

Mr Gavan Walsh
 Chief Transformation Officer
 NIE Networks
 120 Malone Road
 BELFAST
 BT9 5HT

Ref: NET/E/JF/903

11 April 2024

Dear Gavan,

RP6 Extension Year – Additional IT Allowance - Final Decision

On 3 October 2023, Networks submitted their RP7 digital & IT replanned allowances to the Utility Regulator (UR) for the RP7 Price Control period. This replanned submission included updated requests in relation to allowances for digital and IT investment for the RP6 extension year.

NIE Networks requested an allowance of £5.849m (2015/2016 prices) for planned Digital and IT Investment for the RP6 extension year (this approved sum is net of allowances already provided through the licence).

On 19 December, UR provided a draft determination allowance of £4.054m for digital and IT investment for the RP6 extension year.

NIE Networks responded to our draft determination on 26 January 2024, after considering this response, we have made a final determination allowance of **£5.246M**. This total final determination allowance is further broken down into capex (in the ACNES_XT term) and opex (in the NEST term).

Planned Digital & IT Investment £k - 2015/16 prices	RP6 Extension Request	UR Final Determination Allowance
Total	9,401	8,799
Allowance already provided through the licence	(3,553)	(3,553)
Additional Allowance	5,849	5,246

Table 1 – UR final determination allowance for RP6 extension digital and IT investment (2015/2016 prices)

Note: figures may not add due to rounding

Licence Term	ACNES_XT
Distribution capex allowance	£4.146m
Transmission capex allowance	£0.463m

Table 2 – RP6 Extension final determination capex allowances (2015/2016 prices) in the ACNES_XT Licence Term

Licence Term	NESt
Distribution opex allowance	£0.566m
Transmission opex allowance	£0.071m

Table 3 – RP6 Extension final determination opex allowances (2015/2016 prices) in the NESt Licence Term

The RP6 IT Projects that have not been provided with a full allowance are provided below in Table 4.

Ref.	IT Project Name	NIEN RP6 Extension Request (2021/22 prices)	UR FD Allowance (2021/22 prices)
HS03	Public Awareness Online Interactions	£<<<<	£<<<<
SUS01	Embodied Carbon Footprint	£<<<<	£<<<<
PRG01	Programme Delivery	£<<<<	£<<<<

Table 4- RP6 Extension projects not provided with a full allocation.

Further details on each of the individual RP6 extension project decisions, including our rationale behind our final decision on the projects in Table 4, has been provided in “Appendix 1 – UR Final Decision on NIE Networks RP6 Extension IT Requests”.

Yours sincerely



John French
Chief Executive

Cc: John Mills
 Fiona Rooney