

Roger Henderson
Network Assets Director
Northern Ireland Electricity Networks
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Edgewater Office Park
Edgewater Road
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23 July 2020

NET/E/TH/240

Dear Roger

Castlereagh – Knock 110kV Cable Sealing End Upgrade and Enhancement of Protection: Construction Allowance Determination

This letter sets out the Utility Regulator's decision in respect of Castlereagh – Knock 110kV Cable Sealing End Upgrade and Enhancement of Protection construction costs under paragraph 4.34 of Annex 2 of the NIE Networks Transmission Licence.

Our decision takes account of the information provided to us in your submission of 9 June 2020 and the subsequent query process.

We have determined an additional allowed CAPEX amount (ACTR_Xt) of £1,018,035 (2019/20 price base) for the works as profiled below.

| | | Expenditure Profile | |
|------------------------|------------|---------------------|----------|
| | Total Cost | FY 19/20 | FY 20/21 |
| Pre-construction Works | 1,018,035 | 445,460 | 572,575 |

We will publish the decision by uploading it to our website and including it in the public register required under Article 57 of the Electricity (Northern Ireland) Order 1992.

Under paragraph 4.35 of Annex 2 of the NIE Networks Transmission Licence the Utility Regulator may make a determination subject to conditions with which the Licensee shall be required to comply, including conditions as to the monitoring, audit and reporting in relation to the project. In respect of this determination the Licensee shall, in addition to ongoing RIGs reporting, maintain records of costs in sufficient granularity to provide a report, or reports, of costs against the headings identified in the submission of 9 June 2020 and shall report these costs to the Utility

From the office of the Chief Executive

Regulator on request. This will provide the Utility Regulator with additional information and experience which will help inform future decisions of this type.

Yours sincerely,



Jenny Pyper
Chief Executive

Cc Ian Bailee (NIE Networks)
 Carl Hashim (NIE Networks)
 Tanya Hedley (UR)
 John Mills (UR)
 Alan Craig (UR)