

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

Ref: NET/E/PR/971

17 June 2024

Dear Kevin,

Re: CHCC concrete façade repairs – Final decision

On the 02 November 2023 SONI made an application for costs associated with repairing the concrete façade of Castlereagh House Control Centre (CHCC). The claim of **£255k** (April 2023 prices) includes capex costs for tariff year 2023-24.

UR provisionally rejected the request on 13 March 2024, setting out the rationale for disallowance. SONI made representation to the UR on 11 April 2024. Following review of this response, UR has determined a final allowance of **£0** in line with the provisional position.

For confirmation, amounts finally 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)
2023-24	£254.8k	£0	£0
Total	£254.8k	£0	£0

Unresolved Issues

Need for the project has been well established. We are supportive of the activity and would encourage SONI to undertake all necessary work to ensure building safety.

However, we remain unconvinced that this spend is additional to existing price control allowances. This conclusion is based on the following:

- 1) UR allowed £2.53m (2010 prices) in the 2010-15 price control [decision](#) (see p29) for an extension and refurbishment of Castlereagh House. SONI concur that this included an element relating to façade works.

- 2) The response to the PD merely details why the activity was not undertaken at the time. SONI agrees that consumers should not pay twice but has not adequately explained why this would not constitute double funding.
- 3) Responsibility for delivering capital projects on time and budget rests with the TSO. The decision to de-prioritise repairs was one taken by SONI. Having already funded this activity, it is not clear why consumers should be asked to pay again.
- 4) SONI has also failed to explain why repair work is no longer sustainable.

We are therefore minded to reject this cost request on the basis that funding has already been provided for the activity in question. I trust this satisfies your requirements at this time. Any comments on this letter should be addressed to John Mills and Ciara Brennan.

Yours sincerely,



Peter Russell
Executive Director
Price Control, Networks, and Energy Futures