

Fast Reserve

Market Information for Tenders for August 2004

National Grid Transco publishes this information, in order to inform potential participants for the Fast Reserve tender round for August 2004.

Fast Reserve Availability

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

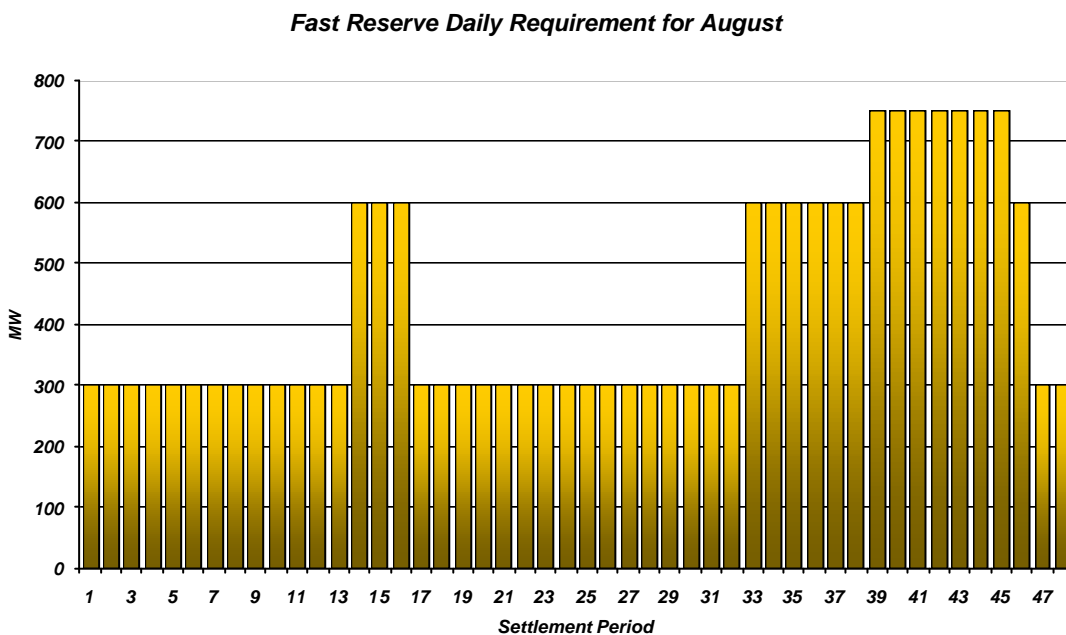


Figure 1

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 May (1st – 31st May 2004) and June (1st – 30th June 2004). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve.

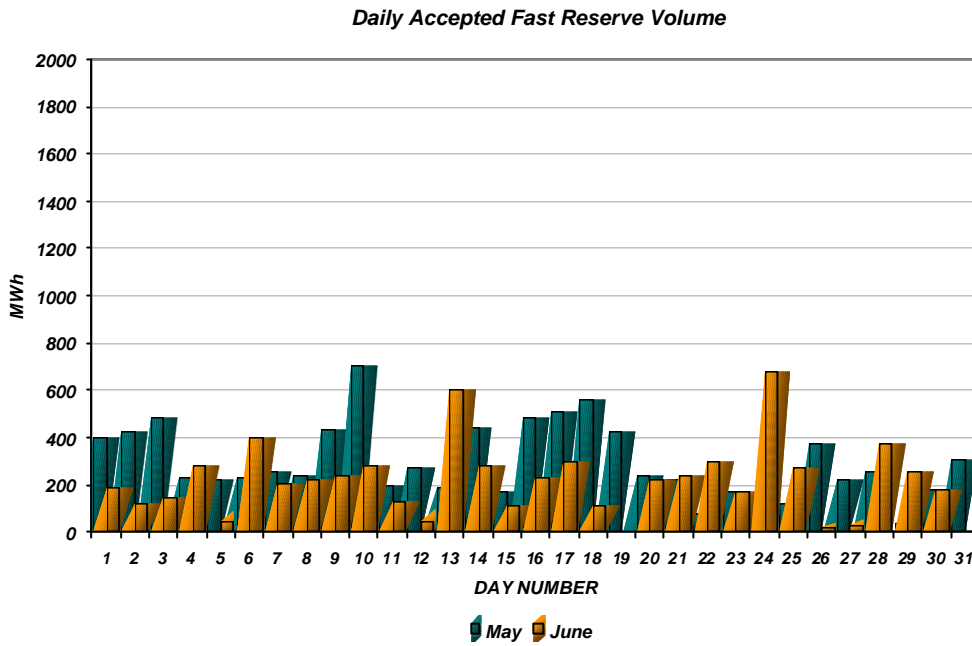


Figure 2

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.

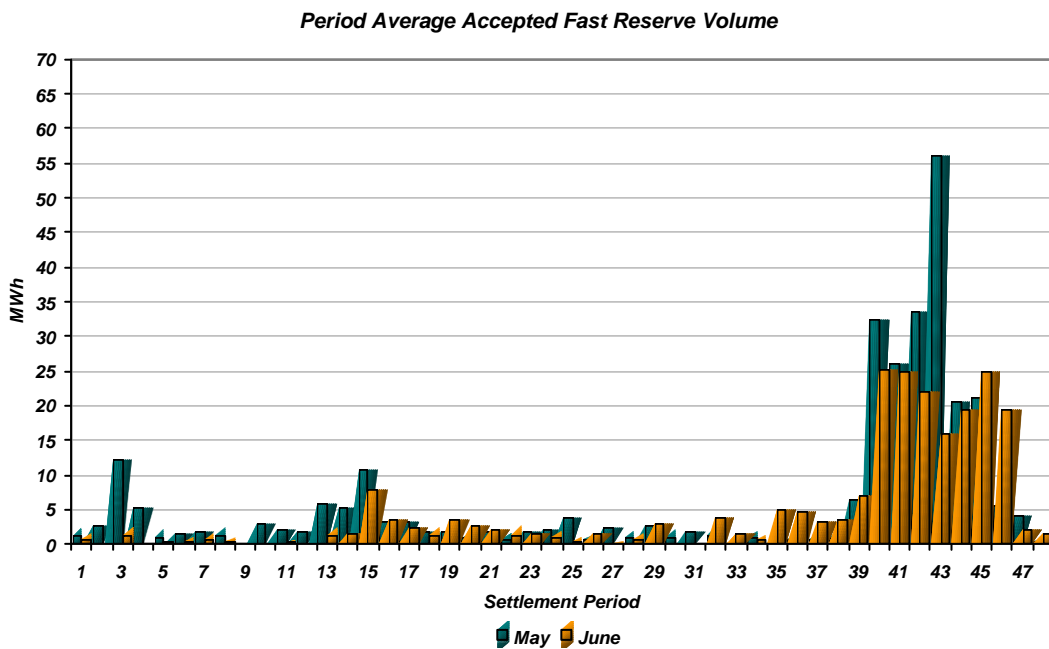


Figure 3

The total volumes of Fast Reserve utilisation of **9.2 GWh** for May and **6.7 GWh** for June break down into price bands as follows:

May	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	36	450	0.02
	0 to 300	8,242	127	1.05
Total		8.3 GWh		£1.06 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-855	-45	0.04
	-1000 to -300	-34	-564	0.02
	-2000 to -1000	-9	-1,800	0.02
	-10000 to -2000	0	n/a	n/a
Total		-0.9 GWh		£0.07 m
Total		9.2 GWh		£1.14 m

June	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	0.02
	300 to 1000	15	350	0.01
	0 to 300	6,057	133	0.80
Total		6.1 GWh		£0.83 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-577	-80	0.05
	-1000 to -300	-24	-600	0.01
	-2000 to -1000	-11	-1,500	0.02
	-10000 to -2000	0	n/a	n/a
Total		-0.6 GWh		£0.08 m
Total		6.7 GWh		£0.91 m

The above charts and tables show that from May to June overall Fast Reserve utilisation fell by ~ 27%. Utilisation on 13th and 24th June appear significantly higher than the other days in the month due to the extra Fast Reserve requirement due to demand profile uncertainty during Euro2004 England matches.

For August, the demand shape will follow a Summer profile. Fast Reserve utilisation patterns for August 2004 are expected to be similar to those seen in August 2003. Overall Fast Reserve utilisation is forecast to outturn similar to July/August 2003.

For the month of **August**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Wednesday 14th July 2004. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Wednesday 21st July 2004.

Tenders should be sent for the attention of:

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

Tenders can be sent by fax to Hannah Morgan on 01926 656612.