

From: [McCormick, Andrew \(DFE\)](#)
To: [McCann, Brendan](#)
Cc: [Cousins, Heather](#); [Woods, Michael \(DFE\)](#); [Johnston, Wendy](#)
Subject: Re: **Private and Confidential** Project Heat_Phase 2_Draft Report_31102016
Date: 01 November 2016 08:34:27

This would be a classic case of Swiss Cheese, but for one question. I think the focus of the further fact finding is that one question and it's the same point as in my last email to CEPA. If CEPA's response shows another angle to this, maybe it's more complex but at this stage that would be very surprising.

The question is did anyone at any time understand that the scheme as implemented created an incentive to unlimited use?

Jeanette O'Hagan understood. Maybe OFGEM understood. The applicants certainly understood. The clue was in the key sentence in the CEPA document that recommended against tiering ie the relationship between the tariff and the fuel cost.

Yet this PwC report provides no evidence that anyone in DETI understood this point, though I don't think anyone was asked directly.

I think this is the one point and we don't need vast detail to investigate it.

Will call shortly - I have a meeting here 9.30 your time but will hopefully get through before that time.

Many thanks.

Sent from my BlackBerry 10 smartphone.

From: McCann, Brendan
Sent: Monday, 31 October 2016 22:08
To: McCormick, Andrew (DFE); Cousins, Heather; Woods, Michael (DFE); Johnston, Wendy
Subject: Fw: **Private and Confidential** Project Heat_Phase 2_Draft Report_31102016

Sent from my BlackBerry 10 smartphone.

From: leanne.e.coey@uk.pwc.com
Sent: Monday, 31 October 2016 21:18
To: McCann, Brendan
Cc: clare.e.kennedy@uk.pwc.com; ian.mcconnell@uk.pwc.com
Subject: **Private and Confidential** Project Heat_Phase 2_Draft Report_31102016

Brendan,

Please find attached a copy of our Draft Report which has been provided on the terms discussed with Clare earlier this afternoon. As Clare mentioned, we are awaiting confirmation of some points from Edmund Ward, Ofgem. We will provide an updated Draft Report when these have been received.

Kind regards,

Leanne

Leanne E Coey

PwC | Forensic Services
Office: +44 (0) 289034 6504
Email: leanne.e.coey@uk.pwc.com
PricewaterhouseCoopers LLP
Waterfront Plaza, 8 Laganbank Road, Belfast, BT1 3LR
[Privileged and Confidential](#)

----- End of message text -----

Helping solve important problems across all industries - Come and join us at the PwC Trade Fair (8 and 9 November 2016). Find out more and register here: <http://www.pwc.co.uk/tradefair>

This email is confidential and is intended for the addressee only. If you are not the addressee, please delete the email and do not use it in any way. PricewaterhouseCoopers LLP does not accept or assume responsibility for any use of or reliance on this email by anyone, other than the intended addressee to the extent agreed in the relevant contract for the matter to which this email relates (if any). PricewaterhouseCoopers LLP is a limited liability partnership registered in England under registered number OC303525, with its registered address at 1 Embankment Place, London WC2N 6RH. It is authorised and regulated by the Financial Conduct Authority for designated investment business and by the Solicitors Regulation Authority for regulated legal activities. PwC may monitor outgoing and incoming emails and other telecommunications on its email and telecommunications systems; by replying to this email you give your consent to such monitoring.

Visit our website <http://www.pwc.com/uk>