

Paddy Larkin
Moyle Interconnector Limited
1st Floor The Arena Building
85 Ormeau Road
Belfast BT7 1SH
Email: paddy.larkin@moyleinterconnector.com

25 May 2007

Dear Paddy

Consultation Response: Moyle Capacity Documents

I am responding on behalf of SONI Limited to Moyle's consultation on the Moyle capacity documents for the introduction of the Single Electricity Market.

We appreciated the opportunity prior to the consultation to have sight of the proposed amendments to the Moyle Interconnector Capacity Framework Agreement and provide you with SONI's proposed form of Moyle Interconnector Framework Deed. SONI is separately working on the revised Moyle Interconnector Procedures for circulation to users.

By way of formal response to this consultation, we would like to raise the following points. We would be happy to discuss these with you further.

1. Auction administration

The consultation indicates an intention to introduce weekly and daily auctions at some point in the future. SONI appreciates the potential value to the market of introducing a wider choice of products and so supports the proposals in principle. From SONI's perspective, the introduction of new products needs to take into account the time and resources required to develop new systems to support the auctions. In addition, SONI would require its additional costs to be recoverable.

The consultation paper mentions the possibility of bids being submitted by fax or email. SONI in its role as auction administrator remains uncomfortable with this proposal. Our strong preference is for bids to be received in sealed envelopes or through a secure electronic system.

2. Use of System

Users of the transmission system in Northern Ireland, including all Interconnector Users, will need a Transmission Use of System Agreement with SONI. Even where the user is not paying TUOS charges, this is needed in order to deal with Grid Code compliance and liability issues.

We believe that the Interconnector Capacity Framework Agreement should reflect this requirement through the addition of a precondition to use of capacity.

3. Related arrangements

The changes to the Moyle Interconnector Capacity Framework Agreement are part of a wider set of changes to the documents currently in place between NIE and Moyle. Some of these are to be novated to SONI and will also be amended. The changes to the Moyle Interconnector Capacity Framework Agreement have some impact on these other documents and we will raise those in the context of our discussions about those documents.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'N. Fullerton', with a stylized flourish at the end.

Nick Fullerton

**Market & Services Manager
SONI Limited**