

Date: 11 September 2002

Our Ref: JRM/aw/3279/corres/863

Your Ref:

Chris Rowell
Modification Secretary
Elexon Limited
3rd Floor
1 Triton Square
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NW1 3DX



Legal Services

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Dear Chris

**Modification of the Balancing and Settlement Code ("BSC") :
Modification Proposal P78**

Reference is made to the direction to The National Grid Company plc ("NGC") to modify the BSC issued by the Gas and Electricity Markets Authority ("the Authority") and dated 9 September 2002 ("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 NGC's licence to transmit electricity granted under Section 6 (1) of the Electricity Act 1989 ("the Transmission Licence").

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

Yours sincerely

Andrew Whitehead
for and on behalf of
The National Grid Company plc



INVESTOR IN PEOPLE

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