

Annual Business Plan Commitment Report

2016/17



Scottish & Southern
Electricity Networks

About us

As Distribution Network Operators (DNOs), we own and operate two electricity distribution licence areas. These areas are in the north of Scotland and central southern England. Our electricity distribution networks are the systems of overhead lines and underground and subsea cables that deliver electricity to homes and businesses.

Scottish Hydro Electric Power Distribution (SHEPD)

Safely delivers electricity to around 767,082 customers across a quarter of the UK landmass. This attracts unique challenges in terms of both distance and terrain. As well as serving the major population centres of Aberdeen, Dundee, Inverness and Perth, we use more than 100 subsea cable links to connect to most Scottish islands including the Inner and Outer Hebrides, Arran and the Orkney Islands.

Southern Electric Power Distribution (SEPD)

Is the larger of our two distribution networks and safely delivers electricity supplies to more than 3,032,766 customers. It covers an area ranging from rural communities in Dorset, Wiltshire, Gloucestershire and Oxfordshire, to towns and cities including Bournemouth, Oxford, Portsmouth, Reading, Southampton, and parts of West London. We also distribute electricity to and across the Isle of Wight.

About this report

In July 2013 we published our Business Plan for the RII0-ED1 price control period. That document set out how we would deliver an excellent level of service to our customers and stakeholders.

This report, published annually at the end of October, gives an update on our performance over the past year (2016/17). The commitments focus on areas stakeholders told us are the most important to them.

These fall under the following outputs:

- Ensuring a reliable supply of electricity
- Helping vulnerable customers
- Keeping people safe around our equipment
- Reducing our impact on the environment
- Connecting customers to our network
- Improving customer service

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Managing Director's message



I am pleased to introduce the Scottish and Southern Electricity Networks (SSEN) Annual Business Plan Commitment Report for the 2016/17 reporting year.

This report summarises the performance of our two electricity distribution networks, Scottish Hydro Electric Power Distribution and Southern Electric Power Distribution, against the commitments we made in our RIIO-ED1 Business Plan.

SSEN's commitment to safe working and public safety remains a top priority. During 2016/17 we have further developed the way we communicate and engage with our contractor partners and other third parties. Internally, we have taken clear steps to embed a positive culture around safety, starting with the introduction of our licence – 'If it's not safe, we don't do it' – helping us deliver safe outcomes for our people and our customers.

Delivering for our customers is, as always, front and centre of the way we manage our network. During the second year of the RIIO-ED1 price control we have maintained our strong focus to put our customers first and we have made significant progress against our commitments. Our programme of investment to upgrade our networks, the establishment of a new regional structure and a 'restore first, then repair' approach to customer faults has helped contribute to improving our performance in key customer service measures. We have also taken steps to improve our use of social media to ensure our customers can receive help and information in more ways than before.

Engaging with a broad range of stakeholders is hugely important to us as we seek to make sure our customer and stakeholder voice influences both our strategic direction and key business decisions. To help us achieve this, we have created a Stakeholder Advisory Panel, made up of a diverse, stakeholder group that best represents our customers and the communities we serve. They will play an active role in reviewing our business plans, advising on future strategy and helping us keep on track to deliver the best service possible to our customers.

Launching our new SSEN brand and establishing our purpose of Powering our Community has helped to improve awareness of who we are and what we do for our customers. In addition, we have collaborated with the Energy Networks Association and wider industry to successfully launch the new single emergency number, 105. This simple-to-remember number has made it easier for our customers to report a power cut and make us aware of emergency situations.

We are dedicated to changing our business for the better. In January 2017, we launched Powering our Future, a two-year transformational change programme that will reshape our business. It will look at our processes, systems and operations to help us utilise new technology, adapt to a changing energy industry and continually improve for our customers.

We continue to make good progress against our business plan commitments but recognise there is still work to do. Our focus will now be on continued improvement to meet and exceed our customers' expectations both now and in the future.

A handwritten signature in black ink, appearing to read 'Colin Nicol', with a stylized flourish at the end.

Colin Nicol
Managing Director, SSEN

Performance snapshot 2016/17



Our network

Number of customers served

SHEPD
767,082

SEPD
3,032,766

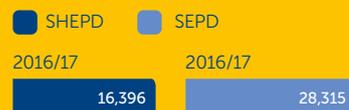
The combined length of overhead and underground (including submarine) cables and lines on our network

SHEPD
49,026km

SEPD
77,431km

Environmental Impact

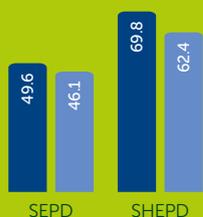
Total Business Carbon Footprint (BCF)



Reliability

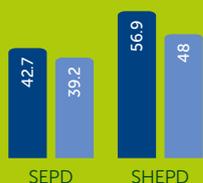
Customer Interruptions (CI)

The average number of interruptions per 100 customers per year



Customer Minutes Lost (CML)

The average number of minutes a customer is off supply



■ Including Exceptional Events e.g. extreme weather
■ Excluding Exceptional Events

Connections

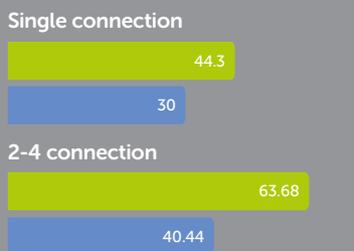
Time to Quote

The average number of working days taken to provide a connection offer



Time to Connect

The average number of working days taken to provide a connection following acceptance of a connection offer



Reliability and Safety

In 2016/17 we liaised openly with our regulators to ensure transparency and understanding of our performance. Our commitment towards the delivery of safe outcomes for our people, customers and environment has also been reinforced with greater management focus and more detailed reporting.

Our licence – if it's not safe, we don't do it – extends to external contract partners as well as our own workforce. This has been reinforced by our behavioural awareness programme and further development of our management arrangements.

Innovation

Light Detection and Ranging (LiDAR)

Scottish and Southern Electricity Networks (SSEN) are currently in the process of completing aerial surveys using LiDAR technology to map our overhead assets in both our network regions. This will provide key information in relation to vegetated spans and the heights of our overhead lines from the ground and structures. The data has additional benefits allowing us to ensure we operate and maintain our network in the most efficient way possible. We have adjusted our operational processes accordingly and intend to survey the network on a rolling 4 year basis; this may increase in certain areas where particular operational requirements determine the need.

Thermal Imaging of Underground Cable Networks (Toucan)

We are investing an initial sum of £255k in new hand-held technology which will help our engineers locate the source of underground cable faults much more quickly, minimising the length of power cuts and in some cases even stopping them happening altogether.

We ran a simulation exercise to test the cameras during which we scanned different surfaces to detect underground cables where we believed faults had occurred. Through the use of the cameras we were able to detect the location of the faults without having to dig in multiple areas and so caused minimum disruption.

Customer satisfaction

SHEPD
8.82/10

SEPD
8.37/10

Penalties incurred under the Incentive on Connections Engagement (ICE) scheme

£0

Our Stakeholder Engagement and Consumer Vulnerability score

5.23/10

Finance

Total expenditure in 2016/17

£418m

SHEPD
£136.7m

(85% of our allowance)

SEPD
£281.3m

(90% of our allowance)

Unrestricted Domestic Tariff Charge (not including the domestic customer rebate)¹

SHEPD **£126.6** SEPD **£79.9**

¹ The Unrestricted Domestic Tariff Charge is the proportion of the electricity bill customers paid to us.

2016/17 highlights

Smart EV

Smart EV is our newest Electric Vehicle (EV) project and is aiming to tackle the key areas that will allow us to move our smart EV solutions from innovation to business as usual. Following on from the My Electric Avenue project which monitored what impact EV charging could have on the electricity network, Smart EV will look to support the creation of an Engineering Recommendation which will standardise the control of EV charging.

The project is funded by SSEN through its Network Innovation Allowance and delivered by EA Technology LTD with all six Distribution Network Operators as project partners. This is reflective of our view that EVs and Distribution System Operation (DSO) are 2 key areas where collaboration is key.

The Condition Based Risk Management (CBRM) System

The Common Networks Asset Indices Methodology (CNAIM) is a common approach to calculate the overall Risk Value of each individual asset within specific asset categories defined by Ofgem.

Currently there are 25 asset categories included which cover everything from Low Voltage Underground Link boxes to 132kV Transformers including poles, cables, switchgear and transformers. The CNAIM has been developed by a joint working group across all DNOs and adopted by them to provide a benchmark comparison on individual companies appetite to Risk.

We have successfully implemented the CNAIM using the CBRM system which uses predefined calculations in line with the methodology.

LiDAR

SSEN has invested in state of the art LiDAR technology to map our above ground equipment and objects such as trees that can interfere with the network in both our SHEPD and SEPD network regions. This will provide key information in relation to vegetated spans and the heights of our overhead lines from ground and structures. The data has additional benefits allowing us to ensure we operate and maintain our network in the most efficient way possible. We have adjusted our operational processes accordingly and intend to survey the network on a rolling 4 year basis and may increase this in certain areas where particular operational requirements determine the need.

- To date the project has captured 99% of our SEPD network data and the project is on schedule to publish the data later in 2017.
- The project has captured 50% of our SHEPD network data. We expect to publish the data in April 2018.

In order to maximise the benefits from the LiDAR survey data we have made significant changes to our Overhead Line Inspection, Maintenance and Tree cutting Policy documents. The changes allow us to maximise the efficiency of our inspection operations by moving a percentage of our assets from a 4 to an 8 year frequency. The updated maintenance requirements ensure that any defect identified from either ground patrols or aerial surveys are validated and rectified based on a risk priority basis. In a similar manner the high accuracy of the LiDAR data provides vegetation intrusion information per span that has not been possible to obtain from ground patrols, this allows us to move to a much more focussed dynamic programme. We anticipate that this approach will increase our cutting efficiency and reduce the risk of non-compliant spans occurring.

East Claydon to Bicester Reinforcement

In our SEPD area we are investing £24 million to reinforce the network in the East Claydon to Bicester area to enhance network capacity and boost the resilience of supply to local residents. This project will involve:

- Installing a new dual 132kV underground circuit from East Claydon to Bicester North
- Establishing a new 132/33kV and 33/11kV substation to provide supply to existing and future loads
- Creating two new underground 33kV circuits to supply the existing 33/11kV Bicester substation.

The cable laying is expected to start in November 2017 with the civil build of the new Grid substation at Bicester North due for completion at the end of October 2017. The project team are working closely with landowners, highway authorities and environmental and ecological groups to ensure cooperation and minimal disruption. The project is due for completion in late 2018.

Chickerell to Winterbourne Abbas

2016/17 saw the end of a project to rebuild the Chickerell to Winterbourne Abbas 33kV overhead circuits. These largely steel tower overhead line circuits were beginning to show signs of their age and were in danger of suffering failures.

This work has greatly increased our ability to maintain a safe and reliable electricity supply to this part of Dorset and also provides a secure link to the Yeovil area of Somerset.

Total Investment	£3.4m
Feeders rebuilt	4
Dual Circuit Towers	64
Dual Circuit H Poles	22
Conductor	36km

Grudie Bridge

Grudie Bridge is a Grid Supply Point (GSP) 30 miles to the North West of Inverness. This was originally sized and built for the Grudie Bridge Hydro Electric Power Station (21.6MW). Since its construction we have connected/contracted a further 15 Hydro generators totalling 15.9MW in that area.

In order to accommodate any further generation on the Distribution network, we installed a new 33kV switchboard (along with other upgrades to the distribution network). Additional upgrades were required to the Transmission network, including a new Grid Transformer at the GSP, these upgrades were completed in October 2016.

Between September and December 2016 work was completed on a new ring between Grudie Bridge and Kinlochewe to increase security of supplies as well as create capacity for the generation schemes in the North West, this included 24km of cable (33kV), 12 km of overhead line (33kV) and connected a further 26 schemes.

Submarine cables

SSEN are responsible for 111 submarine cables which supply electricity to 59 Scottish Islands, totalling 454km in length. We have identified 91km of cable which will need replacing before the end of the RIIO-ED1 period.

We have engaged with more than 1,000 individuals and organisations, from marine and environmental regulators, land and sea bed owners and tenants, other sea users and interest groups to our own customer base. We have acted on the feedback they have provided to understand their views around our proposed cable route and methods of installation, protection, maintenance and decommissioning. We analyse this information and incorporate the views of different groups into a Cost Benefit Analysis tool which we use to evaluate the cost effectiveness of protection options for each future cable replacement and help inform decisions by Marine Scotland

on future marine licence applications for submarine electricity cable replacements and new installations.

Given the potential costs of cable protection, we are undertaking analysis on each cable to provide an assessment of value for money. This, coupled with our ongoing engagement gives stakeholders a strong voice in assessing the benefits and drawbacks of the various cable-laying and protection methods. Thereby ensuring a safe, reliable supply of electricity to the Scottish Islands for years to come.

Cyber Security Apprenticeships

During 2016/17 we worked closely with the Department for Digital Culture, Media & Sport (DCMS) to develop, build and launch a brand new Cyber Security Technology Apprenticeship scheme into the UK and our Distribution and Transmission business.

A working party was established by central government to support companies within the Transport, Finance and Energy sectors to invest in the Cyber Apprenticeship scheme. SSEN formed part of this working group and as a result we have been collaborating with our colleagues across industry and central government to make the development of this new scheme a reality for SSEN working in partnership with our IT colleagues.

We responded very quickly to the call to develop a programme that we felt we could strongly support within our business structure to source a suitable training provider who could deliver a strong framework of learning for these bright young people. The programme is made up of four components, ensuring the new apprentices have a rounded, in-depth understanding of fundamental principles, techniques, technologies and workplace behaviours. Together with the new training provider, we have ensured the new apprentices will be assessed on their performance; reflecting the quality of their work, and the application of skills, knowledge and behaviours, in relation to the Cyber Security Technologist.

The programme has progressed very well with two individuals currently on programme and undertaking academic training and work placements within key SSEN business units. We have subsequently recruited a third.

Our 12 commitments to stakeholders

We involved around 5,000 customers and wider stakeholders in the development of our business plan. Working together we gained an understanding of what is expected from our networks in terms of supply reliability, social obligations, safety, environment, connections and customer service over the period April 2015 to March 2023. This led to the development of our 12 commitments to stakeholders which underpin our business plan.

Our 12 commitments to stakeholders

Ensuring a reliable supply of electricity

We will reduce the small number of customers that suffer more than three power cuts per year by 30%.

Where we need to do some maintenance, we'll give you at least 7 days' notice of a planned power cut and will keep you updated at every stage.

We will reduce the number of power cuts by 5% and their duration by a quarter.

Keeping people safe around our equipment

Having the best safety record in the industry won't make us complacent. We will keep looking for new ways to keep you safe around our equipment.

Reducing our impact on the environment

We will work with communities to reduce the visual impact of up to 90km (60 miles) of overhead lines in National Parks, Areas of Outstanding Natural Beauty and National Scenic Areas.

Connecting customers to our network

If you apply for a new electricity connection and a team member has not been in touch within three working days, then we will pay you £20 – minor connections.

Improving customer service

You'll be able to contact us in more and more ways that suit you. By Twitter, Facebook or however you want to talk to us.

We'll keep on asking you how we could do better and publish a report every year on what we're doing about it.

We will reduce our part of the electricity bill by 10% in 2015 and having only inflationary increases thereafter.

Every year we will publish our resilience plan so you know what we will do in the event of a power cut.

We want to make it easy for you to fill out a form by giving you the option of doing it online, by post, by phone or live chat.

If we do have an unexpected power cut, within 10 minutes we will be able to tell you what we are doing.

Ensuring a reliable supply of electricity

Commitment 1

We will minimise the level of planned supply interruptions through mobile generation and live working where it is safe to do so

In 2016/17 we saw a 23% increase in the number of planned outages compared to 2015/16, in the same time period we saw an increase of 64% in the number of generators used during planned supply interruptions. The increase in planned supply interruptions was in part due to extensive overhead line refurbishment and maintenance works, many of which required multiple short interruptions in order to connect customers onto generators and restore electricity supply whilst the works were ongoing. Mobile generation can be particularly important for our customers on our Priority Services Register who are reliant on electricity for medical equipment, which is why we proactively contact the most vulnerable with the offer of generation before planned works start.

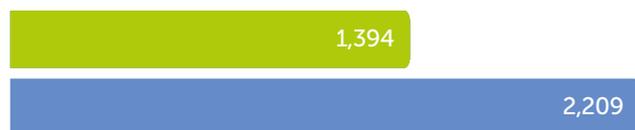
We have invested heavily in our fleet of mobile generation, which is spread across our licence areas, as well as continuing to use out-sourced mobile generation when it is required.

In response to feedback from our customers and stakeholders, our procedure for dealing with Planned Service Interruptions has been changed, this includes a greater emphasis on engagement with our customers to determine the use of mobile generation and live working where practical and safe to do so to ensure customers are not affected by planned supply interruptions.

We are continually assessing the level of staff trained in the use of mobile generation, live line techniques and our fleet of mobile generation to ensure a reliable supply of electricity for our customers.

Generator usage

2015/16



2016/17



Planned Work Total Faults (unplanned interruptions)

Commitment 2

We will reduce the small number of customers that suffer more than three power cuts per year by 30%

We have seen an overall decrease since last year across both our licence areas in the number of customers who experience more than three power cuts per year. This is in part due to a combination of increased automation on our network and our programme of tree cutting resilience.

Customers who experience three or more power cuts in a year

2014/15



2015/16



2016/17



SEPD SHEPD

We are continuously reviewing fault reports for both our network areas to identify causes and appropriate solutions. The solutions include, but are not limited to:

Overhead Network

- Targeted tree cutting (using LiDAR technology);
- Underground diversion projects in high fault or difficult access areas;
- Automation of the network.

Underground Network

- Use of new technologies to identify fault location (Thermal Imaging Cameras);
- Network reconfiguration;
- Cable replacement projects based on condition assessment.

In our SHEPD area we are investing £20m between 2015 and 2023 to deliver four resilience schemes – Sanday (Orkney), Islay, Pollachar (South Uist) and Kinloch (Argyll). In total, these schemes will help to improve the reliability of supply for more than 5,300 of our customers.

These schemes are extensive and complex projects requiring significant design and wayleave work prior to construction. Two of our proposed schemes – Sanday and Pollochar – are in the final stages of agreeing land access and will be authorised for construction when this is complete. Construction on Pollochar is expected to begin at the start of 2018.

Sanday, although subject to a necessary wayleave procedure to secure the final section of route, is expected to start construction shortly. Design works have commenced on the Islay and Kinloch circuits, however delivery of these works will be in latter stages of the RIIO-ED1 Price Control period.

Commitment 3

Where we need to do some maintenance, we'll give you at least 7 days' notice of a planned supply interruption and will keep you updated at every stage

During 2016/17 we have rolled out a number of improvements to increase the advanced notice period given to our customers, increase the amount of ongoing communication our customers receive and give clearer detailed information around the reason for a planned supply interruptions.

A series of customer focus groups showed a desire for a longer notice period over a payment of £20 with a shorter notice period, therefore we have updated this Business Plan commitment so that, domestic customers are given seven days' notice of planned supply interruptions and business customers are given 30 days' notice. Sometimes, where there is an emergency situation, a seven day notice period is not possible. In these situations, we take extra steps to engage with our customers affected prior to the interruption.

23%
of customers surveyed said
they would like 5-7 days notice
of a planned power cut

To improve the provision of regular and accurate information to our customers, we have successfully installed a new communication team during 2016/17. This team ensured we attempted more communication before, during and after a planned supply interruption.

We also worked with stakeholders to review the clarity of our Planned Supply Interruption advanced notification letters, which feedback suggested were too complex and not accessible enough for those with vulnerabilities or language difficulties. A new paragraph was co-created, approved by the Plain English Campaign and then rolled out to all employees involved in the planned supply interruption process.

These improvements saw an increase of 0.1 in our customer satisfaction score in 2016/17.

Commitment 4

We will ensure the network is ready for the changing nature of connections and increase the number of connections that will be able to export and consume electricity

Our Distribution System Operator (DSO) and Innovation team continue to make good progress in preparing our business for the challenges remaining in RIIO-ED1 and those posed by RIIO-ED2. The largest of these is the transition to a DSO.

In early 2017 we started the recruitment process for a DSO Strategy Manager, which in addition to our focussed involvement with the Energy Network Association's 'Open Networks' project, ensures our teams have the ability to identify, plan and implement changes across our investment and operational business units to meet these challenges.

Active Network Management (ANM), flexible connections and Constraint Managed Zones (CMZ) are all now undergoing business-as-usual implementation with ANM widely acknowledged as a core foundation for the DSO evolution. These solutions are all being managed by our Active Solutions Team which continues to expand as these solutions become more common across our networks.

The current Constraint Managed Zones (CMZ) tender process is underway following the identification of three potential zones where demand related reinforcement is required. The CMZ approach should defer this reinforcement by securing demand response services within the constrained areas with the ability to respond to peak periods and keep the network within operational limits by reducing demand. The tender process will complete before January 2018. Should all three zones successfully appoint service providers it would defer

approximately £16m of reinforcement. Our CMZ is providing high quality experience in the skills we will require to undertake our role as a DSO in the future.

Finally, our innovations portfolio continues to identify new solutions while the successful delivery of our projects has maintained our position as an industry leader in this field. Successful delivery rewards have been received in our Tier 1 and Tier 2 projects group, our losses approach and our effective closure of the New Thames Valley Vision (NTVV) and My Electric Avenue projects.

The key underlying principle in all of these projects is our desire to ensure that the network is a facilitator to the continued uptake and adoption of low carbon technologies. The knowledge and learning we have gained from these projects has allowed us to develop techniques such as ANM and CMZ, which not only bring benefits for our customers but continue to allow connection of renewables in a more affordable, efficient and effective way than the traditional alternative.

Commitment 5

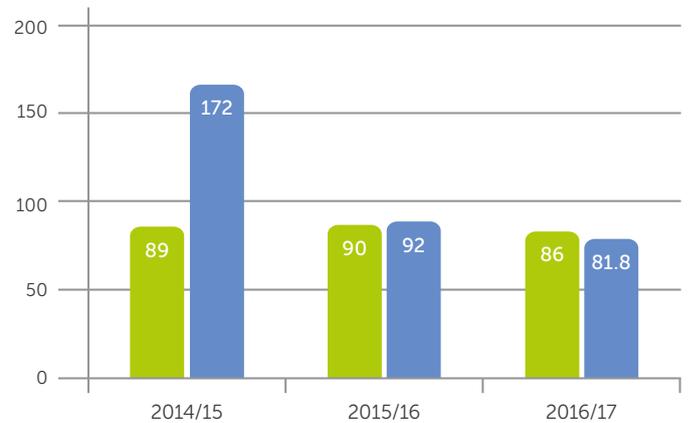
We will reduce the number of power cuts by 5% and their duration by a quarter

Our 2016/17 performance for power cuts was broadly static compared with our 2015/16 performance. In both our network areas we saw a small but steady reduction in power cut duration, whereas the percentage of customers restored within one hour slightly worsened. This was partially due to a number of major outages on our extra high voltage (EHV) network and increased interruptions on the Low Voltage (LV) network.

To reduce the number of unplanned power cuts, we continue to invest heavily in our network and this investment resulted in an increase in planned supply interruptions in both SEPD and SHEPD areas in 2016/17. In addition to targeting our worst performing circuits and improving the health of our assets, we are focussing on the installation of automation systems on our high voltage (HV) networks. The automation systems rapidly identify fault locations and operate switches on the network to restore as many customers as possible without the need for human intervention.

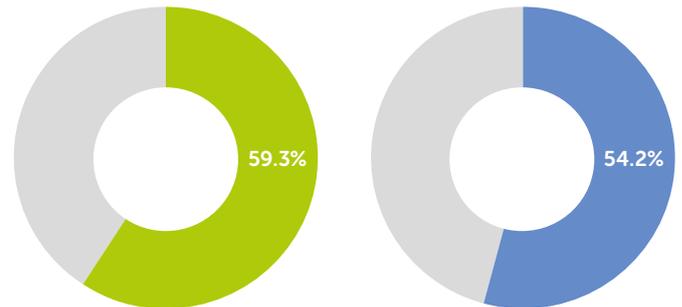
SEPD is targeting investment on the EHV protection systems to reduce the risk of further major outages. This is a two year programme which will get underway in autumn 2017. SHEPD is trialling the wide scale deployment of lightning arresters to prevent outages from lightning strikes. Arresters have been used for many years to protect plant items and cables, but not specifically to avoid outages on overhead lines.

Average duration of fault (minutes)

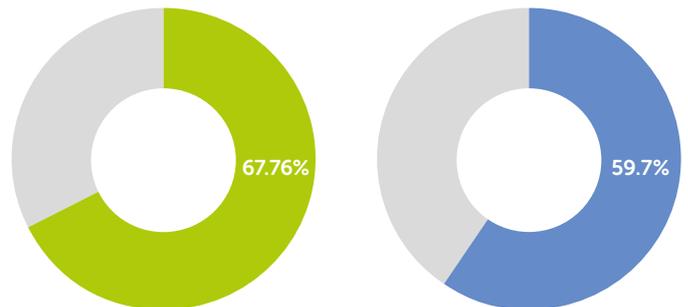


% of customers restored within one hour (HV)*

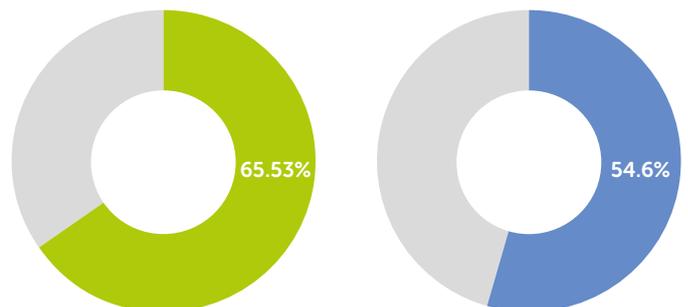
2014/15



2015/16



2016/17



SEPD SHEPD

In 2016/17, our automation schemes operated **306** times and successfully avoided customer interruptions for **208,800 customers.**



Helping vulnerable customers

Commitment 1

We will make sure customers are aware of additional advice to help them with energy or non-energy related issues

Our employees and contract partners are encouraged to signpost customers to third party organisations for additional help, including the Energy Saving Trust (EST). Often they will send an energy efficiency leaflet that is printed from the EST website. In the last year we have put the Energy Saving Trust telephone number on room thermometer cards which are being distributed at events and to customers in their homes by our Customer Community Advisers. The cards have energy efficiency advice as well as details of how vulnerable customers can sign-up for our Priority Service Register (PSR).

We have created a Priority Services Guidebook which provided information about many vulnerabilities and this included the help sheets about Age UK, Macmillan, Dementia and also Energy Saving Trust and Home Energy Scotland. Staff working in our contact centres are able to access this guidebook for lots of information to help them on their calls.

We have also established a partnership with Home Energy Scotland (HES). HES are a network of local advice centres, offering free, impartial advice on energy saving and are uniquely positioned to promote the help customers can access. Through this partnership, when people call HES's energy efficiency advice line, HES will now offer extra help by highlighting the free support we can provide during a power cut and arrange for one of our Priority Service specialists to call a customer back.

Commitment 2

We will have 100 resilience plans in place for communities by 2023

27 SEPD community resilience plans

Over 40 SHEPD community resilience plans

Over 100 personal resilience plans with our PSR customers

We are working with communities to help them develop a bespoke approach to resilience so they can identify resources, vulnerable customers and additional help in advance of needing to use support services in emergency situations. This allows the community to respond first – before outside support is available from us or others.

In our SEPD licence area local councils are responsible for their community resilience plans. We have been working closely with emergency planning groups to promote the risk of power cuts and support mitigation plans for communities. We have gained traction in this area and have seen strategic plans include addressing the risk of loss of power alongside other high level risks i.e. flooding. We have completed a series of local events centred on parish resilience. We supplement this approach through the creation of personal resilience plans with customers who might be more vulnerable in the event of a power interruption. Plans include emergency points of contact and battery life of any critical medical equipment. Planned supply interruptions can be used as a safe and controlled environment to test effectiveness of resilience plans by confirming appropriate measure have been put in place.

In June 2016, Mo Bates and Shona Horn of our Stakeholder Engagement team received the Utility Week 'Constellation Award for collaborative work with a customer community' in recognition of their supporting over 40 communities in our SHEPD licence area develop resilience plans to help keep them safe if essential services are disrupted.

We place a high emphasis on training our staff in community resilience. In 2016/17 our Customer Relationship Managers and Customer Community Advisers were trained in this area. We are the first DNO in Great Britain to help staff gain professional qualifications in resilience, having invested £10,000.

We have been funding resilience projects in communities across central southern England and the north of Scotland since 2015. The Resilient Communities Fund helps non-profit-making organisations and community groups to protect the welfare of vulnerable community members. Through increased promotion by our regional staff and on social media we have seen an increase in the number of projects nominated and approved.

Across 2016 we funded 111 individual projects:

- 25 in Scotland received a total of £161,314
- 86 in England received a total of £539,320.79

Commitment 3

We will store vulnerability packs containing blankets, food and torches in our depots

We want to help customers better understand how to prepare in case they are affected by a power cut. Our community surveys identified a gap with some of our most vulnerable customers lacking key items to help during power cuts.

517 PSR customers were surveyed to identify useful items during power cuts.

Through our experience in weather events during storms and feedback from customers, we developed a bronze welfare pack containing items that benefit customers in a power cut. The bronze pack is provided to newly registered Priority One customers, i.e. those dependent on electricity for medical equipment, and includes items such as a fridge magnet with SSEN contact details, advice on how to stay safe during power interruptions, and a glow stick and torch to provide additional light during power interruptions.

3,500 bronze packs issued

95% of newly registered PSR customers highlighted that there were no improvements needed to our welfare packs

Despite the positive response we are seeking further feedback from customers at events and our customer forums so that we can further improve the packs if required. We will also continue to assess the feasibility of putting vulnerability packs directly into depots for distribution.

As well as welfare packs, we have welfare vans in place in the South which carry emergency items such as glow sticks and hand warmers together with the facility to provide hot water, hot food and shelter from rain to communities most in need. In Scotland we currently use third party welfare vans, however we are looking to trial SSEN branded welfare vans in 2017/18.

Commitment 4

Each business unit will show the role they have in delivering the vulnerable customer strategy

In 2016/17, over **1,300** front line employees attended vulnerability training

In 2016/17 we continued our vulnerability training programme which focussed on identifying and responding appropriately to vulnerability. We have introduced training around dementia issues into our programme this year, with input from Age Scotland.

We have met the requirements of the British Standard Inclusive Service Provision BS18477:2010 for two years in a row, demonstrating our commitment to helping those most vulnerable in our communities.

"I am pleased to confirm positive, continual and significant progress in maintaining the requirements of BS18477:2010."

Graeme Deighton, BS18477 Assessor

Our regions are also starting to make use of our new vulnerability mapping tool. Using a wide range of socio-economic indicators, the tool is helping us to identify communities where particular vulnerabilities exist so that we can deliver targeted assistance to those that need it most. The focus next year will be the embedding of this tool in a systematic way across the business.

In November 2016 a Stakeholder Engagement Manager, dedicated to working on Consumer Vulnerability, was recruited to the Stakeholder Engagement Team. As part of his work in 2017/18, the strategy for consumer vulnerability will be re-written and approved, as a minimum, by a consumer vulnerability expert.

In addition to this we will be recruiting a specialist Inclusivity Panel during 2017/18 to help, guide and challenge us on all aspects of our support for consumers in vulnerable situations. This will complement our Stakeholder Advisory Panel in helping us to understand the needs of our customers including our vulnerable customers. As with the existing groups and panels' outputs, concerns and feedback from the Inclusivity Panel will feed up to senior management up to, and including, the SSEN Managing Director as well as through our Heads of Region.

Commitment 5

We will continue to work towards our Responsible Procurement Charter and will monitor all business areas' performance in complying with our obligations under the Prompt Payment Code

When suppliers register on our system, we insist that they sign-up to the substance of our Responsible Procurement Charter. Our Responsible Procurement Charter presents some basic principles for working with our company. We want to be a Responsible Buyer of goods and services. We set high standards to ensure that all our business is conducted ethically, sustainably and within the law. This includes the obligations of the Prompt Payment Code which is accredited by the Institute of Credit Management.

Our procurement and commercial corporate division has implemented a number of improvements, including enhanced governance support to the post contract management of the supply chain within all applicable distribution regions. This will provide enhanced rigour to our application of Prompt Payment Policy obligations.



Keeping people safe around our equipment

Commitment 1

Our behaviour based Safety Family concept will be deployed across our business and contracting workforce. This will include a new contractor safety programme which will be rolled out in 2013

During 2016/2017 we strengthened our commitment towards the continuous improvement of our Safety Family concept and our culture.

Our real-time incident management performance has improved again with the use of our 30 minute reporting line improving significantly. We have continued to effectively engage our employees and contract partners to ensure they're aware of the requirements for incident reporting and escalation and we continue to coach our management team in good practice incident management. These efforts have helped us look after our people in real-time and gather facts in a more rigorous manner. In-turn this is helping us to identify and share learning information from our incidents; ultimately with the key aim of preventing recurrence, reducing waste and adding value for our customers.

We have strengthened our commitment to industry development by increasing our involvement with national activities and the work we complete via the Energy Networks Association (ENA). Our Director of Engineering and Investment is the Chairperson of the ENA Safety, Health and Environment committee and members of our professional teams are actively helping the industry to improve through the work they are completing with regulators and Industry colleagues via the various ENA groups they attend.

Occupational Health has, for good reason, moved higher up our agenda in the previous year with a significant focus afforded to the subject of 'fitness for work' and supported by educational awareness communication and briefings. We continue to improve the information we share with our workforce in this regard, seeking good practice solutions from the ENA Occupational Health Committee and peer organisations. Our ongoing health surveillance programme for persons in operational roles continues to add value by checking the health of our people is not negatively impacted by the occupational hazards they face on a day-to-day basis. We have recently been able to personalise checks to optimise the actual surveillance checks individuals receive. This development is helping to ensure we minimise waste and increase productivity whilst maintaining the level of assurance required.

Commitment 2

We will address safety issues created by third parties by setting up a routine inspection procedure for visiting active sites and educating those involved in safe digging techniques

Our employees and contractor partners continued to engage with third parties to raise awareness through education regarding how to stay safe from our electrical distribution system assets.

Our ongoing involvement with the Health and Safety Executive (HSE) and other industry bodies on the Energy Networks Association Public Safety Committee has allowed us to stay informed of industry good practice and use this when engaging with third parties. We reference HSE and ENA guidance (e.g. HSG47 for safe excavations) when liaising with third parties and encourage people to do the right thing when working around our electrical distribution system assets.

In addition, we have maintained transparent communications with the HSE regarding incidents involving interference with our assets to seek their guidance and counsel where third parties have ignored our guidance and/ or the specific matters in mind fall outside of the scope of normal guidance.

Commitment 3

Having the best safety record in the industry won't make us complacent. We will keep looking for new ways to keep you safe around our equipment

We have continued to develop our asset management arrangements, warning and educating the public on the dangers associated with our assets.

We believe that our assets and workforce should operate in the public domain without putting the general public and the environment at risk. We have significantly increased our efforts to develop asset management systems, policies and information with the goal of better understanding our assets and the environment they are situated within. We have invested significantly in the development of new and improved asset management systems, such as a new asset register and graphical information system, with the long term intent of establishing much improved, accessible asset data.

These significant investments are a demonstration of our commitment to ensure the integrity of our assets in the public domain. Our interest in innovation projects has added value for our customers and our commitment in this area increases

year-on-year. Recently we have made a significant investment in the gathering of digital imagery for our Network assets. This information allows us to pin-point our assets in their environment (the public domain) and helps to identify issues and opportunities for improvement.

We have worked with the Health and Safety Executive to address legacy issues and in the process we have made significant and unplanned investments to improve the health and integrity of our networks. In doing so we have provided transparency for the regulator and our workforce has worked through bespoke programmes to remove problematic assets, thereby reducing associated risks.

Through experience we have targeted our public education and engagement programmes towards known risk areas. Using incident data and other information sources we have focussed our resources on groups such as farmers (agriculture), boating clubs, scaffolding companies, emergency services crews and transport organisations to warn people about the dangers posed by our networks and provide advice and information on how they can stay safe. We have attended county shows, formal events, parish council events and similar to share our experience and provide help and advice. Our media coverage has been widespread across the communities we serve. Our Customer Contact Centre operatives are aware of the dangers our Network assets can present in the public domain and they are trained and competent to deal with situations in real-time and to help keep the general public safe. We continue to gather data to better inform these initiatives and we remain committed towards these education and engagement programmes.

Commitment 4

We will engage across the community to help keep people who are at risk of inadvertently coming into contact with our overhead lines or underground cables safe and we will maintain a high awareness of our equipment and operations as a hazard to the public

In 2016/17 there were 135 incidents involving interference with our assets (mainly farm workers).

We are aware of the national issue regarding interference with electrical distribution and transmission system assets and we remain committed and focussed on helping to raise the awareness of the general public of the associated dangers through engagement and education.

In this space we have increased engagement with the farming communities through attendance at agricultural shows and other such events and we are constantly seeking opportunities to influence appropriate groups and communities.

We are working to reach as many people as possible with our public safety messages – this mainly includes the use of traditional printed leaflets, broadcast media messages and various social media options. Members of our operational teams have attended agricultural seminars to discuss the safe working practices near our assets.

As agricultural vehicles increase in size and more work is carried out on a contract basis we will continue to raise awareness and educate those at risk of coming into contact with our equipment. We have our “look out, look up” campaign, which will continue to run during 2017/18 to provide a greater awareness amongst the agricultural communities in our distribution areas.

Commitment 5

We will underground some overhead lines using a risk based approach

Within this current price control period we plan to underground 500km of our SEPD 11kV network. This undertaking is risk based and focussed on the removal of problematic assets, improving asset resilience and reducing the ongoing need to remove interfering vegetation from around our system assets.

Where reasonably practicable the replacement of overhead lines with underground cables significantly reduces potential public safety risks and provides other benefits to the communities we serve. We have processed approximately 100 km of overhead line for replacement under this commitment and we have moved on to plan the next phase.

Reducing our impact on the environment

Commitment 1

We will work with communities to reduce the visual impact of up to 90km (60 miles) of overhead lines in National Parks, AONB and NSA

In total over the RIIO-ED1 period, we are investing over £15m in the undergrounding of 90km of overhead lines in Areas of Outstanding Natural Beauty (AONB), National Parks and National Scenic Areas (NSA) in central southern England and the north of Scotland.

Our investment is targeted on the areas that will benefit more people and be the most cost effective. Using a Visual Amenity Impact scoring model, we prioritise nominated schemes to ensure consistency in assessment across our SEPD and SHEPD areas. The focus is therefore on HV overhead lines that have a high visual impact on the landscape.

We started an extensive, ongoing programme of stakeholder consultation in 2015, giving the public, local authorities and charities the opportunity to nominate overhead line sections which they would like to be considered for undergrounding.

Summary of schemes

	SHEPD			SEPD		
	Number of schemes	Length (km) of undergrounding	Cost	Number of schemes	Length (km) of undergrounding	Cost
Delivered	1	2.2	£233,500	2	4.54	£809,091
Scheduled to start 2017/18	3	17.2	£1,552,236	3	3.32	£406,573
Forecast to start 2018 onwards	2	2.7	£210,000	10	20.45	£2,272,011
Total	6	22.1	£1,995,736	15	28.31	£3,487,675

This programme is dependant on undergrounding requests from external third parties, individual customers or organisations. To help increase the volumes of nominated schemes being received, in 2016/17 we posted an animated video to our website to explain more clearly how stakeholders can nominate sections of our network for undergrounding. This was complimented by a social media campaign directing stakeholders to our website.

Commitment 2

We will work more sustainably to reduce our Business Carbon Footprint and the impact of our assets on the environment

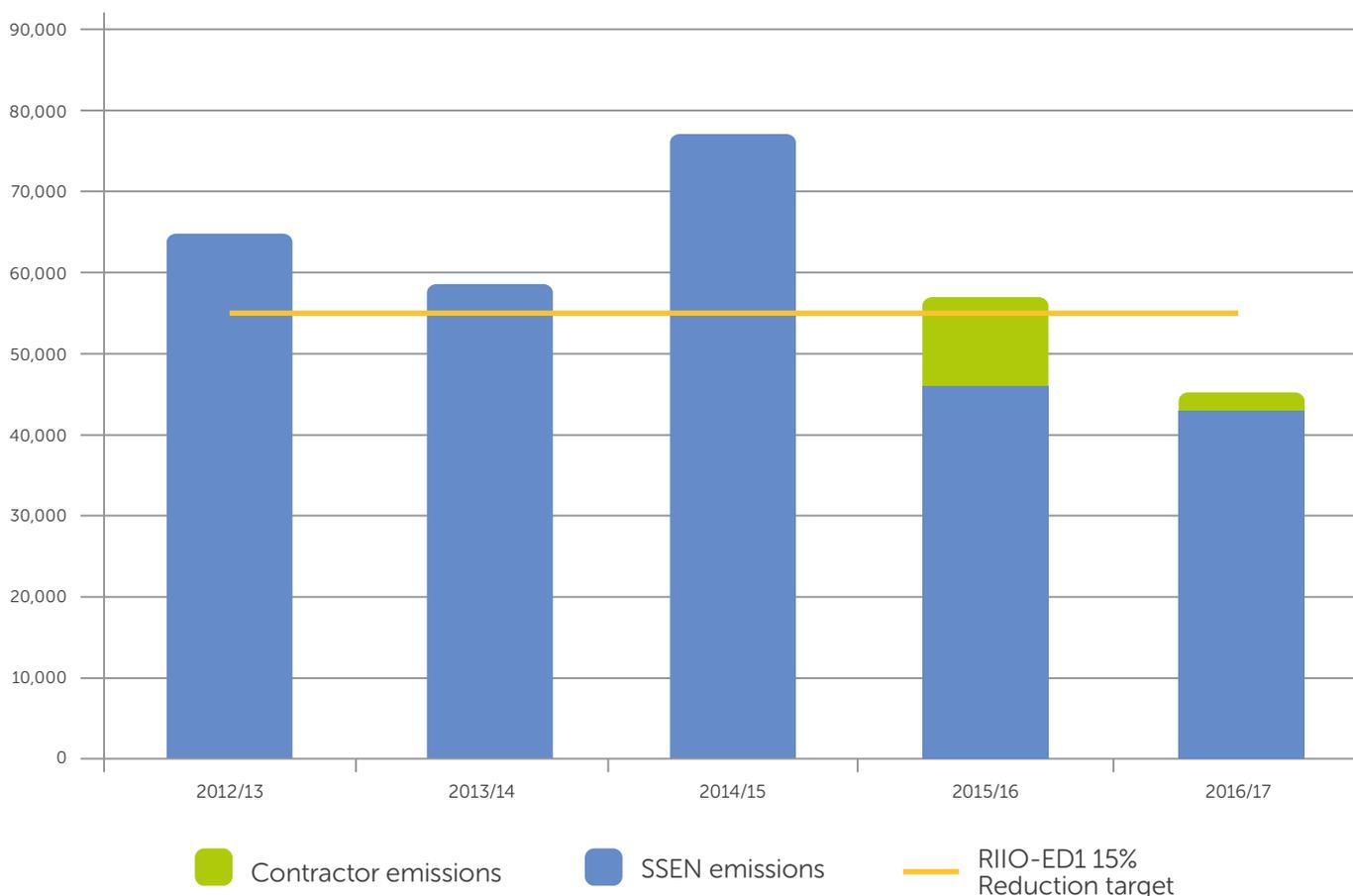
We want to report our carbon footprint in an open and transparent way that allows stakeholders to understand our year-on-year performance against a background of continued business growth.

Our Business Carbon Footprint (BCF) measures the impact of our business activities on the climate in terms of the total amount of greenhouse gases produced (measured in units of carbon dioxide equivalent, CO₂e). We measure and report on the combined carbon emissions of our own activities, direct emissions, indirect emissions and those of our contractor partners.

We saw a significant decrease in our BCF in 2015/16 due to a substantial reduction in emissions from fuel combustion in our SHEPD area. This was followed by a further decrease in 2016/17 when our BCF reduced to 44711 tonnes of CO₂e – 12,423 fewer tonnes than in 2015/16. This improvement is predominantly due to a significant reduction in emissions from operational transport in our SHEPD and SEPD areas compared to 2015/16.

We remain focussed on the emissions of our fleet by looking at the efficiency of the vehicles we use. We continue to examine the possibilities of increasing our use of biodiesel. Innovation in this area, for example hybrid and electric vehicles, holds a lot of promise and we continue to monitor this as the technology

Annual BCF (tCO₂e) excluding network losses



develops and becomes more aligned with the demands of our fleet.

Commitment 3

We will work with Electricity Supply Licensees to detect and prevent fraudulent energy use (theft)

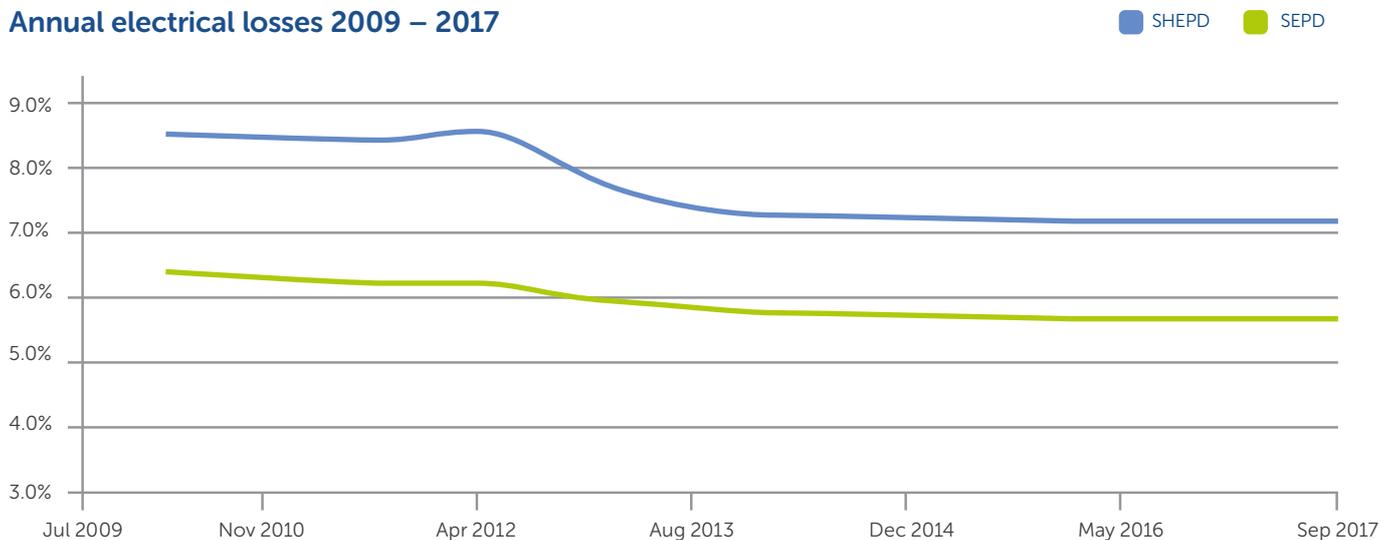
Energy lost that is not directly related to the transportation of electricity through the system is categorised as a non-technical loss; this could be from theft or measurement errors. Situations where there is no registered supplier at a connection point or no meter installed also occur from time to time. In many cases however, non-technical losses are due to illegal activities for example, consumers bypassing the meter or making an unauthorised connection to our network.

To help detect and prevent energy theft, we established a Revenue Protection team in 2014. The key focus of the team is to address MPAN discrepancies within our licence areas.

The revenue protection team were able to investigate circa **5000** records per month and resolve on average circa **700** per month

This is a vital activity in reducing settlement inaccuracy and ultimately contributing to lower non technical network losses and we are pleased that our continued focus and investment has paid off with substantial increases in productivity.

Annual electrical losses 2009 – 2017



Commitment 4

We will use new sources of data to analyse and track losses and target loss reduction

We have worked to ensure the measurements of energy entering and leaving our network are as comprehensive as possible using the metering data available – this helps to ensure the calculation of losses is as accurate as it can be.

We have completed the initial network analysis work to justify the deployment of dedicated teams with the primary objective of identifying parts of our network that produce the highest technical or non technical losses and using appropriate interventions to reduce losses at these locations. We have committed to investigate the implementation of a dedicated Losses Team. The intention is this team will be able to identify the sources of losses and utilise an appropriate intervention to reduce losses.

Currently, around 7% of the electricity distributed on our networks is reported as losses; however this varies every year depending on customer demand.

In February 2017 we announced we would be sponsoring a new award at the 2017 UK Energy Innovation Awards. SSEN's Losses Award recognises innovative technologies, practices or solutions that could lead to a reduction in distribution network costs.

Stewart Reid, Head of DSO and Innovation at SSEN, said: "The industry is entering an exciting phase with innovative technologies shaping the way electricity network operators interact with its customers, suppliers and commercial partners. We are sponsoring this award to encourage the creative minds across the country to bring new ideas and solutions to the industry to help shape and influence the future direction of electricity distribution networks."

Commitment 5

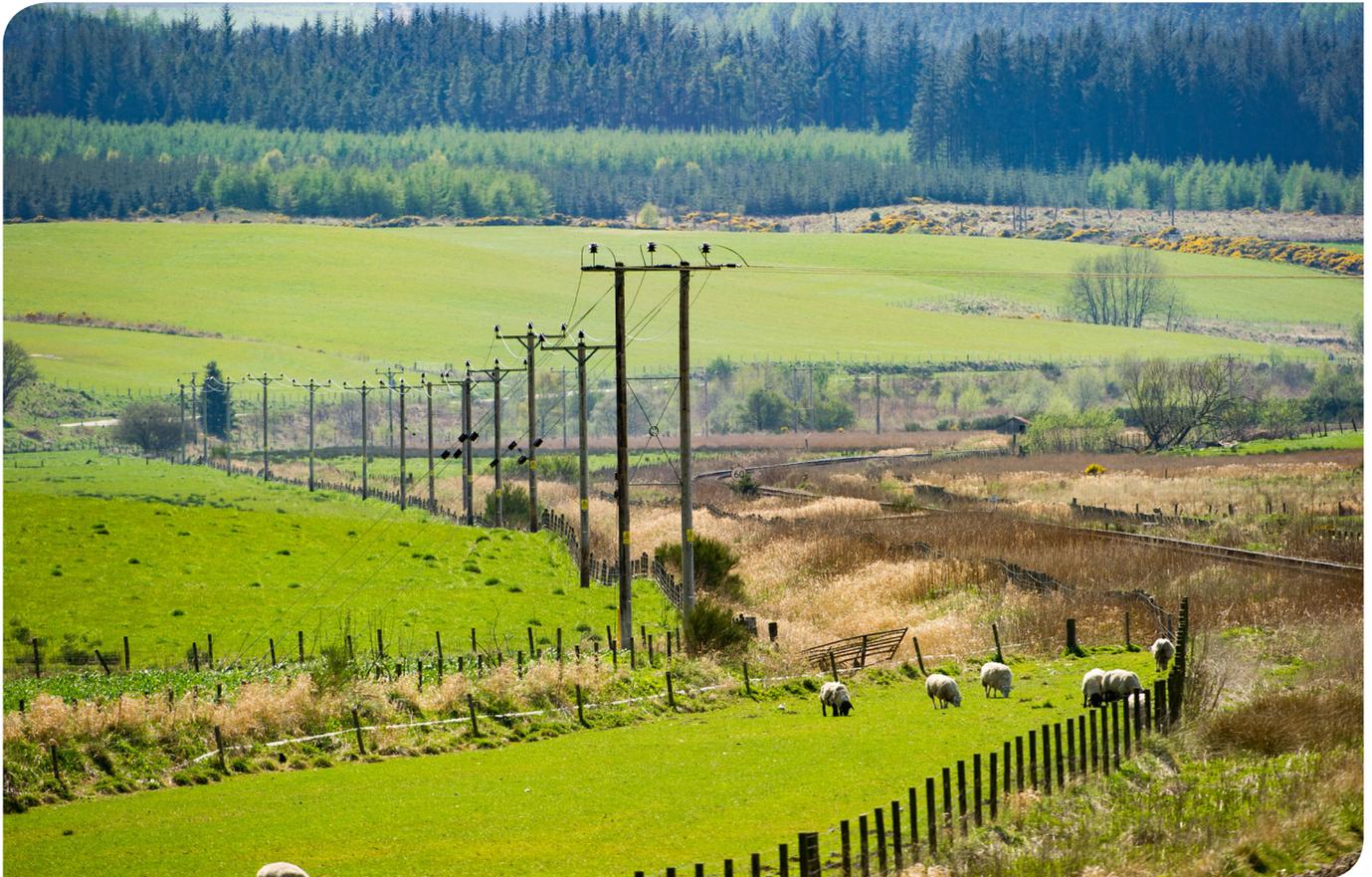
We will continue with our successful programme of replacing current equipment with lower loss equipment on an end-of-life basis and with optimal configuration of the network

There are a number of challenges facing our network in terms of keeping losses at the existing levels around 7%. Increases in low carbon technologies connecting directly to the distribution network and greater demand from the electrification of heat and transport means that peak demand and use of the network will increase and therefore so will network losses.

Despite these there is scope to stop losses increasing significantly above the existing baseline. The specification of the plant / equipment we install or the physical configuration and design of the network can have a significant impact on the amount of energy lost in process of power distribution. We are constantly reviewing and changing our specification of new low loss transformers to replace old higher loss transformers.

Updated estimated savings from SSEN losses strategy over 8 year price control period ED1²

Intervention	Anticipated energy saving through ED1 (MWh)
Low loss high voltage transformers	40,744
Replacement of historical secondary transformers	12,825
Low voltage balancing equipment	1,042
High voltage minimum cable upsizing	7,848
Low voltage minimum cable upsizing	26,017
Total	88,476



² This is the saving from predicted measures and does not take into account the potential savings from our 'losses teams', potential smart metering benefits or the work completed by our Revenue Protection staff.

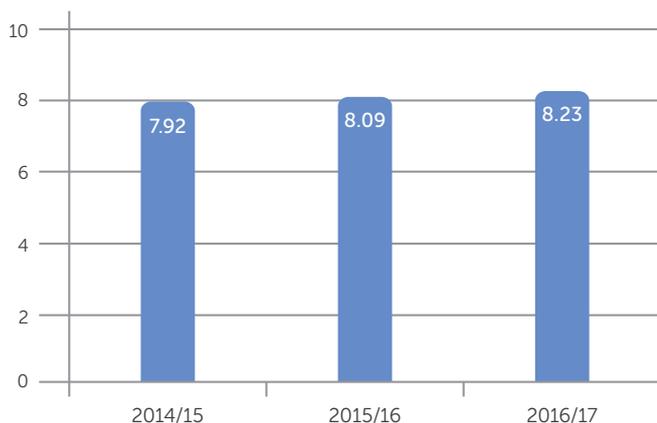
Connecting customers to our network

Commitment 1

If you apply for a new electricity connection and a team member has not been in touch within 3 working days, then we will pay you £20 – minor connections

In 2016/17 we continued to work towards our connections customer service improvement plan, focussing on an improved induction training package for telephony staff and connections-specific complaint training. All telephony staff, including team managers, attend regular moderating sessions, which are designed to review call quality and identify best practice. We have seen an improved Broad Measure of Customer Service performance connections.

Connections Broad Measure of Customer Service performance



Through an increased focus on telephony performance and reporting we have seen an improved performance for our connections department. This included a reduced call abandon rate and an increase in the average speed of answer despite an increase in calls presented.

Connections telephony performance

	Number of calls	Abandon Rate	Average Speed of Answer (seconds)
2015/16	46,972	14.86%	101
2016/17	57,225	5.03%	52

We aim to respond to customers via their preferred method of communication and respond to all applications for a new connection within 3 working days, if we fail to meet that target, customers can apply for a £20 payment.



Commitment 2

We will reduce the average number of working days to provide a connections offer by 10% (based on 2012/2013 performance) and provide a connection after acceptance by 10% (based on 2012/2013 performance)

When producing our Business Plan, our stakeholders told us that the time taken to receive a quotation following an application, and to get a connection following acceptance, is very important to them, particularly the absolute time taken from application to quotation.

A benchmarking exercise conducted before RIIO-ED1 against other network operators found that we were comfortably below the average time to quote. Therefore, recognising that reducing this duration is very important to our customers, we committed to improve our performance by 10% from our 2012/13 performance.

		Business Plan target (average number of working days ³)	Ofgem Guaranteed Standards Target ⁴	Actual (2015/16)	Actual (2016/17)
SHEPD					
Single connection	Time to Quote	7.9	5	2.5	3.6
	Time to Connect ⁵	31.57	30	31.5	30
2 – 4 connections	Time to Quote	12.33	15	5.1	7.22
	Time to Connect	47.44	45	40.02	40.44
SEPD					
Single connection	Time to Quote	7.37	5	2.66	2.7
	Time to Connect	35.55	30	33.18	44.3
2 – 4 connections	Time to Quote	11.13	15	6.94	7.33
	Time to Connect	42.47	45	45.04	63.68

Our quotations performance remains ahead of the targets we set ourselves in our Business Plan, although there has been a slight decline in performance compared to last year. This can be attributed to an increased focus on improving communications with customers during the design and quotation process, with the aim of improving the quality and accuracy of offers to meet customers' requirements from the outset of the connections applications process, and get it right first time.

Commitment 3

We'll facilitate an open and competitive market by improving the information that is publicly available, such as the provision of heat maps, continuous improvements in the website and provide a named Connections Account Manager for each major connection customer

We are implementing a continuous programme of improvements to our website, intended to improve the information publicly available to connections customers and other stakeholders. A list of future improvements can be found in our Connections Engagement 'Looking Forward Report' (<https://www.ssen.co.uk/ICE/>).

³ Where our Business Plan target exceeds the Guaranteed Standard target date, the Guaranteed Standard date will be used

⁴ These standards do not apply where some of the connections work is to be carried out by an ICP or where no modification to the physical connection is required

⁵ Should a customer request a date that falls outside the Ofgem target, their request date becomes the Guaranteed Standard target

One of the most popular features of our website are our 'heat map' tools, where we update and display the current status of the network with regards to constraints and planned reinforcements. We were the first Distribution Network Operator (DNO) to also include visibility of the corresponding transmission network capabilities, and also whether there are other developers in a given area interested in forming a consortium to share connection costs.

We have committed to develop this tool further to also include details of recent offers we have made to other customers looking to connect. This is in direct response to feedback from customers where it was suggested that details on this would help them in advance of making their connection application.

Additionally, we now also appoint a dedicated Customer Account Manager to all major connections at the initial quotation stage. Every customer is contacted by their dedicated Customer Account Manager when the quotation is issued, where we will explain the key aspects of the quotation and answer any initial queries the customer may have. That same Customer Account Manager will work with the customer all the way through the various processes, ensuring one point of contact from energisation and beyond.

Commitment 4

We will continue to work with our partners, including Community Energy Scotland, to streamline the connections process for community renewable energy schemes and improve our communication with communities by acting on feedback

We have two Customer Account Managers focussed on supporting community renewable energy schemes. Community projects often face additional challenges in the development of their scheme and we provided this resource in recognition of the extra levels of support needed.

To assist with making the connection process as transparent as possible, we provide on our website a bespoke, easy to follow guide for people who wish to get an electricity connection for new community generation schemes. It provides helpful tips, an introduction to the network and a step-by-step guide to getting connected (<https://www.ssen.co.uk/GenerationConnectionsHome/>).

In providing this support we work closely with various community partners – including Community Energy Scotland, Local Energy Scotland and RegenSW – where we sponsor, exhibit at and participate in their stakeholder events. We also host our own dedicated community events and workshops to help with some of the challenges faced by community groups.

We have committed to do this on an ongoing basis and a full list of these events can be viewed on our online events calendar tool (<https://www.ssen.co.uk/StakeholderEvent/BasicSearch/>).

Commitment 5

We will make improvements to the website including a smart online application form for new connections, an online payment system and online project tracking

In 2016/17 we made improvements to our website which saw us ranked 1st overall in the industry by independent auditor Sitemorse; this included being ranked 1st for accessibility.

We help to connect thousands of customers to our network every year. Our experience has shown that keeping our customers well informed helps them in managing their new connection much more successfully. Our customers have told us that they want an easier application process. As a result of this feedback, we have implemented changes so that our customers can now apply on our website for a range of projects. From small and large new connections, service alterations and diversions, generation connections and non-contestable (ICP and IDNO) applications, our customers can create their job online, listing all their requirements. Additionally for customers registering their job online, they will have access to live online job tracking. This will update at every stage in the process, from registration, to quote issue, project acceptance and delivery. By applying online, customers are also able to pay for their project in the online job tracking. We have also updated our offline applications to smart PDF's.

We have updated our website to improve its usability and improve the information available for our connections customers. We are now improving our application forms for all customers. This update is supported by 96% of customers surveyed as part our Incentive on Connections Engagement.

Improving customer service

Commitment 1

You'll be able to contact us in more and more ways that suit you. By Twitter, Facebook or however you want to talk to us

More and more customers are contacting us through our social media channels with an increased reach of over 1 million in 2016/17 compared with 2015/16. To enable us to provide the best possible service, we have merged our social media and web content team which ensures we deliver one consistent digital journey for our customers. All members of our digital team attend two sessions hosted by ConvaSocial each year to receive training on customer service and how to utilise our online resources.

We have increased the visibility of our social media channels on our website, with links to Facebook and Twitter on all pages of the website.

Social media statistics 2016/17

Reach: **10,504,607**

Engagements: **192,767**

Video Views: **83,088**

Incoming messages: **39,759**

Customer satisfaction: **4.6/5**

Power cut response time: **7 minutes 25 seconds**

Everything response time: **11 minutes 25 seconds**

Not all of our customers are digitally active or comfortable contacting us online. Our 24/7 customer contact centres, based within our Network areas, continue to offer free, alternative methods of communication such as audio CDs, Braille and a translation service. Our Customer Relationship Managers and CCA's regularly meet with customers face to face to provide additional assistance.



In September 2016, the 105 Single Emergency Number was launched across all DNO's. The new number was developed to make it easier for customers to contact their network operator and also avoids confusion when reporting an emergency situation, supply interruption or seeking advice from their network operator.

26.28%

of calls into our customer contact centre originate through the 105 number.

To coincide with the release of the Single Emergency Number, we launched our new Scottish and Southern Electricity Networks brand. We had identified through analysis of surveys and focus groups attended by stakeholders and customer representatives that our customers had a low level of awareness of who we were. Following research and testing of design options we launched the SSEN brand and purpose of 'Powering our Community'. The rebranding was communicated out to key stakeholders, such as elected officials and media outlets in our network areas as well as a leaflet door drop in January and February 2017.

3.7 million leaflets delivered to our customers

Commitment 2

We'll keep on asking you how we could do better and publish a report every year on what we're doing about it

During 2016/17 we focussed on the creation and induction of our Stakeholder Advisory Panel. The panel comprises of six informed senior stakeholders, four of whom have a wide range of experience and a high degree of knowledge across vulnerability, fuel poverty and resilience. From the first meeting in February 2017, the panel has started to shape our approach to vulnerability.

We have held six regional fora this year, four in central southern England and two in Scotland. Members of the fora are drawn from stakeholders within the communities with invitations sent to a diverse range of organisations and charities. We are looking to review our use of the regional fora and increase the number held each year to seven.

In July 2017 we published three stakeholder engagement reports which formed part of our submission to Ofgem on our website, these reports detail our stakeholder engagement activities and what we have done in response to stakeholder feedback during 2016/17.

Commitment 3

We will reduce our part of the electricity bill by 10% in 2015 and having only inflationary increases thereafter

In 2015 the annual distribution use of system charge reduced on average by 10%, a 9% reduction in our SEPD area and reduction of 16% in our SHEPD area.

Our base revenue does not increase by more than inflation, on 1 April 2016 the Base Demand Revenues for our Distribution Service Areas (DSAs) reduced by -1% in our SEPD area and increased by 4% in our SHEPD area; increasing on average by 3%. In the RIIO-ED1 price control period Ofgem sets the conditions that determine our allowed pass through and incentive revenues, which adjust the base demand revenue. For 2016/17 these adjustments included significant losses incentive allowances, determined by Ofgem, to close out the Distribution Price Control Review 4 (DPCR4) losses incentive scheme. These require SEN to recover Allowed Revenues not recovered in 2014/15, meaning that our final Allowed Revenues for 2016/17 were £571.2m (+8%) for SEPD and £242.6m (+10%) for SHEPD. We set our 2016/17 Distribution Use of System (DUoS) tariffs to recover these Distribution Network Allowed Revenues in compliance with the Common Distribution Charging Methodology (CDCM) and Extra High Voltage Distribution Charging Methodology (EDCM), as

detailed in the Distribution Connection and Use of System Agreement (DCUSA) document, Schedules 16 (CDCM) and 17 (EDCM).

We know fuel poverty is a continuing problem facing households across Great Britain. Our Knowledge Transfer Partnership with the University of Dundee prompted us to investigate beyond our Priority Services Register so we can provide targeted support for vulnerable consumers who, whilst they may not meet the criteria for the PSR, may be at a disadvantage on energy matters. This in turn, led to the creation of our vulnerability mapping tool which helps us to identify and deliver solutions for vulnerable customers. We have agreed terms with the Energy Saving Trust (for central southern England) and Home Energy Scotland to set up Fuel Poverty Referral Partnerships to help customers who find their homes hard to heat or people who worry about affording their energy bills. When we become aware of customers who face problems of this nature, we will be able to refer them on to experts who can provide additional help and support.

Our business plans for the future constantly look for ways we can do things better – reducing costs to our customers without reducing the standard of service.

Commitment 4

Every year we will publish our resilience plan so you know what we will do in the event of a power cut

Our approach to resilience remains focussed on two key areas:

1. Partnerships and communication
2. How we prepare for and respond to prolonged power cuts

Supporting our customers is always at the forefront of how we operate and this is never truer than when facing the harsher winter months. In the lead up to winter we encourage our customers to sign up for our Priority Service Register to ensure we provide the best possible service for those who need it most. Our Proactive contact team are responsible for contacting customers during a supply interruption to provide updates and check the welfare of our customers, liaising with our dedicated Priority Service team. Where adverse weather is forecast, our Proactive and Priority Service teams will endeavour to contact customers on our Priority Service Register by telephone or text messaging, where appropriate, to notify them of the potential bad weather and possibility of supply loss. Any concerns are highlighted to our regional Customer Relationship Managers who work with customers to ensure their welfare is looked after.

We have continued to run our “Get ready for winter” campaign giving advice on how customers can prepare for winter and know what to do if they are concerned about a vulnerable person.

Key Campaigns

2 Winter Campaigns

3 Priority Services Campaigns

1 105 Campaign

4 Safety Campaigns

In 2016, a partnership between SSEN and the University of Dundee was awarded the highest grade of ‘Outstanding’ by Innovate UK. The Knowledge Transfer Partnership has resulted in an increased understanding of, and commitment to, delivering a better service to our most vulnerable customers, included an enhancement in the pro-active support provided to customers in the event of supply interruptions and emergency situations, such as storms.

Commitment 5

We want to make it easy for you to fill out a form by giving you the option of doing it online, by post, by phone or live chat

The option to complete forms online, by post or by email is built into our website. On review via mystery shoppers, our teams identified essential improvements to the customer experience, including making it easier to find the new connections (small projects) form. This form was also reduced from around four pages in length to one page using the basic principles of good form design and referencing other DNOs’ application forms, in particular Electricity North West’s. The edits included removing the need for the customer to complete irrelevant details and asking them to provide information we know they will struggle to find about certain equipment they may wish to connect, such as heat pumps.

We will continue to review our customers’ needs and expectations and how best to satisfy them in respect of the channels they would like to use. This includes the option of installing a live chat facility on our website.

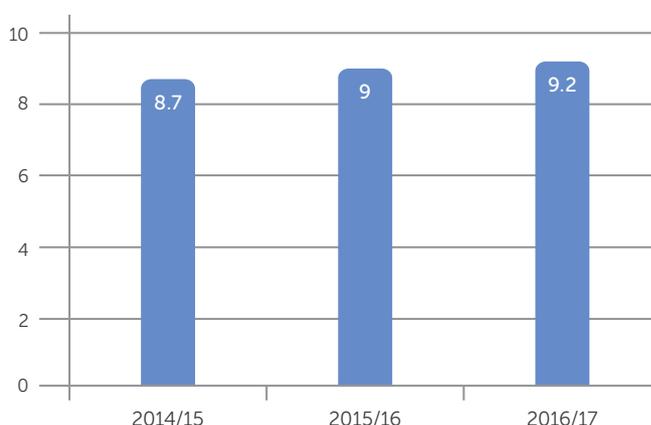
Commitment 6

If we do have an unexpected power cut, within 10 minutes we will be able to tell you what we are doing about it

We are already providing an estimated restoration time to all customers involved in any fault on our high or low voltage networks within 10 mins of the power going off. During 2016/17 we enhanced our communication around power cuts by installing a Progress Reporting and Proactive Team. Our progress reporters are there to ensure that every customer that is off supply gets regular updates throughout and after a power cut. Our Proactive Team try to contact as many customers as possible when the power goes off before they have had the time to contact ourselves.

We also updated our recorded messaging function for any customers calling into us about a power cut. These changes have had a positive impact on our unplanned interruption scores in both of our license areas. We have seen an increase in our unplanned interruption scores within Broad Measure from 8.7 in 2014/15 to 9 in 2015/16 and 9.2 in 2016/17.

Unplanned Interruptions Broad Measure of Customer Service performance



7 minutes 25 seconds

Power cut update time





Media enquiries should be directed
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