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| **Cadent Final Determination** | | | |
| **FDQ Query** | | | |
|  | | **SQ Reference number** | CADENT\_FDQ\_14 | |
|  | | **Priority** | High | |
|  | | **Document Name** | FD modelling suite | |
|  | | **Topic/Activity:** | Normalisation: Ongoing efficiency add back | |
|  | | **Question:** | We have observed 2 further formula errors in respect of the Ongoing efficiency add back in the Normalisation files.   1. For all GDNs, in the Cal Repex tab, the Exclusions are not subject to the Ongoing Efficiency add back in row 28, unlike all the other activities in the Cal tabs, and so should be a little higher. 2. For NGN alone, in the tab Cal SubmittedCostsOEAdj, for the years 2014/15 to 2025/26, for the LTS activity in rows 53 and 137, the formula multiplies by the OE adjustment factor, rather than dividing by it, so understating the GDN’s Plan costs.   The errors impact Normalised costs by several million pounds, and so should be corrected.  Please could Ofgem confirm that these errors will be corrected. | |
|  | | **Confidential** | No | |
|  | | **FDQ raised by** | Jeremy Thomson | |
|  | | **Date Sent** | 05/01/2021 | |
|  | | **Response Due Date** | 08/01/2021 | |
|  | | **Attachments:** | | |
|  | | **Response to Cadent:**   1. This is not an error. Repex exclusions in Cal\_Repex tabs are already inclusive of the embedded OE adjustment. The latter is computed in the Repex Cost Hub model. 2. Thanks for pointing this out. We agree this is an error, which we will correct. The issue has been flagged by NGN under NGN\_FDQ\_15. | | |