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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q14 (High Priority) |
| **Licence** | SGN |
| **Topic/Activity:** | Cost Assessment |
| **Question:** | Relating to model (6) Regression  Can you provide us with the Stata regression codes? These codes will enable us to fully evaluate the regression proposals that Ofgem is setting out in it draft determination and appropriately assess the calculations and statistical testing.  Without access to the Stata regression codes we will not be able to appropriately assess the regression models that have been deployed in timelines set out to respond to the draft determination. |
| **Confidential** | [Yes/No] |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 23/07/2020 |
| **Expected response date** | 30/07/2020 |
| **Ofgem Response:**  Please find here attached an Excel file with the variables used to estimate the totex regression model proposed at RIIO-GD2 Draft Determinations. The variables are retrieved from tab ‘Cal\_StataIN’ in the ‘Regression’ file published as part of the RIIO-GD2 totex modelling suite. The attached Excel file also includes the estimation results and post-estimation tests for four time periods (RIIO-GD1+GD2, RIIO-GD2, RIIO-GD1, historical) initially considered. Please also find here attached the do file with the code used to run the regressions in Stata.  Modelled costs and efficiency scores can be retrieved by replacing the regression results in the ‘Cost Assessment’ file, tab ‘Inp\_Stata’, which feeds tabs ‘Cal\_ModelledCosts(Adj)’ and ‘Cal\_Efficiency’. The ‘Inp\_CorrectionFactor’ tab would also need to be updated. | |
| **Attachments:** | |