

Trading and Settlement Code Modifications Committee
C/O Sherine King
SMO Modifications Committee Secretariat
The Oval, 160 Shelbourne Rd
Dublin 4

25th February 2011

Our Ref: D/11/2240

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_02_11
(Recommendation Report FRR_02_11_V0.1)**

Dear Sherine,

On 18th February 2011, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_02_11 (DLAF Application for Supplier Units), in accordance with paragraph 2.213 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, which was raised by the System Operators, seeks to correct the erroneous omission of the words 'Supplier Unit' from clause 4.40, which was mistakenly deleted as a consequence of the implementation of Mod_43_08. Without this correction, there is no obligation on the Distribution System Operators to apply Distribution Loss Adjustment Factors (DLAFs) to Meter Data values for Supplier Units, however in practice, the Distribution System Operators have been applying DLAFs to these values.

The SEM Committee notes that the Modifications Committee agreed unanimously that the Modification Proposal furthers the Code Objectives "to facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner" and to "to ensure no undue discrimination between persons who are parties to the Code" and that the Modification should be made effective on a Settlement Day basis on the next Working Day after the Regulatory Authorities' decision is made.

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_02_11_V0.1), for the avoidance of doubt based upon the legal drafting set out in Appendix 1 of that report. The Regulatory Authorities therefore direct that a Modification be made on a Settlement Day basis with effect from the next Working Day after the date of this letter.

Yours sincerely,



Sheenagh Rooney
Manager - Wholesale Electricity Market