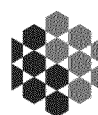


Energy



Department of
**Enterprise, Trade
and Investment**

www.detini.gov.uk

Netherleigh
Massey Avenue
Belfast BT4 2JP
Tel: 028 90529 215
Fax: 028 90529 543
Email: john.mills@detini.gov.uk

Teri Clifton
Senior Operations Manager
Ofgem
9 Millbank
LONDON
SW1P 3GE

20 March 2014

Dear Teri

NI RHI OPERATIONAL FUNDING 2013/14

Thank you for your letter of 13 March regarding operational funding for the current year.

I note that Ofgem no longer considers that the charging formula, contained in the Baseline Scope, is appropriate for the recovery of costs in relation to the Northern Ireland Renewable Heat Incentive and that you are preparing a change control to address this issue. It is important that this change control gives us clarity over future costs and enables us to budget accurately for the running of the scheme.

In the meantime, I am content with your proposal to charge £164,636 (the estimated cost as per the Baseline Scope) for the current year.

Yours sincerely

JOHN MILLS
Head of Energy Division