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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | WWU \_DDQ\_46 |
| **Licence** | DN |
| **Topic/Activity:** | Cost Assessment |
| **Question:** | Please con you confirm from following the below file linkages in the DDs how and where you are accounting for the Tier 1 > 250mm in the allowances, this looks to be missed from the synthetic unit costs calculations.  Below are two screenshots from Ofgem’s Excel model spreadsheets. The first is from file [3] SyntheticCosts, tab “Cal\_Tier 1\_volumes”, rows 85-92. This shows submitted workloads for Tier 1 Repex, which includes pipes with diameters over 250mm (categories e. to h. in the spreadsheet). This applies to the three sections of the tab, i.e. cast & spun iron, ductile iron and steel <2”.  The second screenshot is from file [3] SyntheticCosts, tab “Cal\_Repex\_SyntheticCost\_Comp”, rows 796-807. This appears to only calculate synthetic costs for Tier 1 repex for pipes with diameters **up to** 250mm. This means that workload associated with some Tier 1 repex is not being used in the Repex synthetic cost calculation.   * Total WWU GD2 Tier 1 workload from Cal\_Tier 1\_volumes tab : 1826.36km * Total WWU GD2 Tier 1 workload from Cal\_RepexVolumesAgg tab : 1816.96km   Therefore, it would seem that 9.4km of GD2 workload is not included in the synthetic cost calculation.  **File [3] SyntheticCosts, tab “Cal\_Tier 1\_volumes”, rows 85-92:**    **File [3] SyntheticCosts, tab “Cal\_Repex\_SyntheticCost\_Comp”, rows 796-807:**    The larger diameters are missing from this file.  **Total Repex Tier 1 submitted workload**  From file [3] SyntheticCosts, tab “Cal\_Tier 1\_volumes”.   |  |  |  |  | | --- | --- | --- | --- | | **Company** | **Tier1 total (km)** | **Tier 1 >250mm (km)** | **% of Tier 1 workload above 250mm** | | EoE | 2,849.40 | 0.00 | 0.0% | | Lon | 1,593.66 | 0.00 | 0.0% | | NW | 1,980.64 | 0.00 | 0.0% | | WM | 1,515.92 | 0.00 | 0.0% | | NGN | 2,308.92 | 4.77 | 0.2% | | Sc | 1,162.94 | 2.09 | 0.2% | | So | 3,220.41 | 4.41 | 0.1% | | WWU | 1,826.36 | 9.40 | 0.5% | |
| **Confidential** | No |
| **DDQ raised by** | Wales & West Utilities |
| **Date query raised** | 03/08/2020 |
| **Expected response date** | 10/08/2020 |
| **Ofgem Response:**  Thank you for noting this issue. We can confirm that Tier 1 >250mm has not be included in the synthetic cost calculations at Draft Determinations. We will consider updating this ahead of Final Determinations. | |
| **Attachments:** | |