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| **Draft Determination Publication** | | |
| **Network Query** | | |
| **Network Reference number** | CADENT\_DDQ\_40 | |
| **Licence** | Draft Determinations – RIIO-GD2 Engineering Justification Paper Reviews Annex (QEM) – Section 5.5 (Page 23) | |
| **Topic/Activity:** | Offtakes & PRS Metering Systems | |
| **Question:** | The determination column in the QEM EJP Review document for Offtakes & PRS Metering Systems states ‘Uncertainty Mechanism / Re-Opener’, however, in the Draft Determination document (section 3.49) it states, “We have applied £2.72m of cost reductions to the Offtakes & PRS Metering Systems investment that was requested. We propose reductions to all cost inputs, except contingency costs, which we considered to be in line with other investment proposals.”  Does the position in Draft Determination of a 10% (£2.72m) efficiency deduction supersede the UM/Re-opener recommendation in the QEM EJP Review document? | |
| **Date query raised** | 23/07/20 | |
| **Date Sent** | 23/07/20 | |
| **Expected Response Date** | 28/07/20 | |
| **Response Received** |  | |
| **OfGEM Response:**  For Offtakes & PRS Metering Systems, we have proposed a £2.72m reduction based on a technical assessment deep dive. Additionally, we have proposed to include this scheme in the Capital Projects PCD (a form of uncertainty mechanism). | | |
| **Attachments:** | | |