

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

Duncan Burt
Electricity Codes Manager

duncan.burt@uk.ngrid.com
Direct tel +44 (0)1926 656703
Direct fax +44 (0)1926 656604

www.nationalgrid.com

Date: 25 January 2007

Dear Chris

**Modification of the Balancing and Settlement Code (“BSC”) :
Alternative Modification Proposal P206**

Reference is made to the direction to National Grid Electricity Transmission plc (“NGET”) to modify the BSC issued by the Gas and Electricity Markets Authority (“the Authority”) and dated 24 January 2007 (“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 NGET's licence to transmit electricity granted under Section 6 (1) of the Electricity Act 1989 (“the Transmission Licence”).

The Implementation Date for Alternative Proposed Modification P206 is 31 January 2007.

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

Yours sincerely

Duncan Burt
for and on behalf of
**National Grid Electricity
Transmission plc**