

To: Keith Avis[Keith.Avis@ofgem.gov.uk]
Cc: Luis Castro[Luis.Castro@ofgem.gov.uk]; Andy Luckhurst[Andy.Luckhurst@ofgem.gov.uk]
From: Matthew Harnack
Sent: 2012-09-03T11:50:38Z
Importance: Normal
Subject: RE: Ni RHI Update
Received: 2012-09-03T11:50:40Z

Keith,

You confused me earlier when you said that IT would be delivered for the original feasibility study budget. I took this to be £143k whereas it is not – it is £143k plus 33% contingency, so £190k. It is this same unclear communication that I think has caused or at least exacerbated the problems with DETI in the first place. We all need to be very clear in any communication what the **full** cost is.

Also, in case my email wasn't clear enough last Thursday - we need to get the total costs down to £386k **including** contingency. See what you can do between now and this afternoon's surgery session.

Matthew

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From: Luis Castro
Sent: 31 August 2012 19:24
To: Bob Thomas; Matthew Harnack
Cc: Keith Avis; Rita Chohan
Subject: Ni RHI Update

Bob, Matthew,

Just a quick update on NI RHI.

We met with IT this morning to review the costs and contingency.

Richard agreed to the following:

- Reduction of the cost to the original £143K from the IT feasibility study delivered on a single release, together with GB RHI with NI covering the marginal cost increase (already included in this amount)
- Reduction of the contingency to 33% on the assumption that this increases the risk of running out of funds. In this case we would review the total man-days with the objective of de-scoping non essential items up to 1/3

The total, including the additional costs for running manually for some months is around £550K compared to the £700K we started with
Keith is putting together a paper with a proposal so we can discuss next week in detail

Thanks,

Luis

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