

**Subject:** FW: RE:Final version of C&AG report on DETI accounts - for agreement

**From:** O'Neill, Brian  
**Sent:** 28 June 2016 09:01  
**To:** Higgins, Pauric  
**Subject:** FW: RE:Final version of C&AG report on DETI accounts - for agreement

Pauric  
Can you please bring onto MKI.  
Thanks  
Brian

**From:** McMurray, Stephen  
**Sent:** 28 June 2016 08:56  
**To:** Wilkinson, Tomas  
**Cc:** O'Neill, Brian; Cousins, Heather; Clydesdale, Alison; Wightman, Stuart; McCormick, Andrew (DFE)  
**Subject:** RE:Final version of C&AG report on DETI accounts - for agreement

Tomas, we are content with the latest report

Stephen

Sent from my iPad managed by BlackBerry Enterprise Service

---- Original Message ----

**From:** Wilkinson, Tomas <[tomas.wilkinson@niauditoffice.gov.uk](mailto:tomas.wilkinson@niauditoffice.gov.uk)>  
**Date:** 27 June 2016 17:35 BST  
**To:** McMurray, Stephen <[Stephen.McMurray@economy-ni.gov.uk](mailto:Stephen.McMurray@economy-ni.gov.uk)>, Wightman, Stuart <[Stuart.Wightman@economy-ni.gov.uk](mailto:Stuart.Wightman@economy-ni.gov.uk)>  
**CC:** Clydesdale, Alison <[Alison.Clydesdale@economy-ni.gov.uk](mailto:Alison.Clydesdale@economy-ni.gov.uk)>, Cousins, Heather <[Heather.Cousins@economy-ni.gov.uk](mailto:Heather.Cousins@economy-ni.gov.uk)>, McCormick, Andrew (DFE) <[Andrew.McCormick@economy-ni.gov.uk](mailto:Andrew.McCormick@economy-ni.gov.uk)>, O'Neill, Brian <[brian.o'neill@niauditoffice.gov.uk](mailto:brian.o'neill@niauditoffice.gov.uk)>  
**Subject:** Final version of C&AG report on DETI accounts - for agreement

Stephen  
Attached is a final version of the report with the agreed changes. Can we please formally agree that this is a factually accurate version  
Thanks  
Tomas

**From:** McMurray, Stephen  
**Sent:** 27 June 2016 16:29  
**To:** Wilkinson, Tomas; Wightman, Stuart  
**Cc:** Clydesdale, Alison; Cousins, Heather; O'Neill, Brian  
**Subject:** RE: Draft CAG report 15-16 TW June - 20 June 1100

Tomas, happy with footnote and can you also add the words 'if no action was taken' in the last sentence on page 13 i.e. ...of around £140 million, if no action was taken, as shown in Table 8 below.

Stephen

**Stephen McMurray**

Finance Directorate  
Department for the Economy  
Waterfront Plaza  
8 Laganbank Road  
Belfast, BT1 3BS  
Tel: 028 9025 7810 (ext: 57810)  
Mob: Personal information redacted by the RHI Inquiry  
TextRelay: 18001 028 9025 7810  
Web: [www.economy-ni.gov.uk](http://www.economy-ni.gov.uk)

[NI Year of Food & Drink 2016](#)

**Please consider the environment - do you really need to print this e-mail?**

**From:** Wilkinson, Tomas  
**Sent:** 27 June 2016 15:53  
**To:** Wightman, Stuart  
**Cc:** McMurray, Stephen; Clydesdale, Alison; McMurray, Stephen; Cousins, Heather; O'Neill, Brian  
**Subject:** RE: Draft CAG report 15-16 TW June - 20 June 1100

Stuart/Stephen

Thanks for getting back to us and speaking on the phone. I'm still not convinced that the barrier costs represent 'real costs' that are not already included in either the capital costs or running costs in our examples. If you want what we could do is include a footnote below the tables in the annexes for each of the examples along the lines below:

*The figures above do not include "annuitized barrier costs" which the Department consider should be included. These costs would amount to £718 per year for what it calls the hassle costs of moving to the new technology e.g. installing new pipes etc and £828 per year for additional running costs such as emptying ash from the boiler every other day. If these were included it would reduce the overall return over 20 years by £30,920.*

Also as the commitment to the RHI is a 20 year commitment I would want to show the costs over 20 years (we have already included allowance for replacement of the boiler 3 times i.e. at 5,10 and 15 years).

Please can you confirm if you wish the suggested footnote above to be added (it's up to you but I'm not sure it helps much) and subject to that if we now have agreement on the factual accuracy of the report and annexes

Thanks  
Tomas

**From:** Wightman, Stuart  
**Sent:** 27 June 2016 14:17  
**To:** Wilkinson, Tomas  
**Cc:** McMurray, Stephen; Clydesdale, Alison  
**Subject:** RE: Draft CAG report 15-16 TW June - 20 June 1100

Tomas

I tried to call you. I attach a tracked change version of the Annex. In terms of your points below. I agree that oil prices change so content to run with 3p/kwh. I feel the barrier costs should be used as these were included in the original 2012 tariff calculation. The barrier costs were included to cover the additional 'hassle' associated with operating and maintaining a biomass boiler over a conventional oil/gas system. I mentioned this in my email to Brian on 8/6/16.

On the rate of return period, this is really a presentational issue. Normally one would should the rate of return over the life of the asset and in examples 2 and 3 this would be 5 years. However, either way, the rate of return doesn't change. I found an error in my previous calculation which had indicated a lower rate of return over 5 years.

Please ring me if you wish to discuss.

Thanks, Stuart

**From:** Wilkinson, Tomas  
**Sent:** 24 June 2016 12:34  
**To:** Wightman, Stuart  
**Subject:** RE: Draft CAG report 15-16 TW June - 20 June 1100

Stuart

Still working through your changes. In relation to your changes to the annexes

- Looking at emo oils website today for 2000 litres it is 30p per litre excluding vat. A number of websites quote 10 kw/litre of oil. Therefore I think we will stick with the 3p per kw we had in our original calculations.
- This is the first I have heard of an annuitized upfront barrier cost and I would be reluctant to include these costs – they can always be explained later at PAC
- I think we would prefer to give the costs over 20 years; it is a 20 year commitment

**From:** McNally, Tanya  
**Sent:** 24 June 2016 10:07  
**To:** Wilkinson, Tomas  
**Subject:** FW: Draft CAG report 15-16 TW June - 20 June 1100

Tomas

FYI, hope this all makes sense to you

T

**From:** McCann, Brendan  
**Sent:** 24 June 2016 10:03  
**To:** McNally, Tanya  
**Cc:** McCormick, Andrew (DFE); Stewart, Chris (DFE); Clydesdale, Alison; Murtagh, Ronan; Wightman, Stuart; Woods, Michael (DETI); McMurray, Stephen; Cousins, Heather  
**Subject:** FW: Draft CAG report 15-16 TW June - 20 June 1100

Tanya,

Further to my earlier email please see attached our proposed changes to the draft CAG Report 15/16. I am sending the Annex A separately for your ease of review. Please note that example 3 in the Annex has not been reviewed due to time constraints but the points raised in examples 1 and 2 also apply here. If you have any queries please don't hesitate to get back to me or Alison Clydesdale.

Thanks again for all your help.

Brendan

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