

Roger Henderson
Network Assets Director
Northern Ireland Electricity Networks
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NET/E/JF/583
By Email

Dear Roger

Omagh - Dromore 110kV Double Circuit Overhead Line Refurbishment: Construction Allowance Determination

This letter sets out the Utility Regulator's decision in respect of Omagh - Dromore 110kV DC OHL Refurbishment construction costs under paragraph 4.34 of Annex 2 of the NIE Networks Transmission Licence.

Our decision takes account of the information provided to us in your submission of 5 July 2022 and the subsequent query process.

We have determined an additional allowed CAPEX amount (ACTR_Xt) of £5,330,003 (2021/22 price base) for the construction works as profiled below:

	FY22/23	FY 23/24
Amount	2,489,116	2,840,887

In addition, your submission requested that we provide regulatory approval to reopen the Determination if Brexit or COVID-19 legislation or other Force Majeure type events give rise to a material increase in project costs. We have considered this request but have decided not to provide this approval as we believe that there is adequate provision within the Licence and other regulatory mechanisms for dealing with these types of issue if they arise.

We will publish the decision by uploading it to our website and including it in the public register required under Article 57 of the Electricity (Northern Ireland) Order 1992

Under paragraph 4.35 of Annex 2 of the NIE Networks Transmission Licence the Utility Regulator may make a determination subject to conditions with which the Licensee shall be required to comply, including conditions as to the monitoring, audit and reporting in relation to the project. In respect of this determination the Licensee shall, in addition to ongoing RIGs reporting, maintain records of costs in sufficient granularity to provide a report or reports of costs against the headings identified in the submission of 5 July 2022 and shall report these costs to the Utility Regulator on request. This will provide the Utility Regulator with additional information and experience which will help inform future decisions of this type.

Yours sincerely,



John French
Chief Executive

Cc Paul Martin (NIE Networks)
Jenni McKeown (NIE Networks)
Carl Hashim (NIE Networks)
Tanya Hedley (UR)
John Mills (UR)
Sean Lyons (UR)
Alan Craig (UR)