

Date: 19 August 2004

Our Ref: BV/CT

Your Ref: P138



National Grid Company plc
NGT House
Gallows Hill
Warwick
CV34 6DA

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

Dear Chris

**Modification of the Balancing and Settlement Code ("BSC") :
Modification Proposal P138**

On 19 August 2004 National Grid Company plc ("NGC") received notice from the Gas and Electricity Markets Authority that it had decided not to direct NGC to make Modification Proposal P138 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 Company plc



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