

Company Secretary  
Scottish Hydro Electric  
Transmission plc  
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Perth  
PH1 3AQ

Company number: SC213461

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Date: 26 June 2015

Dear Company Secretary,

**Authority Decision on SHE Transmission plc Sulphur Hexafluoride Exceptional Event Claim**

I refer to SHE Transmission plc's sulphur hexafluoride (SF<sub>6</sub>) exceptional event claim detailed below. Having reviewed the claim and supplementary information provided by SHE Transmission plc, the Authority is now in a position to decide on this claim. The Authority's decision is given in the table below; further information relating to the reasons for this decision is set out in Annex A:

<b>Details of claim provided by Licensee</b>	
Type of claim	SF <sub>6</sub> Leakage (Special Condition 3E)
Licensee	SHE Transmission plc
Start date of event	Not stated (first identified on 04/10/2014)
End date of event	Not stated (final repair on 14/12/2014)
Event	Leak at Corriemoillie and Mybster substations
Nature/cause of event	Emergent manufacturing design flaw in Alstom DT-145 circuit breakers
Substation(s) affected	Mybster and Corriemoillie
Total SF <sub>6</sub> leakage associated with event (kg)	30.5
<b>Authority's Decision</b>	
<p>The Authority's view is that the event in question does not meet the criteria of an SF<sub>6</sub> Exceptional Event as set out in Part C of Special Condition (SpC) 3E of Scottish Hydro Electric Transmission plc's Electricity transmission licence. Therefore the Authority does not intend to issue a direction (under paragraph 3E.14 of SpC 3E) adjusting the value of actual SF<sub>6</sub> gas emissions for the purpose of calculating the outputs incentive revenue adjustment for 2016/17.</p> <p>The Authority's reasons for not proposing to issue a direction are set out in Annex A to this letter.</p>	

## Exceptional Event claims guidance

We are keen to streamline the processes by which future exceptional events claims are submitted to Ofgem and assessed by Authority. We are therefore currently working on developing the processes for both SF<sub>6</sub> and ENS exceptional event claims. This will include creating a pro forma and guidance on exceptional event claims for submission by licensees. We will likely be in contact with you regarding this in the near future and would value your input in helping us create a more streamlined process for exceptional event claims and assessments.

If you have any questions in relation to the above please contact Neill Guha on tel: 020 7901 1807 or by email: [neill.guha@ofgem.gov.uk](mailto:neill.guha@ofgem.gov.uk).

Yours sincerely,

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Min Zhu,  
Associate Partner, Electricity Transmission  
Duly authorised on behalf of the Authority  
26 June 2015

## **Annex A - SF<sub>6</sub> Exceptional Event claim under Part C of Special Condition 3E of Scottish Hydro Electric Transmission plc's Electricity Transmission Licence (Incentive in Respect of Sulphur Hexafluoride (SF<sub>6</sub>) Gas Emissions)**

The claim relates to SF<sub>6</sub> Gas leakage on two Alstom 132kV DT-145 type circuit breakers produced by Alstom.

Based on our analysis of the information provided, the event in question does not meet the criteria of an SF<sub>6</sub> Exceptional Event as set out in Special Condition 3E.18. Therefore the Authority does not intend to issue a direction (under paragraph 3E.14 of SpC 3E) adjusting the value of actual SF<sub>6</sub> gas emissions for the purpose of calculating the outputs incentive revenue adjustment for 2016/17.

The purpose of the Exceptional Event exclusion is to ensure that licensees are not unfairly penalised by the incentive mechanisms for events that are clearly beyond their control and where they have demonstrably taken all appropriate measures to prevent or minimise SF<sub>6</sub> leakage. Exceptional Events cover, for example, damage to network assets caused by severe weather conditions, by third party action, or other types of events where the risk of significant danger to the public requires a licensee to prioritise health and safety objectives over the reduction of leakage of SF<sub>6</sub> at a particular site.

The leakage of SF<sub>6</sub> in this case appears to be attributable to a defect in the manufacture or installation of the two Alstom DT-145 circuit breakers. We acknowledge that SHE Transmission followed best practice with regards to type testing and routine inspections. However, the condition of a licensee's assets under normal conditions (i.e. when not impacted by things such as severe weather or malicious third party actions) is still within its reasonable control. This event should therefore not be treated as an Exceptional Event.