

Fast Reserve

Market Information for Tenders for April 2005

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

Fast Reserve Availability

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

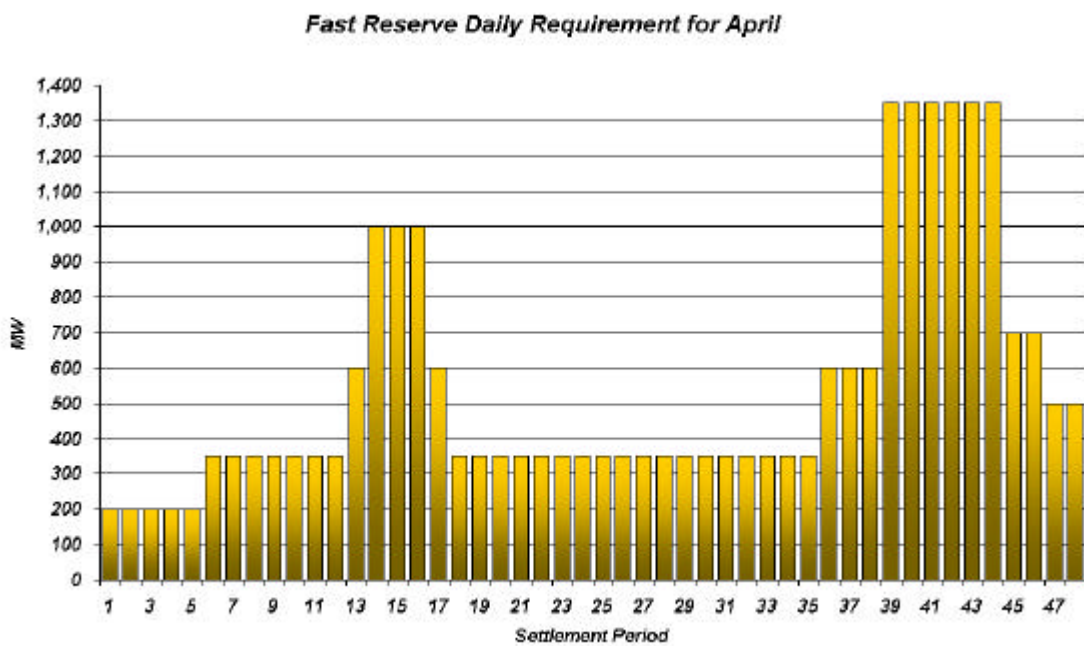


Figure 1

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 January (1st – 31st January 2005) and February (1st – 28th February 2005). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve or an equivalent service.

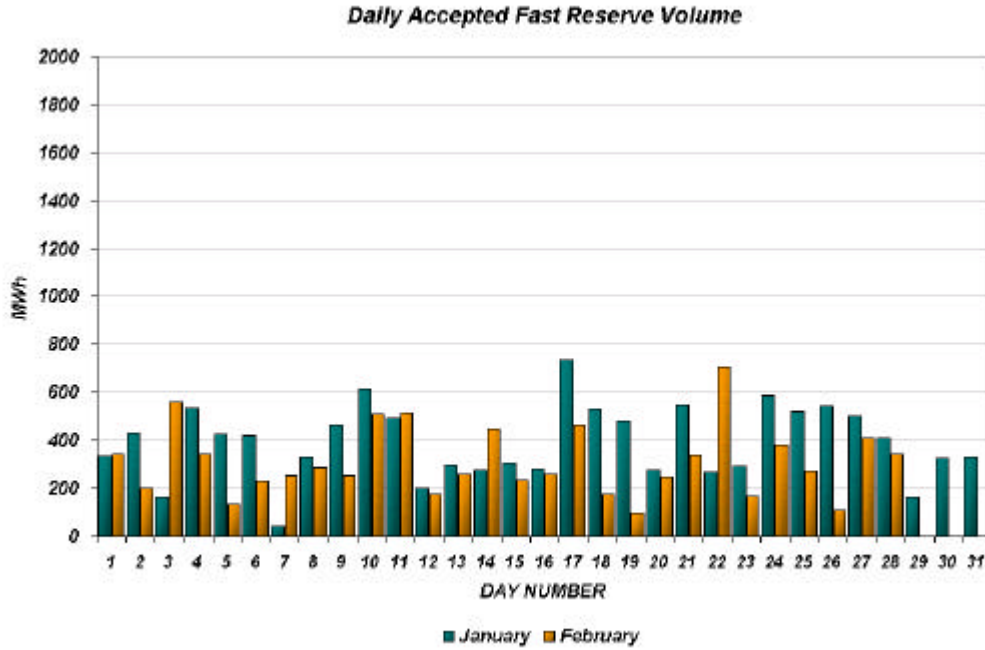


Figure 2

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.

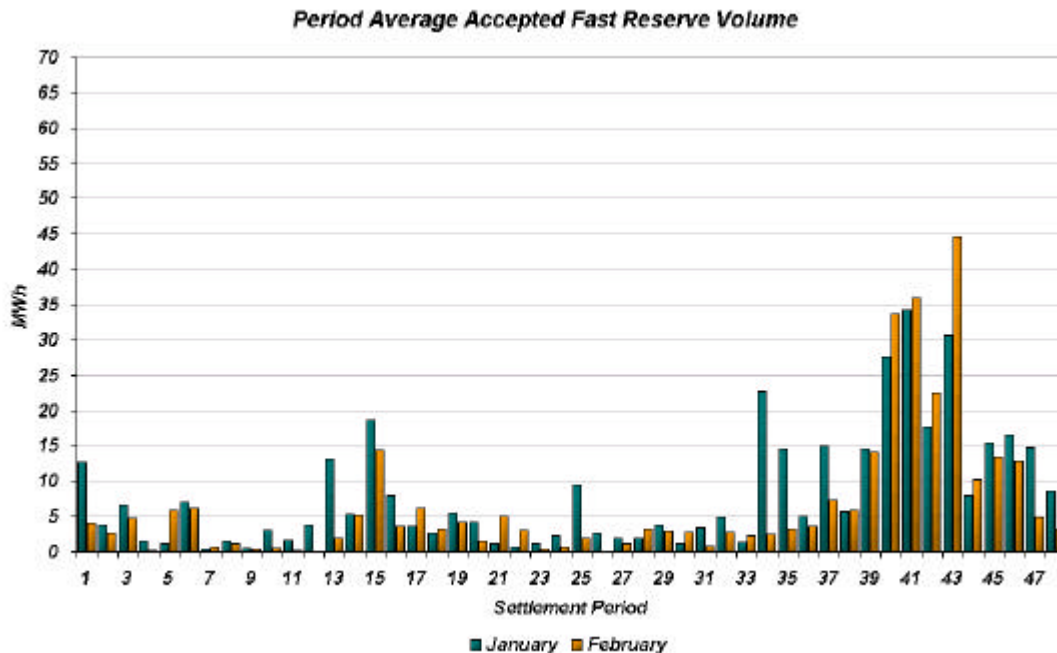


Figure 3

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

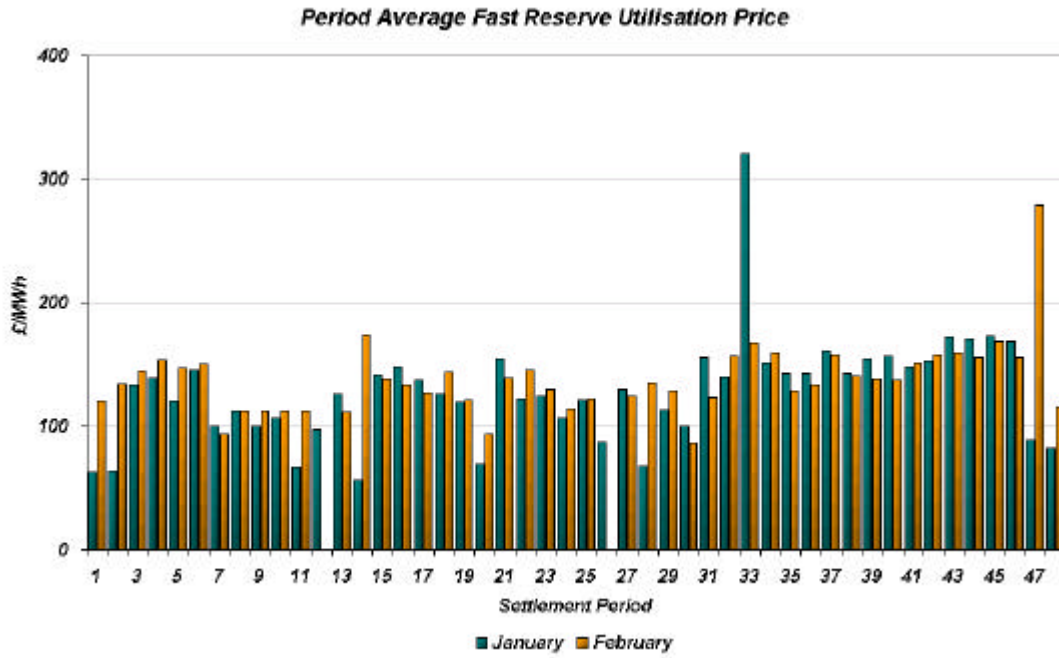


Figure 4

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.

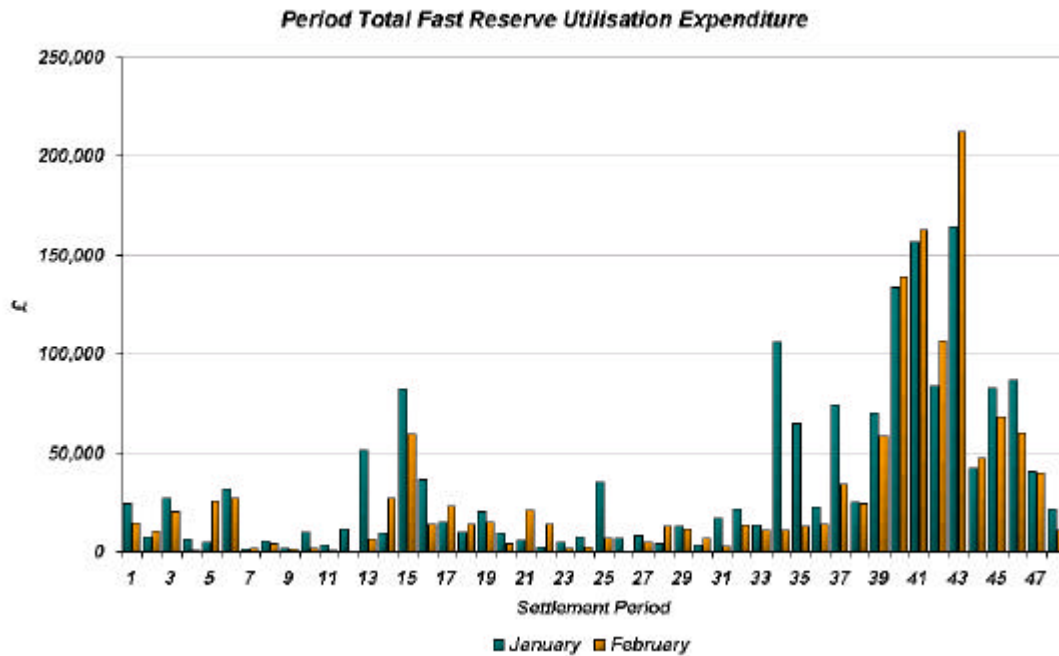


Figure 5

The total volumes of Fast Reserve utilisation of **12.1 GWh** for January and **8.7 GWh** for February break down into price bands as follows:

January	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	2	1,800	0.00
	300 to 1000	10	350	0.00
	0 to 300	12,061	140	1.69
Total		12.1 GWh		£1.70 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-5	-208	0.00
	-1000 to -300	-14	-400	0.01
	-2000 to -1000	-29	-1,714	0.05
	-10000 to -2000	0	n/a	n/a
Total		0.0 GWh		£0.06 m
Total		12.1 GWh		£1.75 m

February	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	14	1,800	0.03
	300 to 1000	24	350	0.01
	0 to 300	8,649	155	1.34
Total		8.7 GWh		£1.37 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-3	-187	0.00
	-1000 to -300	-15	-400	0.01
	-2000 to -1000	0	-1,800	0.00
	-10000 to -2000	0	n/a	n/a
Total		0.0 GWh		£0.01 m
Total		8.7 GWh		£1.38 m

The above charts and tables show that from January to February overall Fast Reserve utilisation decreased by ~28% leading to a decrease in costs of ~21%.

For April 2005, the demand shape will follow a spring profile. This will differ from historic profiles due to the additional 10% demand created by the introduction of Scotland through the BETTA system. The expected increase is reflected in the level of requirement shown in Figure 1, above. Fast Reserve utilisation patterns for April 2005 are therefore expected to be similar to those seen in April 2004, but with proportionately higher levels overall.

Further to information provided in the Market Report for the October 2004 tender round, NGT has taken forward an offer made outside the tender process, but assessed in tandem, for an equivalent fast reserve service for the period November 2004 to April 2005 inclusive. As a result, the level of requirement shown in the Fast Reserve Requirement Graph, Figure 1, above, has been discounted to reflect the anticipated availability of such pre-contracted services.

For the month of **April** tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid Transco by close of business on Monday 14th March 2005. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Monday 21st March 2005.

Tenders should be sent for the attention of:

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

Tenders can be sent by fax to Bea Ennim on 01926 656612.