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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q22 |
| **Licence** | SGN |
| **Topic/Activity:** | Non operations Capex |
| **Question:** | Relating to Draft Determinations - IT and Telecoms Assessment Annex (Atkins).pdf (section 7.2)  SGN Annex P58. The table 50 lists projects of £21m submitted and proposed allowance of £20.4. This is inconsistent with the Atkins report which suggests on page 49 in table 7.2 that £25.4m has been allocated.  Can we have an explanation as to the methodology and assumptions used to adjust the allowances from the recommendation suggested in the Atkins report and that made in the draft determination?  We are unable to determine the appropriateness of the allowed capex allowances. |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 23/07/2020 |
| **Expected response date** | 30/07/2020 |
| **Ofgem Response:**  As highlighted in the bilateral on the 11th of August 2020, the difference is due to the DCC membership project, which was assessed separately as a bespoke.  As for the other projects, we have incorporated Atkins’ assessment for the accepted projects and proposed a re-opener for the other ones. Moreover, we applied our proposed ongoing efficiency to the accepted projects. | |
| **Attachments:** | |