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| **Draft Determination Publication** | | |
| **Network Query** | | |
| **Network Reference number** | CADENT\_DDQ\_38 | |
| **Licence** |  | |
| **Topic/Activity:** | Mains Renewal – Steel and Safety | |
| **Question:** | We see from the draft determination that Ofgem have disallowed Cadent’s mains renewal investment driven by our safety approach. In addition, Ofgem have disallowed all steel investment (including CBA positive steel renewal) for all but one GDN.  GDNs have an absolute duty, under Pipeline Safety Rregulations, to protect the public from risk posed by our assets, this is not a material specific requirement.  How has this legislative requirement been considered as part of your assessment, and in doing this has advise been sought from the HSE? If so, can you please provide details of your analysis and any HSE guidance provided to Ofgem. We can then build this information into our response. | |
| **Date query raised** | 22/07/2020 | |
| **Date Sent** |  | |
| **Expected Response Date** | 27/07/2020 | |
| **Response Received** |  | |
| **OfGEM Response:** Ofgem has had regular contact with the HSE on a range of issues that feed into the RIIO programme. As noted in our bilateral meetings with Cadent, our approach to disallowing whole programmes of work for repex at DD reflects the level of aggregation of the data received in Business Plan submissions. We have continued to work with GDNs, and the HSE, post-DDs to ensure we have addressed any concerns relating to PSR at FDs. This includes the request Ofgem has made to all GDNs to provide more granular information which will allow us to refine our DD approach. This will enable Ofgem to determine what is an appropriate FD repex allowance to enable GDNs to meet both statutory obligations and cost benefit justified investments - recognising the need to suitably manage both technical and economic risks on behalf of consumers. | | |
| **Attachments:** | | |