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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | NGN \_DDQ\_49 |
| **Licence** | Northern Gas Networks |
| **Topic/Activity:** | Net Zero |
| **Question:** | Paragraph 8.6 of the Core document states:  *“Where there is less certainty that a particular investment is needed, or the scope or cost of the investment is unclear, we propose to introduce a range of UMs to enable the price control to flex when investment needs become clearer. We recognise that we and the networks will need to take calculated risks in many areas in the future.”*  Can Ofgem explain how it will determine whether an investment need to support Net Zero is sufficiently clear/certain for consideration through the Net Zero Reopener? |
| **Confidential** | No |
| **DDQ raised by** | Ashley Muldrew |
| **Date query raised** | 14/08/2020 |
| **Expected response date** | 21/08/2020 |
| **Ofgem Response:**  We set out in the Draft Determinations that use of the net zero reopener would follow consultation with stakeholders over whether a relevant change of circumstances has occurred or is expected to occur and what amendments to licences may be required as a result of that change (for example, to adjust allowed revenue). We anticipate that, as part of this process, one consideration for Ofgem would be the level of certainty over the change in question and its expected impact. It is not possible to give a blanket answer to the question of the level of certainty that would be required, as this would need to be considered taking into account the specific evidence and circumstances relevant at the time. | |
| **Attachments:** | |