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| **Cadent Draft Determination** | | |
| **DD Query** | | |
| **SQ Reference number** | CADENT\_DDQ\_8, CADENT\_DDQ\_9 | |
| **Document Name** | Gas Distribution Annex, page 98 | |
| **Topic/Activity:** | Totex Model | |
| **Question:** | 1. Please can Ofgem share the model used to produce the results shown on page 98 2. Please can Ofgem share the three (unused) alternative models shown on page 96, and also their results, including the efficient level of costs by GDN, efficiency ranking by GDN, test result summary and estimation results | |
| **Confidential** | [Yes/No] | |
| **DDQ raised by** | Jeremy Thomson | |
| **Date Sent** |  | |
| **Response Due Date** | 17 July 2020 | |
| **Response Received** |  | |
| 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: | | |