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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | NGN \_DDQ\_46\_Use it or lose it allowance |
| **Licence** | Gas Distribution |
| **Topic/Activity:** | Consumer Vulnerability – Use it or lose is allowance |
| **Question:** | Many of the bespoke outputs that NGN submitting relating to vulnerability were rejected with the guidance  *‘The consumer vulnerability and CO safety use-it-or-lose-it allowance provides funding for this type of activity and the consumer vulnerability reputational ODI provides NGN with the opportunity to highlight its performance’ (pgs 20-21 NGN Annex)*  Some of these rejected outputs will rely on direct OPEX costs to manage the project and/or to deliver the activity.  Please can you confirm that direct OPEX costs, associated with these specific outputs, can be put through the Use it or lose it allowance. |
| **Confidential** | No |
| **DDQ raised by** | Eileen Brown |
| **Date query raised** | 14/08/2020 |
| **Expected response date** | 21/08/2020 |
| **Ofgem Response:**  GDNs will be able to utilise the vulnerability and carbon monoxide allowance to fund the operational costs of their eligible projects.  Within draft determinations we have not made any decisions in eligible projects for the VCMA allowance and will be working with stakeholders over the summer to develop the guidance that underpins the allowance. | |
| **Attachments:** | |