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| **SGN Final Determination** | |
| **FDQ Query** | | | |
| **Reference number** | | SGN\_FDQ\_007 | |
| **Document Name** | | GD Annex (Section 2.179) | |
| **Topic/Activity:** | | RIIO-GD2 Shrinkage Incentive Mechanisms (ODI-R and ODI-F) | |
| **Question:** | | ***RIIO-2 Final Determinations – GD Annex; Section 2.179 (Delivering an Environmentally Sustainable Network – Shrinkage and Environmental Emissions); Page 70.***  In relation to the section detailing the application of a 3-year average of LDZ system pressures (2017/18 – 2019/20) to set the baseline target values for the RIIO-2 ODI-F, to ensure these reflect enduring performance and are unaffected by COVID-19 related impacts, you state that, “We will use these averages in the closeout of the RIIO-GD1 incentive to preserve the link between the ODI’s.”  **Could you provide further detail on exactly how these average values will be used at closeout?** | |
| **Confidential** | | No | |
| **FDQ raised by** | | SGN | |
| **Date Sent** | | 11/12/2020 | |
| **Ofgem Response** | | We have not yet decided on the specific method of applying these values. We plan to discuss this question with the GDNs as part of the overall closeout process. | |