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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q18 |
| **Licence** | SGN |
| **Topic/Activity:** | RPEs |
| **Question:** | Relating to Model (10) RPEs (Inp-indices tab)  Can we confirm the calculations that have been used to forecast each of the indices that have been proposed in the draft determination to apply RPEs to each cost category?  We are unable to identify and understand the reasoning behind the calculated RPEs to make a sufficient assessment |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 23/07/2020 |
| **Expected response date** | 30/07/2020 |
| **Ofgem Response**: Section 4.5.1 of the Frontier Shift Annex describes the methodology to calculating the net RPE. In simple terms, net RPE (%)= (index growth %-CPIH %)/(1+CPIH %). The long-term average for annual % growth in each index is the annual average of growth between 2000-2019, (excluding 2009-10). | |
| **Attachments:** | |