



Trading and Settlement Code Modifications Committee
C/O Marie-Therese Campbell
SMO Modifications Committee Secretariat
The Oval
160 Shelbourne Rd
Dublin 4

25 February 2009

Our Ref: 38207

**SEM Committee Decision for the Regulatory Authorities in relation to Mod_63_08
(Recommendation Report FRR_63_08)**

Dear Marie-Therese,

On 23 February 2009, the Modifications Committee submitted its Modification Recommendation Report with regard to a Modification Proposal, Mod_63_08 (Market Audit Process Correction), in accordance with paragraph 2.231 of the SEM Trading and Settlement Code (the Code).

This Modification Proposal, raised by the Regulatory Authorities (RAs), seeks to correct the inconsistency that the Code requires that the terms of reference for the Market Audit in any year to be finalised four weeks before the start of the Audit Period; that is before the Audit Report for the previous Audit Period has been published.

The SEM Committee notes that the Modifications Committee voted unanimously to recommend this proposal to the RAs and that Mod_63_08 should be implemented on a Settlement Day basis on the next Working Day after the day on which the RAs' decision is made.

The SEM Committee further notes that in the legal drafting in 2.135 and 2.136 of the Code, there is a requirement on the RAs to consult on the Terms of Reference and to allow sufficient time to enable the Market Auditor to complete its work in a timely manner.

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_63_08), 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_63_08, 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 Rooney', is written over a horizontal line.

Sheenagh Rooney
Manager – Wholesale Electricity Market