

Subject: Consultation on P8

You are invited to provide comments on Modification Proposal P8: Introduction of a Price Adjuster to Reflect Option Fees. A copy of the proposal and any related documentation (including ELEXON's Initial Written Assessment of the proposal and relevant BSC Panel papers) can be downloaded from:

http://www.elexon.co.uk/ta/modifications/mods_docs.html

At its meeting on 03 May 2001 the BSC Panel agreed that this proposal should be submitted to a Modification Group under the Assessment Procedure as described in section F2.6 of the Code. The Modification Group must prepare a written report for the Panel that includes the following matters (see BSC Annex F-1):

a) an analysis of whether the Proposed Modification or any Alternative Modification would better facilitate achievement of the Applicable BSC Objectives;

b) an assessment or estimate (as the case may be) of the impact of the Proposed Modification and any Alternative Modification on BSC Systems, processes and costs;

c) an assessment of the impact of the Proposed Modification and any Alternative Modification on Core Industry Documents;

d) an assessment of the impact of the Proposed Modification and any Alternative Modification on Parties in general (or classes of Parties in general) and Party Agents in general, including the changes which are likely to be required to their internal systems and processes and an estimate of the development, capital and operating costs associated with implementing the changes to the Code and to Core Industry Documents;

e) an assessment of the Proposed Modification and any Alternative Modification in the context of the statutory, regulatory and contractual framework within which the Code sits (taking account of relevant utilities, competition and financial services legislation);

f) the Modification Group's proposed Implementation Date(s) for implementation (subject to the consent of the Authority) of the Proposed Modification and any Alternative Modification;

It would therefore be helpful if, in formulating your comments on this proposal, you could include views or information on these particular points.

The deadline for submission of comments on this proposal has been set such that the Modification Group will be able to consider all representations when it first considers the proposal.

Please send your comments by 17:00 on Monday 21 May to the following e-mail address:

modifications@elexon.co.uk

Please entitle your e-mail 'P8 Assessment Comments'

Thank you.