

Hi

Please see below our thoughts on the RAG2 consultation on overhead allocations;

**Q1**

We agree that it is important that overheads are allocated fairly across price control units. We consider that the existing guidance is sufficient, but support any changes which provide greater clarity in respect of bioresources and developer services.

**Q2**

Yes, we believe that the general & support categories identified in RAG 2.08 are still appropriate.

**Q3**

No, there are no other areas we would suggest need to be covered.

**Q4**

No, we do not think that the cost allocations differences are material enough to warrant shadow reporting and the potential duplication of multiple totex tables. Producing the totex tables for the APR is already a substantial task, including appropriate review and assurance processes. Adding a further set of shadow tables would increase the data burden even further. This could be dealt with by a targeted RFI after the APR submission deadline, if necessary.

Thank you

Mark