



16<sup>th</sup> February 2009

Our Ref: 38119

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

**SEM Committee Decision for the Regulatory Authorities in relation to Mod\_66\_07  
(Recommendation Report FRR\_66\_07\_V2)**

Dear Marie-Therese,

On 30<sup>th</sup> January 2009, the Modifications Committee submitted its final Modification Recommendation Report with regard to a Modification Proposal, Mod\_66\_07 (VAT) in accordance with paragraph 2.231 of the SEM Trading and Settlement Code (the Code). An initial Modification Recommendation Report with regard to this Modification Proposal was submitted to the Regulatory Authorities (RAs) on 26<sup>th</sup> October 2007 and on 31<sup>st</sup> October 2007 the RAs directed that further work was required on the Modification Proposal.

This Modification Proposal, raised by the Market Operator, seeks to amend the provisions of the Code with regard to Value Added Tax (VAT) to reflect the finalised agreements made between the Market Operator and the Revenue Commissioners in Ireland and Her Majesty's Revenue and Customs in the United Kingdom.

The SEM Committee notes that the Modifications Committee determines that this modification furthers the Code objective to 'facilitate the efficient, economic and coordinated operation, administration and development of the Single Electricity Market in a financially secure manner'. The SEM Committee further notes that the Modifications Committee voted unanimously to recommend this proposal to the RAs and that it should be implemented on a Settlement Day basis on the second Working Day after the day on which the RA 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\_66\_07\_V2), for the avoidance of doubt, based upon the legal drafting set out in Appendix 2 of that report. The Regulatory Authorities therefore direct that the modification as set out in FRR\_66\_07\_V2, be made on a Settlement Day basis with effect from the second Working Day after the date of this letter.

Yours sincerely,

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

Sheenagh Rooney  
Manager – Wholesale Electricity Market