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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | CADENT \_DDQ\_90 |
| **Licence** |  |
| **Topic/Activity:** | REPEX Mains Tier 1 DD Costs  Normalisation Network Files.xlsx and Allowances.xlsx file |
| **Question:** | A mistake was observed in the Cadent Annex around Mains Tier 1 previously and information was then provided back (Attachment 1)  Upon completing an exercise using the models to determine the breakdown of costs in the different tiers, we noticed that the results we received for Tier 1 did not reconcile with the new data Ofgem had sent over.  The workings for Tier 1 that were put through the model are in Attachment 2  In order to calculate the findings in attachment 2, the following steps were taken.   * Costs taken as per submitted in the BPDT’s > * Disallowed costs removed > * Efficiencies and Frontier shifts applied.  1. We need to know which one of these is correct. Or if a step has been missed in calculating the costs. In the table below, the differences are outlined. Both are sourced from the attachments. Please advise.  |  |  |  |  | | --- | --- | --- | --- | |  | Attachment 1 Ofgem Costs provided 22/07/20202 | Attachment 2 Costs run through model | Difference | | **EOE** | £302.80 | £298.00 | £4.80 | | **NL** | £199.90 | £198.43 | £1.47 | | **NW** | £257.10 | £254.67 | £2.43 | | **WM** | £211.50 | £208.07 | £3.43 | | **Cadent** | £971.30 | £959.16 | £12.14 |   **Attachment 1**    **Attachment 2** |
| **Confidential** | [Yes] |
| **DDQ raised by** | James Millar |
| **Date query raised** | 12/08/2020 |
| **Expected response date** | 13/08/2020 |
| **Ofgem Response:**  The disaggregated allowances file shared through email titled ‘CAWG action - Disaggregated allowances file’ and dated 14th August 2020 will answer this DDQ. | |
| **Attachments:** | |