



*Promoting choice and
value to customers*

Richard Brealey
Deputy BSC Panel Chairman
ELEXON Limited
4th Floor
350 Euston Road
London
NW1 3AW

Your Ref:
Our Ref:
Direct Dial: 020 7901 7355
Email: nick.simpson@ofgem.gov.uk

05 October 2005

Dear Dick,

Request for urgency in relation to Modification Proposal P195, "Neutrality for CCGT BMUs Switching between Gas and Distillate" ("P195")

Thank you for your letter dated 4 October 2005, containing the Panel recommendation that P195 be treated as an Urgent Modification Proposal. This treatment was also sought by the Proposer, Scottish and Southern Energy plc.

The Proposer, and the majority of the Panel, contended that urgent treatment was merited. The Panel provided a proposed procedure and timetable for the treatment of P195 should the Authority consent to this request.

As highlighted in previous decision letters, Ofgem considers that a modification should only be treated as urgent if the modification could not appropriately be treated as non-urgent. It is currently its view that, in general, urgent modifications are likely to exhibit at least one of the following characteristics:

- There is a very real likelihood of significant commercial impact upon NGET, industry parties, or customers if a Modification Proposal is not urgent;
- Safety and security of the network is likely to be impacted if a proposed modification is not urgent; and
- The proposal is linked to an imminent date related event.

Ofgem considers that P195 proposes changes to the arrangements that are likely to have a material commercial impact on industry parties. Ofgem also considers that if the modification proposal were to follow non-urgent procedures, there is a risk that, were the modification proposal to be subsequently implemented, there would be insufficient time for the market to properly deal with the likely impact of the modification and react accordingly, given the proximity to winter.

Ofgem therefore consents to P195 being treated as an Urgent Modification Proposal for the purposes of section F2.9 of the BSC in accordance with the procedure and timetable put forward by the Panel.

Ofgem has not, by consenting to the request that P195 be treated as an Urgent Modification Proposal, made any judgement on its merits, or those of any other related Modification Proposal.

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the number above.

Yours sincerely

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

Nick Simpson

Director, Modifications

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