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10 July 2026
Ref: NET/E/JF/1499

Dear Gemma,

Smart Metering Programme – 2025/26 & 2026/27 Funding Allowance Request within the RP7 Price Control

Thank you for your letter of 14 May 2026 requesting a funding allowance of £5.52 million, noting that £293k relates to actual expenditure incurred in 2025/26 and £5.23 million is a working allowance requested for the current 2026/27 year.

Based on the additional information provided by NIE Networks our Board has approved the full amount of £5.52 million in accordance with Annex 2 paragraph 6.15(d) of NIE Network's Distribution Licence.

This approval will be released to NIE Networks in two tranches, with an initial £2.5 million allowed immediately and another £3 million provided at a later stage.

The first tranche of £2.5 million provides £0.293 million for actual expenditure incurred in 2025/26 and £2.207 million to allow NIE Networks to commence in earnest the planning and preparation for the smart meter roll-out in Northern Ireland in 2026/27.

Any request by NIE Networks to release the second tranche of £3 million will be subject to cost reporting monitoring of the first tranche and the need for more evidence to be provided.

We appreciate NIE Networks' commitment to full transparency and robust governance in the use of allowances provided for the smart meter roll-out and the proposal to provide regular reports on actual and forecast expenditure, activities undertaken and explanation of cost variances.

We therefore ask that NIE Networks provide at least the following to us on a quarterly basis:

- Completion of the attached reporting template (excel spreadsheet);
- Provision of a written summary of each cost category e.g. where consultancy costs have been incurred, the purpose and output of that consultancy support; and
- Evidence of costs incurred e.g. invoices.

We may request additional information following review of NIE Network's quarterly reports.

This allowance is the first following the publication by the Department for the Economy (DfE) on 29 April 2026 of their decision paper on the 'Design plan for the roll-out of smart electricity meters'. DfE confirmed within the decision paper that NIE Networks will continue their role in procuring and installing meters and is to commence formal procurement of smart meters.

NIE Networks now has access to resources to begin planning in earnest for the roll out of smart meters for the benefit of Northern Ireland consumers.

We look forward to working closely with NIE Networks as the smart meter programme progresses.

Yours sincerely,



Brian Mulhern

¹ [Design Plan for The Roll-Out of Smart Electricity Meters](#)

Illustrative Cost Reporting Template – Smart Meter Programme



Smart Metering Programme Quarterly Cost Report Template					Year 2026/27	Yellow cells to be populated by NIEN Green cells are formula driven or populated by UR			Overview of Smart Metering Programme Activity Volumes and Costs To Date			
					Quarter period April-June				Period	Number of Smart Meters Installed	Total Funding Requests by NIE Network	Total Project Costs Approved
					Quarter 1					Activity Volume	£m	£m
	2026/27 £m	2026/27 £m	2026/27 £m	2026/27 £m	2026/27 £m	2026/27 %						
	Approved Allowance	Actual	Forecast	Total Expected	Variance	Variance	Impact					
								Variance explanation to be provided				
Staff costs	1.1			0	1.1	100%	↓		Pre August 2024	n/a	0.31	0.00
Agency costs	0			0	0	#DIV/0!	↓		Aug 2024-March 2025	n/a	0.28	0.28
Consultancy	3.8			0	3.8	100%	↓		Apr 2025 - March 2026	n/a	0.29	0.29
External legal fees	0.2			0	0.2	100%	↓		Apr 2026 - March 2027	n/a	5.23	2.21
Other	0.1			0	0.1	100%	↓		Apr 2026 - March 2028			
Blank to add if necessary	0			0	0	#DIV/0!	↓		Apr 2026 - March 2029			
Blank to add if necessary	0			0	0	#DIV/0!	↓		Apr 2026 - March 2030			
Total	5.2	0	0	0	5.2	100%	↓		Total to date	0	6.11	2.78
Key points to be provided (use grid below or separate tab if necessary):					-5.2	Check						
Staff costs	Number of FTEs dedicated to smart meter programme included in YTD outturn costs											
Agency costs	Number of FTEs dedicated to smart meter programme included in YTD outturn costs											
Consultancy costs	Detail consultancy name, payment dates and amount together with description of output for YTD outturn costs											
External legal fees	Overview of legal services obtained within YTD outturn costs											
Other	Overview of other costs											
Key points	Actual YTD Outturn 2026/27											
Staff costs												
Agency costs												
Consultancy costs												
External legal fees												
Other												
Blank to add if necessary												
Blank to add if necessary												
Number of Smart Meters Installed	Nil											