

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

Ref: CNO/G/TH/211b

10th August 2017

Dear Gerard,

West Transmission (Condition 4.7.2) Determination of DCO

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 4.7.2 (e), to adjust these operating expenditure figures other than in the specific circumstances outlined below.

- Expenditure incurred prior to the First Operational Commencement Date, assumed for the purposes of this determination to be 1 October 2018, is subject to condition 4.5.9 and is therefore not included in this determination. Should the First Operational Commencement date be otherwise then we may revisit this DCO determination.

In respect of rate of return we do not propose a modification to the existing licence, condition 4.5.3, and so it will remain at 1.98% (pre tax real).

Table 1: WTL 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	-	0.466	0.523	0.522	0.523	2.035
Asset Replacement	-	0.000	0.000	0.000	0.000	0.000
Planned Maintenance	-	1.390	0.891	0.869	0.869	4.019
Unplanned Maintenance	-	0.109	0.099	0.093	0.092	0.393
System Operation	-	0.168	0.142	0.166	0.165	0.641
Total	-	2.134	1.656	1.650	1.649	7.089

Yours sincerely,



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