

Mark Raphael  
 Gas Market Operator for NI  
 4<sup>th</sup> Floor, The Arena Building  
 85 Ormeau Road  
 Belfast  
 BT17 1SH

11 December 2017

Dear Mark

**Re: Request for carry over of GMO NI mobilisation budget**

Thank you for your letter dated 23 November 2017 with respect to the carry over of some mobilisation allowances past 30 September 2017 into the 2017/2018 gas year.

We understand that your request relates to the following line items:

Line Item	TSO	Reason for Carry Over beyond 1 <sup>st</sup> October	Value of Carry Over £'000
Office Costs	MEL	Office works to be done Nov/Dec	42
Insurance, Bank Charges & Fees	MEL	Enduring Trustee Account set up/Joint Accounts set up ongoing	49
Programme Management	MEL	PM in place post mobilisation until the end of October	4.5
NIED	MEL	SOA schedule external consultancy, Tariff NC & CAM Capacity Conversion consultancy/legal fees	40

We acknowledge that office works and account set-up is taking longer than initially envisaged and continuing on beyond the end of the mobilisation phase on 30 September 2017. We also recognise that there may be merit in keeping the project manager in place for the first month following operational go-live on 1 October 2017.

We furthermore acknowledge that some of the SOA schedules are still being finalised and that work is ongoing with regarding the implementation of the requirements of the Tariff Network Code and the CAM Capacity Conversion mechanism, with a related potential for external consultancy need.

We therefore approve the carry over of the related amounts into the 2017/2018 gas year, as requested. In line with condition 3.1.6(b)(v) we will increase the PTL BCO allowances for the

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2017/2018 gas year accordingly. Condition 3.1.2(e) of the PTL licence requires the TSO to provide the Utility Regulator with the calculations and detail necessary to support the Actual Required Revenue (ARR) for the preceding gas year. Within this submission, we would request that costs incurred against the carried over allowances as set out above be separately identified and recorded by PTL.

We note, however, that we consider, in principle, activities relating to achieving and maintaining compliance with European Network Codes, or making amendments to the SOA arrangements as may be required from time to time, to be business as usual activities. As such, we expect any further work in these areas that goes beyond the activities listed in the table above to be covered by the GT17 price control allowances

We note furthermore that we expect all the above activities listed in the table above to be completed during the course of the 2017/2018 gas year, with no need to carry over any of the related allowances beyond that.

Yours sincerely,



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**Tanya Hedley**  
**Director of Compliance and Network Operations**  
**For and on behalf of NIAUR**