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| **SGN Final Determination** | | |
| **FDQ Query** | | |
| **Reference number** | SGN\_FDQ\_016 |
| **Document Name** | RIIO-2 Final Determinations Normalisation\_NW & Normalisation\_WM |
| **Topic/Activity:** | Embedded ongoing efficiency adjustment - Normalisation |
| **Question:** | There is an error in the adjustment for embedded ongoing efficiency in tab Cal\_SubmittedCostsOEAdj in lines 15-35 (Opex categories Work Management and Work Execution).  For these categories the increase is calculated (for example) as: =Cal\_SubmittedCosts!AG99\*VLOOKUP($F99,Inp\_SubOngoingEfficiency!$F$20:$AK$22,MATCH(AG$7,Inp\_SubOngoingEfficiency!$F$7:$AK$7,0),FALSE)  Whereas for GDNs (excluding NW, So, Sc) the equivalent formula is: =Cal\_SubmittedCosts!AG99/VLOOKUP($F99,Inp\_SubOngoingEfficiency!$F$20:$AK$22,MATCH(AG$7,Inp\_SubOngoingEfficiency!$F$7:$AK$7,0),FALSE)  This understates the embedded ongoing efficiency for NW and WM. |
| **Confidential** | No |
| **FDQ raised by** | SGN |
| **Date Sent** | 17/12/2020 |
| **Ofgem Response** | Thanks for pointing this out. We agree this is an error, which we will correct. We will collate all confirmed technical errors to conduct a final error corrected FD model run in January. |