

Operational and SO Cost Update

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Agenda

- SO Cost Update
- BSUoS Update
- Operational Issues

SO Cost Update – Forecast review

- ◆ £535m forecast presented at April Ops. Forum

	2006-7 Outturn	2007-8 Outturn	2008-9 March Forecast
Net Energy	-95	-108	-154
Margin + STOR *	161	184	258
Net Energy + Margin +STOR *	66	76	104
Constraints *	105	70	129
Response	160	158	145
Reactive	53	47	63
Other Items	103	93	94
TLA / TLIC	9	7	0
Total	495	451	535

Items marked “*” incorporate LCPD and Wind costs

SO Cost – Variance to date

- ◆ Costs incurred to date substantially above forecast
- ◆ Majority of variance in June and July

	2008-9 March Forecast	Variance Apr+May	Variance June+July	Total Variance
Net Energy	-154	-11	-5	-16
Margin + STOR *	258	24	28	53
Net Energy + Margin +STOR *	104	13	24	37
Constraints *	129	-11	41	30
Response	145	9	19	28
Reactive	63	-2	0	-2
Other Items	94	-6	5	-1
TLA / TLIC	0	0	0	0
Total	535	3	89	91

Items marked “*” incorporate LCPD and Wind costs

SO Cost - Outlook

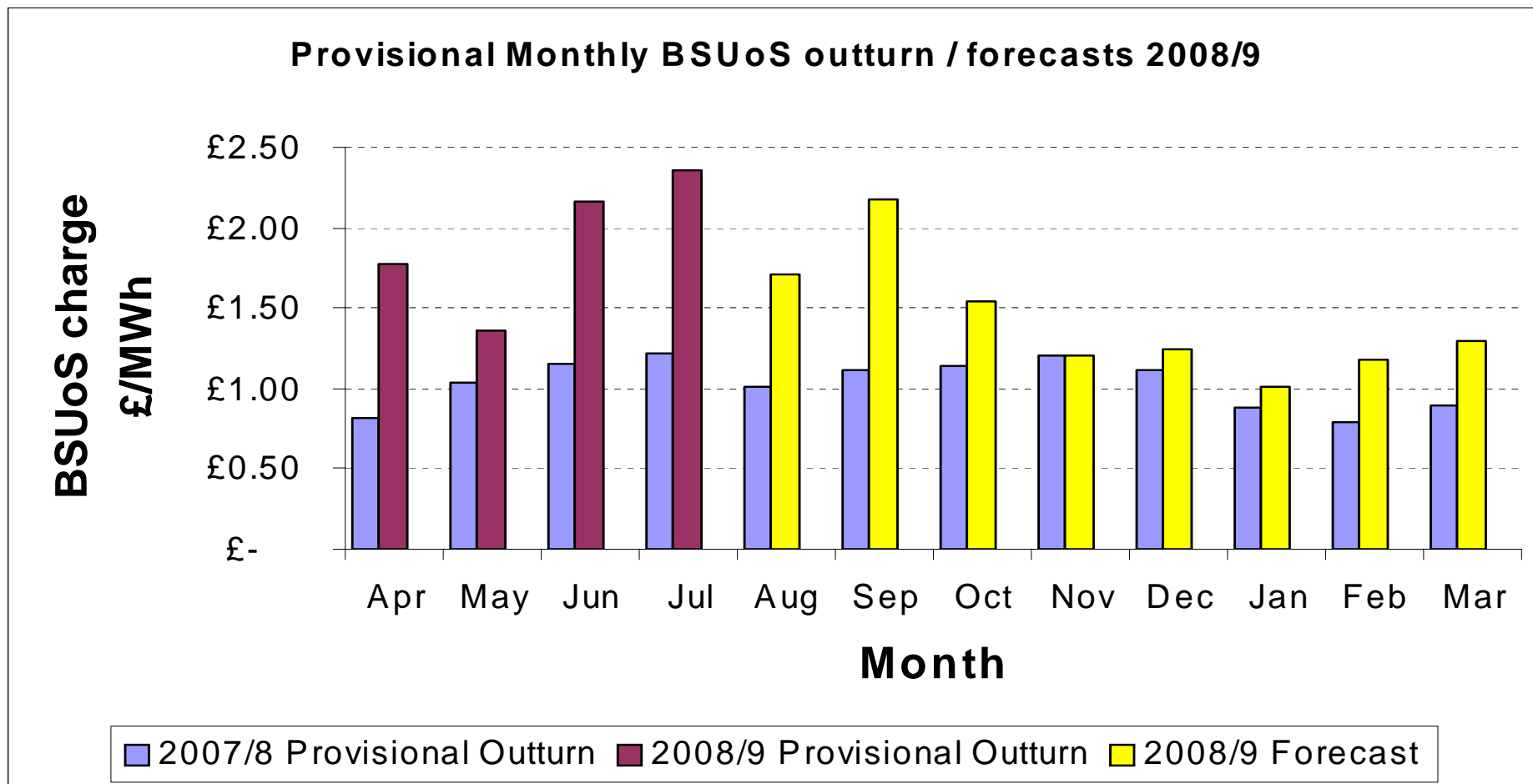
- ◆ Revised forecast of £770m includes variance to date and updated values for the rest of the year

	2008-9 March Forecast	Forecast To End July	Variance To End July	Forecast Balance of Year	Total 2008/9
Net Energy	-154	-47	-16	-166	-228
Margin + STOR *	258	73	53	263	389
Net Energy + Margin + STOR *	104	27	37	97	161
Constraints *	129	66	30	142	238
Response	145	48	28	139	215
Reactive	63	18	-2	45	61
Other Items	94	23	-1	73	95
TLA / TLIC	0	0	0	0	0
Total	535	183	91	496	770

Items marked “*” incorporate LCPD and Wind costs

Provisional BSUoS outturn / forecasts 2008/9

- ◆ Anticipated BSUoS charge higher forecast at £1.55/MWh



Operational Performance Summary

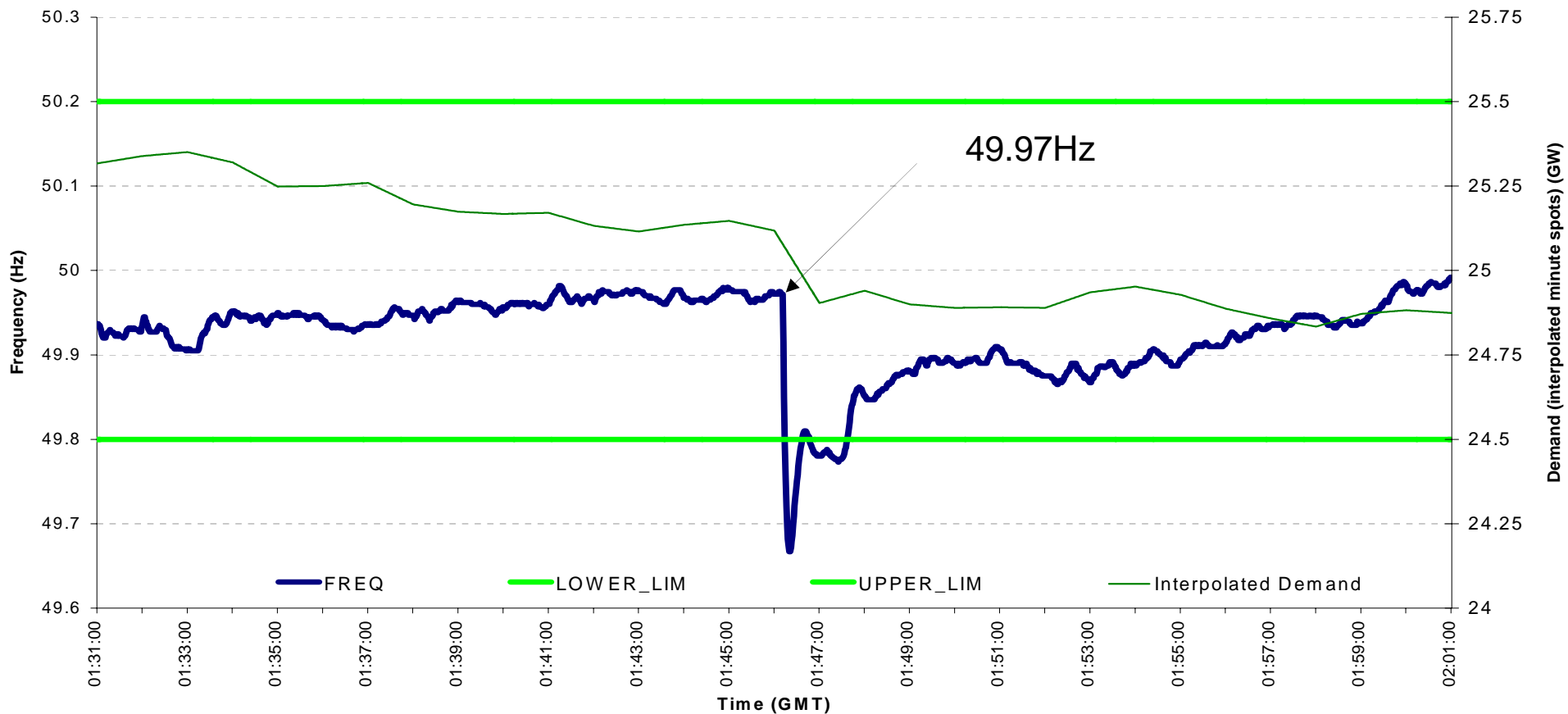
- ◆ Tight Margins but no NISMs
- ◆ A number of constraints around the system have reduced available margin
- ◆ But no specific issues presenting operational difficulties

Update on May 27th large plant losses

- ◆ Report to DBERR & Ofgem has published on National Grid website
 - ◆ Can be found under electricity\ grid code \ associated documents
 - ◆ <http://www.nationalgrid.com/uk/Electricity/Codes/gridcode/associateddocs/>
- ◆ Findings are in line with presentations given at previous Forum, BSC Panel and DSWG
- ◆ Investigations are still on-going

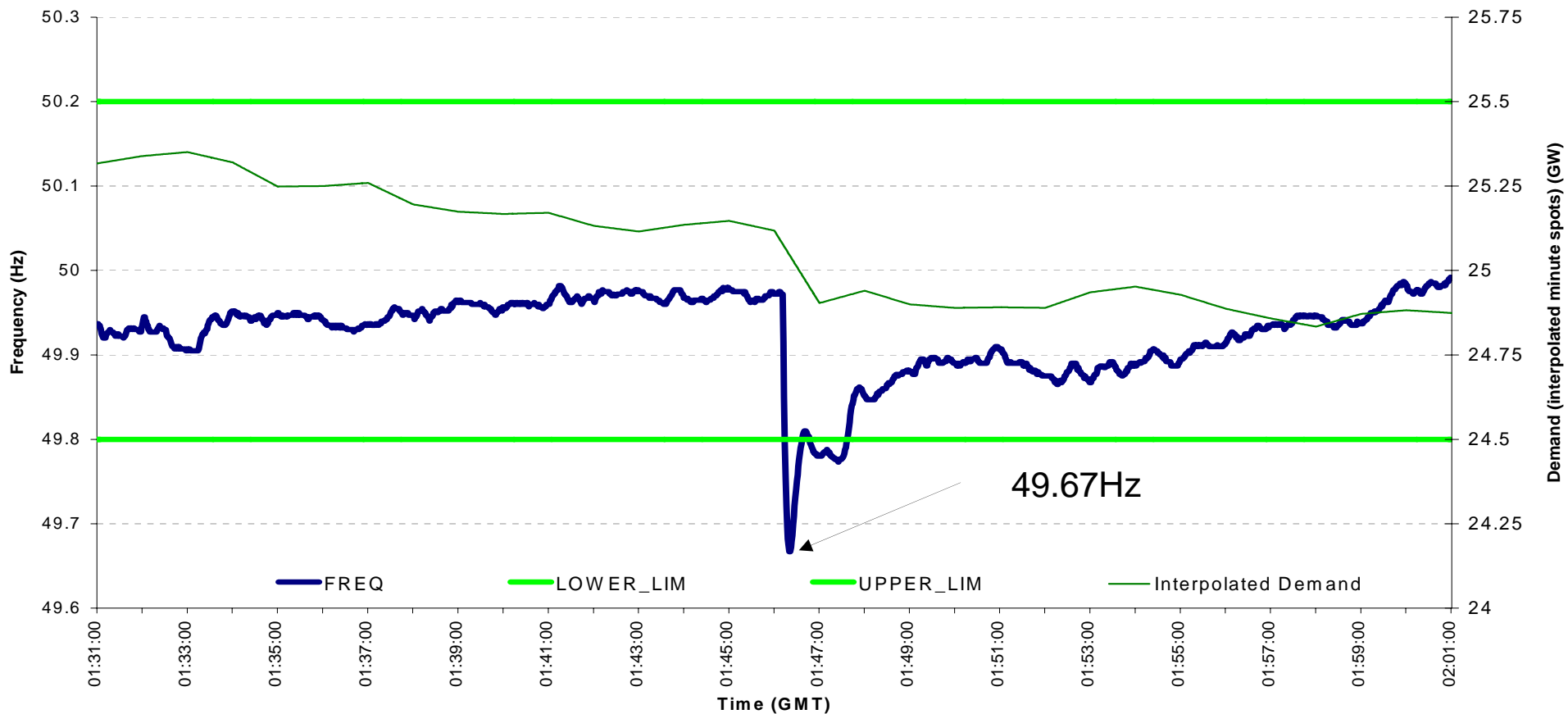
System Frequency following bipole trip

Frequency on 31/07/2008



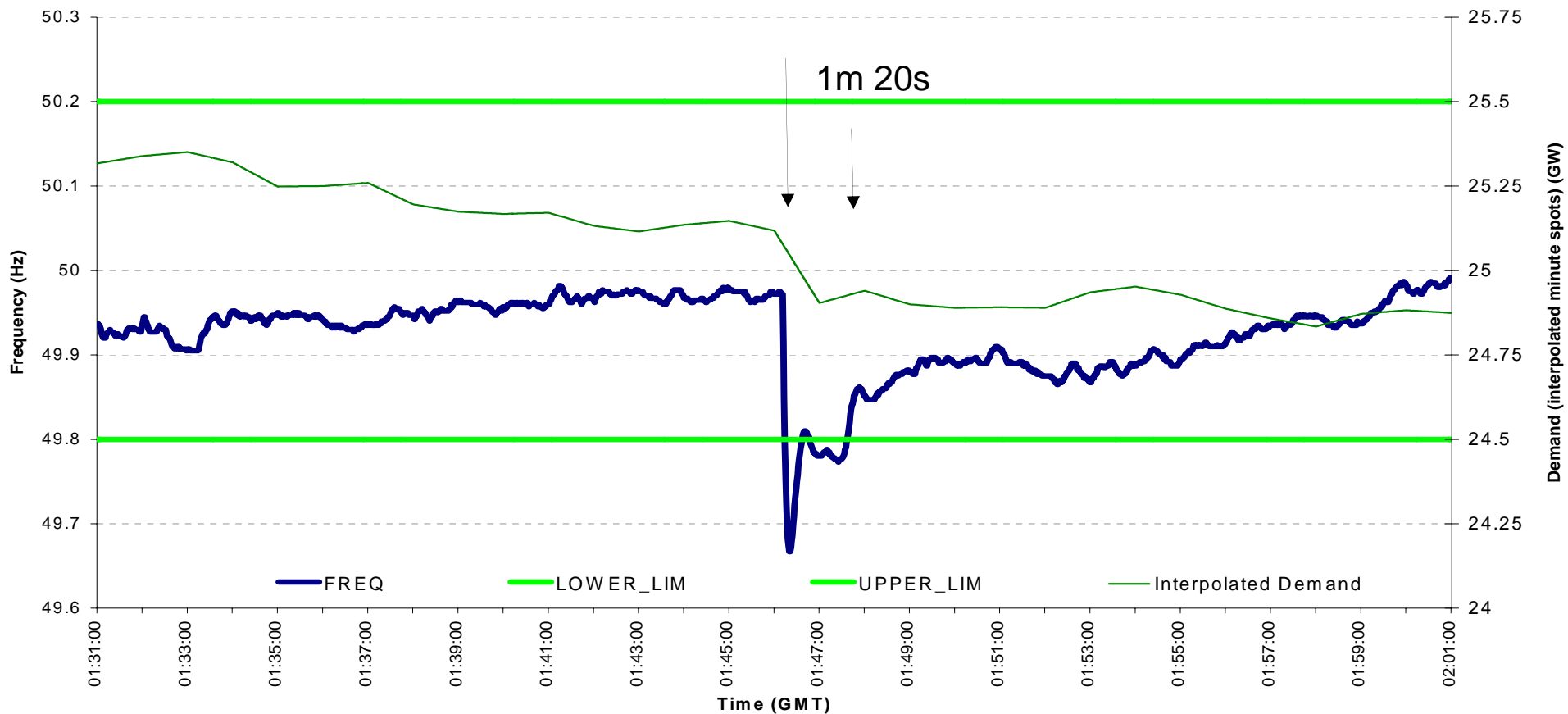
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Frequency on 31/07/2008

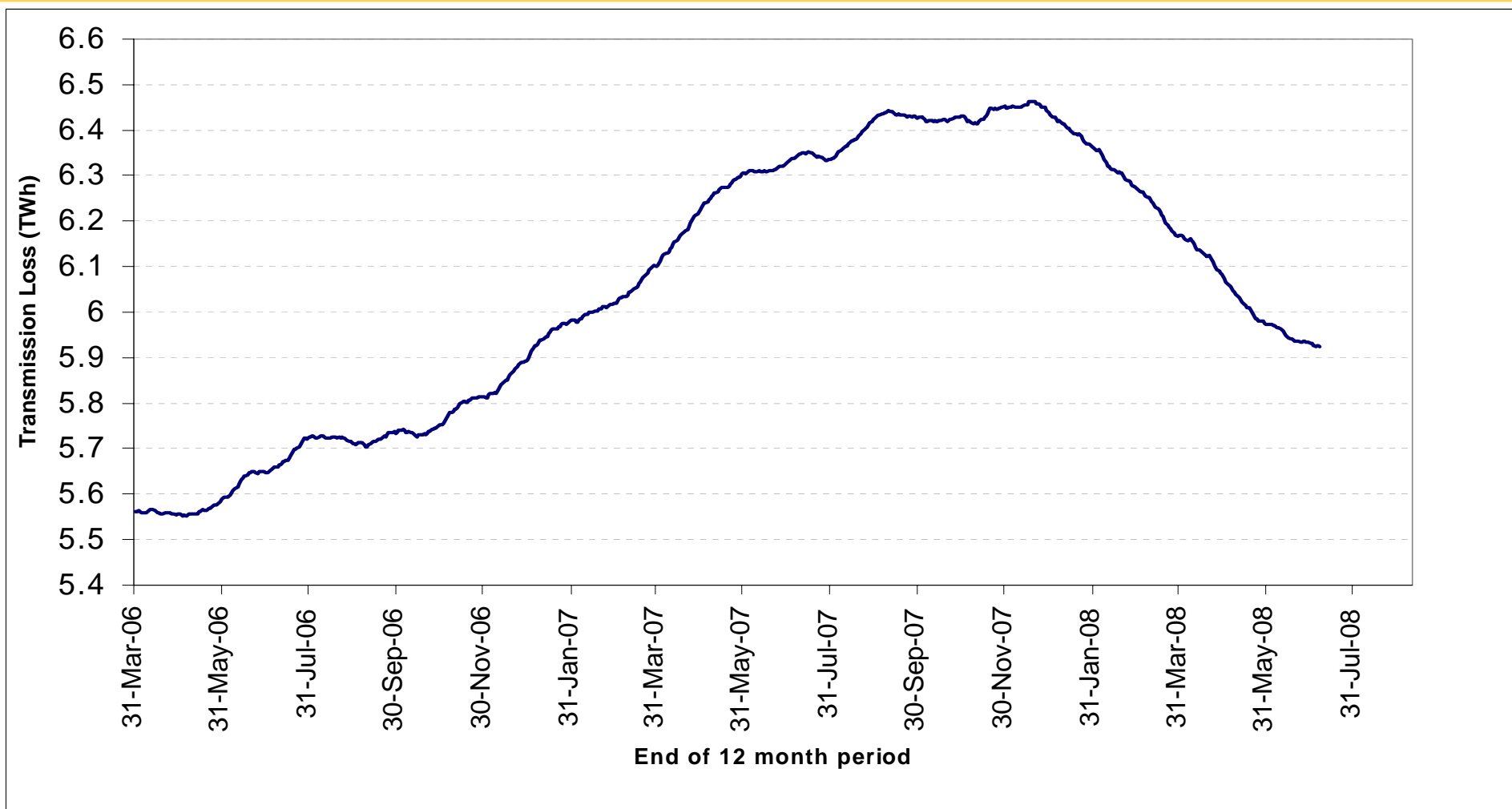


Transmission Loss Update

- ◆ Rolling total transmission loss for last 365 days has continued to decline
- ◆ Now at 5.93 TWh for 365 days to 8 July 08
- ◆ Expected to remain at this level

- ◆ Ofgem consultation on transmission licence change for 5.9TWh forecast
 - ◆ Responses by 14th August

Transmission Loss – Rolling 365 day total



◆ Current data hints at the start of a plateau coincident with start of a generation outage in the South West, as predicted by model