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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q108 |
| **Licence** | SGN |
| **Topic/Activity:** | Cost efficiency |
| **Question:** | Can it please be clarified why SIU costs appear to have followed a slightly different process within the modelling than all the other costs deemed as being non-regressed?  The SIU costs appear to be added back in the [7] CostAssessment workbook in “Cal\_AssessedCostAdj” in row 153 and are included in the calculation to determine the efficiency score. Whereas all other non-regressed costs are added back into the projected modelled costs in [8] Post analysis. |
| **Confidential [Yes/No]** | No |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 19/08/2020 |
| **Expected response date** | 26/08/2020 |
| **Ofgem Response:**  As noted in the GD Sector Annex to the Draft Determinations, SIU opex has been subject to non-regression (modelled) analysis, while SIU capex has been subject to technical assessment. Thus, SIU opex has been subject to both benchmarking and ongoing efficiency challenges (as is consistent with other non-regression modelled costs), while SIU capex has only been subject to the ongoing efficiency challenge (as is consistent with other technically assessed costs). | |
| **Attachments:** | |