



**Northern Ireland Electricity Networks Limited
(The NIE Networks Transmission, Distribution and Landbank
Businesses)**

For the year ended 31 March 2020

Summary Regulatory Accounts

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Summary Regulatory Accounts
31 March 2020

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of Northern Ireland Electricity Networks Limited (NIE Networks or the "Company") present these summary regulatory accounts in accordance with Condition 2 of the Company's Participate in Transmission Licence and Electricity Distribution Licence (together the "Licences").

The Company is required under the Licences to prepare regulatory accounts for each financial year which present fairly the assets, liabilities, reserves and provisions of, or reasonably attributable to, the separate businesses as defined for that purpose in the Licences and of the revenues, costs and cash flows of, or reasonably attributable to, those businesses for that period. In preparing those accounts, the Company is required:

- to conform to the best commercial accounting practices including International Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union ("EU");
- to state the accounting policies adopted; and
- not to change the bases of charge, apportionment or allocation from those applied in respect of the previous financial year unless previously directed by the Northern Ireland Authority for Utility Regulator ("UR").

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of NIE Networks and which enable them to ensure that the regulatory accounts comply with the Licences. They are also responsible for safeguarding the assets of NIE Networks, which may for regulatory accounting purposes be allocated or apportioned to the separate businesses, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT

To the directors of Northern Ireland Electricity Networks Limited (NIE Networks or the Company) and the Northern Ireland Authority for Utility Regulation (NIAUR / the Regulator)

Report on the Summary Regulatory Accounts

Our opinion

In our opinion, Northern Ireland Electricity Networks Limited's Summary Regulatory Accounts (the "Summary Regulatory Accounts"):

- fairly present, in accordance with Condition 2 of the Company's Regulatory Licences and the accounting policies set out on pages 12 to 17, the state of the Company's affairs at 31 March 2020 and its profit and cash flows for the year then ended; and
 - have been properly prepared in accordance with Condition 2 of the Regulatory Licences and the accounting policies.
-

Basis of preparation

Without modifying our opinion, we draw attention to the Statement of Accounting Policies, which describes the basis of preparation of the Summary Regulatory Accounts. The Regulatory Accounts are separate from the statutory financial statements of the Company and have not been prepared under the basis of International Financial Reporting Standards as adopted by the European Union ("IFRSs"). Financial information other than that prepared on the basis of IFRSs does not necessarily represent a true and fair view of the financial performance or financial position of a company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

What we have audited

Northern Ireland Electricity Networks Limited's Regulatory Accounts comprise:

- the Net Asset Statement as at 31 March 2020;
- the Income Statement for the year then ended;
- the cash flow statement for the year then ended; and
- the accounting policies and the related notes.

The financial reporting framework that has been applied in their preparation comprises the basis of preparation and accounting policies set out in the Statement of Accounting Policies.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under Condition 2 of the Company's Regulatory Licences we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches/operating locations not visited by us;
- the Summary Regulatory Accounts are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT

To the directors of Northern Ireland Electricity Networks Limited (NIE Networks or the Company) and the Northern Ireland Authority for Utility Regulation (NIAUR / the Regulator)

Responsibilities for the Summary Regulatory Accounts and the audit

Our responsibilities and those of the directors and the Regulator

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the Summary Regulatory Accounts and for their fair presentation in accordance with the basis of preparation and accounting policies. Our responsibility is to audit and express an opinion on the Summary Regulatory Accounts in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), except as stated in the 'What an audit of Regulatory Accounts involves' section below, and having regard to the guidance contained in Audit 05/03 *Reporting to Regulators of Regulated Entities* issued by the Institute of Chartered Accountants in England and Wales. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made, on terms that have been agreed, solely to the Company and the Regulator in order to meet the requirements of Condition 2 of the Company's Regulatory Licences. Our audit work has been undertaken so that we might state to the Company and the Regulator those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under the Regulatory Licences to procure such a report and (b) to facilitate the carrying out by the Regulator of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Regulator, for our audit work, for this report or for the opinions we have formed.

What an audit of Regulatory Accounts involves

We conducted our audit in accordance with ISAs (UK). An audit involves obtaining evidence about the amounts and disclosures in the Regulatory Accounts sufficient to give reasonable assurance that the Regulatory Accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the Summary Regulatory Accounts.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Summary Regulatory Accounts.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Summary Regulatory Accounts to identify material inconsistencies with the audited Regulatory Accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

However, we have not assessed whether the accounting policies are appropriate to the circumstances of the Company where these are laid down by the Regulatory Licences. Where the Regulatory Licences do not give specific guidance on the accounting policies to be followed, our audit includes an assessment of whether the accounting policies adopted in respect of the transactions and balances required to be included in the Regulatory Accounts are consistent with those used in the preparation of the statutory financial statements of Northern Ireland Electricity Networks Limited. Furthermore, as the nature, form and content of Regulatory Accounts are determined by the Regulator, we did not evaluate the overall adequacy of the presentation of the information, which would have been required if we were to express an audit opinion under Auditing Standards.

INDEPENDENT AUDITORS' REPORT

To the directors of Northern Ireland Electricity Networks Limited (NIE Networks or the Company) and the Northern Ireland Authority for Utility Regulation (NIAUR / the Regulator)

Other matters

The nature, form and content of Summary Regulatory Accounts are determined by the Regulator. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the Regulator's purposes. Accordingly we make no such assessment.

Our opinion on the Summary Regulatory Accounts is separate from our opinion on the statutory financial statements of the Company for the year ended 31 December 2019 on which we reported on 11 June 2020, which are prepared for a different purpose. Our audit report in relation to the statutory financial statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors,
Belfast
12 June 2020

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Summary Regulatory Accounts
31 March 2020

INCOME STATEMENT
for the year ended 31 March 2020

	Notes	Transmission		Distribution		Landbank		Total	
		2020	2019	2020	2019	2020	2019	2020	2019
		£m	£m	£m	£m	£m	£m	£m	£m
Revenue									
Sales to Power NI		-	-	78.9	77.6	-	-	78.9	77.6
Sales to Power NI PPB		-	-	20.2	6.8	-	-	20.2	6.8
Other external sales		45.6	41.4	100.0	102.6	0.1	-	145.7	144.0
Sales to NIE Networks businesses		-	-	(0.1)	(0.1)	0.1	0.1	-	-
Sales to ESB group undertakings		-	-	31.6	26.8	-	-	31.6	26.8
Amortisation of customer contributions		3.8	3.9	13.2	13.5	-	-	17.0	17.4
Total Revenue		49.4	45.3	243.8	227.2	0.2	0.1	293.4	272.6
Operating costs	3	(26.8)	(28.9)	(139.9)	(131.5)	(0.2)	(0.1)	(166.9)	(160.5)
OPERATING PROFIT		22.6	16.4	103.9	95.7	-	-	126.5	112.1
Finance revenue		0.1	-	0.2	0.2	-	-	0.3	0.2
Finance costs		(7.8)	(5.6)	(27.5)	(31.6)	-	-	(35.3)	(37.2)
Net pension scheme interest		(0.1)	(0.4)	(1.8)	(2.4)	-	-	(1.9)	(2.8)
Net finance costs		(7.8)	(6.0)	(29.1)	(33.8)	-	-	(36.9)	(39.8)
PROFIT BEFORE TAX		14.8	10.4	74.8	61.9	-	-	89.6	72.3
Tax charge		(2.0)	(2.0)	(26.8)	(11.5)	-	-	(28.8)	(13.5)
PROFIT AFTER TAX		12.8	8.4	48.0	50.4	-	-	60.8	58.8

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Summary Regulatory Accounts
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NET ASSET STATEMENT
As at 31 March 2020

	Note	Transmission		Distribution		Landbank		Total	
		2020	2019	2020	2019	2020	2019	2020	2019
		£m	£m	£m	£m	£m	£m	£m	£m
Non-current assets									
Property, plant and equipment	4	414.4	408.1	1,451.1	1,398.7	-	-	1,865.5	1,806.8
Right of use assets	5	0.9	-	11.6	-	-	-	12.5	-
Intangible assets	6	4.1	4.6	14.4	15.9	-	-	18.5	20.5
Deferred tax asset	7	-	-	-	-	1.2	1.8	1.2	1.8
Derivative financial assets		113.9	113.2	399.0	388.1	-	-	512.9	501.3
		533.3	525.9	1,876.1	1,802.7	1.2	1.8	2,410.6	2,330.4
Current assets									
Inventories	8	3.2	3.1	11.4	10.8	-	-	14.6	13.9
Trade and other receivables	9	16.3	13.6	57.1	46.2	-	-	73.4	59.8
Derivative financial assets		3.3	3.0	11.7	10.1	-	-	15.0	13.1
Other financial assets	10	0.6	0.6	2.2	2.2	-	-	2.8	2.8
Cash and cash equivalents	11	(13.1)	(21.0)	49.4	70.8	-	-	36.3	49.8
		10.3	(0.7)	131.8	140.1	-	-	142.1	139.4
TOTAL ASSETS		543.6	525.2	2,007.9	1,942.8	1.2	1.8	2,552.7	2,469.8
Current liabilities									
Trade and other payables	12	17.9	14.8	62.6	50.6	-	-	80.5	65.4
Lease liability	5	0.2	-	2.7	-	-	-	2.9	-
Current tax		1.6	1.0	5.5	3.6	-	-	7.1	4.6
Deferred income	13	4.3	4.2	15.1	14.6	-	-	19.4	18.8
Derivative financial liabilities		3.3	3.0	11.7	10.1	-	-	15.0	13.1
Other financial liabilities	14	5.5	5.8	19.3	19.8	2.8	2.7	27.6	28.3
Short-term provisions	15	0.7	0.4	2.6	1.3	-	-	3.3	1.7
		33.5	29.2	119.5	100.0	2.8	2.7	155.8	131.9
Non-current liabilities									
Deferred income	13	115.3	115.9	403.8	397.0	-	-	519.1	512.9
Lease liability	5	0.7	-	9.1	-	-	-	9.8	-
Derivative financial liabilities		113.9	113.2	399.0	388.1	-	-	512.9	501.3
Other financial liabilities	14	166.0	168.7	581.3	578.2	-	-	747.3	746.9
Deferred tax liability	7	18.7	16.9	65.5	58.0	-	-	84.2	74.9
Long-term provisions		0.8	1.4	2.8	4.8	0.1	0.1	3.7	6.3
Pension liability	15	18.9	21.3	66.1	73.0	-	-	85.0	94.3
		434.3	437.4	1,527.6	1,499.1	0.1	0.1	1,962.0	1,936.6
TOTAL LIABILITIES		467.8	466.6	1,647.1	1,599.1	2.9	2.8	2,117.8	2,068.5

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
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NET ASSET STATEMENT (continued)
As at 31 March 2020

	Transmission		Distribution		Landbank		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m	£m	£m
NET ASSETS / (LIABILITIES)	75.8	58.6	360.8	343.7	(1.7)	(1.0)	434.9	401.3

The accounts on pages 7-35 were approved by the Company's Board of directors and signed on its behalf by:



Director:

Date: 11 June 2020

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Summary Regulatory Accounts
31 March 2020

CASH FLOW STATEMENT
for the year ended 31 March 2020

	Transmission		Distribution		Landbank		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m	£m	£m
Cash flows from operating activities:								
Profit before tax	14.8	10.4	74.8	61.9	-	-	89.6	72.3
Adjustments for:								
Net finance costs	7.8	6.0	29.1	33.8	-	-	36.9	39.8
Depreciation of property, plant and equipment	16.7	16.1	58.5	55.2	-	-	75.2	71.3
Depreciation of right of use assets	0.2	-	2.8	-	-	-	3.0	-
Amortisation of customer contributions and grants	(4.1)	(4.0)	(14.4)	(13.9)	-	-	(18.5)	(17.9)
Amortisation of intangible assets	1.1	1.0	3.9	3.5	-	-	5.0	4.5
Defined benefit pension charge less contributions paid	(1.3)	(2.2)	(17.5)	(12.3)	-	-	(18.8)	(14.5)
Net movement in provisions	(0.3)	(1.6)	(0.7)	(5.4)	-	-	(1.0)	(7.0)
Operating cash flows before movement in working capital	34.9	25.7	136.5	122.8	-	-	171.4	148.5
Increase in working capital	(2.4)	(3.2)	(8.6)	(11.2)	-	-	(11.0)	(14.4)
Cash generated from operations	32.5	22.5	127.9	111.6	-	-	160.4	134.1
Interest received	0.1	0.1	0.2	0.1	-	-	0.3	0.2
Interest paid	(7.8)	(8.8)	(27.5)	(30.2)	-	-	(35.3)	(39.0)
Lease interest paid	-	-	(0.3)	-	-	-	(0.3)	-
Net cash flows from operating activities	24.8	13.8	100.3	81.5	-	-	125.1	95.3
Cash flows used in investing activities:								
Purchase of property, plant and equipment	(16.7)	(31.7)	(117.5)	(109.2)	-	-	(134.2)	(140.9)
Purchase of intangible assets	(0.3)	(1.3)	(2.7)	(4.3)	-	-	(3.0)	(5.6)
Contributions in respect of property, plant and equipment	5.6	7.7	19.7	26.3	-	-	25.3	34.0
Net cash flows used in investing activities	(11.4)	(25.3)	(100.5)	(87.2)	-	-	(111.9)	(112.5)

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
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CASH FLOW STATEMENT (continued)
for the year ended 31 March 2020

	Transmission		Distribution		Landbank		Total
	2020	2019	2020	2019	2020	2019	2020
	£m	£m	£m	£m	£m	£m	£m
Cash flows (used in) / from financing activities							
Dividend paid to shareholder	(5.3)	(5.0)	(18.4)	(17.0)	-	-	(23.7)
Loans from fellow NIE Networks undertakings	-	78.7	-	269.5	-	-	-
Repayment of external borrowings	-	(39.5)	-	(135.5)	-	-	-
Receipt of borrowings from ESB	2.9	3.4	10.1	11.6	-	-	13.0
Repayment of borrowings from ESB	(2.9)	(26.0)	(10.1)	(89.0)	-	-	(13.0)
Payment of lease liabilities	(0.2)	-	(2.8)	-	-	-	(3.0)
Net cash flows (used in) / from financing activities	(5.5)	11.6	(21.2)	39.6	-	-	(26.7)
Net increase/(decrease) in cash and cash equivalents	7.9	0.1	(21.4)	33.9	-	-	(13.5)
Cash and cash equivalents at the beginning of year	(21.0)	(21.1)	70.8	36.9	-	-	49.8
Cash and cash equivalents at the end of the year	(13.1)	(21.0)	49.4	70.8	-	-	36.3
							49.8

1. GENERAL INFORMATION

Northern Ireland Electricity Networks Limited (NIE Networks or the Company) is a limited company incorporated and domiciled in Northern Ireland. These summary regulatory accounts report on NIE Networks' Transmission Owner, Distribution and Landbank businesses and are separate from NIE Networks' statutory accounts which are prepared on a consolidated basis including the Company's subsidiary businesses. The accounts have been prepared in accordance with the measurement and recognition criteria of International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations as adopted by the EU and applied in accordance with the provisions of the Companies Act 2006 as applicable to companies reporting under IFRS and in accordance with Condition 2 of the Company's Licences. The accounting disclosures are compliant with the Company's Licence requirements and are not required to be prepared under IFRS. The accounts are presented in sterling (£) with all values rounded to the nearest £100,000 except where otherwise indicated.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these accounts are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

New and revised accounting standards, amendments and interpretations

The Company has adopted IFRS 16, 'Leases', which is effective for the first time for the regulatory year beginning on 1 April 2019. The standard replaces IAS 17, 'Leases', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019, and earlier application is permitted subject to EU endorsement and the entity adopting IFRS 15 at the same time.

The impact of adoption on the summary regulatory accounts of the Company is outlined below:

IFRS 16

IFRS 16 addressed the definition of a lease, the recognition and measurement of leases and it established principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases are accounted for on balance sheet for lessees. The Company has applied IFRS 16 on a modified retrospective basis without restating prior years.

The Company's financial liabilities associated with future lease commitments recognised on the balance sheet at 1 April 2019 were £11.3m and the corresponding right of use assets were £11.3m.

Presentational changes have been made to the Company's cash flow in accordance with the requirements of IFRS 16.

New and revised accounting standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these summary regulatory accounts. None of these are expected to have a significant effect on the summary regulatory accounts of the Company.

Basis of preparation

In preparing the summary regulatory accounts for the year ended 31 March 2020 the directors of the Company (after consultation with the Utility Regulator) have allocated revenue and operating costs to each of the Transmission Owner and Distribution Businesses on the basis of actual revenue and operating costs incurred by each separate business where clearly identifiable with any residual amounts being apportioned to the respective businesses based on the agreed activity levels in the Regulatory Instructions and Guidance ("RIGs"). Net assets have been allocated 22%:78% in proportion to the respective businesses' Regulatory Asset Bases (RABs) at the closing year end dates (2019 - 23%:77%). Where clearly identifiable, capital expenditure incurred in the current year is allocated to each separate business, with any residual amounts apportioned in line with RIGs.

2. ACCOUNTING POLICIES (continued)

Basis of preparation (continued)

Going concern

On the basis of their assessment of the Company's financial position, which included a review of the Company's projected funding requirements for a period of 12 months from the date of approval of the accounts, the directors have a reasonable expectation that the Company will have adequate financial resources for the 12 month period. In light of the current Covid-19 pandemic, the directors have considered the possible financial impact on the Company's financial position. While the Covid-19 situation is evolving at a fast pace, the directors are of the opinion that the Company has adequate financial resources for the 12-month period. Accordingly the directors continue to adopt the going concern basis in preparing the accounts.

Foreign currency translation

The functional and presentation currency of the Company is sterling (£).

Foreign currency transactions are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates prevailing at the balance sheet date are recognised in the income statement.

Company's investments in subsidiaries

The Company recognises its investments in subsidiaries at cost less any recognised impairment loss. Dividends received from subsidiaries are recognised in the income statement. The carrying values of investments in subsidiaries are reviewed annually for any indications of impairment, including whether the carrying value is impaired as a result of the receipt of dividends.

Property, plant and equipment

Property, plant and equipment are included in the balance sheet at cost, less accumulated depreciation and any recognised impairment loss. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of overheads. Interest on funding attributable to significant capital projects is capitalised during the period of construction provided it meets the recognition criteria in IAS 23 and is written off as part of the total cost of the asset.

Freehold land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis so as to write off the cost, less estimated residual values, over their estimated useful economic lives as follows:

Infrastructure assets - up to 40 years

Non-operational buildings - freehold and long leasehold - up to 60 years

Fixtures and equipment - up to 10 years

Vehicles and mobile plant – up to 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where the carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount.

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairment losses are recognised in the income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net selling price and the carrying amount of the asset.

2. ACCOUNTING POLICIES (continued)

Right of Use Assets and Lease liabilities

On entering a new lease contract, the Company recognises a right of use asset and a liability to pay future rentals. The liability is measured at the present value of future lease payments discounted at the applicable incremental borrowing rate. The right of use asset is depreciated over the shorter of the term of the lease and the useful economic life, subject to review for impairment.

The low value and short term lease exemptions have been applied. The associated lease payments are expensed to the income statement as they are incurred.

Intangible assets - Computer software

The cost of acquiring computer software is capitalised and amortised on a straight-line basis over its estimated useful economic life which is between three and ten years. Costs include direct labour relating to software development and an appropriate portion of directly attributable overheads. Interest on funding attributable to significant capital projects is capitalised during the period of construction provided it meets the recognition criteria in IAS 23 and is written off as part of the total cost of the asset.

The carrying value of computer software is reviewed for impairment annually when the asset is not yet in use and subsequently when events or changes in circumstances indicate that the carrying value may not be recoverable.

Gains or losses arising from de-recognition of computer software are measured as the difference between the net selling price and the carrying amount of the asset.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated as the weighted average purchase price. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial instruments

The accounting policies for the financial instruments of the Company are set out below.

The Company classifies its financial instruments into one of the categories discussed below, depending on the purpose for which the instrument was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises derivative assets and liabilities. Derivatives are carried in the balance sheet at fair value with changes in fair value recognised in the income statement within net finance costs.

Financial assets measured at amortised cost

Assets measured at amortised cost principally arise from the provision of services to customers (trade receivables) but also incorporate other types of financial assets where the objective is to hold assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with maturities of three months or less.

Trade and other receivables

Trade receivables do not carry any interest. The Company assesses, on a forward looking basis, the expected credit losses associated with trade receivables. The Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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Notes to the Summary Regulatory Accounts
31 March 2020

2. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Other financial liabilities

Other financial liabilities include bank borrowings and trade payables. The Company's other financial liabilities are initially recorded at fair value and are subsequently carried at amortised cost.

Interest bearing loans and overdrafts

Interest bearing loans and overdrafts are initially recorded at fair value, being the proceeds received net of direct issue costs. After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables are not interest bearing. The Company's trade and other payables are initially recorded at fair value and subsequently carried at their amortised cost.

Borrowing costs

Borrowing costs attributable to significant capital projects are capitalised as part of the cost of the respective qualifying assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Revenue

Revenue is principally derived through charges for use of the distribution system (DUoS) levied on electricity suppliers and transmission service charges (TSC) mainly for use of the transmission system levied on System Operator for Northern Ireland (SONI). NIE Networks is a regulated business, earning revenue primarily from an allowed return on its Regulated Asset Base (RAB).

Revenue is recognised when the Company has satisfied its performance obligations in respect of the contract with the customer. Revenue is measured based on the consideration specified in a contract with a customer. The following specific recognition criteria must also be met before revenue is recognised:

Interest receivable

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Distribution Use of System (DUoS) revenue

DUoS revenue is recognised over time in line with the use of the system by suppliers under the schedule of entitlement set by the Utility Regulator for each tariff period. Any outstanding billed and unbilled usage for DUoS is included within Use of System receivable at the balance sheet date. Revenue includes an assessment of the volume of electricity distributed, estimated using historical consumption patterns.

Transmission service charge revenue

Revenue is earned by maintaining the transmission assets to facilitate the effective operation by SONI. For this fixed price contract, revenue is recognised over time on a straight line basis in line with the schedule of entitlement set by the Utility Regulator for each tariff period and a Use of System receivable is recognised on the balance sheet.

Public Service Obligation revenue

Included within the Company's operating profit are revenues and costs associated with the Public Service Obligation (PSO) charges which are fully recoverable (including amounts paid under the Northern Ireland Sustainable Energy Programme), albeit there are timing differences between the receipt of revenue / payment of costs and the recovery of those amounts through the PSO charges.

PSO revenue is earned over time in line with the use of system by suppliers under the schedule of entitlement set by the Utility Regulator for each tariff period. In addition to PSO tariff revenues, the Company recognises income received from the Power Procurement Business (PPB) at a point in time as the Company does not have control over the amount or timing of receipt of PPB revenues.

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2020

2. ACCOUNTING POLICIES (continued)

Revenue (continued)

Customers' contributions

Customers' contributions received in respect of property, plant and equipment are deferred and released to revenue in the income statement by instalments over the estimated useful economic lives of the related assets.

Government grants

Government grants received in respect of property, plant and equipment are deferred and released to operating costs in the income statement by instalments over the estimated useful economic lives of the related assets. Grants received in respect of expenditure charged to the income statement during the year are included in the income statement.

Tax

The tax charge represents the sum of tax currently payable and deferred tax. Tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

Tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes both items of income or expense that are taxable or deductible in other years as well as items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is the tax payable or recoverable on differences between the carrying amount of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is not recognised on temporary differences where they arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Provisions

Provisions are recognised when (i) the Company has a present obligation (legal or constructive) as a result of a past event (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and (iii) a reliable estimate can be made of the amount of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is included within finance costs.

2. ACCOUNTING POLICIES (continued)

Pensions and other post-retirement benefits

Employees of the Company are offered membership of the Northern Ireland Electricity Pension Scheme (NIEPS) which has both defined benefit and defined contribution pension arrangements. The amount recognised in the balance sheet in respect of liabilities represents the present value of the obligations offset by the fair value of assets.

Pension scheme assets are measured at fair value and liabilities are measured using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the liabilities. Full actuarial valuations are obtained at least triennially and updated at each balance sheet date. Re-measurements comprising of actuarial gains and losses and return on plan assets are recognised immediately in the period in which they occur and are presented in the statement of comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

The cost of providing benefits under the defined benefit scheme is charged to the income statement over the periods benefiting from employees' service. These costs comprise current service costs, past service costs, gains or losses on curtailments and non-routine settlements, all of which are recognised in operating costs. Past service costs are recognised immediately to the extent that the benefits are already vested. Curtailment losses are recognised in the income statement in the period they occur.

Net pension interest on net pension scheme liabilities is included within net finance costs. Net interest is calculated by applying the discount rate to the net pension asset or liability.

Pension costs in respect of defined contribution arrangements are charged to the income statement as they become payable.

The Company has adopted the exemption allowed in IFRS 1 to recognise all cumulative actuarial gains and losses at the transition date in reserves.

Critical accounting judgements and key sources of estimation uncertainty

Pensions and other post-employment benefits

The estimation of and accounting for retirement benefit obligations involves judgements made in conjunction with independent actuaries. This involves estimates about uncertain future events including the life expectancy of scheme members, future salary and pension increases and inflation as well as discount rates.

Unbilled debt

Revenue includes an assessment of the volume of electricity distributed, estimated using historical consumption patterns. A corresponding receivable in respect of unbilled consumption is recognised within trade receivables.

Fair value measurement

The measurement of the Company's derivative financial instruments is based on a number of judgmental factors and assumptions which by necessity are not based on observable inputs. These have been classified as Level 2 financial instruments in accordance with IFRS 13.

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
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3. OPERATING COSTS

	Transmission		Distribution		Landbank		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Staff costs	1.6	3.9	21.2	21.9	-	-	22.8	25.8
Depreciation and amortisation	18.4	17.0	64.4	58.3	-	-	82.8	75.3
Power NI charges	-	-	0.6	0.6	-	-	0.6	0.6
Other operating costs	6.8	8.0	53.7	50.7	0.2	0.1	60.7	58.8
	26.8	28.9	139.9	131.5	0.2	0.1	166.9	160.5

4. PROPERTY, PLANT AND EQUIPMENT

	Transmission £m	Distribution £m	Landbank £m	Total £m
Cost:				
At 1 April 2019	656.7	2,251.2	-	2,907.9
Additions	16.7	117.2	-	133.9
Re-apportionment on RAB values	2.2	(2.2)	-	-
At 31 March 2020	675.6	2,366.2	-	3,041.8
Depreciation:				
At 1 April 2019	248.6	852.5	-	1,101.1
Charge for year	16.7	58.5	-	75.2
Re-apportionment on RAB values	(4.1)	4.1	-	-
At 31 March 2020	261.2	915.1	-	1,176.3
Net Book Value:				
At 1 April 2019	408.1	1,398.7	-	1,806.8
At 31 March 2020	414.4	1,451.1	-	1,865.5

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
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5. RIGHT OF USE ASSETS AND LEASE LIABILITIES

	Transmission £m	Distribution £m	Landbank £m	Total £m
Cost:				
Opening balance adjustment on adoption of IFRS 16	0.8	10.5	-	11.3
Additions	0.3	3.9	-	4.2
At 31 March 2020	1.1	14.4	-	15.5
Depreciation:				
At 1 April 2019	-	-	-	-
Charge for year	0.2	2.8	-	3.0
At 31 March 2020	0.2	2.8	-	3.0
Net Book Value:				
At 1 April 2019	-	-	-	-
At 31 March 2020	0.9	11.6	-	12.5
Lease liabilities				
Current	0.2	2.7	-	2.9
Non-current	0.7	9.1	-	9.8
	0.9	11.8	-	12.7

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2020

6. INTANGIBLE ASSETS

	Transmission £m	Distribution £m	Landbank £m	Total £m
Cost:				
At 1 April 2019	24.8	85.4	-	110.2
Additions	0.1	2.9	-	3.0
Re-apportionment on RAB values	0.2	(0.2)	-	-
At 31 March 2020	25.1	88.1	-	113.2
Amortisation:				
At 1 April 2019	20.2	69.5	-	89.7
Amortisation charge for year	1.1	3.9	-	5.0
Re-apportionment on RAB values	(0.3)	0.3	-	-
At 31 March 2020	21.0	73.7	-	94.7
Net Book Value:				
At 1 April 2019	4.6	15.9	-	20.5
At 31 March 2020	4.1	14.4	-	18.5

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2020

7. DEFERRED TAX

	Transmission		Distribution		Landbank		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Deferred tax assets								
At 1 April	-	-	-	-	1.8	1.8	1.8	1.8
Decrease in provision	-	-	-	-	(0.6)	-	(0.6)	-
At 31 March	-	-	-	-	1.2	1.8	1.2	1.8
Deferred tax liabilities								
At 1 April	16.9	15.4	58.0	52.9	-	-	74.9	68.3
Increase in provision	2.1	1.5	7.2	5.1	-	-	9.3	6.6
Re-apportionment on RAB values	(0.3)	-	0.3	-	-	-	-	-
At 31 March	18.7	16.9	65.5	58.0	-	-	84.2	74.9

8. INVENTORIES

	Transmission		Distribution		Landbank		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Materials and consumables								
Work in progress	3.2	3.0	11.4	10.5	-	-	14.6	13.5
	-	0.1	-	0.3	-	-	-	0.4
	3.2	3.1	11.4	10.8	-	-	14.6	13.9

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2020

9. TRADE AND OTHER RECEIVABLES

	Transmission		Distribution		Landbank		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m	£m	£m
Trade receivables (incl. unbilled consumption)	14.7	11.4	51.7	39.0	-	-	66.4	50.4
Other receivables	0.5	1.2	1.6	4.1	-	-	2.1	5.3
Amounts owed by ESB group undertakings	0.5	0.6	1.7	1.9	-	-	2.2	2.5
Prepayments and accrued income	0.6	0.4	2.1	1.2	-	-	2.7	1.6
	16.3	13.6	57.1	46.2	-	-	73.4	59.8

10. OTHER FINANCIAL ASSETS

	Transmission		Distribution		Landbank		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	£m	£m	£m	£m	£m	£m	£m	£m
Current								
Intra-group loans	0.6	0.6	2.2	2.2	-	-	2.8	2.8

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
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11. CASH AND CASH EQUIVALENTS

	Transmission		Distribution		Landbank		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Cash at bank and in hand	-	-	9.3	1.3	-	-	9.3	1.3
Deposit account	(13.1)	(21.0)	40.1	69.5	-	-	27.0	48.5
	(13.1)	(21.0)	49.4	70.8	-	-	36.3	49.8

12. TRADE AND OTHER PAYABLES

	Transmission		Distribution		Landbank		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Trade payables	3.3	3.2	11.7	10.8	-	-	15.0	14.0
Payments received on account	4.6	2.7	16.0	9.3	-	-	20.6	12.0
Taxation and social security	4.3	2.5	15.0	8.7	-	-	19.3	11.2
Accruals	3.6	3.9	12.5	13.3	-	-	16.1	17.2
Amounts owed to parent undertaking	0.8	1.6	2.9	5.6	-	-	3.7	7.2
Other payables	1.3	0.9	4.5	2.9	-	-	5.8	3.8
	17.9	14.8	62.6	50.6	-	-	80.5	65.4

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2020

13. DEFERRED INCOME

	Transmission £m	Distribution £m	Landbank £m	Total £m
Current	4.2	14.6	-	18.8
Non-current	115.9	397.0	-	512.9
Total at 1 April 2019	120.1	411.6	-	531.7
Receivable	5.7	19.8	-	25.5
Released to income statement	(4.2)	(14.5)	-	(18.7)
Re-apportionment on RAB values	(2.0)	2.0	-	-
Current	4.3	15.1	-	19.4
Non-current	115.3	403.8	-	519.1
Total at 31 March 2020	119.6	418.9	-	538.5
Deferred income at 31 March 2020 comprises:				
Grants	1.0	3.5	-	4.5
Customer contributions	118.6	415.4	-	534.0
	119.6	418.9	-	538.5

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
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14. FINANCIAL LIABILITIES

	Transmission		Distribution		Landbank		Total	
	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m	2020 £m	2019 £m
Current								
Intra-group loans	-	-	-	-	2.8	2.7	2.8	2.7
Interest payable to NIE Networks undertaking	5.5	5.8	19.3	19.8	-	-	24.8	25.6
	<u>5.5</u>	<u>5.8</u>	<u>19.3</u>	<u>19.8</u>	<u>2.8</u>	<u>2.7</u>	<u>27.6</u>	<u>28.3</u>
Non-current								
Amounts owed to NIE Networks undertaking	166.0	168.7	581.3	578.2	-	-	747.3	746.9
	<u>166.0</u>	<u>168.7</u>	<u>581.3</u>	<u>578.2</u>	<u>-</u>	<u>-</u>	<u>747.3</u>	<u>746.9</u>

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Notes to the Summary Regulatory Accounts
31 March 2020

15. PROVISIONS

	Transmission £m	Distribution £m	Landbank £m	Total £m
Current	0.4	1.3	-	1.7
Non-current	1.4	4.8	0.1	6.3
Total at 1 April 2019	1.8	6.1	0.1	8.0
Applied in the year	(0.2)	(0.6)	-	(0.8)
Decrease in provision	(0.1)	(0.1)	-	(0.2)
Current	0.7	2.6	-	3.3
Non-current	0.8	2.8	0.1	3.7
Total at 31 March 2020	1.5	5.4	0.1	7.0
Provisions at 31 March 2020 comprise:				
Environmental	0.3	1.3	0.1	1.7
Liability and damage claims	0.8	2.7	-	3.5
Litigation	0.4	1.4	-	1.8
	1.5	5.4	0.1	7.0

NORTHERN IRELAND ELECTRICITY NETWORKS LIMITED
Supplementary Information
31 March 2020

SUPPLEMENTARY INFORMATION

This document includes supplementary information as required by the Licences.

Appendix 1 Historical data used in calculation of maximum regulated revenue for RP6 (unaudited)

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED DISTRIBUTION REVENUE FOR RP6 (UNAUDITED)

Required by Paragraph 12.23 of Annex 2 of Northern Ireland Electricity Ltd: Electricity Distribution Licence

Information for 'Actuals Inp' and 'Licence Inp' tabs of the RP6 Financial Model. Figures are in Nominal Prices (unless otherwise stated).

	31/03/2018	31/03/2019	31/03/2020
	£m	£m	£m
RP6 DISTRIBUTION LICENCE – ANNEX 2			
4.17 Qualifying Capex Expenditure amount - QCE_X_t			
Qualifying Capex Expenditure amount - QCE_DN _t	32.426	75.952	77.398
Qualifying Capex Expenditure amount - QCE_MTRN _t	4.534	5.557	5.629
Qualifying Capex Expenditure amount - QCE_D5Y _t	4.489	13.215	9.450
4.21 Pass Through Capex Expenditure amount - PTCE_X_t			
Capex Connections amount - CC_DN _t	0.193	2.996	3.241
4.28 Capex Disposal amount - CD_X_t			
Historic timeline			
Outturn Capex Disposal Amount - OCD_DN _t	31/03/2013 0.032	31/03/2014 0.000	31/03/2015 0.049
Current timeline			
Outturn Capex Disposal Amount - OCD_DN _t	31/03/2018 0.000	31/03/2019 0.000	31/03/2020 0.000
4.35 Volume of properties with undereaves service - UV_t			
Volume of properties with undereaves service - UV _t	1,464	3,530	2,110
4.37 Additional allowed capex – ACDR_X_t			
Additional allowed capex - ACDR_D5Y _t	0.000	2.611	2.666
4.46 Metering Volume units - MV_C_t			
Meter installs/changes			
Credit	14,059	26,533	26,019
Keypad	10,293	18,575	18,203
Commercial	1,183	2,491	2,036

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED DISTRIBUTION REVENUE FOR RP6 (UNAUDITED) (continued)

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m
RP6 DISTRIBUTION LICENCE – ANNEX 2 (continued)			
4.46 Metering Volume units - MV_C_t (continued)			
<u>Meter Recertification</u>			
Credit	21,596	4,693	15,186
Keypad	10,972	12,725	12,336
Commercial	1,269	3,013	3,144
Commercial: 110/33kv Bulk Supply Point and S/Station metering	2	22	39
Commercial: Power Stations >100MW Metering	0	0	3
Commercial: Generator metering <100MW and >1MW	3	9	2
Commercial: HV Demand customer Metering >1MW	22	42	2
Commercial: HV Demand customer Metering <1MW	4	19	0
Commercial: Teleswitch/Telemeter replacement programme	0	0	0
Commercial: Northern Ireland Customer Load Profiles	0	0	0
Meter Replacement for theft	2,283	4,474	2,388
Meter Replacement for theft			
4.53 Allowed capex amount - ACCOL_X_t	0.000	0.310	0.004
Allowed capex for change of law - ACCOL_D5Y _t (15/16 Price Base)			
6.3 Qualifying Opex Expenditure amount - QOE_t	34.066	59.647	59.167
Qualifying Opex Expenditure amount - QOE _t			
6.7 Pass Through Opex Expenditure amount - PTOE_t	0.767	1.554	1.425
Opex Licence Fee amount - OLF _t	0.533	(0.029)	(0.001)
Opex Connections amount - OC _t			
6.15 Allowed Opex Other amount - AOO_t	0.028	0.000	0.000
Allowed Opex Other amount - Injurious Affection - IA _t	0.106	0.175	0.000
Allowed Opex Other amount - Changes of Law - COL _t			
9.1 Tax Amount - TAX_t †	26.038	55.556	48.534
Capital allowances - CA _t			

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED DISTRIBUTION REVENUE FOR RP6 (UNAUDITED) (continued)

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m
RP6 DISTRIBUTION LICENCE – ANNEX 2 (continued)			
10.1 Revenue Protection Services Incentive amount - RPS_t			
Revenue Protection Services Revenue - RPSR _t	0.304	0.471	0.168
11 Correction Factor amount - K_t			
Actual Regulated Distribution Revenue Recovered – ARP6 _t	115.257	195.273	206.637
Average Specified Rate - I _t	0.67%	0.70%	0.10% †

Values for other Licence Terms as per Annex 2 of Northern Ireland Electricity Ltd: Electricity Distribution Licence.
 Values for all remaining Licence Terms deemed zero.

† :- Provisional figures, subject to change

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED TRANSMISSION REVENUE FOR RP6 (UNAUDITED)

Required by Paragraph 12.23 of Annex 2 of Northern Ireland Electricity Ltd: Participate in Transmission Licence

Information for 'Actuals Inp' and 'Licence Inp' tabs of the RP6 Financial Model. Figures are in Nominal Prices (unless otherwise stated).

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m
RP6 TRANSMISSION LICENCE – ANNEX 2			
4.17 Qualifying Capex Expenditure amount - QCE_X_t			
Qualifying Capex Expenditure amount - QCE_TN _t	9.142	11.383	10.045
Qualifying Capex Expenditure amount - QCE_RN _t	0.333	0.692	3.215
Qualifying Capex Expenditure amount - QCE_T5Y _t	0.122	0.489	0.574
4.21 Pass Through Capex Expenditure amount - PTCE_X_t			
Capex Connections amount - CC_RN _t	2.390	(0.509)	2.005
4.33 Additional allowed capex - ACTR_X_t			
Additional allowed capex - ACTR_TN _t (15/16 Price Base)	0.433	1.443	2.802
6.3 Qualifying Opex Expenditure amount - QOE_t			
Qualifying Opex Expenditure amount - QOE _t	4.230	7.273	8.127
6.7 Pass Through Opex Expenditure amount - PTOE_t			
Opex Licence Fee amount - OLF _t	0.192	0.389	0.356
Opex Connections amount - OC _t	0.017	0.000	(0.000)
6.15 Allowed Opex Other amount - AOO_t			
Allowed Opex Other amount - Injurious Affection - IA _t	0.000	0.101	0.000
Allowed Opex Other amount - Changes of Law - COL _t	0.013	0.016	0.000
9.1 Tax Amount - TAX_t †			
Capital allowances - CA _t	6.676	13.611	10.715

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED TRANSMISSION REVENUE FOR RP6 (UNAUDITED) (continued)

RP6 TRANSMISSION LICENCE – ANNEX 2 (continued)

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m
11 Correction Factor amount - K _t			
Actual Regulated Transmission Revenue Recovered – ARP6 _t	18,451	40,441	44,641
Average Specified Rate - I _t	0.67%	0.70%	0.10%†

Values for other Licence Terms as per Annex 2 of Northern Ireland Electricity Ltd: Participate in Transmission Licence.
 Values for all remaining Licence Terms deemed zero.

† :- Provisional figures, subject to change

NORTHERN IRELAND ELECTRICITY NETWORKS
Supplementary Information

Appendix 1 (continued)

HISTORICAL DATA USED IN THE CALCULATION OF MAXIMUM REGULATED PSO AMOUNT FOR RP6 (UNAUDITED)

Required by Paragraph 6.17 of Annex 1 of Northern Ireland Electricity Ltd: Electricity Distribution Licence

Figures are in Nominal Prices (unless otherwise stated).

	31/03/2018 £m	31/03/2019 £m	31/03/2020 £m
RP6 DISTRIBUTION LICENCE – ANNEX 1			
3.5 Maximum Regulated PSO Amount - MPSOR_t			
PPB Amount - PPB _t	(10.610)	(6.800)	(20.200)
NIE Energy Supply Amount - Supply _t	0.000	0.000	0.000
Land Bank Amount - LB _t	(0.415)	0.051	0.106
Excluded PSO Amount - D _t	3.596	6.254	8.701
5 Correction Factor amount - K_t			
Actual Regulated PSO Amount Recovered - APSOR _t	2.931	2.997	(5.014)
Average Specified Rate - I _t	0.67%	0.70%	0.10%†