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Our Ref: WGD

Tanya Wishart  
NIAUR  
Queens House  
10-14 Queen Street  
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20 January 2011

Dear Tanya

**Utility Regulator's Draft Forward Work Programme 2011-2012**

NIE is pleased to respond to the Utility Regulator's consultation paper on its Forward Work Programme (FWP) for 2011-12.

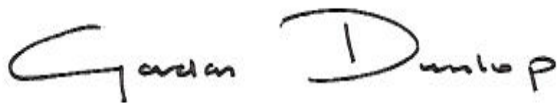
The FWP sets out a comprehensive and challenging programme of work for the electricity sector. We have the following comments:

- In Section 1 of the FWP, some reference should be made to the Authority's duty, in carrying out its work programme, to have regard to the need to secure that licence holders are able to finance their licensed activities.
- Whilst there is a brief reference to network development plans in paragraph 2.40 of the FWP, we consider that this very important area requires more emphasis. In particular, the FWP should recognise the need to resource the very substantial capital expenditure programme on renewables and the onus this places on the Authority to have in place approval procedures that work efficiently. In addition, paragraph 2.40 should include a further sentence (to be inserted after the first sentence) on incentivisation such as "This will include consideration of incentivisation arrangements for NIE".



- Paragraph 2.66 states that the Utility Regulator will “ensure a co-ordinated and timely implementation of the customer/retail aspects of the EU 3<sup>rd</sup> package”. This appears to ignore the key role that the Utility Regulator is set to play in relation to the Directive’s requirements on transmission unbundling and the certification process in particular. It should be noted that the corresponding process in GB is already well advanced.
- The FWP draws particular attention to the intensive work required over the period of the T&D price control review. NIE looks forward to working constructively with the Utility Regulator over the coming months to achieve a fair and balanced outcome to the price control review.

Yours sincerely

A handwritten signature in black ink that reads "Gordon Dunlop". The signature is written in a cursive style with a large, prominent 'D'.

**Gordon Dunlop**  
**Regulation Officer**