
SONI Response
to
**The Utility Regulator
Consultation Paper**
re.
**Proposed NIE Networks
Transmission Licence
Modifications**

22 December 2016



SONI welcomes the opportunity to respond to, and make representations on, the Utility Regulator's consultation of 24 November 2016 on proposed licence modifications to Annex 2 of the Northern Ireland Electricity Networks Limited's ("NIEN") transmission licence (the "Licence").

We enclose a copy of our response to the previous consultation on the Proposed Modifications which we submitted to the Utility Regulator on 20 October 2015. SONI welcomes the further points of clarification that the Utility Regulator has included, such as its confirmation that, consistent with position as set out by the Competition Commission, licence modifications be applied only prospectively to avoid difficulties associated with retrospective application.

SONI wishes to highlight and bring to the Utility Regulator's attention a number of points in relation to the proposed modifications:

1. The Transmission Investment Plan is the responsibility of SONI under Condition 33 of its transmission licence. Duplication of this requirement in paragraph 12.24 of the Licence creates ambiguity regarding responsibility for this activity;
2. SONI is concerned that the Utility Regulator has not provided clarity regarding the payments to be made by NIEN to SONI in accordance with section N of the Transmission Interface Arrangements (the "TIA"). This matter has not been included in Annex 2 and should be confirmed to provide certainty to all parties in respect of the recovery of these costs;
3. The timeline proposed in paragraph 12.7 of the Proposed Modifications does not align with the processes SONI is required to follow to meet the requirements of regulatory decisions for generator and supplier TUoS tariffs. SONI would request that this is considered further;
4. In relation to paragraph 4.37, it would be helpful to SONI and NIEN if this wording could be amended to expressly provide that SONI will instruct NIEN to undertake projects via a Transmission Project Instruction. It would also be prudent for this paragraph to reflect SONI's ability to request amendment to or augmentation of the Asset Management Plan; and
5. In relation to the use of the term "Demonstrably Inefficient or Wasteful", SONI believes further guidance should be provided by the Authority as to how this mechanism will be applied. Ambiguity as to how this provision will be applied would potentially delay the advancement of critical transmission projects and could result in further costs to customers.

As indicated previously, SONI would be happy to discuss these matters further with the Authority.

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SONI's response of 20 October 2015 to the previous consultation on NIE Network Proposed Transmission Licence Modifications