

Kevin O'Neill  
SONI Limited  
Castlereagh House  
12 Manse Road  
Belfast  
BT6 9RT

Ref: NET/E/TH/706

03 August 2023

Dear Kevin,

**Re: Security & Stability of Supply Options – Final Et Approval**

Thank you for the opex *Dt* submission of the 26 May 2023 regarding costs for legal and technical activity associated with supporting SONI in entering contracts to procure critical system services.

Having reviewed the SONI response to the PD, we are supportive of the project but remain unconvinced that this spend should be remunerated via the up-to-cap mechanism. This conclusion is based on the following:

- 1) Our guidance states that use of this mechanism should be the exception rather than the rule (See UM [Guidance](#), p10, para 3.22).
- 2) SONI's response confirms that scope and costs are clear.
- 3) Materiality and hence risk of a windfall payment or loss is low.
- 4) The spend is controllable and most of the costs have already been incurred.

We would also note that the decision to work 'at risk' is one taken by the TSO. Neither do we consider that the novelty of the issue affects SONI's ability to control its own spend in this instance.

Under *Annex 1 – para 8.5 and 8.6* of SONI's licence, we therefore approve a full allowance via the *Et* opex cost sharing mechanism. For confirmation, amounts approved are detailed in the table below by tariff year [and in April 2019 prices for ease of comparison with the current price control].

Tariff Year	SONI Claim (April 2023 prices)	UR Allowance (April 2023 prices)	UR Allowance (April 2019 prices)
2022-23	£72.0k	£72.0k	£60.4k
<b>Total</b>	<b>£72.0k</b>	<b>£72.0k</b>	<b>£60.4k</b>

I trust this satisfies your requirements at this time. Should you have any comments, queries or issues feel free to contact Ciara Brennan.

Yours sincerely,



**Tanya Hedley**  
**Director of Price Controls**