

Date: 25 May 2001

Our Ref: JRM/aw//3279/corres/470

Your Ref:

Alison B Kay
General Counsel &
Company Secretary

Legal Services



The National Grid Company plc
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Dorcas Batstone
Modification Secretary
Elexon Limited
3rd Floor
1 Triton Square
LONDON
NW1 3DX

Dear Dorcas

**Modification of the Balancing and Settlement Code ("BSC") :
Modification Proposal P10**

Reference is made to the direction to The National Grid Company plc ("NGC") to modify the BSC issued by the Gas and Electricity Markets Authority ("the Authority") and dated 14 May 2001 ("the Direction") which is annexed to this modification instrument.

The Direction has been made by the Authority pursuant to Condition 7A.5(a) of NGC's licence to transmit electricity granted under Section 6 (1) of the Electricity Act 1989 ("the Transmission Licence").

In accordance with Condition 7A.5(b) of the Transmission Licence, the BSC is hereby modified in accordance with the Direction as indicated therein with effect on and from 11 May 2001

Yours sincerely

A B Kay
for an on behalf of
The National Grid Company plc



INVESTOR IN PEOPLE

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England and Wales
No 2366977