

ANNUAL BUSINESS PLAN COMMITMENT REPORT 2021/22

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● Executive Summary



Scottish & Southern
Electricity Networks

Powering our
community



MANAGING DIRECTOR'S MESSAGE

There can be no doubting that in the last year the pace and rate of change and the challenges facing many has continued to grow with increasing volatility in the factors that affect everyday lives, including, of course, the wider energy landscape. In such times, the stability and efficacy of electricity networks remains an important constant.

This report summarises the performance of our two electricity distribution networks: Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc against the delivery of our RIIO-ED1 Business Plan.

It is close to a decade since we submitted that business plan, and in that time, we have seen a number of challenges and developments which could never have been envisaged at the time of writing our plan. 2021/22 was no different in terms of unexpected challenges, from supply market issues, through to an emerging cost of living crisis to an unprecedented set of winter storms. Throughout these challenges, we have remained committed to delivering for our customers and are proud of what we have achieved in RIIO-ED1 to date.

I am pleased that with one year of the price control period remaining, we have already delivered, or are on track to deliver, 90% of our Business Plan commitments and are continuing to drive tangible improvements for our customers.

Over the year we had 307 'safe days' and a Total Recordable Incident Rate (TRIR) of 0.20%. Safety remains the upmost priority for all our customers and our workforce and we are striving to make every day a 'safe day' for our staff, contractors and customers.

We are particularly proud of our performance in managing the impact of seven named storms, across the winter period. In particular, Storm Arwen was a once in a generation weather event which caused extensive damage to our network, affecting 135,000 (over 15%) of our customers in the SHEPD area. A 950-strong team worked in very difficult conditions to restore power as quickly as possible, and dealt with over 1,000 points of damage on our overhead line networks.

Despite a difficult winter, 2021/22 saw our lowest customer interruption numbers for both networks. This continues the trend of our customers experiencing fewer and fewer interruptions over the course of the RIIO-ED1 price control with numbers of interruptions down 11% in SEPD and 19% in SHEPD compared to the start of RIIO-ED1.

In 2021/22, we invested £300m in our network to improve resilience, help facilitate Net Zero and drive economic growth in our regions. Alongside investment, we continue to expand our Distribution System Operation functions, contracting an additional 358.8MW of flexibility and dispatching 4.6GWh of flexibility in 2021/22. We are continuing to make investments in data and IT to expand our operational toolkit to manage the system more actively as we move towards the future state smart energy network.

In the wake of increasing energy bills and the difficulties seen in the retail sector, we've stepped up our support to vulnerable customers. This includes adapting our vulnerability programmes and re-focusing all relevant activity to provide a comprehensive suite of responses that customers can access to help alleviate the impacts of the rising cost of living. Important partnerships with Citizens Advice Scotland and the Centre for Sustainable Energy enable this for our customers most in need. In 2021/22, this allowed us to provide fuel poverty and energy efficiency support to over 8,700 households through our portfolio of referral networks and outreach partnerships; a 130% increase on last year.

We continue to perform well under customer satisfaction with a score of 8.70. We continue to invest in our people to ensure that our customers receive the best possible service. In 2021/22, we were awarded the prestigious Training Mark accreditation from the Institute of Customer Service making SSEN only one of 27 companies in the UK to hold this accreditation.

We aren't resting on our laurels; we are excited about the challenge of continuing to facilitate Net Zero and what that means for our business and network over the coming years. We recognise there is much to do to bring the energy transition to life in an efficient way for our customers and so we have challenged ourselves strongly in our business plan for the next price control, RIIO-ED2, to go further in meeting our purpose of 'Powering communities to thrive today and create a Net Zero tomorrow'. This ambitious, stakeholder-led plan sets the vision for the next five years enabling us to deliver for all our customers at the most efficient cost and we look forward to making that a reality.

CHRIS BURCHELL
MANAGING DIRECTOR
SSEN





SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION (SHEPD)

Performance Snapshot 2021/22



Our Network

788,261 customers

served across our regions

49,471km

is the combined network length of overhead lines and cables (including subsea)



Customer Satisfaction

9.09/10 Overall Broad Measure of Customer Satisfaction score

Zero Penalties

under the penalty only Incentive on Connections Engagement (ICE) Scheme

5.88/10 Stakeholder Engagement and Consumer Vulnerability Score
Second place DNO group



Environmental Impact

46,532 (tCO₂e)

Total Business Carbon Footprint (excl. losses)



Finance

£216.16m

Total 2021/22 Expenditure
Expenditure was 135%
of our allowance

£121.70

Unrestricted Domestic
Tariff Charge
Excl. domestic customer rebate



Reliability

Average number of interruptions per 100 customers per year

51.63

Customer Interruptions
excluding exceptional events

90.23

Customer Interruptions
including exceptional events e.g. extreme weather

Average number of minutes a customer is off supply

48.24 mins

Customer Minutes Lost
excluding exceptional events

512.95 mins

Customer Minutes Lost
including exceptional events e.g. extreme weather



Connections

Time to quote a connection offer

3.94 days

Single Connections
average no. of working days to provide an offer

5.41 days

2-4 Connections
average no. of working days to provide an offer

Time to connect following acceptance of a connection offer

22.72 days

Single Connections
average no. of working days following acceptance

26.65 days

2-4 Connections
average no. of working days following acceptance



Innovation

SUBsense

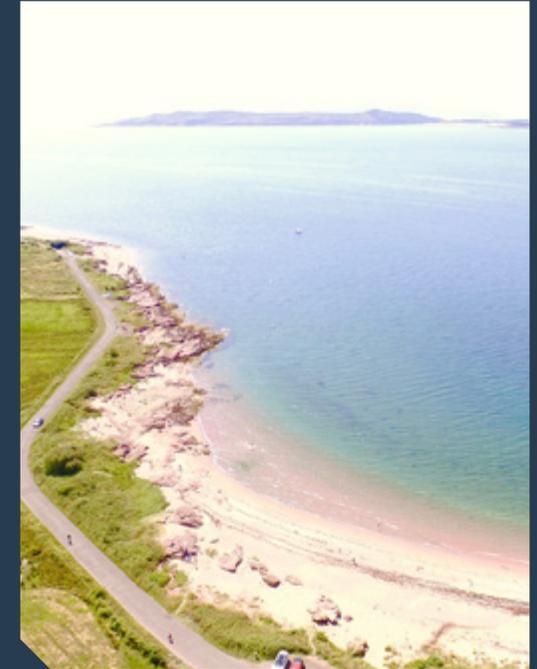
We continue to test, trial and incubate ideas through innovation which can improve our business performance for customers. In SHEPD, we are unique among DNOs in having a number of subsea cables connecting 59 Scottish Islands to the GB Electricity Network.

Through our SUBsense innovation project we are using distributed Acoustic Sensing (DAS) on several new subsea cables. We are trialling how we can use this acoustic sensing to build a visual picture of our subsea cables.

These visual images can be used by our engineers to understand the condition of the cable, allowing early detection of mechanical wear and tear.

Crucially, it will allow us to do this at lower cost and allow earlier identification of issues to reduce the risk of faults on the cable and subsequent disruption to supply on Scottish Islands.

For more information: subsense.co.uk/



Safety

In November 2021, Storm Arwen brought significant disruption to our SHEPD network. Despite working in arduous conditions, our 950-strong team completed all repairs without a single reportable injury. This is testament to the strong safety culture in SSE.

If it's not safe we don't do it.





SOUTHERN ELECTRIC POWER DISTRIBUTION (SEPD)

Performance Snapshot 2021/22



Our Network

3,127,424 customers

served across our regions

78,703km

is the combined network length of overhead, underground (including submarine) cables and lines



Customer Satisfaction

8.31/10

Overall Broad Measure of Customer Satisfaction score

Zero Penalties

under the penalty only Incentive on Connections Engagement (ICE) Scheme

5.88/10 Stakeholder Engagement and Consumer Vulnerability Score

Second place DNO group



Environmental Impact

32,975 (tCO₂e)

Total Business Carbon Footprint (excl. losses)



Finance

£287.22m

Total 2021/22 Expenditure
Expenditure was 102% of our allowance

£71.58

Unrestricted Domestic
Tariff Charge
Excl. domestic customer rebate



Reliability

Average number of interruptions per 100 customers per year

41.10

Customer Interruptions
excluding exceptional events

54.42

Customer Interruptions

including exceptional events e.g. extreme weather

Average number of minutes a customer is off supply

39.16 mins

Customer Minutes Lost
excluding exceptional events

113.65 mins

Customer Minutes Lost

including exceptional events e.g. extreme weather



Connections

Time to quote a connection offer

3.99 days

Single Connections

average no. of working days to provide an offer

9.47 days

2-4 Connections

average no. of working days to provide an offer

Time to connect following acceptance of a connection offer

41.42 days

Single Connections

average no. of working days following acceptance

55.21 days

2-4 Connections

average no. of working days following acceptance



Innovation

Preparing for the Future

In SEPD, we have seen a rapid uptake of low carbon technologies on our network which is requiring us to manage the network more actively. Our Future Control Room project is assessing how the more active management of the network will impact our control room and how we simulate that environment to help upskill our staff and equip them to run tomorrow's networks.

In addition, we are rolling our learning from our successful LEO project, particularly around how to get greater participation in local flexibility markets to help reduce the cost of meeting demand and generation increases on our network.



Safety

Think Before you Dig

In 2021/22, we continued to promote our **Think Before You Dig** campaign, targeting the Springtime and Easter Bank Holiday which are traditionally busy times for outdoor activities and garden work.

The simple message encourages people to take time to find out where electricity cables are before their outdoor DIY and gardening projects as striking electricity cables can have potentially serious and fatal consequences.





COMMITMENTS SUMMARY

This page sets out a summary of our performance against our commitments for RIIO-ED1 so far. We continue to progress our commitments and note that we are On Target or better on 101 of our 110 commitments and will be working to improve our position on those currently Below Target in the last year of RIIO-ED1.

Category	Total Commitments	Below Target	On Target	Ahead of Target	Complete	Overall Status Against Plan
 RELIABILITY	27	5	16	1	5	★★★☆☆
 SOCIAL OBLIGATIONS	23	1	9	3	10	★★★★☆
 SAFETY	12	1	8	1	2	★★★☆☆
 ENVIRONMENT	11	2	6	2	1	★★★☆☆
 CONNECTIONS	15	1	10	0	4	★★★☆☆
 CUSTOMER SATISFACTION	22	0	10	2	10	★★★★☆
Total	110	10	59	9	32	★★★☆☆



Complete



Ahead of Target



On Target



Below Target

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Scottish & Southern
Electricity Networks

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