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By Email
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Dear Sir/Madam

As a Major Scottish Company within the Transmission and Distribution industry, Wood are very concerned that the magnitude of RIIO T2 budget reductions applicable to SHE-T will have serious impact and negative effect to the number of available projects to contractors, resulting in our inability to maintain an economical viable portfolio of work that would give our skilled work force continuity of employment within the Scottish Highlands and Island region. The shortage of project work will inevitably lead to significant redundancies and loss of highly skilled manpower to the T&D industry, as well as seriously disrupting our skills training programme for local people seeking employment.

There is also a serious risk that the skilled manpower who are made redundant will leave the T&D industry altogether to seek more secure employment elsewhere, resulting in a concerning skills shortage in future years that may result in our inability to fulfill the project requirements once finance become available. Some contracting companies may also decide it is no longer viable to remain in the T&D industry and they will diversify into other industries where work availability is more guaranteed, and the future seems more secure.

The postponement of projects will also seriously disrupt SHE-T achieving their carbon zero reductions and their vision to remain as a leading energy provider in a low carbon world. To achieve this strategy, they must create value for their shareholders and society, from developing and operating energy related infrastructure and services in a sustainable way.

Cancellation of key projects will have a serious consequence to the critical and dependable power supply to remote highland & Island regions, as well as denying the wind renewal developments the infrastructure it needs to progress and ultimately operate, resulting in possible project cancellations altogether, more unemployment and failure to provide the infrastructure need to meet the power demands of the future.

As Wood we are also concerned the target cost increase of £7 per household per year could rise considerably due to the economies of scale being disrupted and individual project costs being directly impacted, resulting in unfair distribution and increase of cost to the consumer which will most definitely lead to loss of faith in SHE-T as a main power provider and the initial business plan.



Confidence in SHE-T's ability to provide a continuous and dependable power supply to industry and private consumers at large will be a concern to everyone; it's a well-known fact a large percentage of our power infrastructure is dated and is in need of upgrade and in some cases replacement to suit modern generation requirements to take us forward in the 21st century and beyond.

As a contractor we have concerns that in OFGEMS consideration of the SHE-T business case, the base cost of executing work and technically demanding projects in remote Scottish locations and in the northern island in particular hasn't been fully understood or appreciated; the unit cost of doing work in more accessible southern areas cannot be used as a cost direct comparison. The environmental and geographical challenges of these highland projects are considerable and cannot be underestimated.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'D. Felton', with a stylized flourish at the end.

David Felton
Senior Vice President – Transmission and Distribution

