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By Email Only: John.Heywood@nienetworks.co.uk

Date: 02 June 2026

Our Ref: NET/E/BM/1471

Dear John,

Submission of Construction Approval for 2nd Transformer at Kells Cluster Substation:

Thank you for your letter received 18 May 2026 (the **Letter**) providing background context to funding requirements for construction activities associated with a second transformer for the Kells Cluster.

1. The Application

Within your paper you note that you intend to install a second 90 MVA 110/33 kV Transformer at Kells East Main and utilise existing planning permissions associated with the establishment of the 110/33Kv cluster at Kells. A total cost of £4.1 million is estimated for this project.

NIE Networks notes within the application the need for development of infrastructure to facilitate timely grid connection, including planning cluster substations, and existing cluster substations where planning permission for second transformers have been identified, including at Kells. NIE Networks notes updates to the Statement of Charges for Connections (SoCC) mean developers connecting to Kells Main under the second transformer methodology will pay for a proportion of the shared connection assets involved. In the case that these recovered costs are insufficient to cover the costs, *“any shortfall will be recoverable through regulatory entitlement.”* It is however mentioned that if no generators were to connect to the second transformer as a worst case scenario, *“the highest impact on a domestic bill across the full 40 years in the scenario*

where no generators connect is an increase of c.15p on the annual bill for each transformer.”

It is noted in the Application that, Kells East Main Cluster is due to be energised Q4 2026. At current, this substation holds a total of 44.7 MVA of committed generation, with 45.3 MVA currently available.

NIE Networks seeks approval to proceed with construction, saying this would allow an order to be placed for transformer equipment at the earliest opportunity. A typical indicative Pre Construction Works timeline is quoted as 36 months, from acceptance of an offer.

2. Consultation associated with the Application

NIE Networks submitted an ‘Application for Transmission Works at Kells East Main’ to SONI for increased transmission capacity. NIE Networks states that SONI has no objections to this construction and a Section S Offer was issued to NIE Networks on 19 September 2025.

3. The Authority’s decision

In making our decision on the Application we have regard to:

- (a) our principal objective (and related statutory objectives) under Article 12 of the Energy (NI) Order 2003
- (b) the contents of the Application
- (c) the consultation with SONI

We have considered this request in line with Section 7 and Appendix 2 of the SoCC for connection to the Northern Ireland Distribution System.¹

This Application is to be treated as an application - for what is called “construction approval” - under the terms of NIE Statement of Charges for Connections and the provisions of para 4.21 of Annex 2 to the Licence. The para 4.21 provisions make particular reference to the CC_X_t part, which is reflective of the regulatory arrangements for cluster connection charging.

The Authority is content with the information detailed. Having considered

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the submission, the Authority is satisfied that the NIE Application is in accord with the applicable regulatory arrangements pertaining to clustering and the “need” for the 2nd Transformer at Kells Cluster substation is clearly demonstrated in the NIE Networks Application.

Furthermore, I consider that our decision is consistent with our statutory responsibilities as set out in Article 12 of the Energy (NI) Order 2003.

The Authority can confirm that approval is hereby given to proceed with construction activities on the second transformer of the Kells cluster.

As has been previously commented, it is important that clusters are connected as quickly as possible. If the exposure to Northern Ireland customers develops (beyond the estimates quoted) during the construction period, the Authority should be notified immediately, and we ask to be kept informed of progress.

Please note that this approval will be published on our website.

Please do return to us should you require any clarification.

Yours sincerely,



Brian Mulhern

Director of Networks and Energy Futures
Duly authorised by the Authority