

Direct Dial: 020-7901 7327

22 August 2001

The National Grid Company, BSC Signatories and
Other Interested Parties

Your Ref:
Our Ref : MP No: P18

Dear Colleague,

ERRATUM

Modification to the Balancing and Settlement Code ("BSC") – Decision and Direction in relation to Modification Proposal P18: "Removing/Mitigating the effect of System Balancing Action in the Imbalance Price Calculations"

The decision letter of the Gas and Electricity Markets Authority (the "Authority") in relation to Modification Proposal P18 which was published on 21 August 2001 contained a small number of errors. I have therefore attached a corrected version of the letter. The errors were not material and were the result of an administrative error. The Authority's decision and the reasons for that decision are unaffected by the error.

The decision letter attached the incorrect legal text for Modification Proposal P18A CID-definition 1a at Annex 2. The legal text attached to the decision letter published on 21 August 2001 was the legal text attached to the report of the Modification Group to the BSC Panel dated 12 July 2001. However, the correct legal text for Modification Proposal P18A CID-definition 1a is attached to the report of the BSC Panel to the Authority dated 13 July 2001.

The Authority therefore had no vires to direct the National Grid Company to make the modification to the BSC in the format attached to its decision letter in Annex 2.

The Authority has now attached the correct legal text for Modification Proposal P18A CID-definition 1a to its decision letter and made a small number of consequential

changes to the text of its letter. For ease of reference the differences between the erroneous decision letter dated 21 August 2001 and the correct decision letter dated 22 August 2001 have been highlighted.

For the avoidance of doubt, the decision of the Authority in respect of Modification Proposal P18 has not changed as a result of the error.

I would like to offer our apologies for any confusion caused as a result of this unfortunate error. If you have any queries about this matter then please do not hesitate to get in touch.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Smith', written in a cursive style.

Stephen Smith

Director of Trading Arrangements

Signed on behalf of the Authority and authorised for that purpose by the Authority