

Noel Gormley Northern Ireland Electricity Networks Ltd 120 Malone Road Belfast BT9 5HT

By Email Only: Noel.Gormley@nienetworks.co.uk

Date: 14 August 2025

Our Ref: NET/E/JF/1313

Dear Noel,

Application for consent to a longer period for the issuance of a Connection Offer at Moorlough Road, Lisnaskea NIE Networks Reference: 25/03702

Thank you for your letter received 11 August 2025 (the **Letter**), setting out an application **(the Application)** made by NIE Networks Limited **(NIE Networks)** for an extension to the period within which NIE Networks is required, under Condition 30 of its electricity distribution licence (the licence)¹ to make a connection offer in response to an application for a connection to its distribution system (the **Network**) for 30 New Housing Units, at **Moorlough Road, Lisnaskea.**

In this letter we shall refer to the person making the application for the relevant Connection Offer as the **Connection Applicant**.

1. The Application

The Letter describes the relevant background² to the Application. Reference is made to Condition 30 of the Licence.

¹ NIE Distribution Licence.

² What follows includes the most relevant aspects of the Application. All parts of the Application have been considered in making the decision set out in this correspondence. Failure to mention parts of the Application (or related correspondence) should not be taken as representing any failure to have regard to those parts.



Condition 30 (6) is to be read alongside and reflects the provision made in Article 20(3) through to Article 20(5) of the Electricity (NI) Order 1992 (the **Electricity Order**).

Condition 30 (6) (of the Licence) provides that (barring specified exceptions) ³ NIE Networks is obliged to make an offer for connection to the distribution system as soon as practicable and in any event within 3 months

"after receipt by [NIE Networks] of an application containing all such information in relation to the required connection as [NIE Networks] may reasonably request."

Condition 30 (7) of the Licence allows NIE Networks to make an application to the Authority⁴ (following requisite consultation) for a consent (in writing) that the period specified in Condition 30 (6)(b) shall be substituted by a longer period (including by reference to a specific date) and subject to any conditions as specified in the consent.

The making – or grant - of a Condition 30(7) type application does <u>not</u> alter NIE Networks' licence obligation⁵ (under Condition 30(6)(a)) to make a connection offer as soon as practicable. The primary obligation (recorded in Condition 30(6)(a) of the Licence and Article 20 the Electricity Order) - to make a connection offer as soon as practicable - remains.

NIE Networks states as part of the Application, that it received a valid application (for the Relevant Connection Offer) from the Connection Applicant on 16 May 2025, for 30 Housing Units, meaning the existing Condition 30 (6) period expires on 16 August 2025.

The Application (made in the Letter) is for consent – under Condition 30(7) - for a longer substituted Condition 30 (6)(b) period out to 17 November 2025.

NIE Networks highlights in the application that a large number of complex demand applications have been received over the past year, with these

³ Recorded in Article 21 of the <u>Electricity (NI) Order 1992</u> (**the Electricity Order**): see Condition 30(6) (d) of the Licence.

^à Ín this correspondence we use the words "us" "we" "our" "UR" "Utility Regulator" and "Authority" interchangeably to refer to the Northern Ireland Authority for Utility Regulation.

⁵ Which aligns with the statutory duties reflected in Articles 19 and 20 of the Electricity Order.



applications requiring "detailed assessment of the high voltage network to determine upstream reinforcement requirements," which means the time to make a connection offer is 'sometimes' extending beyond the three month period laid out in Condition 30. NIE Networks does not elaborate upon why a large number of complex demand applications have been received over the past year, nor provide a measure of how the present level of complex demand applications compares to previous years, and what the level of fulfilment of demand applications, within Condition 30 timelines, was in previous years.

NIE Networks says the dedicated team for demand connections has been growing and is still continuing to grow (NIE Networks highlights that this has been progressively occurring since 2024), with new members being trained, along with a new approach to queue management being implemented. NIE Networks says the volume of applications have had a knock-on effect to the number of applications NIE Networks can process within the three month Condition 30 period.

NIE Networks highlights in the application that further time is required to complete the detailed network study, finalising Low Voltage network design and producing an offer package.

Reflecting the points above, NIE Networks explains the rationale for seeking the consent sought in the Application as allowing:

1. NIE Networks time to accurately design and cost connections taking account of the impact of others in the queue ahead of them.

NIE Networks says that not granting the extension "would result in NIE Networks failing to meet its licence standard."

The Authority does acknowledge NIE Networks' comments concerning a large number of complex demand applications, and that the team responsible has been progressively expanded since July 2024, to enhance their ability to deal with these types of applications. While we acknowledge that a large and sudden increase in complex demand applications could theoretically affect NIE Networks' ability to fulfil Condition 30 timescales, the Authority has not been provided with evidence as such. We are unclear, from the evidence provided in the application, how large the increase is. We are also unclear on the effect of the scaling up of the team responsible, since July 2024, on NIE Networks' ability to fulfil connection requests within



Condition 30 timelines. Indeed, the number of demand extension requests received by the Authority has actually markedly increased, one year after what NIE Networks says was the start of the team responsible being scaled up.

It does not appear to the Authority there are specific reasons why this application requires more than the three month timeline, aside from the lack of staffing/resources to meet this timeline. Citing resource constraints alone is not considered a valid reason for non compliance with the three month licence condition. References in the application to work that, in NIE Networks' view, cannot be completed within the three months, such as site visits and testing of ground conditions, were not accompanied by reasoning as to why this work could not be completed within the three month timeline.

The Authority notes that this extension request appears to have been submitted because of a lack of resources/time to complete work within the three month licence period. However, based upon the NIE Networks signed certificate of resources within Condition 3 (Availability of Resources and undertaking of Ultimate Controller), the Director confirms that NIE Networks has sufficient resources to enable it to meet licence conditions. Overall, it does not appear to the Authority that resource allocation is a sufficient reason to request an extension.

The paragraphs above provide a framework for our Decision, which is given in Section 3 of this Decision Letter.

2. Consultation associated with the Application

Condition 30(7)(a) of the Licence requires NIE Networks to consult with the Connection Applicant when making an application for extension under Condition 30(7).

The First Letter sets out such consultation with the Connection Applicant, via email of 28 July 2025.

The Connection Applicant has not provided a response to the consultation.



3. The Authority's Decision

In making our Decision on the Application we have had regard to:

- (a) our published decision document on extension applications dated 31 May 2017⁶
- (b) our principal objective (and related statutory objectives) under Article 12 of the Energy (NI) Order 2003⁷
- (c) the contents of the Application
- (d) the consultation with the Connection Applicant

The Decision Paper Guidance states that the Authority "would expect to receive a request from the licensee at least <u>two weeks</u> before the end of the three month connection application period." (our emphasis).

We accept that NIE Networks has provided reasoning for this application not being made at least two weeks before the end of the connection application period, that the NIE Networks process was paused while it was seeking guidance from the Authority on extension requests. However, we do not consider the Application to have been made in accordance with the Decision Paper Guidance.

Having considered the matter fully, the Authority hereby decides, that it does not provide the consent sought in the Application, to extend the period under Condition 30(6)(b) of the Licence (in respect of the application for connection made by the Connection Applicant for the 30 New Housing Units at Moorlough Road). The timeline for the issue of a connection offer therefore remains at **16 August 2025.** We would continue to encourage NIE Networks to issue a Connection Offer as soon as practicable.

The Authority has decided not to grant the extension applied for because the principal reason cited for the request (lack of staff/resources) appears to conflict with the signed Condition 3. Availability of Resources and Undertaking of Ultimate Controller.

We would ask that NIE Networks consider this potential conflict, provide the Authority with a full set of reasons why the Condition 30 licence standard

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⁶ Electricity Connections Review Decision Paper | Utility Regulator (uregni.gov.uk)

⁷ The Energy (Northern Ireland) Order 2003.



cannot be complied with, and record this on the Statement of Licence Compliance (SoLC) report. This record should include identification of when the connection applicant applied, why NIE Networks could not comply with the Condition 30 licence standard, and confirmation that the Connection Applicant has received a payment under the licence guarantee standards.

The Authority also notes that future extension applications similar to this one, will be considered through the same framework as in this Decision Letter. In assessing the reasonableness of an extension request, sufficient detailed information must be provided within the extension request itself for example what makes this application more complex or novel than others together with what mitigation measures have been taken to avoid having to make the extension request both in the presented request and in the future.

NIE Networks is also asked to reflect on our observations (above) as to the expectations explained in the Decision Paper Guidance. Our expectation is that further applications for Condition 30(7) extensions will be presented in accordance with our observations.

This decision will be published and placed on the Register in the normal way.

Please do return to us should you require any clarification.

Yours sincerely,

Jillian Ferris

Head of Networks

Duly authorised by the Authority