

National Grid House Warwick Technology Park Gallows Hill, Warwick CV34 6DA

Chris Rowell
Modification Secretary
Elexon Limited
5th Floor
350 Euston Road
London
NW1 3AW

John Greasley Manager, UK Transmission, Commercial

John.greasley@uk.ngrid.com

Direct tel +44 (0)1926 656313 Direct fax +44 (0)1926 656600

www.nationalgrid.com

Date 3rd August 2006

Dear Chris

Modification of the Balancing and Settlement Code ("BSC"): Modification Proposal P 199

On 3rd August 2006 National Grid Electricity Transmission plc ("NGET's") received notice from the Gas and Electricity Markets Authority that it had decided not to direct NGET to make Modification Proposal P199 to the Balancing and Settlement Code.

Accordingly, NGC hereby gives notice of such notification to the Modification Secretary pursuant to Paragraph 1.1.4 of Section F of the Balancing and Settlement Code.

Yours sincerely

John Greasley

for and on behalf of National Grid Electricity Transmission plc