REACTIVE POWER MARKET

REACTIVE MARKET REPORT

FOURTEENTH TENDER ROUND FOR OBLIGATORY AND ENHANCED REACTIVE POWER SERVICES

FOR REACTIVE MARKET AGREEMENTS
EFFECTIVE 1 OCTOBER 2004

12 November 2004

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Executive Summary

14th Tender Round

This report describes the 14th Tender Round evaluation process for Reactive Power Market Agreements for service commencement on 1 October 2004. It includes the prices and reactive capability data of the successful tenders. The report also includes metered Mvarh utilisation from all eligible service providers for the period 1 April 2004 to 30 September 2004. Estimates of the reactive contribution of the National Grid Transmission System for the same period are also included.

National Grid evaluated all tenders received against economic purchase and technical performance criteria in accordance with the agreed terms of the market mechanism. On 21 July 2004, tenderers were notified of the results of their respective tenders. The main points are as follows:

- On 28 May 2004 ('Market Day') tenders were received for 39 BM Units over 21 power stations from 13 generating companies.
- Of the 39 Tenders received, 38 were in respect of the Grid Code Obligatory Reactive Power Service (ORPS) and 1 tender was in respect of the Grid Code Enhanced Reactive Power Service (ERPS).
- No tenders were received for non-BM Units.
- Tenders received were for duration of 12 or 18 months.
- Tenders were submitted by portfolio and independent generating companies.
- Of the 39 tenders evaluated, National Grid offered Reactive Power Market Agreements to 33, of which 21 proceeded to contract.
- As at 1 October 2004 there were a total of 56 BM Units from a possible 153 with Reactive Power Market Agreements (21 from this Tender Round and 35 from earlier Tender Rounds). Any BM Unit on a Reactive Power Market Agreement that commenced 1 October 2004 cannot be tendered again until Tender Round 16 (for agreements commencing 1 October 2005) at the earliest, due to the 12 month minimum agreement duration.

15th Tender Round

The next 'Market Day' for receipt of tenders for Reactive Power Market Agreements commencing on 1 April 2005, is Friday 19 November 2004. Invitation To Tender (ITT) Documentation for this Tender Round 15 has been available on the National Grid Industry Information website since 6 September 2004.

Contents

1. Introduction

1.1 This market report provides information on the results from the assessment process carried out for Reactive Power Tender Round 14 (for contracts that commenced 1 October 2004). This includes details on the contractual position for the provision of Reactive Power Services to the National Grid Transmission System as at 1 October 2004.

1.2 National Grid manages the voltage of the England and Wales supergrid system, to meet Transmission Licence requirements for secure and stable power transmission and to ensure quality of supply to customers. Voltages are largely determined by the flows of Reactive Power on the system. National Grid ensures that Reactive Power is provided on a local basis to meet the constantly varying needs of the system and that there are sufficient Reactive Power reserves available to meet contingencies.

1.3 Generating Units provide Reactive Power Capability, and are capable of varying their Reactive Power output as a requirement of the Grid Code. The power system itself has inherent Reactive Power gains and losses, which vary in accordance with changes in real power flows and voltage. National Grid installs reactive compensation plant in parts of the system where there is insufficient generator reactive capability to meet licence requirements, and where voltages cannot be regulated effectively or economically by other means.

1.4 Dynamic reserves of Reactive Power are essential for system operation. National Grid values capability based Reactive Power Market Agreements as this payment mechanism helps to ensure that the availability of post-fault Reactive Power reserves is maintained.

1.5 Tender Round 14 was undertaken to secure such capability based Reactive Power Market Agreements from 1 October 2004. The service definitions, requirements and contract terms may be found in Schedule 3 to the Connection & Use of System Code (CUSC), the Grid Code and the ITT (Invitation to Tender) Documentation. These can be accessed via National Grid's industry website at: www.nationalgridinfo.co.uk

2. Tender Process

2.1 On 28 May 2004, National Grid held the Market Day for the Reactive Power Tender Round 14. This enabled any potential provider that fulfilled the qualification criteria specified in Schedule 3 of the CUSC to tender for a Reactive Power Market Agreement.

2.2 Tenderers could elect to choose the term of tenders from a minimum period of 12 months and thereafter in 6-month increments (e.g. 12, 18, 24, 30, 36 months, etc.).

2.3 Tenderers who submitted tenders for periods greater than 12 months were also able to include indexation criteria on the tendered prices to be applied to any period(s) beyond the first 12 months.

2.4 Tenderers could tender for either the ORPS and/or the Enhanced Reactive Power Service (ERPS), as defined in Schedule 3 of the CUSC.

2.5 Potential tenderers comprised the following:

- Generators required to provide the minimum Grid Code ORPS and already in receipt of the Default Payment Mechanism, who wished to tender for alternative payment terms for the ORPS.

- Generators that had a reactive capability in excess of the minimum Grid Code ORPS, known as the "Grid Code plus Enhanced Reactive Power Service".

- Any other eligible Service Provider able to offer other plant or apparatus which could generate or absorb Reactive Power, known as ERPS. The only requirement was that these Service Providers had to fulfil the market qualification criteria and have been capable of making their capability available for use by National Grid.

3. Tenders Submitted

3.1 A total of 39 discrete tender submissions were received, representing 13 generating companies and 21 power stations. 38 of the tenders were for BM Units offering the Grid Code ORPS service, and 1 tender was for a BM Unit offering the Grid Code Enhanced Reactive Power Service. All tenders offered were with contract duration of 12 or 18 months.

3.2 Tenders were received from directly connected power stations, from both portfolio and independent generating. No tenders were received from non-BM providers.

3.3 All of the tenders received sought reactive capability based payments in addition to utilisation payments.

3.4 All tenders were compliant with the submission criteria specified in Schedule 3 of the CUSC.

4. Tender Assessment

4.1 Tender assessment was carried out in accordance with the evaluation criteria specified in Appendix 6 of Schedule 3 of the CUSC. Details of this are more fully described in Appendix 6 of this report.

4.2 This assessment included input from the Reactive Power Capability Index updated from that shown in Appendix A of the Invitation To Tender & Guidance Notes for Completion of Tenders that was included in the ITT Documentation. The purpose of this index is to provide an indication of the Reactive Power requirement in each of the zones defined. These requirements are based on the historic need for Reactive Power in the zones and any planned changes to National Grid's Transmission System (or the generation and demand connected to it) that are likely to affect the zonal reactive requirement.

4.3 Tenders were assessed via a process, which considered the following:

- economics (i.e. cost of market compared with default),
- the intrinsic capability value of the tendered reactive service (against the alternative of National Grid reactive assets);
- A number of other criteria, for example how competitive the utilisation price was, and what incentive the Generator was placing on itself to maintain the reactive capability.

Please refer to Appendix 6 in Schedule 3 of the CUSC for full details on the qualification and evaluation criteria.

5. Tender Observations

5.1 All tenders received were seeking capability worth. As in previous Tender Rounds, some generators had made incremental changes in the balance between capability and utilisation prices, presumably in light of their experience from previous Tender Rounds. Around half of the tenders received showed significant increases in utilisation prices whilst around one-third showed significant increases in available capability prices; one-fifth of tenders showed increases in both of these prices. About one-fifth of tenders showed a notable decrease in available capability prices and an increase in utilisation prices. Less than half of the tenders received had non-zero synchronised capability prices; with a mix of price increases, no change and decreases. While a similar number of tenders showed synchronised capability price reductions, these all had significant available capability price increases.

5.2 The emphasis Tenderers place on available capability continues, with half of tenders having zero synchronised availability prices, as well as the price increases noted above. Synchronised capability is more useful to National Grid than available capability, but the valuation of the two differs, dependent on the total envisaged time for which the plant is synchronised and when this occurs. National Grid places higher value on tenders with high synchronised capability prices compared with availability prices if the plant tends to run less frequently overall but is running at times of high system need. Conversely, National Grid places a lower value on plant with relatively high synchronised prices if the plant is expected to run for large parts of the assessment period, as this is more likely to include significant periods when the capability is not essential to secure system operation.

5.3 This Tender Round, as with previous ones, has taken into account our views on expected utilisation of generating plant in the energy market. This also included our view on possible plant closures and we continued to factor in our view of the likely decline in coal plant running under emissions trading.

5.4 A number of tenderers appeared to be exploring price sensitivities across BM Units (within a station).

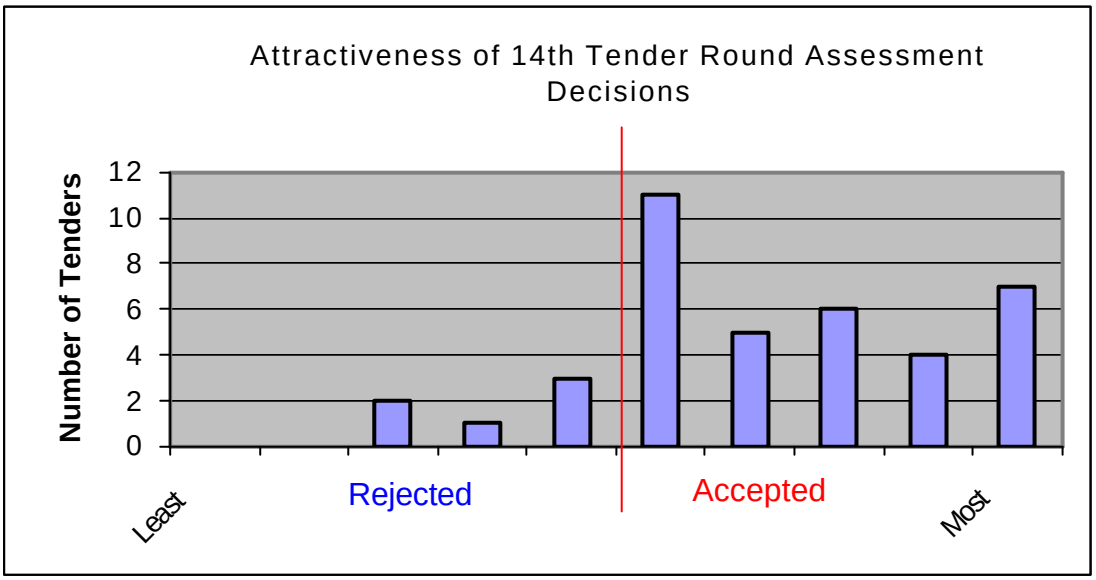
5.5 We received one enhanced tender, the first such tender since Round Five in 2000. We are pleased to accept this tender although it offers only a small increase in leading capability, which is of limited value to us. Overall, this tender was economic for us.

6. Assessment Results

6.1 Of the 39 tenders evaluated, National Grid offered Reactive Market Agreements to 33 (an acceptance rate of 85%), of which 21 (54%) proceeded to contract.

6.2 This acceptance rate of 85% is higher than the last Tender Round 13 of 70%; however, the 54% acceptance that proceeded to contract is directly comparable with Tender Round 11 of 53% and Tender Round 12 of 57%.

6.3 Tenders were scored against the specified assessment criteria and Figure 1 below shows the attractiveness of tenders from the assessment outcome. The tenders at the "Most" attractive side of Figure 1 were assessed with a positive score indicating they should be offered Market Agreements. Likewise the tenders at the "Least" attractive side of Figure 1 were assessed with a negative score indicating they should not be offered a Market Agreement. The tenders at either end of these measures were considered to be very "attractive" or "unattractive". Those considered unattractive could, for example, have sought capability payments significantly above expectations of default payments and National Grid's value of



capability.

Figure 1

6.4 A complete list of all generator BM Units as at 1 October 2004 obliged under the Grid Code to be capable of providing the ORPS is given in Appendix 2. This list includes a record of which BM Units are on Reactive Power Market Agreements and which are on the Default Payment Mechanism (DPM). Whether those on Reactive Power Market Agreements will be able to be tendered again in Tender Round 15 depends upon the term of their existing Market Agreement.

6.5 Appendix 3 provides a list of BM Units on Market Agreements applicable as at 1 October 2004 showing when the agreements will terminate.

6.6 Appendix 7 shows the geographic distribution of BM Units on market and default agreements.

6.7 Details of the successful tenders that proceeded to contract commencing 1 October 2004 are listed in Appendix 4.

7. Comparisons with previous Tender Rounds

7.1 Figure 2 below shows the percentage participation of eligible BM Units for all Tender Rounds since the commencement of the Reactive Power Market. Tender Round 14 is comparable with even numbered Tender Rounds 10 through to 12, as for each of them service commencement is at 1 October for the relevant year.

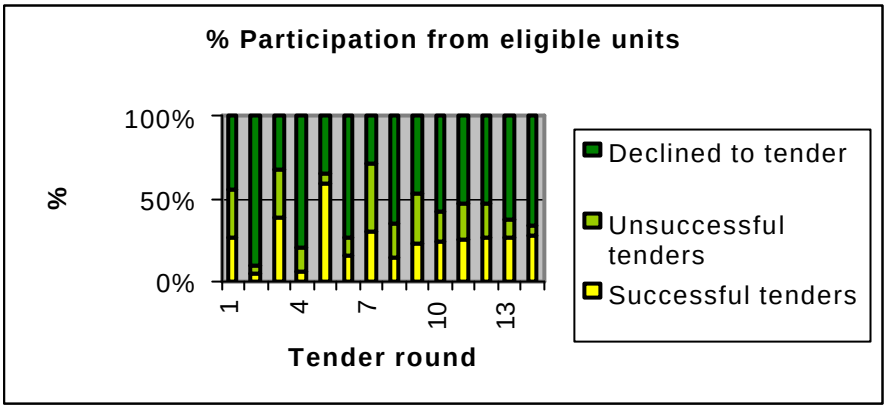


Figure 2 (Source: Appendix 1)

7.2 The acceptance rate of eligible participants in Tender Round 14 was the second highest of all previous Tender Rounds. Figure 3 shows the acceptance rate for all Tender Rounds since the commencement of the Reactive Power Market.

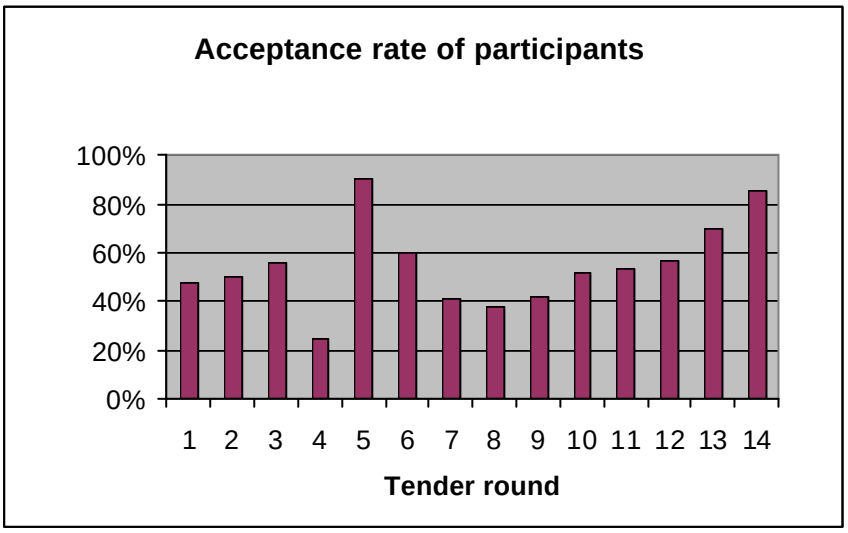


Figure 3 (Source: Appendix 1)

7.3 On 1 October 2004 there were a total of 56 BM Units on Reactive Power Market Agreements with 1 from Tender Round 11, 2 from Tender Round 12, 32 from Tender Round 13 and 21 from this 14th Tender Round. This information is shown in Figure 4 in percentage terms, including comparison with BM Units on default payment arrangements.

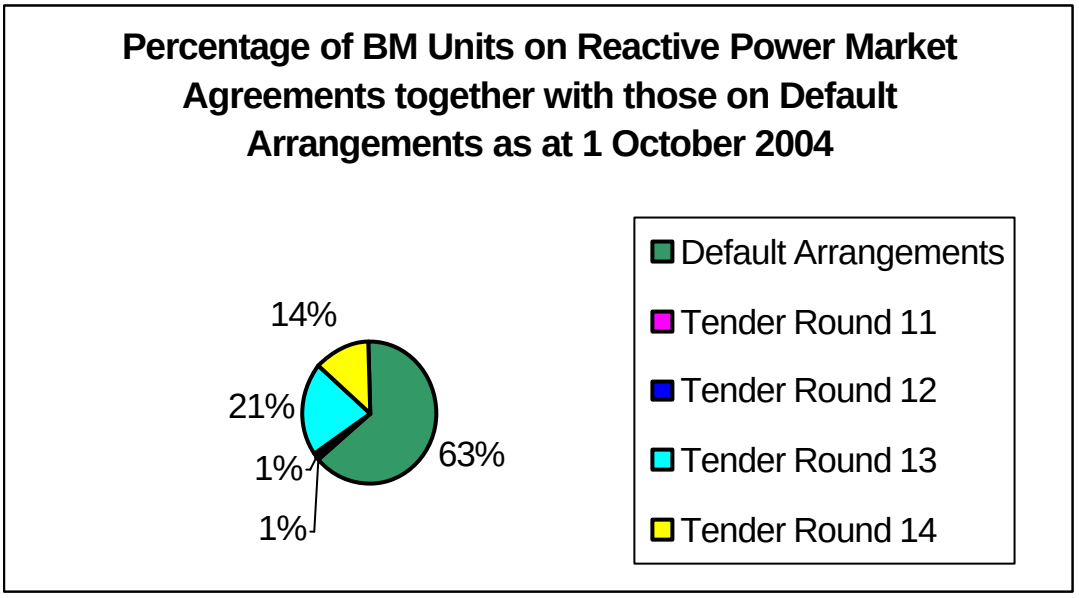


Figure 4 (Source: Appendix 2)

7.4 Figure 5 shows the percentage of eligible BM Units on a Reactive Power Market Agreement as at 1 October 2004 on a regional basis.

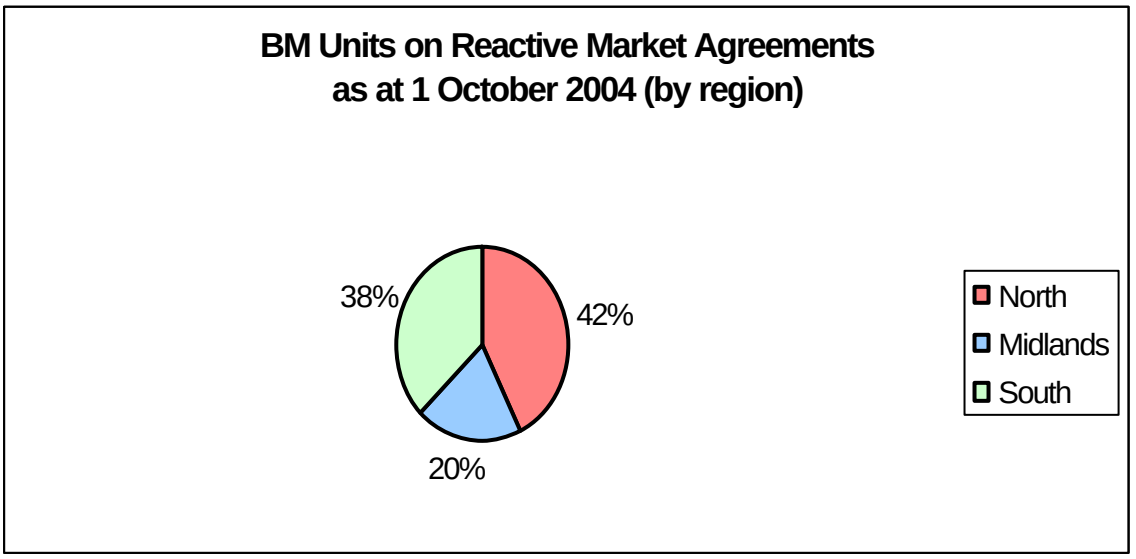


Figure 5 (Source: Appendix 2)

7.5 Figure 6 shows the % of total available lagging capability that has been contracted via Reactive Power Market Agreements since the commencement of the Reactive Power Market.

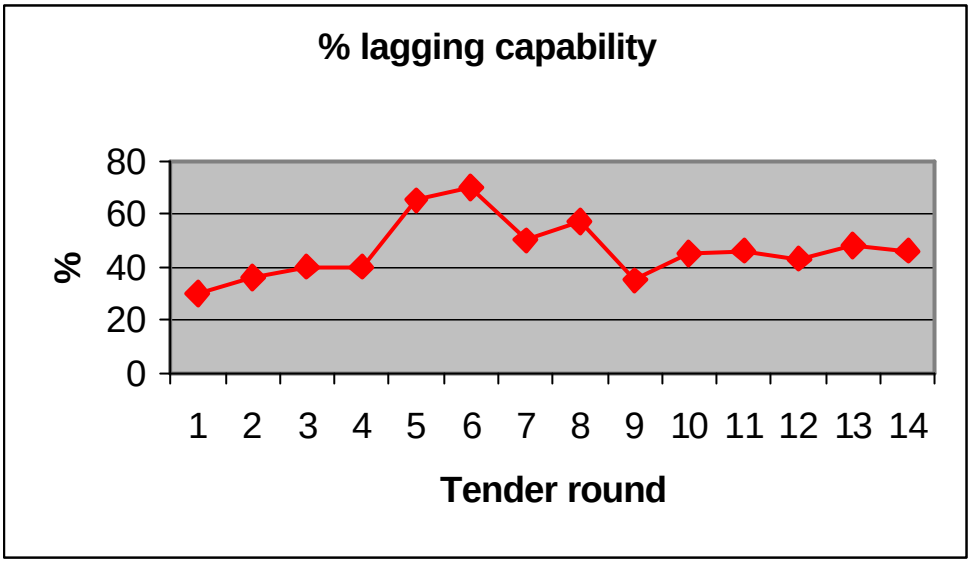


Figure 6 (Source: Appendix 1)

8. Generating Unit Reactive Mvarh Utilisation

8.1 This section summarises a six-month breakdown of metered BM Unit Reactive Power utilisation over the period 1 April 2004 to 30 September 2004.

8.2 Table 1 shows the Mvarh utilisation volumes (lead plus lag) for all eligible BM Units on a monthly basis. A breakdown by individual BM Unit for the period April 2004 to September 2004 is provided in Appendix 5.

Utilisation Volume (Mvarh)

Month	Default Payment Mechanism	Market Agreements	Total = Market Agreements + DPM
Apr-04	810,853	1,124,574	1,935,427
May-04	769,957	1,114,053	1,884,010
Jun-04	807,555	1,108,409	1,915,965
Jul-04	732,541	1,090,204	1,822,745
Aug-04	766,193	1,203,463	1,969,656
Sep-04	769,875	1,310,329	2,080,204
Total	4,656,975	6,951,033	11,608,007

Table 1 - Summary of Generator Reactive utilisation Apr 04 – Sept 04

8.3 Table 2, on the next page, shows six-monthly utilisation totals since 1996, sorted by the Seven Year Statement defined regions - North, Midlands and South.

8.4 The volumes set out in Table 2 refer to all BM Units eligible for a Reactive Utilisation Payment (default plus market). Mvarh lag and Mvarh lead are calculated according to the aggregation methodology described within Appendix 2 in Schedule 3 of the CUSC and also within the companion document "Methodology Document for the Aggregation of Reactive Power Metering" by which reactive utilisation payments are made.

8.5 The reduction over the last 8 years is attributable to more distributed generation and lower power flows across the system that has resulted in a reduction in reactive losses on the supergrid and hence the reactive utilisation required from generation.

Table 2 – Generator Reactive Utilisation (Tvarh) by region

	NORTH		MIDLANDS		SOUTH		TOTAL		
	lead	**lag**	**lead**	**lag**	**lead**	**lag**	**lead**	**lag**	**lead + lag**
Apr96 - Sep96	2.86	9.79	0.37	1.94	1.49	2.29	4.72	14.02	18.74
Oct96 - Mar97	2.72	12.71	0.36	3.07	1.74	2.72	4.82	18.50	23.32
Apr97 - Sep97	2.89	8.65	0.41	1.60	1.87	1.77	5.17	12.02	17.19
Oct97 - Mar98	2.78	10.67	0.31	3.07	1.54	2.01	4.63	15.75	20.38
Apr98 - Sep98	1.96	7.68	0.44	2.02	1.85	1.51	4.25	11.20	15.45
Oct98 - Mar99	1.71	9.54	0.36	2.07	1.65	1.66	3.76	13.48	17.24
Apr99 - Sep99	1.77	7.25	0.37	1.52	1.27	1.40	3.40	10.20	13.60
Oct99 – Mar00	1.98	10.45	0.27	2.13	1.35	2.19	3.60	14.77	18.37
Apr00 – Sep00	1.44	6.31	0.48	1.69	1.59	1.32	3.51	9.32	12.83
Oct00 – Mar01	1.52	7.40	0.40	2.72	1.48	1.73	3.40	11.85	15.25
Apr01 – Sep01	1.80	4.59	0.50	1.76	1.94	1.18	4.24	7.53	11.77
Oct01 - Mar02	1.70	5.79	0.58	3.07	1.50	1.78	3.79	10.65	14.44
Apr02 – Sep02	1.59	4.70	0.52	0.95	1.76	1.20	3.87	6.85	10.72
Oct02 – Mar03	1.71	5.73	0.47	2.51	1.53	1.78	3.71	10.02	13.73
Apr03 – Sep03	1.40	3.96	0.56	1.59	1.92	1.36	3.88	6.91	10.79
Oct03 – Mar04	2.28	5.48	0.34	1.89	1.69	2.29	4.31	9.66	13.97
Apr04 – Sep04	2.26	3.97	0.85	1.08	2.16	1.29	5.27	6.34	11.61

9. Estimates of the reactive contribution of the National Grid Transmission System for April 2004 to September 2004

9.1 National Grid is required by Schedule 3 of the CUSC to 'use all reasonable endeavours' to provide estimates of the Reactive Power absorption and generation in Mvarh by the National Grid Transmission System for the six-month period ending 30 September 2004.

9.2 This has been approached in two stages:

- The net Reactive Power utilisation (Tvarh) of the National Grid Transmission System has been derived from the difference between the reactive output of generating units and the Net Reactive Demand at Grid Supply Points (GSPs). This is shown in Table 3 where the accuracy of the data is consistent with the underlying meter readings. The generation figures are a national monthly summation of the Settlements figures given in Appendix 5. At this stage, the data in Table 3, on the next page, may be subject to amendment via accruals or any outstanding disputes.

- The net Tvarh described above has been broken down by Transmission System component and is also shown in Table 3. It should be noted that this information is based on estimates and operational records only. The 'net reactive demand at GSP' figures have been derived from operational records. The figures shown are net, i.e. lagging demand minus leading demand, and in the case of the figures in Table 3 they show lagging demand in each month. These figures represent the net effect of the consumer demand plus the LV losses minus the LV gain.

9.3 The simple reactive balance found in Table 3 can be described by the equation:

|Generation Net Tvarh| = |Net Reactive Demand at GSPs Tvarh| - |Net NGC System Tvarh|

For example, for June 2004, (0.93 - 0.98 = 4.53 – 4.58). From Table 3 it can be seen that the Tvarh contribution from generation is small compared with the other components of the equation.

9.4 The more detailed breakdown found in Table 3 can be described by the following equation:

- Generation Net Tvarh = Net Reactive Demand at GSPs - HV network shunt gain (BV^2) + HV network series loss (I^2X) + SGT series loss (I^2X_t) - Shunt capacitor gain - net SVC output + Shunt reactor loss.

Table 3 - Net National Grid System Effect

Component (Tvarh)	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	6 month total
MSC	1.76	1.38	1.40	1.59	1.78	1.97	9.88
Shunt Reactor	-1.82	-2.13	-2.04	-2.14	-2.00	-1.61	-11.74
SVC generation	0.10	0.11	0.07	0.07	0.09	0.08	0.52
SVC absorption	-0.10	-0.10	-0.12	-0.14	-0.12	-0.14	-0.72
HV network shunt gain	8.23	8.65	8.44	8.66	8.72	8.22	50.92
HV network series losses	-2.10	-1.65	-1.57	-1.76	-2.25	-2.41	-11.74
SGT series losses	-1.82	-1.71	-1.60	-1.67	-1.68	-1.79	-10.27
Net NGC System Utilisation	4.25	4.55	4.58	4.61	4.54	4.32	26.85
Generation Lead	-0.83	-1.07	-0.98	-0.87	-0.72	-0.79	-5.27
Generation Lag	1.10	0.81	0.93	0.95	1.25	1.29	6.34
Net Demand at GSPs	4.52	4.29	4.53	4.69	5.07	4.82	27.92

9.7 Points to note when considering Table 3 include:

- HV gain varies due to circuit switching, outages and system operating voltage
- HV losses are driven by active power flows across the system
- Supergrid transformer series reactive losses are predominantly driven by local distribution company demand
- Switching of MSCs (Mechanically Switched Capacitors), SVCs (Static Var Compensators) and shunt reactors is determined by operational security requirements.

10. Exceptional Reactive Power Requirements

10.1 Paragraph 5 in Schedule 3 of the CUSC (Statutory and Regulatory Obligations) enables National Grid to contract outside of the Reactive Power Market tender process in specific circumstances for the provision of exceptional Reactive Power services. National Grid is required to publish details of circumstances surrounding this in the proceeding six-month period. During the period 1 April 2004 to 30 September 2004 no such services were required by National Grid for the provision of voltage support.

Appendices

Appendix 1 - Comparisons with previous Tender Rounds

Tender Round	Tender Round Start date	BM Units able to tender	No. of BM/Non BM Unit tenders Received	ORPS	ORPS + ERPS	12 month duration	>12 months duration	Successful Gensets Offered Market Agreements	Successful Gensets signing Market Agreements	% total Mvar lagging capability with Market Agreements
1	1 Apr 1998	154	85	76	9	85	0	41	41	~30%
2	1 Oct 1998	113	10	10	0	9	1	5	5	~36%
3	1 Apr 1999	150	102	102	0	102	0	75	57	~40%
4	1 Oct 1999	99	20	20	0	14	6	5	5	~40%
5	1 Apr 2000	151	99	98	1	97	2	98	89	~65%
6	1 Oct 2000	58	15	15	0	15	0	9	9	~70%
7	1 Apr 2001	145	104	104	0	104	0	43	43	~50%
8	1 Oct 2001	111	39	39	0	39	0	17	15	~57%
9	1 Apr 2002	138	76	76	0	68	8	32	32	~35%
10	1 Oct 2002	123	52	52	0	48	4	29	27	~45%
11	1 Apr 2003	125	59	59	0	57	2	31	30	~46%
12	1 Oct 2003	121	56	56	0	49	7	32	23	~43%
13	1 Apr 2004	126	46	46	0	41	5	32	32	~48%
14	1 Oct 2004	118	39	38	1	38	1	33	21	~46%

Appendix 2 - BM Units' contractual position at 1 October 2004

North

	BM Unit	Contract		BM Unit	Contract		BM Unit	Contract
1	BRGG_01Z	DPM	25	DRAXX10G	DPM	49	HRTL_02Z	DPM
2	CDCL_01Z	Market 14	26	DRAXX12G	DPM	50	HUMR_01Z	DPM
3	CNQPS01Z	Market 13	27	EGGPS01Z	DPM	51	KEAD_01Z	Market 14
4	CNQPS02Z	Market 14	28	EGGPS02Z	DPM	52	KILNS01Z	Market 12
5	CNQPS03Z	Market 13	29	EGGPS03Z	DPM	53	KILLP01Z	DPM
6	CNQPS04Z	Market 14	30	EGGPS04Z	DPM	54	KILLP02Z	DPM
7	COTPS01Z	Market 14	31	FELL_01Z	DPM	55	ROCK_01Z	DPM
8	COTPS02Z	Market 14	32	FERR_01Z	DPM	56	ROOS_01Z	DPM
9	COTPS03Z	Market 14	33	FERR_02Z	DPM	57	SCCL_01Z	DPM
10	COTPS04Z	Market 14	34	FERR_03Z	DPM	58	SCCL_02Z	DPM
11	DEEP_01Z	Market 13	35	FERR_04Z	DPM	59	SCCL_03Z	DPM
12	DINO_01Z	DPM	36	FFES_01Z	DPM	60	SHBA_01Z	Market 13
13	DINO_02Z	DPM	37	FFES_02Z	DPM	61	SHBA_02Z	Market 13
14	DINO_03Z	DPM	38	FFES_03Z	DPM	62	SHOT_01Z	DPM
15	DINO_04Z	DPM	39	FFES_04Z	DPM	63	TESI_01Z	DPM
16	DINO_05Z	DPM	40	FIDL_01Z	DPM	64	TESI_02Z	DPM
17	DINO_06Z	DPM	41	FIDL_02Z	DPM	65	WBUPS01Z	Market 13
18	DRAXX01Z	Market 13	42	FIDL_03Z	DPM	66	WBUPS02Z	Market 13
19	DRAXX02Z	Market 13	43	FIDL_04Z	DPM	67	WBUPS03Z	Market 13
20	DRAXX03Z	Market 13	44	HEYM101Z	DPM	68	WBUPS04Z	Market 13
21	DRAXX04Z	Market 13	45	HEYM102Z	DPM	69	WYLF_01Z	DPM
22	DRAXX05Z	Market 13	46	HEYM207Z	DPM	70	WYLF_02Z	DPM
23	DRAXX06Z	Market 13	47	HEYM208Z	DPM	71	WYLF_03Z	DPM
24	DRAXX09G	DPM	48	HRTL_01Z	DPM	72	WYLF_04Z	DPM

Midlands

	BM Unit	**Contract**		**BM Unit**	**Contract**		**BM Unit**	**Contract**
73	CORB_01Z	Market 13	80	PETEM01Z	DPM	87	RUGPS06G	DPM
74	DERW_01Z	Market 14	81	RATS_01Z	Market 13	88	RUGPS07G	DPM
75	GYAR_01Z	DPM	82	RATS_02Z	Market 13	89	SIZB_01Z	Market 13
76	IRNPS01Z	Market 13	83	RATS_03Z	Market 14	90	SIZB_02Z	Market 13
77	IRNPS02Z	Market 13	84	RATS_04Z	Market 14	91	SIZEA01Z	DPM
78	KLYNA01Z	DPM	85	RUGPS06Z	DPM	92	SIZEA02Z	DPM
79	LBAR_01Z	DPM	86	RUGPS07Z	DPM	93	SPLN-1	DPM
						94	SUTB_01Z	Market 14

South

	BM Unit	Contract		BM Unit	Contract		BM Unit	Contract
95	ABTHB07Z	Market 13	115	DIDC_03G	DPM	135	KINO_03Z	Market 14
96	ABTHB08Z	Market 14	116	DIDC_04G	DPM	136	KINO_04Z	DPM
97	ABTHB09Z	Market 11	117	DNGB_21Z	Market 13	137	LITTD01G	DPM
98	BAGE_01Z	Market 14 (ERPS)	118	DNGB_22Z	Market 13	138	LITTD02G	DPM
99	BAGE_02Z	Market 14	119	DUNGA01Z	DPM	139	LITTD03G	DPM
100	BARK_02Z	DPM	120	DUNGA02Z	DPM	140	LITTD01Z	Market 14
101	BARK_11Z	DPM	121	DUNGA03Z	DPM	141	LITTD02Z	Market 14
102	BRYP_01Z	DPM	122	DUNGA04Z	DPM	142	MEDP_01Z	Market 14
103	COSO_01Z	DPM	123	EECL_01Z	DPM	143	OLDS_01Z	DPM
104	COWE_01Z	DPM	124	FAWL_03Z	Market 13	144	OLDS_02Z	DPM
105	COWE_02Z	DPM	125	FAWN_01Z	DPM	145	RYHPS01Z	Market 13
106	DAMC_01Z	DPM	126	FIFO_13Z	DPM	146	SEAB_01Z	Market 14
107	DIDC_01Z	DPM	127	FIFO_14Z	DPM	147	SEAB_02Z	Market 14
108	DIDC_02Z	DPM	128	FIFO_15Z	DPM	148	SHOS_01Z	DPM
109	DIDC_03Z	DPM	129	GRAI_01Z	DPM	149	TAYL_02Z	Market 12
110	DIDC_04Z	DPM	130	GRAI_04Z	DPM	150	TAYL_03Z	Market 13
111	DIDCB05Z	Market 13	131	HINB_07Z	DPM	151	TILBB08Z	DPM
112	DIDCB06Z	Market 13	132	HINB_08Z	DPM	152	TILBB09Z	DPM
113	DIDC_01G	DPM	133	KINO_01Z	Market 13	153	TILBB10Z	DPM
114	DIDC_02G	DPM	134	KINO_02Z	Market 13			

Notes :

Market 11 refers to those contracts commencing 1 April 2003.
Market 12 refers to those contracts commencing 1 October 2003.
Market 13 refers to those contracts commencing 1 April 2004.
Market 14 refers to those contracts commencing 1 October 2004.
Eligible BM Units are those with reactive capability, leading or lagging greater than 15 Mvar at the commercial boundary, and the further stipulations stated in CUSC Schedule 3. There is one contract for Enhanced Capability.

Appendix 3 - Reactive Market Agreement status at 1 October 2004

Contracts Continuing on 1 October 2004			
	Company	**BM Unit ID**	**Contract Expiry Date**
1	RWE Innogy plc	ABTHB09Z	31/03/05
2	Powergen UK plc	TAYL_02Z	30/09/06
3	Killingholme Power Ltd	KILNS01Z	30/09/05
4	British Energy	DNGB_21Z	31/03/05
5	British Energy	DNGB_22Z	31/03/05
6	British Energy	SIZB_01Z	31/03/05
7	British Energy	SIZB_02Z	31/03/05
8	Corby Power Limited	CORB_01Z	31/03/05
9	Deeside Power Development Co Ltd	DEEP_01Z	31/03/05
10	Drax Power Limited	DRAXX01Z	31/03/05
11	Drax Power Limited	DRAXX02Z	31/03/05
12	Drax Power Limited	DRAXX03Z	31/03/05
13	Drax Power Limited	DRAXX04Z	31/03/05
14	Drax Power Limited	DRAXX05Z	31/03/05
15	Drax Power Limited	DRAXX06Z	31/03/05
16	Humber Power Limited	SHBA_01Z	31/03/05
17	Humber Power Limited	SHBA_02Z	31/03/05
18	Powergen UK plc	CONQ_01Z	31/03/05
19	Powergen UK plc	CONQ_03Z	31/03/05
20	Powergen UK plc	IRNPS01Z	30/09/05
21	Powergen UK plc	IRNPS02Z	31/03/05
22	Powergen UK plc	KINO_01Z	30/09/05
23	Powergen UK plc	KINO_02Z	31/03/05
24	Powergen UK plc	RATS_01Z	31/03/05
25	Powergen UK plc	RATS_02Z	31/03/05
26	Powergen UK plc	TAYL_03Z	31/03/07
27	RWE Innogy plc	ABTHB07Z	31/03/05
28	RWE Innogy plc	DIDCB05Z	31/03/05
29	RWE Innogy plc	DIDCB06Z	31/03/05
30	RWE Innogy plc	FAWL_03Z	31/03/05
31	Scottish Power plc	RYHPS01Z	31/03/05
32	West Burton Limited	WBUPS01Z	31/03/05
33	West Burton Limited	WBUPS02Z	31/03/05
34	West Burton Limited	WBUPS03Z	31/03/05
35	West Burton Limited	WBUPS04Z	31/03/05

New Contracts Commencing on 1 October 2004			
	Company	**BM Unit ID**	**Contract Expiry Date**
1	Baglan Operations Ltd	BAGE_01Z	30/09/05 (ERPS)
2	Baglan Operations Ltd	BAGE_02Z	30/09/05
3	Derwent Cogeneration Ltd	DERW_01Z	30/09/05
4	E.ON UK plc	CDCL_01Z	30/09/05
5	E.ON UK plc	CONQ_02Z	30/09/05
6	E.ON UK plc	CONQ_04Z	30/09/05
7	E.ON UK plc	KINO_03Z	31/03/06
8	E.ON UK plc	RATS_03Z	30/09/05
9	E.ON UK plc	RATS_04Z	30/09/05
10	RWE Innogy plc	ABTHB08Z	30/09/05
11	RWE Innogy plc	LITTD01Z	30/09/05
12	RWE Innogy plc	LITTD02Z	30/09/05
13	Jade Power Generation Ltd	COTPS01Z	30/09/05
14	Jade Power Generation Ltd	COTPS02Z	30/09/05
15	Jade Power Generation Ltd	COTPS03Z	30/09/05
16	Jade Power Generation Ltd	COTPS04Z	30/09/05
17	Keadby Generation Ltd	KEAD_01Z	30/09/05
18	Medway Power Ltd	MEAD_01Z	30/09/05
19	Seabank Power Ltd	SEAB_01Z	30/09/05
20	Seabank Power Ltd	SEAB_02Z	30/09/05
21	Sutton Bridge Power	SUTB_01Z	30/09/05

Appendix 4 - Successful tender details for contracts commencing 1 October 2004

Company Name: Baglan Operations Ltd			Station Name: Baglan Bay (Module 1)			
Genset ID: BAGE_01Z (ERPS)			Contract Period: 12 months			
Nominated GRC: 520 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	324	290	50	50	150	253
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.030	0.010	0.005	0.015	0.050	0.210
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.820	0.400	0.360	0.360	0.400	2.000

Company Name: Baglan Operations Ltd			Station Name: Baglan Bay (Module 2)			
Genset ID: BAGE_02Z			Contract Period: 12 months			
Nominated GRC: 28 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	12	8	1	1	10	16
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.030	0.010	0.005	0.015	0.050	0.210
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.820	0.400	0.360	0.360	0.400	2.000

Company Name: Derwent Cogeneration Ltd			Station Name: Derwent Cogeneration (Module 1)			
Genset ID: DERW-01Z			Contract Period: 12 months			
Nominated GRC: 232MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	92	35	10	10	35	93
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.058	0.053	0.044	0.044	0.053	0.058
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	2.570	0.990	0.925	0.925	0.990	2.570

Company Name: E.ON UK plc			Station Name: Cottam Development Centre			
Genset ID: CDCL_01Z			Contract Period: 12 months			
Nominated GRC: 400 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	188	140	21	48	150	185
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.075	0.056	0.050	0.050	0.056	0.075
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.108	0.081	0.072	0.072	0.081	0.108
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	3.497	0.210	0.140	0.280	0.315	3.497

Company Name: E.ON UK plc			Station Name: Connah's Quay (Module 2)			
Genset ID: CONQ_02Z			Contract Period: 12 months			
Nominated GRC: 355 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	176	120	25	45	120	155
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.045	0.034	0.030	0.030	0.034	0.045
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.054	0.041	0.036	0.036	0.041	0.054
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	3.497	0.293	0.195	0.390	0.439	3.497

Company Name: E.ON UK plc			Station Name: Connah's Quay (Module 4)			
Genset ID: CONQ_04Z			Contract Period: 12 months			
Nominated GRC: 355 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	177	120	25	45	120	155
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.059	0.044	0.039	0.039	0.044	0.059
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.063	0.047	0.042	0.042	0.047	0.063
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	3.497	0.293	0.195	0.390	0.439	3.497

Company Name: E.ON UK plc			Station Name: Kingsnorth			
Genset ID: KINO_03Z			Contract Period: 18 months			
Nominated GRC: 485 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	128	100	40	42	165	201
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.048	0.036	0.032	0.032	0.036	0.048
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.087	0.065	0.058	0.058	0.065	0.087
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	3.497	0.335	0.223	0.446	0.500	3.497

Company Name: E.ON UK plc			Station Name: Ratcliffe			
Genset ID: RATS_03Z			Contract Period: 12 months			
Nominated GRC: 500 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	128	90	35	73	160	193
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.072	0.054	0.048	0.048	0.054	0.072
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.075	0.056	0.050	0.050	0.056	0.075
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	3.497	0.150	0.100	0.200	0.225	3.497

Company Name: E.ON UK plc			Station Name: Ratcliffe			
Genset ID: RATS_04Z			Contract Period: 12 months			
Nominated GRC: 500 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	141	110	35	73	140	178
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.045	0.034	0.030	0.030	0.034	0.045
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.054	0.041	0.036	0.036	0.041	0.054
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	3.497	0.150	0.100	0.200	0.225	3.497

Company Name: RWE Innogy plc			Station Name: Aberthaw B			
Genset ID: ABTHB08Z			Contract Period: 12 months			
Nominated GRC: 485 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	147	100	35	35	100	211
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.031	0.010	0.005	0.015	0.051	0.204
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	2.000	0.900	0.300	0.300	0.900	2.000

Company Name: RWE Innogy plc			Station Name: Littlebrook			
Genset ID: LITTD01Z			Contract Period: 12 months			
Nominated GRC: 685 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	297	175	100	50	140	198
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.004	0.002	0.001	0.002	0.004	0.089
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.320	0.160	0.053	0.320	0.533	1.386
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	2.000	0.800	0.300	0.300	0.800	2.000

Company Name: RWE Innogy plc			Station Name: Littlebrook			
Genset ID: LITTD02Z			Contract Period: 12 months			
Nominated GRC: 685 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	297	175	100	50	140	198
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.004	0.002	0.001	0.002	0.004	0.089
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.320	0.160	0.053	0.320	0.533	1.386
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	2.000	0.800	0.300	0.300	0.800	2.000

Company Name: Jade Power Generation Ltd			Station Name: Cottam			
Genset ID: COTPS01Z			Contract Period: 12 months			
Nominated GRC: 497 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	189	140	50	75	135	168
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.011	0.008	0.006	0.105	0.125	0.155
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.011	0.007	0.005	0.125	0.145	0.175
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.105	0.605	0.405	0.405	0.605	1.300

Company Name: Jade Power Generation Ltd			Station Name: Cottam			
Genset ID: COTPS02Z			Contract Period: 12 months			
Nominated GRC: 507 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	181	140	50	75	120	152
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.011	0.008	0.006	0.105	0.125	0.155
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.011	0.007	0.005	0.125	0.145	0.175
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.105	0.605	0.405	0.405	0.605	1.300

Company Name: Jade Power Generation Ltd			Station Name: Cottam			
Genset ID: COTPS03Z			Contract Period: 12 months			
Nominated GRC: 507 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	183	140	50	75	120	150
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.011	0.008	0.006	0.105	0.125	0.155
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.011	0.007	0.005	0.125	0.145	0.175
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.105	0.605	0.405	0.405	0.605	1.300

Company Name: Jade Power Generation Ltd			Station Name: Cottam			
Genset ID: COTPS04Z			Contract Period: 12 months			
Nominated GRC: 497 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	188	140	50	75	140	169
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.011	0.008	0.006	0.105	0.125	0.155
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.011	0.007	0.005	0.125	0.145	0.175
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.105	0.605	0.405	0.405	0.605	1.300

Company Name: Keadby Generation Ltd			Station Name: Keadby (module 1)			
Genset ID: KEAD_01Z			Contract Period: 12 months			
Nominated GRC: 715 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	349	300	50	100	280	323
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.259	0.134	0.021	0.021	0.176	0.310
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.138	0.052	0.031	0.052	0.083	1.241

Company Name: Medway Power Ltd			Station Name: Medway (module 1)			
Genset ID: MEDP_01Z			Contract Period: 12 months			
Nominated GRC: 700 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	369	200	50	100	200	337
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.134	0.029	0.024	0.024	0.029	0.145
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.002	0.001	0.000	0.000	0.001	0.002
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.758	0.383	0.372	0.372	0.383	1.758

Company Name: Seabank Power Ltd			Station Name: Seabank (Module 1)			
Genset ID: SEAB_01Z			Contract Period: 12 months			
Nominated GRC: 755	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	361	200	50	100	242	346
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.012	0.008	0.002	0.017	0.049	0.194
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.910	0.430	0.370	0.370	0.410	2.150

Company Name: Seabank Power Ltd			Station Name: Seabank (Module 2)			
Genset ID: SEAB_02Z			Contract Period: 12 months			
Nominated GRC: 385	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	187	100	25	50	121	173
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.020	0.015	0.003	0.030	0.084	0.333
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.910	0.430	0.370	0.370	0.410	2.150

Company Name: Sutton Bridge Power			Station Name: Sutton Bridge			
Genset ID: SUTB_01Z			Contract Period: 12 months			
Nominated GRC: 803 MW	Maximum Leading Capability	Mid Point Leading Capability	Low point Leading Capability	Low point Lagging Capability	Mid Point Lagging Capability	Maximum Lagging Capability
Capability (Mvar)	Q3Lead:	Q2Lead:	Q1Lead:	Q1Lag:	Q2:Lag	Q3:Lag
	375	249	50	100	241	360
Available Capability Prices (£/Mvar/h)	CA3Lead:	CA2Lead:	CA1Lead:	CA1Lag:	CA2Lag:	CA3Lag:
	0.000	0.000	0.000	0.000	0.000	0.000
Synchronised Capability Prices (£/Mvar/h)	CS3Lead:	CS2Lead:	CS1Lead:	CS1Lag:	CS2Lag:	CS3Lag:
	0.051	0.031	0.021	0.051	0.071	0.091
Utilisation Prices (£/Mvarh)	CU3Lead:	CU2Lead:	CU1Lead:	CU1Lag:	CU2Lag:	CU3Lag:
	1.100	1.000	0.800	0.800	1.000	1.100

Appendix 5 - Generation Utilisation Volumes by BM Unit – April 2004 to September 2004

BM Unit	Agreement	Monthly Mvarh												6 Month TOTAL	
		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04			
		Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag
ABTHB07Z	Market	868	7,211	2,523	10,358	1,824	12,932	2,522	11,050	2,453	12,008	3,194	9,894	13,382	63,452
ABTHB08Z	Market	1,087	7,140	352	3,647	0	0	0	0	0	0	1,665	5,966	3,104	16,753
ABTHB09Z	Market	1,386	6,349	2,365	9,529	2,421	16,156	1,962	10,209	2,101	11,029	4,254	10,052	14,489	63,325
BAGE_01Z	Default	5,081	10,116	7,448	6,786	3,505	3,678	2,972	3,385	0	0	0	0	19,005	23,964
BAGE_02Z	Default	199	835	27	147	58	28	0	0	0	0	0	0	284	1,010
BARK_02Z	Market	22,292	4,225	26,108	4,069	18,435	11,006	15,561	11,966	8,816	11,542	10,083	14,069	101,295	56,877
BARK_11Z	Default	12,773	4,021	22,194	4,440	15,528	8,575	15,619	9,585	9,326	9,449	8,117	12,952	83,557	49,022
BRGG_01Z	Default	1,387	2,399	1,210	856	2,000	1,758	2,445	825	3,823	583	1,489	725	12,353	7,147
BRYP_01Z	Default	1,484	4,330	1,114	2,863	2,121	4,303	1,622	4,153	2,146	3,558	929	4,367	9,416	23,573
CDCL_01Z	Default	6,045	23,643	5,589	17,897	5,181	28,990	7,753	18,641	7,510	24,020	3,431	11,590	35,510	124,782
CNQPS01Z	Market	7,626	6,483	6,806	8,743	7,293	9,663	6,697	10,592	3,846	12,359	4,514	14,058	36,783	61,897
CNQPS02Z	Market	6,843	7,010	6,654	6,068	5,422	11,128	5,775	13,436	5,376	11,744	4,860	15,045	34,931	64,432
CNQPS03Z	Market	6,739	8,251	5,903	9,178	6,834	10,166	7,261	10,719	3,822	11,710	5,803	14,892	36,361	64,916
CNQPS04Z	Market	8,456	7,330	7,197	9,568	6,692	9,905	963	2,338	639	657	4,566	14,498	28,512	44,296
CORB_01Z	Market	2,373	1,732	3,910	1,855	2,475	3,724	4,598	8,833	4,139	3,854	1,223	3,090	18,718	23,088
COSO_01Z	Default	7,689	3,370	9,627	2,858	7,385	4,480	6,944	6,265	1,377	4,032	0	0	33,021	21,005
COTPS01Z	Default	0	0	858	1,125	830	9,932	2,078	13,060	1,372	15,251	1,616	16,020	6,754	55,389
COTPS02Z	Default	1,164	15,898	900	6,231	1,686	14,297	1,451	12,217	2,060	10,230	5,000	12,624	12,260	71,497
COTPS03Z	Default	3,423	18,036	1,759	14,451	3,958	12,471	3,618	12,499	2,653	11,079	2,506	12,360	17,918	80,897
COTPS04Z	Default	1,091	18,124	1,759	10,529	4,706	8,156	3,302	7,135	1,331	10,508	2,905	12,543	15,095	66,995
COWE_01Z	Default	0	0	0	0	0	8	0	0	0	7	0	0	0	15
COWE_02Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DAMC_01Z	Default	2,586	3,376	15,111	9,480	23,300	13,503	24,651	16,214	10,298	18,724	27,673	17,948	103,620	79,245
DEEP_01Z	Market	8,551	11,264	12,268	13,106	7,305	17,134	12,810	15,715	6,841	18,682	5,348	16,126	53,124	92,027
DERW_01Z	Default	1,824	12,436	1,520	7,992	3,839	16,079	3,710	7,464	4,852	5,648	4,580	5,055	20,325	54,675

BM Unit	Agreement	Monthly Mvarh												6 Month TOTAL	
		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04			
		Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag
DIDC_01G	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIDC_01Z	Default	15	270	15,370	1,018	12,853	1,682	5,053	3,267	809	6,188	5,062	4,728	39,161	17,152
DIDC_02G	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIDC_02Z	Default	1,196	376	12,392	682	9,528	1,477	6,717	3,058	193	1,092	0	0	30,025	6,685
DIDC_03G	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIDC_03Z	Default	2,517	1,148	0	0	0	0	0	0	0	0	0	0	2,517	1,148
DIDC_04G	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIDC_04Z	Default	1,000	670	23,846	1,384	13,948	2,353	0	0	1,214	4,961	5,334	6,264	45,341	15,631
DIDCB05Z	Market	35,395	12,826	45,988	6,461	26,096	5,721	36,568	11,177	21,727	17,022	28,381	13,215	194,155	66,423
DIDCB06Z	Market	51	68	29,224	5,033	40,999	6,173	28,578	9,910	21,294	16,943	30,342	13,800	150,488	51,926
DINO_01Z	Default	1,016	0	155	0	1,611	0	1,670	0	688	0	1,514	0	6,654	0
DINO_02Z	Default	12,982	64	13,904	67	14,453	507	15,498	158	11,398	305	13,641	248	81,876	1,351
DINO_03Z	Default	4,191	777	10,522	479	11,448	657	11,009	943	8,429	824	5,381	1,544	50,980	5,224
DINO_04Z	Default	5,422	1,889	5,653	934	6,864	2,269	6,028	2,131	5,277	1,508	1,912	1,001	31,156	9,732
DINO_05Z	Default	1,074	0	1,105	0	6	0	146	0	1,055	0	1,283	0	4,670	0
DINO_06Z	Default	6,945	797	6,275	451	6,498	500	7,660	149	4,136	304	6,866	983	38,380	3,184
DNGB_21Z	Market	21,637	7,382	15,646	703	7,398	2,286	0	0	13,090	6,361	18,966	5,883	76,737	22,615
DNGB_22Z	Market	7,536	2,307	26,650	4,055	28,960	3,622	19,446	7,643	8,732	2,994	14,644	4,065	105,967	24,686
DRAXX01Z	Market	9,184	17,473	8,810	13,490	10,829	25,956	2,289	8,033	0	0	2,355	9,560	33,466	74,512
DRAXX02Z	Market	8,369	18,874	11,332	18,900	8,450	24,208	6,246	24,056	5,290	23,827	7,630	37,797	47,317	147,662
DRAXX03Z	Market	5,821	16,808	11,433	17,459	8,984	20,825	10,877	27,380	5,790	28,593	5,090	31,767	47,994	142,833
DRAXX04Z	Market	8,707	19,680	10,533	28,824	8,471	23,941	10,822	26,458	7,949	31,508	8,358	28,082	54,840	158,494
DRAXX05Z	Market	6,832	14,242	0	0	0	0	0	0	5,615	15,511	8,065	30,148	20,512	59,902
DRAXX06Z	Market	10,381	19,639	3,995	10,039	8,612	30,278	12,645	28,629	6,871	32,093	8,481	33,775	50,985	154,453
DRAXX09G	Default	0	0	0	0	0	2	0	0	0	0	0	0	0	2
DRAXX10G	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DRAXX12G	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DUNGA01Z	Default	2,598	1,190	0	0	0	0	0	136	4,366	902	4,799	1,317	11,763	3,546

BM Unit	Agreement	Monthly Mvarh												6 Month TOTAL	
		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04			
		Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag
DUNGA02Z	Default	1,821	2,308	0	0	3,374	2,607	3,010	2,636	3,977	707	3,467	1,280	15,649	9,537
DUNGA03Z	Default	4,459	2,947	3,390	3,794	6,717	788	4,435	974	7,618	311	5,662	574	32,280	9,388
DUNGA04Z	Default	6,308	1,145	5,117	1,778	184	0	537	841	1,243	303	7,188	264	20,577	4,332
EECL_01Z	Default	9,534	11,477	11,746	9,786	8,632	11,774	10,271	11,680	7,127	13,788	10,348	13,511	57,658	72,015
EGGPS01Z	Market	3,154	6,160	3,012	4,674	960	3,145	1,382	6,628	1,080	8,673	1,154	2,810	10,742	32,089
EGGPS02Z	Market	5,197	6,247	727	289	0	0	698	3,269	1,086	13,371	3,092	11,612	10,800	34,788
EGGPS03Z	Market	9,279	10,882	6,422	8,675	6,155	11,973	6,354	12,972	2,214	18,711	3,249	14,840	33,672	78,055
EGGPS04Z	Market	401	2,600	3,019	11,327	2,619	16,696	4,613	14,316	2,063	14,991	1,549	14,365	14,264	74,295
FAWL_03Z	Market	14	23	2	96	70	145	7	55	242	8	22	1	356	328
FAWN_01Z	Default	605	2,218	230	2,036	2,434	1,038	302	2,108	3,278	1,102	5,184	18	12,033	8,520
FELL_01Z	Default	0	22,544	0	20,611	114	11,302	324	5,741	83	9,944	34	11,406	555	81,548
FERR_01Z	Default	2,841	8,835	1,150	1,087	0	0	0	0	1,550	8,479	0	0	5,541	18,400
FERR_02Z	Default	8,661	7,630	3,976	7,258	3,100	9,687	2,324	8,136	2,239	9,504	4,373	9,873	24,673	52,088
FERR_03Z	Default	3,794	10,233	930	9,326	1,151	10,763	1,519	12,890	1,197	10,730	3,858	11,937	12,450	65,879
FERR_04Z	Default	1,510	3,764	1,321	8,021	1,217	9,183	1,788	8,518	941	7,184	2,307	3,547	9,084	40,217
FFES_01Z	Default	129	928	132	710	134	468	172	1,256	307	1,300	401	1,701	1,275	6,362
FFES_02Z	Default	911	187	643	53	638	112	730	147	1,041	159	2,113	185	6,076	843
FFES_03Z	Default	1,600	139	2,357	154	2,300	70	2,201	45	1,147	15	0	0	9,605	423
FFES_04Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FIDL_01Z	Default	107	161	0	0	2,179	250	4,237	1,720	4,065	3,960	5,032	2,297	15,620	8,388
FIDL_02Z	Default	6,190	1,468	5,239	2,433	4,458	2,576	6,581	2,029	4,903	3,535	5,439	2,800	32,810	14,841
FIDL_03Z	Default	15,014	794	4,376	1,816	4,778	3,424	4,775	2,652	5,392	4,870	2,939	1,449	37,273	15,005
FIDL_04Z	Default	3,727	921	0	0	0	0	0	0	0	0	3,513	2,092	7,240	3,012
FIFO_13Z	Default	0	0	41	49	0	0	0	0	0	0	0	0	41	49
FIFO_14Z	Default	0	0	43	51	0	0	0	0	0	0	0	0	43	51
FIFO_15Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GRAI_01Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GRAI_04Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0

BM Unit	Agreement	Monthly Mvarh												6 Month TOTAL	
		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04			
		Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag
GYAR_01Z	Default	4	11,653	0	0	4,513	5,629	5,930	5,876	7,173	5,057	7,824	3,035	25,443	31,250
HEYM101Z	Market	12,586	31,535	22,357	26,026	21,919	33,747	18,470	29,852	10,727	50,034	432	3,216	86,491	174,411
HEYM102Z	Market	9,853	34,394	22,485	24,812	10,406	22,813	10,761	23,747	6	0	0	0	53,511	105,766
HEYM207Z	Market	12,539	28,205	12,038	16,677	11,123	18,032	4,050	7,629	5,142	7,474	8,815	58,542	53,706	136,558
HEYM208Z	Market	153	660	14,028	7,919	23,200	26,449	15,729	27,604	9,558	45,592	9,201	58,919	71,868	167,143
HINB_07Z	Market	14,386	8,295	20,498	4,462	16,028	3,580	24,169	2,599	24,847	6,769	25,804	3,593	125,731	29,298
HINB_08Z	Market	20,112	7,662	15,069	4,849	19,747	3,622	30,435	1,602	25,959	5,920	24,890	2,706	136,213	26,361
HRTL_01Z	Default	7,089	46,857	4,842	34,054	1	0	17	0	10	0	0	0	11,960	80,911
HRTL_02Z	Default	17,000	170	31,615	592	31,125	1,635	35,179	2,165	27,002	2,744	11,242	566	153,163	7,871
IRNPS01Z	Market	6,480	1,934	4,587	667	413	673	3,205	1,010	4,517	2,962	4,332	4,242	23,534	11,487
IRNPS02Z	Market	3,293	5,137	7,682	4,634	1,433	10,825	1,506	2,878	918	1,557	5,805	2,673	20,636	27,704
KEAD_01Z	Market	5,232	39,788	11,134	32,782	966	5,773	4	62	3,992	46,063	6,492	45,915	27,820	170,383
KILLP01Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KILLP02Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
KILNS01Z	Market	3,680	13,940	7,480	11,914	1,109	3,475	5,828	12,807	3,798	27,128	5,487	21,270	27,381	90,534
KINO_01Z	Market	22,430	170	15,410	104	16,288	1,147	0	0	0	0	0	0	54,128	1,421
KINO_02Z	Market	27,751	102	17,606	434	19,551	706	9,674	2,754	12,827	1,290	17,115	547	104,525	5,832
KINO_03Z	Default	2,079	1,975	9,683	3,693	9,387	2,803	1,342	7,123	4,116	6,333	6,383	5,703	32,992	27,630
KINO_04Z	Default	16,286	1,060	7,928	467	9,994	1,638	6,373	1,787	7,360	1,284	6,307	1,530	54,246	7,767
KLYNA01Z	Default	4,461	0	1,631	0	4,018	0	4,144	0	2,954	0	3,764	0	20,971	0
LBAR_01Z	Default	2,784	63,439	16,824	22,194	22,090	28,293	17,940	35,361	8,868	37,370	5,930	46,109	74,436	232,767
LITTD01G	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LITTD01Z	Market	0	0	0	0	0	0	53	11	91	154	0	0	144	165
LITTD02G	Default	0	0	0	0	0	0	9	3	3	0	0	0	12	3
LITTD02Z	Market	0	0	0	0	282	235	0	0	171	27	365	421	818	684
LITTD03G	Default	2	0	0	0	0	0	3	0	0	0	7	0	11	0
MEDP_01Z	Market	36,563	5,641	37,121	6,028	35,327	7,044	26,432	12,516	21,221	13,061	27,571	12,653	184,233	56,944
OLDS_01Z	Default	3,465	10,215	3,772	6,816	0	0	0	0	0	0	0	0	7,237	17,030

BM Unit	Agreement	Monthly Mvarh												6 Month TOTAL	
		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04			
		Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag
OLDS_02Z	Default	4,092	14,055	2,665	19,973	2,926	14,254	5,615	12,765	2,746	17,973	3,246	17,407	21,290	96,428
PETEM01Z	Default	5,235	2,761	2,421	6,025	331	1,842	1,163	359	7,556	8,137	746	4,854	17,451	23,978
RATS_01Z	Market	0	6,387	0	0	0	0	575	3,522	3,407	16,361	8,598	12,886	12,580	39,156
RATS_02Z	Market	8,901	7,771	4,885	4,654	4,325	8,744	451	2,519	0	0	0	0	18,561	23,689
RATS_03Z	Market	6,060	19,100	11,119	10,954	9,771	16,239	4,204	16,827	1,683	6,349	0	0	32,838	69,468
RATS_04Z	Market	7,383	18,710	10,249	13,289	6,756	10,524	6,446	20,799	3,816	27,276	7,826	28,900	42,477	119,499
ROCK_01Z	Default	38,577	4,217	36,247	3,217	38,886	5,606	17,443	6,706	16,809	7,825	19,028	6,010	166,990	33,582
ROOS_01Z	Default	0	0	25	6,414	293	5,229	102	8,354	1,358	5,427	1,264	247	3,042	25,672
RUGPS06G	Default	0	0	0	0	0	13	0	30	0	10	0	6	0	59
RUGPS06Z	Default	6,512	12,039	1,434	5,672	0	0	0	0	1,266	8,973	3,854	16,745	13,066	43,429
RUGPS07G	Default	0	91	0	7	0	31	0	24	0	14	0	26	0	193
RUGPS07Z	Default	6,364	10,575	3,777	11,554	2,325	8,127	3,903	13,535	4,027	13,072	4,165	19,052	24,561	75,915
RYHPS01Z	Market	12,412	21,872	21,010	11,499	3,698	70	13,802	14,775	6,466	30,789	3,516	34,291	60,903	113,297
SCCL_01Z	Default	2,216	832	2,896	422	263	550	3,812	3,325	1,985	2,587	1,009	1,650	12,181	9,366
SCCL_02Z	Default	2,232	4,125	6,391	2,162	1,111	3,894	2,803	710	1,503	5,682	1,962	5,390	16,001	21,963
SCCL_03Z	Default	2,034	1,866	2,437	3,656	3,441	2,608	4,717	276	1,403	2,709	1,201	1,732	15,234	12,847
SEAB_01Z	Market	9,577	12,272	16,037	6,445	8,068	12,114	10,220	9,347	4,051	6,133	4,643	3,960	52,595	50,271
SEAB_02Z	Market	16,725	6,313	10,306	4,510	11,140	6,021	9,388	5,880	5,490	8,867	6,298	3,291	59,347	34,883
SHBA_01Z	Market	9,326	6,978	6,659	4,977	7,752	6,083	8,003	8,488	5,564	11,314	3,796	13,472	41,100	51,312
SHBA_02Z	Market	5,724	5,825	7,524	3,573	6,142	6,142	7,148	8,181	3,231	13,739	4,008	12,309	33,777	49,769
SHOS_01Z	Default	6,014	3,210	4,216	4,650	3,136	7,912	3,144	4,884	5,389	2,439	3,632	2,988	25,532	26,083
SIZB_01Z	Market	4,328	5,370	0	0	2,747	9,047	8,816	16,365	6,162	28,894	10,674	24,935	32,727	84,612
SIZB_02Z	Market	8,837	11,966	79,114	826	81,169	0	69,646	0	64,664	0	60,929	0	364,360	12,793
SIZEA01Z	Default	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SIZEA02Z	Default	994	9,859	3,632	2,266	3,311	16,369	1,893	5,479	1,101	7,592	2,405	6,274	13,336	47,840
SUTB_01Z	Default	11,916	22,945	17,022	14,528	11,930	19,050	14,454	24,463	7,610	34,051	11,003	43,267	73,935	158,303
TAYL_02Z	Market	0	0	56	6	0	0	0	0	0	26	0	0	56	32
TAYL_03Z	Market	1	7	0	2	0	0	0	0	4	3	0	0	5	12

BM Unit	Agreement	Monthly Mvarh												6 Month TOTAL	
		Apr-04		May-04		Jun-04		Jul-04		Aug-04		Sep-04			
		Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag	Lead	Lag
TESI_01Z	Default	15,272	3,896	6,979	4,205	7,510	16,641	5,597	9,322	9,454	14,007	7,955	14,471	52,767	62,541
TESI_02Z	Default	16,524	3,396	18,332	1,573	12,086	11,982	8,713	7,806	12,482	11,856	5,794	16,628	73,930	53,241
TILBB08Z	Default	6,729	3,861	4,066	2,144	0	0	0	0	0	0	0	0	10,795	6,005
TILBB09Z	Default	4,725	4,779	6,470	3,409	5,092	4,065	3,886	5,802	5,754	3,228	1,450	4,948	27,377	26,232
TILBB10Z	Default	4,584	4,404	5,822	5,335	2,135	6,854	3,160	9,809	4,935	13,152	5,840	11,764	26,476	51,319
WBUPS01Z	Market	729	33,963	1,283	18,439	842	35,476	1,308	33,631	567	40,562	818	36,454	5,546	198,524
WBUPS02Z	Market	846	38,174	1,306	29,245	1,305	36,628	1,550	32,381	580	31,896	1,420	43,712	7,007	212,036
WBUPS03Z	Market	1,001	36,499	122	4,865	0	0	0	0	508	37,758	1,356	42,308	2,988	121,430
WBUPS04Z	Market	771	27,841	1,371	23,902	368	7,240	889	25,598	453	39,782	1,745	30,883	5,597	155,245
WYLF_01Z	Default	0	0	4,000	0	26,325	19	21,535	56	16,331	407	19,109	80	87,299	563
WYLF_02Z	Default	26,279	153	23,540	90	12,689	193	10,986	981	23,297	117	16,847	119	113,638	1,655
WYLF_03Z	Default	1,320	0	11,518	18	15,406	274	14,749	2,297	18,654	642	25,491	5	87,138	3,237
WYLF_04Z	Default	1,256	0	5,584	390	19,115	140	7,045	1,776	16,818	58	9,687	1,025	59,505	3,388
Subtotal	Default	366,958	443,895	444,798	325,159	442,153	365,402	378,809	353,733	348,385	417,808	353,037	416,838	2,334,140	2,322,835
Subtotal	Market	465,855	658,719	629,413	484,640	539,177	569,232	491,434	598,770	371,494	831,969	438,821	871,508	2,936,194	4,014,838
Total	Mvarh	832,813	1,102,614	1,074,211	809,799	981,330	934,634	870,242	952,503	719,879	1,249,777	791,858	1,288,346	5,270,334	6,337,673

Appendix 6 - Tender Assessment Procedure

A6 Introduction

A6.1 National Grid assessed Reactive Power Tender Round 14 in a manner consistent with the processes applied to all previous Tender Rounds, as detailed in Schedule 3 of the CUSC. Analytical processing was conducted in six-month time periods (Winter (1 October to 31 March) and Summer (1 April to 30 September)). In order to consider any interaction with the overlap of contracts secured during the previous Reactive Power Market Tender Rounds and also to take into account the effects of the implementation of CUSC Modification CAP045.

A6.2 National Grid has divided the process of assessing tenders into several stages, which were addressed as follows:

- *Tender Receipt and Registration*: The tenders were opened, in the presence of a separate witness and all tender data submitted was entered into TARDIS (Transmission Ancillary Reactive Database Information System).

- *Tender Data validation*: All TARDIS entries were then separately checked back to the original tender sheets. Compliance checks within TARDIS showed that the majority of tenders submitted were compliant. The non-compliances arose from submissions of new DRC data making the tendered technical data inconsistent. All the technical data non-compliances were resolved satisfactorily during the tender evaluation period.

- *Obligatory Reactive Power Service Assessment*: The tenders were assessed against forecast, taking into account the many interacting factors associated with each tender acceptance decision, as described in Appendix 6 in Schedule 3 of the CUSC. This involved, inter-alia, evaluation against projections of expenditure and availability of service against historical and forecast Mvar and Mvarh data to produce central views of the money payable under the DPM (Default Payment Mechanism) or a Market Agreement (described below). The overall assessment was supported by an examination of a number of credible sensitivities around the central assessment.

- *Enhanced Reactive Power Service Assessment*: The single ERPS tender received was considered on an individual basis against possible alternatives, namely transmission constraints or National Grid investment. It was also assessed against all the ORPS assessment criteria.

A6.3 Core Analytical Processing

- Tender assessment takes place in the context of uncertainties and interactions affecting reactive payments and transmission requirements. To initiate the assessment of the overall value of each tender, it is considered necessary to construct a central view of future payments so that the relative impact of the factors influencing the economic evaluation of tenders can be fully addressed.

For each BM Unit tendered, the processing was as follows:

- Forecast Mvarh generated, in each utilisation band by reactive Mvar breakpoints, were set via extrapolations from historical observations and forecast load factors. The historical observations covered the period 2003 to 2004 and came from the Ancillary Services records against which Reactive Power utilisation is currently being paid.

- The default payment mechanism utilisation money was set at forecast Mvarh multiplied by the forecast utilisation prices. These prices were £1.8884/MVArh Winter and £1.7449/MVArh for Summer. (Derived from CUSC Schedule 3, using a forecast of indices). These are above the prices of £1.7486/MVArh Winter and £1.6156/MVArh for Summer, as published in the Invitation to Tender & Guidance Notes for Completion of Tenders in the ITT Documentation. Significant increases were seen in the forward price forecasts between the issue of the ITT and Tender opening. Since it appeared that Tenderers could only be advantaged, by NGC assessing against default prices more generous than those published, all tenders were assessed against prices higher than default.

- Market agreement capability money was set at tendered price multiplied by tendered capability, allowing for break-points, multiplied by forecast hours for both available and synchronised capability.

- Market agreement utilisation money was set at tendered prices, multiplied by the above forecast Mvarh, respecting the tendered break-point bands of Mvarh utilisation.

- The core comparison of default versus market agreement is based on the forecast payments detailed above. However, Reactive Power assessment is by no means as simple as taking the cheapest option. A full understanding of the factors influencing Reactive Power requirements on the National Grid Transmission System must be taken into account to provide a complete economic assessment of tender value.

A6.4 Assessment Sensitivities

- The principal role of tender assessment is to quantify and evaluate consistently the many factors that should be considered. These factors are referred to in 5.3(e)(ii) of Schedule 3 of the CUSC and are cross-referenced in section 2.12 of the Invitation to Tender & Guidance Notes for Completion of Tenders in the ITT Documentation. National Grid assessment has developed and implemented a process enabling these factors and associated uncertainties to be methodically considered.

- In the light of CAP045, the variability in the DPM price will affect the balance between market and default payments. The robustness of the core contract decisions was tested against a range of default prices from the central forecast default prices used (£1.8884/MVArh Winter and £1.7449/MVArh for Summer). The range considered was from -8% (the forecast prices in the Guidance Notes) to +5%.

- The Reactive Power market tender evaluation process is subjective in nature, based as it is on forecast assumptions. It has therefore been important to establish a framework within which this subjectivity could be exercised in a consistent fashion across all tenders.

  Specific questions were asked of each tender, examples of which follow:

  - *Would a Market Agreement (central case assessment) give a reduction in payments?*

  - *Would a Market Agreement reflect the effectiveness at providing voltage support at that location?*

  - *Would a Market Agreement be robust against expected individual variations in utilisation due to:*
    - *a new station opening nearby*
    - *an existing nearby station closing*
    - *trends in local Reactive Power demand*
    - *reinforcements to and planned outages of parts of the transmission system*

  - *Would a Market Agreement enhance the incentive on the Generator to maintain its Grid Code capability?*

  - *How would a Market Agreement affect operational despatch?*

  - *To what extent might a Market Agreement potentially offset National Grid investment?*

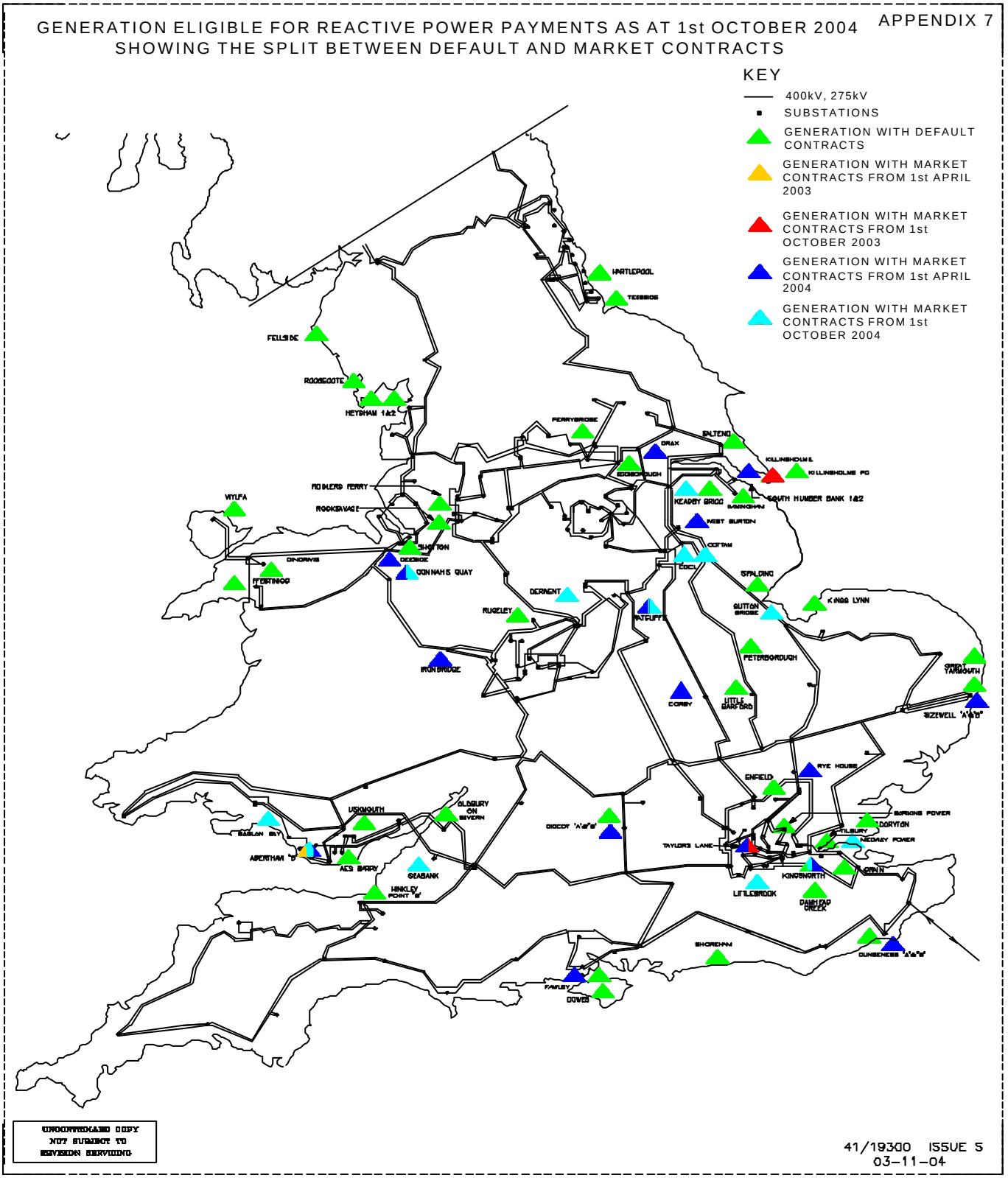
- *Would a Market Agreement for ORPS enable a desired contract for ERPS?*

- All other criteria in CUSC Schedule 3, paragraph 3, are covered by this methodology.

- In all cases, National Grid continued to consider interaction with forecast transmission constraints. In all cases, there were insignificant interactions with constraints identified.

In all cases, National Grid considered possible interaction with National Grid planned investments. The commissioning in 2003/04 and 2004/05 of new National Grid transmission equipment, which includes some reactive compensation equipment, influenced National Grid's view of forecast Mvarh. All of the commissioning equipment is required for compliance with Transmission Licence Standards, and re-phasing of planned National Grid investments within a 12-month contract period is not a practical option.

Appendix 7 - Geographic Distribution between DPM and Market Contracts



Appendix 8 - Contact Information

A8.1 Further report information, comments suggestions and enquiries can be directed to:

Amanda Lewis
Operations and Trading
National Grid Transco
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

On telephone number: **01926 653577**
Email: **amanda.lewis@ngtuk.com**

A8.2 For any other information please visit the National Grid website on the following address:

www.nationalgrid.com/uk/balancing/indinfo/balancing/mn_reactive.html