

Leigh Greer  
 Group Regulation  
 SONI Limited  
 Castlereagh House  
 12 Manse Road  
 Belfast  
 BT6 9RT

Ref: CNO/E/TH/417

14 August 2018

Dear Leigh,

**Re: SONI CORESO Costs for 2017/18 and 2018/19 – Final Dt Approval**

Thank you for your submission on 9 July 2018 regarding the above. Under the European Network Codes, SONI is obliged to operate its system in coordination with other TSOs, and therefore must join a Regional Security Coordination Service Provider and SONI has chosen membership of CORESO as it is the most relevant geographically.

Under the 2015-2020 price control we included a right to recover these costs in paragraph 8.1 (g) iii of the Annex to SONI's TSO licence. As these costs are now known within this Dt submission SONI has requested approval for the CORESO fee costs for 2017/18 and 2018/19.

Having given consideration to the information presented, the Utility Regulator approves the expenditure up to a total maximum of £171k (in 2014 prices). Amounts approved are detailed in the table below [and in April 2014 prices for ease of comparison with the current price control].

Period	SONI Forecast / Estimate (Nominal prices)	UR Allowance (Nominal prices)	UR Allowance (2014 prices)
Oct 2017-Sep 2018	£80k	£81k	£74k
Oct 2018-Sep 2019	£109k	£109k	£97k
<b>Total</b>	<b>£190k</b>	<b>£190k</b>	<b>£171k</b>

Please note that this approved amount is a maximum amount, and only actual costs that are efficiently and properly incurred should be recovered in line with the SONI Licence.

As per the licence these costs shall be recovered via an addition to the SONI allowed revenue via the  $D_{TSO_t}$  element of the maximum core SSS/TUoS revenue in the price control year in which the costs are incurred.

I trust this is satisfactory for your requirements at present.

Yours sincerely,



**Tanya Hedley**  
**Director of Compliance and Network Operations**