

Mr Paul McGuckin Financial Controller Moyle Interconnector First Floor The Arena Building, 85 Ormeau Road, Belfast - BT7 1SH

Re: Approval of the Access Rules for the Moyle Interconnector

Dear Paul

This letter is to give notice of the approval by the Utility Regulator (UR) of the access rules submitted by Moyle Interconnector Limited on 19th September 2011. The UR has the power to approve access rules for cross border interconnector operations under Condition 17, paragraph 4 of Moyle Interconnector Licence, which states that:

Revisions to the relevant access arrangements proposed by the licensee and sent to the Authority pursuant to paragraph 3 shall require to be approved by the Authority.

It is considered that the submitted access rules reflect the coordination requirements for capacity allocation set out in Section 3 of the Congestion Management Guidelines (Annex I to Regulation (EC) No. 714/2009) insofar as is possible given the differing market design characteristics of the SEM and BETTA markets.

We understand that Moyle access rules will be amended again to accommodate the planned introduction of intraday trading in the SEM in July 2012. In addition the SEM Committee requests that Moyle submit proposals by end 2011 on the UIOSI/UOILI congestion charging methodology to be applied to intra day allocation of Moyle capacity in the SEM.

Moyle should continue to work with interconnector owner colleagues in the France-UK-Ireland region to coordinate their access rules and move towards the implementation of the Capacity Allocation and Congestion Management Framework Guidelines target model for forward markets by 2013, as committed to in the FUI Region Workplan that has been submitted to ACER and the European Commission.

Yours sincerely,

Tanya Wishart Director of Electricity Utility Regulator