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Direct Dial: 020 7901 7069  
Email: [steve.mackay@ofgem.gov.uk](mailto:steve.mackay@ofgem.gov.uk)

20 February 2004

Our Ref: MPC NoP140

Dear Colleague,

GB Consultation for Balancing and Settlement Code (BSC) Modification Proposal P140 "Revised Credit Cover methodology for Interconnector BM Units".

On 5 December 2003, Ofgem wrote to Nicholas Durlacher, BSC Panel Chairman, and Charles Davies, Connection and Use of System Code (CUSC) Panel Chairman, describing the procedure that Ofgem would follow when consulting on a Great Britain (GB) wide basis for proposed changes under consideration in the BSC and the CUSC. Ofgem considers that it is generally appropriate to consult on BSC and CUSC change proposals on a GB wide basis following the Second Reading of the Energy Bill which introduces the British Electricity Transmission and Trading Arrangements (BETTA). A copy of this letter can be found on Ofgem's website at the following address:

<http://www.ofgem.gov.uk>

The Energy Bill received its second reading on 11 December 2003.<sup>1</sup> Ofgem considers that it is appropriate to invite responses on any additional implications that Proposed Modification P140 may have, were it to be applied on a GB wide basis, as opposed to being limited to England and Wales.

The draft Modification Report in respect of Modification Proposal P140 and other related documents may be found on ELEXON's BSC website at the following address:

<http://www.elexon.co.uk/ta/modifications/modifications.html>

Responses that identify additional implications for GB should be sent to Steve Mackay at the postal address below or by email to [steve.mackay@ofgem.gov.uk](mailto:steve.mackay@ofgem.gov.uk). Interested parties are requested to submit responses by 5pm on Monday 22 March 2004. Ofgem intends to publish

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<sup>1</sup> [http://www.parliament.the-stationeryoffice.co.uk/pa/ld199697/ldhansrd/pdvn/lds03/text/31211-01.htm#31211-01\\_head0](http://www.parliament.the-stationeryoffice.co.uk/pa/ld199697/ldhansrd/pdvn/lds03/text/31211-01.htm#31211-01_head0)

GB wide responses in full on the Ofgem website. If respondents do not wish their response to be published, it should be clearly marked 'Confidential'.

Steve Mackay  
Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE

Please contact me if you have any queries in relation to the issues raised in this letter.  
Alternatively, contact David Edward on 020 7901 7435.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Simpson', with a horizontal line drawn underneath.

**Nick Simpson**  
**Director of Industry Code Development**

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