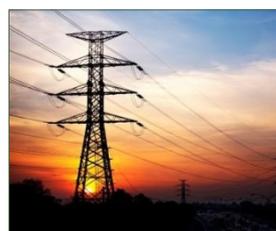


NIE Networks and SONI Transmission Licence Consultation - TIA Licence Condition Modifications and Article 14 Notice

26 July 2018



About the Utility Regulator

The Utility Regulator is the independent non-ministerial government department responsible for regulating Northern Ireland's electricity, gas, water and sewerage industries, to promote the short and long-term interests of consumers.

We are not a policy-making department of government, but we make sure that the energy and water utility industries in Northern Ireland are regulated and developed within ministerial policy as set out in our statutory duties.

We are governed by a Board of Directors and are accountable to the Northern Ireland Assembly through financial and annual reporting obligations.

We are based at Queens House in the centre of Belfast. The Chief Executive leads a management team of directors representing each of the key functional areas in the organisation: Corporate Affairs; Electricity; Gas; Retail and Social; and Water. The staff team includes economists, engineers, accountants, utility specialists, legal advisors and administration professionals.

Our Mission

Value and sustainability in energy and water.

Our Vision

We will make a difference for consumers by listening, innovating and leading.

Our Values

Be a best practice regulator: transparent, consistent, proportional, accountable, and targeted.

Be a united team.

Be collaborative and co-operative.

Be professional.

Listen and explain.

Make a difference.

Act with integrity.

Abstract

In Northern Ireland, transmission system operation functions are shared between NIE Networks and SONI. The Transmission Interface Agreement (**TIA**) sets out the arrangements to enable each to work together effectively and fulfil their respective licence obligations.

This consultation paper outlines TIA Licence condition modifications for NIE Networks and SONI. We are proposing to modify **Condition 17** of NIE Networks Transmission Licence and **Condition 18** of SONI's Licence. The modifications are set out in this paper under Appendix A - NIE's Networks Transmission Licence and Appendix B - SONI's Transmission Licence.

Audience

This document will likely to be of interest to Transmission System Operators (TSOs), Transmission System Owners, generation developers, generation licence holders, and other parties with interests in the operation of the transmission system.

The UR welcomes industry and other stakeholder views and comments on all the proposals set out in this consultation paper.

Consumer impact

These changes will have a limited impact on consumer bills. The proposed modifications do not change the total costs associated with Transmission Network Pre-Construction Projects but how they are recovered in the Transmission Interface Arrangements (TIA) between NIE Networks and SONI.

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Introduction

Background to consultation

- (1) NIE Networks and SONI are required under their licences to enter into and comply with the Transmission Interface Arrangements (**TIA**).
- (2) The TIA is a document between NIE Networks and SONI which sets out the terms and arrangements relating to the provision of transmission services in Northern Ireland and outlines the responsibilities of, and activities undertaken by, each party as required under Condition 17 of NIE Networks Licence and Condition 18 of SONI's Licence.

Purpose of consultation

- (1) This consultation does not propose amendments to the TIA document itself but the Licence Conditions that implement and enforce the TIA Document.
- (2) The UR seeks stakeholder views on;
 - Proposed modifications to Condition 17 of NIE Networks Licence and Condition 18 of SONI's licence, together "the TIA Conditions". These modifications are to include the payment of monies to or from the Licensee in respect of the services and other matters, including in particular payments to the respective Licensee by the Transmission Owner or to the Transmission System Operator of amounts approved by the Authority in respect of Transmission Network Pre-construction Project Costs.
 - Removal of redundant text in relation to certification that has been granted to the Licensees.
 - Clarification of text in relation to submissions of disputes and disagreements.
 - Insertion of a new obligation to comply with any determination made by the UR if a disagreement arises on any proposed amendment to the TIA made by SONI or NIE Networks, and which is referred to the UR to determine.
 - Update of definitions within the Licences.

How to Respond

- (3) The UR welcomes all stakeholder views and comments on the proposals set out in this consultation paper.
- (4) The consultation period will close at **5pm on 30 Aug 2018**. Responses should be sent to:

Jody O'Boyle
The Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

Email:

1. Jody.OBoyle@uregni.gov.uk ; And
2. electricity_network_reporting@uregni.gov.uk

Tel: 028 9031 6334

- (5) Your response to this consultation may be made public by the UR. If you do not wish your response or name made public, please state this clearly by marking the response as confidential.
- (6) Information provided in response to this consultation, including personal information may be subject to publication or disclosure in accordance with the access to information regimes; these are primarily the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 1998 (DPA). If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory code of practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
- (7) In view of this, it would be helpful if you could explain why you regard any information provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation but cannot give an assurance that confidentiality will be maintained in all circumstances.
- (8) The Utility Regulator has also published a privacy notice for consumers and stakeholders which set out the approach to data retention in respect of consultations. This can be found at <https://www.uregni.gov.uk/privacy-notice> or, alternatively, a copy can be obtained by calling 028 9031 1575 or by email at info@uregni.gov.uk.

Background

- (9) SONI and NIE Networks are required under their licences to enter into and comply with the Transmission Interface Arrangements (TIA). The general duty, review, revision and publication of the arrangements are set under Condition 17 of NIE Networks Licence¹ and Condition 18 of SONI's licence², "the TIA Conditions".
- (10) The first version of the TIA was drafted to reflect the requirements of the Second Energy Package. They have been updated twice in the intervening years, the first time in 2014³ to effect the changes necessary to comply with TSO certification under the Electricity (NI) Order 1992, as amended to transpose the Directive 2009/72/EC of IME3, and in 2016 to facilitate contestable connections to the transmission network.
- (11) The changes in 2014 resulted in responsibilities being transferred from NIE Networks to SONI, along with some of the staff that were discharging these responsibilities. As part of that process the Utility Regulator wrote to NIE Networks and SONI about the transfer of monies relating to approval allowances of pre-construction activities.
- (12) In March 2018⁴, the Utility Regulator published guidance on the framework, processes and risk allocation to apply to SONI for the activities that were transferred in 2014.
- (13) This provided clarity to SONI for cost recovery of approved TNPP's (Transmission Network Pre-Construction Projects) however we indicated that amendments to the TIA Licence Condition and the actual TIA would also be the subject of a separate, future, consultation in conjunction with SONI and NIE Networks.
- (14) The modifications to the TIA Conditions are therefore required and must be consistent across both Licences.

¹ <https://www.uregni.gov.uk/sites/uregni/files/media-files/NIE%20Transmission%20Licence%20effective%202%20October%202017.pdf>

² <https://www.uregni.gov.uk/sites/uregni/files/media-files/SONI%20TSO%20Consolidated%20May%202018.pdf>

³ <https://www.uregni.gov.uk/news-centre/ur-publishes-final-tia-modifications>

⁴ <https://www.uregni.gov.uk/news-centre/decisions-and-guidance-implement-cma-order-tnpps-dt-mechanism>

- (15) This consultation paper seeks to modify the TIA licence conditions to include the payment of monies to or from the Licensee in respect of the services and other matters, including in particular payments to the respective Licensee by the Transmission Owner or to the Transmission System Operator of amounts approved by the Authority in respect of Transmission Network Pre-construction Project (TNPP) Costs.
- (16) We are proposing to modify the TIA Conditions to allow for the transfer of approved money as to refer to payments for TNPP costs proposed by SONI but approved by the Utility Regulator.
- (17) This will involve also modifying the TIA Conditions to include the payment of monies to or from the Licensee in respect of the services and other matters, including in particular payments to the respective Licensee by the Transmission Owner or to the Transmission System Operator of amounts approved by the Authority in respect of Transmission Network Pre-construction Project Costs.
- (18) Further revisions may be required to the actual TIA to reflect modified licence conditions and responsibilities of both parties and we will be engaging with NIE Networks and SONI on this.
- (19) We note that NIE Networks and SONI have been in discussion for a significant period on the drafting of the TIA, with limited progress particularly in the areas of disagreements and potential disputes.
- (20) To address this we are also proposing to include a new obligation in the TIA Conditions to comply with any determination made by the UR if a disagreement is referred to UR. This applies to revisions / modifications referred to the Authority which are not accepted by one of the parties.

Condition 17 of NIE Network's Transmission Licence

- (21) We are proposing to modify Condition 17 of NIE Networks Transmission Licence; the modifications can be viewed within Appendix A – NIE Networks Transmission Licence.
- (22) Within paragraph 3 we are proposing to allow the payment of monies in respect of the services and other matters referred to above, including in particular payments from the Licensee to the Transmission System Operator of amounts approved by the Authority in respect of Transmission Network Pre-Construction Project Costs.
- (23) Within paragraph 5 (a) we are proposing deletion of the text *“thereto over revisions to the Transmission Interface Arrangements”*. This should enable NIE Networks to submit a dispute, that is not just related to the revisions of the TIA but distinguish between (1) the process for resolving disagreements on amendments to the TIA as set out at Section P, and (2) the process for resolving disputes on operational matters set out in the TIA, as set out as Section Q.
- (24) Within paragraph 10 as certification has been in place for a number of years we are proposing removing reference to the specific references to the 1992 Order and enabling the Utility Regulator to direct the licensee to facilitate the achievements set out in paragraph 4 of Condition 17 to ensure a co-ordinated operation between the two licensees and efficiently discharge their obligations.
- (25) Within paragraph 8(c) which in reference to submission to the Authority states *“any revisions on which the Licensee and the Transmission System Operator disagree and which dispute is thereby referred to the Authority for determination in accordance with the provisions included in the Transmission Interface Agreements in accordance with paragraph 5(a).”* We are proposing the deletion of the text “dispute is” and replacing with the text “are”, The deleting of the any ref to ‘disputes’ is to avoid confusion. This paragraph 8(c) is in relation to disagreements to proposed TIA revisions. The revision procedure is covered within Section P of the TIA. The process for ‘Disputes’ is covered in Section Q of the TIA and is not relevant in the context of this paragraph.
- (26) We are also considering introducing a new paragraph into paragraph 11 to state *“Where revisions are referred to the Authority for determination*

pursuant to paragraph 8(c) the Licensee shall (and shall procure that the Relevant Subsidiary shall) accept the determination made by the Authority.” This is new obligation to comply with any determination made by the UR if a disagreement arises on any proposed amendment to the TIA made by NIE Networks, and which is referred to the UR to determine.

(27) Finally we are proposing to include a new definition for a "*Transmission Network Pre-construction Project Costs*" which has the meaning given to it in paragraph 1.1 of Annex 1⁵ of SONI's Transmission System Operator Licence.

⁵ <https://www.uregni.gov.uk/sites/uregni/files/media-files/SONI%20TSO%20Consolidated%20May%202018.pdf>

Condition 18 of SONI's Transmission Licence

- (28) We are proposing to modify Condition 18 of SONI's Licence; the modifications can be viewed within Appendix B – SONI Transmission Licence.
- (29) Within paragraph 3 we are proposing to allow the payment of monies in respect of the services and other matters referred to above, including in particular payments to the Licensee by the Transmission Owner of amounts approved by the Authority in respect of Transmission Network Pre-construction Project Costs (as defined in paragraph 1.1 of Annex 1 of the Licence).
- (30) Within paragraph 5 (a) we are proposing deletion of the text *“thereto over revisions to the Transmission Interface Arrangements”*. This should enable SONI to submit a dispute, that is not just related to the revisions of the TIA but distinguish between (1) the process for resolving disagreements on amendments to the TIA as set out at Section P, and (2) the process for resolving disputes on operational matters set out in the TIA, as set out as Section Q.
- (31) Within paragraph 8(c) which in reference to submission to the Authority states *“any revisions on which the Licensee and the Transmission System Operator disagree and which dispute is thereby referred to the Authority for determination in accordance with the provisions included in the Transmission Interface Agreements in accordance with paragraph 5(a).”* We are proposing the deletion of the text “dispute is” and replacing with the text “are”, The deleting of the any ref to ‘disputes’ is to avoid confusion. This paragraph 8(c) is in relation to disagreements to proposed TIA revisions. The revision procedure is covered within Section P of the TIA. The process for ‘Disputes’ is covered in Section Q of the TIA and is not relevant in the context of this paragraph.
- (32) Within paragraph 10 as certification has been in place for a number of years we are proposing removing reference to the specific references to the 1992 Order (as the certification issue has passed) and enabling the Utility Regulator to direct the SONI to facilitate the achievements set out in paragraph 4 of Condition 18 to ensure a co-ordinated operation between the two licensees and efficiently discharge their obligations.

- (33) We are also considering introducing a new paragraph into paragraph 11 to state *"Where revisions are referred to the Authority for determination pursuant to paragraph 8(c) the Licensee shall (and shall procure that the Relevant Subsidiary shall) accept the determination made by the Authority."* This is new obligation to comply with any determination made by the UR if a disagreement arises on any proposed amendment to the TIA made by SONI, and which is referred to the UR to determine.
- (34) Finally we are proposing to exclude the definition for the *"Commission Decision"* as this is no longer required within paragraph 10 if the proposed deletion of the text within paragraph 10 is forthcoming.

Next steps

- (35) Modifications to the two licenses will be subject to a 35 day consultation. Readers are asked to comment on the proposed modifications which are outlined in Appendix A and B. The consultation period closes at 5pm on 30 Aug 2018.
- (36) Following consideration of responses a decision paper with the new modification Licence conditions will be issued. It is noted that further changes to the actual TIA document may be required subsequent to the publication of the decision paper to ensure all finalised licence modifications are considered.

Annex 1 – Article 14 (2) Licence Modification Notice

The Northern Ireland Authority for Utility Regulation

NOTICE UNDER ARTICLE 14(2) OF THE ELECTRICITY (NORTHERN IRELAND) ORDER 1992

MODIFICATION OF NIE NETWORKS LTD ELECTRICITY TRANSMISSION LICENCE AND SONI LTD ELECTRICITY TRANSMISSION LICENCE

In pursuance of its powers under Article 14(1) of the Electricity (Northern Ireland) Order 1992 (as amended) (hereafter referred to as the “**Order**”), the Northern Ireland Authority for Utility Regulation (hereafter referred to as the “**Authority**”) hereby gives notice under Article 14(2) as follows:

- 1 It proposes to modify the electricity Transmission licence (the “**Licence 1**”) held by Northern Ireland Electricity Limited (the “**Licensee 1**”) and the electricity Transmission licence (the “**Licence 2**”) held by SONI Limited (the “**Licensee 2**”)
- 2 The proposed modifications are set out in Appendix A – NIE Networks Transmission Licence and Appendix B – SONI Transmission Licence and are highlighted in red.
- 3 The effect of the proposed modifications and the reasons why they are proposed are stated within the consultation document and in Annex 2 to this Notice.
- 4 The purpose of this notice is to bring the proposed modifications to the attention of persons likely to be affected by them and invite representations or objects in connection thereto. Representations or objections with respect to the proposed modifications may be made **on or before 5pm on 30 August 2018** by writing to or emailing:

Jody O’Boyle
The Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED
Email: Jody.OBoyle@uregni.gov.uk; and
electricity_network_reporting@uregni.gov.uk
Tel: 028 9031 6334
Fax: 02890 311740

- 5 The Authority has, pursuant to Articles 14(3) and 14(4) of the Order respectively, served a copy of this notice on the two Licensee's and sent a copy to the Department of the Economy and the General Consumer Council for Northern Ireland.

Dated this 26 day of July 2018



Jenny Pyper

For and on behalf of the Northern Ireland Authority for Utility Regulation

cc

June Ingram - DfE

John French - CCNI

Carl Hashim - NIE Networks Ltd

Sarah Friedel - SONI Ltd

Annex 2 - Summary of the reasons and effects for the proposed modifications

Condition / paragraph	Licensee	Effects of the proposed modification	Reasons for the proposed modifications
Condition 17 Para 3 (b)(xi)	NIE Networks	Insertion of text “including in particular payments from the Licensee to the Transmission System Operator of amounts approved by the Authority in respect of Transmission Network Pre-Construction Project Costs.”	To allow for UR approved payments to be transferred from NIE Networks to SONI for approved TNPP’s
Condition 17 Para 5 (a)	NIE Networks	Deletion of “ <i>thereto over revisions to the Transmission Interface Arrangements</i> ” in relation to submitting a dispute.	This should enable NIE Networks to submit a dispute, that is not just related to the revisions of the TIA but distinguish between (1) the process for resolving disagreements on amendments to the TIA as set out at Section P, and (2) the process for resolving disputes on operational matters set out in the TIA, as set out as Section Q.
Condition 17 Para 8 (c)	NIE Networks	Deletion of the text “dispute is” and replaced with the text “are”, The deleting of the any ref to ‘disputes’ is to avoid confusion.	This paragraph 8(c) is in relation to disagreements to proposed TIA revisions. The revision procedure is covered within Section P of the TIA. The process for ‘Disputes’ is covered in Section Q and is not relevant in the context of this paragraph.
Condition 17 Para 10	NIE Networks	Removal of “ <i>and until such date as the Authority has in accordance with Article 10E of the Order certified the Licensee,</i> ” and “ <i>ensuring that the certification ground set out in Article 10 F(4) of the Order is met</i> ” and Insertion of text “ <i>facilitating the achievement of the aims set</i>	Article 10E concerns the decision as to whether to certify an applicant, as NIE Networks is certified, this text is now no longer required. Article 10F concerns Grounds for certification Paragraph (4) states “ <i>The second certification ground is that the applicant has applied for a derogation from</i>

		<i>out in paragraph 4”</i>	<i>the ownership unbundling requirement on the grounds in paragraph (9) of Article 9 of the Directive (alternative arrangements for independence), and the Authority has determined that the requirements of that paragraph are met.”</i> As certification has been given this text is now no longer required within the licence. With regards to the insertion of text <i>“facilitating the achievement of the aims set out in paragraph 4”</i> this will enable the UR to direct the licensee to facilitate the achievements set out in paragraph 4 of the licence condition to ensure a co-ordinated operation and efficient discharge of their obligations.
Condition 17 Para 11	NIE Networks	Insertion of a new paragraph 11 <i>“Where revisions are referred to the Authority for determination pursuant to paragraph 8(c) the Licensee shall (and shall procure that the Relevant Subsidiary shall) accept the determination made by the Authority”</i>	This is new obligation to comply with any determination made by the UR if a disagreement arises on any proposed amendment to the TIA made by NIE Networks, and which is referred to the UR to determine, pursuant to paragraph 8(c).
Condition 17 Definitions	NIE Networks	Insertion of a new Definition "Transmission Network Pre-construction Project Costs"	The Transmission Network Pre-construction Project is proposed to be inserted into paragraph 3, this definition relates the project back to paragraph 1.1 of Annex 1 of the SONI Licence.
Condition / paragraph	Licensee	Effects of the proposed modification	Reasons for the proposed modifications
Condition 18 Para 3 (b)(xi)	SONI	Insertion of text <i>“including in particular payments to the Licensee by the Transmission Owner of amounts approved by the Authority in respect of</i>	To allow for UR approved payments to be transferred to SONI from NIE Networks for approved TNPP’s, as defined in paragraph 1.1 of Annex 1 of

		Transmission Network Pre-construction Project Costs (as defined in paragraph 1.1 of Annex 1 of the Licence)"	SONI's Licence.
Condition 18 Para 5 (a)	SONI	Deletion of <i>"thereto over revisions to the Transmission Interface Arrangements"</i> in relation to submitting a dispute.	This should enable SONI to submit a dispute, that is not just related to the revisions of the TIA but distinguish between (1) the process for resolving disagreements on amendments to the TIA as set out at Section P, and (2) the process for resolving disputes on operational matters set out in the TIA, as set out as Section Q.
Condition 18 Para 8 (c)	SONI	Deletion of the text "dispute is" and replaced with the text "are", The deleting of the any ref to 'disputes' is to avoid confusion.	This paragraph 8(c) is in relation to disagreements to proposed TIA revisions. The revision procedure is covered within Section P of the TIA. The process for 'Disputes' is covered in Section Q and is not relevant in the context of this paragraph.
Condition 18 Para 10	SONI	Removal of <i>"and until such date as the Authority has pursuant to the Commission Decision certified the Licensee as a transmission system operator,"</i> and <i>"ensuring that the certification ground set out in Article 10F(4), being the certification ground on which the Licensee is to be certified pursuant to the Commission Decision, is met"</i> and Insertion of text <i>"facilitating the achievement of the aims set out in paragraph 4"</i>	As SONI is certified this text the text in paragraph 10 is now no longer required. Article 10F concerns Grounds for certification Paragraph (4) states <i>"The second certification ground is that the applicant has applied for a derogation from the ownership unbundling requirement on the grounds in paragraph (9) of Article 9 of the Directive (alternative arrangements for independence), and the Authority has determined that the requirements of that paragraph are met."</i> As the certification decision has been given this text is now no longer required within the licence. With regards to the insertion of text <i>"facilitating the</i>

			<p><i>achievement of the aims set out in paragraph 4</i>" this will enable the UR to direct the licensee to facilitate the achievements set out in paragraph 4 of the licence condition to ensure a co-ordinated operation and efficient discharge of their obligations.</p>
Condition 17 Para 11	SONI	<p>Insertion of a new paragraph 11 <i>"Where revisions are referred to the Authority for determination pursuant to paragraph 8(c) the Licensee shall (and shall procure that the Relevant Subsidiary shall) accept the determination made by the Authority"</i></p>	<p>This is new obligation to comply with any determination made by the UR if a disagreement arises on any proposed amendment to the TIA made by SONI, and which is referred to the UR to determine, pursuant to paragraph 8(c).</p>
Condition 18 Definitions	SONI	<p>Removal of the definition for the Commission Decision</p>	<p>If the proposed removal of the Commission Decision text in paragraph 10 is applied then the definition for the Commission Decision is no longer required as it will not be stated within the licence condition.</p>

Appendix A - NIE Networks Transmission Licence

Condition 17. Transmission Interface Arrangements

General Duty

1. The Licensee shall, in common with the Transmission System Operator, prepare, obtain the Authority's approval of, and at all times have in force and implement arrangements (the "Transmission Interface Arrangements") which:
 - a. set out the terms and arrangements, as between the Licensee and the Transmission System Operator, referred to in paragraph 3;
 - b. are designed to facilitate the achievement of the aims set out in paragraph 4, in so far as they relate to the transmission system; and
 - c. set out the matters referred to in paragraph 5.
2. The Licensee shall be taken to have complied with paragraph 1 by:
 - a. adopting as the Transmission Interface Arrangements, the document designated as such by the Authority, within 3 days of the Authority so designating such a document (such designation not to occur prior to 17 October 2007); and
 - b. keeping the document under review and proposing and making modifications to it in accordance with the requirements of paragraphs 7, 8, 9 and 10.
3. For the purposes of this Condition, the terms and arrangements referred to in paragraph 1(a) are those which:
 - a. are requisite for the enjoyment and discharge of the rights and obligations of:
 - i. the Licensee in relation to the Transmission Owner Business arising under the Order, the Energy Order, the SEM Order,

this Licence, the Grid Code, and such other code or document as may be specified from time to time by the Authority; and

ii. the Transmission System Operator arising under the Order, the Energy Order, the SEM Order, the Transmission System Operator Licence, the Grid Code, the System Operator Agreement the Single Electricity Market Trading and Settlement Code, any Transmission Connection Agreement, any Transmission Use of System Agreement and such other code or document as may be specified from time to time by the Authority; and

b. provide for matters which include:

i. the provision of transmission services by the Licensee;

ii. the technical levels to be complied with by the Transmission System Operator in relation to the transmission services;

iii. the operation, including the configuration, of the transmission system;

iv. matters to enable responses to (and to progress any works necessitated by) applications received for use of the All-Island Transmission Networks and/or new connections (or modifications of existing connections) to the All-Island Transmission Networks (at an entry or exit point on the transmission system or the Republic of Ireland transmission system);

v. the arrangements whereby:

A. the transmission system is to be developed and maintained (by the Licensee) and planned and operated (by the Transmission System Operator);

B. the respective responsibilities of, and activities undertaken by, the Licensee and the Transmission System Operator are to be co-ordinated;

- vi. the arrangements, as between the Licensee and the Transmission System Operator, for the planning and development of the transmission system in co-ordination with the other parts of the All-Island Transmission Networks;
- vii. planning for outages, including (where appropriate) co-ordination of outages on the transmission system with outages on the Republic of Ireland transmission system;
- viii. the exchange of information between the Licensee and the Transmission System Operator;
- ix. procedures to enable the Licensee or the Transmission System Operator (as the case may be) to produce information about the transmission system in accordance with its respective obligations under the Order, the Energy Order, the SEM Order, this Licence, the Transmission System Operator Licence, and the System Operator Agreement;
- x. the performance standards to be achieved by the Licensee and the Transmission System Operator (as the case may be) in respect of the services and other matters referred to above; and
- xi. the payment of monies to or from the Licensee in respect of the services and other matters referred to above, including in particular payments from the Licensee to the Transmission System Operator of amounts approved by the Authority in respect of Transmission Network Pre-Construction Project Costs.

4. The relevant aims referred to in paragraph 1(b) are:

- a. the efficient discharge of the obligations imposed on the Licensee and the Transmission System Operator (in their capacities as such) under the Order, the Energy Order, the SEM Order and their respective licences;

- b. the development, maintenance and operation of the transmission system as part of efficient, economical, co-ordinated, safe, secure and reliable All-Island Transmission Networks;
 - c. effective competition in the generation and supply of electricity on the Island of Ireland; and
 - d. the promotion of good industry practice and efficiency in the implementation and administration of the matters covered by the Transmission Interface Arrangements.
5. The matters referred to in paragraph 1(c) are that the Transmission Interface Arrangements:
 - a. shall provide for any disputes between the parties ~~thereto over revisions to the Transmission Interface Arrangements~~ to be referred to the Authority for determination; and
 - b. may provide for there to be referred to the Authority for determination such additional matters arising under the Transmission Interface Arrangements as may be specified in the Transmission Interface Arrangements.
6. The Licensee shall comply with the Transmission Interface Arrangements.

Review of the Arrangements

7. The Licensee shall, in common with the Transmission System Operator:
 - a. following any modification of this Condition 17;
 - b. on receipt of a request from the Authority to do so;
 - c. periodically;
review the Transmission Interface Arrangements and their implementation to:
 - d. ensure that they meet the requirements of paragraphs 1, 3, 4 and 5;
and
 - e. consider whether any alternative arrangements would better achieve those requirements.

8. Following any such review, and where the review is undertaken pursuant to paragraph 7(a) or 7(b) within 3 months of the date of the modification or the date of the Authority's request, the Licensee shall, in common with the Transmission System Operator, send to the Authority:
 - a. a report on the outcome of the review;
 - b. any revisions which the Licensee and the Transmission System Operator agree should be made to the Transmission Interface Arrangements (having regard to the outcome of the review); and
 - c. any revisions on which the Licensee and the Transmission System Operator disagree and which ~~dispute is~~ **are** thereby referred to the Authority for determination in accordance with the provisions included in the Transmission Interface Agreements in accordance with paragraph 5(a).

Revision of the Arrangements

9. The Licensee shall procure that no modifications, amendments or variations are made to the Transmission Interface Arrangements without the prior approval of the Authority.
10. The Authority may, following consultation with the Licensee and the Transmission System Operator ~~and until such date as the Authority has in accordance with Article 10E of the Order certified the Licensee~~, direct the Licensee to make, in conjunction with the Transmission System Operator, such revisions to the Transmission Interface Arrangements as:
 - a. the Authority considers requisite or expedient for the purposes of facilitating the achievement of the aims set out in paragraph 4 ensuring that the certification ground set out in Article 10 F(4) of the Order is met; and
 - b. are specified in the direction.
11. ~~Where revisions are referred to the Authority for determination pursuant to paragraph 8(c) the Licensee shall (and shall procure that the Relevant Subsidiary shall) accept the determination made by the Authority~~

12. The Licensee shall (and shall procure that the Relevant Subsidiary shall) comply with any directions issued under this Condition.

Publication of the Arrangements

13. Where, and to the extent, required to do so by the Authority, the Licensee shall publish the Transmission Interface Arrangements on its website.

Definitions

13. In this Condition:

“System Operator Agreement” has the meaning given to that expression in the Transmission System Operator Licence.

"Transmission Network Pre-construction Project Costs" has the meaning given to it in paragraph 1.1 of Annex 1 of the Transmission System Operator Licence.

Appendix B - SONI Transmission Licence

Condition 18. Transmission Interface Arrangements

General Duty

- 1 The Licensee shall, in common with the Transmission Owner, prepare, obtain the Authority's approval of, and at all times have in force and implement arrangements (the "**Transmission Interface Arrangements**") which:
 - (a) set out the terms and arrangements, as between the Licensee and the Transmission Owner, referred to in paragraph 3;
 - (b) are designed to facilitate the achievement of the aims set out in paragraph 4, in so far as they relate to the transmission system; and
 - (c) set out the matters referred to in paragraph 5.
- 2 The Licensee shall be taken to have complied with paragraph 1 by:
 - (a) adopting as the Transmission Interface Arrangements, the document designated as such by the Authority, within 3 days of the Authority so designating such a document (such designation not to occur prior to 17 October 2007); and
 - (b) keeping the document under review and proposing and making modifications to it in accordance with the requirements of paragraphs 7, 8, 9 and 10.
- 3 For the purposes of this Condition, the terms and arrangements referred to in paragraph 1(a) are those which:
 - (a) are requisite for the enjoyment and discharge of the rights and

obligations of:

- (i) the Licensee in relation to the Transmission System Operator Business arising under the Order, the Energy Order, the SEM Order, the Licence, the Grid Code, the System Operator Agreement, the Single Electricity Market Trading and Settlement Code, any Connection Agreement, any Use of System Agreement and such other code or document as may be specified from time to time by the Authority; and
 - (ii) the Transmission Owner arising under the Order, the Energy Order, the SEM Order, the Transmission Owner Licence, the Grid Code, the Single Electricity Market Trading and Settlement Code and such other code or document as may be specified from time to time by the Authority; and
- (b) provide for matters which include:
- (i) the provision of transmission services by the Transmission Owner;
 - (ii) the technical levels to be complied with by the Licensee in relation to the transmission services;
 - (iii) the operation, including the configuration, of the transmission system;
 - (iv) matters to enable responses to (and to progress any works necessitated by) applications received for use of the All-Island Transmission Networks and/or new connections (or modifications of existing connections) to the All-Island

Transmission Networks (at an entry or exit point on the transmission system or the Republic of Ireland transmission system);

- (v) the arrangements whereby:
 - (A) the transmission system is to be developed and maintained (by the Transmission Owner) and planned and operated (by the Licensee); and
 - (B) the respective responsibilities of, and activities undertaken by, the Licensee and the Transmission Owner are to be co-ordinated;
- (vi) the arrangements, as between the Licensee and the Transmission Owner, for the planning and development of the transmission system in co-ordination with the other parts of the All-Island Transmission Networks;
- (vii) planning for outages, including (where appropriate) co-ordination of outages on the transmission system with outages on the Republic of Ireland transmission system;
- (viii) the exchange of information between the Licensee and the Transmission Owner;
- (ix) procedures to enable the Licensee or the Transmission Owner (as the case may be) to produce information about the transmission system in accordance with its respective obligations under the Order, the Energy Order, the SEM Order, the Licence, the Transmission Owner Licence and the System Operator Agreement;
- (x) the performance standards to be achieved by the Licensee

and the Transmission Owner (as the case may be) in respect of the services and other matters referred to above; and

- (xi) the payment of monies to or from the Licensee in respect of the services and other matters referred to above, including in particular payments to the Licensee by the Transmission Owner of amounts approved by the Authority in respect of Transmission Network Pre-construction Project Costs (as defined in paragraph 1.1 of Annex 1 of the Licence).

4 The relevant aims referred to in paragraph 1(b) are:

- (a) the efficient discharge of the obligations imposed on the Licensee and the Transmission Owner (in their capacities as such) under the Order, the Energy Order, the SEM Order and their respective licences;
- (b) the development, maintenance and operation of the transmission system as part of efficient, economical, co-ordinated, safe, secure and reliable All-Island Transmission Networks;
- (c) effective competition in the generation and supply of electricity on the Island of Ireland; and
- (d) the promotion of good industry practice and efficiency in the implementation and administration of the matters covered by the Transmission Interface Arrangements.

5 The matters referred to in paragraph 1(c) are that the Transmission Interface Arrangements:

- (a) shall provide for any disputes between the parties ~~thereto-over~~

~~revisions to the Transmission Interface Arrangements~~ to be referred to the Authority for determination; and

- (b) may provide for there to be referred to the Authority for determination such additional matters arising under the Transmission Interface Arrangements as may be specified in the Transmission Interface Arrangements.

6 The Licensee shall comply with the Transmission Interface Arrangements .

Review of the Arrangements

7 The Licensee shall, in common with the Transmission Owner:

- (a) following any modification of this Condition 18;
- (b) on receipt of a request from the Authority to do so;
- (c) periodically;

review the Transmission Interface Arrangements and their implementation to

- (d) ensure that they meet the requirements of paragraphs 1, 3, 4 and 5; and
- (e) consider whether any alternative arrangements would better achieve those requirements.

8 Following any such review, and where the review is undertaken pursuant to paragraph 7(a) or 7(b) within 3 months of the date of the modification or the date of the Authority's request, the Licensee shall, in common with the Transmission Owner, send to the Authority:

- (a) a report on the outcome of the review;

- (b) any revisions which the Licensee and the Transmission Owner agree should be made to the Transmission Interface Arrangements (having regard to the outcome of the review); and
- (c) any revisions on which the Licensee and the Transmission Owner disagree and which ~~dispute is~~ ~~are~~ thereby referred to the Authority for determination in accordance with the provisions included in the Transmission Interface Arrangements in accordance with paragraph 5(a).

Revision of the Arrangements

- 9 The Licensee shall procure that no modifications, amendments or variations are made to the Transmission Interface Arrangements without the prior approval of the Authority.
- 10 The Authority may, following consultation with the Licensee and the Transmission Owner ~~and until such date as the Authority has pursuant to the Commission Decision certified the Licensee as a transmission system operator,~~ direct the Licensee to make, in conjunction with the Transmission Owner, such revisions to the Transmission Interface Arrangements as:
 - (a) the Authority considers requisite or expedient for the purposes of ~~ensuring that the certification ground set out in Article 10F(4), being the certification ground on which the Licensee is to be certified pursuant to the Commission Decision, is met~~ facilitating the achievement of the aims set out in paragraph 4; and
 - (b) are specified in the direction.

11 Where revisions are referred to the Authority for determination pursuant to paragraph 8(c) the Licensee shall (and shall procure that the Relevant Subsidiary shall) accept the determination made by the Authority.

12 The Licensee shall comply with any directions issued under this Condition.

Publication of the Arrangements

13 Where, and to the extent, required to do so by the Authority, the Licensee shall publish the Transmission Interface Arrangements on its website

Definitions

~~14 In this Condition:~~

~~**Commission Decision** means the Commission Decision of 12 April 2013 pursuant to Article 3(1) of Regulation (EC) No 714/2009 and Article 10(6) of Directive 2009/72/EC – United Kingdom (Northern Ireland) – SONI/NIE.~~