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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | WWU \_DDQ\_48 |
| **Licence** | DN |
| **Topic/Activity:** | Totex value reconciliation – Stata file |
| **Question:** | Please treat as a priority question.  WWU\_DDQ\_13 response said: **Stata file.** Please find here attached the Stata file that reproduces the proposed totex model results and post-estimation tests. Replacing model specification will allow to replicate bottom-up and middle-up models.  Follow up question: The dataset that was supplied only contains totex data but we presume that the middle-up and bottom-up regression models can be run using data from the “Cal\_StataIN” tab in the [6] Regression file. Could you clarify for which bottom-up and middle-up models you used smoothed versions of the variables and csvs (for the regressions and to construct modelled costs)? |
| **Confidential** | No |
| **DDQ raised by** | Wales & West Utilities |
| **Date query raised** | 10/08/2020 |
| **Expected response date** | 17/08/2020 |
| **Ofgem Response:**  In some of our analyses, we did not apply any smoothing to middle-up models, so please refer to unsmoothed variables in the “Cal\_StataIN” tab. At the bottom-up level, in preliminary analyses we had applied a 4-year smoothing to the variables in the regression for mains reinforcement (please see [3] Synthetic cost file for the corresponding driver calculation). | |
| **Attachments:** | |