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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q45 (Medium Priority) |
| **Licence** | SGN |
| **Topic/Activity:** | Repex - Tier 1 mains replacement PCD (Southern & Scotland) |
| **Question:** | Relating to draft\_determinations\_-\_sgn\_annex.pdf  Can we understand the difference in movements between the submitted BPDT and the proposed baseline allowances in SGN annex table 14?  These tables imply an allowance is £438.5 whilst we submitted £682.7m.  We have identified the removal of dynamic growth at £12.7m and accelerated repex at £30.7m but this is not sufficient to explain the full difference. This leaves a £200.8m gap to be explained.  We are unable to accurately reconcile and provide an informed response to the DD. |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 23/07/2020 |
| **Expected response date** | 30/07/2020 |
| **Ofgem Response:**  Please refer to the following points in order to explain the differences highlighted:  - Please note the updated values for table 14 that have been shared through email on 22nd July with all GDNs.  - The figures in this table do not include Tier 1 diversions and capitalised replacement.  - The cost adjustment used for accelerated growth has been taken from row 45 of the Sc and So 5.18 BPDT sheets titled ‘Accelerated Tier 1 Mains replacement’. We have assumed that it contains both mains and services costs. Please clarify if this is not the case.  - Please note that allowances in this table are inclusive of efficiency challenges set at the totex level and incorporated into the calculation of allowances for specific activities. | |
| **Attachments:** | |