

Gerard McIlroy
First Floor
The Arena Building
85 Ormeau Road
Belfast
BT7 1SH

Ref: CNO/G/TH/211

10th August 2017

Dear Gerard,

Premier Transmission (Condition 3.1.6 (b)) Determination of BCO

For the period 1 October 2017 – 30 September 2022

The tables below set out the Northern Ireland Authority for Utility Regulation's (NIAUR) decision on operating expenditure over the next price control period 1 October 2017 to 30 September 2022 for each of the licence holders listed above. All figures are quoted in March 2016 monies and should be adjusted in accordance with the licence for application during the control period. The detailed explanation for these decisions is set out in our determination published on our website on 1 August 2017.

We would not intend, subject to condition 3.1.6 (b) (v), to adjust these operating expenditure figures other than in the specific circumstances as set out below.

- In respect of asset replacement, during the course of the price control review we identified two projects, Ballylumford Water Bath Heaters and GMO NI emergency management module with time to fail model, for which insufficient evidence was available to determine whether or not an allowance should be provided to fund this activity. Should it subsequently be determined that an adjustment is justified then this will be accommodated through condition 3.1.6 (b) (v) of the Premier Transmission licence.
- In respect of GMO NI, any realignment in the pattern of contractual responsibility for the resources deployed by licence holders, and therefore of expenditure will be accommodated through adjustment made through condition 3.1.2 (e) as set out in the final determination.

Table 1: PTL post-efficiency final determination– in March 2016 prices

Cost Category	Final Determination					
	2017-18 £m	2018-19 £m	2019-20 £m	2020-21 £m	2021-22 £m	Total £m
Administration	0.960	0.752	0.850	0.740	0.726	4.029
Asset Replacement	0.302	0.333	0.997	0.118	0.023	1.773
Planned Maintenance	2.249	1.029	1.557	0.980	1.805	7.620
Unplanned Maintenance	0.217	0.142	0.141	0.140	0.139	0.779
System Operation	0.927	0.721	0.842	0.711	0.757	3.958
GMO NI Costs	0.722	0.754	0.754	0.709	0.694	3.632
Total	5.377	3.730	5.141	3.398	4.143	21.790

Yours sincerely,



Tanya Hedley
Director of Compliance and Network Operations
For and on behalf of NIAUR