

Consultation on Electricity License Fee Methodology

SONI and SEMO Response

26th November 2010

The System Operator for Northern Ireland Ltd (“SONI”) welcomes the Utility Regulator’s consultation paper on Electricity License Fee Methodology. SONI is the licensed Transmission System Operator (TSO) and Market Operator in Northern Ireland¹ and is also part of the wider EirGrid Group. This response has been prepared by SONI on behalf of the SONI and SEMO businesses in Northern Ireland.

It is appropriate that all license holders should contribute a license fee and SONI therefore support the extension of fees to apply to the SONI TSO and SEMO businesses in Northern Ireland.

SONI also support Option 1, as outlined in section 5.1 of the paper, which applies the interim methodology but allows for license fee collection at the start of the financial year.

SONI also agree that it is appropriate that a license fee is levied on the TSO business and the SEMO business at the dormant license rate, adjusted by RPI. However, this is based on the assumption that such license fees are treated as pass through costs for price control purposes. This aligns with practice in both Great Britain and the Republic of Ireland.

¹ Trading as “SEMO” under a joint venture with EirGrid.