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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q24 |
| **Licence** | SGN |
| **Topic/Activity:** | Non operations Capex |
| **Question:** | Relating to Draft Determinations - IT and Telecoms Assessment Annex (Atkins).pdf (section 7.2)  SGN Annex Page 58 3.61 Atkins’ review highlighted that only some projects (amounting to £21.4m,) are at a sufficient stage of maturity to enable us to propose ex ante funding. The Atkins report on page 49 in table 7.2 states £25.4m. There is therefore inconsistency between the two reports. Neither the SGN Annex nor the Atkins report specify which projects have been approved with the £21.4m (annex) / £25.4m (Atkins).  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. |
| **Confidential** | [Yes/No] |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 23/07/2020 |
| **Expected response date** | 30/07/2020 |
| **Ofgem Response:**  As discussed at the IT bilateral on the 11th of August 2020 and in SGN\_DDQ\_22, the difference between the figures is due to DCC membership, which was assessed separately as a bespoke.  Please refer to Atkins assessment for the other projects. It is worth noting that, as noted in the GD Sector Annex, we also applied our view of ongoing efficiency to the technically assessed costs (including IT capex). | |
| **Attachments:** | |