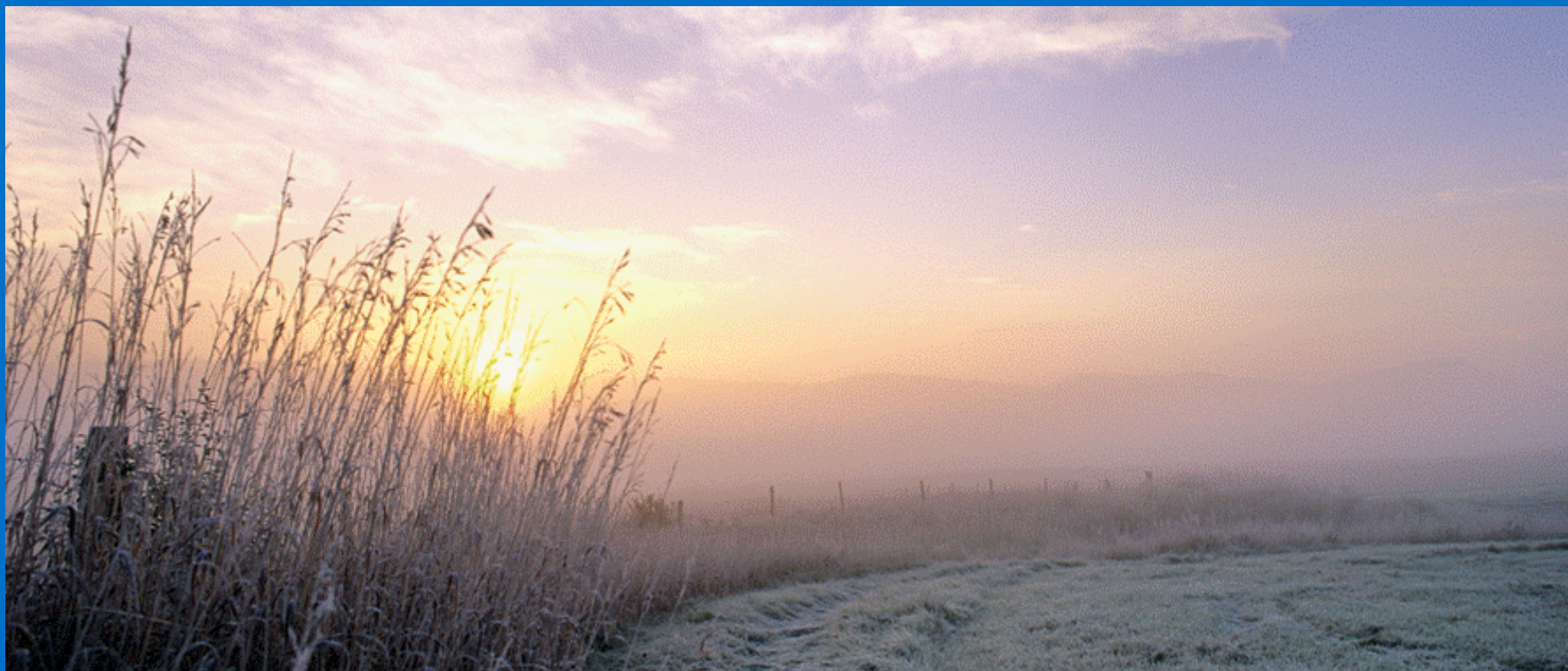


A scenario for Winter 2006/07

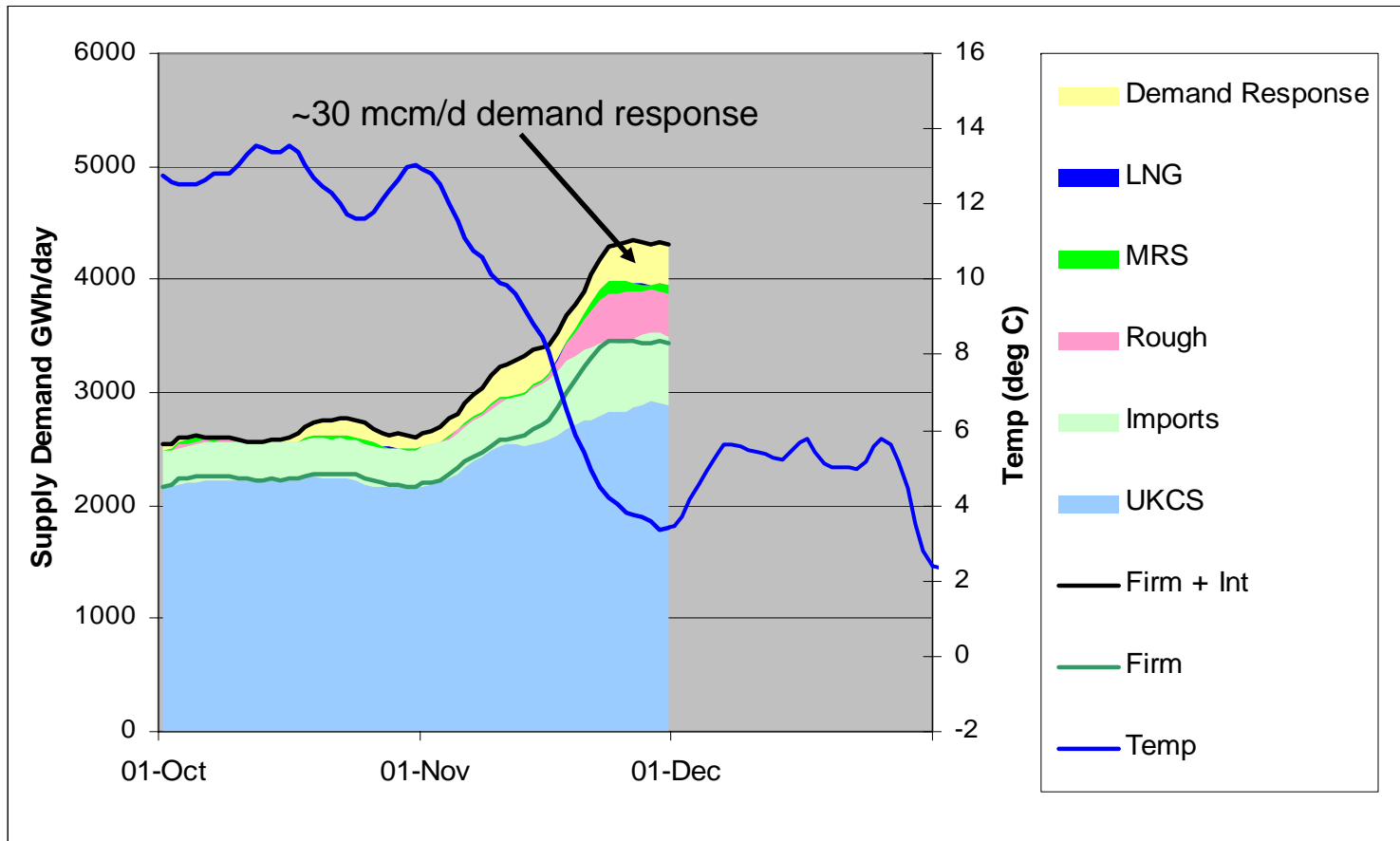


nationalgrid

Outline

- ◆ Review supply / demand position for early winter 2005/06
- ◆ Compare 2005/06 & forecast 2006/07 supplies
- ◆ Develop a feasible scenario for early winter 2006/07
- ◆ Storage reserves at end of 2006

1 October to 30 November



Comparison of 05/06 & early winter 06/07 supplies

Supply (mcm/d)	2005/06	2006/07
UKCS	269	261
Imports	77*	99**
Total storage	~119	~120
Total supplies	~465	~480

* IUK Interconnector originally 42, revised to 30

** BBL commissioning in December hence excluded

**Overall – potential for increase
but significant uncertainty**

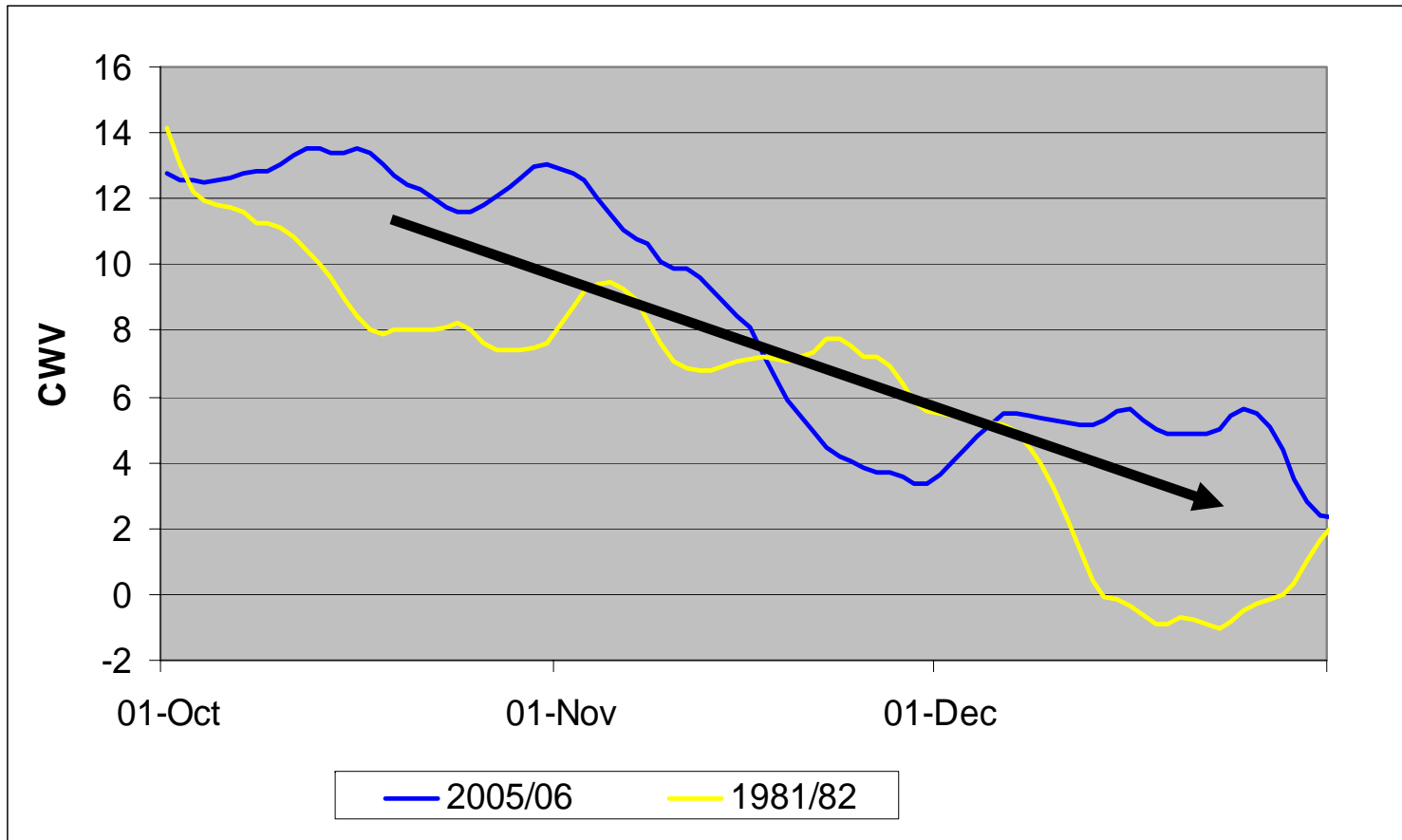
Note: Numbers subject to change as 2006 TBE consultation process is undertaken

nationalgrid

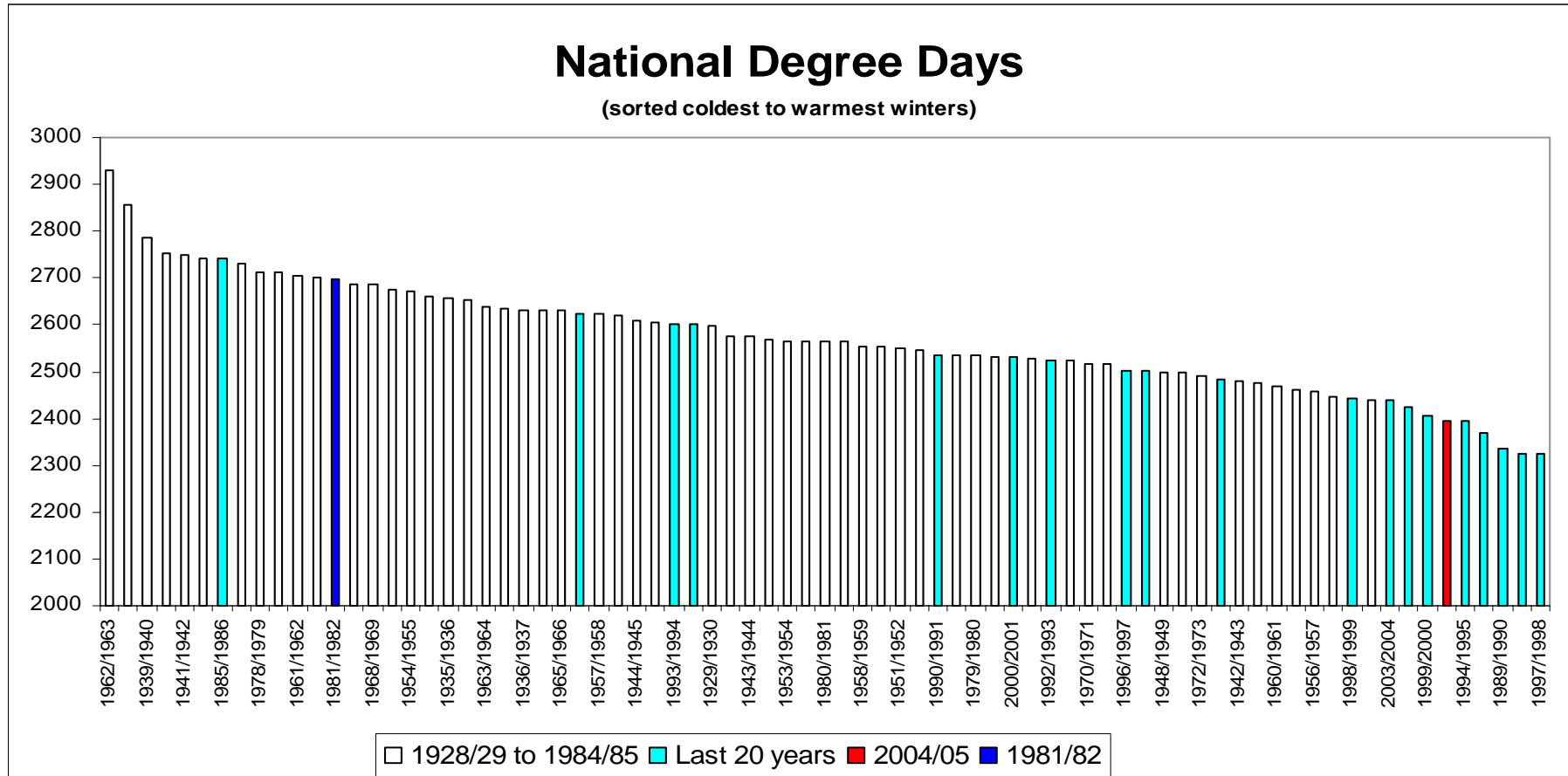
Scenario for 2006/07

- ◆ 1 October to 30 November – a repeat of 2005/06
 - ◆ Assume same temperatures & demands as for 2005/06
 - ◆ “Cold” two weeks in November
 - ◆ Ignore year on year demand growth (conservative)
 - ◆ Assume same baseload and storage supplies as for 2005/06

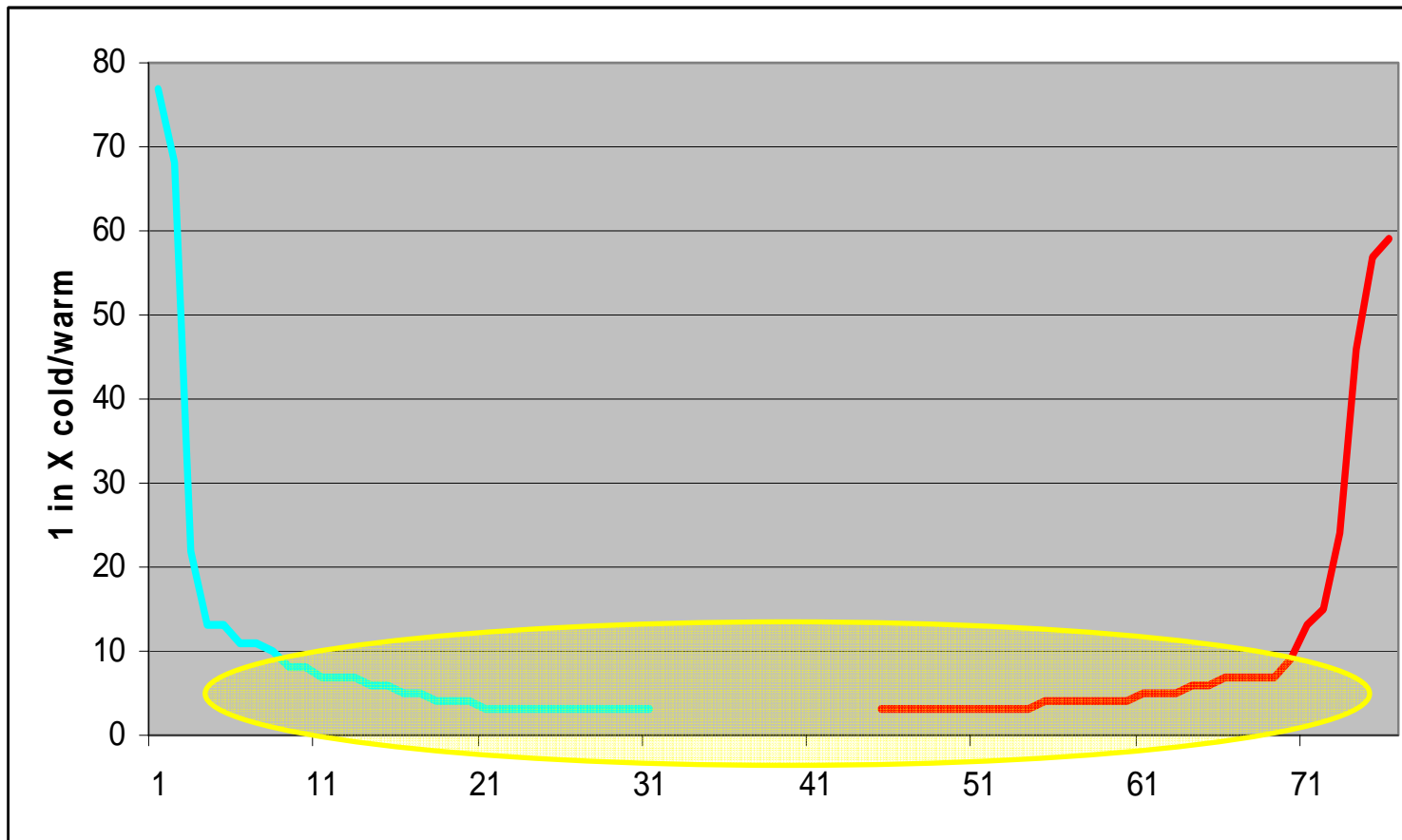
Comparison of 2005/06, 1981/82 CWVs



Winter severity



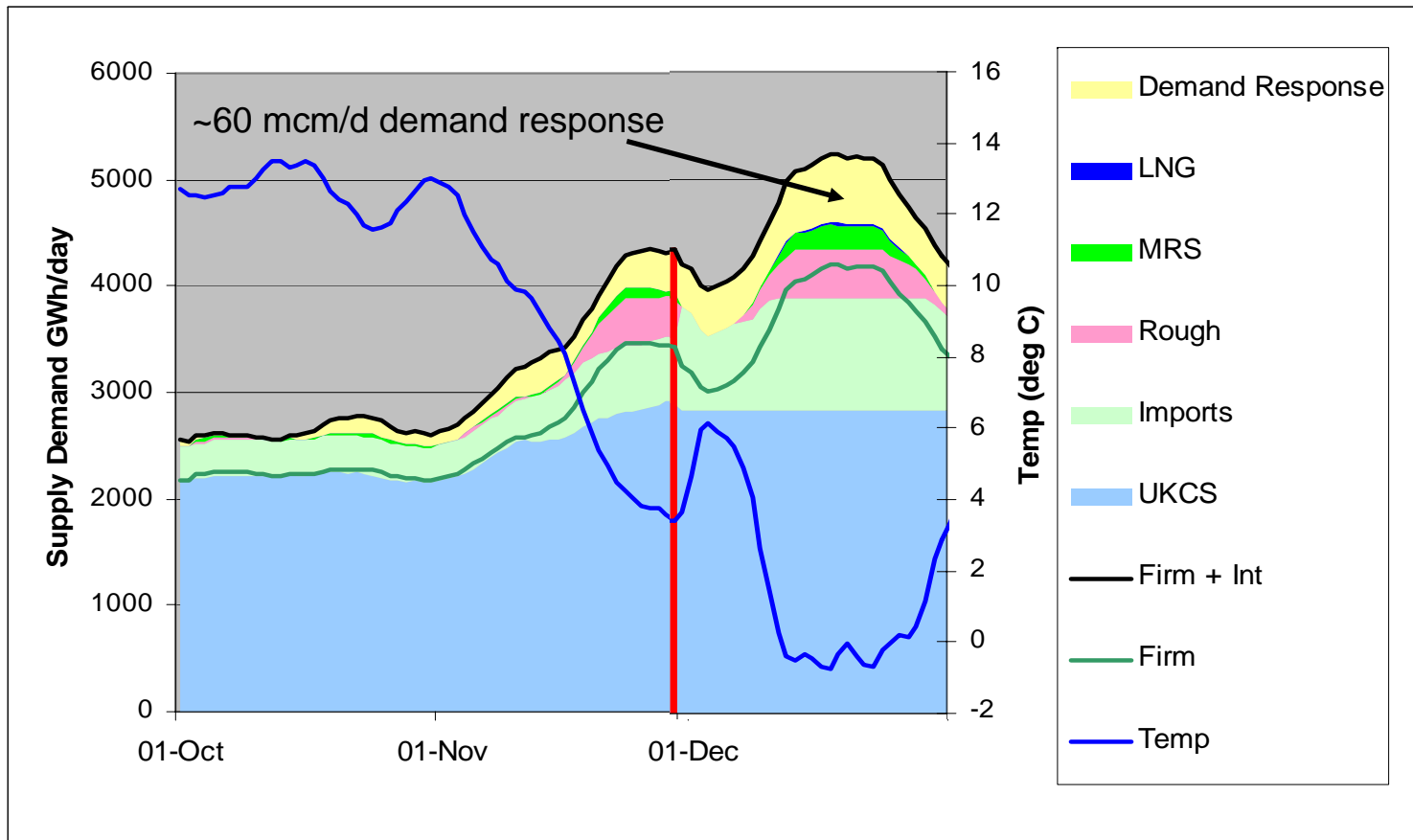
Winter severity



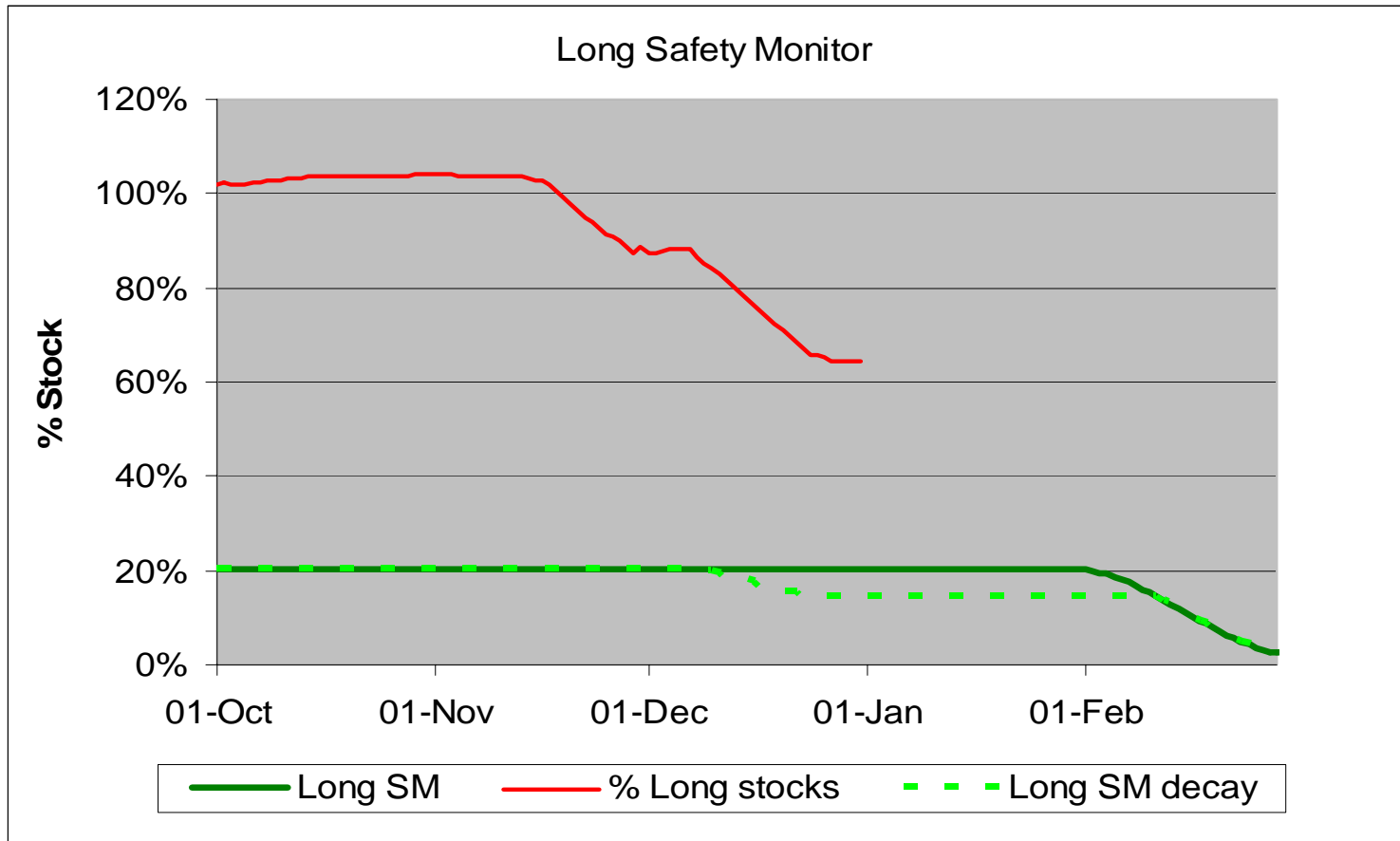
Scenario for 2006/07

- ◆ 1 October to 30 November – a repeat of 2005/06
 - ◆ Assume same temperatures & demands as for 2005/06
 - ◆ “Cold” two weeks in November
 - ◆ Ignore year on year demand growth (conservative)
 - ◆ Assume same baseload and storage supplies as for 2005/06
- ◆ 1 Dec to 31 Dec
 - ◆ Assume temps for 1981/82
 - ◆ 1 in 7 Cold (78 year trend), cold spell in December
 - ◆ Assume demand response consistent with 2005/06
- ◆ Assume 2005/06 safety monitor levels

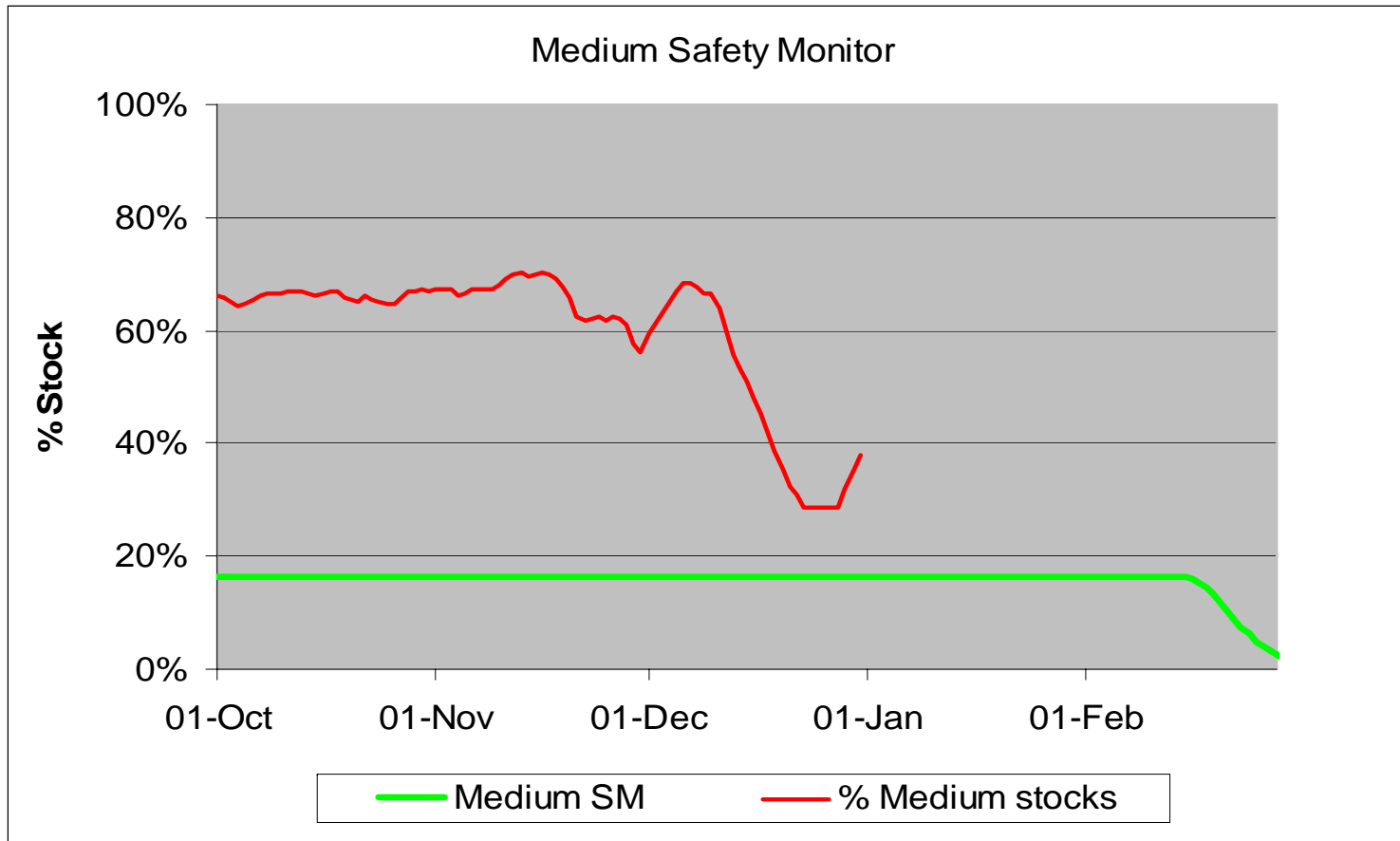
Early winter 2006/07 scenario



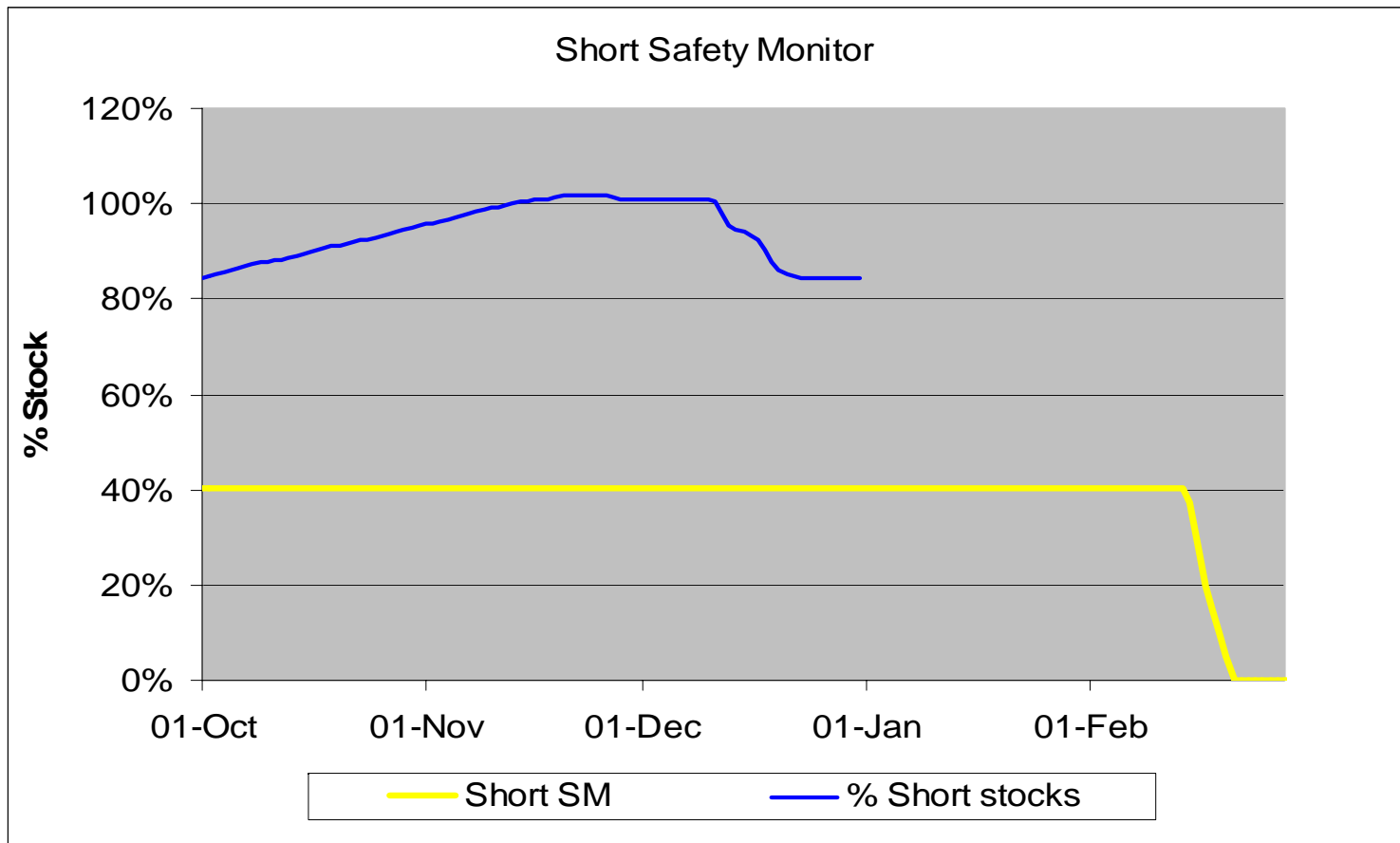
Long storage



Medium storage



Short storage



Conclusions

- ◆ A feasible scenario
 - ◆ 2005/06 November slightly colder than average
 - ◆ 1981/82 December colder than average
- ◆ Supplies – significant uncertainty
- ◆ Demands – significant demand response assumed
- ◆ Storage stocks based on scenario
 - ◆ Short – very little use
 - ◆ Medium – stock levels near to Safety Monitor
 - ◆ Long – possibility of breach later in winter