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08 December 2023

Dear Anna,

**Modification of special condition 4.7 SO-TO optimisation output delivery incentive**

This response is prepared on behalf of SSEN Transmission<sup>1</sup>, part of the SSE Group, responsible for the electricity transmission network in the north of Scotland.

We welcome the opportunity to respond to Ofgem's statutory consultation on the proposed licence changes needed to implement the decisions made in June 2023 to retain the System Operator Transmission Owner Optimisation output delivery incentive (SO:TO incentive) for the remainder of the RII0-T2 price control.

Extending the incentive for the remainder of the control period will deliver significant consumer benefit. We are pleased that Ofgem took on board our concerns about the proposed reward calculation in coming to its final decision and are content that the licence changes proposed are needed to implement that decision.

Yours sincerely

Sheona Mackenzie  
Regulation Manager

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<sup>1</sup> Following a minority stake sale which completed in November 2022, SSEN Transmission is now owned 75% by SSE plc and 25% by Ontario Teachers' Pension Plan Board. SSEN Transmission encompasses the licenced entity Scottish Hydro Electric Transmission Plc Registered in Scotland No. SC213461. Scottish and Southern Electricity Networks is a trading name of: Scottish and Southern Energy Power Distribution Limited Registered in Scotland No. SC213459; Scottish Hydro Electric Transmission plc Registered in Scotland No. SC213461; Scottish Hydro Electric Power Distribution plc Registered in Scotland No. SC213460; (all having their Registered Offices at Inveralmond House 200 Dunkeld Road Perth PH1 3AQ); and Southern Electric Power Distribution plc Registered in England & Wales No. 04094290 having their Registered Office at No.1 Forbury Place, 43 Forbury Road, Reading, RG1 3JH which are members of the SSE Group [www.ssen.co.uk](http://www.ssen.co.uk)