

19 May 2017

Utility Regulator
Belfast

**RESPONSE TO THE NIE NETWORKS TRANSMISSION & DISTRIBUTION 6th PRICE CONTROL (RP6)
DRAFT DETERMINATION**

To whom it may concern,

Northern Ireland Chamber of Commerce and Industry (NI Chamber) is grateful for the opportunity to provide its view on RP6 Draft Determination consultation.

NI Chamber was established in 1783 and is the largest independent business network in Northern Ireland with an active membership of over 1,200 businesses, representing 100,000 employees. The primary role of NI Chamber is to assist members as they seek to grow their business locally and internationally. Its members represent every area of the private sector economy including manufacturing, construction, professional services and the wider service sector.

We would therefore like to make the below points in relation to the consultation:

- NI Chamber believes that we need to take full advantage of the growing interest in Northern Ireland as a place to invest, we need a modern electricity network; one that is reliable, efficient and able to support businesses as they look to invest, expand and create jobs.
- We join both the Northern Ireland Affairs Committee and the EMAG in calling on the incoming Northern Ireland Executive to undertake a review into whether additional investment in Northern Ireland's electricity network, beyond what has been proposed by NIE Networks for the RP6 price control period, could have substantial benefits for economic development, security of supply and the deployment of sustainable sources of electricity.
- With regards the "Optional network investment proposed by NIE Networks", we note the extensive body of consultation with commercial users as outlined in the Non-Domestic customer consultation research conducted by perceptive insight on behalf of NIE. We note in the draft determination that the four Optional network investments have not been included in this draft determination. Businesses truly valued the opportunity to contribute to this important debate and let their voice be heard in shaping the decision making process for the four proposed investment options. Following the extensive consultation exercise, it is disappointing that the basis on which the Regulator has made this decision is not transparently set out in the draft determination, with the result that this may actually frustrate future engagement with business.
- NI Chamber recognises that significant progress has been made by DNOs in Great Britain, through their regulatory frameworks have received funding and been able to absorb the risks associated with pioneering R&D activities. The Innovation Funding Incentive which was established to encourage DNOs to conduct research and development. In Distribution Price Control Review 5 (DPCR5), which

ran from 2010 to 2015, Ofgem introduced a new £500m fund, the Low Carbon Networks Fund, to stimulate a culture change, innovation and trialling of new technologies. NI Chamber fully support NIE Networks proposed investment of £10.4m for “investing for the future” and believe we have an opportunity to leverage the significant investment and learning and best practice from these activities to the betterment of NI customers.

- NI Chamber members have raised concerns regarding the recent referrals to the Competition & Markets Authority, it is imperative that we have a strong and robust regulatory framework that balances the rights of consumers whilst attracting the necessary investment. We hope that all parties concerned can find a local solution to this price determination to protect the long term interest of both domestic and commercial users.
- The price determination exercise is a very technical and cumbersome process and it is difficult for businesses to stay fully engaged in the process. NI Chamber calls for a more “joined up” approach between Utility Regulator and electricity stakeholders that will involve more regular engagement versus the current review process every 6 years.

I trust this representation will be given due consideration as part Utility Regulator consultation process on the NIE Transmission & Distribution 6th Price control.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ann McGregor". The signature is fluid and cursive, with the first name "Ann" and the last name "McGregor" clearly distinguishable.

Ann McGregor MBE
Chief Executive