

Fast Reserve

Market Information for Tenders for September 2002

National Grid publish the following information, in order to inform participants in the Fast Reserve tender round for September 2002.

Fast Reserve Availability

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

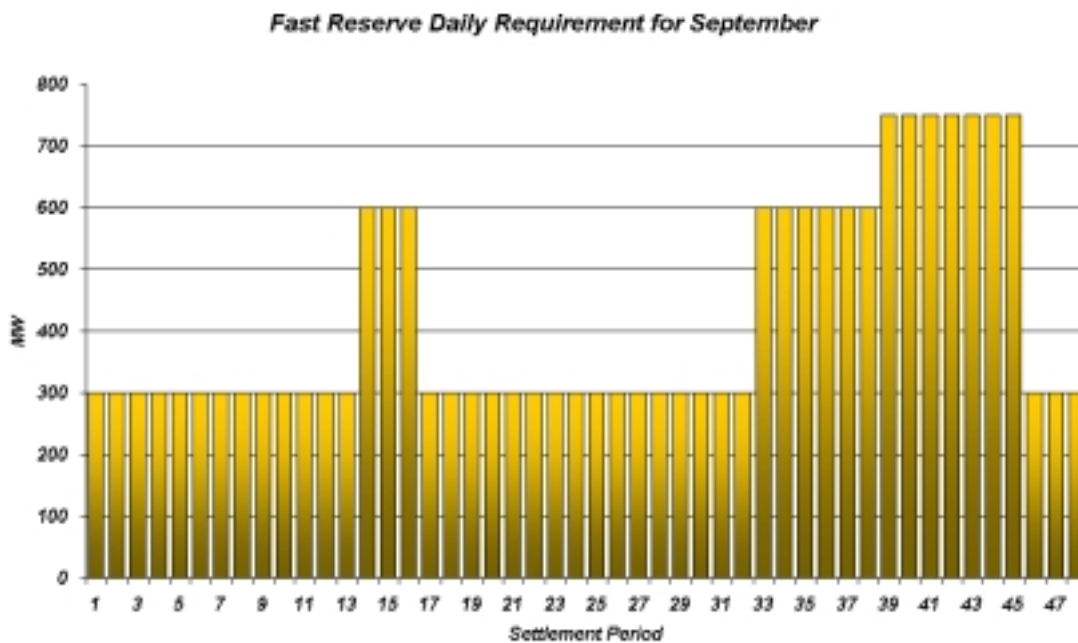


Figure 1

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 during June (1st – 30th June 2002) and July (1st – 31st July 2002). This information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve in the BM.

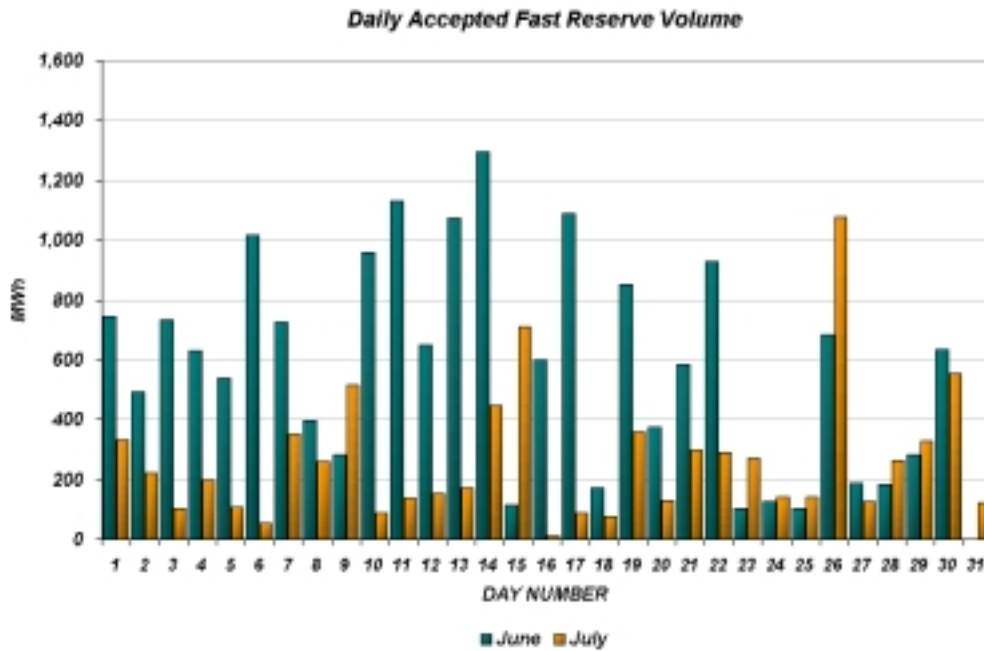


Figure 2

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.

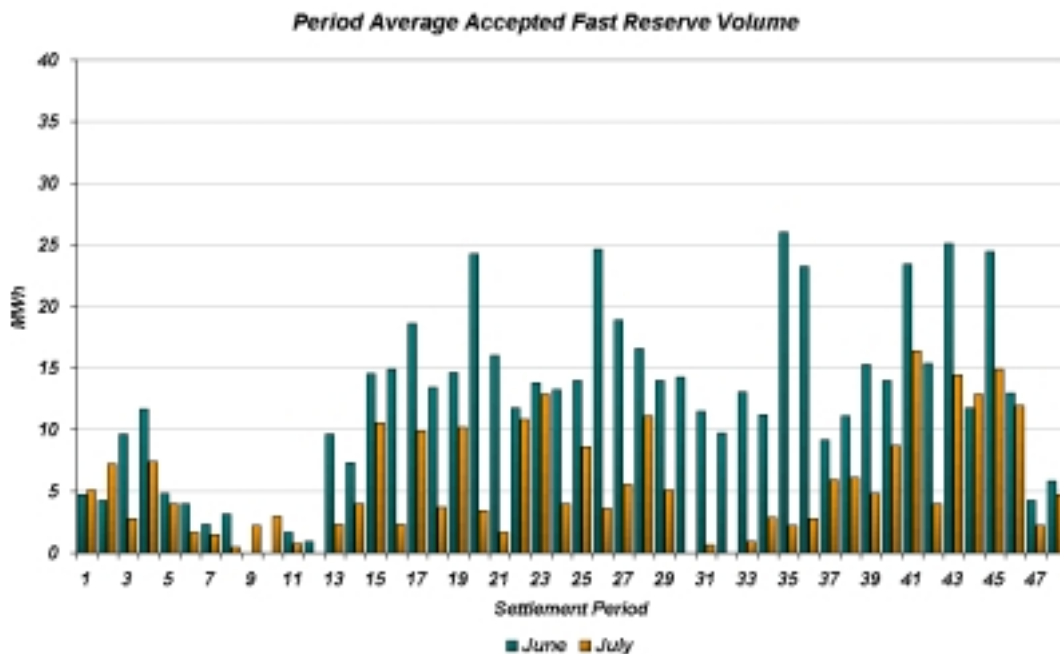


Figure 3

The total volumes of Fast Reserve utilisation of **17.7 GWh** for June and **8.1 GWh** for July break down into price bands as follows:

JUNE	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	108	638	0.1
	0 to 300	13,448	106	1.4
Total		13.6 GWh		£1.5 m
BIDS	0 to 300	-3,274	10	0.0
	-300 to 0	-884	-136	0.1
	-1000 to -300	0	n/a	n/a
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-4.2 GWh		£0.1 m
Total		17.7 GWh		£1.6 m

JULY	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	29	656	0.02
	0 to 300	7,854	119	0.9
Total		7.9 GWh		£1.0 m
BIDS	0 to 300	-25	2	0.0
	-300 to 0	-7	-208	0.0
	-1000 to -300	-215	-487	0.1
	-2000 to -1000	0	n/a	n/a
	-10000 to -2000	0	n/a	n/a
Total		-0.2 GWh		£0.1 m
Total		8.1 GWh		£1.1 m

These charts and tables show that from June to July Fast Reserve utilisation cost decreased by 0.5 £m (approximately 30%) and volume decreased by 54%. The levels seen in July were closer to the levels seen in May. June Fast Reserve utilisation was higher than either May or July, partly due to the World Cup.

The September demand shape follows the summer trend seen in July. Accordingly, we expect Fast Reserve utilisation and value to mirror levels seen during July 2002, August 2002 and also levels observed by the end of last summer.

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