



*Promoting choice and
value to customers*

Laone Roscorla
BSC Panel Secretary
ELEXON Limited
4th Floor
350 Euston Road
London
NW1 3AW

Your Ref:
Our Ref:
Direct Dial: 020 7901 7355
Email: nick.simpson@ofgem.gov.uk

6 July 2006

Dear Laone,

Request for urgency in relation to Modification Proposal P205, "Increase in PAR level from 100MWh to 500MWh" ("P205")

Thank you for your letter dated 5 July 2006, containing the Panel recommendation that P205 be treated as an Urgent Modification Proposal. This treatment was sought by the Proposer, Good Energy Ltd.

The Proposer, and a majority of the Panel, contended that urgent treatment was merited. The Panel provided a proposed procedure and timetable for the treatment of P205 should the Authority direct urgent treatment.

As highlighted in previous decision letters, Ofgem considers that a modification should only be treated as urgent if the modification could not appropriately be treated as non-urgent. Our view is that, in general, urgent modifications are likely to exhibit at least one of the following characteristics:

- There is a very real likelihood of significant commercial impact upon NGET, industry parties, or customers if a Modification Proposal is not urgent;
- Safety and security of the network is likely to be impacted if a proposed modification is not urgent; and
- The proposal is linked to an imminent date related event.

The Proposer states that the introduction of P194 will have 'dramatic consequences' on the market that would adversely affect its position. The majority Panel view is that urgent assessment of these claims is merited. Whilst the impact of P205 has not been assessed, if these concerns are shown to be valid it would suggest a very real likelihood of significant commercial impact on market participants if P205 is not urgent.

We consider that the proposal is linked to an imminent date related event: the implementation of Approved Modification P194 on 2 November 2006.

Ofgem therefore consents to P205 being treated as an Urgent Modification Proposal for the purposes of section F2.9 of the BSC in accordance with the procedure put forward by the Panel.

Ofgem has not, by consenting to the request that P205 be treated as an Urgent Modification Proposal, made any judgement on its merits, or those of any other related Modification Proposal.

The Panel has submitted a proposed timetable for urgent assessment that would deliver a Modification Report to us on 27 September 2006, along with the associated milestones to meet that date.

We agree with the Panel's overall deadline, and direct that the Urgent Modification Report should be submitted to us on 27 September 2006.

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the number above.

Yours sincerely

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

Nick Simpson

Director, Industry Codes and Licensing

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