

Company Secretary
Scottish Power Transmission plc
1 Atlantic Quay,
Robertson Street
Glasgow,
G2 8SP

Company number SC189126

Contact: Neill Guha
Direct Dial: 020 7901 1807
Email: neill.guha@ofgem.gov.uk

Date: 26 June 2015

Dear Company Secretary,

Notice under paragraph 3C.11 of Special Condition 3C (Reliability Incentive Adjustment in Respect of Energy Supplied) of the Electricity Transmission Licence granted to SP Transmission plc under section 6(1) (b) of the Electricity Act 1989

I refer to SP Transmission plc's energy not supplied (ENS) exceptional event claim detailed below. Having reviewed the claim and supplementary information provided by SP Transmission, 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:

Details of claim provided by Licensee	
Type of claim	Energy Not Supplied (Special Condition 3C)
Licensee	Scottish Power Transmission plc
Start date and time of event	05/12/2013 07:27
End date and time of event	05/12/2013 11:57
Number of transmission incidents in 24 hr. period	28
Nature/cause of event	06 Wind and gale (excl. windborne material)
Main areas affected	Central and South West Scotland
Total MWh unsupplied associated with exceptional event	0.125

Authority's Decision

The Authority is satisfied that the event notified under paragraph 3C.10 of SpC 3C is an exceptional event.

This letter constitutes notice under Part C of Special Condition 3C of SP Transmission plc's Electricity transmission licence that the Authority proposes to issue a direction to exclude 0.125 MWh for the purpose of calculating the volume of energy not supplied for the Incentivised Loss of Supply Event detailed above.

Any representations on the Authority's proposed direction must be made on or before **24 July 2015** to Neill Guha, Office of Gas and Electricity Markets, 9 Millbank, London, SW1P 3GE or by email to neill.guha@ofgem.gov.uk. The Authority proposes that the direction will take effect from 31 July 2015.

The Authority's reasons for proposing to issue the direction are set out in Annex A to this letter.

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 SF₆ 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.

Yours sincerely,

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

Annex A – Energy Not Supplied Exceptional Event claim under Part C of Special Condition 3C of SP Transmission plc’s Electricity transmission licence (Reliability Incentive)

The claim relates to loss of supply to supply to Carsfad Kendoon GSP on 5 December 2013. The loss of supply was caused by a fallen tree due to adverse weather at the time of the event, which led to a fault on the Coylton–Kendoon–Maybole 132kV circuit. The total loss of supply was 0.125 MWh and all disconnected customers had supply restored after 46 minutes.

Having carried out an assessment proportionate to the materiality of the claim, the Authority proposes to direct that 0.125 MWh shall be excluded for the purpose of calculating the volume of energy not supplied for the incident for the following reasons:

1. Based on the weather forecast data provided by SP Transmission and its explanation of the event, the Authority is reasonably satisfied that severe weather was the major cause of the loss of supply.
2. The Authority is satisfied that the number of faults within the reference 24 hour period exceeds the threshold number of faults (7 faults) required for the event to be classified as a severe weather event as defined in Special Condition 1A.
3. The Authority is satisfied that in deploying additional resources in response to the adverse weather and by restoring supply quickly, SP Transmission used reasonable endeavours to mitigate the effect of the event, both before and after it occurred.

It should be noted that the level of scrutiny applied in this case was proportionate to the materiality of the claim. The Authority reserves the right to apply higher levels of scrutiny to future claims.