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| **Cadent Draft Determination** | | |
| **DD Query** | | |
| **SQ Reference number** | CADENT\_DDQ\_22 | |
| **Document Name** | CADENT ANNEX | |
| **Topic/Activity:** | Connections Base Costs  Cadent Annex page 39 – chapter 3.11  Cadent Annex – Tables 63- 66 | |
| **Question:** | Connections Base Net cost has changed in EOE, NL, NW and WM (Tables 63 to 66) against what was submitted in the BPDT’s for the respective areas.   1. How has the base cost been increased?   In Chapter 3.11 of the Cadent Annex there is mention of upwards adjustments of £110m into reinforcements and connections along with adjustments to volumes,   1. What proportion of this is Connections and where is this recorded? | |
| **Confidential** | [Yes/No] | |
| **DDQ raised by** | James Millar | |
| **Date Sent** | 16/07/2020 | |
| **Response Due Date** | 17/07/2020 | |
| **Response Received** |  | |
| Table 63 to 66 report our proposed totex allowances, which are apportioned to disaggregated activities (eg connections) based on GDNs’ forecast submissions and an adjustment factor.  The upwards adjustments to mains reinforcement and connections costs were made in the normalisation phase, where we added back costs into baseline to arrive at P50 forecast.  These adjustments are outlined in cells AG17 to AK17 in [2] Normalisation\_[network], sheets Cal\_Reinforcement and Cal\_Connections.  The upwards adjustments amount to £48m for connections (44% of the total £110m) and £62m for mains reinforcement (56%). | | |
| Attachments: | | |