

21 October 2002



Nicholas Durlacher Esq.
BSC Panel Chairman
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Dear Mr Durlacher,

Urgent Modification to the Balancing and Settlement Code: Modification Proposal P104 – Amendments to the Solution to P78 ‘Revised Definitions of System Buy Price and System Sell Price’

Thank you for your letter addressed to Nick Simpson in regard to Modification Proposal P104: Amendments to the Solution to P78 ‘Revised Definitions of System Buy Price and System Sell Price’.

In your letter you support ELEXON’s recommendation that Modification Proposal P104 raised by the BSC Panel on the 17 October 2002 should be treated as an Urgent Modification Proposal for the purposes of section F2.9 of the Balancing and Settlement Code (“BSC”). Also included was a proposed procedure and timetable for Modification Proposal P104.

The Authority considers that Modification Proposal P104 should be treated as an Urgent Modification Proposal for the purposes of section F2.9 of the BSC on the grounds of efficiency in the operation of the BSC.

The Authority has considered the procedure and timetable proposed by the BSC Panel in relation to Modification Proposal P104 and agrees with the timetable and process outlined in your letter.

Yours sincerely

A handwritten signature in black ink, appearing to read "Sonia".

Sonia Brown

Director of Electricity Trading Arrangements

Signed on behalf of the Authority and authorised for that purpose by the Authority