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Date: 18th April 2011

Dear Adam

**Modification of the Balancing and Settlement Code (“BSC”) :
Modification Proposal P266**

Reference is made to the direction to National Grid Electricity Transmission plc (“NGET's”) to modify the BSC issued by the Gas and Electricity Markets Authority (“the Authority”) and dated 15th April 2011 (“the Direction”) which is annexed to the hard copy of this modification instrument.

The Direction has been made by the Authority pursuant to Condition C3.5(a) of NGET's licence to transmit electricity granted under Section 6 (1) of the Electricity Act 1989 (“the Transmission Licence”).

The Implementation Date for Proposed Modification P266 is 23rd February 2012.

In accordance with Condition C3.5(c) of NGET's Transmission Licence, the BSC is hereby modified in accordance with the attached Direction.

Yours sincerely

Ben Smith

for and on behalf of
**National Grid Electricity
Transmission plc**