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Your ref

Our Ref

Date

21 January 2013

Contact / Extension

Alan Kelly
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Dear Vanja,

**Transmission Investment for Renewable Generation (TIRG)
Sloy – Post Construction Expenditure & Technical Reports**

Special Condition J3 – Restriction of transmission charges: Transmission Investment for Renewable Generation (TIRG) of SP Transmission's (SPT) electricity licence governs activity relating to TIRG investment and reporting. Under the requirements of Special Condition J3 (Part B), for each TIRG project the licensee is required to provide to the Authority both a post construction expenditure and technical report which sets out the following information:

Post Construction Expenditure Report

The report accompanied by an independent auditors statement should set out the final aggregate transmission investment expenditure for the transmission investment project, assessed against the average asset value for the transmission investment project for TIRG relevant years $t=0$ to $t=n$.

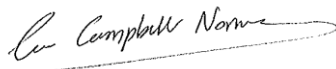
Post Construction Technical Report

The report accompanied by a construction completion certificate from independent technical advisors, provides information on the capability of the transmission investment project and that the transmission investment project complies with the output measures specified in Schedule C of the licensee's electricity transmission licence.

The information contained within the attached appendices provides the required information and I also attach the independent technical report received from SKM as required by Condition J3.

Should you have any questions regarding any aspect of our submission or require additional information, please do not hesitate to contact Alan Kelly using the contact information included above.

Yours sincerely



Euan Norris
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Appendix 1

TIRG Project Sloy Project Post Construction Expenditure Report

In accordance with Special Condition J3 the table below provides details of the final construction expenditure incurred to deliver the Sloy TIRG works. The table details the final construction costs on an annual basis and which are in £000s and 2009/10 prices.

2008/09	2009/10	2010/11	2011/12	Total
4,821,630	9,661,813	742,876	(1,981)	15,224,338

The table below shows the information included within Schedule C of SPT's electricity transmission licence in 2009/10 prices.

SP Transmission Ltd - Post Construction Expenditure Report
Special Condition J3 - Restriction of Transmission Charges: Transmission Investment for Renewable Generation
Part B: Information to be provided to the Authority

Sloy Project- 2009/10 prices

Project Costs £000's 2009/10 Prices	t=p	t=-1	t=0	t=n
Forecast Pre Construction Costs	459	230	n/a	n/a
Forecast Construction Costs			10,768	4,654
Average Asset Value During Construction period (FTIRGCit)	n/a	n/a	5,384	13,264
Depreciation During Construction (FTIRGDepnit)				561

Post Construction Revenue

Project Costs £000's 2009/10 Prices	t=n+1	t=n+2	t=n+3	t=n+4	t=n+5
Opening RAV (ETIRGORAV)	14,403				
Depit	721	721	736	736	736
Average asset value during efficiency period (ETIRGCit)	14,043	13,322	12,874	12,139	11,402

Appendix 2

TIRG Project England-Scotland Interconnection Project Post Construction Technical Report

In accordance with Special Condition J3, the table below details the circuit capability for the TIRG project following completion of the project works. This confirms that the transmission investment project complies with the output measures specified in Schedule C of SP Transmission's electricity licence.

Project Scope	Capability Post Construction		
<i>Line Reinforcements</i>	<i>Circuit Voltage (KV)</i>	<i>Winter Rating (MVA)</i>	<i>Summer Rating (MVA)</i>
Inverarnan – Dalmally No 1	275	760	620
Inverarnan – Dalmally No 2	275	760	620
Inverarnan – Windyhill No 1	275	760	620
Inverarnan – Windyhill No2	275	760	620

In addition, this notice is accompanied by a full technical audit which has been completed by Sinclair Knight Metz and confirms that the project has been delivered in line with the electricity licence of SP Transmission.

The Construction Completion Certificate confirms that the project was completed by SP Transmission Ltd during financial year 2009/2010.

The Sloy TIRG project required the construction of assets on both the electricity transmission systems of SP Transmission and SHETL. Whilst SPT completed the required works in line with the agreed outputs as set out in their electricity by 2009/10, the final energisation of the assets did not take place until a later date.

[REDACTED]

Based upon the view held by Ofgem and their corresponding determination, SPT consider that in completing their agreed outputs in line with their licence obligations SPT fulfilled their TIRG licence condition upon completion of their works during 2009/10.

[REDACTED]