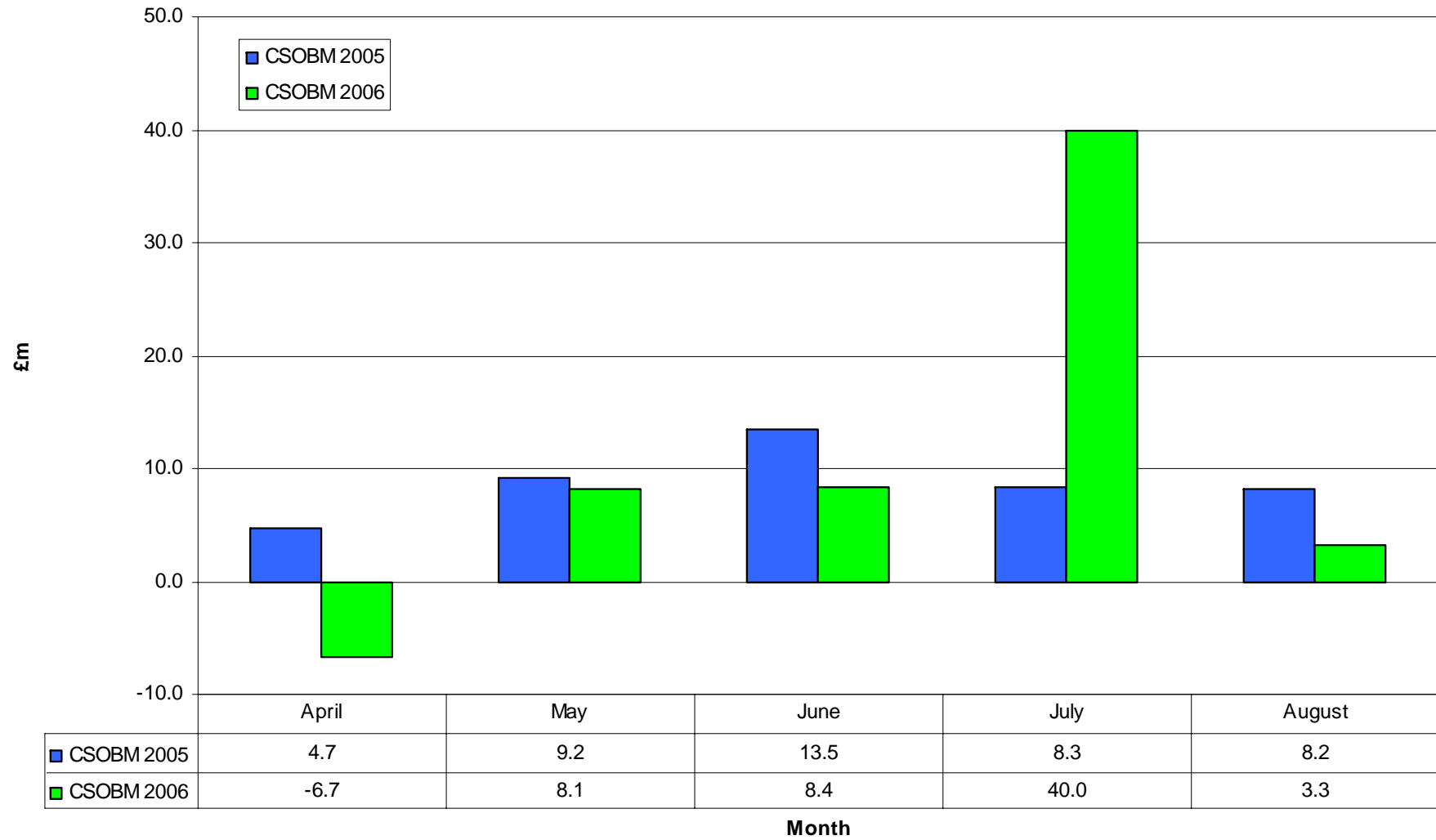


Balancing Cost Update

Balancing Mechanism Costs



Ancillary Service Costs – MBSS

Service	£m	Apr-06	May-06	Jun-06	Jul-06	Aug-06
* Reactive Power Market	Market arrangements	1.2	1.1	1.1	1.2	1.1
	Default Payment arrangements	2.9	2.9	2.7	2.7	2.6
Standing Reserve		3.8	4.2	3.6	4.2	4.6
Mandatory Frequency Response	Holding Spend	4.8	4.7	5.3	5.3	5.2
	Response Energy Payment Spend	-0.4	-0.3	-0.2	-0.4	-0.2
Commercial Frequency Response		3.7	3.9	4.0	4.1	4.4
Fast Start		0.3	0.3	0.3	0.3	0.2
Black Start		1.0	1.1	0.8	1.0	1.0
Warming		0.1	0.1	0.3	0.4	0.0
Fast Reserve	Tendered (excl BM energy payments)	0.7	0.7	0.7	0.7	0.7
*	Non-Tendered	2.2	2.8	2.7	2.7	2.4
SO-SO		0.3	0.1	1.3	4.1	0.0
System to Generator Operational I/T's		0.0	0.0	0.0	0.0	0.0
* All Other Services		8.8	2.0	4.1	3.4	2.5
Forward Trading (Net Costs)		0.1	1.4	3.0	8.1	3.4
PGBT's		0.6	0.1	0.0	0.4	0.0
TOTAL	TOTAL	30.1	25.1	29.7	38.2	27.9

* Figures for these services have been back changed

Monthly Balancing Services Statements (MBSS) can be found at: -

<http://www.nationalgrid.com/uk/Electricity/Balancing/services/Summary/> 