

Roger Henderson
Network Assets Director
Northern Ireland Electricity Networks
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Edgewater Office Park
Edgewater Road
Belfast
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14 April 2021

NET/E/TH/342

Dear Roger

Omagh - Dromore Pre-Construction Allowance Determination

This letter sets out the Utility Regulator's decision in respect of Omagh - Dromore pre-construction costs under paragraph 4.34 of Annex 2 of the NIE Networks Transmission Licence.

Our decision takes account of the information provided in your submission of 21 July 2020 and the subsequent query process.

We have determined an additional allowed CAPEX amount (ACTR_Xt) of £924,096 (2019/20 price base) for the works with all expenditure occurring in 2021/22 financial year.

The allowance provides for the activities identified in the annex to this letter resulting in a well mitigated plan and construction estimate for the works.

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 21 July 2020 and shall report these costs to the Utility Regulator on request. This will provide the Utility Regulator with additional information and experience which will help inform future decisions of this type.

Networks Directorate

We look forward to your submission of construction costs for the project which will be subject to a separate determination by the Utility Regulator. Your submission should include a copy of the necessary project specification, agreements and instructions required under the Transmission Interface Arrangements. We ask that you provide a timeline for this submission.

Should you require any further information or clarification please do not hesitate to contact me.

Yours sincerely



Tanya Hedley
Networks Director

Cc David McDonald (NIE Networks)
Jenni McKeown (NIE Networks)
Carl Hashim (NIE Networks)
John Mills (UR)
Alan Craig (UR)
Paul Stewart (UR)

Annex – Activities and cost breakdown

	NIE Submission (£)	Final Decision (£)
Pre-construction Works		
Detailed Design	108,939	108,939
LiDAR Survey	22,225	22,225
Intrusive Foundation Investigations	130,155	130,155
Land Damage Claims / Landowner Negotiations	9,071	9,071
Environmental Works (accompanying foundation works)	37,062	37,062
Tower Steelwork Assessments	15,570	15,570
Project Management Team	214,576	200,832
Road Surveys	17,267	17,267
Risk Assessment & Management	20,000	20,000
Pre-construction Works Total	574,865	561,121
Advanced Construction Works		
Advanced Mobilisation (Under- crossings)	270,027	270,027
Secure Planning Permission and Easements	8,310	8,310
Project Management Team	15,922	8,127
Advanced Procurement	10,000	10,000
Advanced Construction Works Total	304,329	296,464
Sub-Total	879,194	857,585
Risk Based Contingency	67,591	66,511
Total	946,785	924,096