

Roger Henderson  
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17 December 2020

Our Ref: NET/E/JF/296  
By Email

Dear Roger

**Coolkeeragh – Magherafelt 275kV Double Circuit Overhead Line Refurbishment:  
Construction Allowance Determination**

This letter sets out the Utility Regulator's decision in respect of Coolkeeragh – Magherafelt 275kV DC OHL Refurbishment 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 30 September 2020 and during the subsequent query process.

We have determined an additional allowed CAPEX amount (ACTR\_Xt) of £41,733k (2020/21 price base) for the construction works as profiled below:

	FY21/22	FY 21/22
Amount (£k)	19,678	22,055

In addition, your submission requested that we provide regulatory approval to reopen the Determination if Brexit or COVID-19 legislation or other Force Majeure type events give rise to a material increase in project costs. We have considered this request but have decided not to provide this approval as we believe that there is adequate provision within the Licence and other regulatory mechanisms for dealing with these types of issue if they arise.

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 30 September 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.

Yours sincerely



**John French**  
**Chief Executive**

Cc David MacDonald (NIE Networks)  
Carl Hashim (NIE Networks)  
John Mills (UR)  
Paul Stewart (UR)