

Briega Tyrie
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

29 January 2019

Dear Briega

**Draft Corporate Strategy 2019-24
Draft Forward Work Programme 2019-2020**

I refer to the UR's consultations on the above.

NIE Networks welcomes the publication of the UR's Draft Corporate Strategy 2019–2024 and its Draft Forward Work Programme (FWP) 2019–2020. We look forward to working constructively with the UR on the aspects that are relevant to NIE Networks. In particular, we wish to comment on the following specific areas:

- NIE Networks is pleased to see the UR's second objective of enabling 21st century networks, and we welcome the UR's recognition that the regulatory framework should facilitate innovation and development by network utility companies. This will be crucial as NIE Networks considers its transition to a DSO.
- NIE Networks envisages that a 21st century network will be smarter and more dynamic and automated, and thus more able to facilitate the needs of customers in the way they generate and use electricity and in the connection of distributed energy resources, renewable generation and other low carbon technologies. There may be merit in the UR making reference to some of these potential features in the Draft Corporate Strategy.
- NIE Networks welcomes the reference to the DNO to DSO transition in the background section of the Draft Corporate Strategy. There may be merit in the UR making reference to this transition in the key outcomes or key success measures in either the Draft Corporate Strategy or the Draft FWP. As a key enabler of a low carbon future, the UR may wish to consider if the DSO transition requires its own specific outcome and/or success measure such as agreeing a roadmap for the transition in the Draft FWP.
- NIE Networks is supportive of the UR's third objective of enabling security of supply and a low carbon future. We suggest the UR adds an additional bullet 'Facilitating the decarbonisation of heat and transport' under the 'We will do this by' heading. The decarbonisation of heat and transport is a key component for a low carbon future and some of this will be delivered by the uptake of low carbon technologies (LCT) such as electric vehicles and heat pumps. The UR is currently facilitating this through its LCT allowance in RP6. Future price controls will also need to support and facilitate the likes of these and other relevant technologies.

- NIE Networks is supportive of the proposed introduction of best practice guaranteed standards of service. However this needs to be considered in the context of our wider price control and any changes implemented in a pragmatic way.
- The Draft Corporate Strategy highlights the need for a new energy policy and for construction of the second North South interconnector, which NIE Networks supports fully.

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