

James Norman, Head of New Transmission Investment
Ofgem
10 South Colonnade
London
E14 4PU

08 February 2019

Dear James,

Orkney transmission project: Consultation on Final Needs Case and Delivery Model

Scottish Hydro Electric Transmission plc (SHE-Transmission) welcomes the opportunity to respond to Ofgem's consultation on the Final Needs Case and Delivery Model for the Orkney Transmission project, published on 14 December 2018.

Our response is attached and is comprised of two schedules covering the following:

- Schedule 1: Response to Final Needs Case assessment, supported by Appendix 1 'Consultation Questions 1-6'
- Schedule 2: Response to Delivery Model, supported by:
 - Appendix 1 SSE Critical Analysis Update: Competition Proxy Model by Mike Fordham QC,
 - Appendix 2 Economic modelling and analysis by Oxera Consulting LLP (Oxera)
 - Appendix 3 Consultation Questions 7-10

We also refer Ofgem to SSEN's response to its 6 December consultation 'SSEN Derogation request for Alternative Approach on Orkney', which has been submitted separately.

If you would like to discuss any part of our response in more detail please do not hesitate to contact me.

Yours sincerely

Katherine Marshall
Director of Regulation