

To: Scottish Hydro Electric Transmission plc

**Electricity Act 1989
Section 11A(1)(a)**

**MODIFICATION OF THE LICENCE OF SCOTTISH HYDRO ELECTRIC TRANSMISSION
PLC WHICH HOLDS AN ELECTRICITY TRANSMISSION LICENCE GRANTED OR
TREATED AS GRANTED UNDER SECTION 6(1)(b) OF THE ELECTRICITY ACT 1989**

Whereas –

1. Scottish Hydro Electric Transmission plc (the Licence Holder) is the holder of an electricity transmission licence (the Licence) granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 (the Act).
2. In accordance with section 11A(2) of the Act the Gas and Electricity Markets Authority (the Authority) gave notice on 4 July 2014 (the Notice) that it proposed to modify Special Condition 6I (Specification of Baseline Wider Works Outputs and Strategic Wider Works Outputs and Assessment of Allowed Expenditure) of the Licence and required any representations to the modifications to be made on or before 4 August 2014.
3. In accordance with section 11A(4)(b) of the Act, the Authority gave notice of its intention to make the modifications to the Secretary of State and has not received a direction not to make the modifications.
4. Prior to the close of the consultation period in respect of the Notice, the Authority received one response. This response has been placed on Ofgem's website.¹
5. The Authority has carefully considered the representation received in relation to the proposed modification. Further detail of the response and the Authority's consideration of the response can be found in the accompanying decision letter.
6. The Authority gives the following reason for making the licence modifications: to insert the Strategic Wider Works (SWW) Outputs and Allowed Expenditure for the Beaulieu Mossford project into the Licence as set out in the Authority's decision dated 16 April 2014.
7. The effect of the modification will be to increase the Allowed Expenditure in the Licence for the Beaulieu Mossford project by £45.61m in 09/10 prices (£53.2m in 2013/14 prices). The Licence Holder will be required to deliver an SWW Output of 252 MW additional transfer capability across sub-boundary b10 to the northwest of Inverness in Scotland by the end of Q3 2015/16.
8. The Authority considers it necessary to make a number of minor alterations to the modifications set out in the Notice. These alterations are shown in green text in the attached Schedule 1. The reasons for any differences between the modifications set out in the Notice and the modifications in Schedule 1 are set out in the accompanying decision letter.
9. Where an application for permission to appeal the Authority's decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules² requires that the appellant must send

¹ <https://www.ofgem.gov.uk/electricity/transmission-networks/critical-investments/strategic-wider-works/beaulieu-mossford>

² The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the Competition and Markets Authority (CMA).

to any relevant licence holders who are not parties to the appeal a non-confidential notice setting out the matters required in Rule 5.2.

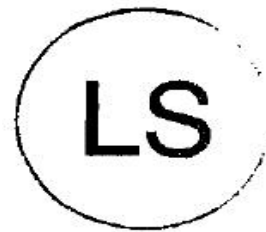
10. The relevant licence holder in relation to this modification decision is Scottish Hydro Electric Transmission plc. The meaning of 'relevant licence holder' is set out in section 11A(10) of the Act.

Now therefore

In accordance with the powers contained in section 11A(1)(a) of the Act, the Authority hereby modifies the licence of Scottish Hydro Electric Transmission plc in the manner specified in the accompanying Schedule 1. This decision will take effect on and from 6 October 2014.

This document constitutes notice of the reason for the decision to modify the electricity transmission licence as required by section 49A of the Act.

**The Official Seal of the Gas and Electricity Markets Authority
here affixed is authenticated by the signature of**



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**Kersti Berge (Partner, Electricity Transmission),
duly authorised on behalf of the
Gas and Electricity Markets Authority**

8 August 2014

Schedule 1 – Modification of special condition 6I of Scottish Hydro Electric Transmission plc’s electricity transmission licence

Special Condition 6I: Specification of Baseline Wider Works Outputs and Strategic Wider Works Outputs and Assessment of Allowed Expenditure

Table 2: Strategic Wider Works Outputs

Description of SWW Output	Scheduled Delivery date	Annual expenditure profile £m (2009/10 prices)									
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Total
<p>The Kintyre Huntleston Project</p> <p>Boundary (sub boundary): B3 B3B</p> <p>Transfer capability before output: 150 MW</p> <p>Output to be delivered: 270 MW additional thermal/voltage/stability capability</p> <p>Transfer capability after output: 420MW</p>	Q4 2015/16	-	18.810	48.175	91.058	14.936	0.278	0.278	0.277 0.278	0.277	174.090
<p>The Beaully Mossford Project</p> <p>Boundary (Sub-boundary): b10</p> <p>Transfer capability before output: 86MW XXXMW</p> <p>Output to be Delivered: 252MW XXXMW additional thermal/ voltage/ stability capability</p> <p>Transfer capability after output: 338MW</p> <p>Note – the sub-boundary b10 transfer capabilities are based on Summer pre-fault ratings</p>	QX-201X/1X End Q3 2015/16	0.59	12.23	20.04	10.57	2.06	0.03	0.03	0.03	0.03	45.61
Total annual Allowed Expenditure £m (2009/10 prices)		0.59	12.23 31.04	20.04 68.215	10.57 101.628	2.06 16.996	0.03 0.308	0.03 0.308	0.03 0.308	0.03 0.307	45.61 219.7

