

Kevin O'Neill
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Ref: NET/E/TH/456

Dear Kevin

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

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

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

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

We note that NIE Networks’ submitted its own report (“**the NIE Networks Amendment Report**”) – on 25 September 2020 – proposing changes to the TIA. The NIE Networks

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 [SONI-TIA-Amendment-Report-20200923.pdf](#)

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.

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 SONI 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 SONI Amendment Report - are as follows:

1. Section B Paragraph 8.3

The SONI Amendment Report (and the First Submission) narrated the following proposed changes:-

- 8.3 SONI shall, under the terms of the Construction Agreement entered into between SONI and NIE Networks in relation to the relevant New Connection until such time as NIE Networks has Adopted the Contestable Works, indemnify and keep indemnified NIE Networks, ~~its officers, employees and agents~~, from and against all direct loss or liability suffered by reason of a failure by any User that enters into a **Contestable Offer** to comply with any **Contestable Offer Specific Requirements** ~~unless such losses or liabilities are recoverable by NIE Networks pursuant to the terms of a Standard Adoption Agreement entered into by NIE Networks with the relevant User. PROVIDED ALWAYS that SONI's liability under this paragraph 8.3 shall be subject to sub-paragraph 5.3 of Section O of this TIA and that SONI's liability under this paragraph 8.3 shall not exceed £10 million per incident or series of incidents. NIE Networks agrees to provide any information reasonably requested by SONI or its insurers in connection with any claim under this paragraph 8.3, including evidencing any costs for which NIE Networks is seeking recovery.~~

The Last Submission narrated the following adjustment:-

⁴ Likewise, changes to Section S were not identified in the NIE Networks 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>

- 8.3 SONI shall, under the terms of the **Construction Agreement** entered into between SONI and NIE Networks in relation to the relevant **New Connection** until such time as NIE Networks has Adopted the Contestable Works, ~~indemnify and keep indemnified be liable to NIE Networks, its officers, employees and agents, from and against for all direct~~ loss or liability suffered by reason of a failure by any **User** that enters into a **Contestable Offer** to comply with any **Contestable Offer Specific Requirements** ~~unless such losses or liabilities are recoverable by NIE Networks pursuant to the terms of a Standard Adoption Agreement entered into by NIE Networks with the relevant User.~~ PROVIDED ALWAYS that SONI's liability under this paragraph 8.3 shall be subject to sub-paragraph 5.3 of Section O of this TIA (and, for the avoidance of doubt, SONI's liability under this paragraph 8.3 shall not constitute an indemnity for the purposes of sub-paragraph 5.3 of Section O of this TIA) and that SONI's liability under this paragraph 8.3 shall not exceed £10 million per incident or series of incidents. NIE Networks agrees to provide any information reasonably requested by SONI or its insurers in connection with any claim under this paragraph 8.3, including evidencing any costs for which NIE Networks is seeking recovery.

2. Schedule 3 Paragraph 2

The SONI 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.

3. Schedule 9 Paragraph 1.2.10

The SONI 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 SONI

We have considered the SONI 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.⁶

Our decision is that the changes proposed in the SONI 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 SONI 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 18 of the SONI TSO licence and Condition 17 of the NIE (TAO) 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 SONI 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.

SONI is reminded of its publication obligations as per the provisions of Condition 18 of its licence.⁷

⁶ The adjustments made to Section B paragraph 8.3 are considered to provide useful clarification.

⁷ And Section P of the TIA.

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)

Alan Campbell (SONI)
Sarah Friedel (SONI)