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| **Draft Determination Publication** | |
| **Network Queries** | |
| **Network Reference number** | SGN\_DDQ\_Q54 |
| **Licence** | SGN |
| **Topic/Activity:** | Fatigue and Process Safety uncertainties |
| **Question:** | Relating to Draft Determinations - draft\_determinations\_-\_sgn\_annex.pdf - Section 3.12  Within Section 3.12 of the SGN annex it states the proposal to remove £73m of costs to potential reopeners or uncertainty mechanisms - within this reference is made to Process safety (£15m) and Fatigue (£8m). Can we please have clarification as to which reopener or uncertainty these will be applicable too? |
| **DDQ raised by** | Danny Symes |
| **Date query raised** | 23/07/2020 |
| **Expected response date** | 30/07/2020 |
| **Ofgem Response:**  Section 3.12 of the SGN annex incorrectly states that Process Safety (£15m) and Fatigue (£8) have been removed to potential re-openers and other uncertainty mechanisms. In Table 56 in the SGN annex under Process Safety, we said:  *Reject: We found insufficient justification for the needs case due to a lack of robust evidence of likely costs, lack of analysis of potential drawbacks and lack of consumer or stakeholder support. We consider the work is BAU activities and SGN can manage the associated costs within its totex baseline.*  This statement represents our view at DD, and as such we do not propose to include an uncertainty mechanism for Process Safety.  With respect to Fatigue costs, these have also been removed. We have not proposed to include an uncertainty mechanism for this activity. | |
| **Attachments:** | |