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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | WWU\_DDQ\_18 |
| **Licence** | DN |
| **Topic/Activity:** | Totex capitalisation |
| **Question:** | Please can you provide:   1. the source data to the capitalisation rate calculation (the current spreadsheets include hard coded values which we don’t recognise)? 2. how this then is used in calculating the fast money allowances and RAV additions included within the table on page 221 of the Finance Annex? |
| **DDQ raised by** | Wales and West Utilities |
| **Date query raised** | 30/07/2020 |
| **Expected response date** | 06/08/2020 |
| **Ofgem Response:**  Part 1:          The hard coded values they are referring to are for ‘Capitalised share of totex Base’ but the model picks up the ‘Natural’ values, these are calculate in the operator tabs.  Part 2:          The calculations showing how CapRates are used to find the Slow/Fast pot split are in the TIM Tab rows 73 to 100 | |
| **Attachments:** | |