

4 December 2003

Richard Harrison
Innogy Plc
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Swindon
Wiltshire
SN5 0PB

Dear Richard,

P154: Rectification of Inconsistencies in the Application of BSC Change Management Processes

I acknowledge receipt of your Modification Proposal for the "Rectification of Inconsistencies in the Application of BSC Change Management Processes". The Proposal has been registered as Modification P154 and copies have been published in accordance with Section F2.1.10 of the Balancing and Settlement Code (BSC).

The letter accompanying the Modification Proposal requests that it is treated as an Urgent Modification Proposal. The procedure for granting this status is described in F2.9 of the BSC. The initial requirement is that 'the Transmission Company and/or ELEXON recommend to the Panel Chairman that a proposal should be treated as an Urgent Modification Proposal'.

ELEXON believes that this proposal does not meet the criteria previously applied to determine that a Modification Proposal should be granted Urgent status. This decision is being reported for information to the BSC Panel as copied recipients of this letter. Accordingly the Modification Proposal, along with an Initial Written Assessment prepared by ELEXON, will be presented to the meeting of the BSC Panel on Thursday 11 December 2003.

In concluding that Urgent status should not be recommended to the BSC Panel Chairman, ELEXON noted there is no risk that the integrity of Settlements being compromised should P154 be progressed within the normal modification timetable, or that failure to expedite resolving the issue would result in disproportionate costs or uncertainty being introduced into the market. In addition ELEXON noted that it believes the provisions within the BSC relating to the BSC Change Management Process are adequate.

I trust that this letter explains the rationale behind the decision not to grant Urgent status, but should you have any further questions please contact me.

Yours sincerely,

Chris Rowell

Modification Secretary