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15 July 2015

Mr. Dr. D. J. H. Don
Authority for Consumer & Markets
PO Box 16326
2500 BH Den Haag
Netherlands

Ms Clemence Hermann
Senior Manager
Wholesale Electricity Markets
Ofgem
9 Millbank
London
SW1P 3GE

Dear Ms Hermann, Ms Housden and Dr. Don,

The Harmonised Allocation Rules (hereinafter referred to as 'HARs') are an early implementation project, which anticipates the requirement in the Forwards Capacity Allocation guideline. These rules were approved by the Market Committee of Member State Transmission System Operators (hereinafter referred to as 'TSOs') on 30th June 2015. The decision by the Market Committee was to submit the HARs to the each border's National Regulatory Authorities for regulatory approval, and accordingly herewith BritNed submits to Ofgem and ACM the proposed suite of BritNed Rules for approval; the submission is pursuant to the GB Interconnector Licence Condition 11A.

The BritNed Access Rules require amendment to reflect the introduction of the HARs. The BritNed Access Rules continue to govern those aspects of interconnector rights which are not in the remit of the HARs, including the allocation of daily and intraday capacity and the nominations procedures for all timescales.

BritNed conducted a consultation on its Access Rules, in association with ENTSO-E's parallel consultation on HARs and BritNed's BSA, the dates of which were 2nd March 2015 to 30th March 2015; the outcome of the consultations are included in the submission pack enclosed, in terms of the responses received and BritNed's position regarding these responses, including the Rules amendments where applicable as a consequence.

The suite of documents that will make the BritNed Access Rules comprise the following and it is these four documents for which BritNed seeks Ofgem and ACM approval.

- Allocation Rules for Forward Capacity Allocation (HARs);

- Annex 13 – Border Specific Annex: BritNed Interconnector;
- BritNed Access Rules;
- Participation Agreement;

To support the above BritNed Access Rules that submitted for approval, the following are also included in the submission pack;

- Consultation summary document including ENTSO-E consultation summary document;
- Material Change Summary; and
- Rationale of the BSA (variation from the HARs).

Whilst 1st January 2016 is the target effective date for some European TSOs, we anticipate the related systems and process changes to allow the Rules change to be effective by 1st July 2016. The entry into force mechanism will be a notice published on our website (www.britned.com) 30 calendar days prior to the go-live date. BritNed will also contact our current Users to inform them of the go-live date and their rights under the existing Access Rules and the HARs.

To ensure ACM and OFGEM are aware of our progress towards HARs go-live, BritNed will provide regular updates on our implementation project.

We look forward to your determination on the modified Access Rules and will be available to discuss the submitted material should this be necessary.

Yours Sincerely,

A handwritten signature in black ink that reads "Steve Coomber". The signature is written in a cursive style with a horizontal line underneath the name.

Steve Coomber
Commercial Director
BritNed Development Limited