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| **SGN Final Determination** | |
| **FDQ Query** | | | |
| **Reference number** | | SGN\_FDQ\_034 | |
| **Document Name** | | RIIO-2 Final Determinations SGN Annex | |
| **Topic/Activity:** | | FPNES connection costs and Voucher Values | |
| **Question:** | | As identified in FDQ\_018 we identified an error in the FPNES allowances where SGN’s unit cost is substantially lower than the unit costs of other networks, despite having more challenging targets.  If this error persists there will be a specific issue in our discussion with IGT and UIPs who can assist us in identifying and delivering our fuel poor connections.  For this service, IGTs and UIPs, claim the full voucher value from the network. This means that the IGTs and UIPs will receive a higher value than we are receiving in allowances, and SGN will have to bear the cost of underfunding.  If the funding is not corrected then the FPNES section of the licence needs to be clear that the maximum that is payable to a third party IGT or UIPs is the minimum value, the unit cost awarded or the fuel poor voucher. | |
| **Confidential** | | No | |
| **FDQ raised by** | | SGN | |
| **Date Sent** | | 11/01/2021 | |
| **Ofgem Response** | | We have noted your previous correspondence on this topic through SGN\_FDQ\_18.  Through the FDQ process, there have been a number of minor errors identified which will have an impact on the final unit costs set through the updated FD modelling, including the final values for FPNES unit costs.  The FPNES Governance Document will set out the details of the scheme, including how the scheme is applicable for IGTs and UIPs. | |