

Information Note

Monday 23rd April 2012

OFGEM PUBLISHES FINAL PROPOSALS FOR SCOTTISH POWER AND SSE AS PART OF RIIO-T1 PRICE CONTROL

Ofgem has today published the RIIO–Transmission (RIIO-T1) Final Proposals for the two fast tracked companies, Scottish Power (SPTL) and SSE (SHETL). As part of the price controls, over £7bn has been earmarked for Scotland’s high voltage network, delivering much needed investment to replace ageing infrastructure and enabling greater connections to renewable generators. These controls will start from 1 April 2013 and run until 2021.

This is the first price control to be completed under the new RIIO framework (Revenue=Incentives+Innovation+Outputs). This new framework incentivises companies to meet environmental targets and secure energy supplies, while delivering long-term value for money for consumers. RIIO also puts in place greater incentives and penalties to stimulate greater efficiency and innovation from companies.

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The Final Proposals are available to view via our website at

1. <http://www.ofgem.gov.uk/Networks/Trans/PriceControls/RIIO-T1/ConRes/Documents1/SPTSHELFP.pdf>
2. The non-fast-tracked companies, NGG and NGET, have submitted revised business plans. Ofgem will consult on Initial Proposals in July 2012, followed by final proposals in December.

The price control for all transmission companies will come into effect on 1 April 2013.

3. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. The Authority’s powers and duties are largely provided for in statute, principally the Gas Act 1986, the Electricity Act 1989, the Utilities Act 2000, the Competition Act 1998, the Enterprise Act 2002, the Energy Act 2004 as well as arising from directly effective European Community legislation.

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