

ULSTER FARMERS' UNION NEWS RELEASE**Date: 27 July 2012****Cyclo No: 86/2012****UFU URGES INVESTMENT IN ELECTRICITY GRID**

UFU Deputy President Ian Marshall is calling on the Utility Regulator to allow NIE adequate finance to upgrade the local electricity grid following reports that NIE could have its credit rating downgraded if their investment proposals are not permitted.

Ian Marshall said; "In reply to the Utility Regulators draft determination last week, we voiced our disappointment that the Regulator has turned down NIE's request for capital expenditure of £127m for the line upgrade and asset replacement on 11kV overhead lines. Our members are heavily reliant upon the 11kV network and lines. Not only do their traditional farm businesses rely upon this infrastructure but with the move to renewable energy on many farms, they need to be able to integrate these technologies onto the local electricity network".

Ian continued; "locally over the last 18 months, severe weather has put immense pressure on an already strained 11kV network and it was only down to sheer luck that there were no serious consequences with damage to the electricity lines. The nature of a perpetual asset such as the 11kV lines is that re-investment and regular upgrades are needed to ensure that the system does not degenerate into a state of decay. It would only take another event such as the April 2010 Ice Storm to create major problems".

Mr Marshall concluded "Going forward we are urging the utility regulator to reconsider NIE's investment proposals as this is the only way to improve the future reliability of the grid as well as support economic development and facilitate small scale renewable energy. As for price rises, the UFU have been informed by NIE that these proposals would increase consumer electricity bills by 1% until 2017".

ENDS//...**Media Contact: Deborah Quinn 028 9037 0222**