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| **NGN Final Determination** | | |
| **FDQ Query** | | |
| **Reference number** | NGN \_FDQ\_14 | |
| **Document Name** | GD2\_Labour ratios | |
| **Topic/Activity:** | Labour ratio calculation | |
| **Question:** | The industry averages calculation excludes the labour ratios specific to WWU. Ofgem have mentioned this is due to ancillary transfers for OPEX, CAPEX and REPEX.  What are ancillary transfers and can Ofgem explain their rationale for such removals?  Calculation is applied in the tab named Cal\_LabourRatios\_adjusted. | |
| **Confidential** | No | |
| **FDQ raised by** | Nick Pollard | |
| **Date Sent** | 18-12-2020 | |
| **Ofgem Response** | In their reporting, WWU included non-wage ancillary transfers mainly related to capex and repex overheads. Including WWU’s labour ratios would have biased the calculation of the industry averages. | |