

Sarah Friedel
Group Regulation
SONI Limited
Castlereagh House
12 Manse Road
Belfast
BT6 9RT

Ref: CNO/E/TH/149

17 August 2018

Dear Sarah,

Re: ENTSO-E ITC Costs (2017/18 and 18/19) – Final Dt Approval

Thank you for the opex D_t submission of the 5th July 2018 regarding ENTSO-E ITC costs for 2017/18 and 2018/19.

SONI is obliged under Regulation (EC) 714/2009 to be a member of ENTSO-E.

The Inter-Transmission System Operator Compensation (ITC) mechanism is defined by the Commission Regulation (EU) 838/2010. The regulation also specifies that,

“transmission system operators shall contribute to the ITC fund in proportion to the absolute value of net flows onto and from their national transmission system as a share of the sum of the absolute value of net flows onto and from all national transmission systems.”

SONI is seeking recovery of the costs of participating in the mandatory ITC mechanism as is set out in paragraph 8.1 of the Annex to SONI's TSO licence.

We note that these invoices are audited as part of the preparation of the Three Month Statement submitted under paragraph 4.5 of the Annex to SONI's TSO licence.

Having reviewed the submission we are content to provide approval for the sums requested.

For confirmation, amounts approved are detailed in the table below [and in April 2014 prices for ease of comparison with the current price control].


Tariff Year	SONI Claim Forecast / Estimated (Nominal Prices)	UR Allowance (Nominal Prices)	UR Allowance (April 2014 prices)
2017-18	£248k	£248k	£227k
2018-19	£371k	£371k	£329k
Total	£619k	£619k	£556k

We also note that SONI is only seeking to recover the actual costs associated with this scheme, any under or over recovery will be adjusted through the K-factor, as defined in Annex 1 of SONI's TSO licence.

These costs shall be recovered via an addition to the SONI Limited allowed revenue via the D_{TSO} element of the maximum core SSS/TUoS revenue in the price control year in which the costs are incurred.

Should you have any comments, queries or issues regarding this letter, feel free to contact myself or Jody O'Boyle.

Yours sincerely,



Tanya Hedley
Director of Compliance and Network Operations