

**To:** Milton James[Milton.James@ofgem.gov.uk]; Luis Castro[Luis.Castro@ofgem.gov.uk]  
**From:** Matthew Harnack  
**Sent:** 2012-09-21T18:07:12Z  
**Importance:** Normal  
**Subject:** RE: RHI NI 13/14 development allocation  
**Received:** 2012-09-21T18:07:12Z

Gents, I've just got to this one. Dropping a zero off the NIRHI support costs helps it to look much more reasonable. However, I still stand by my other comments in my earlier email. Grateful for an explanation as to:

- Why there are *any* additional development costs given we're assuming no changes over and above GB changes (we may charge NI a fraction of the development costs, but that doesn't mean they are any higher than for GB)
- Why there are *any* additional support, hardware, software and infrastructure costs over and above for GB, given it is the same system

**Matthew Harnack**

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**From:** Milton James  
**Sent:** 20 September 2012 17:25  
**To:** Luis Castro  
**Cc:** Matthew Harnack  
**Subject:** RE: RHI NI 13/14 development allocation

Luis,  
 Many thanks.  
 Regards  
 Milton

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**From:** Luis Castro  
**Sent:** 20 September 2012 17:21  
**To:** Milton James  
**Cc:** Matthew Harnack  
**Subject:** RE: RHI NI 13/14 development allocation

Hi Milton,  
 I'm glad you ask, the figure for support has one zero too many!

Support	£27,000
H/W & S/W	£22,000
Infrastructure Resourcing	£10,000

To this we also need to add the development costs. This is a wild guess at the moment; however, if we assume the following:

- NI will continue to mirror the changes to GB
- The costs of adapting the GB system will be in the same order of magnitude and roughly around 10% of the costs of the GB changes

Then the IT development costs should in the order of £300K. This would include all the changes GS is doing including adding domestic users.

Hope that helps,  
 Luis

p.s. for health check it would be good if you could let me have a look at the rest of the schemes to make sure I am not making the wrong assumptions, but also I think it would be good that independently of corporate plan we baseline these costs and share a document that covers all schemes

**From:** Milton James  
**Sent:** 20 September 2012 16:40  
**To:** Luis Castro  
**Cc:** Matthew Harnack  
**Subject:** RHI NI 13/14 development allocation

Luis,

I think you are the right person for this!

I'd like to finalise the 2013-14 corporate planning costs for RHI NI as we didn't complete it at the recent budget meeting.

What amount should be allocated to RHI NI development?

Currently I have:

Support	£270,000
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H/W & S/W	£22,000
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Infrastructure Resourcing	£10,000
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Regards

Milton

**Milton James**

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