

Trading and Settlement Code Modifications Committee
C/O Aisling O'Donnell
SMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

16th December 2010

Our Ref: D/10/17547

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_34_10
(Recommendation Report FRR_34_10_V1.0)**

Dear Aisling,

On 22nd October 2010, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_34_10 (Clarification of the treatment of PQ Pairs for New Interconnector Units), in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

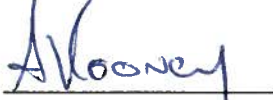
This Modification Proposal, which was raised by SEMO, seeks to clarify a number of clauses defining how Price Quantity Pairs for Interconnector Units are treated in the Central Market Systems. This Modification was raised following issues raised after re-certification of the MSP Software during 2010.

The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objective "to provide transparency in the operation of the Single Electricity Market" and that the Modification should be made effective on a Trading day basis on the next Working Day after the Regulatory Authorities' decision is made.

The SEM Committee also notes that the reference "Subject to paragraph N.48" appears to be omitted from the legal draft at the beginning of N.47, effectively removing the Tie-Breaking Adder requirement for Interconnector Units. It has been noted that this omission was inadvertent and that this reference should be retained in the approved modification drafting. Considering the above, and in accordance with paragraph 2.218 of the Code, the SEM Committee directs that a modification be made in accordance with the Final Recommendation Report of the Modifications Committee (FRR_34_10_V1.0), for the avoidance of doubt based upon the legal drafting set out in Appendix 1, with the inclusion of the reference "Subject to paragraph N.48" at the beginning of N.47.

The Regulatory Authorities therefore direct that a Modification be made on a Trading Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,

A handwritten signature in blue ink that reads "A. Rooney". The signature is written in a cursive style with a horizontal line underneath it.

Sheenagh Rooney
Manager - Wholesale Electricity Market