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| **Draft Determination Publication** | | |
| **Network Query** | | |
| **Network Reference number** | CADENT\_DDQ\_50 | |
| **Licence** |  | |
| **Topic/Activity:** | Costs and Volumes breakdown by BPDT line  Cadent ANNEX Tables 62 – 66 (ref) | |
| **Question:** | As a reference, in Table 62 to 66 of the Cadent ANNEX you have provided us with TOTEX numbers for all areas. From this high level summary we are unable to analyse the numbers in detail. Specifically we cannot see,   * Gross Costs * Contributions * Volumes etc   1) We require the areas in the table below broken down into the following to aid our understanding and carry out detailed analysis.   * Costs (Gross) * Contribution * Volumes * Adjustments * Frontier Efficiences  |  |  |  | | --- | --- | --- | | **Main Area** | **Sub Area** | **Sub Component** | | LTS Storage & Entry | Diversions | Diversions Other | | LTS Storage & Entry | Diversions | HS2 | | LTS Storage & Entry | Diversions | Major Projects | | LTS Storage & Entry | Diversions | Lower Thames Crossing | | LTS Storage & Entry | Pipelines (Other Capex) | Reduced Depth of Cover | | LTS Storage & Entry | Pipelines (Other Capex) | Pipelines Other | | LTS Storage & Entry | Storage (non-LTS) | Holford Salt Cavity | | LTS Storage & Entry | PRS | Other | | LTS Storage & Entry | PRS | Filters | | LTS Storage & Entry | PRS | Regulators and Slamshuts | | LTS Storage & Entry | PRS | Site Housing and Rebuilds | | LTS Storage & Entry | PRS | Systems | | LTS Storage & Entry | PRS | Local Gas Treatment | | LTS Storage & Entry | PRS | Heaters | | LTS Storage & Entry | PRS | Valves | | LTS Storage & Entry | PRS | Ultrasonic Metering | | LTS Storage & Entry | PRS | Capacity Upgrades | | LTS Storage & Entry | NTS Offtakes | Filters | | LTS Storage & Entry | NTS Offtakes | Site Housing and Rebuilds | | LTS Storage & Entry | NTS Offtakes | Heaters | | LTS Storage & Entry | NTS Offtakes | Systems | | LTS Storage & Entry | NTS Offtakes | Other Metering | | LTS Storage & Entry | NTS Offtakes | Regulators and Slamshuts | | LTS Storage & Entry | Embedded Gas Entry Points | Embedded Entry Points | | Other CAPEX | Other Capex: Projects <£0.5m Aggregated | Land, Buildings, Furniture & Fittings | | Other CAPEX | Other Capex: Projects <£0.5m Aggregated | Security (Excl. PSUP) | | Other CAPEX | Other Capex: Projects <£0.5m Aggregated | Tools & Equipment | | Other CAPEX | Other Capex: Projects <£0.5m Aggregated | Other | | Other CAPEX | Other Capex: Projects <£0.5m Aggregated | MP/IP Valves | | Other CAPEX | Systems Operations: Individual Projects ≥£0.5m | System Operations | | Other CAPEX | IT & Related Telecom: Individual Projects ≥£0.5m | IS Projects | | Other CAPEX | Other Capex: Individual Projects ≥£0.5m | PSUP | | Other CAPEX | Other Capex: Individual Projects ≥£0.5m | Tinsley Viaduct | | Other CAPEX | Other Capex: Individual Projects ≥£0.5m | Corporate Property | | Other CAPEX | Other Capex: Individual Projects ≥£0.5m | Brunel Bridge | | Other CAPEX | Other Capex: Individual Projects ≥£0.5m | London Medium Pressure | | Other CAPEX | Other Capex: Individual Projects ≥£0.5m | Mersey Tunnel | | REPEX Mains Diversions Chargable | Tier-1 | ≤75mm | | REPEX Mains Diversions Chargable | Tier-1 | >75mm to 125mm | | REPEX Mains Diversions Chargable | Tier-1 | >125mm to 180mm | | REPEX Mains Diversions Chargable | Tier-1 | >180mm to 250mm | | REPEX Mains Diversions Chargable | Tier-1 | >250mm to 355mm | | REPEX Mains Diversions Chargable | Tier-1 | >355mm to 500mm | | REPEX Mains Diversions Chargable | Tier-1 | >500mm to 630mm | | REPEX Mains Diversions Chargable | Tier-1 | >630mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | ≤75mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | >75mm to 125mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | >125mm to 180mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | >180mm to 250mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | >250mm to 355mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | >355mm to 500mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | >500mm to 630mm | | REPEX Mains Diversions Non-Chargable | Tier-1 | >630mm |   Q2) And where applicable, where these figures are either captured in the model or referenced. | |
| **Date query raised** | 27/07/2020 | |
| **Date Sent** | 27/07/2020 | |
| **Expected Response Date** |  | |
| **Response Received** |  | |
| **OfGEM Response:**   1. Q1:    1. Where we have technically assessed individual projects, we have presented proposed allowances at the project level. We have also provided project assessment sheets (deep dive), which provide a granular breakdown of cost adjustments. Note, unless we have specified workload adjustments, outputs are as per the submitted EJPs.    2. Many of the projects listed above have been assessed as part of our totex model, rather than through technical assessment. As explained in the step-by-step guide to cost assessment, for modelled costs we have calculated and applied a single aggregate gross-to-net ratio at the modelled totex level (ie not at the individual activity/project level).    3. The effects on modelled costs of workload adjustments at the totex level can be found in the Cost Assessment and Post-Analysis files. Moreover, the Allowances file provides additional details on the steps to calculate the proposed allowances. 2. Q2:    1. As a result of our top-down approach to modelling, the activity allowances provided at DD (Cadent annex Tables 63 – 66) have been allocated from totex. We have not sought to disaggregate allowances beyond the headline activity level, as this would be purely based on allocation.    2. We have applied ongoing efficiency at the opex/capex/repex level, rather than at the project level. | | |
| **Attachments:** | | |