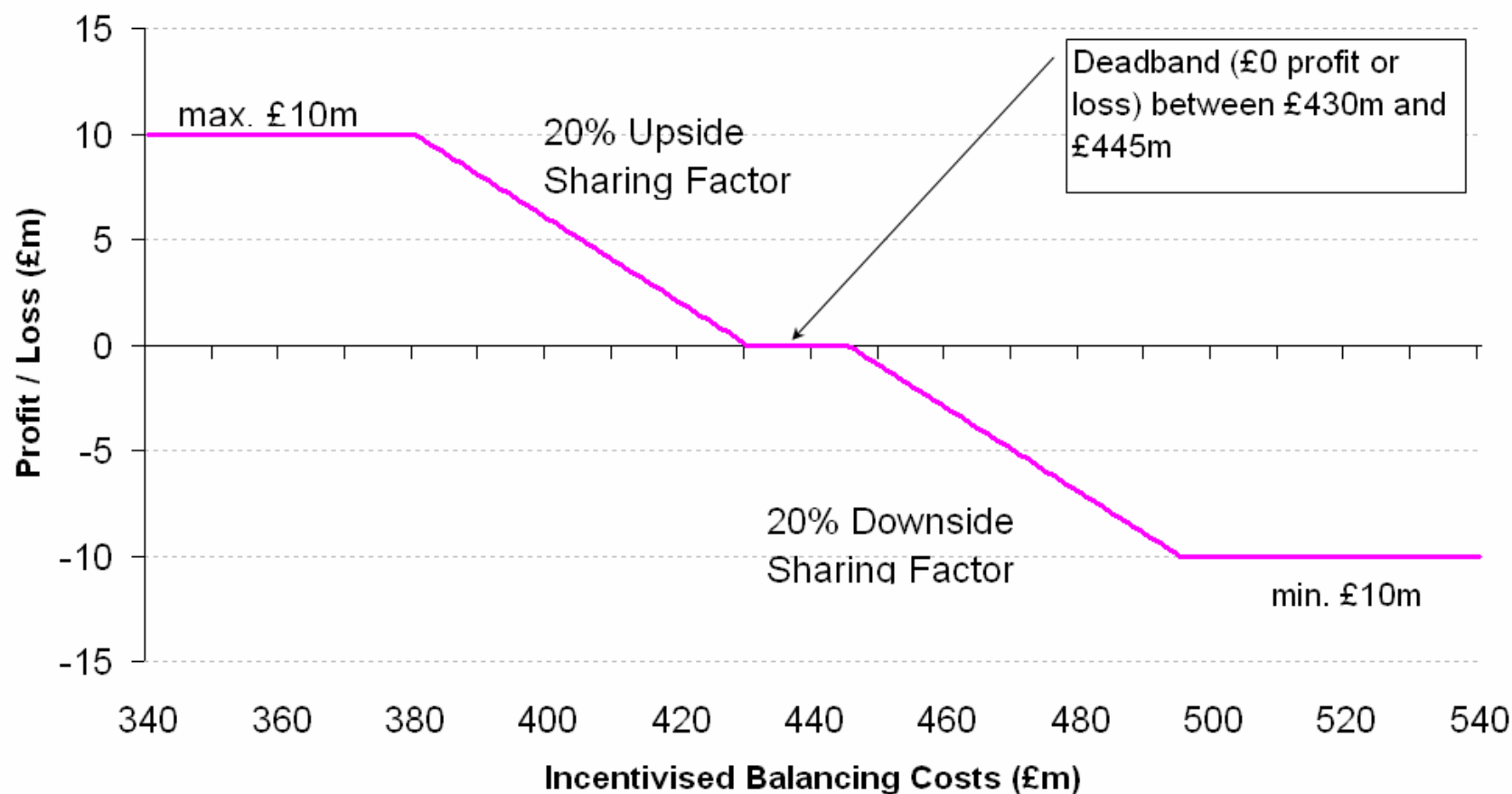
- ◆ No significant operational issues
- ◆ 3 System Warnings issued – all “NISM”s
- ◆ No other operational issues

IBC Component Breakdown

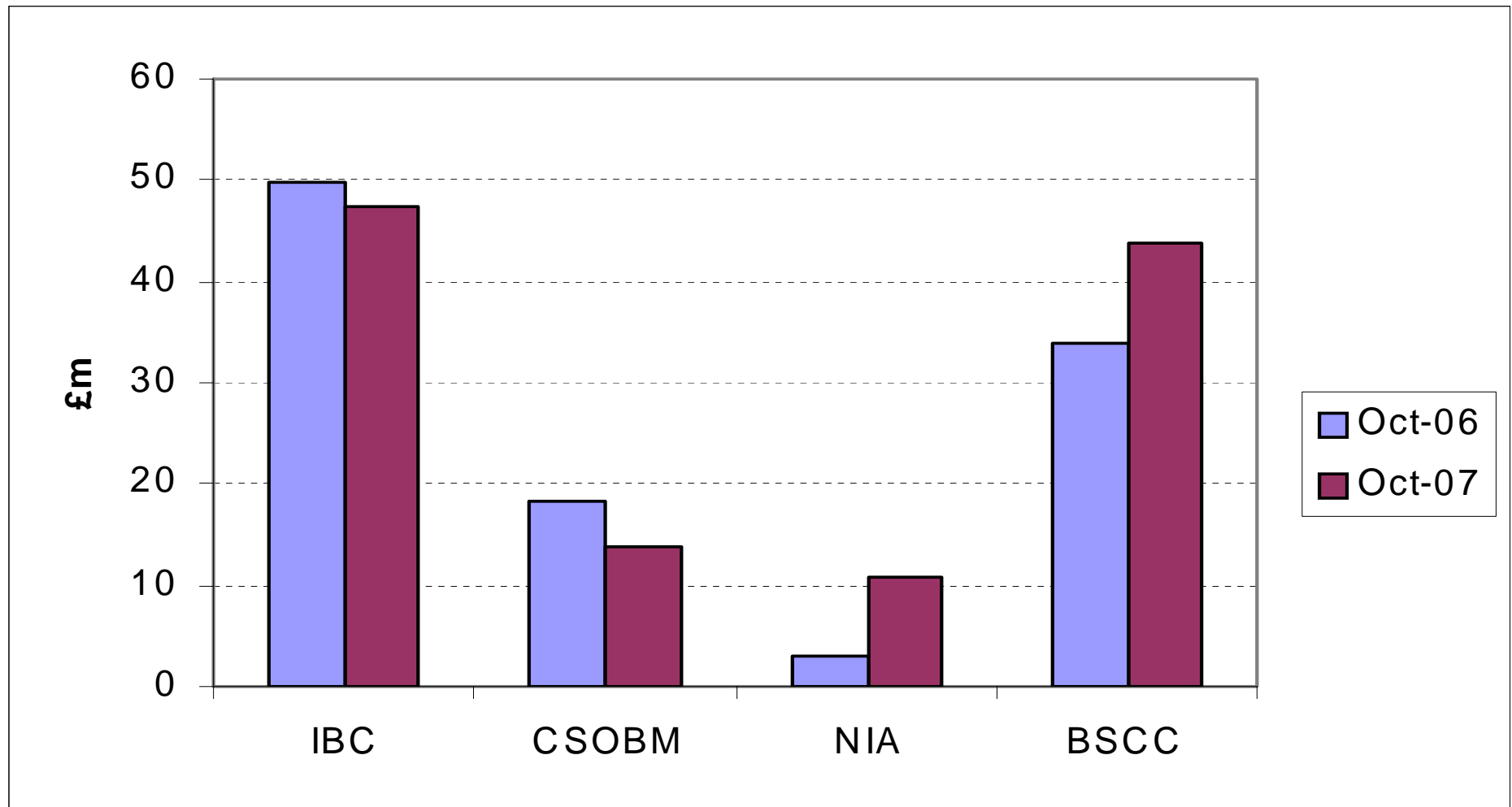


2007/8 BSIS scheme

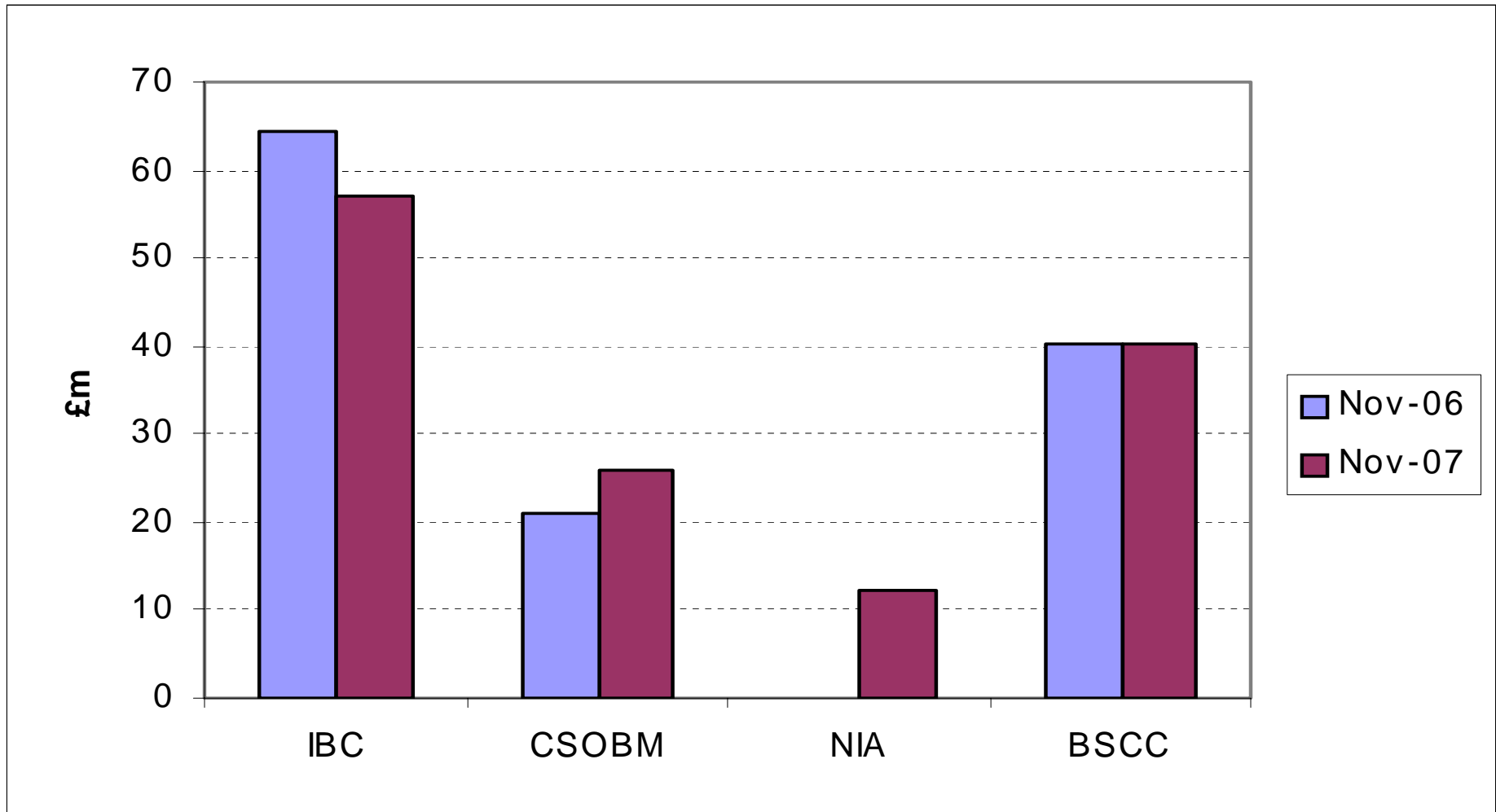
2007/8 Balancing Services Incentive Scheme



IBC component comparison – October 2006 vs 2007



IBC component comparison - November 2006 vs 2007

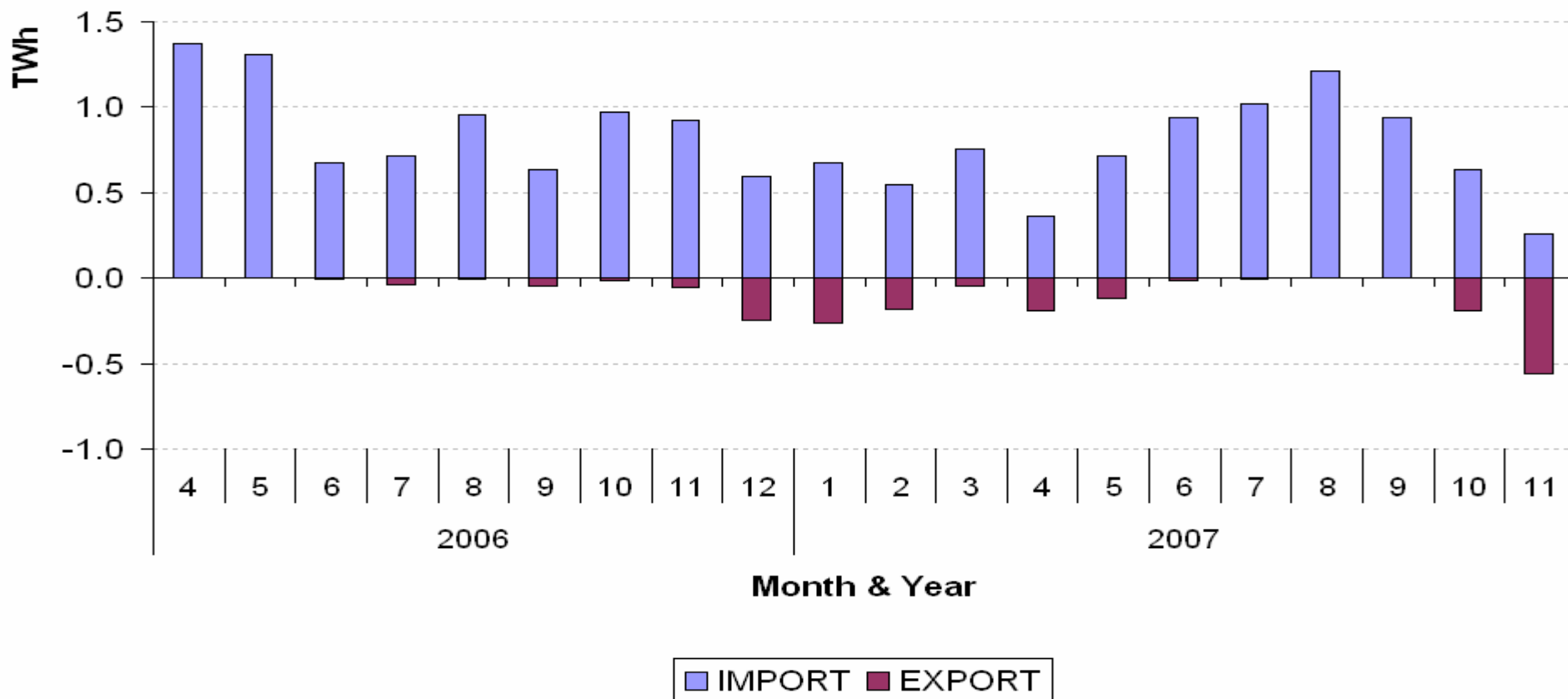


October and November Summary

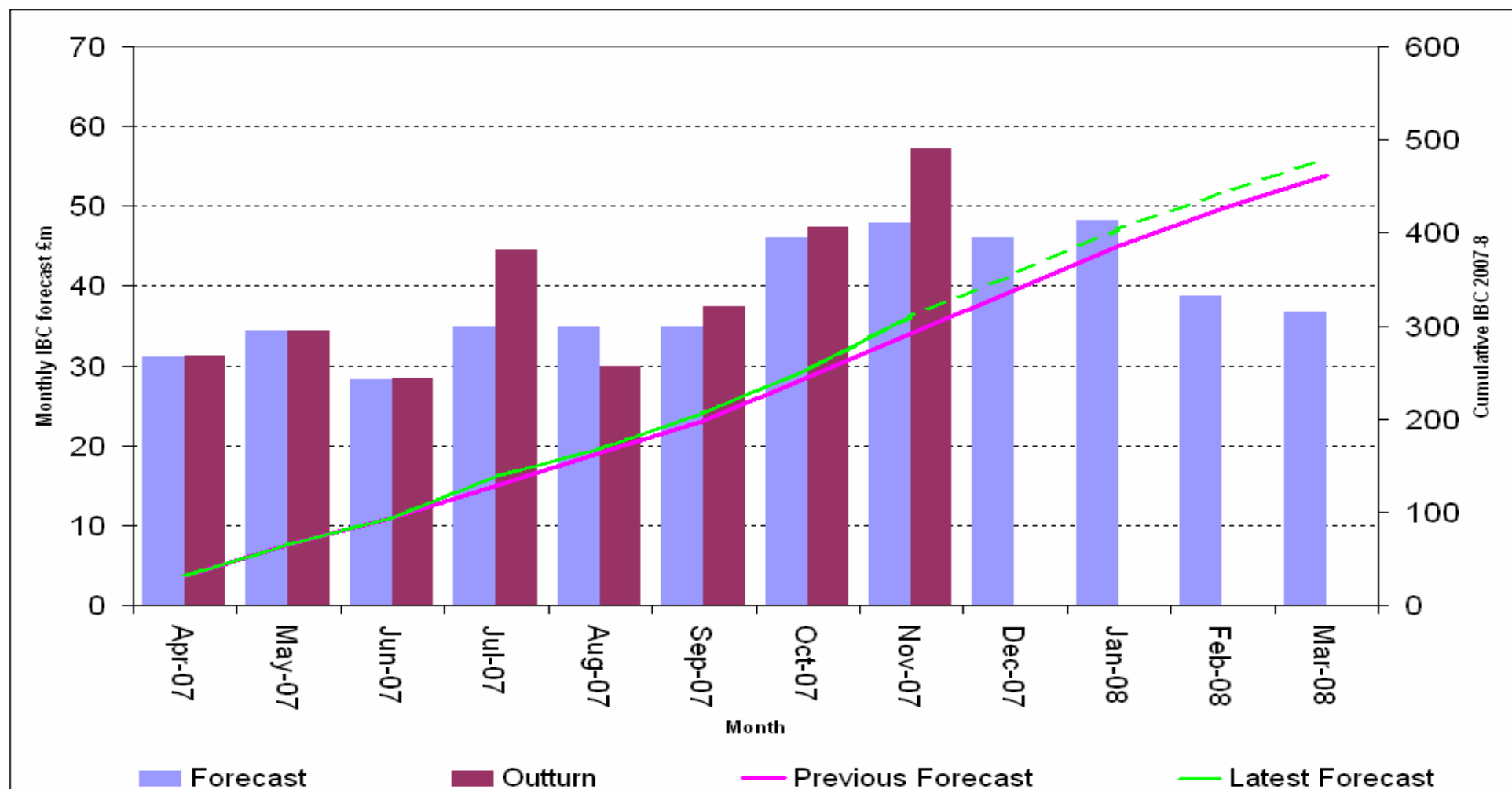
- ◆ **System Margins much reduced due to long term generation outages, exports to France and colder weather**
 - ◆ 2 NISMs issued in October (19th & 30th)
 - ◆ 2 NISMs issued in November (14th & 15th)
- ◆ **All NISMs were cancelled prior to the period that they covered**
 - ◆ Ultimately, low risk of demand disconnection.
 - ◆ Operating margins were always retained.
- ◆ **Transmission constraints total less than in 2006, but are still significant at £17m mainly for issues due to a Scottish constraints.**

Exports to Continent

Total French I/C Import & Export Volumes



Monthly IBC 2007/8 forecasts and outturn

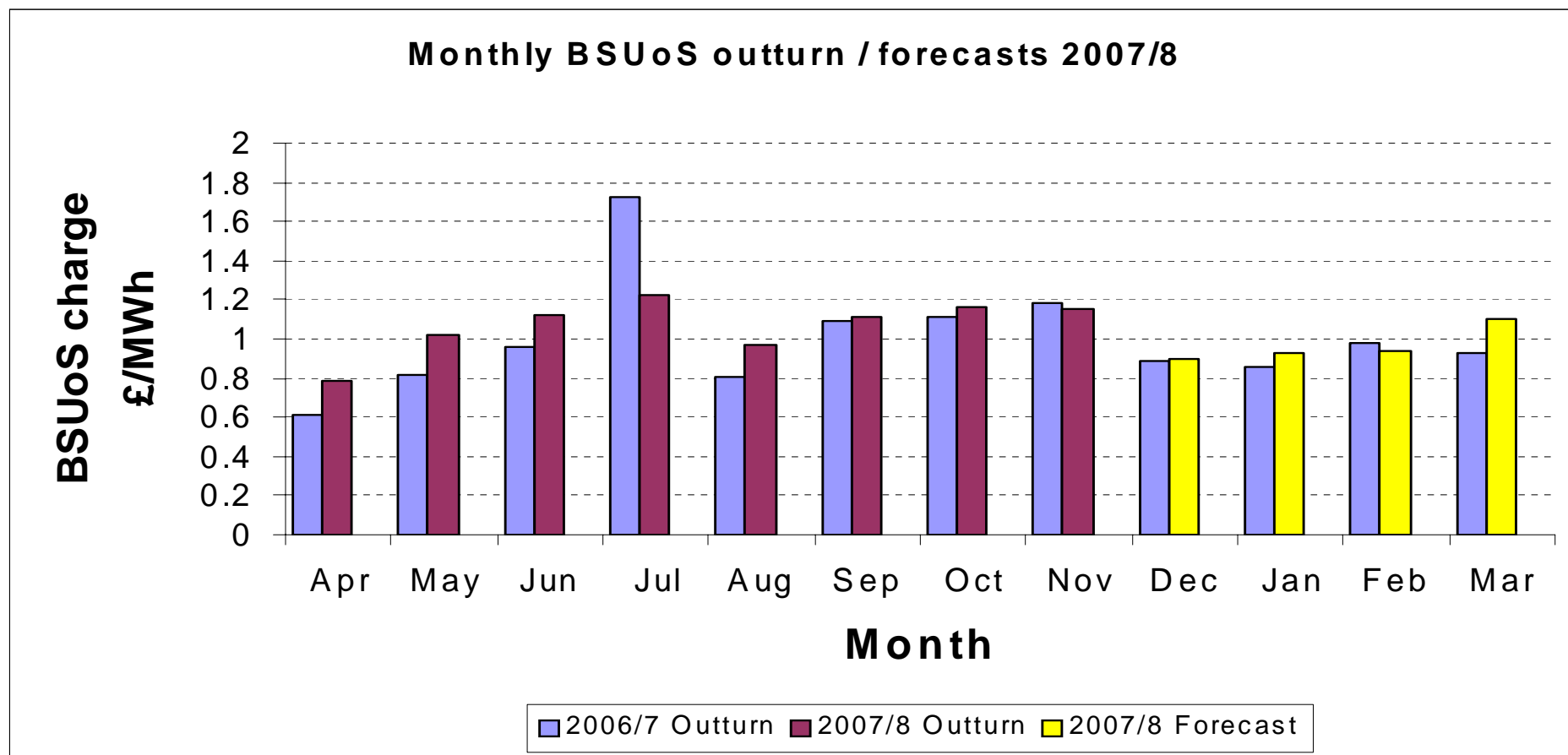


2007-8 Latest Forecast

- ◆ Latest within year forecast now stands at £480m
- ◆ Increases in wholesale power prices
- ◆ Tighter plant positions than anticipated due to long term generation outages
- ◆ Includes constraint costs incurred so far this year, notably during September and October

Monthly BSUoS outturn / forecasts 2007/8

- ◆ Current BSUoS charge forecast now higher than 2006/7 at £1.03/MWh
- ◆ BSUoS Price was £0.99/MWh in 2006/7



Update: Electricity Operational Information Provision

Electricity Operational Information Provision

- ◆ Two BSC modifications raised by National Grid at November's BSC Meeting: -
 - ◆ P219 – Demand Definition Consistency
 - ◆ P220 – Electricity Summary Page plus New Items
- ◆ National Grid is working with Elexon and other industry stakeholders to progress the proposed mods;
- ◆ Lots of information and documents about these mods and the process being followed can be found on the Elexon Website at: -
 - ◆ <http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationDocumentation/default.aspx>

Electricity Operational Information Provision

- ◆ P219 key milestones: -
 - ◆ Consultation phase between 27th Nov and 10th Dec 2007;
 - ◆ Consultation and assessment phases are running in parallel;
 - ◆ Present the suggested way forward to the BSC Panel 17th Jan 2008;
 - ◆ Ofgem decision;

- ◆ P220 key milestones: -
 - ◆ Consultation phase is starting during the 2nd week of January for ten working days;
 - ◆ The consultation will have indicative solution costs having been impact assessed at an earlier stage;
 - ◆ Present the suggested way forward to the BSC Panel 14th Feb 2008;
 - ◆ Ofgem decision.