

Independent Assurance Statement to Scottish Hydro Electric Transmission plc

ERM Certification and Verification Services (ERM CVS) was engaged by Scottish Hydro Electric Transmission plc (SHE Transmission) to provide assurance in relation to the information set out below.

Engagement Summary	
Scope:	SHE Transmission's 2015/16 Statement of Compliance with its Stakeholder Engagement Strategy and Implementation Plan presented here .
Reporting Criteria:	SHE Transmission Proposed External Assurance Methodology and Terms of Reference (30 April 2013).
Assurance Standard:	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements ISAE 3000 (Revised).
Assurance Level:	Limited assurance.
Respective Responsibilities:	<p>SHE Transmission is responsible for preparing its Statement of Compliance with its Stakeholder Engagement Strategy and Implementation Plan and the activities it has undertaken.</p> <p>ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.</p>

Our conclusions

Based on our activities, nothing has come to our attention to indicate that 2015/16 SHE Transmission Statement of Compliance with its Stakeholder Engagement Strategy and Implementation Plan is not fairly stated, in all material respects, with the reporting criteria.

Our assurance activities

A multi-disciplinary team of stakeholder engagement and assurance specialists performed the following activities:

- A review of external media reporting relating to SHE Transmission to identify relevant stakeholder issues.
- A visit to SHE Transmission offices in Perth, Scotland in April 2016 to undertake:
 - Interviews with relevant staff to understand SHE Transmission stakeholder engagement processes and expectations, the identification of stakeholders, internal reporting systems, changes resulting from stakeholder engagement activities, training, quality control and senior level commitment; and
 - Interviews with relevant staff to understand and review the delivery of the activities within SHE Transmission Stakeholder Engagement Strategy and Implementation Plan.
- Reviewing selected evidence related to the delivery of activities within SHE Transmission Stakeholder Engagement Strategy and Implementation Plan.
- Reviewing the presentation of information relevant to the scope of our work in the Stakeholder Engagement Incentive Scheme submission to OFGEM to ensure consistency with our findings.

Our observations

Without affecting the conclusions presented above, we have the following key observations:

- The Stakeholder Engagement Strategy and Implementation Plan could be further improved through the consistent application of SMART criteria when determining activities for the forthcoming twelve month period.



Jennifer Iansen-Rogers
Head of Corporate Assurance Services
20th May 2016

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ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS staff that have undertaken work on this assurance exercise provide no consultancy related services to Scottish Hydro Electric Transmission plc in any respect.