

Company Secretary  
Moyle Interconnector Limited  
First Floor The Arena Building  
85 Ormeau Road  
Belfast  
BT7 1SH

1 July 2014

Dear Sirs

## 1. Final Decision on the Certification of Moyle Interconnector Limited (MIL)

- 1.1. This letter sets out the decision of the Northern Ireland Authority for Utility Regulation (referred to as the Utility Regulator (**UR**)) to certify MIL as a transmission system operator in Northern Ireland.

## 2. Background

- 2.1. The Third Energy Package<sup>1</sup> requires the unbundling of transmission system owners/operators from production and supply interests and the certification of transmission system operators.
- 2.2. MIL owns and operates (from a licensing and regulatory perspective) the electricity interconnector between Northern Ireland (on one side) and Scotland (on the other side). It is licensed in Northern Ireland to participate in the transmission of electricity and is therefore the holder of a transmission licence. It is also licensed in Great Britain in respect of the transmission of electricity by the GB regulator (known as Ofgem).
- 2.3. Article 10B of the Electricity (Northern Ireland) Order 1992 (the **Order**) requires MIL (as a transmission licensee owning a transmission system) to ensure that it is certified at all times

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<sup>1</sup> For these purposes Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (the **Directive**) and Regulation (EC) No. 714/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the network for cross-border exchanges in electricity and repealing Regulation (EC) No 1228/2003 (the **Regulation**).

From the office of the Chief Executive

when it acts under the authority of its transmission licence. The certification of transmission system operators is a function conferred on the UR. Accordingly MIL applied to the UR for certification.

2.4. Article 10F sets out four grounds of certification. Article 10F(3) provides that the first certification ground is that the ownership unbundling requirement in Article 10G is met in relation to the applicant and to any related transmission licensee. There is no related transmission licensee with regard to MIL.

2.5. MIL's application was for it to be certified on the first certification ground. It was not part of a vertically integrated undertaking on 3 September 2009 - therefore this is the only unbundling model for which it could be certified.

2.6. Having considered MIL's application, the arrangements in place and liaised with Ofgem, in accordance with the requirements of the Directive, on 7 May 2013 the UR notified its preliminary decision on MIL certification to the European Commission (the **Commission**).<sup>23</sup>

2.7. The UR's assessment was based on the system of legislation and licence obligations applying to MIL and the arrangements of MIL.

### **3. The European Commission's opinion**

3.1. Pursuant to Article 3(1) of the Regulation, the Commission examined the UR's preliminary decision and gave its opinion as to the preliminary decision and its compatibility with the applicable requirements of the Directive. The Commission made a number of comments as set out in its opinion.<sup>4</sup>

### **4. Certification of MIL**

4.1. The UR has taken into consideration the Commission's opinion and for the reasons set out in its preliminary decision, namely that MIL meets the first certification ground, certifies MIL as a transmission system operator in Northern Ireland (in respect of the transmission system owned

<sup>2</sup> See [http://www.uregni.gov.uk/uploads/publications/130204\\_TSOC\\_MIL\\_Preliminary\\_Decision\\_Paper\\_v6.pdf](http://www.uregni.gov.uk/uploads/publications/130204_TSOC_MIL_Preliminary_Decision_Paper_v6.pdf)

<sup>3</sup> On 24 May 2013 the Commission also received a notification from Ofgem of a draft decision on the certification of MIL as a transmission system operator in Great Britain.

<sup>4</sup> See [http://www.uregni.gov.uk/uploads/publications/Adopted\\_Opinion\\_Moyle.pdf](http://www.uregni.gov.uk/uploads/publications/Adopted_Opinion_Moyle.pdf)

From the office of the Chief Executive

by MIL) from 26 June 2014. The date of certification is the date upon which the SEM Committee took the decision to certify and the purpose of this letter is to notify the decision.

Yours faithfully,



**Jenny Pyper**

**For and on behalf of the Northern Ireland Authority for Utility Regulation**

cc. John Mills  
Inge Bernaerts