Date: 19 February 2002

Our Ref: JRM/aw/3279/corres/703

Your Ref:

Legal Services

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

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Tel No: 024 7642 3623
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jonathan.munsey@uk.ngrid.com

Dorcas Batstone
Modification Secretary
Elexon Limited
3rd Floor
1 Triton Square
LONDON
NW1 3DX

Dear Dorcas

Modification of the Balancing and Settlement Code ("BSC") :
Modification Proposal P49

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 18 February 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 Direction as indicated therein with effect on and from 27 March 2002.

Yours sincerely

J R Munsey
for and on behalf of
The National Grid Company plc

Registered Office:
National Grid House
Kirby Corner Road
Coventry CV4 8JY

Registered in
England and Wales
No 2366977