



# RP7 - NIE Networks Price Control 2025-2031

Draft Determination Annex E  
Detailed Expenditure Allowances  
November 2023



## About the Utility Regulator

The Utility Regulator is the economic regulator for electricity, gas and water in Northern Ireland. We are the only multi-sectoral economic regulator in the UK covering both energy and water.

We are an independent non-ministerial government department and our main duty is to promote and protect the short- and long-term interests of consumers.

Our role is to 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.

We are based at Queens House in Belfast. The Chief Executive and two Executive Directors lead teams in each of the main functional areas in the organisation: CEO Office; Price Controls, Networks and Energy Futures; and Markets and Consumer Protection.



### 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

The purpose of this annex is to provide a high-level summary of the total cost requests of the company and the subsequent UR allowances. These costs are split between the distribution and transmission businesses respectively.

This annex is only for summary purposes. Further detail on our cost proposals is set out in the main document and relevant supporting annexes.

## Audience

This document is likely to be of interest to the licence holder affected, consumers and consumer groups, other regulated companies in the energy industry, government and other statutory bodies.

## Consumer impact

NIE Networks has a pivotal role in terms of 'keeping the lights on'. Both the effectiveness and efficiency of NIE Networks are key to industry and domestic consumers. The RP7 price control aims to set an efficient revenue cap to enable NIE Networks to deliver quality outputs that customers need.

NIE Networks' costs are a material and controllable element of electricity tariffs and RP7 investment decisions are expected to underpin improvements in service delivery for consumers.



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## Executive Summary

The purpose of this annex is to provide a high-level summary of the total cost requests of the company and the subsequent UR allowances. These costs are split between the distribution and transmission businesses respectively.

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# 1. Introduction

- 1.1 As part of the business plan submission, NIE Networks helpfully provided an annex covering the requested expenditure for the RP7 period. This was also contrasted with the expected RP6 outturn figures.
- 1.2 We have replicated the summary tables in this annex to detail the draft determination proposed allowances. The structure of the tables largely reflects the approach adopted by the company.
- 1.3 It should be noted that the RP6 costs are based on NIE Networks forecast outturn and includes the RP6 extension year. Actual costs per annum to date can be different from these forecasts.
- 1.4 We have not amended NIE Networks request figures. However, various lines have changed as a result of the query process or the requested IT re-plan submission. Consequently, some allowances may exceed the business plan request or be lower than might be typically expected.
- 1.5 Full detail on the allowances is captured in the individual relevant annexes as follows:
  - a) Annex D – Modelled and Unmodelled Costs (covering Inspections, Maintenance, Faults, Tree cutting (IMFT), indirect costs, rates, licence fees and severe weather).
  - b) Annex P – Direct Capex.
  - c) Annex N – Innovation.
  - d) Annex O – Metering (covering metering and market operations).
  - e) Annex W – IT and Digitalisation.
- 1.6 Detail on the calculation of percentages used to calculate real price effects (RPEs) and efficiency can be found in Annex C – Frontier Shift.
- 1.7 All costs referred to in this document are in 2021-22 prices (October 2021) unless otherwise stated. RP7 cost lines typically exclude real price effects (RPEs) and efficiency savings which are separately identified.

## 2. Distribution Expenditure

### Summary

2.1 The business plan request and the UR allowance for core distribution costs is set out in Table 2.1 and Table 2.2 below.

	Average per annum		Distribution Core Expenditure – NIE Networks Request						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Distribution network capex	70.8	133.5	118.8	135.2	133.8	134.6	139.3	139.1	<b>800.8</b>
IMFT costs	17.6	23.7	23.6	23.6	23.7	23.8	23.8	23.8	<b>142.3</b>
Indirects	50.3	72.6	68.5	69.0	73.1	74.7	75.1	75.1	<b>435.7</b>
Non-network IT	7.7	19.5	23.3	27.8	27.7	20.4	13.5	4.3	<b>117.1</b>
Market operations	22.8	28.2	28.6	27.3	27.9	28.1	28.2	29.1	<b>169.3</b>
RP7 efficiency savings*	0.0	-16.0	-9.0	-12.4	-15.1	-17.5	-19.9	-21.9	<b>-95.8</b>
<b>Totals</b>	<b>169.3</b>	<b>261.5</b>	<b>253.8</b>	<b>270.6</b>	<b>271.1</b>	<b>264.2</b>	<b>259.9</b>	<b>249.5</b>	<b>1,569.3</b>

**Table 2.1: RP7 summary of NIE Networks core distribution expenditure request**

	Average per annum		Distribution Core Expenditure – UR Allowance						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Distribution network capex	70.8	122.1	115.7	127.4	124.1	122.0	123.5	119.7	<b>732.4</b>
IMFT costs	17.6	17.1	17.9	17.7	17.0	16.8	16.7	16.7	<b>102.8</b>
Indirects	50.3	56.4	55.0	54.5	56.9	57.3	57.3	57.5	<b>338.4</b>
Non-network IT	7.7	20.2	20.0	23.3	28.1	21.1	16.4	12.4	<b>121.3</b>
Market operations	22.8	24.3	24.8	23.5	24.0	24.2	24.2	25.1	<b>145.8</b>
RP7 efficiency savings	0.0	-16.6	-9.8	-13.1	-16.0	-18.1	-20.4	-22.4	<b>-99.9</b>
<b>Totals</b>	<b>169.3</b>	<b>223.5</b>	<b>223.5</b>	<b>233.3</b>	<b>234.1</b>	<b>223.3</b>	<b>217.6</b>	<b>209.1</b>	<b>1,340.9</b>

**Table 2.2: RP7 summary of UR core distribution allowances**

- 2.2 For core distribution expenditure, allowances represent 85% of the amount requested. They also signify a 32% uplift from the forecast RP6 run rate. Non-network IT costs are above allowances due to the IT system re-plan and amended cost profile. Greater efficiencies are also anticipated because of the increase in the ongoing efficiency challenge from 0.8% per annum to 1.0% per year.
- 2.3 It should be noted that figures in this table (and others) include forecast allowances for cost lines which will be subject to price control re-openers, as per the business plan approach. These values cannot therefore be translated into ex-ante distribution licence allowances. For example, the capex line includes £4m associated with the forecast innovation fund. However, decisions around this fund will be subject to separate review and determination. The same issue can also be identified for IT allowances.
- 2.4 For other distribution expenditure the request and allowances are shown below in Table 2.3 and Table 2.4 respectively. The key difference is the impact of RPEs. Some change has also been made for rates and licence fees. The impact of these however largely cancel each other out and are at any rate subject to cost pass-through.



	Average per annum		Other Distribution Expenditure – NIE Networks Request						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
RP7 real price effects	0.0	35.1	22.8	31.7	35.6	37.8	40.6	42.2	<b>210.6</b>
Rates	13.1	11.1	11.6	11.4	11.1	10.9	10.9	10.9	<b>66.7</b>
Licence fees	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	<b>8.6</b>
Pension deficit contributions	16.2	-5.0	-29.7	0.0	0.0	0.0	0.0	0.0	<b>-29.7</b>
Pension ERDC disallowance	-4.3	1.4	8.5	0.0	0.0	0.0	0.0	0.0	<b>8.5</b>
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Total</b>	<b>26.4</b>	<b>44.1</b>	<b>14.6</b>	<b>44.6</b>	<b>48.1</b>	<b>50.1</b>	<b>52.9</b>	<b>54.4</b>	<b>264.7</b>

**Table 2.3: RP7 summary of NIE Networks other distribution expenditure request**

	Average per annum		Other Distribution Expenditure – UR Allowance						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
RP7 real price effects*	0.0	23.3	15.9	20.7	23.7	24.8	26.6	27.7	<b>139.5</b>
Rates	13.1	10.4	10.8	10.7	10.4	10.2	10.2	10.2	<b>62.5</b>
Licence fees	1.4	2.0	2.0	2.0	2.0	2.0	2.0	2.0	<b>12.0</b>
Pension deficit contributions	16.2	-5.0	-29.7	0.0	0.0	0.0	0.0	0.0	<b>-29.7</b>
Pension ERDC disallowance	-4.3	1.4	8.5	0.0	0.0	0.0	0.0	0.0	<b>8.5</b>
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Total</b>	<b>26.4</b>	<b>32.1</b>	<b>7.5</b>	<b>33.4</b>	<b>36.2</b>	<b>37.0</b>	<b>38.8</b>	<b>39.9</b>	<b>192.8</b>

**Table 2.4: RP7 summary of UR other distribution expenditure allowances**

	Average per annum		Detailed Distribution Core Expenditure – NIE Networks Request						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Facilitating net zero	29.2	61.7	51.9	56.3	62.8	62.5	68.5	68.3	<b>370.4</b>
A safe, reliable, resilient network	32.8	62.3	59.6	69.5	61.1	62.2	60.8	60.8	<b>374.0</b>
Innovation in all we do	2.0	3.2	1.1	3.2	3.7	3.7	3.7	3.7	<b>19.1</b>
Other non-load	4.7	4.6	4.6	4.6	4.6	4.6	4.6	4.6	<b>27.8</b>
Network access and commissioning	2.2	1.6	1.6	1.6	1.6	1.6	1.6	1.6	<b>9.5</b>
<b>Total distribution capex</b>	<b>70.8</b>	<b>133.5</b>	<b>118.8</b>	<b>135.2</b>	<b>133.8</b>	<b>134.6</b>	<b>139.3</b>	<b>139.1</b>	<b>800.8</b>
Inspections	2.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	<b>31.6</b>
Maintenance	3.4	4.9	4.9	4.9	4.9	4.9	4.9	4.9	<b>29.4</b>
Fault & emergency	9.5	9.2	9.2	9.2	9.2	9.2	9.2	9.2	<b>55.3</b>
Tree-cutting	4.0	5.8	5.8	5.8	5.8	5.8	5.8	5.8	<b>34.7</b>
Severe weather	0.2	0.9	0.9	0.9	0.9	0.9	0.9	0.9	<b>5.6</b>
Network access and commissioning	1.4	0.6	0.6	0.6	0.7	0.7	0.7	0.7	<b>3.9</b>
Income	-3.3	-3.0	-3.2	-3.1	-3.0	-3.0	-3.0	-3.0	<b>-18.2</b>
<b>Total IMF&amp;T</b>	<b>17.6</b>	<b>23.7</b>	<b>23.6</b>	<b>23.6</b>	<b>23.7</b>	<b>23.8</b>	<b>23.8</b>	<b>23.8</b>	<b>142.3</b>
Indirects (general)	47.2	63.6	60.4	61.1	64.5	65.5	65.3	65.2	<b>381.9</b>
IT and telecoms opex	4.2	9.9	9.1	9.0	9.6	10.2	10.8	10.9	<b>59.6</b>
Income relating to indirect activities	-1.0	-1.0	-1.0	-1.0	-1.0	-0.9	-0.9	-0.9	<b>-5.8</b>
<b>Total indirects</b>	<b>50.3</b>	<b>72.6</b>	<b>68.5</b>	<b>69.0</b>	<b>73.1</b>	<b>74.7</b>	<b>75.1</b>	<b>75.1</b>	<b>435.7</b>
Non-network IT: distribution	5.6	11.7	13.1	14.4	14.4	14.7	10.8	2.8	<b>70.3</b>
Non-network IT: market operations	2.1	7.8	10.2	13.4	13.3	5.7	2.7	1.5	<b>46.8</b>
<b>Total non-network IT</b>	<b>7.7</b>	<b>19.5</b>	<b>23.3</b>	<b>27.8</b>	<b>27.7</b>	<b>20.4</b>	<b>13.5</b>	<b>4.3</b>	<b>117.1</b>

<b>Total core costs</b>	<b>146.5</b>	<b>249.3</b>	<b>234.2</b>	<b>255.7</b>	<b>258.3</b>	<b>253.6</b>	<b>251.7</b>	<b>242.3</b>	<b>1,495.8</b>
Installs, re-certification	7.3	8.3	9.2	7.9	7.9	8.0	8.1	9.0	<b>50.1</b>
Meter reading	4.0	4.3	4.3	4.3	4.3	4.3	4.3	4.3	<b>25.6</b>
Enduring solution opex	5.7	7.0	6.7	6.9	7.0	7.0	7.0	7.0	<b>41.7</b>
IT and telecoms opex	1.2	2.6	2.5	2.4	2.6	2.8	2.8	2.8	<b>15.8</b>
Other	4.6	6.0	6.1	5.9	6.2	6.0	6.0	6.0	<b>36.1</b>
<b>Total market operations</b>	<b>22.8</b>	<b>28.2</b>	<b>28.6</b>	<b>27.3</b>	<b>27.9</b>	<b>28.1</b>	<b>28.2</b>	<b>29.1</b>	<b>169.3</b>
RP7 efficiency savings	0.0	-16.0	-9.0	-12.4	-15.1	-17.5	-19.9	-21.9	<b>-95.8</b>
<b>Total</b>	<b>169.3</b>	<b>261.5</b>	<b>253.8</b>	<b>270.6</b>	<b>271.1</b>	<b>264.2</b>	<b>259.9</b>	<b>249.5</b>	<b>1,569.3</b>

**Table 2.5: RP7 detailed breakdown of NIE Networks core distribution expenditure request**

	Average per annum		Detailed Distribution Core Expenditure – UR Allowance						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Facilitating net zero	29.2	58.1	56.3	57.5	60.5	57.5	60.2	56.4	<b>348.3</b>
A safe, reliable, resilient network	32.8	56.5	52.8	62.2	55.9	56.7	55.7	55.6	<b>338.9</b>
Innovation in all we do	2.0	1.5	0.6	1.6	1.7	1.7	1.6	1.6	<b>8.7</b>
Other non-load	4.7	4.5	4.5	4.5	4.5	4.5	4.5	4.5	<b>27.0</b>
Network access and commissioning	2.2	1.6	1.6	1.6	1.6	1.6	1.6	1.6	<b>9.5</b>
<b>Total distribution capex</b>	<b>70.8</b>	<b>122.1</b>	<b>115.7</b>	<b>127.4</b>	<b>124.1</b>	<b>122.0</b>	<b>123.5</b>	<b>119.7</b>	<b>732.4</b>
Inspections	2.3	4.0	4.1	4.1	3.9	3.9	3.9	3.9	<b>23.8</b>
Maintenance	3.4	3.7	3.8	3.8	3.6	3.6	3.6	3.6	<b>22.0</b>
Fault & emergency	9.5	6.9	7.2	7.1	6.8	6.7	6.7	6.7	<b>41.3</b>
Tree-cutting	4.0	4.3	4.5	4.5	4.3	4.3	4.2	4.2	<b>26.1</b>
Severe weather	0.2	0.6	0.6	0.6	0.6	0.6	0.6	0.6	<b>3.8</b>
Network access and commissioning	1.4	0.7	0.7	0.7	0.7	0.7	0.7	0.7	<b>3.9</b>
Income	-3.3	-3.0	-3.2	-3.1	-3.0	-3.0	-3.0	-3.0	<b>-18.2</b>
<b>Total IMF&amp;T</b>	<b>17.6</b>	<b>17.1</b>	<b>17.9</b>	<b>17.7</b>	<b>17.0</b>	<b>16.8</b>	<b>16.7</b>	<b>16.7</b>	<b>102.8</b>
Indirects (general)	47.2	47.6	47.3	47.4	48.0	48.0	47.6	47.6	<b>285.9</b>
IT and telecoms opex	4.2	9.7	8.7	8.0	9.9	10.2	10.6	10.9	<b>58.4</b>
Income relating to indirect activities	-1.0	-1.0	-1.0	-1.0	-1.0	-0.9	-0.9	-0.9	<b>-5.8</b>
<b>Total indirects</b>	<b>50.3</b>	<b>56.4</b>	<b>55.0</b>	<b>54.5</b>	<b>56.9</b>	<b>57.3</b>	<b>57.3</b>	<b>57.5</b>	<b>338.4</b>
Non-network IT: distribution	5.6	12.6	12.3	13.1	12.5	14.4	13.4	10.1	<b>75.7</b>
Non-network IT: market operations	2.1	7.6	7.7	10.2	15.6	6.7	2.9	2.4	<b>45.6</b>
<b>Total non-network IT</b>	<b>7.7</b>	<b>20.2</b>	<b>20.0</b>	<b>23.3</b>	<b>28.1</b>	<b>21.1</b>	<b>16.4</b>	<b>12.4</b>	<b>121.3</b>

<b>Total core costs</b>	<b>146.5</b>	<b>215.8</b>	<b>208.6</b>	<b>222.9</b>	<b>226.2</b>	<b>217.1</b>	<b>213.9</b>	<b>206.4</b>	<b>1,295.0</b>
Installs, re-certification	7.3	6.3	7.2	5.9	5.9	6.1	6.0	7.0	<b>38.0</b>
Meter reading	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	<b>24.0</b>
Enduring solution opex	5.7	6.7	6.3	6.6	6.7	6.8	6.8	6.8	<b>39.9</b>
IT and telecoms opex	1.2	2.3	2.2	2.0	2.3	2.4	2.4	2.4	<b>13.7</b>
Other	4.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	<b>30.1</b>
<b>Total market operations</b>	<b>22.8</b>	<b>24.3</b>	<b>24.8</b>	<b>23.5</b>	<b>24.0</b>	<b>24.2</b>	<b>24.2</b>	<b>25.1</b>	<b>145.8</b>
RP7 efficiency savings	0.0	-16.6	-9.8	-13.1	-16.0	-18.1	-20.4	-22.4	<b>-99.9</b>
<b>Total</b>	<b>169.3</b>	<b>223.5</b>	<b>223.5</b>	<b>233.3</b>	<b>234.1</b>	<b>223.3</b>	<b>217.6</b>	<b>209.1</b>	<b>1,340.9</b>

**Table 2.6: RP7 summary of UR detailed core distribution allowances**

2.5 A breakdown of the detailed core distribution request and allowances is set out in Table 2.5 and Table 2.6. The proposed allowance represents a 14.6% reduction on the business plan request but a significant uplift from RP6.

### 3. Transmission Expenditure

#### Summary

3.1 The RP7 business plan request and the UR allowance for core transmission costs is set out below in Table 3.1 and Table 3.2 respectively.

	Average per annum		Transmission Core Expenditure – NIE Networks Request						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Transmission network capex	27.6	97.9	80.8	99.5	127.3	127.4	80.7	71.6	<b>587.4</b>
IMFT costs	1.7	2.1	2.2	2.2	2.1	2.0	2.0	2.0	<b>12.5</b>
Indirects	7.9	11.7	10.9	11.1	11.9	12.0	12.1	12.1	<b>70.1</b>
Non-network IT	0.6	1.9	2.2	2.4	2.4	2.4	1.8	0.5	<b>11.6</b>
RP7 efficiency savings	0.0	-1.8	-1.0	-1.3	-1.8	-2.1	-2.3	-2.5	<b>-10.9</b>
<b>Total</b>	<b>37.8</b>	<b>111.8</b>	<b>95.1</b>	<b>113.9</b>	<b>141.8</b>	<b>141.8</b>	<b>94.3</b>	<b>83.7</b>	<b>670.7</b>

**Table 3.1: RP7 summary of NIE Networks core transmission expenditure request**

	Average per annum		Transmission Core Expenditure – UR Allowance						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Transmission network capex	27.6	96.5	79.5	97.9	125.7	125.9	79.5	70.4	<b>578.9</b>
IMFT costs	1.7	1.3	1.5	1.4	1.3	1.2	1.2	1.1	<b>7.7</b>
Indirects	7.9	9.0	8.7	8.7	9.2	9.1	9.2	9.2	<b>54.2</b>
Non-network IT	0.6	2.1	2.0	2.2	2.1	2.4	2.2	1.7	<b>12.5</b>
RP7 efficiency savings	0.0	-1.9	-1.0	-1.3	-1.9	-2.2	-2.3	-2.6	<b>-11.3</b>
<b>Totals</b>	<b>37.8</b>	<b>107.0</b>	<b>90.8</b>	<b>108.9</b>	<b>136.4</b>	<b>136.5</b>	<b>89.7</b>	<b>79.8</b>	<b>642.0</b>

**Table 3.2: RP7 summary of UR core transmission allowances**

- 3.2 For core transmission expenditure, allowances represent 96% of the amount requested. However much of the forecast capex relates to D5 projects which are not determined within this price control. Rather they are decided on an individual project basis.
- 3.3 For other transmission expenditure the request and allowances are detailed in Table 3.3 and Table 3.4. Again, the key difference is the allowance for RPEs with some minor changes to rates and licence fees.

	Average per annum		Other Transmission Expenditure – NIE Networks Request						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
RP7 real price effects	0.0	4.1	2.5	3.3	4.4	4.7	4.7	4.8	<b>24.5</b>
Rates	3.8	4.4	3.9	4.1	4.4	4.6	4.6	4.7	<b>26.3</b>
Licence fees	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	<b>2.1</b>
Pension deficit contributions	4.9	-1.5	-9.1	0.0	0.0	0.0	0.0	0.0	<b>-9.1</b>
Pension ERDC disallowance	-1.3	0.4	2.5	0.0	0.0	0.0	0.0	0.0	<b>2.5</b>
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Total</b>	<b>7.8</b>	<b>7.7</b>	<b>0.2</b>	<b>7.8</b>	<b>9.1</b>	<b>9.7</b>	<b>9.7</b>	<b>9.8</b>	<b>46.4</b>

**Table 3.3: RP7 summary of NIE Networks other transmission expenditure request**

	Average per annum		Other Transmission Expenditure – UR Allowance						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
RP7 real price effects	0.0	2.7	1.7	2.1	2.9	3.1	3.2	3.3	<b>16.2</b>
Rates	3.8	4.1	3.7	3.8	4.1	4.3	4.3	4.4	<b>24.6</b>
Licence fees	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	<b>3.0</b>
Pension deficit contributions	4.9	-1.5	-9.1	0.0	0.0	0.0	0.0	0.0	<b>-9.1</b>
Pension ERDC disallowance	-1.3	0.4	2.5	0.0	0.0	0.0	0.0	0.0	<b>2.5</b>
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Total</b>	<b>7.8</b>	<b>6.2</b>	<b>-0.8</b>	<b>6.4</b>	<b>7.5</b>	<b>7.9</b>	<b>8.0</b>	<b>8.2</b>	<b>37.2</b>

**Table 3.4: RP7 summary of UR other transmission allowances**



	Average per annum		Detailed Transmission Core Expenditure – NIE Networks Request						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Facilitating net zero	0.0	71.1	67.9	85.6	92.6	93.2	48.3	39.2	<b>426.9</b>
A safe, reliable, resilient network	19.3	11.1	0.0	0.0	16.6	16.6	16.6	16.6	<b>66.5</b>
A safe, reliable, resilient network	7.8	15.3	12.5	13.5	17.7	17.2	15.4	15.4	<b>91.8</b>
Network access and commissioning	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	<b>2.3</b>
<b>Total distribution capex</b>	<b>27.6</b>	<b>97.9</b>	<b>80.8</b>	<b>99.5</b>	<b>127.3</b>	<b>127.4</b>	<b>80.7</b>	<b>71.6</b>	<b>587.4</b>
Inspections	0.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	<b>3.8</b>
Maintenance	1.1	1.6	1.6	1.6	1.6	1.6	1.6	1.6	<b>9.4</b>
Fault & emergency	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	<b>3.4</b>
Tree-cutting	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	<b>2.5</b>
Network access and commissioning	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	<b>0.5</b>
Income	-0.9	-1.2	-1.1	-1.1	-1.2	-1.3	-1.3	-1.3	<b>-7.2</b>
<b>Total IMF&amp;T</b>	<b>1.7</b>	<b>2.1</b>	<b>2.2</b>	<b>2.2</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>12.5</b>
Indirects (general)	7.4	10.4	9.7	10.0	10.7	10.7	10.7	10.7	<b>62.5</b>
IT and telecoms opex	0.7	1.6	1.5	1.5	1.6	1.7	1.8	1.8	<b>9.8</b>
Income relating to indirect activities	-0.2	-0.4	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	<b>-2.2</b>
<b>Total indirects</b>	<b>7.9</b>	<b>11.7</b>	<b>10.9</b>	<b>11.1</b>	<b>11.9</b>	<b>12.0</b>	<b>12.1</b>	<b>12.1</b>	<b>70.1</b>
Non-network IT: transmission	0.6	1.9	2.2	2.4	2.4	2.4	1.8	0.5	<b>11.6</b>
RP7 efficiency savings	0.0	-1.8	-1.0	-1.3	-1.8	-2.1	-2.3	-2.5	<b>-10.9</b>
<b>Total</b>	<b>37.8</b>	<b>111.8</b>	<b>95.1</b>	<b>113.9</b>	<b>141.8</b>	<b>141.8</b>	<b>94.3</b>	<b>83.7</b>	<b>670.7</b>

**Table 3.5: RP7 detailed breakdown of NIE Networks core transmission expenditure request**

	Average per annum		Detailed Transmission Core Expenditure – UR Allowance						RP7
	RP6	RP7	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m/a	£m/a	£m	£m	£m	£m	£m	£m	£m
Facilitating net zero	0.0	71.1	67.9	85.6	92.6	93.2	48.3	39.2	<b>426.8</b>
A safe, reliable, resilient network	19.3	11.1	0.0	0.0	16.6	16.6	16.6	16.6	<b>66.4</b>
A safe, reliable, resilient network	7.8	13.9	11.2	11.9	16.1	15.8	14.2	14.2	<b>83.4</b>
Network access and commissioning	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	<b>2.3</b>
<b>Total distribution capex</b>	<b>27.6</b>	<b>96.5</b>	<b>79.5</b>	<b>97.9</b>	<b>125.7</b>	<b>125.9</b>	<b>79.5</b>	<b>70.4</b>	<b>578.9</b>
Inspections	0.3	0.4	0.5	0.5	0.4	0.4	0.4	0.4	<b>2.7</b>
Maintenance	1.1	1.2	1.3	1.2	1.2	1.2	1.2	1.2	<b>7.2</b>
Fault & emergency	0.6	0.4	0.5	0.5	0.4	0.4	0.4	0.4	<b>2.7</b>
Tree-cutting	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	<b>1.8</b>
Network access and commissioning	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	<b>0.5</b>
Income	-0.9	-1.2	-1.1	-1.1	-1.2	-1.3	-1.3	-1.3	<b>-7.2</b>
<b>Total IMF&amp;T</b>	<b>1.7</b>	<b>1.3</b>	<b>1.5</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>7.7</b>
Indirects (general)	7.4	7.8	7.6	7.8	8.0	7.8	7.8	7.8	<b>46.8</b>
IT and telecoms opex	0.7	1.6	1.4	1.3	1.6	1.7	1.7	1.8	<b>9.6</b>
Income relating to indirect activities	-0.2	-0.4	-0.3	-0.3	-0.4	-0.4	-0.4	-0.4	<b>-2.2</b>
<b>Total indirects</b>	<b>7.9</b>	<b>9.0</b>	<b>8.7</b>	<b>8.7</b>	<b>9.2</b>	<b>9.1</b>	<b>9.2</b>	<b>9.2</b>	<b>54.2</b>
Non-network IT: transmission	0.6	2.1	2.0	2.2	2.1	2.4	2.2	1.7	<b>12.5</b>
RP7 efficiency savings	0.0	-1.9	-1.0	-1.3	-1.9	-2.2	-2.3	-2.6	<b>-11.3</b>
<b>Total</b>	<b>37.8</b>	<b>107.0</b>	<b>90.8</b>	<b>108.9</b>	<b>136.4</b>	<b>136.5</b>	<b>89.7</b>	<b>79.8</b>	<b>642.0</b>

**Table 3.6: RP7 detailed breakdown of UR core transmission expenditure allowances**

- 3.4 A breakdown of the detailed core transmission request and allowances is set out in Table 3.5 and Table 3.6. The proposed allowance represents a 4.3% reduction on the business plan request. However, as previously stated, around £493m of these costs (the first two line of Table 3.5 and Table 3.6) are subject to the D5 price control re-opener.
- 3.5 When these costs are removed the reduction is around 16% of the transmission request. Reductions are focused across most of the lines with the exception of non-network IT costs.

## 4. Conclusions

4.1 In overall terms RP7 represents a significant increase on RP6, whether looking at the business plan request or draft determination allowances.

	Totex Expenditure – NIE Networks Request						RP7
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m	£m	£m	£m	£m	£m	£m
Distribution	268.7	315.3	319.3	314.4	313.1	304.2	<b>1,834.1</b>
Transmission	95.2	121.7	151.0	151.3	103.9	93.5	<b>716.9</b>
<b>Total</b>	<b>363.8</b>	<b>437.0</b>	<b>470.3</b>	<b>465.7</b>	<b>417.0</b>	<b>397.7</b>	<b>2,551.0</b>

**Table 4.1: RP7 summary of NIE Networks totex expenditure request**

	Totex Expenditure – UR Allowance						RP7
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	Totals
	£m	£m	£m	£m	£m	£m	£m
Distribution	231.0	266.6	270.3	260.3	256.4	249.0	<b>1,533.6</b>
Transmission	90.0	115.4	143.9	144.4	97.7	88.0	<b>679.2</b>
<b>Total</b>	<b>321.0</b>	<b>382.0</b>	<b>414.2</b>	<b>404.7</b>	<b>354.1</b>	<b>336.9</b>	<b>2,212.9</b>

**Table 4.2: RP7 summary of UR totex expenditure allowance**

4.2 The draft determination of £2.21bn represents an 87% allowance on the £2.55bn request. It should however be noted that much of this allowance is not set ex-ante but will be decided via uncertainty mechanisms.

4.3 Figures have been presented in this fashion for comparability purposes in order to mirror what has been done in the NIE Networks business plan. It is important to note that these draft allowances cannot be assumed to be figures which will be written into the licence modifications.