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Date 9 September 2005

Dear Chris

**Modification of the Balancing and Settlement Code (“BSC”) :  
Modification Proposal P186**

Reference is made to the direction to National Grid Electricity Transmission plc (“NGET’s”) to modify the BSC issued by the Gas and Electricity Markets Authority (“the Authority”) and dated 8 September 2005 (“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 Authority directs that Alternative Modification P186, as set out in the Modification Report, should be made and implemented. The Implementation Date for the Alternative Modification P186 is 22 September 2005.

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

Clare Talbot  
for and on behalf of  
**National Grid Electricity  
Transmission plc**