

Transmission licensees,  
Generators, suppliers, and-  
consumer groups

Date: 12 July 2022

Colleague,

**Consultation on minded-to decision for two Energy Not Supplied Exceptional Event Claims for Scottish Hydro Electric Transmission plc**

*Background*

Ofgem has received two Energy Not Supplied (ENS) Exceptional Event claims from Scottish Hydro Electric Transmission plc (SHET). The first is in relation to loss of supply as a result of Storm Arwen on 29 November 2021; the second is in relation to a loss of supply as a result of Storm Corrie on the 30 January 2022.

The claim was submitted under Part D of Special Condition 4.2 (Energy not supplied output delivery incentive), which allows for Transmission Operators (TOs) to request that a loss of supply event is classified an ENS Exceptional Event as defined in special licence condition 1.1.<sup>1</sup>

Details of first ENS Exceptional Event claim	
Licensee	SHET
Start date and time of event	26 November 2021 17:45
End date and time of event	29 November 2021 12:20
Number of transmission incidents in 24-hour period	17
Nature and cause of event	Severe weather event – Storm Arwen 06 Wind and gale (incl. windborne material)
Main areas affected	Northeast Scotland
Total MWh unsupplied associated with exceptional event	686.6

The first claim relates to loss of supply to the Tarland grid supply point (GSP) in Aberdeenshire on 26 November 2021.

The loss of supply was caused by a period of extreme weather, during which trees were uprooted and fell on the 132kV overhead line circuits feeding the Tarland GSP, causing

<sup>1</sup> A copy of SHET's electricity transmission special licence conditions is available on Ofgem's website:  
<https://www.ofgem.gov.uk/publications/decision-proposed-modifications-riio-2-transmission-gas-distribution-and-electricity-system-operator-licence-conditions-1-april-2022>

extensive damage and permanent faults. The event lasted 66 hours and 35 mins and the total loss of supply to the Tarland GSP is estimated to be 686.6 MWh.

<b>Details of second ENS Exceptional Event claim</b>	
Licensee	SHET
Start date and time of event	30 January 2022 23:28
End date and time of event	31 January 2022 16:03
Number of transmission incidents in 24-hour period	13
Nature and cause of event	Severe weather event – Storm Corrie 06 Wind and gale (incl. windborne material)
Main areas affected	North east Scotland
Total MWh unsupplied associated with exceptional event	120

The second claim relates to a loss of supply to the Tarland GSP and the Feddes GSP, both in Aberdeenshire, on 30 January 2022.

The loss of supply was caused by a period of extreme weather causing extensive tree damage affecting three 132kV circuits supplying customers at the Fiddes and Tarland GSPs. The event lasted 16 hours and 35 mins and the total loss of supply was 120 MWh.

#### *Ofgem's view and 'minded-to' position*

The Authority proposes to direct that a total of 806.6 MWh shall be excluded for the purpose of calculating the volume of energy not supplied in the ENS output delivery incentive for the following reasons:

1. The Authority is satisfied that the loss of supply on both occasions was the result of secondary effects of severe weather phenomena ie extensive tree damage and debris falling on lines rather than due to major failure of network components.
2. The Authority notes that the number of faults within each of the respective reference 24-hour period exceeds the threshold number of faults (7 faults) resulting from any severe weather event for the event to be classed as ENS Exceptional Event as defined in Special Condition 1.1.
3. The Authority is also satisfied that SHET used reasonable endeavours to mitigate the impact of the events by preparing and deploying additional resources in response to the adverse weather, both before and after the storm events occurred.

In addition, SHET has met the criteria for both claims as set out within Special Condition 4.2.13(a), for a notification to be made to the Authority within 14 days of an incident. SHET also met the criteria under Special Condition 4.2.13(b) for further evidence to be submitted within 30 days of the notification, except where the Authority consents. Lastly, we consider that SHET has met the criteria set out within Special Condition 4.2.13, to explain that both loss of supply events were beyond the reasonable control of the licensee.

To avoid any misunderstanding, we note that our recent Storm Arwen report<sup>2</sup> findings are not relevant to our consideration of SHET's ENS Exceptional Event claim. This is because our main concerns related to incidences of inadequate customer support, particularly for

<sup>2</sup> Final report on the review into the networks' response to Storm Arwen  
<https://www.ofgem.gov.uk/sites/default/files/2022-06/Final%20report%20on%20the%20review%20into%20the%20networks%27%20response%20to%20Storm%20Arwen.pdf>

vulnerable customers, as well as the length of time taken to pay out compensation, for which distribution network owners are solely responsible.

Our minded to position is to accept the claim made by SHET that both loss of supply events were beyond the reasonable control of the licensee and therefore are deemed ENS Exceptional Events. Therefore, we propose to issue a direction to that effect. The text for the proposed direction is set out below:

*The Authority hereby issues a Direction to Scottish Hydro Electric Transmission plc (Company Number: SC213461) under paragraph 4.2.14 of the Electricity Transmission Special Licence Conditions, to adjust the value of the ENSA<sub>t</sub> term by excluding 806.6MWh for the purpose of calculating the ENS output delivery incentive revenue adjustment in the year 2021-22.*

**Do you agree with our minded-to position to issue a direction, in the proposed form as set out above?**

Representations may be made on the proposed direction to Anna Kulhavy at [Anna.Kulhavy@ofgem.gov.uk](mailto:Anna.Kulhavy@ofgem.gov.uk) by 11 August 2022. We will consider all responses before making a final decision on SHET's ENS Exceptional Event claims.

Yours sincerely,

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Jourdan Edwards,  
Interim Deputy Director, Price Control Operations  
Duly authorised on behalf of the Authority  
12 July 2022