

Sheona Mackenzie Senior Policy Manager Electricity Transmission Ofgem 3rd Floor, Cornerstone 107 West Regent Street Glasgow G2 2BA

18 September 2013

Dear Sheona

Project Assessment, under the RIIO-T1 Strategic Wider Works arrangements, for the proposed Kintyre-Hunterston reinforcement

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

We welcome the opportunity to comment on Ofgem's Project Assessment of SHE Transmission's proposed Kintyre-Hunterston transmission reinforcement under the RIIO-T1 Strategic Wider Works (SWW) process. We are generally supportive of Ofgem's approach to its Project Assessment of SHE Transmission's project needs case submission. Ofgem's approach appears to be consistent with the SWW project process as detailed in the RIIO-T1 final proposals for all TOs.

However, we note that this reinforcement will connect near to our Hunterston nuclear power station. The Scottish Nuclear Site Licence Provisions Agreement (SNSLPA) sets out the rules to be applied between the Scottish nuclear power stations and Scottish Power on matters of nuclear safety. Under the SNSLPA, Scottish Power is required to notify EDF Energy of changes which might affect the ability to satisfy nuclear safety cases. EDF Energy would review these changes and respond. This review is yet to conclude.

We understand that Ofgem will be publishing its determination on the Allowed Revenue and associated SWW Outputs and statutory consultation in the next few weeks following the end of this consultation. We welcome Ofgem's proposed timetable as it should provide SHE Transmission with certainty on project funding. We note that the additional capacity is expected to be delivered in the Relevant Year 2015/16; therefore the Q4 2015/16 appears to be an appropriate delivery date for SHE Transmission's SWW output. We support Ofgem's initial assessment of costs for the proposed Kintyre-Hunterston reinforcement (£205m).

EDF Energy

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Following its assessment of SHE's Transmission's Technical case submission Pôyry made a number of recommendations for future submissions. These recommendations include ensuring all supporting documentation is submitted; all relevant historical data is submitted alongside supporting documentation and the starting point for the risk allowance is P50. We would expect that SHE Transmission will apply the lessons from this Project Assessment submission to its future assessments to ensure that the process becomes more efficient.

Should you wish to discuss any of the issues raised in our response or have any queries, please contact Natasha Ranatunga on 020 31262312, or me.

I confirm that this letter may be published on Ofgem's website.

Yours sincerely,

Mark Cox

Head of Transmission and Trading Arrangements