

Fast Reserve

Market Information for Tenders for January 2005

National Grid Transco publishes this information, in order to inform potential participants for the Fast Reserve tender round for January 2005.

Fast Reserve Availability

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

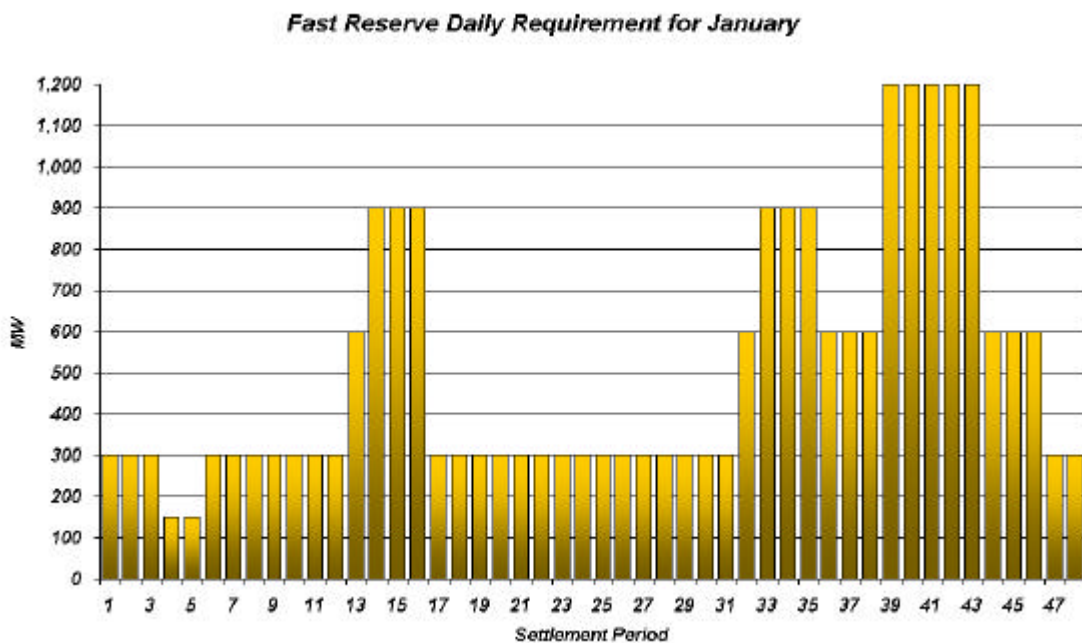


Figure 1

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 October (1st – 31st October 2004) and November (1st – 30th November 2004). The BM information is based on the aggregate of Offers plus |Bids| accepted to provide Fast Reserve or an equivalent service.

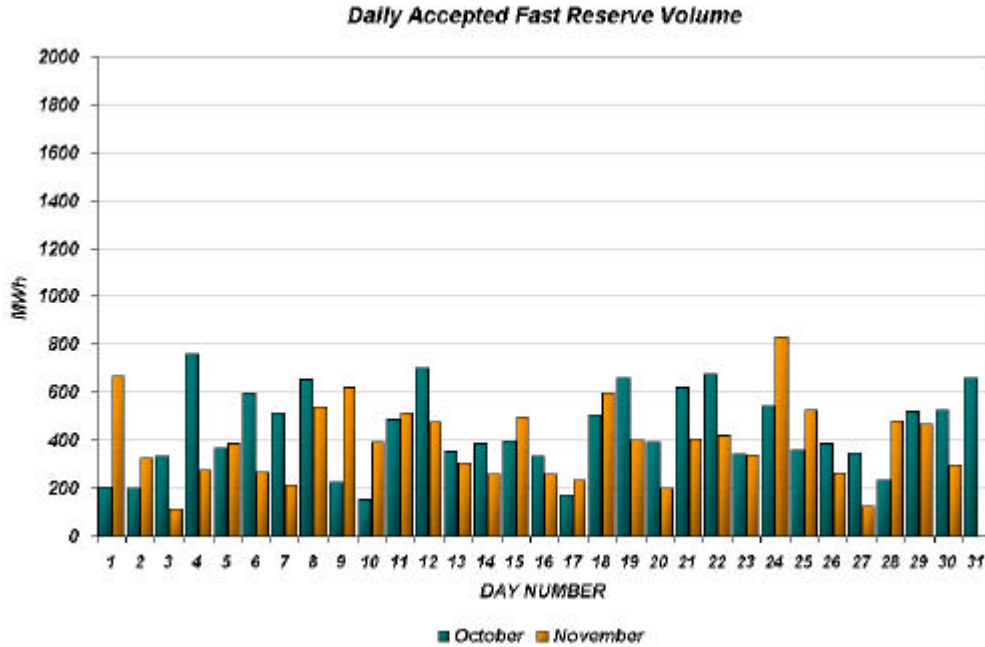


Figure 2

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.

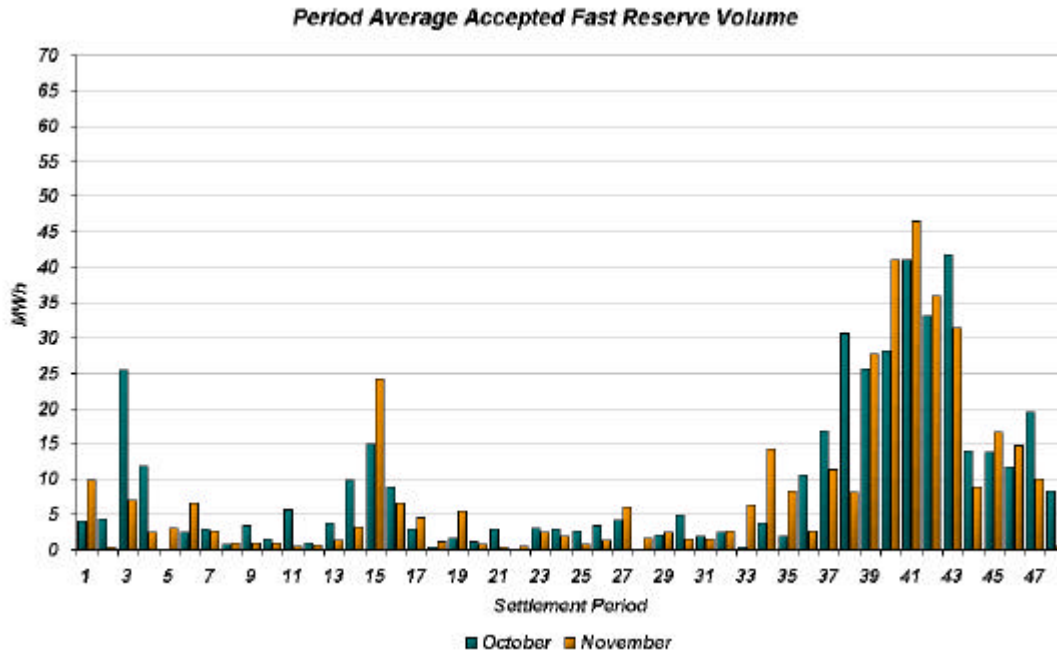


Figure 3

Figure 4 re-presents the same historical data, as an average utilisation price per Settlement Period for each month.

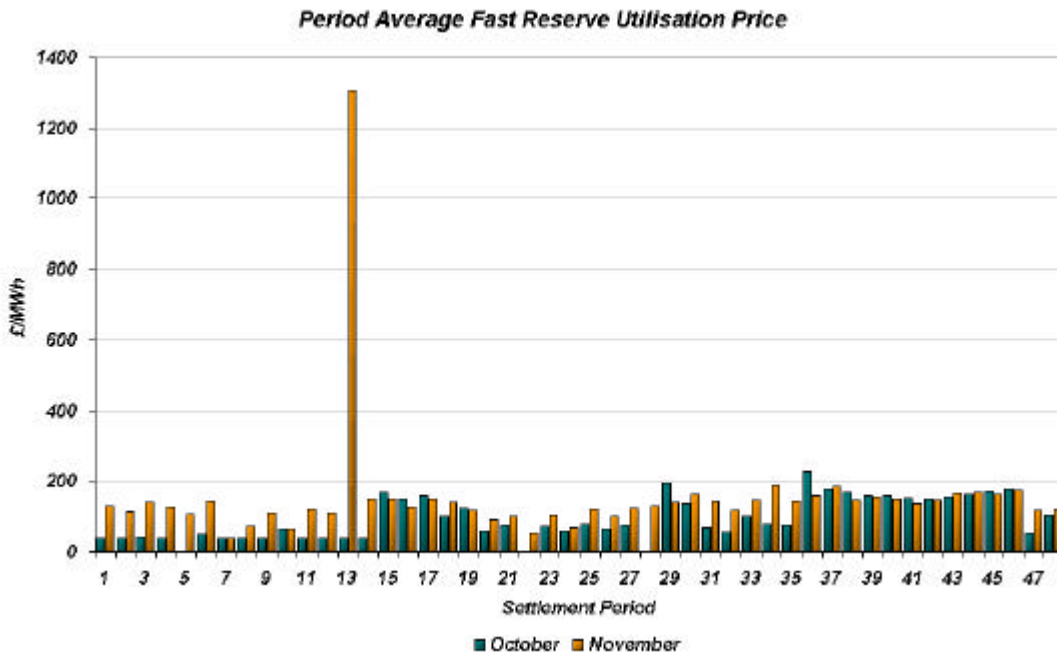


Figure 4

Finally, the same data is used in figure 5, below, to show the profile of total Fast Reserve utilisation expenditure per Settlement Period for each month.

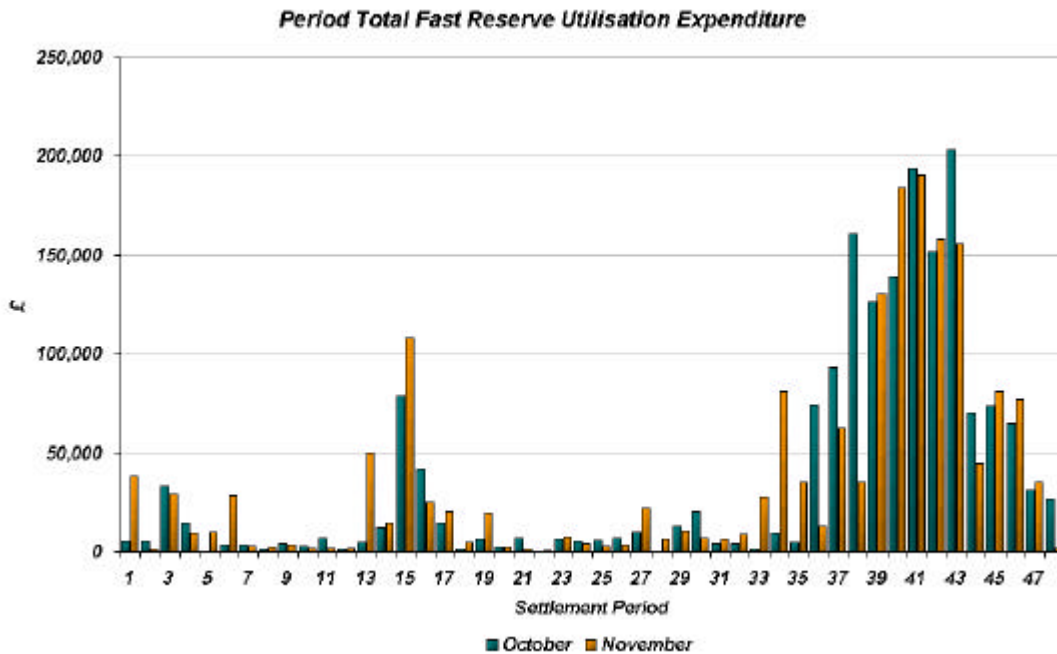


Figure 5

The total volumes of Fast Reserve utilisation of **13.6 GWh** for October and **11.7 GWh** for November break down into price bands as follows:

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	n/a	n/a
	300 to 1000	0	n/a	n/a
	0 to 300	13,418	131	1.76
Total		13.4 GWh		£1.76 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-52	-169	0.01
	-1000 to -300	-120	-442	0.05
	-2000 to -1000	-24	-1,600	0.04
	-10000 to -2000	0	n/a	n/a
Total		-0.2 GWh		£0.10 m
Total		13.6 GWh		£1.86 m

November	Price band (£/MWh range)	Volume (MWh)	Average Price (£/MWh)	Cost (£m)
OFFERS	2000 to 10000	0	n/a	n/a
	1000 to 2000	27	1,800	0.05
	300 to 1000	0	n/a	n/a
	0 to 300	11,390	145	1.65
Total		11.4 GWh		£1.70 m
BIDS	0 to 300	0	n/a	n/a
	-300 to 0	-205	-119	0.02
	-1000 to -300	-76	-525	0.04
	-2000 to -1000	-8	-1,680	0.01
	-10000 to -2000	0	n/a	n/a
Total		-0.3 GWh		£0.08 m
Total		11.7 GWh		£1.77 m

The above charts and tables show that from October to November overall Fast Reserve utilisation fell by ~14%, with a lower associated fall in total costs of ~ 5%.

For January 2005, the demand shape continues as a full winter profile with an associated requirement for Fast Reserve. Fast Reserve utilisation patterns for January 2005 are, overall, expected to be similar to January and February 2004.

Further to information provided in the Market Report for the October 2004 tender round, NGT has taken forward an offer made outside the tender process, but assessed in tandem, for an equivalent fast reserve service for the period November 2004 to April 2005 inclusive. As a result, the level of requirement shown in the Fast Reserve Requirement Graph, figure 1, above, has been discounted to reflect the anticipated availability of such pre-contracted services.

For the month of **January**, tenders from eligible Service Providers for a firm Fast Reserve service should be submitted to National Grid by close of business on Tuesday 14th December 2004. National Grid Transco will notify Service Providers of the outcome of the tender assessment by Tuesday 21st December 2004.

Tenders should be sent for the attention of:

Bea Ennim
Operations & Trading
National Grid Transco plc
NGT House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Tenders can be sent by fax to Bea Ennim on 01926 656612.