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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q109 (urgent) |
| **Licence** | SGN |
| **Topic/Activity:** | Cost efficiency |
| **Question:** | In [3] CSV – Local tab, it includes hard coded values for the weightings across the various cost drivers. Could you please provide the calculations behind the CSV weightings? |
| **Confidential [Yes/No]** | No |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 24/08/2020 |
| **Expected response date** | 28/08/2020 |
| **Ofgem Response:**  As described in the technical annex “RIIO-GD2 Step-by-step guide to cost assessment” (pp. 7-8), we followed RIIO-GD1 approach and computed the totex CSV weights based on industry spend (controllable, normalised and adjusted costs). Please find here attached the Stata code used for the calculation. | |
| **Attachments:** | |