

Date: 11 June 2002

Our Ref: JRM/aw/3279/corres/801

Your Ref:

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



Legal Services

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Dear Chris

**Modification of the Balancing and Settlement Code ("BSC") :
Modification Proposal P39**

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 11 June 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 12 August 2002.

Yours sincerely

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



INVESTOR IN PEOPLE

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