Date: 3 June 2003

Our Ref: P109 Dec

Your Ref:

Chris Rowell
Modification Secretary
Elexon Limited
4th Floor
350 Euston Road
LONDON
NW1 3AW



National Grid Company plc National Grid House Kirby Corner Road Coventry CV4 8JY

Dear Chris

Modification of the Balancing and Settlement Code ("BSC"): Modification Proposal P109

On 3 June 2003 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 P109 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

Clare Talbot for and on behalf of National Grid Company plc



