

Ciaran MacCann
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

24 January 2019

Dear Ciaran

Price Control for Northern Ireland TSO 2020-2025: Consultation Paper

I refer to the UR's consultation on the above. NIE Networks welcomes the opportunity to comment on the UR's approach to this price control.

We confine our comments to the main areas where the TSO price control may directly interface with or impact on NIE Networks and these are set out below. There are other aspects of the proposed regulatory framework, such as the UR's proposal to use CPI instead of RPI for indexation, which are relevant to NIE Networks and we will wish to engage more fully on those as part of the UR's review of the approach to network price controls, which is planned for later this year.

NIE Networks and SONI: roles and responsibilities

The UR will be fully aware that responsibilities in relation to the electricity transmission network in Northern Ireland are split between NIE Networks and SONI. As the owner of the transmission network, NIE Networks has licence obligations to develop, construct and maintain the network; and as transmission system operator, SONI has licence obligations for operating and planning the transmission system.

The Transmission Interface Arrangements (TIA) sets out in detail the working arrangements between NIE Networks and SONI for stewardship of the transmission network. The UR must be fully cognisant and clear on the different roles and responsibilities that we and SONI have, as it considers the activities to remunerate SONI for in this price control. The UR should also ensure that the SONI price control aligns with NIE Networks' RP6 price control.

Enabling 21st century networks

The UR's consultation rightly alludes to the energy transition and the important role that SONI will play in this transition. The UR will also be aware of the ongoing work NIE Networks is progressing, in conjunction with the UR regarding the evolution from a DNO to a DSO, to help facilitate further the energy transition. The UR should ensure that there is appropriate alignment between the SONI price control and the DSO evolution.

With regards to innovation on the transmission network, our view is that NIE Networks should be responsible for innovation in respect of asset stewardship and SONI should be responsible for innovation in respect of system operation. We must be party to any assessment and decision making process regarding the type of technologies to be installed and maintained on the network, since we are the party with responsibility for same.

Stakeholder engagement

We welcome the level of stakeholder engagement proposed and consider that transmission development plans should be transparent and be consulted upon. We welcome the Stakeholder Expert Challenge Group (SECG) of which we are part. We look forward to continued and constructive engagement with the UR and other stakeholders through the SECG.

Please let me know if you wish to discuss any aspect of this response.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carl Hashim', with a large, sweeping flourish at the end.

CARL HASHIM
Compliance Manager

Cc Ronan McKeown, NIE Networks