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**From:** Keith Avis  
**Sent:** 2012-09-03T17:13:55Z  
**Importance:** Normal  
**Subject:** NI RHI Update costings. RESPONSE REQUIRED BY 09:30 04 SEPTEMBER LATEST  
**Received:** 2012-09-03T17:13:56Z  
[Delivery Component.docx](#)

All cc: Matthew, Luis

Thanks for your input at the meeting. As discussed, attached is the document with the original costings grid and the revised costing grid to take account of the points discussed at the meeting. CAN YOU PLEASE LOOK THROUGH THIS TO MAKE SURE MY UNDERSTANDING CORRELATES WITH YOURS. I have added some points that details the changes I have made.

Matthew needs to get back to DETI first thing in the morning, **SO CAN I PLEASE HAVE COMMENTS ASAP – no later than 09:30 in the morning please. Sorry for the tight deadline.**

Rgds

Keith

Ps. I am in 8ish so give me a call if you wish to discuss.

Delivery Component		Current Delivery Cost (£)
Development	New Scheme Development delivery team	£96,000
	Band C Operational Manager – recruitment process	£2,000
	Stakeholder Consultation	£700
	Internal Ofgem legal costs	£97,211
	IT delivery costs	£190,000 (£143,000 + £47,000(33% contingency))
	Independent risk assessment	£10,000 (excluding £10,000 deferred from feasibility study)
	Overheads	£75,000
<b>Total Development Costs:</b>		<b>£470,911</b>
Operational	Operational costs (incl £18,692 manual solution from November to February – Annex A)	£118,466
	Additional operation cost (IT business application support costs; IT infrastructure costs; Internal legal costs)	£56,732
<b>Total Operational Costs:</b>		<b>£175,198</b>
<b>Total Including Contingency:</b>		<b>£646,109</b>

Original Feasibility Study Cost	Cost (£)
Development Cost (386,000 + £47,000 33% IT contingency)	£433,000
2012/13 Operational cost	£135,660
<b>Total</b>	<b>£568,660</b>
Funding Needed (£646,109) minus Feasibility Study Cost (£568,660)	£77,449 (extra funding required)

## Revised Table Post Matthew/Bob Meeting

Delivery Component		Current Delivery Cost (£)
<b>Development</b>	New Scheme Development delivery team	£86,000
	Internal Ofgem legal costs	£59,329
	IT delivery costs	£143,000
	Overheads	£75,000
<b>Total Development Costs:</b>		<b>£363,329</b>
<b>Operational</b>	Operational costs (incl £18,692 manual solution from November to February – <b>Annex A</b> )	£98,466
	Additional operation cost (IT business application support costs; IT infrastructure costs; Internal legal costs)	£11,346
<b>Total Operational Costs</b>		<b>£109,812</b>
<b>Total Costs:</b>		<b>£473, 141</b>

Original Feasibility Study Cost	Cost (£)
Development Cost (386,000 + £47,000 33% IT contingency)	£433,000
2012/13 Operational cost	£135,660
<b>Total</b>	<b>£568,660</b>
Funding Needed (£473,141) minus Feasibility Study Cost (£568,660)	£95,519 in credit.

**Issues from meeting :****Development**

Reduce NSD delivery costs by £10k to £86k which incorporates Band C recruitment and stakeholder consultation.

Internal legal cost reduced Admin agreement costs to be paid by licence fee (Legal- I will update you chart and send around in the morning).

Take out £47k IT contingency from the grid – include in covering email.

Take out risk assessment – incorporate with GBRHI requirements.

**Operational**

Reduce operational costs by £20k

Bring additional operational costs down to 20% of figure to reflect 4 year costing.