



11th February 2011

Leigh Smyth,
Electricity Directorate,
Queens House,
14 Queens Street,
Belfast,
BT1 6ED.

Via email

**Re: Assessment of Potential Financing Options for Utility Networks –
Discussion Paper**

Dear Leigh,

Endesa Ireland welcomes the opportunity to respond to the discussion paper on the Assessment of Potential Financing Options for Utility Networks.

Endesa Ireland is generally in favour of any initiatives which reduce the cost of developing and using electricity networks and welcomes the UR's initiative of examining new ideas and approaches to further this aim.

The proposal that major expansion projects may be split out from existing licensed businesses so that they can be financed and delivered by third parties may have merit if the efficiencies and innovation of that third party can deliver savings.

The proposal to split a portion of regulated companies' RABs into 'NetworksCo' and 'RABco' should be fully examined by way of cost-benefit analysis before any decision is made on it. Endesa Ireland is unable to comment on whether this would be a beneficial step until such a CBA is published.

Please don't hesitate to contact me should you wish to discuss any aspects of this response.

Regards,

A handwritten signature in blue ink that reads 'Deirdre Powers'.

Deirdre Powers
Director, Energy Management