

18th February 2014

Mr. Jerry O'Sullivan,
Managing Director,
ESB Networks Limited.
Clanwilliam House,
Clanwilliam Place,
Dublin 2.

Our Ref: D/14/3613

Dear Jerry,

Installation of Fibre Optic Network on Electricity Distribution System

I refer to the recent notification you sent us on the above – “Project FTTB” as it is termed.

The notification has been made by ESB Networks pursuant to Condition 6 (“Additional Use or Disposal of Relevant Assets”) of the DSO licence. This Condition requires the licensee to give prior written notification to the CER of proposed additional uses to be made of distribution assets other than discharging DSO functions. In the present case the intention is to install a nationwide fibre network on the distribution network in order to deliver high speed broadband directly to homes and businesses in locations across the country not currently served by cable or fibre. This is described in more detail in the notification itself.

The CER has considered the notification in the light of its contents and of earlier CER decisions in this area under Condition 6. We note in particular:

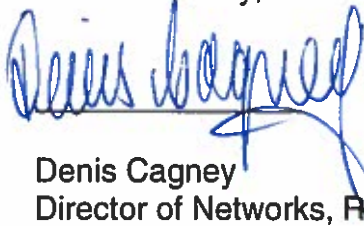
- The continuation of the core principle of the primacy of the operation, maintenance and development of the electricity network over that of the FTTB network.
- The general electricity distribution system customer will benefit from Project FTTB through both the provision of non cash benefits and a reduction of use of system tariffs financed by a portion of the annual

fee to be charged by ESB to the joint venture entity fibre code for access to the network. The precise scale of this reduction in system tariffs will be decided upon separately by the CER.

The CER agrees to the arrangements described in the notification.

We are publishing a copy of this letter and the notification from ESB Networks Ltd. on the CER website.

Yours sincerely,



Denis Cagney
Director of Networks, Renewables and Legal

c.c. Mr. Garrett Blaney, Commissioner, CER
Mr. Paul Brandon, CER