Utility Regulator

Rowan Tunnicliffe
SONI Limited
Castlereagh House
12 Manse Road
Belfast
BT6 9RT

Ref: NET/E/SL/1490

23 June 2026

Dear Rowan,

Re: Conditional Cost Sharing Final Decision for Tariff Year 2024-25

Thank you for the Conditional Cost Sharing (CCS) submission provided alongside the RIGS documents on 31 January 2026, the subsequent resubmission on 31 March 2026 and the response to the provisional decision on 29 May 2026.

After internal scrutiny, we have determined to make a partial CCS allowance for TY2024-25. For confirmation, amounts finally approved are detailed in the table below by tariff year.

Tariff Year	SONI Claim (Apr 2025 prices)	UR Allowance (Apr 2025 prices)	UR Allowance (Apr 2019 prices)
2024-25	£491k	£292k	£228k
Total	**£491k**[1]	**£292k**	**£228k**

Final Position

Taking the issues in order of the PD, we would respond as follows:

Cyber Security Costs

1) SONI was provided **£1.28m** (opex/capex in April 20219 prices) in SRP20 to undertake initiative G4. This was to ensure compliance with the NIS Directive and deliver a cyber security maturity score based on EY Cybersecurity Programme Assessment (CPA). It is not clear from the submission or response that the increase in base spend has improved service beyond what was set out in the price control.

   In addition, the letter from DoF suggests *future* cyber improvements by moving to version 4.0 of the Cyber Assessment Framework (CAF). It does not appear that this

[1] Revised request based on SONI response to CCS provisional decision provided on 29 May 2026.

improvement relates to TY2024-25. SONI has also benefitted from lower than expected cyber capex costs. It would not seem entirely appropriate for consumers to fully fund overspends in base opex but not retain the full underspend in other related areas. Such treatment would distort the cost-sharing incentive.

Other than high-level explanations, SONI has not provided sufficient evidence as to the efficiency of the costs incurred (as required by the CCS Guidance, para 5.14 (e)). Neither is there any explanation as to changes in this tariff year compared to preceding historic years.

However, we agree with SONI that, *"Cyber security is inherently dynamic and risk-based, requiring continuous development, remediation of control weaknesses and adaptation to emerging threats and regulatory expectations."* Given that funding for initiative G4 ceases in TY2024-25, SONI is free to make UM submissions for cyber security improvements in the SRP20 extension years.

We also recognise that cyber threats are increasing and additional spend may be required in order to maintain the current level of service. Consequently, we have determined to allow 50% of the revised cyber security claim. We do not think a full allowance in this area is merited for the reasons noted above and the deficiencies in the CCS submission.

Legal Costs

2) Given the additional information provided in the response to the PD, we are minded-to allow the full legal costs incurred. However, we would note that such detail was not provided as part of the initial CCS submission (hence the original disallowance). In future years we would expect such information to be provided at a minimum alongside evidence as to why the level of spend is efficient.

Insurance Costs

3) SONI's submission and response accepts that performance standards are not improved by the movement in insurance costs. Consequently, the insurance claim is not eligible for an uplift. This position does not conflict with the CCS Guidance (para 5.10). For clarity, this section is a reference to external factors not related to costs, otherwise the CCS decision would simply be a cost pass-through.

Exchange Rate Costs

4) We note that these costs have not been sought in SONI's revised request following the PD response. However, for the sake of future clarity, exchange rate fluctuations do not impact service performance. As there is no service level improvement, no

further allowance would be merited. Exchange rate fluctuation is a 'fair bet', and consumers already fund 75% of any overspend due to these movements. We see no further need for consumers to take all the cost risk in this area.

For confirmation, this final decision means that the $CSBAt$ (opex) term will be set to **£292k** (April 2025 prices) for TY2024-25. The $CSCA\_Rt$ (buildings & non-buildings capex) revenue term will be set to **zero** for TY2024-25.

I trust this satisfies your requirements at this time.

Yours sincerely,

Sean Lyons
Head of Electricity Price Controls