

**To: Scottish Hydro Electric Transmission plc**

**Direction under Part D of Special Condition 4.2 (Energy Not Supplied output delivery incentive)**

1. The company to whom this direction is addressed is the holder of a licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989.
2. In accordance with paragraph 4.2.16 of Special Condition 4.2 (Energy not supplied output delivery incentive), on 12 July 2022 the Gas and Electricity Markets Authority<sup>1</sup> (the "Authority") published on its website the text of the proposed direction to issue and stated that representations must be made on or before 11 August 2022.
3. We received one non-confidential representation which was from the licensee and have placed it on our website. Having considered that representation we have decided to proceed with making this direction.
4. The licensee supported the proposed direction but requested the Authority to revise the total MWh of energy not supplied during the two exceptional events from 806.6 MWh to 811.33 MWh. The licensee explained that it received exact data on customers' supply restoration times from the local distribution network operator in late June and that the loss of supply it calculated using the most up to date data is slightly higher than the estimated total of 806.6 MWh included in the proposed direction wording.
5. The Authority has considered the request and consequently updated the total of energy not supplied with the revised figure provided by the licensee ie 811.33 MWh.
6. The reason for this direction is because we have approved two energy not supplied Exceptional Event claims submitted by Scottish Hydro Electric

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<sup>1</sup> The "Authority", Ofgem, "we" and "our" are used interchangeably in this document. The Office of Gas and Electricity Markets (Ofgem) supports the Authority in its day to day work.

Transmission plc as further set out in our consultation document published on 12 July 2022.<sup>2</sup>

7. This direction is our notice of reasons for the purposes of section 49A of the Electricity Act 1989.
8. Now the Authority pursuant to the provisions of Special Condition 4.2 hereby directs an adjustment to the ENSA<sub>t</sub> term by excluding 811.33 MWh for the purpose of calculating the Energy Not Supplied output delivery incentive revenue adjustment in the year 2021-22.
9. This direction will take effect on and from 25 August 2022.

Jourdan Edwards

Interim Deputy Director, Price Control Operations

Duly authorised on behalf of the Authority

25 August 2022

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<sup>2</sup> <https://www.ofgem.gov.uk/publications/notice-scottish-hydro-electric-transmissions-energy-not-supplied-exceptional-event-claim>