

From the office of the Chief Executive

Jo Aston
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29 January 2020

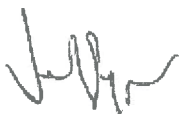
Dear Jo

RE: SONI Governance Review Call for Evidence

As you know we have been reviewing the responses received to the Utility Regulator's Call for Evidence on SONI Governance. We have also received earlier this month correspondence on EirGrid Group reorganisation. I will reply separately in respect of that correspondence, but in the interim I attach a formal information request on governance matters. In order to enhance the transparency of this process this information request will be published on our website on Friday 31 January.

Please provide the identified information and other justification sought to Roisin McLaughlin at the Utility Regulator by no later than 5pm on the 19 February 2020. If you need to clarify any aspect of this request please also contact Roisin McLaughlin.

Yours sincerely



Jenny Pyper
Chief Executive

Information request under the SONI Transmission licence

The first part of the information request, paragraphs 1 to 17 under the heading '*Information sought under the information request*', is made by virtue of paragraph 1 of Condition 7 of the SONI transmission licence. In accordance with SONI's obligations under that paragraph, the UR requires SONI to furnish the identified information to the UR by no later than 5pm on the 18 February 2020.

Information sought under the information request

1. SONI to provide the corporate document or documents which set out the role and functions of the SONI Board, and any additional corporate policy document or documents which set out the circumstances in which any elements of the role and functions of the SONI Board will or may be exercised.
2. SONI to set out the SONI Board's role in procurement decisions for services SONI needs, irrespective of whether these are procured by EirGrid PLC or from EirGrid PLC.
3. SONI advised us in January 2020 that a new organisational structure will be introduced within EirGrid PLC Group from 1 February. SONI to provide full details of the new management structure that will apply from 1 February, including the job titles and responsibilities of all SONI employees, together with a full organogram showing all the parts of that management structure and all SONI employees in relationship to each other. SONI to also provide full details of the current management structure so that the changes can be compared.
4. SONI to confirm whether SEMO, EirGrid Interconnector DAC, EirGrid Celtic Interconnector DAC, and EirGrid Telecoms DAC are included in the revised integrated management structure.
5. SONI to explain how the delegated control framework works in practice in regard to SONI staff. Also provide a copy of the Delegated Control Framework.

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6. SONI to explain how decisions about allocation of staff resources to SONI from other companies in the group and from SONI to other companies in the group are made.
7. SONI to confirm which of the committees below have a role in regard to SONI licensed activities. For any committee with such a role, provide the composition and governance of each committee, including who chairs the committee and when it meets
 - Management Infrastructure Committee
 - Transmission Infrastructure committee
 - Grid Infrastructure Committee
8. SONI to set out the arrangements in place to manage conflicts of interest effectively (should any arise) within the integrated group structure.
9. SONI to provide a copy of its current whistle blowing policy. Also to set out how this policy is publicised within SONI and what systems, arrangements or checks are in place to ensure that the policy is given effect in practice.
10. Detail the risk identification and mitigation process for SONI risks (as distinct from group level risks)
11. As per question set out in Section 8.25 (v) of the Call for Evidence:
 - SONI to set out the nature and scope of TSO functions that are integrated with EirGrid, including identifying which of these are SEMO functions, which are functions under the SOA, which are NI-only functions, and which are EirGrid-only functions.
 - SONI to outline the process under which SONI staff/Board monitors that SONI is getting value for money for the services it receives from EirGrid. Also to set out what services are received, how frequently a review is undertaken of the effectiveness and value for money of services being provided to SONI and, provide a copy of the results of those reviews
12. SONI to set out what has replaced the SLA and provide a copy of any current agreement with EirGrid PLC established for the same purpose.

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13. SONI to provide a copy of any document outlining procurement strategy or policy whether at the EirGrid group or SONI level.
14. SONI to provide a list of the services provided by EirGrid to SONI and identify whether these are procured on a shared services basis, through group level procurement, or jointly between SONI and EirGrid.
15. SONI to outline how it satisfies itself that the provision of these services is on fair commercial terms and no worse than market rates if SONI went to market on a stand-alone basis and contracted for services on arm's length terms. Specifically, SONI to set out:
 - What is the framework under which SONI ensures that procurement of services from within the EirGrid group is efficient?
 - How SONI ensures that services procured from within the group are at least as efficient as procuring those services externally.
 - How SONI demonstrates the efficiency and appropriateness of group projects for SONI specifically. For example if group proposes an initiative which will benefit the group overall is there a mechanism for SONI to demonstrate that it would be more efficient for SONI to not participate in the initiative or that a different initiative would be more appropriate?
 - What oversight is exercised by the SONI Board in relation to the procurement of services from within the group, and what sign-off is required by the Board for decisions made in respect of the procurement of services either from within the group.
16. SONI to confirm whether EirGrid staff providing services to SONI have had training in SONI's licence conditions and NI specificities, especially those providing legal or regulatory services.
17. SONI to provide any information available quantifying cost efficiencies and synergies which it says arise from the current governance structure.

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Other justification sought from SONI

1. SONI advised us in January 2020 that the composition of the SONI Board has changed. SONI to explain why that the changes made were beneficial in terms of protecting NI consumers and promoting transparency and good governance.
2. SONI advised us in January 2020 that a new organisational structure will be introduced within EirGrid PLC Group from 1 February. SONI to explain why the changes to be made will be beneficial in terms of protecting NI consumers and promoting transparency and good governance.
3. Does SONI consider that the new structure has any implications for SONI's certification as a TSO? Whether the answer is yes or no, please explain why SONI reaches this conclusion (and, if the answer is yes, to what extent and in what way the structure has those implications).
4. Can SONI demonstrate how their duties under the SOA, compliance with which is a Licence obligation, are discharged in the integrated management structure?