

Clive Bowers
Commission for Energy Regulation,
The Exchange,
Belgard Square North
Tallaght
Dublin 24

Kenny Dane
Northern Ireland Authority for Utility Regulation,
Queens House,
Belfast
BT1 6ED

25 February 2011

Dear Clive and Kenny,

**Re: The Market Monitoring Unit (MMU) Governance Process Manual
Consultation Paper**

NIE Energy Supply (NIEES) welcomes the opportunity to respond to the SEM Committee's Consultation Paper on the MMU Governance Process Manual.

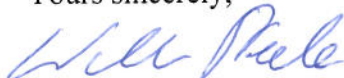
As noted during the ongoing Market Power and Liquidity Workstream, the MMU plays a crucial role in mitigating market power and ensuring compliance with the Bidding Code of Practice (BCoP). NIEES considers both market power mitigation and compliance with the BCoP as critical to the ongoing operation of the SEM. An effective MMU is therefore important in ensuring that the prices paid by Suppliers (and in turn their customers) are reflective of short run marginal cost, free from manipulation and in keeping with the principles of the SEM.

The SEM Committee's Consultation Paper seeks specific comments on the proposed Traffic Light Report and subsequent information publication. NIEES considers the suggested new report as a useful addition to the information available to the marketplace and hopes that the MMU would publish as much detail as is reasonable post any investigation.

Confidence in the operation of the MMU in turn leads to confidence in the SEM; NIEES therefore supports any procedural change which will enhance the effectiveness, communication and transparency of the MMU. In addition, NIEES would encourage the MMU to be more proactive in their general market investigations.

Please do not hesitate to contact me should you wish to discuss this response further.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'William Steele'.

William Steele
NIE Energy (Supply)