

**To:** Keith Avis[Keith.Avis@ofgem.gov.uk]  
**Cc:** Luis Castro[Luis.Castro@ofgem.gov.uk]; Mary Smith[Mary.Smith@ofgem.gov.uk]; Johan Brand[Johan.Brand@ofgem.gov.uk]; Richard Kayan[Richard.Kayan@ofgem.gov.uk]  
**From:** Andy Luckhurst  
**Sent:** 2012-12-13T18:12:36Z  
**Importance:** Normal  
**Subject:** RE: RHI NI Release  
**Received:** 2012-12-13T18:12:38Z

Keith,  
I fully understand your concern and once I have more tangible data I will of course discuss it with you in person.  
Regards,  
Andy

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**From:** Keith Avis  
**Sent:** 13 December 2012 17:40  
**To:** Andy Luckhurst  
**Cc:** Luis Castro; Mary Smith; Johan Brand; Richard Kayan  
**Subject:** RE: RHI NI Release

Andy  
The bottom line is that information provided last week for Matthew prior to his conversation with DETI and the discussion at the RHI Implementation Board last week reflected us being within the £190k budget, so you will appreciate my concern when a figure at £47k over that is mentioned a few days later. I'll await your further projections and I am sure we will wish to discuss further.  
Keith

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**From:** Andy Luckhurst  
**Sent:** 13 December 2012 16:24  
**To:** Keith Avis  
**Cc:** Luis Castro; Mary Smith; Johan Brand; Richard Kayan  
**Subject:** RE: RHI NI Release

Keith,  
I think you are misunderstanding. I am reminding you what the original estimate was for a standalone release, which was £178,565 (originally with 100% contingency on top).  
However, when the Feasibility Study was sent to DETI, Bob's letter stated that IT costs would be £143k (plus contingency of 100%). This was based on the assumption that the GB release would take place at the same time (which was the other scenario for which we provided costs within the Feasibility Study).  
So what I'm saying is that trying to deliver a standalone release for £143K plus £47K contingency was always going to be extremely challenging, and unfortunately IT were forced into having to do so. This is why it has been one of the main risks throughout. The reason for building contingency into our estimates is to allow for the changes in scope which inevitably occur due to the levels of uncertainty which exist at the beginning of a project.  
At this stage I think the best thing is for me to obtain more accurate projections so that we are all clear where we stand. Happy to discuss in more detail once I have this information.  
Regards,  
Andy

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**From:** Keith Avis  
**Sent:** 13 December 2012 14:16  
**To:** Andy Luckhurst  
**Cc:** Luis Castro; Mary Smith; Johan Brand; Richard Kayan  
**Subject:** RE: RHI NI Release

Andy  
Thanks, but I don't agree with your calculations here. To be clear IT delivery for the joint release was originally £143k, but with the option to use the 33% contingency for the standalone release. As you know we are taking the option to use that contingency. If you are saying the standalone release is £178,565 then we can only add 33% contingency to the £143k figure. Anything above that (in this case £35,565 – i.e the difference between £143k to £178,565) would be adding an extra 33% contingency on the contingency figure. I am not sure that you can justify doing this, but even if we did, 33% contingency on £35,565 = £11,736 which added to the £178k figure still brings us in at just a couple of hundred pounds over £190k.  
Of course, happy to respond further on your deliberations here.  
Regards  
Keith