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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q92 |
| **Licence** | SGN |
| **Topic/Activity:** | Cost Efficiency |
| **Question:** | Relating to Model (2) normalisation, Tab cal\_emergency and row 18  An adjustment is made for the loss of meterwork. Per the detail provided in the Draft Determinations – GD sector Page 93 Loss of meterwork adjustments, it is identified the calculation has been determined based on 50% of the Direct labour and Contract labour costs for each respective year. On review of the costs for Scotland and Southern we are of the opinion that the customer contribution may have been taken into account in determining the overall add back. Can you please advise if this is the case and the reasoning for the inclusion of customer contributions? |
| **Confidential [Yes/No]** | No |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 06/08/2020 |
| **Expected response date** | 13/08/2020 |
| **Ofgem response:**  Our LoM adjustment formula is looking up historical metering costs costs net of contributions rather than gross costs, in error. To be added to error log and shared with GDNs. | |
| **Attachments:** | |