

Decision to modify Special Condition 6F (Baseline Generation Connection Outputs and Generation Corrections volume driver) ("SpC 6F") of Scottish Hydro Electric Transmission plc's ("SHET") electricity transmission licence

On 16 August 2017, we published a Statutory Consultation¹ on errors in the algebra in SpC 6F of SHET's electricity transmission licence. This condition details expenditure allowances for the Generation Connection Outputs that contribute to SHET's revenue allowances for its provision of electricity transmission services. The errors were with respect to interim expenditure allowance values. Over time the impact of the errors on SHET's revenue and the cost to consumers would have been approximately neutral.

We proposed correcting them now because this gives greater transparency about SHET's revenue allowances relating to its network investments and because it will distribute in a fairer way network charges between current and future energy consumers.

We did not receive any responses to the consultation. We have therefore decided to proceed with the modifications as proposed in our consultation. Please refer to our Statutory Consultation to see the revisions¹.

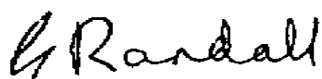
The changes that we have decided to make are exactly as we proposed in our consultation.

Next steps

We published a track change correction to SpC 6F as an appendix to our Statutory Consultation. These changes have now been approved and this version of SpC 6F has replaced the previous version. The change will come into effect on 15 November 2017, 56 days after the publication of this decision.

These modifications will be reflected in the 2017 Annual Iteration Process.

If you have any questions in relation to this letter, please contact Steven Steer at RegFinance@ofgem.gov.uk.



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Duly authorised on behalf of the Gas and Electricity Markets Authority
19 September 2017

¹ <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-modify-special-condition-6f-baseline-generation-connection-outputs-and-generation-corrections-volume-driver-spc-6f-scottish-hydro-electric-transmission-plc-s-shet-electricity-transmission-licence-0>