

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

Ben Graff
Development Manager,
Electricity Balancing and Codes
Ben.graff@uk.ngrid.com

Direct tel +44 (0) 1926 656312
Direct fax +44 (0) 1926 65600

www.nationalgrid.com

Date 19th June 2006

Dear Chris

**Modification of the Balancing and Settlement Code (“BSC”) :
Modification Proposal P196**

Reference is made to the direction to National Grid Electricity Transmission plc (“NGET's”) to modify the BSC issued by the Gas and Electricity Markets Authority (“the Authority”) and dated 19th June 2006 (“the Direction”) which is annexed to the hard copy of this modification instrument.

The Direction has been made by the Authority pursuant to Condition C3.5(a) of NGET's licence to transmit electricity granted under Section 6 (1) of the Electricity Act 1989 (“the Transmission Licence”).

The Implementation Date for Proposed Modification P196 is 22nd February 2007.

In accordance with Condition C3.5(c) of NGET's Transmission Licence, the BSC is hereby modified in accordance with the attached Direction.

Yours sincerely

Ben Graff

for and on behalf of
**National Grid Electricity
Transmission plc**