

To: Scottish Hydro Electric Transmission plc

**Electricity Act 1989
Section 11A(1)(a)**

Modification of Special Condition 6F (Baseline Generation Connection Outputs and Generation Corrections volume driver) ("SpC 6F") of the electricity transmission licence held by the above licensee

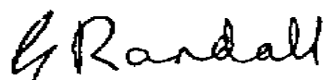
1. The above licensee is the holder of an electricity transmission licence ('the Licence') granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 ('the Act').
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')¹ gave notice on 16 August 2017 ('the Notice') that we proposed to modify Special Condition 6F ('SpC 6F') of the Licence by amending its algebra. We stated that any representations to the modification proposal must be made on or before 13 September 2017.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b)(ii) of the Act, and we have not received a direction that the modification should not be made.
4. We did not receive any responses to the Notice.
5. The effect of the modification will be to correct errors in the algebra that have resulted in interim allowance calculations being lower than the intention set out in Final Proposals². This will increase transparency and correct the error sooner than would otherwise be the case.
6. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the CMA's Energy Licence Modification Appeals Rules³ requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-confidential notice setting out the matters required in Rule 5.2. However, in this case since the modification relates to a special licence condition, the relevant licence holder is the holder of that particular licence. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'."
7. Under the powers set out in section 11A(1)(a) of the Act, we hereby modify SpC 6F of the Licence in the manner specified in Schedule 1 to this modification. This decision will take effect on 15 November 2017.
8. This document is notice of the reasons for the decision to modify the Licence held by the above licensee as required by section 49A(2) of the Act.

¹ The terms "the Authority", "we" and "us" are used interchangeably in this document.

² <https://www.ofgem.gov.uk/publications-and-updates/rrio-t1-final-proposals-sp-transmission-ltd-and-scottish-hydro-electric-transmission-ltd>

³ The rules were published by the Competition Commission in September 2012. On 1 April 2014, the Competition Commission was abolished and its functions transferred to the CMA.

**The Official Seal of the Gas and Electricity Markets Authority
here affixed is authenticated by the signature of**



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Geoffrey Randall
Associate Partner, RIIIO Networks
Duly authorised on behalf of the Gas and Electricity Markets Authority
19 September 2017

Schedule 1 – Updated Scottish Hydro Electric Transmission plc licence

The updated licence incorporating the revisions to SpC 6F will be made available on our website in our Electronic Public Register at the following address.

<https://epr.ofgem.gov.uk/>

We made the revisions to SpC 6F available as an appendix to the Notice, see "Appendix 1 SHET Special Condition 6F Proposed Revisions and tracked commentary"⁴.

⁴ <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>