

Jenni McKeown
Transmission Interface Manager
Northern Ireland Electricity Ltd
PO BOX 2
120 Malone Road
Belfast
BT9 5HT

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Ref: NET/E/TH/454

Dear Jenni

RE: Decision on requested approval for proposed changes to the Transmission Interface Arrangements

On 25 September 2020 the Authority¹ received a report² (“**the NIE Networks Amendment Report**”) wherein NIE Networks proposed various changes/amendments to the Transmission Interface Arrangements³ (“**the TIA**”).

The NIE Networks Amendment Report explained the rationale behind the proposed changes. It further explained that SONI (as the TSO) agreed to the proposed changes. Included within the NIE Networks Amendment Report were various representations (“**the Representations**”) made as to the proposed changes by named third parties.

Condition 17 of NIE Networks’ licence to participate in the transmission of electricity (as transmission asset owner) provides that NIE Networks shall not make any changes to the existing TIA without the approval of the Authority. The NIE Networks Amendment Report represents and reflects NIE Networks’ application for the approval of the Authority to the proposed changes to the TIA set out in the NIE Networks’ Amendment Report. Matching provision is made in Condition 18 of the SONI TSO Licence.

We note that SONI submitted its own report (“**the SONI Amendment Report**”) – dated 23 September 2020 (received 25 September 2020) – proposing changes to the TIA. The

¹ In this letter we use the words “we” “us” “our” “the UR” “the Authority” and “the Utility Regulator” interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

² [nien-tia-amendment-report-25-09-20 \(nienetworks.co.uk\)](https://www.nienetworks.co.uk/nien-tia-amendment-report-25-09-20)

³ The TIA are a set of arrangements governing the interaction between NIE Networks and SONI. They are published on the website of both NIE Networks and SONI.

SONI Amendment Report is the subject of a separate (published) decision of the Authority. We shall refer to NIE Networks and SONI as (together) “**the Parties**”.

The Authority subsequently requested provision of a composite document showing the (tracked) proposed changes to the TIA. That document (“**the First Submission**”) was provided to the Authority (by the Parties) on 7 October 2020.

There then followed engagement between the Parties and the Authority. That engagement involved the submission of further documents showing proposed (tracked) changes to the TIA: changes that included proposed revisions to Section S of the TIA. Changes to Section S were not signalled in the NIE Networks Amendment Report. Nor were they identified in the First Submission.⁴

On 1 November 2021 the Parties submitted a further document (“**the Last Submission**”)⁵ showing the proposed changes to the TIA in respect of which they now sought approval. Changes to Section S were not included in the Last Submission.

Essentially, the Last Submission reverts to the First Submission save for some minor proposed adjustments (“**the relevant adjustments**”). The relevant adjustments - in so far as they relate to the NIE Networks Amendment Report - are as follows:

1. **Section C Paragraph 9.2.6**

The NIE Networks Amendment Report (and the First Submission) narrated the following proposed changes:

~~8.2.69.2.6~~ not assign or transfer the undertaking of the activities referred to in ~~sub-~~ paragraph ~~89.1.67~~ above to any third party without providing 5 **Business Days**’ notice in writing to NIE Networks and subject to NIE Networks’ approval, which shall not be unreasonably withheld.

The Last Submission narrated the following proposed adjustment:

~~8.2.69.2.6~~ not assign or transfer the undertaking of the activities referred to in ~~sub-~~ paragraph ~~89.1.67~~ above to any third party without providing **at least 5 Business Days**’ notice in writing to NIE Networks and subject to NIE Networks’ approval, which shall not be unreasonably withheld.

⁴ Likewise, changes to Section S were not identified in the SONI Amendment Report. We shall return to Section S at the end of this letter.

⁵ The Last Submission is here: <https://www.uregni.gov.uk/files/uregni/documents/2021-11/tia-15-october-2021-marked-up.docx.pdf>

2. **Section D Paragraph 8.2.6**

The NIE Networks Amendment Report (and the First Submission) narrated the following proposed changes:

- 8.2.6 not assign or transfer the undertaking of the activities referred to in sub-paragraph 8.1.67 above to any third party without providing 5 **Business Days** notice in writing to NIE Networks and subject to NIE Networks' approval, which shall not be unreasonably withheld.

The Last Submission narrated the following proposed adjustment:

- 8.2.6 not assign or transfer the undertaking of the activities referred to in sub-paragraph 8.1.67 above to any third party without providing at least 5 Business Days notice in writing to NIE Networks and subject to NIE Networks' approval, which shall not be unreasonably withheld.

3. **Schedule 3 Paragraph 2**

The NIE Networks Amendment Report (and the First Submission) narrated that there would be no change to this Paragraph, which currently stands as follows:

2 Information to be contained in all Construction Offers

- 2.1 NIE Networks and SONI will develop a pro forma **Construction Offer** which will contain the information listed in paragraph 2 within 12 months of [] or such longer period as the **Authority** may direct.

The Last Submission narrated the following proposed adjustment:

2 Information to be contained in all Construction Offers

- 2.1 NIE Networks and SONI will develop a pro forma **Construction Offer** which will contain the information listed in paragraph 2 within 12 months of 1 November 2007 or such longer period as the **Authority** may direct.

4. **Schedule 9 Paragraph 1.2.10**

The NIE Networks Amendment Report (and the First Submission) narrated that there would be no change to this Paragraph, which currently stands as follows:

1.2.10 from the date of acceptance of the **Contestable Offer** until the expiry of the period of 3 years immediately following the Adoption by NIE Networks of the relevant **Contestable Works**, effect and maintain public liability insurance and employers liability insurance to a minimum level of not less than [£10,000,000] per event; and

The Last Submission narrates the following proposed adjustment to the Paragraph:

1.2.10 from the date of acceptance of the **Contestable Offer** until the expiry of the period of 3 years immediately following the Adoption by NIE Networks of the relevant **Contestable Works**, effect and maintain public liability insurance and employers liability insurance to a minimum level of not less than [£10,000,000] per event; and

DECISION ON THE AMENDMENTS TO THE TIA PROPOSED BY NIE NETWORKS

We have considered the NIE Networks Amendment Report, to include the Representations. We recognise that the Last Submission varies a little from the First Submission. However, we consider that the changes made between the First Submission and the Last Submission are quite minor. The First Submission and the Last Submission are substantially the same.

Our decision is that the changes proposed in the NIE Networks Amendment Report as augmented by the relevant adjustments and relayed in the Last Submission are **hereby approved**.

We are persuaded to give approval by the rationale set out in the NIE Networks Amendment Report. We consider that the changes proposed better clarify the arrangements set out in the TIA. The aims of the TIA (as recorded in Condition 17 of the NIE Licence and Condition 18 of the SONI Licence, respectively) are, we consider, better achieved by the changes proposed. We further consider that the changes are in harmony with our (statutory) responsibilities as set out in Art 12 of the Energy (NI) Order 2003.

IMPLEMENTATION OF APPROVED CHANGES TO THE TIA

We note that the NIE Networks Amendment Report asked for “*immediate*” implementation of the proposed changes to the TIA.

We are content to confirm that the proposed changes to the TIA (hereby approved) should come into effect at 00.01 hours on the day immediately following the date of this decision letter.

NIE Networks is reminded of its publication obligations as per the provisions of Condition 17 of its licence.⁶

FURTHER ENGAGEMENT

We acknowledge that the Parties are to engage as to further review of the TIA. That further review is to take in: (i) the provisions of Section S of the TIA and (ii) development of subsidiary TIA documents and an amendment register. We look forward to further timely liaison in this regard.

I trust this is satisfactory. Should you require any further information or clarification please do not hesitate to contact our Mr. Jody O'Boyle.

Yours sincerely



Tanya Hedley

Director, Networks

Cc Roisin McLaughlin (UR)
 Jody O'Boyle (UR)
 Tim Steele (UR)

Roger Henderson (NIE Networks)
Ben Cupples (NIE Networks)

⁶ And Section P of the TIA.