

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

Clare Talbot
Commercial Analyst

Clare.Talbot@ngtuk.com
Direct tel 01926 65 6377
Direct fax 01926 65 6604

www.nationalgrid.com

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Dear Chris

**Modification of the Balancing and Settlement Code (“BSC”) :
Modification Proposal P189 - "Clarification to fulfil the intent of P174"**

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 9 September 2005 (“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 of the Electricity Act 1989 (“the Transmission Licence”).

The Implementation Date for Proposed Modification P189 is 2 November 2005.

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

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