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Date 21 August 2018

Dear Lawrence

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

Modification Proposal P362 Introducing BSC arrangements to facilitate an electricity market sandbox.

Reference is made to the direction to National Grid Electricity Transmission plc ("NGETs") to modify the BSC issued by the Gas and Electricity Markets Authority ("the Authority") and dated 20 August 2018 ("the Direction").

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 P362 is 28 August 2018.

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

Yours sincerely

Adelle Wainwright

for and on behalf of National Grid Electricity Transmission plc

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