

Robin McCormick
SONI LTD
Castlereagh House Control Centre
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Castlereagh
Belfast
BT6 9RT

13 December 2011

Dear Robin,

FUEL SWITCHING AGREEMENTS AND ARRANGEMENTS FOR NI

Further to our discussions on the Fuel Security Code and Fuel Switching Agreements, I request that you open communications and begin negotiations with the Electricity Generators to develop appropriate Fuel Switching Agreements which will cover the range of circumstances under which Generators may be instructed to switch fuel and will operate in tandem with the Fuel Security Code.

In the meantime it is possible that SONI may need, to meet demand or for other operational reasons, to instruct Generators to switch to secondary fuel. Therefore I request that SONI confirm with Generators that they will keep them whole for the appropriate, clearly identified costs of running on secondary fuel which are not recovered through the market. The detailed payment timescales and mechanisms and the tariff recovery arrangement will be approved by the Utility Regulator should these circumstances arise to ensure that SONI recover sufficient revenues.

We understand that SONI and Generators will need to have available the final revised Fuel Security Code, which DETI propose to publish shortly, to allow for a full development of the Fuel Switching Agreements. I note that this work was not included within the SONI price control determination and SONI should observe the normal arrangements in applying for approval for exceptional Dt costs.

Yours sincerely

Tanya Wishart
Director, Electricity