



NOTICE UNDER SECTION 11(2) OF THE ELECTRICITY ACT 1989

The Gas and Electricity Markets Authority (the "Authority") hereby gives notice pursuant to section 11(2) of the Electricity Act (the "Act") as follows:

1. The Authority proposes to modify the electricity transmission licence treated as granted to SP Transmission plc (company number SC189126) (the "Licensee") under section 6(1)(b) of the Act by amending Schedule C (Supplementary Provisions to Special Condition J3 (Restriction of transmission charges: Transmission Investment for Renewable Generation)) ("Schedule C") in the manner set out in Appendix 1 of this Notice.
2. The purpose and effect of these licence modifications is to implement changes to Schedule C to amend the Output Measures for West Coast Interconnection works contained in that schedule.
3. The reasons why the Authority proposes to modify Schedule C are set out in the Explanatory Notes in Appendix 2 of this Notice.
4. Any representations or objections to the proposed modifications must be made in writing on or before 30 May 2007 to Min Zhu at the Office of Gas and Electricity Markets (Ofgem), 9 Millbank, London SW1P 3GE, or via e-mail to min.zhu@ofgem.gov.uk.

Robert Hull

Director, Transmission

Authorised on behalf of the Authority

Date

02 May 2007

Annex 1

Licence modification

Schedule C (Supplementary Provisions to Special Condition J3 (Restriction of transmission charges: Transmission Investment for Renewable Generation))

West Coast Interconnection

Project scope	Capability as at 31 March 2005			Forecast capability prior to construction start date			Forecast capability post construction		
	Circuit voltage (kV)	Winter rating (MVA)	Summer rating (MVA)	Circuit voltage (kV)	Winter rating (MVA)	Summer rating (MVA)	Circuit voltage (kV)	Winter rating (MVA)	Summer rating (MVA)
Line upgrade									
Strathaven - Coalburn	Circuit does not presently exist.			Circuit does not presently exist.			400	2010	1750
Coalburn - Elvanfoot	Circuit does not presently exist.			Circuit does not presently exist.			400	2010	1750
Elvanfoot - Harker	Circuit does not presently exist.			Circuit does not presently exist.			400	2010	1750
Strathaven - Gretna	Circuit does not presently exist.			Circuit does not presently exist.			400	2010	1750
Gretna - Harker	Circuit does not presently exist.			Circuit does not presently exist.			400	2010	1750
Coalburn 400/132 'SGT1'	Circuit does not presently exist.			Circuit does not presently exist.			400/132	240	240
Coalburn 400/132 'SGT2'	Circuit does not presently exist.			Circuit does not presently exist.			400/132	240	240

Project scope	Capability as at 31 March 2005			Forecast capability prior to construction start date		Forecast capability post construction		
	Circuit does not presently exist.			Circuit does not presently exist.		400/25	30 80	30 80
Elvanfoot 400/25 'SGT1'	Circuit does not presently exist.			Circuit does not presently exist.		400/25	30 80	30 80
Gretna 400/132 'SGT1'	Circuit does not presently exist.			Circuit does not presently exist.		400/132	360 240	360 240
Gretna 400/132 'SGT2'	Circuit does not presently exist.			Circuit does not presently exist.		400/132	360 240	360 240

Appendix 2

Explanatory Notes

1. Paragraph 12 of Special Condition J3 (Restriction on Transmission Charges: Transmission Investment for Renewable Generation) ("SC J3") sets out the process for amending the output measures in Schedule C (Supplementary Provisions to Special Condition J3 (Restriction of transmission charges: Transmission Investment for Renewable Generation)) ("Schedule C") to that condition. An output measures adjusting event means a relevant amendment to the scope of the construction works set out in SC J3 which the Authority is satisfied is expected to cause a material change in the output measures specified in Schedule C.
2. Where SP Transmission plc (the "Licensee") considers that an output measures adjusting event has taken place, the Licensee is required to give notice of the event to the Authority as soon as practicable. A notice of an output measures adjusting event shall be accompanied by a statement from independent technical advisors setting out the amended scope of construction works, setting out the reasons for the output measures adjusting event, details of the proposed adjustment and any other relevant information or analysis.
3. Where the Authority receives a notice of a proposed output measures adjusting event, the Authority is required to determine whether such an output measures adjusting event has occurred, and then determine an output measures adjustment in relation to that event. The Authority is also required to publish a notice stating the output measures adjustment for the transmission investment project and the reasons for the determination.
4. In accordance with the provisions of paragraph 12 of SC J3 the Licensee has given notice to the Authority that it considers an output measures adjusting event has occurred in relation to the West Coast Interconnection works, as set out in Schedule C. The output measures adjusting event relate to the following projects as set out in Schedule C:
 - a. Elvanfoot 400/25 'SGT1'
 - b. Elvanfoot 400/25 'SGT2'
 - c. Gretna 400/132 'SGT1'
 - d. Gretna 400/132 'SGT2'
5. In the case of the Elvanfoot transformers, the original scope of the design for the West Coast Upgrade as part of the Scotland-England Interconnection project made provision for the installation of 2 x 30MVA transformer units at Elvanfoot. During the tender process for these works, the Licensee became aware that the non-standard design of the 2 x 400/25 30MVA units was prohibitive on the grounds of engineering difficulties and expense. The decision was taken by the Licensee to install 2 x 400/25 80MVA units on the basis of lowest cost option to maintain connection to the party supplied by the assets. The Licensee does not consider that the proposed amendments to the output measures for West Coast Interconnection will have any impact on the transfer capability of the Scotland-England Interconnection project.
6. In the case of the Gretna transformers, the original scope of the design for the West Coast Upgrade made provision for the installation of 2 x 360MVA transformer units at Gretna. Tender documents received as part of the process for procuring the 360MVA transformer units indicated that transport weights for each unit would be around 200tons. The Licensee has informed us, following

discussions with Transport Scotland and the Highways Agency, that it commissioned work from independent transport consultants Wynns to explore all the possible land and marine routes available to transport the transformer units to the site at Gretna. The assessment work shows that in all the routes considered to be viable, the weight restriction would be limited to 165tons. As a consequence of the route being unable to accommodate transport of the original transformer units, the Licensee has decided to modify the original design of the transformers at Gretna. The Licensee has decided to install 2 x 240MVA transformer units at the site.

7. The Authority has considered all the information available to it in accordance with the provisions of SC J3 and considers that it is appropriate to make the changes to Schedule C, as set out by the Licensee in its notice of the proposed output measures adjusting event.