



Clive Bowers  
Commission for Energy Regulation  
The Exchange  
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Jean Pierre Miura  
Northern Ireland Authority for Utility  
Regulation  
Queens House  
14 Queens Street  
Belfast  
BT1 6ER

15<sup>th</sup> July 2011

Re. Response to SEM/11/044 Terms of Reference for the Market Audit 2011

Dear Clive and Jean Pierre,

EirGrid and SONI, as System Operator (SO) and Meter Data Provider (MDP) to the SEM in both Northern Ireland and the Republic of Ireland, welcome the opportunity to comment on the consultation regarding the Terms of Reference for the forthcoming Market Audit (SEM/11/044). EirGrid and SONI consider the continued expansion of the Market Audit to be worthwhile in providing the level of assurance necessary to industry participants and the wider SEM regarding the compliance of SOs and MDPs to the Trading and Settlement Code (TSC). Therefore, EirGrid and SONI are supportive of Option 2 "Core SEMO (and IA) Audit with limited expansion to cover key MDP/SO Demand Side Data Feeds" as outlined in the consultation paper. Given that the 2010 audit was extended to include generator side processes of relevance to the TSC it is now appropriate to examine the demand side processes.

It is naturally assumed by EirGrid and SONI that, insofar as the SOs and MDPs are included within the scope of the audit, the scope will include that which falls within the requirements of the TSC itself and not codes or other arrangements that have dependencies on the TSC. In addition, it would be worthwhile specifying which TSC version the audit will be based on. It would appear that the Appendix 1, included as part of the consultation, does not necessarily reflect changes to sections from the most recent version.

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Furthermore, it is important to clarify two points. Firstly, the responsibility for the production of Modified Interconnector Unit Nominations (MIUNs) will be transferred from SONI, in its role as Interconnector Administrator (IA) for Moyle, to both Market Operator (MO) licencees during the term of the forthcoming market audit. Secondly, the 2011 obligations regarding Section 4.41 of the TSC have been the subject of separate correspondence with the Regulatory Authorities concerning the basis and timing of their submission and that this correspondence should be taken into account.

Finally, EirGrid and SONI assume that the costs of the market audit, regardless of the precise scope chosen, will be recoverable through the respective MO licencees, as has been the case in the past.

Yours sincerely

*Breandán Mac Mathúna*

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**Group Regulation**

cc. Sheenagh Rooney, CER

Juliet Corbett, URegNI

Nick Fullerton, SONI

Paul Killian, EirGrid