|  |  |
| --- | --- |
| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q88 |
| **Licence** | SGN |
| **Topic/Activity:** | Cost Efficiency |
| **Question:** | Relating to model (10) OngoingEfficiency.  We note that the calculation of the compound annual growth rate for the average embedded ongoing efficiency is calculated using five periods rather than four periods. Could Ofgem please explain why five periods have been used in this calculation, rather than four periods, given there are four increments across the five years used for the calculation? For reference, see [10] Ongoing Efficiency, tab “Inp\_NetworkOE\_GD”, rows 152-156. |
| **Confidential [Yes/No]** | No |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 03/07/2020 |
| **Expected response date** | 10/08/2020 |
| **Ofgem Response:**  This appears to be an error. The cells should reference the previous year (prior to RIIO2). | |
| **Attachments:** | |