

RP7 - NIE Networks Price Control 2025-2031

Final Determination Annex Y
Glossary
30 October 2024



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we 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 through financial and annual reporting obligations.

We are based at Queens House in the centre of 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. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.



Abstract

This document includes the acronyms and glossary of terms used in the RP7 Final Determination with their definitions outlined in the table below.

Audience

NIE Networks, consumers, consumer representatives, consumer groups, other regulated companies in the energy industry, government, and other bodies with an interest in the energy industry.

Consumer impact

The overall consumer impact of RP7 is set out in the main final determination report.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z	
Term	Description
100% 'revenue pool' expenditure	This is a cost category used in the Financial Issues BPTs only, which reports the Pension costs which have been stripped out from the following Use of System (UoS) funded, Financial Issues BPT cost categories: a) Controllable Opex b) Faults c) Load Related Capex d) NABC e) Non GB DNO f) Non-Load Related Capex - Asset Replacement g) Non-Load Related Capex – Other h) Tree Cutting
A	
Actuary	The scheme actuary or the corporate actuary.
AGU	Aggregated Generator Units - costs associated with the arrangements for aggregated generator units. The AGU arrangements were established to facilitate a collection of small customer-side stand-by generators (geographically dispersed across NI) trading energy in the Single Electricity Market. NIE Networks T&D provides support for these arrangements through its meter data collection and registration functions. These functions are not the responsibility of network operators in GB.
Allocation of overhead and admin	Indirect costs associated with: Market Opening; Meter Reading; or Metering Services. These functions are not the responsibility of network operators in GB.
Amortisation of connection costs	Customer connection contributions received in respect of the property, plant and equipment required to provide a connection to the distribution or transmission system. The value of these contributions is released to the income statement in recognition of the estimated useful economic lives of the related assets.
Amortisation of O&M costs	Customer connection contributions received in respect of the operations and maintenance of providing a connection to the distribution or transmission system. The value of these contributions is released to the income statement in recognition of the defined duration in the Connection Agreement or, if the Connection Agreement has no defined duration, 20 years.
Annual Environmental Report (AER)	A document NIE Networks are required to publish annually on its website to report on progress against its RP7 environmental action plan commitments.
ANM	Active Network Management
Ap Levy	Apprenticeship Levy. An OPEX allowance. The Apprenticeship Levy is an amount paid at a rate of 0.5% of an employer's annual pay bill.
Approved Generation Cluster Infrastructure	The Network Infrastructure including, as appropriate, civil works, electrical lines and cables, electrical plan, meters, telemetry and data processing equipment which has been approved for construction by the Authority as being required for the purposes of connecting a Generation Cluster to the electricity network.

Article 75 Payment	When an employer departs from a scheme they become liable to pay their share of the scheme's liabilities.
Atypical expenditure	This is expenditure which is "one-off" or "exceptional" in nature and would not typically be experienced in a company's year-on-year spend. Some examples of such costs may include extreme weather or perhaps unusual compensation payments to customers.
Augmentation of Benefit Cost	Cost associated with the provision of additional benefits offered to members of a DB scheme (other than enhanced pension benefits granted under severance arrangements), normally where the cost is borne by the scheme and/or the employer.
AVC	Additional Voluntary Contribution - contributions over and above a member's normal contributions, if any, which the member elects to pay to a DB scheme to obtain additional benefits.
B	<u>Back to top</u>
BCF	Business Carbon Footprint
BCIS	Royal Institute of Chartered Surveyors Building Cost Information Service
BIS	Department for Business, Innovation and Skills
BPT	Business Plan Template
BSI	British Standards Institution
Business Rates	In Northern Ireland, the rates payable by the Licensee in respect of hereditaments under the Valuation (Electricity) Order (Northern Ireland) 2003.
C	<u>Back to top</u>
Capex	Capital expenditure - expenditure on investment in long-lived distribution assets, such as underground cables, overhead electricity lines and substations.
Capitalised Interest	This is the value of interest costs which have been capitalised in the Statutory/Regulatory accounts of the Licensee. While this may be appropriate under accounting standards, the Authority disallows this value in the maximum regulated revenue because interest costs are accounted for as part of the WACC return on RAB.
CAPM	Capital Asset Pricing Model - a model that describes the relationship between risk and expected return.
CAWG	Cost Assessment Working Group – partnership working group tasked with developing an agreed, common dataset to facilitate cost benchmarking.
CBA	Cost Benefit Analysis - a methodology that compares the costs of carrying out an investment against the benefits (such as risk reduction or service improvement) to compare different options and demonstrate value for money.
CC	Competition Commission- the predecessor of the Competition and Markets Authority (CMA).
CCNI	Consumer Council for Northern Ireland
CEAP	Consumer Engagement Advisory Panel

Change in Market Value of Investments	The change in the market value of a scheme's investments over a period of time where the approach used to assess the market value of an asset is the same as the approach used for the purposes of a triennial valuation.
CIs	Customer Interruptions - the number of times customers experience supply interruptions of more than one-minute duration per 100 connected customers.
CMA	Competition and Markets Authority - the statutory body to deal with referrals in price controls and makes a new decision after listening to the evidence from all related parties. Formally the Competition Commission (CC). The CMA began operating fully on 1 April 2014, when it assumed many of the functions of the previously existing Competition Commission and Office of Fair Trading, which were abolished.
CMLs	Customer Minutes Lost - the average number of minutes customers are off supply per annum.
Commutation	Giving up part or all of the pension payable from retirement in exchange for an immediate lump sum.
Connection expenditure: Alterations (fully or partly recoverable)	Costs in relation to alterations at a customer's premises. This relates to work which is either FECR (full estimated cost recoverable) or PECR (part estimated cost recoverable).
Connection expenditure: Connection to grid	The one-off costs of providing an energised import or export electricity service to the distribution or transmission system, for an individual customer (sole use) or a group of customers (shared use), to generate and/or consume electricity.
Connection income: Alterations (fully or partly recoverable)	Income received in exclusive relation to Connection expenditure: Alterations (fully or partly recoverable).
Connection income: Connection to grid	The one-off income received for providing an energised import or export electricity service to the distribution or transmission system, for an individual customer (sole use) or a group of customers (shared use), to generate and/or consume electricity. Income received in exclusive relation to Connection expenditure: Connection to grid.
Connections – Shared use	Where a connection project requires the reinforcement of existing assets or involves the installation of new assets that will not be used solely by the connecting party, such as Cluster costs.
Connections – Sole use	This is defined as the element of a connection that will only be used by the connecting party [at the time of completing the work] and is therefore fully funded by this party.
Contingent Pension Asset Cost	See pension hedging and contingent asset cost.

Contributions	<p>Payments to a DB or DC pension scheme. Also referred to as pension funding.</p> <p>Contributions can be differentiated as follows with respect to who makes the payments:</p> <ul style="list-style-type: none"> a) Employer contributions: Contributions made by the sponsoring employer(s) b) Employee contributions: Contributions made by the employees. Also referred to as member contributions. <p>Contributions can be differentiated as follows with respect to what they are used for:</p> <ul style="list-style-type: none"> a) Ongoing pension service contributions b) Payments in respect of pension scheme established/incremental deficit repair payments c) Payments in respect of augmentation of benefits d) Pension hedging and contingent asset cost e) Payments in respect of pension-related severance cost <p>Excludes:</p> <ul style="list-style-type: none"> a) Payments in respect of PPF levy paid directly by the sponsoring employer(s) b) Payments in respect of pension scheme administration cost paid directly by the sponsoring employer(s)
Controllable Opex	<p>This is a cost category used in the Financial Issues BPTs only, which reports the costs of the following activities, provided these are use of system (UoS) funded, and with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure):</p> <ul style="list-style-type: none"> a) Network Operating Costs (NOC) other b) Inspections & Maintenance c) Network Design & Engineering d) Project Management e) Engineering Management & Clerical Support f) System Mapping g) Control Centre h) Call Centre i) Stores j) Operational Training k) Vehicles & Transport l) Network Policy m) HR & Non-operational Training n) Finance & Regulation o) CEO p) IT & Telecoms q) Property Management r) Non Op Capex
Corporate Actuary	<p>The actuary appointed by the licensee to prepare the input data in accordance with the PDAM and to report on such.</p>
Cost of Capital	<p>The cost of capital is the level of return to compensate investors for the capital they make available to the regulated company.</p>
Cost of Debt	<p>The effective interest rate that a company pays for its loans.</p>

Cost of Equity	The rate of return on investment required by a company's shareholders.
Cost risk-sharing mechanism	A mechanism in the design of the RP7 which has the purpose of providing some financial protection to both consumers and NIE Networks against potential inaccuracies in estimates of NIE Networks efficient expenditure requirements and against unforeseen future developments that affect NIE Networks' costs, while also maintaining clear and strong financial incentives for NIE Networks to operate and invest efficiently. For RP7 50% of such differences in qualifying categories are passed through to consumers via adjustments to NIE Networks' maximum regulated revenue and Regulated Asset base (RAB).
Costs of the investigation (RP5 price control referral to the Competition Commission)	These are the costs incurred by NIE Networks (£2.8 million in nominal prices) for referring the RP5 price control to the Competition Commission. In section 20 of the CC's final determination, they give greater detail on this area.
CPI & CPIH	Consumer Price Index and Consumer Price Index including Housing, which is a recognised and international inflation measure.
Current Valuation	The latest triennial valuation completed.
D	<u>Back to top</u>
D5 mechanism costs	The costs for any project to increase transmission system capacity or capability and incurred against a project approved by the Authority and in line with the licence conditions for this mechanism.
DAV	Depreciated Asset Value
DB	Defined Benefit pension scheme
DD	Draft Determination
DECC	Department for Energy and Climate Change. Dissolved in July 2016. Replaced by Department for Energy Security and Net Zero in February 2023.
Deferred Pension	A benefit relating to the past service of members of an occupational pension scheme who are no longer active members but have not yet retired. The benefits are payable at retirement or earlier death.
Deferred Pensioner	An individual entitled to a deferred pension.
Deficiency (or deficit) contributions	Where an actuarial funding valuation shows that the scheme's assets are less than required to cover the expected cost of members' benefits which have accrued up to the valuation date (so the scheme is in "deficit"), additional deficiency contributions will be required from the employer to make up the shortfall. Deficiency contributions are payable for a fixed term, known as the recovery period, after which the deficiency would be expected to have been eliminated.

Defined benefit pension scheme (DB scheme)	A pension scheme in which an employee's pension is determined under the scheme rules. In a final salary scheme, the pension is based on the number of years of service and on the employee's pensionable salary at, or shortly before, the employee leaves active service. In a career average scheme, the pension reflects the employee's average pensionable salary throughout his or her active service. The cost of providing the defined benefits will depend on the scheme's experience. In most schemes, the employer has to provide additional funds to the scheme to meet the cost of providing the defined benefits, if experience is worse than expected. In other words, the risk of adverse experience usually rests with the sponsoring employer. Conversely, the employer usually benefits from reduced contributions if experience is favourable.
Defined contribution pension scheme (DC scheme)	A pension scheme in which the benefits paid to an employee depend on the level of contributions to the scheme, the investment return earned on the contributions, annuity rates at retirement and the provider's expense charges. There is no guaranteed level of benefits. In other words, the risk of adverse experience rests with the employee (who also benefits from any favourable experience).
Dependant	A person who is financially dependent on a member or pensioner or was so at the time of death or retirement of the member or pensioner. Scheme rules will define a dependant precisely, e.g. age at which children cease to be dependants.
DfE	Department for the Economy
DfI	Department for Infrastructure
DG	Distributed generation - generation connected to the distribution network. It includes wind turbines, domestic solar panels, large scale photo-voltaic farms, hydro-electric power and biomass generators
Direct expenditure (Other) – Network investment embedded in managed service charge	Direct Expenditure incurred on NIE Networks behalf by NIE Network Services (formerly NIE Powerteam) or any other related party and recovered from NIE Networks under the 'Managed Service Charge'.
DN	Distribution network - 33kV and lower voltage networks. The networks forming part of the distribution network, including in each case any electrical plant and/or meters used in connection with distribution.
DNO	Distribution Network Operator – NIE Networks is the only DNO in Northern Ireland. There are 14 DNOs in GB, which are owned by six different groups. The holders of an electricity distribution licence in GB are commonly referred to as the GB DNOs.
DSO	Distribution System Operator - a DSO actively manages the power flows on the network using flexible connections and/or services, in addition to the traditional distribution network operator approach of reinforcement and switching.
Dt	Dt term represents any residual saving achieved on the buy-out of NIROC
DUoS	Distribution Use of System - these are the charges levied to suppliers for distribution network costs that can be recovered from customers. The amount is determined by the UR through price control reviews.
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EAP	Environmental Action Plan
EJP	Engineering Justification Paper

Employee Contribution Rate	Employee contributions to a pension scheme, expressed as a percentage of pensionable pay.
Employee Contributions	See contributions.
Employer Contribution Rate	Employer contributions to a pension scheme that are not pension deficit payments, expressed as a percentage of pensionable salaries.
Employer Contributions	See contributions.
Employer (Sponsor) Covenant	The degree to which the employer is willing and able to meet the funding requirements of the scheme.
EMS	Environmental Management System
Energy Efficiency Programme (NISEP etc)	A fund for the purpose of subsidising the operation and delivery of improvement measures in accordance with an energy efficiency programme, such as the Northern Ireland Sustainable Energy Programme (NISEP).
EPF	Evaluative Performance Framework
ERDCs	Early Retirement Deficiency Contributions - the cost of providing enhanced pension benefits granted under severance arrangements prior to the cut-off date which were not fully matched by increased contributions.
ERP	ERP refers to a management tool for business processes. It utilises various resources to deal with and manage a company's basic internal processes. ERP refers to software products from the SAP AG company.
ES	Enduring Solution - The IT system introduced to support competition in the retail market, intended to aid complete separation of the customer billing processes and legacy IT systems previously shared by NIE Networks T&D and Power NI, and to provide a level playing field for all suppliers, unrestricted switching capability for customers and support of global aggregation for settlement of the all-island wholesale market.
ESQCR	Electricity, Safety, Quality and Continuity Regulations (Northern Ireland) 2012 specify safety standards which are aimed at protecting the general public and customers from danger.
Established Deficit	Difference between assets and liabilities, determined at any point in time, attributable to pensionable service up to the end of the cut-off date and relating to regulated business activities. The term applies equally if there is a subsequent surplus.
Established Deficit Repair Payments	See pension deficit repair payments.
EV	Electric Vehicle
F	<u>Back to top</u>
Fast pot	Fast pot is the revenue that is recovered in the year of expenditure.
Faults	This is a cost category used in the Financial Issues BPTs only, which reports the costs of the following activities, provided these are UoS funded, and with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure): a) Trouble Call (a call from the customer helpline to report a power cut) b) Occurrences Not Incentivised
FD	Final Determination

Flexibility First	Where network congestion arises, local flexibility markets will be tested and where a flexible solution is determined as being most cost-effective, then it shall be implemented.
Forward Power Flow	When at each substation the power flows from the high voltage side to the low voltage side.
Frontier Shift	Determined adjustments to allowances based on the projected rate of industry input costs compared to our assumptions for CPIH (RPEs) and productivity growth.
FTE	Full Time Equivalent
Funding Level	The ratio of the value of the pension scheme's assets to the value of its accrued liabilities. A funding level of 100% means that the pension scheme is deemed to be 'fully funded'; in other words, its assets are expected to be sufficient to meet the expected cost of the benefits accrued to the valuation date, on the basis of the assumptions adopted for the valuation. A 'fully-funded' scheme is not guaranteed to be able to meet its future liabilities; it is only an expectation based on the assumptions adopted.
Funding Update	See updated valuation.
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Gearing	A ratio measuring the extent to which a company is financed through borrowing
Generation Cluster	To facilitate the connection of renewable generation to the electricity grid whilst respecting Northern Ireland's landscape and cultural heritage, NIE Networks intends to group or "cluster" generators (generally on shore wind farms) so that they will share network infrastructure. Where there is insufficient potential generation in an area to justify a cluster, then generators would continue to be connected on an individual basis to the 33kV system.
Global Tactical Asset Allocation (GTAA)	A top-down investment strategy that attempts to exploit short-term mispricing among a global set of assets. The strategy focuses on general movements in the market rather than on performance of individual securities.
Green Recovery	The Green Recovery scheme is an initiative that brought forward investment which would have to be made in the RP7 period to RP6. It allowed investment to be made in advance of need to create capacity necessary to connect low carbon technologies (LCT) as the need arises. It was prompted by the Northern Ireland Executive's Medium-Term Recovery Strategy published by DfE in June 2020, which highlighted clean energy as one of the potential areas for growth to tackle challenges from Covid-19 and EU Exit.
Guaranteed Standards (and Overall Standards) of Performance	Guaranteed and Overall Standards of Performance set minimum service levels to be met across a range of activities covering supply interruptions, appointments and connections.
H	Back to top
HI	Health Index - framework for collating information on the health (or condition) of distribution assets and for tracking changes in their condition over time.

Housing sites with 12 or more Domestic Premises	The costs and income associated with connections at housing developments with 12 or more dwellings, where the income is based on a standard connection charge in line with both the original Connection Agreement/s and the Statement of Charges for Connection to the Licensee's electricity distribution system.
HP	Heat Pump
HSENI	Health and Safety Executive Northern Ireland - a Government organisation that has the responsibility of enforcing health and safety legislation.
I	Back to top
IME3 Directive	Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009.
IMF&T	Inspections, maintenance, faults and tree-cutting.
Income from Power NI (PPB)	Income received from Power NI Power Procurement Business as part of the Public Service Obligation tariff arrangements defined under Annex 1 of NIE Networks distribution licence.
Income from Power NI (Supply)	Income received from Power NI (Supply) as part of the PSO tariff arrangements defined under Annex 1 of NIE Networks distribution licence.
Income from Power NI (Supply) – NI2007	Income received from Power NI (Supply) as part of the shared cost of the market opening system.
Income from tariff	Income received from suppliers from the published tariff for Distribution Use of System (DUoS) or Public Service Obligation (PSO).
Income from tariff – Reallocated as directed by UR	Adjustments to actual income from suppliers in relation to distribution use of system (DUoS) and public service obligation (PSO) tariffs.
Income from Transmission Service Charge	Income received from the System Operator Northern Ireland (SONI) or relevant successor, subsequently recovered through the Transmission Use of System (TUoS) tariff.
Incremental Deficit	The difference between the assets and liabilities, determined at any point in time, attributable to post cut-off date pensionable service and relating to regulated business activities. The term also applies equally where there is a surplus for the post cut-off date regulated notional sub-fund.
Incremental Deficit Repair Payments	See pension deficit repair payments.
Indirect costs of connection work not funded through connection charges	Network reinforcement costs (system costs) relating to the connection voltage level and one voltage level above, for connections that are not 100 per cent recoverable via connection charges, as per NIE Networks Connection Charging Statement. INCLUDES: a) Indirect costs incurred in the preparation of quotes which are not charged for or accepted EXCLUDES: b) Indirect costs charged for but not fully recovered.

Indirect IMF / Indirect IMF&T	<p>The Competition Commission's Final Determination (FD) referred to a category of expenditure called 'Indirect & IMF&T' in Section 8 of their report.</p> <p>This 'Indirect & IMF&T' category included: Indirect Costs; Inspections and Maintenance costs; Faults (Trouble Call costs); and Tree cutting costs.</p> <p>These costs were then allocated partially to opex and partially to capex as shown at pages 7-9 and 7-10 of the FD.</p> <p>A separate allowance was also made by the CC for 'capitalised tree cutting costs'.</p> <p>For reporting, comparison and transparency purposes, the Authority has created two categories of costs: 'Indirect & IMF'; and 'Tree Cutting Direct Costs'. The inclusions and exclusions for the Indirect & IMF category are set out below.</p> <p>INCLUDES (save for work categories excluded below) both opex and capex costs relating to:</p> <ul style="list-style-type: none"> a) Indirect costs (including tree cutting costs not capitalised, Non-Operational Capex, Business Support Costs, and Closely Associated Indirects); b) Inspections and Maintenance costs; c) Pensions included in Opex; d) Pension ongoing payments; and e) Faults (Trouble Call) costs. <p>EXCLUDES both opex and capex costs relating to:</p> <ul style="list-style-type: none"> a) Direct expenditure; b) Capitalised tree cutting expenditure; c) Indirect expenditure associated with connections; d) Indirect expenditure associated with Non GB DNO activities (Meter Reading, Metering Services and Market Opening); and e) Indirect expenditure associated with Legacy Dt activities.
Injurious affection (IA)	The diminution in value to a property caused by the existence and/or use of public works carried out under, or in the shadow of, compulsory powers. An OPEX allowance.
Investment Income (Pensions)	The income received on pension scheme assets, net of investment management fees where these are deducted from investment income.
Investment Management Expenses (or Fees)	Any scheme investment management expenses which are charged separately or have not been implicitly allowed for under change in market value of investments or as a deduction from investment income.
Investment Manager	An individual (or company) to whom the trustees delegate the management of all or part of the scheme's assets. Also known as fund manager.
I&C	Industrial and commercial
L	Back to top
LAEP	Local Area Energy Planning
Land Bank	The NIE Land Bank Business was established to manage the freehold of power station sites in order to protect land surrounding existing power stations for future electricity generation developments.

Land Bank costs	Costs associated with Land Bank as part of the PSO tariff arrangements defined under Annex 1 of NIE Networks distribution licence.
Land Bank management charges	Income from Land Bank in connection with NIE Networks management of the Land Bank activity
Land Bank Revenue	Income associated with Land Bank as part of the PSO tariff arrangements defined under Annex 1 of NIE Networks distribution licence.
LCT	Low Carbon Technology - this is the collective term for devices that reduce the amount of carbon being used for heating, transport and generation. It includes electric vehicles, heat pumps and solar generation.
LDI	Liability Driven Investment - an investment vehicle designed to match the profile of the investments more closely to the profile of the liabilities of the pension scheme for all or part of those liabilities.
Legacy Dt	Costs incurred against 'Dt' regulatory approvals under the RP4 licence conditions.
LI	Load Index - framework, introduced as part of DPCR5, demonstrating the utilisation of individual substations or groups of interconnected substations. It is used as a secondary deliverable capturing the effects of load related investment.
Licence distribution	This refers to data relating to distribution as defined in the Northern Ireland Electricity Ltd Electricity Distribution Licence and the relevant legislation.
Licence Fees	The fee paid by the Licensee to cover, inter alia, the estimated costs of the Authority.
Licence transmission	This refers to data relating to transmission as defined in the Northern Ireland Electricity Ltd Participate in Transmission Licence and the relevant legislation.
Load Related Capex	This is a cost category used in the Financial Issues BPTs only, which reports the costs of the following activities, provided these are UoS funded, and with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure): a) Connections - Sole Use b) Connections - Shared Use c) Reinforcement
Low Risk Assets	Assets where the focus is on protecting capital and gaining a modest return (e.g. gilts)
LPS	Land & Property Services
LSG	Large-scale generation - in context of renewable generation, this term is used to describe generator installations typically in the size range 5MW to 40MW. LSG mainly takes the form of wind farms but solar farms feature as well, and are likely to play a more significant part going forward. LSG connects to the transmission network (at 110kV) and the distribution network (typically at 33kV).
LTI	Lost Time Incident - a work-related injury or illness which prevents the injured or ill employee from carrying out their work.

Lump Sum	An allowance with no pre-defined outputs. This is the only unit of measure not subject to the measures to tackle risks from deferral of planned network investment mechanism (D3). See RP7 Annex S.
M	
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Market Opening/Services	<p>Costs of providing Market Opening services, including the facilities to allow electricity customers to switch between supplier, for all electricity customers in Northern Ireland.</p> <p>INCLUDES:</p> <ul style="list-style-type: none"> a) Enduring Solution; b) Legacy Dt: Enduring Solution – transitional costs; c) Legacy Dt: Enduring Solution project; d) Legacy Dt: Market opening legacy systems cost; and e) Allocation of overhead and admin (relating to Market Opening); <p>EXCLUDES:</p> <ul style="list-style-type: none"> a) Network fault issues b) Connection issues c) Meter reading issues
Matching assets	Asset classes such as government and corporate bonds, whose cashflows can provide an approximate match to future pension payments, and whose market values may broadly reflect changes in the present value of the scheme's liabilities, depending on the method used to value the scheme's liabilities. Such assets are used to reduce a pension scheme's investment risk (in simplistic terms) but at the expense of lower expected long-term investment returns compared with return-seeking assets.
Member Contributions	See contributions.
Meter Reading	<p>Costs of providing meter reading services for all electricity customers in Northern Ireland.</p> <p>INCLUDES:</p> <ul style="list-style-type: none"> a) Visiting premises to read meters; b) Obtaining meter reads from supplier; c) Investigating queries or disputes regarding meter reads; d) Facilitating the exchange of information relating to meter reads; and e) Allocation of overhead and admin (relating to Meter Reading). <p>EXCLUDES:</p> <ul style="list-style-type: none"> a) Meter reading costs which would be incurred by GB DNOs.
Metering Capex: other	Installation and support costs for the provision of: certification; recertification; keypad; and SOSA services.
Metering maintenance	Costs relating to the maintenance of domestic and small commercial meters (e.g. inspections and special meter reads).

Metering Services	<p>Costs of providing metering services for all electricity customers in Northern Ireland.</p> <p>INCLUDES:</p> <ul style="list-style-type: none"> a) Metering Capex: other; b) Metering maintenance (including faults); c) Allocation of overhead and admin (relating to Metering Services); d) Other operating costs relating to keypad meters; and e) PRI Transactional income. <p>EXCLUDES:</p> <ul style="list-style-type: none"> a) Meter reading b) Market opening
MG	<p>Micro-generation - in context of renewable generation, this term is used to describe very small generator installations with generation capacity in the range of 4kW to 12kW. Typical examples are photovoltaic (PV) panels on domestic rooftops. MG normally connects directly to customer premises at 230V single phase or 400V three phase. Whereas applications for large scale generation (LSG) and small-scale generation (SSG) are assessed in some detail to determine their impact on the NIE Networks distribution network, most MG is connected on a 'fit and inform' basis, in a category referred to as 'G83 connections'. This means that NIE Networks has very limited control over the rise in G83 connections.</p>
Miscellaneous Income	Other income received by NIE Networks.
Modelled distribution	<p>Relevant expenditure and explanatory data which have been extracted from NIE Networks' Transmission and Distribution RIGs in a particular way to allow like-for-like benchmarking comparison with Distribution Network Operators (DNOs) in Great Britain (which are typically <=132kv). Utility Regulator considers NIE Networks' modelled distribution to encompass expenditure and explanatory data relating to 110kv and below (<=110kv).</p>
Modelled transmission	<p>Relevant expenditure and explanatory data which have been extracted from NIE Networks' Transmission and Distribution RIGs in a particular way to allow like-for-like benchmarking comparison with Transmission Operators (TOs) in Great Britain (which are typically >132kv). The Utility Regulator considers NIE Networks' modelled transmission to encompass expenditure and explanatory data relating to greater than 110kv (>110kv).</p>
MSA	Managed Service Agreements
N	Back to top
NA	<p>This is a cost category used in the Financial Issues BPTs only, which reports the costs of the following activities, provided these are Non UoS funded, and including the Pensions costs for these activities:</p> <ul style="list-style-type: none"> a) Connections - Sole Use b) Connections - Shared Use c) Other (activities open to competition which are Non UoS funded) d) PSO costs e) Non Price Control f) Other (activities not open to competition which are Non UoS funded) g) Reinforcement

NABC	This is a cost category used in the Financial Issues BPTs only, which reports the costs of the following activities, provided these are UoS funded, and with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure): a) Primary NABC b) Other NABC
NERA	National Economic Research Associates
New domestic and smaller businesses eligible for subsidy	The costs and income relating to connections eligible for the 40% subsidy, where the application for that connection was made prior to 1st October 2012, in line with both the original Connection Agreement/s and the Statement of Charges for Connection to the Licensee's electricity distribution system.
NIC	National Insurance Contributions.
NIE Networks	Northern Ireland Electricity Networks Ltd. branded as NIE Networks from 21st September 2015, formerly known as NIE Ltd or NIE. A Distribution Network Operator and Transmission Network Owner. RP6 price control runs from 1st October 2017- 31st March 2025. RP7 price control will commence from 1st April 2025.
NIEPS	Northern Ireland Electricity Pension Scheme, a multi-participant scheme, including: Northern Ireland Electricity Networks Ltd, NIE Powerteam Ltd, Powerteam Electrical Services Ltd, and Capital Pensions Management Ltd. offers a Defined Benefit scheme, which was closed to new members in 1998, and a Defined Contribution scheme.
NIF	Network Innovation Fund
NIHE	Northern Ireland Housing Executive
NIW	Northern Ireland Water. PC21 price control runs from 2021-2027
Non GB DNO	This is a cost category used in the Financial Issues BPTs only, which reports the costs of the following activities, provided these are UoS funded, and with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure): a) Meter Reading b) Metering Services c) Market Opening
Non Legacy Dt Fast Entitlement: Approved Generation Cluster Infrastructure	In line with the terms of the Authority's approval (e.g. not to be included in the RAB) these are the costs and income relating to, any Approved Generation Cluster Infrastructure, in line with both the original Connection Agreement/s and the Statement of Charges for Connection to the Licensee's electricity distribution or transmission system. INCLUDES: a) the pre-construction work for the Generator Cluster at Drumquin (approved on 9th May 2014); and b) from 26th March 2014 onwards any subsequently Approved Generation Cluster Infrastructure in line with the terms of the Authority's approval (e.g. not to be included in the RAB). EXCLUDES: a) the Generator Cluster at Gort (approved on 12th September 2014); b) the Generator Cluster at Tremoge (approved on 12th September 2014); and c) the Generator Cluster at Mid-Antrim (approved on 12th September 2014)

<p>Non Legacy Dt Slow Entitlement: Approved Generation Cluster Infrastructure</p>	<p>In line with the terms of the Authority's approval (e.g. to be included in the RAB) these are the costs and income relating to, any Approved Generation Cluster Infrastructure, in line with both the original Connection Agreement/s and the Statement of Charges for Connection to the Licensee's electricity distribution or transmission system.</p> <p>INCLUDES:</p> <ul style="list-style-type: none"> a) the Generator Cluster at Gort (approved on 12th September 2014); b) the Generator Cluster at Tremoge (approved on 12th September 2014); c) the Generator Cluster at Mid-Antrim (approved on 12th September 2014); and d) from 26th March 2014 onwards any subsequently Approved Generation Cluster Infrastructure in line with the terms of the Authority's approval (e.g. to be included in the RAB). <p>EXCLUDES:</p> <ul style="list-style-type: none"> a) the pre-construction work for the Generator Cluster at Drumquin (approved on 9th May 2014).
<p>Non-Load Related Capex - Asset Replacement</p>	<p>This is a cost category used to report the costs of the following activities, with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure):</p> <ul style="list-style-type: none"> a) Diversions b) Asset Replacement c) Refurbishment d) Civil Works e) Legal & Safety f) Flooding g) Environmental Reporting
<p>Non-Load Related Capex - Other</p>	<p>This is a cost category used to report the costs of the following activities, with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure):</p> <ul style="list-style-type: none"> a) ESQCR b) Operational IT & Telecoms
<p>Non-Regulated Business Activities</p>	<p>Non-licensed and non-regulated business activities, which are not transmission/distribution business activities of the licensee and those of cosponsoring affiliates of the licensee which are not regulated DNOs.</p>
<p>Non-recoverable alterations (NRAs)</p>	<p>Costs incurred by NIE Networks when a customer cannot be charged for an alteration to electricity equipment on their land. This arises where the alteration complies with Conditions 12 and 13 of an established NIE Networks' Wayleave Agreement or where a notice to remove equipment is enforced. For example, electricity infrastructure is impeding a bona fide development.</p>

Normal Ongoing Pension Service Contributions	Contributions to a pension scheme to cover the normal pension service cost of that scheme. Excludes: a) Payments in respect of PPF levy paid within ongoing contribution rates or directly by the sponsoring employer(s)) b) Payments in respect of pension scheme administration cost paid as part of ongoing contribution rates or directly by the sponsoring employer(s) c) Payments in respect of pension scheme established/incremental deficit repair payments d) Payments in respect of augmentation of benefits e) Pension hedging and contingent asset cost f) Payments in respect of pension-related severance cost
Normal Pension Service Cost	The actuarially-determined present value of retirement benefits earned by plan participants in the current period, based on the company's existing pension benefit formula.
Notional Sub-Fund	The pre and post cut-off date notional sub-funds where the assets and liabilities of a defined benefit pension scheme are reported under the PDAM. The sub-funds are notional in that there are not actual sub-funds recognised by the scheme and are a regulatory construct reported in accordance with the methodology set out in the Ofgem Pension RIGs, with amendments as relevant and appropriate and documented in the BPT Pensions Guidance Notes.
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O&M Costs	All actual cash maintenance and operation costs incurred and paid.
OBR	Office of Budget Responsibility
Ofgem	Office of Gas and Electricity Markets. Regulates the electricity and gas markets in Great Britain.
Ofwat	The economic regulator of the water sector in England and Wales.
Ongoing Pension Funding	See ongoing pension service contributions.

Ongoing Pension Service Contributions	<p>Contribution to a pensions scheme to cover the ongoing cost of that scheme. Also referred to as ongoing pension funding or ongoing pension service cost.</p> <p>INCLUDES:</p> <ul style="list-style-type: none"> a) Normal ongoing pension service contributions to defined benefit schemes b) Normal ongoing pension service contributions to defined contribution schemes c) Normal ongoing pension service contributions to stakeholder and/or personal pension plans d) Payments in respect of the PPF levy (whether paid directly by the sponsoring employer(s) or within ongoing contribution rates) e) Payments in respect of pension scheme administration cost (whether paid directly by the sponsoring employer(s) or as part of ongoing contribution rates) <p>EXCLUDES:</p> <ul style="list-style-type: none"> a) Payments in respect of pension scheme established/incremental deficit repair payments b) Payments in respect of augmentation of benefits c) Pension hedging and contingent asset cost d) Payments in respect of pension-related severance cost
Ongoing Pension Service Cost	See ongoing pension service contributions.
ONS	Office for National Statistics
OO (Owner Occupied)	Domestic Premises which do not fall into the definition of: Domestic New Build; or NIHE/Housing Association.
Operations and maintenance – Authorised Generators (including Approved Generation Cluster Infrastructure)	These are the recurring operation and maintenance costs of a connection to the distribution or transmission system, relating to Authorised Generators (including Approved Generation Cluster Infrastructure), in line with both the original Connection Agreement/s and the Statement of Charges for Connection to the Licensee’s electricity distribution or transmission system.
Operations and maintenance – non-Authorised Generators	These are the recurring operation and maintenance costs of a connection to the distribution or transmission system, not relating to Authorised Generators, in line with both the original Connection Agreement/s and the Statement of Charges for Connection to the Licensee’s electricity distribution or transmission system.
Operations and maintenance income – Authorised Generators (including Approved Generation Cluster Infrastructure)	The income received from a customer (sole use) or group of customers (shared use) to operate and maintain a connection to the distribution or transmission system in line with both the original Connection Agreement/s and the Statement of Charges for Connection to the Licensee’s electricity distribution or transmission system. Income received in exclusive relation to Operations and maintenance – Authorised Generators (including Approved Generation Cluster Infrastructure).
Opex	Operating expenditure - the costs of the day to day operation of the network such as staff costs, repairs and maintenance expenditures, and overhead
Other operating costs relating to keypad meters	Operating costs associated with keypad meters, these include items such as plastic cards, staff costs, business continuity services, licence fees and maintenance charges.

Outturn Capex disposal amount	The proceeds of the disposal of any relevant asset/s (including Land, Buildings, Plant, Equipment but not comprising Land Bank premises or scrap), less any reasonably incurred costs of the disposal but subject to the approval of the amount following any audit of the relevant data carried out by or on behalf of the Authority.
Overhead Line Refurbishment	A 15-year cyclic asset replacement programme that, theoretically, ensures one third of components are replaced within each refurbishment period. In practice, replacement of a component is only carried out if condition dictates that its replacement is required. As a result, some components remain on the system beyond their nominal asset life.
Overhead Line Re-engineer	Re-conductoring and associated redesign of main line sections. Generally involves shortening span lengths, use of stouter poles and additional stays as required to meet current design standards.
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P&L	Profit and Loss.
Payment to Power NI (PPB)	Payments made to Power NI (PPB) as part of the PSO tariff arrangements defined under Annex 1 of NIE Networks distribution licence.
Payment to Power NI (Supply)	Payments made to Power NI (Supply) as part of the PSO tariff arrangements defined under Annex 1 of NIE Networks distribution licence.
PDAM	Pension Deficit Allocation Methodology as set out in the Ofgem Pension RIGs2, with amendments as relevant and appropriate and documented in the BPT Pensions Guidance Notes.
Pension costs included in operating expenses	The cash costs paid by the Licensee for: a) the administration costs of running the pension scheme; b) the Pension Protection Fund levy paid to government; and c) the current service cost charge for active members of the final salary pension scheme. This is calculated based on IAS19 and the assumptions underpinning this are revised each year
Pension Deficit Repair Payments	The cash cost paid, directly or indirectly, by the licensee to reduce a shortfall in a pension scheme's assets compared with its liabilities as set out in the deficit recovery plan agreed between the licensee and the pension scheme trustees, reported to the Pensions Regulator and certified by the pension scheme actuary, in accordance with the pension scheme rules. Pension deficit repair payments can be differentiated as follows: a) Pension scheme incremental deficit repair payments: Payments relating to funding the incremental deficit b) Pension scheme established deficit repair payments: Payments relating to funding the established deficit.
Pension Funding	See contributions.
Pension Hedging	See pension hedging and contingent asset cost.

<p>Pension Hedging and Contingent Asset Cost</p>	<p>Costs of (a) hedging certain risk in a pension scheme (e.g. longevity, interest and RPI); and (b) a sponsoring employer funding a contingent asset provided to the pension scheme, incurred directly by the employer. This cost should only include costs paid by the licensee and other pension scheme cosponsors.</p>
<p>Pension ongoing payments</p>	<p>The cash costs paid by the Licensee to the pension scheme for the ongoing service of the remaining active participants in the scheme i.e. those employees who still work for the Licensee. This is updated with each triannual revaluation</p>
<p>Pension Protection Fund Levy (PPF Levies)</p>	<p>The cash costs paid, directly or indirectly, by the sponsoring employer(s) or pension scheme (in respect of the transmission/distribution business) to the Pension Protection Fund.</p>

<p>Pension Scheme Administration Costs</p>	<p>The administrative cost for the operation of a pension scheme by the scheme trustees (excluding interest and taxation) including salaries and cost of pension scheme administrators and all other associated cost of administering the pension scheme, whether borne by the scheme directly or the employer(s) and not recovered from the scheme.</p> <p>INCLUDES:</p> <ul style="list-style-type: none"> a) Actuarial consultancy fees; b) Administration and investment management fees where not remunerated by deduction from investment returns; c) Third party administration fees; d) Capital Pensions Management Limited cost; e) Pensions administration system licence and support cost f) Legal advisers' fees; g) Recruitment cost; h) Pension secretariat; i) Policy and strategy; j) Administration consultancy; k) Auditors fees; l) Custodian fees; m) Communication consultancy fees; n) General office costs (printing / IT support / publications etc); o) Investment consultancy fees; p) Tracing agency fees; q) Member communication cost; r) Trustee remuneration; and s) Trustee training cost. <p>EXCLUDES:</p> <ul style="list-style-type: none"> a) Administration and investment management fees where remunerated by deduction from investment returns; b) Cost incurred by the sponsoring employer(s) in collecting employee contributions to pension schemes; c) Cost incurred by the sponsoring employer(s) in managing their ongoing contributions and deficit repair payments to pension schemes; d) Cost of actuaries appointed by the scheme sponsors to advice on the scheme valuations and recovery plans; e) Cost incurred by sponsoring employer(s), directly or indirectly, in managing their relationship with the pension scheme and scheme trustees or actuaries.
<p>Pension Strain Cost</p>	<p>The cost of providing enhanced pension benefits granted under severance arrangements on or after the cut-off date, whether they were fully matched by increased contributions or not.</p>
<p>Pensionable Pay</p>	<p>Basic pay plus pensionable allowances with no deductions.</p>
<p>Pensionable Salaries</p>	<p>For a pension scheme, the current salaries of the active members which are considered when assessing the future pension benefits under that scheme, and which are multiplied by the contribution rate to calculate the current cash service cost.</p>
<p>Pensionable Service</p>	<p>The time an employee is credited with as being an active member of a pension scheme.</p>

Pensioner Liabilities	All pension scheme liabilities as determined by an actuarial valuation of the pension scheme that relate to pensioners and dependents who are in receipt of a pension from that pension scheme in accordance with the scheme rules (including liabilities for benefits that will be payable on the death of such members).
Pensioners	Individuals in receipt of a pension from the pension scheme.
Pension-related Severance Cost	The cost of providing enhanced pension benefits granted under severance arrangements. They are referred to as: a) ERDCs if occurred prior to the cut-off date and not fully matched by increased contributions b) Pension Strain Cost if occurred after the cut-off date
Pensions	For the purpose of the RP6 BPT, this is a cost type. Includes: a) Normal ongoing pension service contributions to defined benefit pension schemes b) Normal ongoing pension service contributions to defined contribution pension schemes c) Normal ongoing pension service contributions to stakeholder and/or personal pension plans d) Payments in respect of pension scheme established deficit repair payments e) Payments in respect of pension scheme incremental deficit repair payments f) Payments in respect of the PPF levy (whether paid directly by the sponsoring employer(s) or within ongoing contribution rates) g) Payments in respect of pension scheme administration cost (whether paid directly by the sponsoring employer(s) or as part of ongoing contribution rates) h) Payments in respect of augmentation of benefits i) Pension hedging and contingent asset cost Excludes: a) Payments in respect of pension-related severance cost (to be reported as part of labour cost
PES	Powerteam Electrical Services (UK) Ltd.
Post Cut-off Date Notional Sub Fund	The notional sub-fund relating to the post cut-off date period.
Post Cut-off Date Regulatory Proportion	See regulatory proportion.
Power NI (Supply)- Enduring Solution Phase 3	Operational expenditure and income relating to Power NI (Supply) and the Enduring Solution project, initiated in consultation with Utility Regulator to: a) provide full business separation between NIE Networks and Power NI's systems; b) provide unlimited capacity for consumers to switch electricity supplier; and c) accommodate potential future changes to market requirements.
PPF	See Pension Protection Fund.

PPF Credit Rating	Used by the Pension Protection Fund (PPF) to estimate the risk of insolvency of a sponsoring employer, in the calculation of the risk-based element of the levy. Credit ratings for all sponsoring employers of DB schemes are provided by a single credit-rating agency to ensure consistency.
Pre Cut-off Date Notional Sub Fund	The notional sub-fund relating to the pre cut-off date period.
Pre Cut-off Date Regulatory Fraction	See Regulatory Fraction.
Previous Valuation	The triennial valuation directly preceding the current valuation. In cases where the valuation date of this valuation is prior to the cut-off date, the actuarial report with respect to the cut-off date will be considered to be the previous valuation.
PRI Transactional income	Income from PRI in relation to keypad vending.
Proportions of Service	The annual proportion of post cut-off date liabilities which can be attributed to regulated business activities.
Prosumer	A prosumer is an individual who is both a consumer and producer.
Protected Person	People covered by regulation 2(1) of the Electricity (Protected Persons) Pensions Regulations (Northern Ireland) 1992. This regulations places obligations on successor employers to fund the pension benefits accrued to date and provide a certain level of future pension benefit provision. The regulations also specify (broadly) that future pension rights cannot be reduced for Protected Persons unless a meeting of affected members votes in favour of the change by a two-thirds majority.
Protected Rights	The rights of protected persons under the Electricity (Protected Persons) Pensions Regulations (Northern Ireland) 1992.
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RAB	Regulatory Asset Base. The value ascribed by Utility Regulator to the capital employed in the NIE Networks' regulated businesses. The RAB is calculated by summing an estimate of the initial market value of the regulated asset base at privatisation and all subsequent allowed additions to it at historical cost, and deducting annual depreciation amounts calculated in accordance with established regulatory methods. The revenues NIE Networks is allowed to earn under the price control include allowances for the regulatory depreciation and also for the return investors are estimated to require to provide the capital.
RASW	Road and Street Works legislation
Recovery Plan	The plan prepared by the scheme trustees where a valuation shows a funding shortfall against the technical provisions and which sets out how the trustees plan to meet the statutory funding objective.
Regional Wage Adjustment	An adjustment made to a company's financial data to correct for the relative wages of the region in which it operates.
Regulated Business Activities	Licensed regulated business activities, i.e. transmission/distribution business activities and those which are not non-regulated business activities of the business listed in Table: P0a Licensee Details of the BPT Pensions Reporting Workbook.

Regulatory Fraction	Proportion of a company's pension scheme liabilities that relates to licensed regulated business activities before the relevant cut-off date. This fraction is after any adjustment that was made in price allowances for ERDCs.
Regulatory Proportion	The proportion of a company's pension scheme liabilities that relates to licensed regulated business activities after the relevant cut-off date.
Related Party	Includes both Affiliates and Related Undertakings of the Licensee. An Affiliate or Related Undertaking shall remain as a Related Party for the whole of the price control period even if it is no longer part of the group due to restructuring.
Related Party assets	The cost of capital assets used to operate, maintain and develop NIE Networks transmission or distribution system (excluding costs related to connections) incurred on NIE Networks' behalf by a NIE Network Services (formerly NIE Powerteam) or any other related party.
Related Party management charges	Income from NIE Network Services (formerly NIE Powerteam) or any other Related Party in relation to services provided by NIE Networks.
Related Party Margin	<p>The profit or loss recorded on a transaction with an affiliate being the excess or deficit on actual direct costs and indirect costs (excluding financing costs) fairly attributable to the transaction or the charge and the cost of providing that transaction</p> <p>For the avoidance of doubt this does not include exceptional items, tax, fines, penalties or the gain or loss on the disposal of assets or investments (of any sort), i.e. it should be the net operating costs level.</p> <p>Further, the Related Party Margin does not include any transparently calculated element of such a charge that provides for a reasonable allowance for depreciation and return on capital in relation to assets to the extent that these are employed by the Related Party in the provision of services to the Licensee, and is not otherwise reflected in the Licensee's Maximum Regulated Transmission / Distribution Revenue, or recoverable through the Licensee's connection charges.</p> <p>For Captive insurance businesses the margin is to be computed based on the captive's premium income less reinsurance premiums, claims paid out and movements on technical and IBNR reserves attributable to the Licensee's business only, i.e. usually reported as the profits/loss on the Technical account. Where a captive insures more than the distribution Licensee(s), then it's profit/loss should be computed pro rata to the premiums paid by the Licensee to total premium income in the captive for the year and the movements on technical and IBNR reserves not attributable to the distribution business must first be removed.</p>
Related Party tools and equipment; NNCapex premises	The cost of "Tools and equipment" used to operate, maintain and develop NIE Networks transmission or distribution system (excluding costs related to connections) incurred on NIE Networks' behalf by a NIE Network Services (formerly NIE Powerteam) or any other related party and 100 per cent of NIE Networks' capex costs in relation to non-operational premises. NNCapex is NIE Networks' capex costs in relation to non operational premises.
Related Party tools and equipment	An apportionment to opex of the cost of "Tools and equipment" used to operate, maintain and develop NIE Networks transmission or distribution system (excluding costs related to connections) incurred on NIE Networks' behalf by a NIE Network Services (formerly NIE Powerteam) or any other related party.

Renewable Integration Development Programme (EU)	Income received from the EU in relation to the North/West Grid Study project.
Rental Income	Income received from the rental of premises and the use of cables.
Return-seeking Asset	Asset expected to grow more and be more volatile than cash or bonds (e.g. stocks and high-yield bonds).
Resilience tree cutting	This is the full removal or extensive cutting of trees that are found to be within the falling distance of overhead power lines. This is planned to ensure that they cannot cause damage to the power lines in the event of severe weather.
Revenue Protection Services	The activities to detect and deter cases of illegal abstraction of electricity (and electricity theft) and to collect money owed in relation to that illegal abstraction.
Reverse Power Flow	When power is flowing from the lower voltage side of the transformer to the higher voltage side.
RIGs	Regulatory Instructions and Guidance
RIGs implementation costs	The implementation costs incurred to set up regulatory reporting to the UR in the format set out in the UR's RIGs.
RIIO	Revenue = Incentives + Innovation + Outputs Price control framework used by Ofgem
RIIO-ED1 and RIIO-ED2	The first (ED1) and second (ED2) electricity distribution price controls by Ofgem under the RIIO framework.
RP3 (Regulatory Period 3)	This is the name given to the price control for NIE Networks covering the period from 1 April 2002 to 30 March 2007.
RP4 (Regulatory Period 4)	This is the name given to the price control for NIE Networks covering the period from 1 April 2007 to 30 March 2012.
RP5 (Regulatory Period 5)	This is the name given to the price control for NIE Networks covering the period from 1 April 2012 to 30 September 2017.
RP6 (Regulatory Period 6)	This is the name given to the price control for NIE Networks which will cover the period from 1 October 2017 to 31 March 2025.
RP7 (Regulatory Period 7)	This is the name given to the price control for NIE Networks covering the period from 1 April 2025 to 31 March 2031.
RPE	Real Price Effects - increase in prices, of materials, direct staff or contract labour, over and above increases in the relevant inflation index used.
RPI	Retail Price Index - a measure of inflation
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Salary Sacrifice	Additional pension contributions paid by an employer on behalf of the employee as part of a salary sacrifice scheme in return or as substitution for a reduction (or sacrifice) in salary.
Salary Sacrifice Scheme	An agreement between an employer and an employee to change the terms of the employment contract to reduce the employee's entitlement to cash pay. This sacrifice of cash entitlement is usually made in return for some form of non-cash benefit, e.g. pension contribution. As a consequence, there is a saving to the employee in taxation and for both employee and employer in National Insurance contributions.

SAP	The company was initially called System Analysis Program Development, later abbreviated to SAP. SAP refers to the software products from the SAP AG company.
Schedule of Contributions	Specifies the contributions payable by the employer over a given period of years, and includes any special contributions paid under a recovery plan.
Scheme Actuary	The actuary appointed by the DB scheme's trustees to prepare and report on a triennial valuation.
Scheme Booklet	A booklet for members which should clearly set out the benefits offered by the scheme and how the scheme is run. The scheme booklet is given to all members of the scheme when they join.
Scheme Surplus/Deficit	Difference between assets and liabilities, determined at any point in time. For defined benefit schemes, the different types of scheme surplus/deficit can be distinguished with respect to the cut-off date: a) Established surplus/deficit: The surplus/deficit attributable to pensionable service up to the end of the cut-off date and relating to regulated business activities b) Incremental surplus/deficit: The surplus/deficit attributable to post cut-off date pensionable service and relating to regulated business activities
SEF	Strategic Energy Framework, produced by the DfE to outline the direction for energy policy in Northern Ireland.
Severe Weather Events	A severe weather event is deemed to begin at the start of a 24-hour period when the number of incidents caused by the severe weather event at distribution high voltage in that period is equal to or greater than the commencement threshold number; and a) Is deemed to end at the earlier of: (i) The time of restoration of the last customer off supply due to an LV incident linked to the underlying cause of the severe weather, or (ii) The end of a 48- hour period when the number of customers off supply due to high voltage incidents linked to the underlying cause of the severe weather has fallen to zero. b) For the purposes of this definition "commencement threshold number" means 13 times the average daily fault rate experienced by NIE Networks' distribution high voltage network.
SFP	Statement of Funding Principles - the statement, prepared by the trustees to satisfy the requirements of chapter 223 of the Pensions Act 2004, which sets out their policy to meet the requirement on them for securing the Statutory Funding Objective. It also details the principal assumptions to be used for calculating the scheme's technical provisions.
SIP	Statement of Investment Principles - a written statement of investment objectives and the principles governing decisions about investment for a DB pension scheme, which trustees are required to prepare and maintain.
Slow pot	Slow pot is where costs are added to the RAB and revenues allow recovery of the costs over time together with the cost of financing this expenditure in the interim.

Smart grid	A generic term for a range of measures that are used to operate electricity networks allowing more generation or demand (load) to be connected to a given electricity circuit without the need for traditional reinforcement (or upgrade) of that equipment.
Smart technology	The application of innovation to develop a smarter electricity network that uses information and communications technology to gather and act on knowledge from the network and customers to improve the efficiency, reliability, economics and sustainability of the transmission and distribution of electricity.
SoCC	Statement of Connection Charges
SoLR	Supplier of Last Resort
Solvency (buy-out) Funding Level	The percentage of the market value of a scheme's assets to the estimated cost of securing a scheme's liabilities in the event of the discontinuance of the scheme.
SONI	Transmission System Operator for Northern Ireland.
Special factors	Company-specific factors, which have a material impact on costs and are typically outside management control and which are not taken into account (fully or only partially) in the econometric models.
Sponsoring Employer	The employer with responsibility for meeting the liabilities of a DB pension scheme. In DC schemes, typically the employer who sets up and/or assumes responsibility for the running of the scheme, and meets the expenses.
SSG	Small-scale generation - in context of renewable generation, this term is used to describe generator installations including single wind turbines, anaerobic digesters or small solar installations in the size range 20kW to 500kW. Popular sizes are 250kW for single turbines and 500kW for anaerobic digesters, which aligned with incentive (ROCs) bands. SSG connects to the distribution network; normally to LV and 11kV lines fed from 33kV/11kV primary substations.
Statutory Funding Objective	The requirement (as set out in chapter 222 of the Pensions Act 2004) to have sufficient and appropriate assets to cover the technical provisions.
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T&D	Transmission and Distribution
Targeted Asset Replacement	A subset of overhead line refurbishment. Involves critical condition asset replacement that cannot be deferred until the next refurbishment cycle. At 11kV this programme is based on a five-year cycle. At 33kV, recognising the increased customer number at risk as a result of a single fault, a three-year cycle is applied to ensure an even higher standard of performance and resilience.
Tax	The cash costs of corporation tax paid to HMRC or successor body.
Technical Provisions	The value placed on a pension scheme's liabilities when calculated using the principal method and assumptions detailed in the Statement of Funding Principles. The general principles that are adopted by trustees are that the assumptions used, taken as a whole, will be sufficiently prudent for pensions and benefits already in payment to continue to be paid, and to reflect the commitments which will arise from members' accrued pension rights.
TFP	Total Factor Productivity

TIA	Transmission Interface Arrangements - a document developed by NIE Networks and SONI, and approved by the UR, which sets out the processes and working arrangements that NIE Networks and SONI will follow and adhere to, when working together on transmission system activities and/or projects.
TIBCO	An IT service provider. An OPEX allowance.
TMA	Traffic Management Act - the objective of the TMA is to tackle congestion and disruption on the road network. This has yet to come into force in Northern Ireland, at time of writing.
Tort insurance claims and scrap income	Income received in relation to third party damage to, and the sale of scrap equipment from, the transmission or distribution system.
Totex	Total expenditure, i.e. the sum of capex and opex.
Transactional Charges	Costs incurred in the provision of transactional services to suppliers in support of the competitive retail market. These include costs such as metering fieldwork and a range of non-fieldwork activities.
Transactional Income	Income received from suppliers in connection with the provision of transactional services in support of the competitive retail market.
Transmission network	110kV and above. The network of high voltage electric lines and cables operating at 110kV and above, which is used for the transmission of electricity.
Tree Cutting	This is a cost category used to report the costs of the following activities, with the exception of Pensions costs (which are reported in the 100% 'revenue pool' expenditure): a) Tree Cutting (Direct Expenditure)
Tree Cutting Direct Expenditure	<p>The Direct Activities associated with physically felling or trimming vegetation from around network assets.</p> <p>INCLUDES:</p> <ul style="list-style-type: none"> a) The felling or trimming of vegetation as part of a Capital Scheme; b) The felling or trimming of vegetation to meet ESQCR requirements; c) The inspection of vegetation cut for the sole purpose of ensuring the work has been undertaken in an appropriate manner; and d) Inspection of tree-affected spans where included as part of a tree cutting contract. <p>EXCLUDES:</p> <ul style="list-style-type: none"> a) General inspection costs related to wires that are subject to vegetation and not performed solely as part of a tree cutting contract or to ensure vegetation has been cut appropriately (include under Inspections & Maintenance); b) Costs of assessing and reviewing the tree cutting policy (include under Network Policy); c) Data collection and manipulation relating to vegetation (include under Network Design & Engineering); d) The cost of managing the tree cutting contract, except as stated above; and e) The cost of procuring the tree cutting contract except as stated above (include under Finance & Regulation).

Triennial Valuation	An actuarial valuation of a pension scheme which has been carried out to meet the requirements of Chapter 224(2)(a) of the Pensions Act 2004 and which details in a written report, prepared and signed by the scheme actuary, the value of the scheme's assets and technical provisions. Actuarial valuations are usually produced triennially but the term may also refer equally to any full actuarial valuation that is not an updated valuation.
TRV	Total Regulatory Value: the Depreciated Asset Value plus any incentive adjustments including the profile adjustment.
TSO	Transmission System Operator. In Northern Ireland, this role is carried out by SONI.
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UKRN	United Kingdom Regulators Network
UKSA	UK Statistics Authority
Uncertainty Mechanism (UM)	Uncertainty mechanisms allow changes to a network company's allowed revenues to be made in light of what happens during the price control period. The term "uncertainty mechanisms" covers a range of mechanisms and provisions for adjusting the maximum revenue that a network company is allowed to collect. These include: volume drivers, specific re-openers, and pass-through items.

Updated Valuation	<p>A report, prepared and signed by the scheme actuary, which updates a triennial valuation to a later date. Also referred to as funding update.</p> <p>For the avoidance of doubt, updated valuations must use the Statement of Funding Principles agreed at the latest triennial valuation to derive the assumptions at each valuation date.</p> <p>The actuary's report prepared for the Authority's purposes must detail, at the valuation date, the following: a) the market value of a DB pension scheme's assets; b) an updated calculation of the technical provisions based on up to date market conditions; and c) an update of the ongoing contribution rate.</p> <p>In addition to the valuation, the following information must be included in the actuary's report prepared for the Authority's purposes:</p> <p>a) a copy of the SFP on which the roll forward valuation is based;</p> <p>b) a statement from that actuary setting out the basis of the valuation;</p> <p>c) a schedule of the actuarial assumptions used at both the last triennial valuation and updated valuation;</p> <p>d) an explanation of the following changes since that last triennial valuation: (i) Asset values and how they have been recalibrated from known asset data and latest asset allocations, which must be specified, e.g. index returns and which ones; (ii) Movements in liabilities as a result of yields and hence inflation and discount rate assumptions; (iii) Movements in contributions (specifying lump sum contributions (and date) separately from ongoing service and deficit contributions); (iv) Movement from benefit payments; (v) Confirmation of maintenance of the assumption that demographic experience is in line with assumptions in the last triennial valuation; (vi) Significant bulk transfers out (e.g. arising from corporate transactions); (vii) Significant bulk transfers in (e.g. arising from corporate transactions).</p> <p>e) detail of the experience items which have been reflected in the updated valuation including: (i) Variations in liabilities arising from salary rises, deferred pension revaluation or pension increases differing relative to assumptions; (ii) Variations between actual and expected demographic experience (e.g. early retirement or mortality); and (iii) Benefit changes.</p>
UR	The Northern Ireland Authority for Utility Regulation
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Valuation	A triennial valuation or an updated valuation.
Valuation Date	The date at which a valuation was made.
Valuation Period	Period ending on the valuation date of a triennial valuation and beginning directly after the valuation date of the directly preceding triennial valuation.
Value of lost load (VOLL)	The Value of Lost Load (VoLL) is the average willingness to pay of electricity consumers to avoid an additional period without power. VoLL provides a means by which the marginal benefits of additional security of supply can be measured.
Vanilla WACC	Vanilla Weighted Average Cost of Capita - this is the combined cost rate of funding calculated using a pre-tax cost of debt and post-tax cost of equity weighted by notional gearing.

Various other connection categories	<p>The cost and income relating to various other categories of connection which are properly included the Distribution RAB.</p> <p>INCLUDES:</p> <p>a) 33kV Single wind farm connections; b) Domestic / Commercial connections; and c) Industrial / Large Customer connections;</p> <p>EXCLUDES:</p> <p>a) connections for Housing sites with 12 or more Domestic Premises; b) connections for any Approved Generation Cluster Infrastructure; c) connections for New domestic and smaller businesses eligible for subsidy; d) connections for Electric Cars Charging Points; e) Connection expenditure: Operations and maintenance - Authorised Generators (including Approved Generation Cluster Infrastructure); f) Connection expenditure: Operations and maintenance - non Authorised Generators; and g) Connection income: Operations and maintenance – Authorised Generators (including Approved Generation Cluster Infrastructure).</p>
Vulnerable customers	Customers who are critically dependent on electrically powered equipment (including life-protecting devices, technologies to support independent living and medical equipment) or are identified as needing extra support due to their personal characteristics or circumstances.
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WACC	Weighted Average Cost of Capital - also referred to as the “rate of return”. A calculation of a firm's cost of capital in which each category of capital is proportionately weighted.
Wayleave	Provides rights for an electricity company to install and retain its apparatus, either underground cables or overhead lines across land with annual payments being made to the landowner and occupier.
Worst Served Customer (WSC)	Defined for RP7 as a customer who experiences 12 or more unplanned high voltage interruptions to supply in 3 years, with 2 or more interruptions in each 12-month period.