

Fast Reserve

Market Information for Tenders for November 2004

National Grid Transco publishes this information, in order to inform potential participants for the Fast Reserve tender round for November 2004. Two additional graphs are included for the first time this month, covering average accepted utilisation price and total utilisation cost by Settlement Period.

Fast Reserve Availability

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

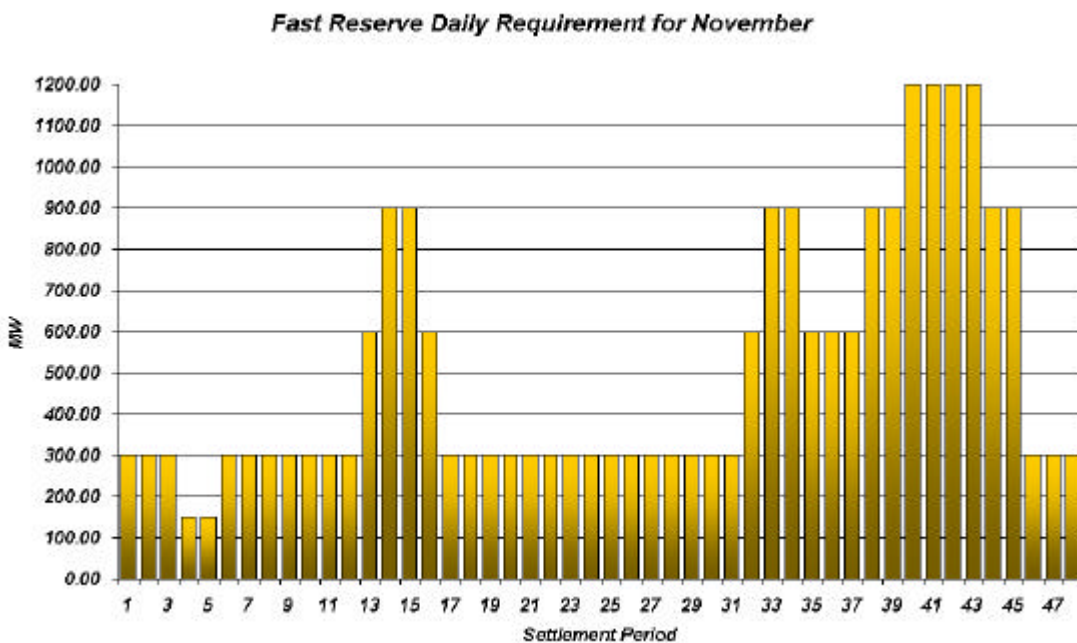


Figure 1

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

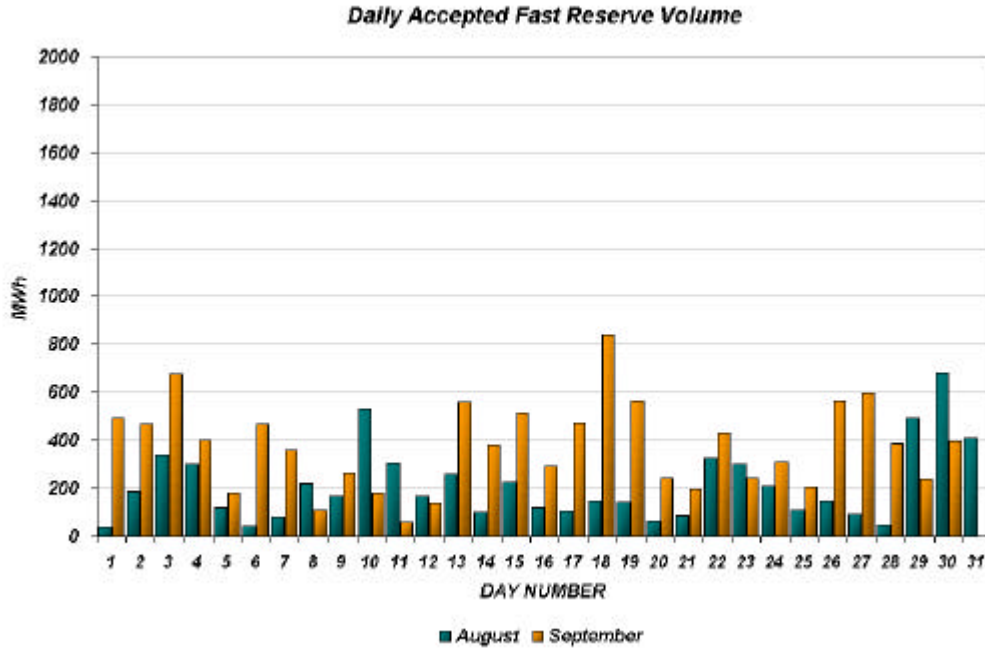


Figure 2

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.

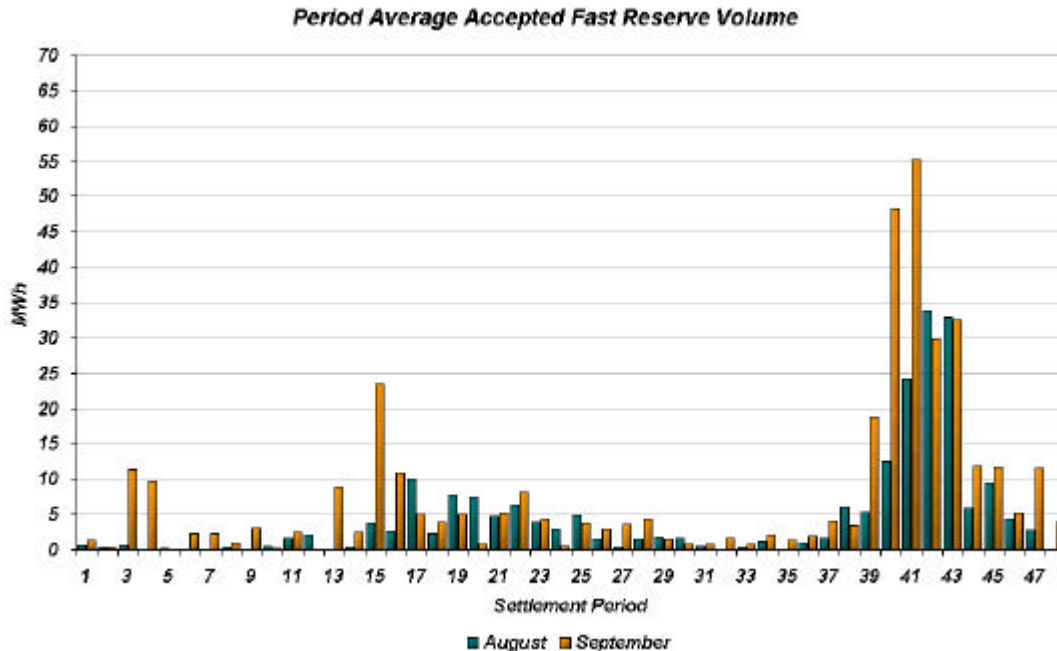


Figure 3

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

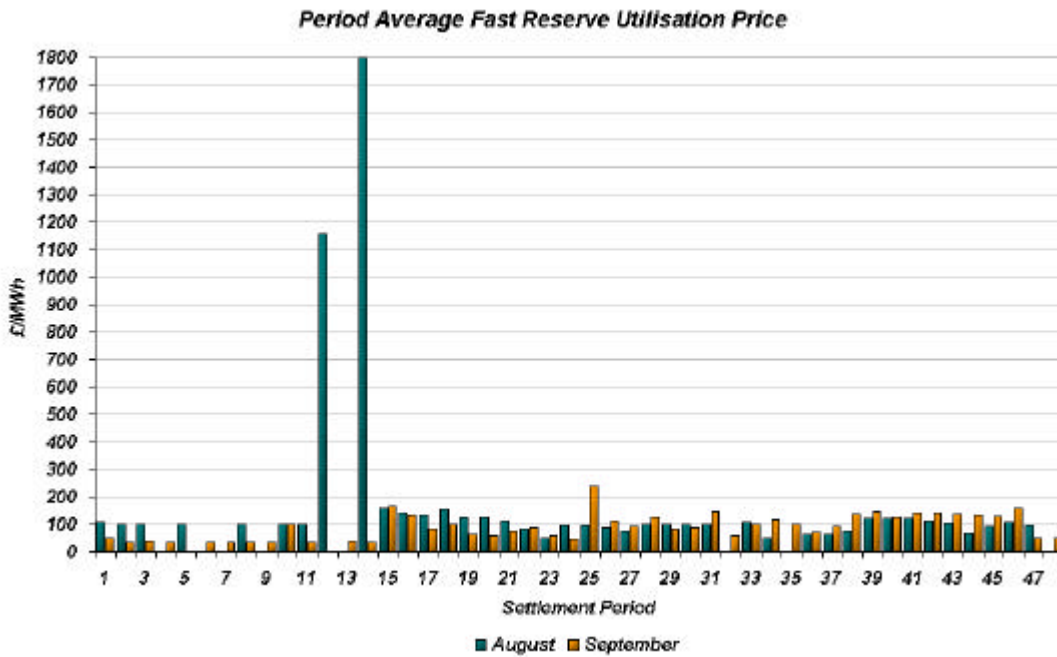


Figure 4

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.

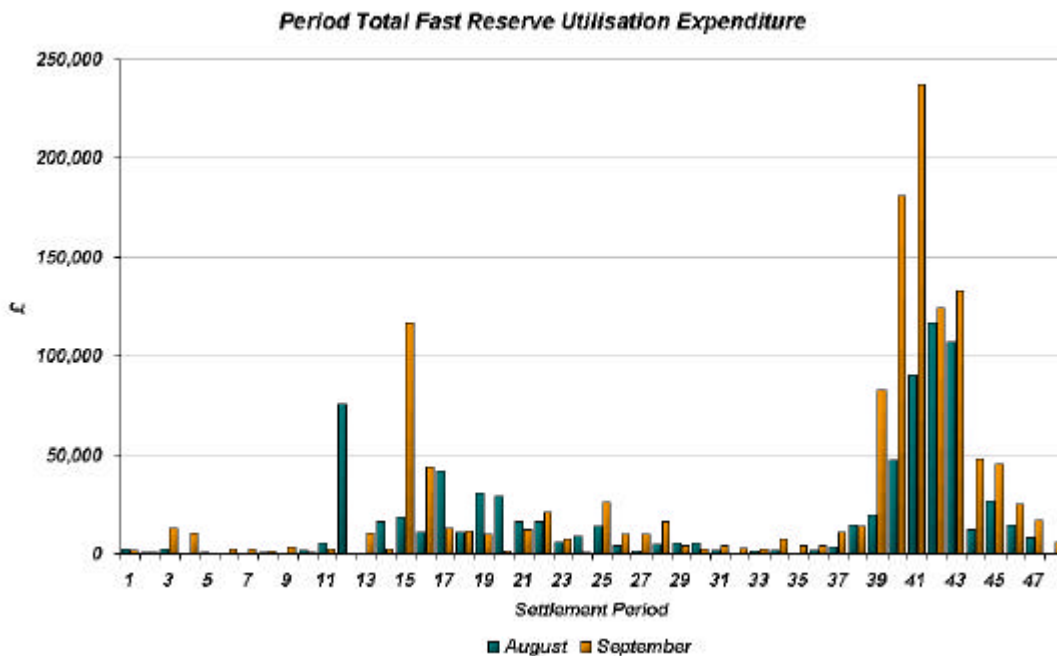


Figure 5

The total volumes of Fast Reserve utilisation of **6.6 GWh** for August and **11.2 GWh** for September break down into price bands as follows:

August	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	41	1,800	0.07
	300 to 1000	0	n/a	n/a
	0 to 300	6,471	118	0.76
Total		6.5 GWh		£0.84 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-37	-158	0.01
	-1000 to -300	0	n/a	n/a
	-2000 to -1000	-9	-1,800	0.02
	-10000 to -2000	0	n/a	n/a
Total		0.0 GWh		£0.02 m
Total		6.6 GWh		£0.86 m

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	14	350	0.00
	0 to 300	10,837	120	1.30
Total		10.9 GWh		£1.31 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-293	-109	0.03
	-1000 to -300	-84	-569	0.05
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-0.4 GWh		£0.08 m
Total		11.2 GWh		£1.39 m

The above charts and tables show that from August to September overall Fast Reserve utilisation rose significantly, by over ~ 70%, with an associated rise in total costs as the demand profile moves towards winter.

For November 2004, the demand shape continues to move towards a winter profile with an associated increase in the requirement for Fast Reserve, although this is not expected to be as significant as the August to September transition. Fast Reserve utilisation patterns for November 2004 are expected to be similar to November 2003.

Further to information provided in the Market Report for the October 2004 tender round, NGT is taking 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 **November**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Thursday 14th October 2004. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Thursday 21st October 2004.

Tenders should be sent for the attention of:

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

Tenders can be sent by fax to Beth Robinson on 01926 656612.