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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | CADENT \_DDQ\_81 |
| **Licence** | Capital PCD’s |
| **Topic/Activity:** | Proposed approach to allowance clawback |
| **Question:** | In regard to Ofgem’s consultancy position for automatic adjustment using ex-ante project costs to clawback 100% of funding for full or partial non-delivery.  Please can Ofgem clarify whether you mean 100% clawback for full non-delivery, or 100% clawback for any partial non-delivery?  E.g. if Cadent deliver 80% of a project, would Ofgem clawback the costs for the 20% not delivered, or would Ofgem Clawback 100% of the ex-ante costs? |
| **Confidential** | No |
| **DDQ raised by** | Rachel Slater |
| **Date query raised** | 07/08/2020 |
| **Expected response date** | 12/08/2020 |
| **Ofgem Response:**  The position we set out at Draft Determinations was that full delivery of each project within the Capital Projects PCD was required in order to retain the funding associated with each individual project. Eg failure to fully deliver a single project within the PCD would result in the full funding for that single project being returned to customers.  We note that we have received a number of DD responses on this particular topic, and we will be reviewing the DD position carefully, including addressing arguments that the mechanism should be more flexible with respect to justified partial, equivalent or late delivery. | |
| **Attachments:** | |