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Dear Laone,

Authority's Decision on the request to extend the Implementation Date for Approved Modification P99

The Gas and Electricity Markets Authority (the "Authority")¹ has carefully considered the Balancing & Settlement Code ("BSC") Panel's application to extend the Implementation Date for Approved Modification P99 from 20 January 2004 to 1 May 2004.

Ofgem notes the reasons for the request and the high-level exception plan that was presented in support of the request. Ofgem agrees that the inability of the current Performance Assurance Reporting and Monitoring System ("PARMS") to support the changes proposed by the P99 implementation plan represents a significant change in the scope of the work and that the exception plan endeavours to take such changes into account. Ofgem considers that enforcing the use of the current PARMS system to meet the 20 January 2004 Implementation Date would not be cost-efficient and would run contrary to the intended beneficial effects of the Modification. Therefore, in accordance with Section F2.11.7 of the BSC, the Authority approves the Panel's request to extend the Implementation date for Approved Modification P99 to 1 May 2004.

However, it is a concern that the inability of the PARMS system to support the proposed changes was not identified during the P99 Assessment Procedure. Presumably, Parties will already have committed resource to changing their own systems in order to accommodate the requirements for Approved Modification P99. Notwithstanding the "high-level" nature of the exception plan supporting the Panel's letter, Ofgem considers it important that ELEXON makes its best endeavours to ensure that the revised Implementation Date is met, especially the aspects of the modification that concern the collection and organisation of the PARMS serials, in order to minimise the consequent uncertainty and disruption to Parties and their operations.

¹ Ofgem is the office of the Authority. The terms "Ofgem" and "the Authority" are used interchangeably in this letter.

If you have any queries in relation to this letter, please do not hesitate to contact me on the above number.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. N. Simpson', written over a horizontal line.

Nick Simpson

Director, Industry Codes

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