

Fast Reserve

Market Information for Tenders for December 2003

National Grid Transco publishes this information, in order to inform potential participants for the Fast Reserve tender round for December 2003.

Fast Reserve Availability

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

Fast Reserve Daily Requirement for December

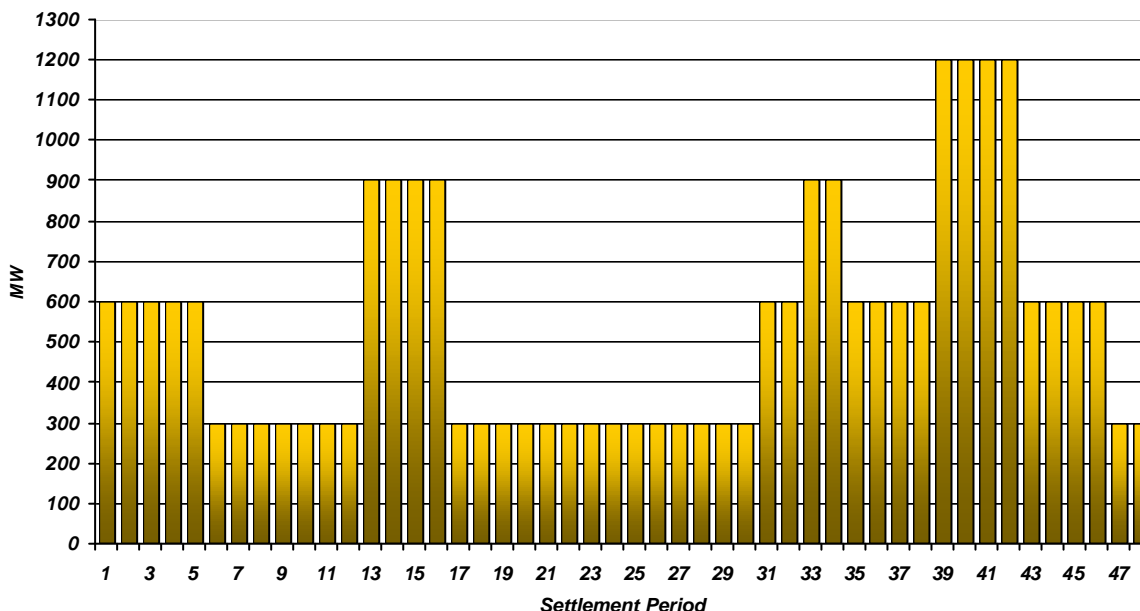


Figure 1

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 September (1st – 30th September 2003) and October (1st – 31st October 2003). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve.

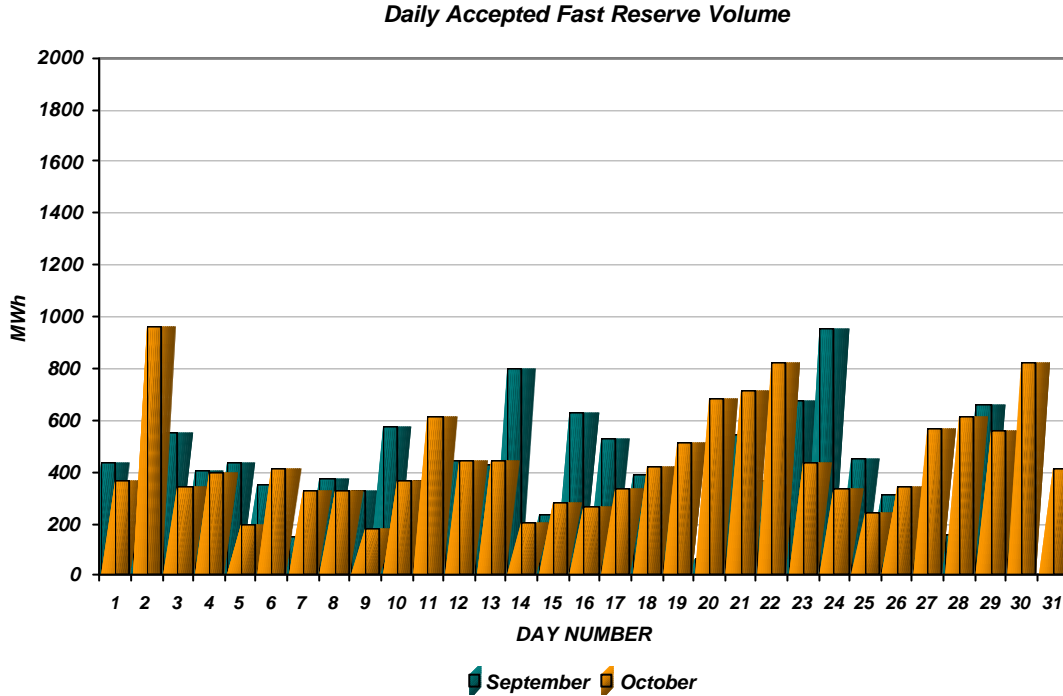


Figure 2

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.

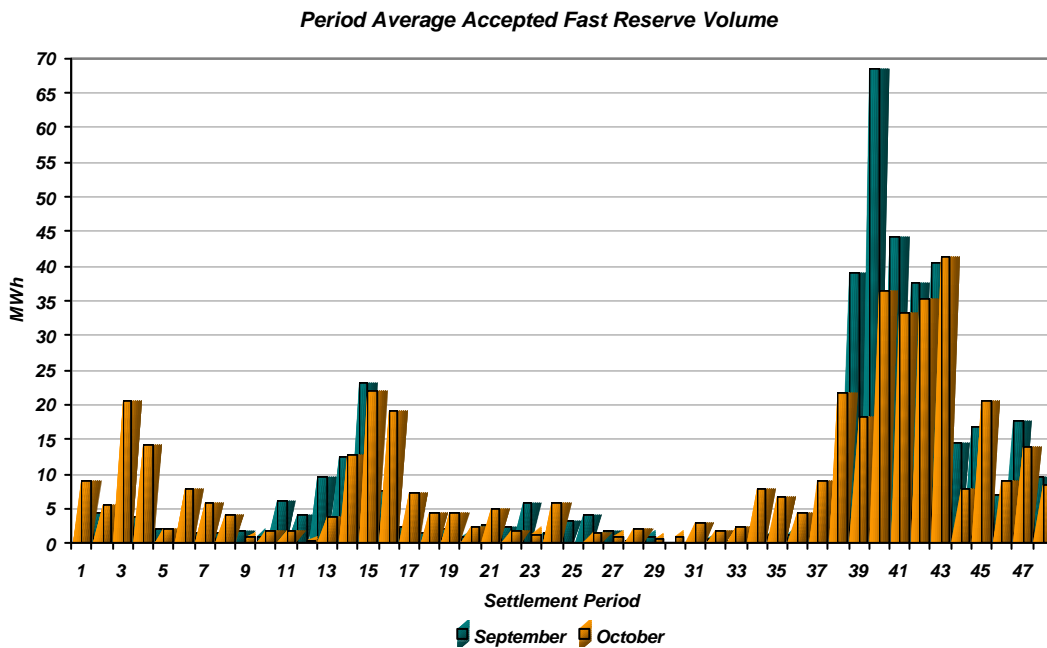


Figure 3

The total volumes of Fast Reserve utilisation of **12.8 GWh** for September and **14.0 GWh** for October break down into price bands as follows:

| September | Price band (£/MWh range) | Volume (MWh) | Average Price (£/MWh) | Cost (£m) |
|---------------|--------------------------|-----------------|-----------------------|----------------|
| OFFERS | 2000 to 10000 | 0 | n/a | n/a |
| | 1000 to 2000 | 4 | 1,728 | 0.01 |
| | 300 to 1000 | 3 | 500 | 0.00 |
| | 0 to 300 | 11,344 | 127 | 1.44 |
| Total | | 11.4 GWh | | £1.45 m |
| BIDS | 0 to 300 | 0 | n/a | n/a |
| | -300 to 0 | -1,317 | -60 | 0.08 |
| | -1000 to -300 | -133 | -722 | 0.10 |
| | -2000 to -1000 | -9 | -1,728 | 0.02 |
| | -10000 to -2000 | 0 | n/a | n/a |
| Total | | -1.5 GWh | | £0.19 m |
| Total | | 12.8 GWh | | £1.64 m |

| October | Price band (£/MWh range) | Volume (MWh) | Average Price (£/MWh) | Cost (£m) |
|---------------|--------------------------|-----------------|-----------------------|----------------|
| OFFERS | 2000 to 10000 | 0 | n/a | n/a |
| | 1000 to 2000 | 0.25 | 1,728 | 0.00 |
| | 300 to 1000 | 115 | 480 | 0.06 |
| | 0 to 300 | 13,069 | 122 | 1.59 |
| Total | | 13.2 GWh | | £1.64 m |
| BIDS | 0 to 300 | 0 | n/a | n/a |
| | -300 to 0 | -649 | -60 | 0.04 |
| | -1000 to -300 | -138 | -542 | 0.07 |
| | -2000 to -1000 | -24 | -1,332 | 0.03 |
| | -10000 to -2000 | 0 | n/a | n/a |
| Total | | -0.8 GWh | | £0.15 m |
| Total | | 14.0 GWh | | £1.79 m |

The above charts and tables show that from September to October overall Fast Reserve spend rose by ~9% as a result of higher utilisation.

For December, the demand shape will display winter characteristics. Fast Reserve utilisation patterns for December are expected to be similar to those seen in December 2002 with a low requirement over the Christmas Period. Overall Fast Reserve utilisation is forecast to outturn similar to December 2002.

For the month of **December**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Friday 14th November 2003. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Friday 21st November 2003.

Tenders should be sent for the attention of:

Paul Bagg
Operations & Trading
National Grid Transco plc
National Grid House
Kirby Corner Road
Coventry
CV4 8JY

Tenders can be sent by fax to Paul Bagg on 024 7642 3114 before 12:00 on Friday 14th or by fax to Heather Hughes 0118 9363472 after 12:00 on Friday 14th.