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value for all customers*

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Date: 29 November 2007

Dear David

**Consultation with BERR and the Authority regarding the proposed Modification to the Balancing and Settlement Code ("BSC") arising from the designation of the amended Fuel Security Code on 22<sup>nd</sup> October 2007 ("FSC")**

On 22<sup>nd</sup> October an amended FSC was designated by the Secretary of State. In accordance with Section G of the BSC, Elexon consulted Ofgem on 1 November 2007 on a proposed modification to make changes to the BSC in light of the amended FSC. A revised consultation with amended legal text was issued by Elexon to the Authority on 27 November 2007. The revised consultation specifically asks whether Ofgem are comfortable that the draft text provided can progress as a modification to the BSC.

In responding to this revised consultation the Authority is not pre-committing itself to approving the modification. Any views expressed here are preliminary and the Authority's decision to approve or reject the modification will be taken on the basis of all of the information contained in the Modification Report.

We can confirm that we are content that the draft legal text provided to Ofgem as part of the revised consultation can be used to initiate the modification process under the BSC.

Yours sincerely

A handwritten signature in black ink, appearing to read "Philip Davies", with a long horizontal line extending from the end of the signature.

Philip Davies  
**Director, GB Markets**