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2 April 2021

Dear Ruairi

Consultation on NIE Networks licence modifications for new IT requirements

NIE Networks welcomes the opportunity to comment on the above consultation. Our comments are as follows.

Proposed modifications to the Electricity Distribution Licence

- The UR has proposed a definition for the term 'ACNES_{Xt}' at paragraph 4.32 of Annex 2. This definition refers to allowances '*specified in Table 3 below*'. We consider this may be erroneous drafting as the allowances in Table 3 will not yet by definition include any allowances granted under the 'ACNES_{Xt}' term. We believe the reference to Table 3 should be removed.

In addition, the definition of 'ACNES_{Xt}' states it is an allowed capex amount for '(a) any New Energy Strategy IT Solution' or '(b) any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service'. For clarity, it may be helpful if the UR inserts the word 'or' between parts (a) and (b) of this definition.

These proposed drafting adjustments are demonstrated in red text below.

ACNES_{Xt} is the allowed capex amount (if any) for RAB_{D5Y} in respect of any Regulatory Reporting Year t ~~specified in Table 3 below~~, being an amount the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of:

- (a) *any New Energy Strategy IT Solution; or*
- (b) *any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.*

- In respect of the proposed drafting for the term 'NES_t' at paragraph 6.15 of Annex 2; for clarity, it may be helpful if the UR inserts the word 'or' between parts (a) and (b) of this definition, as demonstrated in red text below.

NES_t is the allowed opex amount (if any) in Regulatory Reporting Year t, up to and including Regulatory Reporting Year t=2024 only, being the amount the Authority determines in a published decision, to be appropriate for the Licensee to recover in respect of:

- (a) *a New Energy Strategy IT Solution; or*
- (b) *any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.*

Proposed modifications to the Participate in Transmission Licence

- The UR has proposed a definition for the term 'New Energy Strategy IT Solution' at paragraph 1.1 of Annex 2. However, the definition refers to the 'Licensee's Distribution Business'. We believe this is a copy and paste error, and instead believe the reference should be to the 'Licensee's Transmission Owner Business', as shown in red text below.

"New Energy Strategy IT Solution" means a new information technology system that is required by the Licensee's ~~Distribution~~ Transmission Owner Business for the purposes of implementing any new energy policy which:

- (a) is introduced by a competent authority; and*
- (b) requires a change to be made to the specification of services provided by the Licensee's ~~Distribution~~ Transmission Owner Business.*

- The UR has proposed a definition for the term 'ACNES_{Xt}' at paragraph 4.32 of Annex 2. However, there is a further copy and paste error, where reference is made to 'RAB_{D5Y}' whereas it should be to 'RAB_{T5Y}'.

In addition, the definition refers to allowances '*specified in Table 3 below*'. As per our comment for the Distribution Licence, we consider this may be erroneous drafting as the allowances in Table 3 will not yet by definition include any allowances granted under the 'ACNES_{Xt}' term. We believe the reference to Table 3 should be removed.

The definition also states it is an allowed capex amount for '*(a) any New Energy Strategy IT Solution*' or '*(b) any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service*'.

However, the Market Data Service and the Market Registration Service are not relevant in the context of the Transmission Owner Business. Therefore, we suggest that part (b) of the definition should be deleted.

These changes are shown in red text below.

*ACNES_{Xt} is the allowed capex amount (if any) for RAB_{T5Y} ~~D5Y~~ in respect of any Regulatory Reporting Year *t* ~~specified in Table 3 below~~, being an amount the Authority determines in a published decision to be appropriate for the Licensee to recover in respect of:*

- ~~*(a) — any New Energy Strategy IT Solution.*~~
- ~~*(b) — any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.*~~

- In respect of the proposed drafting for the term 'NESt' at paragraph 6.15 of Annex 2, again the Market Data Service and the Market Registration Service are not relevant in the context of the Transmission Owner Business. Therefore, we suggest that part (b) of the definition should be deleted as shown in red text below.

*NES_t is the allowed opex amount (if any) in Regulatory Reporting Year *t*, up to and including Regulatory Reporting Year *t*=2024 only, being the amount the Authority determines in a published decision, to be appropriate for the Licensee to recover in respect of:*

- ~~*(a) — any New Energy Strategy IT Solution.*~~

~~(b) — any significant changes required to the specification of the information technology systems utilised by the Licensee for the purposes of providing the Market Data Service or the Market Registration Service.~~

We trust these comments are clear. Please let me know if you require any clarification.

Yours sincerely

A handwritten signature in black ink, appearing to read 'CARL HASHIM', with a stylized flourish at the end.

CARL HASHIM
Compliance Manager