



Trading and Settlement Code Modifications Committee
C/O Stephanie Fargher
SEMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

28th October 2009

Our Ref: 38961

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_38_09
(Recommendation Report FRR_38_09)**

Dear Stephanie,

On 19th October 2009, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_38_09 (Clarification of Application of Resettlement Currency Costs), in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, raised by the Market Operator, seeks to make changes to Section 6 of the Code and to Agreed Procedure 15 to clarify the basis for the calculation of Currency Costs which arise as a result of Resettlement. This is necessary because the basis for these calculations is not set out clearly and unambiguously at present. In addition, the Code suggests that such costs are calculated on a Settlement Day basis, whereas they have to be calculated for each Billing Period or Capacity Period as appropriate.

The SEM Committee notes that the Modifications Committee believes that the Modification Proposal furthers the Code Objectives 'to provide transparency in the operation of the Single Electricity Market' and voted unanimously to recommend the Modification Proposal to the Regulatory Authorities (RAs). The Modifications Committee also recommends that Mod_38_09 should be implemented on a Settlement Day basis on the next Working Day after the decision is made.

Considering the above, and in accordance with paragraph 2.218 of the Code, the SEM Committee decides that a modification be made in accordance with the Final Recommendation Report of the Modifications Committee (FRR_38_09), for the avoidance of doubt, based upon the legal drafting set out in Appendix 1 of that report. The Regulatory Authorities therefore direct that the Modification, as set out in FRR_38_09, be made on a Settlement Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sheenagh Rodney', is written over a horizontal line.

Sheenagh Rodney
Manager – Wholesale Electricity Market