

Adam Richardson
Modification Secretary
Elexon Limited
5th Floor
350 Euston Road
London
NW1 3AW

Ben Smith
Commercial Analyst

Ben.smith@uk.ngrid.com
Direct tel +44 (0)1926 655836
Direct fax +44 (0)1926 656605

www.nationalgrid.com

Date: 21st July 2011

Dear Adam

**Modification of the Balancing and Settlement Code (“BSC”):
Modification Proposal P264**

On 20th July 2011 National Grid Electricity Transmission plc (“NGET’s”) received notice from the Gas and Electricity Markets Authority that it had decided not to direct NGET to make Modification Proposal P264 to the Balancing and Settlement Code.

Accordingly, NGET hereby gives notice of such notification to the Modification Secretary pursuant to Paragraph 1.1.4 of Section F of the Balancing and Settlement Code.

Yours sincerely

Ben Smith

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