|  |  |
| --- | --- |
| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q106 |
| **Licence** | SGN |
| **Topic/Activity:** | Cost Efficiency |
| **Question:** | Per the below, and this is consistent across all DNs, there appears to be a difference of approach in the normalisations for IT. For GD2 it would appear that the normalisations align to total 3.05 Other capex costs for IT and Telecoms (including cyber) however for the GD1 normalisations the detail in Row 70 of [2] Normalisations appears to include all IT costs from 3.05 leaving an imbalance as detailed below when cyber is included.  We believe this to be a duplication in normalisations for the GD1 costs of which requires a correction. Can you please advise if this has been an error?   |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Example | Southern |  |  |  |  |  |  |  |  |  |  |  |  | |  | **2013/14** | **2014/15** | **2015/16** | **2016/17** | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | | BPDT 3.05 Other Capex | 9.77 | 14.01 | 8.46 | 5.70 | 10.33 | 6.68 | 7.30 | 3.11 | 9.47 | 9.23 | 10.24 | 9.70 | 10.18 | | [2] Normalisations - Cal\_Other Capex |  |  |  |  |  |  |  |  |  |  |  |  |  | | Row 70 - TA IT and Telecoms | -9.77 | -14.01 | -8.46 | -5.70 | -10.33 | -6.68 | -7.30 | -3.11 | -2.41 | -1.42 | -2.40 | -2.79 | -3.61 | | Row 67 - DCC Membership |  |  |  |  |  |  |  |  | -0.32 | -0.32 | -0.95 | -0.95 | -0.63 | | Row 19 - IT and Telecoms UM |  |  |  |  |  |  |  |  | -5.45 | -5.99 | -5.11 | -3.83 | -3.38 | | Row 20 – Cyber | -0.79 | -0.57 | -0.46 | -0.59 | -1.34 | 0.00 | -0.56 | -0.97 | -1.30 | -1.51 | -1.79 | -2.13 | -2.56 | | Total Cal Other\_Capex | -10.56 | -14.58 | -8.93 | -6.29 | -11.67 | -6.68 | -7.86 | -4.08 | -9.47 | -9.23 | -10.24 | -9.70 | -10.18 | | Check | -0.79 | -0.57 | -0.46 | -0.59 | -1.34 | - | -0.56 | -0.97 | - | - | - | - | - | |
| **Confidential [Yes/No]** | No |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 19/08/2020 |
| **Expected response date** | 26/08/2020 |
| **Ofgem Response:**  Thank you for pointing this out, we added this issue to the error log. We will review RIIO-GD1 cyber investments figures and seek confirmation from companies via supplementary questions. | |
| **Attachments:** | |