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| **Cadent Final Determination** | | | |
| **FDQ Query** | | | |
|  | | **SQ Reference number** | CADENT\_FDQ\_16 | |
|  | | **Priority** | High – Technical Error | |
|  | | **Document Name** | FD modelling suite | |
|  | | **Topic/Activity:** | Modelled Reports - WWU | |
|  | | **Question:** | At DD Ofgem made a downwards adjustment to the projected volume of Reports for WWU, to bring that GDN’s path of modelled Reports into line with the industry average.   * DD WWU Annex, Para 3.17 states:   “***Our adjustment reduces WWU’s trend in the number of external condition reports to the average of the rest of the industry from 2019/20 to 2025/26 (a decrease of approximately 2% each year)***  The text at FD states that adjustment from DD has been maintained at FD.   * FD WWU FD Annex, Para 3.15 states:   “***We have adopted our DD position and made an adjustment to WWU’s total external condition reports to align their number to the average of the rest of the industry***”.  However, the modelled number of Reports at FD is significantly higher than the number at DD, and is even higher over the RIIO-2 period than in recent years, as shown below.    Therefore, the FD models are not consistent with the decision articulated in the FD narrative. It appears that the adjustment applied in the DD got missed out of the FD models, as such this is a technical Error and needs correcting.  Can you please confirm that this is a Technical Error and will be corrected in the errata process? | |
|  | | **Confidential** | No | |
|  | | **FDQ raised by** | Jeremy Thomson | |
|  | | **Date Sent** | 5/1/2020 | |
|  | | **Response Due Date** | 8/1/2021 | |
|  | | **Attachments:** | | |
|  | | **Response to Cadent:**  Thanks for pointing this out. We agree there is an error in how WWU adjusted external condition reports have been reported in the Cost Driver file (tab Cal\_DriversAdj).  The correct values are in the file here attached. Please note that for Final Determinations we have updated the calculation based on September BPDTs resubmissions, so the figures are still different from those used at Draft Determinations. | | |