



Notice under Article 14(8) of the Electricity (Northern Ireland) Order 1992

Decision on NIE Networks
licence modifications for new
IT requirements.

May 2021



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs, Markets and Networks. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Our mission

To protect the short- and long-term interests of consumers of electricity, gas and water.



Our vision

To ensure value and sustainability in energy and water.



Our values

- Be a best practice regulator: transparent, consistent, proportionate, accountable and targeted.
- Be professional – listening, explaining and acting with integrity.
- Be a collaborative, co-operative and learning team.
- Be motivated and empowered to make a difference.



Abstract

This decision notice sets out our proposal to introduce licence modifications in NIE Networks Transmission and Distribution licences. This is to allow for a mechanism to permit the recovery of efficiently incurred costs associated with IT upgrades required to facilitate the future DfE Energy Strategy.

The proposed modifications were consulted on from 5 March to 5 April 2021. Two responses were received. Based on those responses we have decided to proceed with the modifications.

The proposed modifications will allow NIE Networks to recover costs relevant for the necessary IT upgrades via the current price control RP6.

Audience

This document is likely to be of interest to regulated companies in the energy industry, government, industry groups, consumer bodies, environmental groups and those with an interest in the energy industry and network planning.

Consumer impact

Any approved costs will increase consumer bills but will be minor. All costs approved will facilitate the energy transition in NI, which will both benefit consumers and contribute to the achievement of Energy Strategy targets.



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Acronyms and Glossary

Acronym	Explanation	Detail
Capex	Capital expenditure	
Ex ante	Before the event and in context of this document refers to costs based on forecasts rather than actuals.	Describes how price control costs are submitted prior to the price control period and receive agreement with the UR in advance.
GB	Great Britain	England, Scotland and Wales collectively.
NI	Northern Ireland	One of the four countries of the United Kingdom along with England, Scotland and Wales.
NIE Networks	Northern Ireland Electricity Networks	Owens the electricity transmission and distribution network and operates the electricity distribution network which transports electricity to over 860,000 customers.
Opex	Operating expenditure	
RP6		This is the name given to the Transmission & Distribution price control for NIE Networks, covering the period from 1 October 2017 to 31 March 2024
UK	United Kingdom	United Kingdom of Great Britain and Northern Ireland.
UR	Utility Regulator	The regulator for the gas, electricity and water industries in Northern Ireland.

1. Executive Summary

- 1.1 This paper sets out our decision on the proposal to introduce licence modifications in NIE Networks [Distribution](#) and [Transmission](#) licences. The modifications were proposed in order to facilitate NIE Networks recovering any necessary costs for DfE energy strategy related IT enhancements from the price control RP6.
- 1.2 On 5 March 2021, we launched a [public consultation](#) on the proposed modifications. The consultation ran until 5 April 2021 and two responses were received, one from NIE networks and the other from the Consumer Council (CCNI). These responses are published alongside this decision paper.
- 1.3 Neither response raised any objection to the implementation of the modifications; therefore, we will be introducing modifications in both licences. CCNI were accepting of the necessity to implement IT infrastructure advancements in respect of decarbonisation and the DfE Energy Strategy. NIE Networks proposed minor amendments to the proposed modifications outlined in the initial consultation. We have considered these and accept their suggested drafting. Therefore, we will be implementing the modifications as per the NIE Networks response.
- 1.4 The reason for the proposed changes is to provide NIE Networks with a mechanism to recover costs, which may be incurred or required to be incurred by it in respect of IT enhancements (and other potential projects) within the scope of the DfE Energy Strategy during the time period of RP6.
- 1.5 The effects of the modifications will enable NIE Networks to submit projects for approval in relation to the recovery of costs incurred by NIE Networks in respect of DfE Energy Strategy, which are not otherwise recoverable, by NIE Networks through any other means or mechanisms.
- 1.6 We anticipate the licence modifications will take effect in August 2021.
- 1.7 Any request for funding under these modifications will be subject to consideration prior to any approval by the UR.

2. Introduction

- 2.1 On 5 March we issued a consultation on the introduction of licence modifications in NIE Networks Distribution and Transmission licences. The consultation closed on 5 April and two responses were received.
- 2.2 The purpose of the consultation was to introduce a mechanism in the licences for NIE Networks to recoup any efficiently incurred expenditure in the delivery of IT enhancements required under the DfE Energy Strategy (and also possibly other non-Energy strategy related IT enhancements) from the current price control RP6.
- 2.3 The enhancements which have been identified (implementing a standalone NI retail market message system and systems providing improved data and increased digitalisation) were not known of at the outset of RP6 in 2017. The price control is agreed ex ante, consequently, it does not allow for costs in relation to these in its current form. The modifications being introduced will regularise this situation and allow for these costs to be recouped via RP6.

Responses

- 2.4 The Utility Regulator sought stakeholder views and comments on the licence modifications proposals in our previous consultation on the matter.
- 2.5 Two responses were received, one from NIE Networks and the other from CCNI. We have considered both responses and on the basis of the comments provided, we have decided to proceed with the modifications.
- 2.6 A summary of the responses is provided in the table below:

NIE Networks Comment	UR Response
<p>NIE Networks welcomed the opportunity to reply to the consultation. They outlined a series of minor amendments to the draft modifications they wished to incorporate into the final modifications.</p> <p>Distribution</p> <p>These relate to the ACNES_t term in paragraph 4.32 of annex 2 in the Distribution licence with two minor changes proposed:</p> <ul style="list-style-type: none"> i. removal of references to table 3 in 4.32 of Annex 2, 	<p>The UR thank NIE Networks for their comments and clarification. We have considered and agree with the suggestions presented in their response to the consultation and will enact the requested changes in the final modification. This is detailed further below (section 3).</p>

<p>ii. Addition of the word 'or' into the ACNES_X_t term between parts (a) and (b) of the definition.</p> <p>The NES_t term in paragraph 6.15 of annex 2 of the Distribution licence with the addition of the word 'or' between parts (a) and (b) of the definition.</p> <p>Transmission</p> <p>In the proposed Transmission licence modification, they suggested further minor amendments to the final modification. These relate to erroneous references to Distribution in the proposed amendments to be changed to Transmission. They also suggested removal of the reference to table 3 in the ACNES_X_t term at paragraph 4.32 of annex 2. Finally removal of references to the Market Data Service and Market Registration Service in the draft modifications which are not relevant to the Transmission licence.</p>	
<p>CCNI Comment</p>	<p>UR Response</p>
<p>The Consumer Council welcomed the opportunity to respond to the consultation. They recognised the necessity for infrastructure advancements in association with decarbonisation. They related the NIE Networks modification to the OFGEM RII0-ED2 methodology decision. CCNI's response also requested that UR should have regulatory oversight on any submissions made for funding to ensure impacts on consumers are managed appropriately. They were interested in knowing if any of the relevant costs for the upgrades could be circulated when submissions had been made and a more full understanding of the costs involved was achieved.</p>	<p>The UR thanks the Consumer Council for its response. As was outlined in the original consultation all submissions for funding in association with the envisaged upgrades will be subject to assessment by the UR before any such funding is approved. We will publish any decisions taken accordingly.</p>

3. Licence Modification Decision

- 3.1 Following consideration of both responses and a further review of those, we have decided to implement the modifications. This paper issues the modifications to both the NIE Networks Distribution and Transmission licences.
- 3.9 The modifications being introduced contain very minor amendments from those set out in our initial consultation paper.

Decided Distribution Licence Modifications.

- 3.3 Within NIE Networks Distribution Licence we will be introducing the following modifications as outlined in red:

A new definition should be added at paragraph 1.1 of Annex 2.

“New Energy Strategy IT Solution” means a new information technology system that is required by the Licensee's Distribution Business for the purposes of implementing any new energy policy which:

- (a) is introduced by a competent authority; and
- (b) requires a change to be made to the specification of services provided by the Licensee's Distribution Business.

Capex Expenditure

Modification of condition 4.32 (**Allowed capex for 5 year D.RAB – AC_D5Y_t**)

For the purposes of this Annex, in each Regulatory Reporting Year *t*, and for RAB_D5Y the allowed capex (AC_X_t) amounts shall be calculated as follows:

$$AC_D5Y_t = (AC_2016_X_t * RPI_t / RPI_{2016}) + ACNES_X_t$$

Where:

AC_2016_X_t is the allowed capex amount, in a 2016 price base, for RAB_D5Y for each Regulatory Reporting Year *t*, and shall be equal to the amounts specified in Table 3 below.

ACNES_X_t is the allowed capex amount (if any) for RAB_D5Y in respect of any Regulatory Reporting Year *t*, being an amount the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of:

- (a) any New Energy Strategy IT Solution; or
- (b) any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.

Opex expenditure

Modification of Annex 2 condition 6.15 (allowed opex other amount)

For the purposes of this Annex, in each Regulatory Reporting Year t , the allowed opex other amount (AOO_t), being the amounts for other opex items listed immediately below, shall be calculated as follows:

$$AOO_t = ES_t + IA_t + COL_t + NES_t$$

Where:

ES_t is the allowed opex amount (if any) in Regulatory Reporting Year t for the Enduring Solution, being the additional amount that the Authority determines in a published decision, to be appropriate for the Licensee to recover in that Regulatory Reporting Year in respect of any significant changes in the specification of the service that the Licensee is required to provide in relation to the Enduring Solution market opening system;

IA_t is the allowed opex amount (if any) in Regulatory Reporting Year t , for injurious affectation, being the amount that the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of injurious affectation claims in that Regulatory Reporting Year;

COL_t is the allowed opex amount (if any) for changes of law, in an amount determined by the Authority to be appropriate in accordance with paragraph 6.16; and

NES_t is the allowed opex amount (if any) in Regulatory Reporting Year t , up to and including Regulatory Reporting Year $t=2024$ only, being the amount the Authority determines in a published decision, to be appropriate for the Licensee to recover in respect of:

- (a) a New Energy Strategy IT Solution; or
- (b) any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.

3.4 The decided upon red lined licence modifications are set out in detail in Annex A of this paper.

Decided Transmission Licence Modifications

- 3.5 Within NIE Networks Participate in Transmission Licence we will be introducing the following modifications as outlined in red:

A new definition should be added at paragraph 1.1 of Annex 2.

“New Energy Strategy IT Solution” means a new information technology system that is required by the Licensee's Transmission Owner Business for the purposes of implementing any new energy policy which:

- (a) is introduced by a competent authority; and
- (b) requires a change to be made to the specification of services provided by the Licensee's Transmission Owner Business.

Capex Expenditure

Modification of condition 4.32 (**Allowed capex – AC_{Xt}**)

For the purposes of this Annex, in each Regulatory Reporting Year t, and for RAB_X, the allowed capex (AC_{Xt}) amounts shall be calculated as follows:

$$AC_{Xt} = (AC_{2016_{Xt}} * RPI_t / RPI_{2016}) + ACNES_{Xt}$$

Where:

AC_{2016_{Xt}} is the allowed capex amount, in a 2016 price base, for RAB_X for each Regulatory Reporting Year t, and shall be equal to the amounts specified in Table 3 below.

ACNES_{Xt} is the allowed capex amount (if any) for RAB_{T5Y} in respect of any Regulatory Reporting Year t, being an amount the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of any New Energy Strategy IT Solution.

Opex expenditure

Modification of Annex 2 condition 6.15 (allowed opex other amount)

6.15. For the purposes of this Annex, in each Regulatory Reporting Year t, the allowed opex other amount (AOO_t), being the amounts for other opex items listed immediately below, shall be calculated as follows:

$$AOO_t = IA_t + COL_t + NES_t$$

Where:

IA_t is the allowed opex amount (if any) in Regulatory Reporting Year t , for injurious affectation, being the amount that the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of injurious affectation claims in that Regulatory Reporting Year;

COL_t is the allowed opex amount (if any) for changes of law, in an amount determined by the Authority to be appropriate in accordance with paragraph 6.16; and

NESt is the allowed opex amount (if any) in Regulatory Reporting Year t , up to and including Regulatory Reporting Year $t=2024$ only, being the amount the Authority determines in a published decision, to be appropriate for the Licensee to recover in respect of any New Energy Strategy IT Solution.

- 3.6 The decided upon red lined licence modifications are set out in detail in Annex B of this paper.

Reasons and Effects

- 3.7 The reason for the proposed changes is to provide NIE Networks with a mechanism to recover costs which may be incurred or required to be incurred by it in respect of IT enhancements (and other potential projects) within the scope of the DfE Energy Strategy during the time period of RP6.
- 3.8 The effects of the modifications will enable NIE Networks to submit projects for approval in relation to the recovery of costs incurred by NIE Networks in respect of DfE Energy Strategy which are not otherwise recoverable by NIE Networks through any other means or mechanisms.
- 3.9 Once these licence modifications have been implemented NIE Networks can submit a request to recoup any necessary efficiently incurred costs in respect of DfE Energy Strategy IT enhancements for UR approval. The UR will consider any such submission in line with our duties and if approved we will publish our decision.

4. Next Steps

- 4.1 This paper represents the Utility Regulator's decision on modifications to NIE Networks Distribution and Transmission licence. Table 1 summarises the next steps and associated timelines for the licence modification process. We note that timelines are indicative at this stage and may be subject to change.
- 4.2 Once the licence modifications have been implemented we would expect NIE Networks to submit a request for approval for an amount to be added to the RAB.

Table 1: Indicative timelines for next steps

Next Steps	Proposed date
Notice of decision to modify Distribution and Transmission licences published	28 May 2021
Licence modifications effective date	16 August 2021

5. Annexes

- 5.1 Table 2 provides an overview of the annexes to this consultation document

Annexes A to B sets out, for each licence, the proposed modifications tracked against the current licence drafting.

Annex C and D represents the notices under Article 14(2) of the Electricity (Northern Ireland) Order 1992 for the two licence modification proposals.

Table 2: Overview of Annexes

Annex Number	Annex name
Annex A	Distribution Licence Modifications Decision
Annex B	Transmission Licence Modifications Decision
Annex C	Article 14(8) of the Electricity (Northern Ireland) Order 1992 - NIE Networks Distribution Licence
Annex D	Article 14(8) of the Electricity (Northern Ireland) Order 1992 - NIE Networks Transmission Licence

Annex A - NIE Networks Distribution Licence

<https://www.uregni.gov.uk/sites/uregni/files/mediafiles/NIE%20Distribution%20Licence%20effective%2018%2001%202020.pdf>

Annex 2 – Distribution Charge Restriction Conditions

In section 1. Definitions, paragraph 1.1 of Annex 2, the following new definition shall be inserted (in alphabetical order) –

“New Energy Strategy IT Solution” means a new information technology system that is required by the Licensee's Distribution Business for the purposes of implementing any new energy policy which:

- (a) is introduced by a competent authority; and
- (b) requires a change to be made to the specification of services provided by the Licensee's Distribution Business.

In section 4. The Regulatory Asset Bases – RAB_t subsection 4.31 **Allowed capex for 5 Year D.RAB – AC_{D5Yt}** condition 4.32 shall be amended as follows:

For the purposes of this Annex, in each Regulatory Reporting Year t, and for RAB_{D5Y} the allowed capex (AC_{Xt}) amounts shall be calculated as follows:

$$AC_{D5Yt} = (AC_{2016_Xt} * RPI_t / RPI_{2016}) + ACNES_Xt$$

Where:

AC_{2016_Xt} is the allowed capex amount, in a 2016 price base, for RAB_{D5Y} and for each Regulatory Reporting Year t, and shall be equal to the amounts specified in Table 3 below.

ACNES_{Xt} is the allowed capex amount (if any) for RAB_{D5Y} in respect of any Regulatory Reporting Year t, being an amount the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of:

- (a) any New Energy Strategy IT Solution; or
- (b) any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.

Table 3 – The Distribution Business allowed capex per RAB_D5Y for each Regulatory Reporting Year t (£ million, 2016 prices)

Year	t=2018	t=2019	t=2020	t=2021	t=2022	t=2023	t=2024
RAB_D5Y	8.451	11.069	9.016	7.071	6.483	5.941	7.974

In section 6. The Opex amount - O_t subsection 6.14 Allowed opex other amount – AOO_t paragraph 6.15 will be amended as follows:

6.15. For the purposes of this Annex, in each Regulatory Reporting Year t, the allowed opex other amount (AOO_t), being the amounts for other opex items listed immediately below, shall be calculated as follows:

$$AOO_t = ES_t + IA_t + COL_t + NES_t$$

Where:

ES_t is the allowed opex amount (if any) in Regulatory Reporting Year t for the Enduring Solution, being the additional amount that the Authority determines in a published decision, to be appropriate for the Licensee to recover in that Regulatory Reporting Year in respect of any significant changes in the specification of the service that the Licensee is required to provide in relation to the Enduring Solution market opening system;

IA_t is the allowed opex amount (if any) in Regulatory Reporting Year t, for injurious affectation, being the amount that the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of injurious affectation claims in that Regulatory Reporting Year;

COL_t is the allowed opex amount (if any) for changes of law, in an amount determined by the Authority to be appropriate in accordance with paragraph 6.16; and

NES_t is the allowed opex amount (if any) in Regulatory Reporting Year t, up to and including Regulatory Reporting Year t=2024 only, being the amount the Authority determines in a published decision, to be appropriate for the Licensee to recover in respect of:

- (a) a New Energy Strategy IT Solution; or
- (b) any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.

Annex B – NIE Networks Transmission Licence

<https://www.uregni.gov.uk/sites/uregni/files/media-files/NIE%20Transmission%20Licence%20effective%2018%2001%202020.pdf>

Annex 2 – Transmission Charge Restriction Conditions

In section 1. Definitions, paragraph 1.1 of Annex 2, the following new definition shall be inserted (in alphabetical order) –

“New Energy Strategy IT Solution” means a new information technology system that is required by the Licensee's Transmission Owner Business for the purposes of implementing any new energy policy which:

- (a) is introduced by a competent authority; and
- (b) requires a change to be made to the specification of services provided by the Licensee's Transmission Owner Business.

In section 4. The Regulatory Asset Bases – RAB_{X_t} subsection 4.31 Allowed capex – AC_{X_t} condition 4.32 will be amended as follows:

For the purposes of this Annex, in each Regulatory Reporting Year *t*, and for RAB_X, the allowed capex (AC_{X_t}) amounts shall be calculated as follows:

$$AC_{X_t} = (AC_{2016_{X_t}} * RPI_t / RPI_{2016}) + ACNES_{X_t}$$

Where:

AC_{2016_{X_t}} is the allowed capex amount, in a 2016 price base, for RAB_X and for each Regulatory Reporting Year *t*, and shall be equal to the amounts specified in Table 3 below.

ACNES_{X_t} is the allowed capex amount (if any) for RAB_{T5Y} in respect of any Regulatory Reporting Year *t*, being an amount the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of any New Energy Strategy IT Solution.

Table 3 – The Transmission Owner Business allowed capex per RAB_X for each Regulatory Reporting Year *t* (£ million, 2016 prices)

Year	t=2018	t=2019	t=2020	t=2021	t=2022	t=2023	t=2024
RAB _{TN}	4.720	9.359	9.280	9.201	9.123	9.045	8.969
RAB _{T5Y}	0.490	0.728	0.970	0.794	0.597	0.599	0.605

In section 6. **The Opex amount - O_t** subsection 6.14 **Allowed opex other amount – AOO_t** condition 6.15 will be amended as follows:

6.15. For the purposes of this Annex, in each Regulatory Reporting Year t , the allowed opex other amount (AOO_t), being the amounts for other opex items listed immediately below, shall be calculated as follows:

$$AOO_t = IA_t + COL_t + NES_t$$

Where:

IA_t is the allowed opex amount (if any) in Regulatory Reporting Year t , for injurious affectation, being the amount that the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of injurious affectation claims in that Regulatory Reporting Year;

COL_t is the allowed opex amount (if any) for changes of law, in an amount determined by the Authority to be appropriate in accordance with paragraph 6.16; and

NES_t is the allowed opex amount (if any) in Regulatory Reporting Year t , up to and including Regulatory Reporting Year $t=2024$ only, being the amount the Authority determines in a published decision, to be appropriate for the Licensee to recover in respect of any New Energy Strategy IT Solution.

Annex C

Notice under Article 14(8) of the Electricity (Northern Ireland) Order 1992 – Modifications to Annex 2 of the Electricity Distribution Licence Held by Northern Ireland Electricity Networks (Ltd)

THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION NOTICE UNDER ARTICLE 14(8) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992. MODIFICATIONS PROPOSED TO THE ELECTRICITY DISTRIBUTION LICENCE HELD BY NORTHERN IRELAND ELECTRICITY NETWORKS

Therefore In accordance with Article 14(2) of the Electricity (Northern Ireland) Order 1992 (“**the Order**”) the Northern Ireland Authority for Utility Regulation (“the Authority”) published a notice dated 5 March 2021 (“**the said notice**”) of its intention to modify the electricity distribution licence (the “**Licence**”) held by Northern Ireland Electricity Networks Limited (the “**Licensee**”)

In accordance with Article 14(5) of the Order, the Authority has considered representations duly made to it in response to the said notice. The Authority has decided to proceed with the making of modifications of the conditions of Licence held by Licensee in exercise of its powers under Article 14(1) of the Order.

In accordance with Article 14(8) of the Order, the Authority gives notice as follows:

- 1) The Authority shall make modifications to the Electricity Distribution licence (“the Licence”) held by Northern Ireland Electricity Networks Limited (“the Licensee”).
- 2) By the said notice, the Authority stated that it intended to modify the Licence and offered reasons for and the effect of the proposed modifications. The purpose of the said notice was to bring the proposed modifications to the attention of persons likely to be affected by them, and to invite representations or objections in connection thereto.
- 3) Two responses were received; these responses have been considered by the Authority pursuant to article 14(5) of the Order
- 4) Details of the modifications are set out in chapter 3 of the current decision paper on NIE Networks licence modifications for new IT requirements as well as in Annex A to this decision paper.

- 5) The Authority has decided to proceed with the modifications to the Licence.
- 6) The reasons and effects of the proposed licence modifications are set out in chapter 3 of the current decision paper.
- 7) The Authority has, pursuant to Article 14(8) of the Order, published this notice on its website and sent a copy of this notice to the Licensee. Further, the Authority has provided a copy of this notice to the Department for the Economy and the Consumer Council for Northern Ireland.
- 8) The licence modifications will come into effect on 16 August 2021
- 9) A copy of the modification can be obtained in hard copy from Ruairi McCann at: Utility Regulator, Queens House, 14 Queen Street, Belfast, BT1 6ED. Email: ruairi.mccann@uregni.gov.uk

Dated this 28/05/2021



John French

For and on behalf of the Northern Ireland Authority for Utility Regulation

Annex D

Notice under Article 14(8) of the Electricity (Northern Ireland) Order 1992 – Modifications to Annex 2 of the Transmission Conveyance Licence Held by Northern Ireland Electricity Networks (Ltd)

THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION NOTICE UNDER ARTICLE 14(8) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992 MODIFICATIONS PROPOSED TO THE ELECTRICITY TRANSMISSION LICENCE HELD BY NORTHERN IRELAND ELECTRICITY NETWORKS

Therefore In accordance with Article 14(2) of the Electricity (Northern Ireland) Order 1992 (“**the Order**”) the Northern Ireland Authority for Utility Regulation (“the Authority”) published a notice dated 5 March 2021 (“**the said notice**”) of its intention to modify the electricity transmission licence (the “**Licence**”) held by Northern Ireland Electricity Networks Limited (the “**Licensee**”)

In accordance with Article 14(5) of the Order, the Authority has considered representations duly made to it in response to the said notice. The Authority has decided to proceed with the making of modifications of the conditions of Licence held by Licensee in exercise of its powers under Article 14(1) of the Order.

In accordance with Article 14(8) of the Order, the Authority gives notice as follows:

- 1) The Authority shall make modifications to the Electricity Transmission licence (“the Licence”) held by Northern Ireland Electricity Networks Limited (“the Licensee”).
- 2) By the said notice, the Authority stated that it intended to modify the Licence and offered reasons for and the effect of the proposed modifications. The purpose of the said notice was to bring the proposed modifications to the attention of persons likely to be affected by them, and to invite representations or objections in connection thereto.
- 3) Two responses were received; these responses have been considered by the Authority pursuant to article 14(5) of the Order
- 4) Details of the modifications are set out in chapter 3 of the current decision paper on NIE Networks licence modifications for new IT requirements as well as in Annex B to that decision paper.

- 5) The Authority has decided to proceed with the modifications to the Licence
- 6) The reasons and effects of the proposed licence modifications are set out in chapter 3 of the current decision paper.
- 7) The Authority has, pursuant to Article 14(8) of the Order, published this notice on its website and sent a copy of this notice to the Licensee. Further, the Authority has provided a copy of this notice to the Department for the Economy and the Consumer Council for Northern Ireland.
- 8) The licence modifications will come into effect on 16 August 2021
- 9) A copy of the modification can be obtained in hard copy from Ruairi McCann at: Utility Regulator, Queens House, 14 Queen Street, Belfast, BT1 6ED. Email ruairi.mccann@uregni.gov.uk

Dated this 28/05/2021



John French

For and on behalf of the Northern Ireland Authority for Utility Regulation