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Dear Service Provider

Updated Default Price Forecast Relating to Reactive Power Invitation to Tender for Tender Round 25

As communicated in the Reactive Power Invitation to Tender for Tender Round 25 documentation, published on the 11 September 2009, National Grid has chosen to issue updated default price forecasts to be utilised for tender assessment.

The following information replaces data previously communicated within section 6 of the Tender Round 25 Guidance Notes. The specific data that has been updated is shown in red.

Six monthly forecasts will be used over the periods:

- *Summer 2010 (April to September) and:*
- *Winter 2010/11 (October to March)*

- *Forecast RPI over Summer 2010 of **219.1** and Winter 2010/11 of **221.6** (January 1987 = 100 base)*
- *Forecast new wholesale electricity price index over Summer 2010 of **£40.45/MWh** and Winter 2010/11 of **£50.40/MWh** (using Seasonal Forward Baseload prices).*

Resulting Forecast Default Payment rates are:

- *Summer 2010 = **£2.47/Mvarh** and:*
- *Winter 2010/11 = **£2.88/Mvarh***

The Market Day for the submission of Tenders for the 25th Tender Round is 17:00 hours on Friday, 13th November 2009. The Reactive Power Market Report for the Twenty Fourth Tender Round for Contracts Effective 1st October 2009 will be available and published on the National Grid Industry Information website by 6th November 2009. Previous Market Reports from earlier tender rounds are also available via the website.

Yours sincerely

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