

To: Scottish Hydro Electric Transmission Plc

Direction under Paragraph 3C.11 of Special Condition 3C (Reliability Incentive Adjustment in Respect of Energy Not Supplied) of the Electricity Transmission Licence

Whereas:

1. Scottish Hydro Electric Transmission Plc (the "licensee") is the holder of an Electricity Transmission Licence (the "licence") granted under section 6(1) (b) of the Electricity Act 1989.
2. The Gas and Electricity Markets Authority (the "Authority") gave notice to the licensee of its intention to issue a direction in accordance with Part C of Special Condition 3C of the licence on 26 June 2015.
3. No representations to the Authority were made during the 28 day notice period.
4. In accordance with Part C of Special Condition 3C:
 - (a) The licensee considers that the following energy not supplied event was wholly caused by an Exceptional Event:

Area affected	Event start	Event end	Total MWh unsupplied	Cause of event
North and West Scotland	08/01/2015 23:45	10/01/2015 04:21	63.88	06 Wind and gale (excl. windborne material)

- (b) The licensee notified the Authority of this event within 14 days of the date of its occurrence.
- (c) The licensee has provided the Authority with details of the event sufficient for it to issue this direction.
- (d) The Authority is satisfied, for the reasons set out in Annex A to this direction, that the event outlined in sub-paragraph (a) above meets the conditions of an energy not supplied Exceptional Event as are set out in Special Condition 3C of the licence.

Now therefore:

5. The Authority directs that for the purpose of calculating the licensee's volume of energy not supplied, 63.88 MWh related to this Exceptional Event shall be excluded.
6. This direction will take effect on and from the 31 July 2015.

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
31 July 2015

Annex A – Reason for Energy Not Supplied Exceptional Event Decision under Part C of Special Condition 3C of Scottish Hydro Electric Transmission plc’s Electricity Transmission Licence (Reliability Incentive)

The claim relates to loss of supply to 11,743 customers in the north and west of Scotland on 9 January 2015. The loss of supply was due to a fault on the Beaulay-Shin West 132kV circuit, which required the disconnection of the Alness grid supply point (GSP) in order to allow repairs to be carried out. The total loss of supply was 63.88 MWh and all 11,743 disconnected customers had supply restored after 3 hrs 39 minutes.

Having carried out an assessment of the claim, the Authority directs that 63.88 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 the licensee, the media reports at the time of the event, and the explanations provided by the licensee, the Authority is satisfied that severe weather was the major cause of the loss of supply.
2. 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 internal and contract staff in response to severe weather forecasts, the licensee used reasonable endeavours to mitigate the effect of the event before it occurred.
4. In the Authority’s view, due to the need to prioritise safety, the licensee acted correctly in disconnecting the Beaulay-Shin East 132kV circuit to remove the tree that caused the fault on the adjacent Beaulay-Shin West 132kV circuit. The repair work was carried out in a timely manner and supply was restored to all affected customers in a reasonable timeframe. The Authority is therefore satisfied that the licensee used reasonable endeavours to mitigate the impact of the event after it occurred.