



ANNUAL BUSINESS PLAN COMMITMENT REPORT

2022/23



Scottish & Southern
Electricity Networks

Powering our
community



ABOUT SSEN

Who we are and what we do

Scottish and Southern Electricity Networks (SSEN) is the trading name of the two Distribution and one Transmission businesses that form part of the FTSE-100 energy company, SSE.

This report focuses on the two Distribution businesses, Scottish Hydro Electric Power Distribution plc (SHEPD), that operates to the north of the central belt of Scotland, and Southern Electric Power Distribution plc (SEPD) that operates in central southern England, as shown on the map opposite.

Together, these networks serve over 3.9 million homes and businesses, from the bustle of west London to the smallest villages in the Highlands and Islands of Scotland.

Our primary focus is to provide a safe and reliable supply of electricity to our customers by investing in, and maintaining, the systems of overhead lines, underground and subsea cables that transport electricity to homes and businesses, as well as ensuring ongoing and continuous improvement of the service we offer our customers.



SHEPD

792,497 customers'

homes and businesses served

49,763km

of overhead lines and
underground/subsea cables

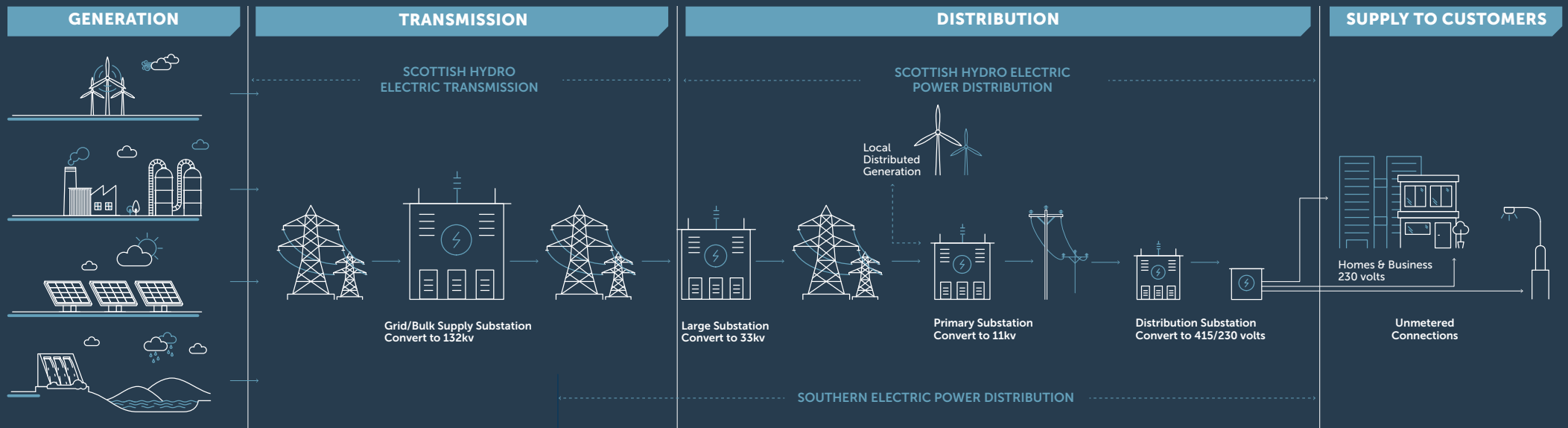
SEPD

3,138,114 customers'

homes and businesses served

79,064km

of overhead lines and
underground cables





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The price base for all monetary values is 2012/13



MANAGING DIRECTOR'S MESSAGE

As we reach the end of the RIIO-ED1 price control, we reflect on how we have delivered significant progress and value for our customers over the last eight years.

This includes meeting our ambitious environmental targets, investing in our network to bring our communities towards Net Zero, and introducing more flexibility and innovative solutions to meet customer needs faster and cheaper.

We have delivered all this amidst a far more turbulent political, economic and social backdrop than was envisaged when we developed our RIIO-ED1 business plan back in 2012. We have adapted to evolving priorities and unexpected challenges, from Brexit, Covid-19, supply market issues, through an emerging cost-of-living crisis to an unprecedented set of winter storms. We have been guided by our purpose and vision throughout, underpinned by four clear priorities:

- **Deliver a safe, resilient and responsive network;**
- **Provide a valued and trusted service for our customers and communities;**
- **Accelerate progress towards a Net Zero world; and**
- **Make a positive impact on society.**

With these priorities at the heart of our decision-making processes, we continue to deliver what is needed for our customers in the most efficient way.

This report summarises the performance of our two electricity distribution networks against our RIIO-ED1 Business Plan (Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc), and outlines our delivery against our RIIO-ED1 Business Plan Commitments. We are proud of our achievements over the past eight years, and we are focused on achieving much more in the next period.

Delivering a safe resilient and responsive network

Safety remains our top priority, and ensuring the safety of our workforce is a core value for us. Over 2022/23, we had 325 'safe days' and a Total Recordable Incident Rate (TRIR) of 0.22 – extending our strong safety performance across the price control. We continue to challenge ourselves to ensure safety remains at the highest standards, particularly as activity levels grow into RIIO-ED2.

Our primary purpose as a distribution company is to deliver a reliable supply of electricity to our customers. Over the course of RIIO-ED1, we have reduced the number of Customer Interruptions by 2% in SEPD and 14% in SHEPD. We will continue to invest in replacing ageing assets to ensure our network is healthy, and use technology to help restore the network as quickly as possible, all with the aim of further improving the reliability of our network.

Providing a valued and trusted service for our customers and communities

We have continued to improve customer service in 2022/23, achieving our highest overall Customer Satisfaction Score of the RIIO-ED1 period. This is testament to our significant investment in improving customer service as part of our customer experience strategy.

2022/23 was a year of particular growth for SSEN Distribution where we strengthened our resilience further by adopting learning from Storm Arwen. The roll out of new processes and procedures have already contributed to improved service, including during the severe weather experienced in Shetland in December 2022, and Storm Otto in February 2023.

Accelerating progress towards a net zero world

In the last year of RIIO-ED1, we continued to invest in our network, with an increase of 72% on reinforcement work compared to 2021/22. This investment reflects the rapid increase in demand and generation growth over the last 12-18 months, all playing a vital role in facilitating Net Zero.

As part of our own commitments to help deliver Net Zero, we set targets to reduce our impact on the environment. We are proud to state that we went beyond our absolute target to reduce our Green House Gas emissions by 15% and achieved a 45% reduction in fluid filled cable leakage.

Making a positive impact on society

2022/23 continued to see a number of challenges associated with the cost-of-living crisis which, alongside resilience, remained an important focus in the last year of RIIO-ED1. We are proud to led the way in a pan-utility project to deliver "ThePSR" website, which removes barriers in Priority Services Register (PSR) promotion for charities and partners who work across DNO and GDN boundaries. Moving forward this will enable national promotion of the PSR – ensuring more vulnerable customers to get the support they need.

Delivering our RIIO-ED2 outputs

While we have many achievements to be proud of at the end of RIIO-ED1, we are ready for the increased scale and pace at which we need to deliver for our customers in RIIO-ED2, to help deliver Net Zero. With RIIO-ED2 now well underway, we have an ambitious and stretching set of outputs to deliver further improvements for our customers. This ambition recognises the critical role that our Distribution networks play in supporting our customers and communities to meet the challenge of the energy transition and we look forward to enabling that journey with them.



CHRIS BURCHELL
MANAGING DIRECTOR
SSEN DISTRIBUTION



SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION (SHEPD)

Performance Snapshot 2022/23



Our Network

792,497 customers

served across our region

49,763km

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



Customer Satisfaction

9.20/10 Overall Broad Measure of Customer Satisfaction score

Zero Penalties*

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

6.11/10 Stakeholder Engagement and Consumer Vulnerability Score
Fourth place DNO group

* At time of publication, Ofgem has not given a view for 2022/23.



Environmental Impact

13,207 (tCO₂e)

Total Business Carbon Footprint (excl. losses)



Finance

£209.5m

Total 2022/23 Expenditure
Expenditure was 136% of our allowance

£101.24

Unrestricted Domestic
Tariff Charge
Excl. domestic customer rebate



Reliability

Average number of interruptions per 100 customers per year

54.52

Customer Interruptions

excluding exceptional events

62.20

Customer Interruptions

including exceptional events e.g. extreme weather

Average number of minutes a customer is off supply

47.20 mins

Customer Minutes Lost

excluding exceptional events

97.71 mins

Customer Minutes Lost

including exceptional events e.g. extreme weather



Connections

Time to quote a connection offer

4.76 days

Single Connections

average no. of working days to provide an offer

5.69 days

2-4 Connections

average no. of working days to provide an offer

Time to connect following acceptance of a connection offer

21.18 days

Single Connections

average no. of working days following acceptance

22.39 days

2-4 Connections

average no. of working days following acceptance

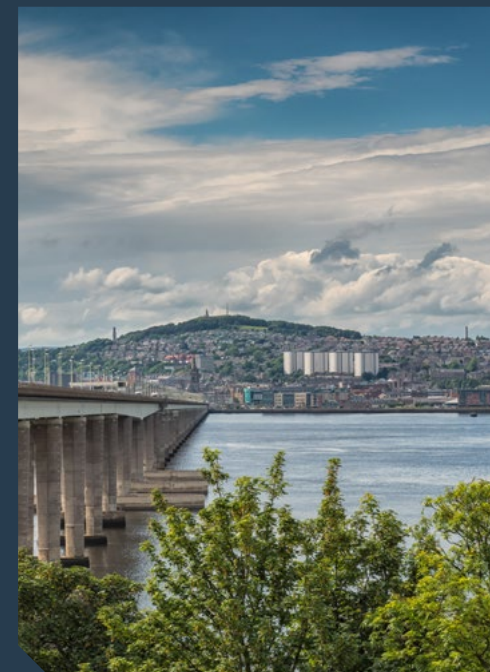


Innovation

RESOP

SHEPD has been driving innovation in data visualisation, co-design, and local area energy planning with our RESOP (Regional Energy System Optimisation Planning) project. In partnership with Advanced Infrastructure and in collaboration with Dundee City, Oxfordshire County Council and Oxford City Council, RESOP is delivering a geospatial planning tool that meets the needs of our stakeholders. The culmination of this work is the LAEP+ tool; an intuitive, straightforward platform that shows constraints on the network, allowing local authorities to make better informed decisions about the placement of new energy assets. Our goal in RESOP has been to create a 'one stop shop' for energy spatial planning, using simple, straightforward traffic light systems and a 'drag and drop' operation that is ready for local authorities to utilise in their Local Area Energy Planning processes.

Over the past year, RESOP has been engaging with multiple local authorities and stakeholders from other energy sectors to refine the use cases of the LAEP+ tool and identify gaps to inform future work.



Safety

In December 2022, Shetland saw an exceptional event in terms of weather, and in the response from Distribution colleagues across the business who ensured our customers were back on supply as quickly as possible, without any reportable injuries recorded.

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





SOUTHERN ELECTRIC POWER DISTRIBUTION (SEPD)

Performance Snapshot 2022/23



Our Network

3,138,114 customers

served across our region

79,064km

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



Customer Satisfaction

8.45/10 Overall Broad Measure of Customer Satisfaction score

Zero Penalties*

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

6.11/10 Stakeholder Engagement and Consumer Vulnerability Score

Fourth place DNO group

* At time of publication, Ofgem has not given a view for 2022/23.



Environmental Impact

32,084 (tCO₂e)

Total Business Carbon Footprint (excl. losses)



Finance

£282.15m

Total 2022/23 Expenditure
Expenditure was 103% of our allowance

£70.51

Unrestricted Domestic
Tariff Charge
Excl. domestic customer rebate



Reliability

Average number of interruptions per 100 customers per year

43.94

Customer Interruptions
excluding exceptional events

45.51

Customer Interruptions
including exceptional events e.g. extreme weather

Average number of minutes a customer is off supply

45.74 mins

Customer Minutes Lost
excluding exceptional events

46.40 mins

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



Connections

Time to quote a connection offer

4.45 days

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

9.02 days

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

Time to connect following acceptance of a connection offer

47.34 days

Single Connections
average no. of working days following acceptance

52.46 days

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



Innovation

NeRDA

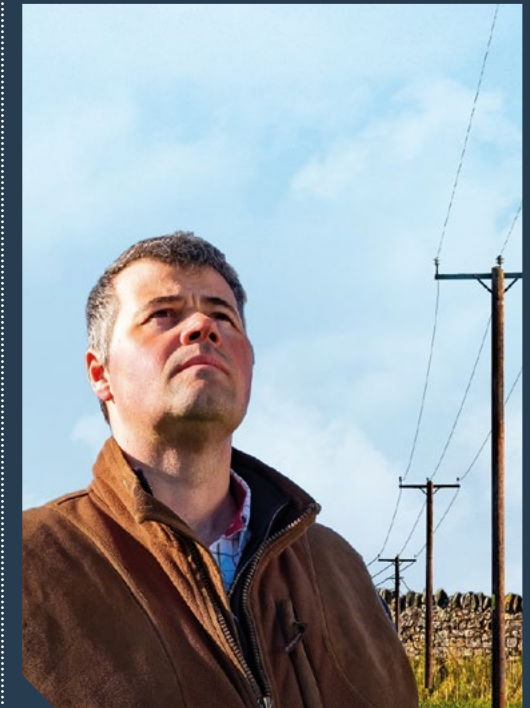
In SEPD, our Near Real-time Data Access (NeRDA) portal is unique in making near real-time network data available to stakeholders. Supporting our commitment to Open Data, the NeRDA portal makes power flow information available from our EHV, HV, and LV networks. NeRDA demonstrates a first for the UK, with a DNO making network loading information including, LV, available to external users in near real-time. This enables stakeholders to derive maximum value from the use of the data. For example, a local energy project can now access near real-time data and can identify opportunities to connect and also areas of constraints (which could restrict low carbon technologies being installed), allowing them to make better informed decisions.



Safety

Look Out, Look Up

In 2022/23, our campaign 'Look Out, Look Up' continued to move forward, joining forces with the National Farmers Union (NFU) to provide farmers with crucial information that could help save lives and prevent debilitating injuries. As we move forward into RII0-ED2, we will progress this collaboration to continue to raise awareness, including sessions with NFU members and speakers from SSEN's Distribution Safety Team.





OUR 12 CORE COMMITMENTS

We have maintained the same principles to reporting on performance against our 12 core commitments established four years ago through engagement sessions with customers and our Stakeholder Advisory Panel.



1. SAFETY

- We will engage across the community to help keep people who are at risk of inadvertently coming into contact with our equipment safe.
- 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.



2. SOCIAL OBLIGATIONS

- We will ensure our Priority Services Register customers have the appropriate support for their needs during supply interruptions.
- We will develop new strategies to support customers with communication difficulties in all customer facing information and processes.



3. RELIABILITY

- We will reduce the small number of customers who suffer more than three unplanned supply interruptions per year by 30%.
- We will reduce the number of unplanned supply interruptions by 5% and their duration by a quarter.



4. ENVIRONMENT

- We will work more sustainably to reduce our Business Carbon Footprint and the impact of our assets on the environment.
- We will use new sources of data to create better models that allow us to analyse and track electricity losses and target loss reduction.



5. CONNECTIONS

- We will reduce the average number of working days to provide a connection offer and a connection after acceptance by 10%.
- We will facilitate an open and competitive market by improving the connections information that is publicly available.



6. CUSTOMER SATISFACTION

- We will maintain ongoing dialogues with all customers who request regular updates on what we are doing.
- We will seek customer views on service, connections, reinforcement and reliability, working with communities around safety and awareness across our network.



COMMITMENTS SUMMARY

This page sets out a summary of our performance against our commitments for the RIIO-ED1 period.

As this is our last report for RIIO-ED1, we have updated the key to reflect our final position.

KEY



Complete



Delivery in RIIO-ED2 (carried over)



Substantially met



Repurposed to deliver better customer outcomes





1: SAFETY

Ensuring the safety of our workforce and the people around our network continues to be a core value and commitment for SSEN Distribution.

We assess safety performance through our Total Recordable Injury Rate (TRIR) metric which measures the total incident rate per 100,000 incidents; our rate in 2022/23 was 0.22. While a slight increase on the previous year, it is reflective of the increased activity levels and travel relative to 2021/22 and is consistent with an overall downward trend over the course of RIIO-ED1. Overall, our TRIR has improved by 29% since the start of RIIO-ED1.

We've worked hard to simplify and clarify our communications on safety, to improve the quality of our briefings, and to create impactful materials that are helpful for our teams. This has contributed towards a much-improved driving performance,

with significant falls in our two most severe Road Traffic Collision categories.

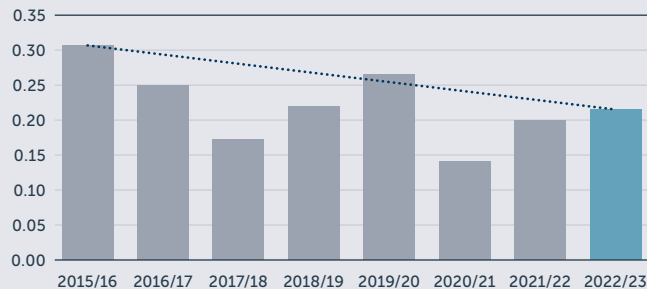
In addition, we have run numerous campaigns on public safety throughout the year. These cover topics such as network damage relating to storms, reporting of theft of power/deliberate damage through theft, specific campaigns with farming communities to raise awareness of the dangers of overhead lines, and a campaign around summer holidays and DIY, to raise awareness of the risk of digging through electrical cables.

Going forward, we will continue with our efforts to help our teams make good decisions when controlling safety risks. There will be a keen focus on setting clear standards, rolling out new behavioural safety training and improving our data capture.



KEY HIGHLIGHTS

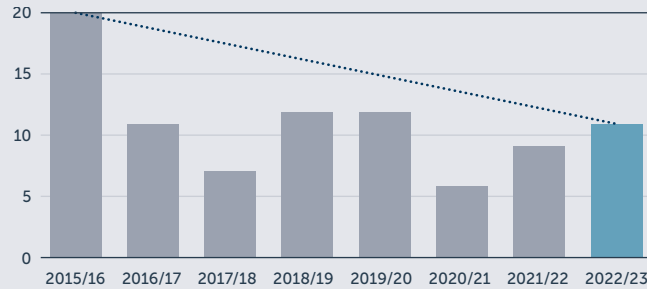
Total Recordable Injury Rate



29% improvement

in our TRIR performance for the final year of RIIO-ED1

Medical Treatment Injury



45% improvement

in Medical Treatment Injury

1: SAFETY

CORE COMMITMENT



Our behaviour-based Safety Family concept will be deployed across our business and contracting workforce.

Influencing Behaviours programme

Our behaviour-based Safety Family concept has been successfully deployed across our business in the form of our 'Influencing Behaviours' and our 'Empowering Supervisor' programme. Both programmes looked at our approach and attitude to safety, encouraging our staff to have a safety conscious mindset and enhance their soft skills.

During 2022/23, we have built on the work we have done to date and developed a new programme, working with our partner Karrdale in this space. We carried out pilots of the programme within our North and South operating areas with a wide variety of our employees. We've taken the feedback from the pilots and have a plan in place to roll out the programme from mid-2023. This programme will run over a three year period.

In addition to the Influencing Behaviour programme, we developed our new highly impactful and innovative SHE Immersive Training programme, which is aimed at helping everyone understand the serious impact and consequences when safety is not prioritised, and the importance of having a safety mindset at all times.





1: SAFETY

CORE COMMITMENT



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 are committed to safe and sustainable working practices, that protect our employees, environment, contract partners and customers alike.

2022/23 was a challenging year, with Covid-19 restrictions removed and an increase in work being carried out across our operating areas by our own staff as well as by third parties. However, SSEN Distribution continued to deliver bespoke, comprehensive, and targeted communications and engagement campaigns which focused on key risk groups throughout the year.

Target areas in 2022/23 focused on the dangers from overhead lines, including:

- Working with road haulage – where the focus was on home deliveries to driveways and smaller private roads where overhead lines may be lower than drivers are used to on main roads.
- Tree cutting – this focused on risks from overhead powerlines and alerting SSEN Distribution to trees coming too close to overhead lines.
- Paragliding, hot air balloons, sailing.
- Working with school age children – playing outdoors in the summer, kite flying, operating drones, etc.

We also continued to reinforce our 'Look Out, Look Up' and 'Think Before You Dig' campaigns by engaging with the agricultural community and the DIY sector.

All of these focus areas included issuing press releases to all traditional media outlets, as well as generating digital/social media content. Partnerships were also formed with key risk group representatives such as National Farmers Union or Road Haulage Association with a view to specific messaging.

During this time, we continued to support the Energy Network Association (ENA) with their safety campaigns and ensured that we promoted these through our social media channels. This included a national underground cable strike avoidance seminar held in November 2022.



1: SAFETY



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. This will include using innovative ideas to better inform the agricultural community about the dangers of overhead lines on their lands.

Throughout 2022/23, we continued to deliver bespoke, comprehensive and targeted communications and engagement campaigns focused on key risk groups at particular times in the year, in particular those in the agricultural community, DIY sector and school age children.

For these areas:

- We made children aware of the dangers associated with overhead lines when playing outside in the summer, for example when operating drones and flying kites.
- We reinforced our 'Look Out, Look Up' campaign at harvest time which included delivery of safety talks to local agricultural colleges and presence at agricultural shows, and radio broadcast of agriculture safety information.
- For the DIY sector, we have highlighted the risk associated with those planning on digging or erecting fences in their gardens, or other work around the home, to look out for underground and overhead cables at peak times of activity.

We also continued with our '#not worth the risk' campaign, aimed at the discouragement of potential tampering with incoming supplies.



We will ensure full engagement and planning with suppliers to safeguard the rollout of the Smart Meter programme.

SSEN Distribution continues to hold regular bilateral engagement meetings with suppliers and their meter operators to discuss service termination defect trends and drive process improvements to increase the successful installation rates of smart metering equipment, whilst contributing to a smooth customer journey experience.

We continue keen engagement at various industry forums where wider concerns and initiatives are discussed and progressed amongst many different stakeholders.

Throughout 2022/23, we held 20 quarterly bilateral engagement sessions with the six largest suppliers and their meter operators, and, biannually where required, with smaller suppliers and meter operators.

In 2022/23, we supported energy suppliers with the installation and adoption of 418,779 smart meters, and contributed to a total of 1,846,400 smart meters with which we can communicate.



We will ensure we have sufficient, appropriately trained staff available to meet requirements of the anticipated additional work load where we will be required to assist suppliers to install Smart Meters at an estimated 185,000 locations.

We continue to exceed the industry service level agreements when responding to service termination defects – in 2022/23 our performance average was above 90% across all categories.

We monitor the volume of defects to ensure we have sufficient trained resources available to respond.

Monthly performance review meetings with our operations field staff and business leaders ensure we identify trends, respond to issues and provide support and feedback to energy suppliers. This collaboration helps to support the best possible service for customers having a smart meter installed.

Throughout 2022/23, we resolved 7,250 service termination defects that were preventing a smart meter being installed.



1: SAFETY



We will implement proactive measures to reduce the likelihood of copper theft and to protect those involved.

We have a range of proactive measures to help reduce metal theft. We have developed and implemented specifications for earthing with aluminium conductor, in place of copper, which is less attractive to thieves. We have worked with equipment suppliers to develop anti-theft designs, including relocating earth bars and terminals from external to internal positions. We continue to operate our in-house Alarm Receiving Centre (ARC) which holds certification to both National Security Inspectorate (NSI) Gold and Silver standards. All CCTV and intruder detection systems are monitored in real-time 24/7, providing immediate intervention to unlawful intrusion. This is supported by the SSE Sub-Watch campaign which provides signage at substations guiding members of the public to report suspicious activity on, or near, sub stations to the ARC. Training for relevant staff on keyholder response and evidence preservation is also provided. Security Bulletins are issued from the ARC to ensure that circumstances of nefarious activity are disseminated, to both NSI Gold and Silver standards.



Security at 500 substations will be improved at a cost of £9.8m.

We have continued investment in security using a risk-based approach and have completed enhancements at a total of 293 substations in SHEPD and SEPD areas, costing £2.97m. Works include closed circuit television cameras, intruder detection systems, reinforced wire fencing and high security locking arrangements.



We will increase the height of our overhead lines. In 2008 we agreed a risk-based plan with the Health and Safety Executive (HSE) to increase the height of 26,000 overhead line sites over 12 years. This has been accelerated with the intention to complete in 2018.

We completed the commitment to increase the line heights at 26,000 locations within our network, up to the end of 2019.



We will underground some overhead lines using a risk-based approach.

Throughout RIIO-ED1, we have continued to monitor the safe performance of our overhead lines network through our programme of inspection. For any new risk, we have taken appropriate action, which may result in some sections of line being relocated underground if no alternative solution can be implemented.

1: SAFETY



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.

During the year, we continued to focus our efforts on proactive communications and engagement with key risk groups such as agriculture and construction. Such interventions were timed to coincide with key periods in the calendar such as harvest season. The communications and engagement were both traditional and digital to ensure maximum penetration with our targeted audiences. We also responded to all third party reports of dangerous or potentially dangerous occurrences close to our networks. Where such instances occurred, we also took the opportunity to engage with the involved parties to subsequently increase awareness of risks of activities close to our networks to improve safety overall. We also continue to closely monitor cable strike data to identify any companies or sectors that require more support with safe working practices and advice. The adoption of 'what3words' in 2021 has proved to be a great help in pinpointing locations for our teams and emergency services to attend in remote locations where post codes are inadequate.



We will develop a detailed procedure that explains what is expected of staff in specific organisational roles and how we will manage the process of restoring customer supplies during periods of adverse weather.

Both SEPD and SHEPD utilise a singular 'Storms Manual' to manage adverse weather events. The manual includes clearly defined roles within the operational sphere, Customer Contact Centres and Control Rooms that work in harmony during such events. Additional non-operational staff and contractors are also allocated roles within the manual. After each event a 'lessons learned' review is completed and the 'Storms Manual' is updated as part of a continuous improvement process.



We will continue to engage with National Skills Academy for Power (NSAP) to ensure the training standards for new meter operatives are appropriate and that the safety elements of training modules fully meet our requirements.

Meter operator guidance and engagement took place in the early years of the smart meter programme to help NSAP train the influx of new meter operators and set the standards going forward.

We continue to attend industry forums where discussions take place with multiple stakeholders across the entire smart meter programme and service termination management.

Any new issues, trends or safety concerns are raised, discussed and resolved through these forums. Our bilateral meetings with energy suppliers and meter operators enable us to discuss SSEN Distribution specific support or issues.



2: SOCIAL OBLIGATIONS

Supporting our Customers in Vulnerable Situations

Social Obligations as a DNO have never been more important with the impact of the cost-of-living crisis remaining a key focus for our engagement and action throughout 2022/23.

Our established priorities were re-tested with stakeholders to ensure they remain relevant and impactful. These priorities are:

- Expand our Fuel Poverty and Energy Efficiency Services;
- Widen our Partnership Network and Collaborative Activities;
- Drive Forward Priority Services Register Provision and Promotion; and
- Ensure our Services are Inclusive now and in the Future.

Following engagement with our strategic stakeholder panel, three key challenges were set to;

- 1) increase fuel poverty support by 30%;
- 2) close the PSR Gap by 3%; and
- 3) sharing data with all water companies.

We met or exceeded all of these targets.

Fuel Poverty Support

We continued to build on our three-tier approach to fuel poverty and energy efficiency support, evolving to ensure we continue to respond appropriately to the changing landscape around the cost-of-living. This year, we are proud to have supported 14,744 households with fuel poverty and energy efficiency measures through our established

portfolio of referral networks and outreach partnerships. This represents a 68.3% increase in households supported compared to 2021/22.

In addition, a further 1,448 households received point of crisis support which included access to emergency energy funds, the creation of a hardship fund and the supply of winter warm packs.

PSR Gap Closure

We have further reduced our Priority Services Register (PSR) gap, with 77% of eligible households now registered. We led a pan-utility project to deliver "The PSR" website, a singular signposting website which removes barriers in PSR promotion for charities and partners who work across DNO and GDN boundaries. Moving forward, this will enable national promotion of the PSR.

Data Sharing with Water Companies

Data sharing is a critical tool in the effective and efficient delivery of PSR services. Following a change in legal basis for consent, and an industry wide collaboration, we established two-way data sharing with all eight water partners in our SEPD licence area. SSEN Distribution was the only DNO to have two-way data sharing in place with all relevant water companies by the 31 March 2023 deadline. This change in legal basis will make it easier to support more customers, as we will now be able to act upon PSR referrals made by trusted partners on behalf of vulnerable customers they are supporting.

KEY HIGHLIGHTS

Fuel Poverty Support



TARGET
30%
uplift



ACHIEVED
68.3%
target exceeded

PSR Gap Closure



TARGET
3%
decrease



ACHIEVED
5.7%
target exceeded

Data Sharing with Water Companies



TARGET
8/8



ACHIEVED
8/8
Only DNO to do so



2: SOCIAL OBLIGATIONS

CORE COMMITMENT



We will ensure our Priority Services Register customers have the appropriate support for their needs during supply interruptions.

Our Priority Services Register (PSR) team, based in Perth, continue to provide support to our customer contact centres and regions during faults and planned, and unplanned, supply interruptions. We now have a second Priority Services team, based in Portsmouth, to increase proactive communication with customers on our PSR during an interruption to provide additional updates, advice and support 24 hours a day, 365 days a year.

With the media coverage of potential Rota Load Disconnections over winter 2022, we wrote to all PSR customers to educate them on the increased risk of Rota Load Disconnections and provide them with information on how to prepare. Working with selected charities and medical partners, we provided tailored advice relating to medical equipment which was relevant to our most vulnerable PSR1+ customers (those who rely on electrically powered medical equipment). A dedicated telephone number was set up enabling PSR customers, including those who are digitally excluded, to call with any questions they may have had following the communication. This process allowed us to cleanse our data at a faster rate resulting in 498,122 PSR records being cleansed, a 11.24% increase on cleanse rates in 2021/22.

As part of our established and embedded practice, we conducted in-depth telephone surveys with our customers, giving us fresh insights into awareness, service provision and expectation of our PSR. Reflecting the challenges associated with the current cost-of-living, the survey also confirmed a strong demand for Home Emergency Plans to support the building of personal resilience in the event of a power outage. As a result of this we improved our Home Emergency Plan information and shared these plans with outreach partners, charities and local authorities to distribute to vulnerable customers. Our PSR satisfaction score also increased from 8.5 to 8.7 out of 10.

With the ongoing cost-of-living crisis, and acting on insight gained from our cost-of-living engagement programme, we worked with YES Energy Solutions to co-create a broader customer offering, recognising the significant financial pressure the cost-of-living crisis is placing on customers and the emergence of newly vulnerable groups such as those who were previously 'just about managing' and may be facing financial hardship for the very first time.

Launched in December 2022, our enhanced offering is provided on a tiered approach which allows advice to be tailored to the level most appropriate to the needs of each customer, allowing customers to self-select the depth of support they receive. This resulted in 1,701 households being supported with a customer financial benefit of £360,835.

Priority services – we offer extra help for those who need it (ssen.co.uk/PriorityServices/).





2: SOCIAL OBLIGATIONS

CORE COMMITMENT



We will develop new strategies to support customers with communication difficulties in all customer facing information and processes.

Supporting customers with communication difficulties remains a key priority for SSEN Distribution. As communication channels and methods evolve, we continue to focus on how this impacts our customers who may be less able to evolve with them.

Throughout RIIO-ED1, we've continued to develop our communication methods to be inclusive and accessible, embedding best practice throughout the entire organisation on how best to communicate in a fair and inclusive way.

To date, we have adopted the following practices as standard:

- We put all of our customer-facing information through the Plain English Campaign's accreditation to ensure that it is simple and jargon free;
- All video content on our website and our social media channels includes subtitles and we have separate videos to explain specific content to make it easier to understand;
- EasyRead – PSR information is now available on our website and in print, helping people with low literacy, dementia, learning disabilities and people who don't read English easily;

- Our website is equipped with accessibility toolbar ReciteMe which allows customers to adapt all our website content in ways to suit their requirements such as: translation into over 100 languages with 33 read aloud, change in font type and size, change colours and magnify content, read content aloud or save as an MP3 to listen later;
- We have adopted a Messenger Web Chat for customers who are deaf, hard of hearing or unable to use telephone based services; and
- Expanded translation services as well as XL Braille for Braille users.

During 2021/22, we further enhanced our communications for customers with hearing loss through the introduction of a video relay tool. Working in conjunction with Deaf Scotland, Dundee Deaf Links and Contact Scotland, we investigated a number of options, with the contactscotland-bsl.org platform being chosen for use. We are the first DNO to offer video relay for customers reporting power cuts.

In addition to this, in 2022/23, we commissioned an independent assessment of our communications to ensure they are fit for purpose for all customers. We identified that 25% of our customers may need additional support due to literacy skills, therefore we built a set of guiding principles and a training programme which has since been rolled out to the entire organisation.

We will remain committed to this area moving forward and will constantly assess and challenge ourselves to improve the communication standards for our customers.



2: SOCIAL OBLIGATIONS



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

We have been storing vulnerability packs in our depots since 2015/16. These packs contain wind up torches, hand warmers, foil blankets and glowsticks.

The packs do not contain all of the items listed in the commitment but through the following support measures we provide all necessary provisions to customers in a way that we believe is better for the customer than all items being stored in packs.

In SEPD, we introduced the Customer and Community Welfare vans to provide support during Planned and Unplanned Supply Interruptions – delivering hot water, hot food, foil blankets, torches, and other required items. The vans are parked in strategic locations to best serve the community. If we know a customer is unable to get to the van, we use staff to drop food off directly to ensure customers are served.

In SHEPD, we use externally contracted welfare and catering vans to provide the same support.

We also secure support from local businesses and communities, where required, during prolonged power cuts. In SHEPD, we seek more support from local businesses as the communities are more rural and, due to the geography, having our own welfare vans or using Just Eat would not be effective. Using external catering vans provides a more effective solution whilst also supporting local businesses.

In 2019, we entered into arrangements with Just Eat, initially with a trial in the Thames Valley region, before being rolled out throughout SEPD. This enhanced what we could already offer customers, as it is often faster to get customers food, and can be more appropriate to specific dietary requirements. It also provides a more direct service for customers who may have mobility issues, as the food is delivered directly to their house and they would not have to go to a welfare van. This partnership is more applicable to SEPD but we will explore options for when customers require food in SHEPD, and use methods such as Regional Managers using relationships with local hotels to provide food facilities, if required.

All newly registered customers falling into category PSR1 and PSR1+ are sent a torch (with a flashing light like a glow stick, and a whistle) and an energy efficiency magnet which monitors temperature, as part of the registration process. These items are provided to help customers get ready for power cuts.

We have ad hoc supplies which can be provided to customers when required: including portable chargers for mobile phones and analogue phones.

Fresh water has not been a request from customers during outages. A frequent request has been hot water for sterilising baby bottles, hot drinks, etc. The decision had been not to buy and store hot water in depots, which would have a shelf life due to sell by dates for safety purposes, and instead to provide what was needed on request.



All customer facing staff will receive training in identifying and supporting vulnerable customers.

Through RIIO-ED1, all our customer-facing teams have undertaken several training opportunities to enhance both the identification and support of vulnerable customers.

Our induction training includes a focus on identifying and supporting vulnerable customers, and e-learning modules are also run annually to refresh the knowledge of staff.

Furthermore, we have worked with partners to provide specialist training to our contact centre teams. For example, we worked with Dementia UK to put our teams through a simulation which brings to life the impact of dementia on a person and how that may impact a customer during a power cut.

Our Empowered to Care Programme also has a specific module on supporting vulnerable customers which covers topics such as:

- Awareness of our obligations around customer vulnerability;
- Knowledge development on who vulnerable consumers are and how to identify them;
- Advice for employees on what they can do to support vulnerable customers; and
- Escalation process for when vulnerable customers need extra support.



2: SOCIAL OBLIGATIONS



We will actively seek and investigate new ideas for benefits and support from staff through mechanisms such as 'Great Place to Work' survey. We will continue to offer a comprehensive benefits package to our employees.

SSE's employee voice strategy pivots on The Great Place to Work survey which we run every year. Over the second half of RIIO-ED1, there was a steady increase of the Engagement Index results with the latest October 2023 survey, reflecting the previous 12 months' improvements of a further 3% rise in our engagement index, reaching an impressive 81%. This was with a 78% response rate.

It's worth highlighting that operational colleagues have experienced the most substantial improvements, particularly in wellbeing, inclusion, communication, and their relationship with their managers. We also systematically conduct new employee surveys at six months of service, and exit interviews, using this data to detect challenges and opportunities to improve the overall employee experience.

Our commitment to nurturing this positive trend has involved several strategic actions, such as enriching our employee value proposition, emphasising skills development, introducing a new pay progression reward system and implementing reverse mentoring programs, and careful planning of our workforce strategy. Inclusion activities feature 'belonging' groups, an Inclusion & Diversity working group and an Equality Diversity Inclusion collective – all of which our employees can associate with and take part in various initiatives.

Our Non Executive Directors of both our SSE plc Board and our SSEN Regulated Board take an active interest in our workforce and regularly interact at events like the Annual General Meeting, staff connect sessions in our main depots and control centres, and delivery of key note speeches at our twice yearly leadership conferences.

Looking ahead, we remain dedicated to meeting our employees' needs, and we have exciting future initiatives in the pipeline to further enhance their experience. These include the anticipated launch in 2024 of an employee recognition tool, the establishment of further well-defined career paths, and the development of employee journey mapping to provide a seamless and engaging experience for all our team members.



We will carry out further engagement with businesses to build local supply chains.

Where there is a local geographic-specific supply chain requirement associated with either SEPD or SHEPD activity, we have developed a strategy to ensure the opportunities are shared with the local supply chain and that the approach supports them to bid effectively.

Examples include:

- We have and continue to undertake supply chain engagement events;
- We build in time for this pre-engagement into procurement programmes;
- We establish remote area contract arrangements in key locations across our business; and
- We have and continue to engage with our supply chain through an enhanced engagement programme (an example is Supplier Sustainability Code launch events both virtual and in person).

2: SOCIAL OBLIGATIONS



We will continue to train new people to meet identified skill gaps through dedicated development programmes and offer permanent employment opportunities following successful completion.

As a crucial component of our strategic workforce planning, we have proactively addressed the challenges brought about by an ageing workforce and market skill shortages. Our primary focus has been on broadening and bolstering our apprenticeship, trainee engineer and graduate programmes, and transitioning adult learners into vital craft roles. This strategic move is designed to ensure a consistent influx of fresh talent to meet the escalating resource requirements to support our RIIO-ED2 commitments and embracing the new digital landscape.

Our enduring workforce renewal initiative has yielded remarkable results, as we've successfully recruited 325 early careers/qualified employees who have been trained/authorised to fulfil critical craft roles such as linespersons,

jointers and fitters. Additionally, we've made significant investments in talent acquisition, welcoming 203 STEM engineers into our teams. This includes graduates from esteemed universities who contribute to our project management, system and network planning roles, and other specialist engineering capabilities.

Our commitment to learning and development remains unwavering. In the current year, we've expanded our learning programmes further to align with the dynamic demands of our business. This expansion encompasses the inclusion of arborists within our learner network and the upscaling of our adult learner programme, benefiting 65 colleagues who are set to graduate between 2024 and 2025.



2: SOCIAL OBLIGATIONS



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.

SSEN's Responsible Procurement Charter is designed to ensure its business is conducted ethically, sustainably and within the law. SSEN Distribution expects its suppliers to meet the Charter's principle and encourages the same of their supply chains. This means at a minimum complying with local laws and regulations and respecting internationally recognised human and labour rights, however the values of fairness and respect are equally important.

We have voluntarily signed up to the Prompt Payment Code (PPC) which asks for 95% of all supply chain invoices to be paid within 60 days. During the 2022/23 financial year, SHEPD paid an average of 96.4% of all invoices within 60 days, and SEPD paid an average of 96.8%.



We will use multi-agency response as our 'business as usual' way of working for priority customers and continue to improve the support we offer to customers at times of 'crisis' by implementing the findings of our research. We will seek feedback from customers on our performance in supporting priority customers, particularly during 'crisis' situations such as extreme weather events, and ensure lessons learned from feedback are implemented.

Our Regional Customer Relationship Managers continue to work closely with Emergency Planning Officers and Local Resilience Forums/Partners.

Throughout the summer, we participated in exercises with our Local Resilience Forums/Partners, using scenarios based on winter 2021/22 storms, ensuring we implemented learnings from these sessions into our processes. This proved invaluable during the Line Icing on the Shetland Isles in December 2022, and Storm Otto in January 2023.

In October 2022, the ESO published Winter Outlook, confirming a heightened risk of a scenario where the demand for electricity may outstrip supply, and SSEN Distribution, alongside other DNOs, may be asked to disconnect customers as a 'last resort' measure. Recognising the potential impact on customers, we took a front-foot approach to engagement. Delivering four 'Powering on Together this Winter' workshops in November 2022, reaching around 450 delegates in central southern England and the north of Scotland, with separate sessions tailored for resilience partners and general stakeholders. During these sessions, we asked our stakeholders what they wanted us to focus on in future sessions. We also supported over 15 Local Resilience Partnership/Forum (LRP/LRF) meetings across our licence areas, reaching around 1,500 stakeholders and holding 11 control room visits for LRP/LRF partners.



2: SOCIAL OBLIGATIONS



We will continue to offer employees opportunities to share their skills with local communities, with an annual target to increase participation in our Community at Heart scheme from 39% (2012/13) to at least 60%.

Following a two year pause on employee volunteering due to Covid-19 restrictions, we were pleased to restart this activity in 2022/23. However, the ability for charities to accept volunteers on an ad hoc basis has changed, along with their needs more broadly. We engaged with a number of charities, including time spend with front line advisors from both Maggie's Cancer Centres and Citizens Advice Scotland, to understand how best to provide support in this changing landscape. Along with a restart of 'Be the Difference' (previously Community at Heart) volunteering, we continue to provide financial support from the company through match funding and from employees directly through our 'Give as you Earn' scheme.

Additionally, in 2022/23, £1m of shareholder funding was committed to support several national charities in providing the tailored support their service users required as we moved towards winter. This resulted in 1,448 customers being able to access Point of Crisis support, along with a further 2,123 accessing support to increase their income through activities such as income maximisation, whilst reducing outgoings through the provision of energy efficiency advice, as well as access to grants to adopt low carbon technologies.

Additionally, many colleagues from across the business have provided support to local charities in the form of fundraising and targeted collections for foodbanks, and campaigns such as the provision of winter jackets. Finally, community projects such as the installation of Christmas lights and the uplift and recycling of Christmas trees for a small charitable donation, have been supported by the business and undertaken within company time, using company assets.



We will form an expert panel on consumer vulnerability to guide us on how best to identify and address consumer vulnerability on our networks.

Our External Inclusive Service Panel (EISP) was created in 2016/17 and has met three times every year. The panel members are experts in inclusion, equality, diversity and accessibility, and all of them have a real passion for improving customer outcomes. The EISP not only helps to inform and influence our decision making, it challenges our thinking and holds us to account for the actions at each meeting. It is now chaired within the Customer Service, Strategy and Vulnerability directorate taking the panel to the next level of inclusive service and support for all our customers.



2: SOCIAL OBLIGATIONS



We will engage with target communities in 'at risk' areas – including areas with high fuel poverty levels – to trial and establish energy efficiency measures as a cost-effective tool for managing distribution networks, enabling the deferment of reinforcement costs and delivery of customer benefits. While customers in 'at risk' areas will benefit directly, all customers will benefit if demand management to defer reinforcement is achieved. We will trial and evaluate innovative methods of interacting with and providing advice to communities about ways to manage electricity consumption. We will share our findings from trials with the industry and other interested parties, using them to inform business as usual practice.

Throughout RIIO-ED1, we have engaged with the communities we serve, stakeholders who represent them, and used innovative data sources to find people and areas most in need of energy efficiency support. Over the years, we have looked at, and trialled, various ways of deferring reinforcement costs and delivering customer benefits. The SAVE Project and Social Constraint Managed Zones being two of the most notable. Learnings from these are now being used in innovations such as HOMEflex (Household Or Microbusiness Energy Flexibility) and VIVID (Vulnerability Identification Via Informative Data).

During 2022/23, and considering the enduring cost-of-living crisis, we focused on directly supporting communities and customers. In doing so we delivered an uplift of 68.3% in households supported with fuel poverty and energy efficiency on 2021/22. This far outperformed against our annual uplift target of 30% that was set with our Inclusive Service Panel (ISP) and agreed by our Executive Committee. The methods used to achieve this included our energy efficiency tool, developed with the Energy Saving Trust, extending our outreach programme to include in-depth sessions with frontline advisors from both Citizens Advice Bureaux and Maggie's Cancer Charity, expanding our Citizens Advice Scotland and our YES Energy Solutions activities, and creating 10 new fuel poverty partnerships with organisations as diverse as Kidney Care UK and Surrey Council.

Other highlights from this last year of RIIO-ED1 include:

- An Additional SSEN Distribution financial commitment of £1m in the light of the enduring cost-of-living crisis;
- 14,744 households helped with energy efficiency and fuel poverty support;
- 1,448 households supported with an enhanced 'point of crisis' offer including fuel vouchers, winter warm packs and access to a hardship fund.



We will routinely advise domestic customers of the Energy Saving Trust website and helpline either during calls or within literature we produce so that they can access help relating to energy efficiency advice around the home; and help which is available through energy supply companies or Government Initiatives. If deemed appropriate to the situation, we will encourage staff to let the customer know of a third party who can help them e.g. if the customer indicates during a call that they are experiencing financial difficulty and would benefit from money advice. We will have an appropriate database of free-to-use, third party reputable organisations that can advise customers on non-energy related issues (e.g. debt advice or feelings of isolation) by April 2018.

All Contact Centre staff have access to a Guidebook detailing contact information for signposting customers who indicate they are having financial difficulties and require money advice. The Guidebook is now part of our business as usual procedure. In relation to wider field operations, Customer Community Advisors (CCAs) and Customer Relationship Manager (CRMs) can proactively offer Yes Energy Solutions (YES) and Home Energy Scotland (HES) referrals to customers when on site at customer premises. The Guidebook also provides wider advice for different types of vulnerabilities e.g. for customers who may be feeling lonely and isolated and need emotional support.



2: SOCIAL OBLIGATIONS



We will improve the accuracy of our Priority Services Register customer data to ensure that we offer the support vulnerable customers need and therefore improve the service we offer by April 2016.

Prior to 2016, we cleansed all of our PSR customer records. We have also committed to data cleansing our records every two years and will delete a record from the PSR after five years when the customer has not responded to our communications or had an opportunity to contact us during power cuts. We also had trials of methods such as buying deceased data and outbound calling to improve our data but did not pursue these strategies in the longer term.

We have also made the following improvements to ensure our PSR data is accurate:

In 2018, we implemented a data cleansing process where we proactively write to customers who have been identified as not having had details checked within the last two years. Up to 1,000 data cleanse letters are sent daily to PSR customers asking them to get in touch and confirm if their circumstances have changed. The customers can update their records by returning the letters by post, online or call in and speak to the PSR team.

All of our Customer Contact Centre staff are trained to be able to identify, register and update PSR customer information during any calls they are handling to ensure we have the correct information stored and to help with the accuracy of our data.

We receive a daily report from suppliers with amendments made to PSR customer accounts. This report includes minor changes like correct telephone numbers and bigger amendments such as a change of tenancy which means the PSR customer is no longer at the property. In those instances, we remove associated PSR information from our systems.

We have an established Customer Data Working Group (CDWG), with key stakeholders having responsibility over various data sections on our Supply Interruption Management System (SIMS), to ensure our data management is to a high standard. The PSR Manager oversees the accuracy of all data relating to PSR. The CDWG will have a major influence for our integration to our Outage Management System (OMS) and eventually a new system which will manage our PSR data with proactive analysis to allow potential issues to be addressed and promote accountability.





2: SOCIAL OBLIGATIONS



We will develop an escalation process which ensures that all customers are provided with the correct level of support for their needs. We will understand the impact of the wellbeing gap between power loss and restoration and how we can best target our help and support with processes in place by April 2018:

- Escalation Process
- Understanding of the wellbeing gap.

The escalation process which ensures that customers are provided with the right level of support for their needs, has been embedded since the PSR team was formed in 2014.

The team takes calls directly from customers in need of extra support through a dedicated PSR number which gives customers the option to leave a voicemail or be put through to the Customer Contact Centre (CCC) outside of office hours. The PSR team also assist colleagues from other teams with vulnerable customer escalations. Overflow calls go through to the CCC who are trained to handle and support our PSR customers but can also escalate queries requiring extra support to the PSR team.

The PSR team contact the regions to assist with support for vulnerable customers during a power cut or planned interruption.

To help with our understanding of the wellbeing gap, a Customer Mapping Tool, was designed by our partner, the Centre for Sustainable Energy (CSE), is an integral data tool used to aid strategic decision-making, resilience planning, targeting of programmes, investment, and engagement.

The tool can be used to identify geographic areas in our regions that may be more likely to suffer detriment. It also enables a more nuanced analysis of vulnerability, where customers might be experiencing multiple and overlapping difficulties with health, disability, age, financial capability, etc. It also helps to provide a more accurate understanding of how changing situations create different kinds of vulnerability so that appropriate support can be given and those most in need can be prioritised.





2: SOCIAL OBLIGATIONS



To help us to respond to vulnerability caused by power outages, we work with emergency planning groups (whose membership includes the police, fire service, NHS local authorities, Community/Parish Councils) to develop resilience plans. These plans help communities to have strategies in place to cope with unexpected and prolonged power cuts. Our commitment is to have 100 resilience plans in place for communities by 2023.

We continue to provide a valued input to community resilience plans held by responsible community leads across the SEPD and SHEPD licence areas, however, we are not the custodians of these plans. The increased focus on Rota Load Disconnections in winter 2022/23 saw an increase in engagement with communities, Local Resilience Forums/ Partners and Energy Planning Groups. This was through SSEN-led engagement and participating in exercised, design to test resilience.

Following customer feedback, we introduced our Home Emergency Plans, a document customers can complete and keep to ensure they are prepared for emergencies. We also ran a series of webinars to promote the Home Emergency Plans, allowing customers to ask any questions they had about the plans, power cuts or our services.



Each business unit across our company will have work plans at unit, team and individual level which show the role they have in delivering the vulnerable customer strategy by April 2016. In this way, ownership and accountability for individual pieces of work will be clear.

All business units, areas and levels know the role they play in supporting customers who are in vulnerable situations.

This is borne out by embedded training, consecutive years of achieving BS18477 standard for consumer vulnerability and engagement throughout our organisation.

We have gone further than the core of this commitment by embedding fuel poverty and energy efficiency support and referrals via funded partnerships with expert organisations and charities, alongside our consumer vulnerability strategy. Based on stakeholder feedback, in 2021/22, we have proposed improvements to this strategy which will be taken forward into RIIO-ED2 so that we can continue to deliver support to our vulnerable customers.



We will ensure our communications and processes are accessible to a broad audience by April 2016.

We completed this commitment by April 2016 and made our communications and processes accessible to a broad audience. For example, on our website, customers have the ability to translate communications, request braille or large print versions. Those with visual or learning difficulties can change colours of the documents to help understanding of the information provided. This is done through the Website Accessibility Assistive Toolbar from ReciteMe, detailed on their website.

To enhance this commitment, from 2019, we have been putting our communications through Plain English reviews with the UK Plain English Campaign to ensure the communications are clear and concise, improving the access to a broader audience. Since then, various pieces of communication, starting with the most used, such as our planned outage letters which are sent to 500,000 customers, have received the CrystalMark Accreditation.

We have continued to focus on this commitment, despite completion in 2016, where this year, we commissioned an independent assessment of our communications to ensure they are fit for purpose for all customers. We identified that 25% of our customers may need additional support due to literacy skills, and therefore, built a set of guiding principles and a training programme, which has since been rolled out to the entire organisation.



2: SOCIAL OBLIGATIONS



100% of our domestic customers will be aware of our PSR by March 2023.

During 2022/23, we continued to use the rich insight delivered through our Customer Mapping Tool (CMT). This data was used to refine our annual campaign which ran between October 2022 and February 2023. Included in this campaign was information on PSR, promotion of the 105 telephone number – for use in a power cut, signposting to support those looking to increase energy efficiency or combat fuel poverty and advice on the topic of rota load disconnections. The campaign was run across several channels including radio, press, out of home, and a door-drop was sent to 1 million homes. Over the period of the campaign, over 28,000 new PSR registrations were recorded.

In 2022/23, we fostered partnerships with Kidney Care UK and RAD to enhance our work to promote our PSR. It is vital we improve any known data gaps in our PSR, specifically customers who are medically dependent on electricity and those who live with hearing loss. As a result of our targeted focus, we achieved an increase of PSR registrations under the “dialysis” code by 21.6% and “hearing impairment” code by 13.4%. Ensuring we have this information allows us to improve the service we can provide to our customers who might need extra help and support during a power cut.



We will use research data to understand who uses our service and build partnerships to enable us to address consumer vulnerability at different points in our service by April 2023.

We continue to engage widely on the topic of consumer vulnerability, using insights to shape our service provisions in line with the needs and wants of customers who may find themselves in vulnerable situations. During 2022/23, we engaged regularly with our Inclusive Service Panel, our Stakeholder Advisory Panel, our partners, strategic stakeholders such as Citizens Advice and Consumer Scotland, and customers themselves through surveys such as the PSR survey. We also used insights from our Customer Mapping Tool (CMT) to identify new trends which highlighted areas of improvement either in terms of service provision or the geographical location in which these provisions are made.

In addition to the continued targeted, and general, promotion of PSR services, the Cost of Living was of high importance. During the year, we undertook specific engagement with partners, site visits to Citizens Advice Scotland and Maggie's with our full Executive Team and used research from leading professionals in this area to inform our approach. This resulted in a review of our current partnerships, an additional £1m of funding being committed, existing partnerships being reshaped and new partnerships being created.

Over the course of 2022/23, we supported 14,774 households with in-depth support on the matter of energy efficiency and fuel poverty. This represents an annual increase of 68.3%. Additionally, we supported a further 1,448 households with point of crisis support such as access to funding through Fuel Bank Foundation and dedicated Hardship funds.





2: SOCIAL OBLIGATIONS



We will consider adopting the British Standard in Inclusive Service or an equivalent standard as a measure to assure our customers that our services are fair and accessible to all.

SSEN Distribution was accepted into the pilot for the new International Standard ISO22458 Consumer Vulnerability which will supersede the existing BS18477. We were one of the first nine businesses in the world to achieve this certification which continues to show our commitment to providing an inclusive and flexible service that benefits all consumers, regardless of their personal circumstances.



We will do all this and more, while reducing our part of the electricity bill by 10% in 2015 and having only inflationary increases thereafter.

In 2015/16, in SHEPD, our part of the electricity bill reduced by 16% relative to 2012/13, the benchmark year for RIIO-ED1, and in SEPD, it reduced by 9%. (On a weighted average across our two networks, this results in a 14.5% reduction – ahead of our commitment).

Over the RIIO-ED1 period, the SHEPD and SEPD DUoS percentage share of the average annual domestic electricity bills have reduced each year by 1.4% and 1.1% on average, respectively. In 2022/23, the SHEPD component reduced by 6% and the SEPD component reduced by 3%.



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

We have continued with our two part approach to resilience:

1. Partnerships and communication, particularly with priority customers, in the event of unplanned power cuts.
2. How we prepare and respond to prolonged power cuts.

To support both, each year we carry out a winter campaign 'Get ready for winter' which raises awareness of how our customers can build their resilience during power cuts, helping them prepare for winter and what to do in the event of power loss, particularly those who find themselves in a vulnerable situation. In addition, we publish a 'What we do for you' document which explains SSEN's preparation for power cuts, management of staff levels, and maintenance and upgrades carried out to boost the resilience of our electricity network. This information is communicated via our website, digital and online platforms, our social media feeds, TV advertising, newspapers, local radio and leaflet drops.

In winter 2022/23, we increased the number of customers receiving our winter campaign to 1 million households, focusing on areas worst impacted by storms and areas with higher numbers of vulnerability.

Throughout the year, our regional teams engaged with local authorities, parish councils and resilience partners to promote PSR and resilience plans. Our 2021 Resilient Communities Fund (RCF) awarded over £190,000 to 15 projects across our communities which helped fund projects including flood equipment and resilience training.

Due to the impact of the winter storms, we launched the 2022 Resilience Communities fund in February for communities in SHEPD, and in March for SEPD, both with an enhanced pot of £1m per licence area available to support projects falling under these two categories:

- **Resilience for Emergency Events** – To enhance community facilities, services and communication specifically to support the local response in the event of a significant emergency such as extended power loss.
- **Vulnerability** – To protect the welfare of vulnerable community members particularly during significant emergency events such as extended power loss, through enhancing their resilience and improving community participation and effectiveness.



3: RELIABILITY

Ensuring a Reliable Supply of Electricity

Maintaining a secure and reliable supply of electricity for our customers is our primary purpose, as a network operator. Our customers expect us to provide a valued and trusted service at all times.

The winter of 2022/23 saw a continuation of extreme weather across our networks. SHEPD experienced two exceptional events in the year, with a severe snowstorm on the Shetland Isles in December 2022, and Storm Otto in February 2023. Following Storm Arwen, we rolled out 140 actions to improve our response to once-in-a-generation storm events which helped us to deliver improved service in these storms, which was welcomed by local resilience partners. Our response to

Storm Otto was also praised within the Scottish Parliament, citing improvements in restoration, communication, and customer service.

These processes were implemented across both SHEPD and SEPD. Whilst SEPD did not experience any exceptional weather events, from October 2022 through to January 2023, this region experienced prolonged increased rainfall, when compared with the average over the past 30 years. Notwithstanding, we have continued to make investments in automation to aid and speed up the restoration process, meaning customers are back on supply sooner. Investment in automation has led to over 100,000 customers having their fault time drastically

reduced by being automatically restored. This has been carried out alongside investment in other solutions, such as increased use of flexibility and digital transformation, to help us manage the network on a day-to-day basis.

In 2022/23, SEPD saw a significant increase in the volume of underground Low Voltage faults, which contributed to our CML performance for the year. We are implementing new innovative technologies to help improve network operation, such as the LV Underground Fault Location Technologies project, which has developed products that can pinpoint the location of underground faults leading to speedier repair times and less inconvenience for our customers.

KEY HIGHLIGHTS



Reducing Outages

In 2022/23, when carrying out routine maintenance, Live Line working was used **1,183** times and generators were used **3,392** times in order to reduce the number of planned outages that affect or inconvenience our customers. Since 2018, 2,732,100 customers have benefitted from HV automation.

Reliability Performance

Customer Interruptions
CIs excluding exceptional events

Customer Minutes Lost
CMLs excluding exceptional events





3: RELIABILITY

CORE COMMITMENT



We will reduce the small number of customers that suffer more than three unplanned supply interruptions per year by 30%.

Customers who suffer at least three unplanned interruptions during a 12 month period are recognised as Worst Served Customers (WSC) by Ofgem.

In the final year of RII0-ED1, we have seen a large decrease in the number of Worst Served Customers compared to the first year, with a decrease of 78% in SEPD and 62% in SHEPD, well ahead of our commitment.

This reduction can be attributed to SEPD's tree cutting programme, that has grown in strength, and has improved the performance of the network. For SHEPD, delivery of large schemes in the West of Scotland have contributed significantly to the reduction in connected customers deemed to be worst served.

In addition, other investments in both automation and improved network protection have contributed to the performance of the network for WSC for both SHEPD and SEPD.

Year	SHEPD		SEPD	
	Number of WSC	% Reduction compared to 2015/16	Number of WSC	% Reduction compared to 2015/16
2015/16	26,899	–	8,910	–
2016/17	19,429	28%	2,990	66%
2017/18	9,555	64%	2,194	75%
2018/19	9,551	64%	4,267	52%
2019/20	8,358	69%	2,151	76%
2020/21	9,012	66%	2,158	76%
2021/22	11,029	59%	4,533	49%
2022/23	10,193	62%	2,001	78%

3: RELIABILITY

CORE COMMITMENT



We will reduce the number of unplanned supply interruptions by 5% and their duration by a quarter.

Delivering a reliable supply of electricity to our customers is our primary purpose as a distribution company. The CIs for SEPD were 19% below the 5% reduction target, while SHEPD was 9% below the 5% reduction target.

Significant investment in the network since 2019 has allowed SEPD to deliver overall improvements in Customer Minutes Lost performance, meaning that when our customers do experience faults the interruptions are shorter. However, this year SEPD was 11% over the target for CMLs. This sudden downturn in performance was due to prolonged increased rainfall, when compared with the average over the past 30 years. During this time SEPD also saw a significant increase in the volume of underground Low Voltage faults. Due to the unique challenges of our SHEPD network, which serves some of the most remote communities in Great Britain, it has

been harder to deliver the CML reductions we had aimed for. SHEPD reduced its CMLs by 2% in the last year but missed the reduction target for this year by 3%.

In order to improve our service, we have and will continue to:

- Invest heavily in replacing aging assets to ensure our network is healthy.
- Use technology to restore the network quickly, where possible, such as automatic recloser.
- Use innovation to develop products that can help improve network operation, for example, the LV Underground Fault Location Technologies project has developed products that can pinpoint the location of underground faults leading to speedier repair times and less inconvenience for our customers.

We have seen improved service following an update to our processes and procedures, after the roll out of 140 actions following Storm Arwen, to improve our response to once-in-a-generation storm events.





3: RELIABILITY



We will fund any incremental increases in Transmission Connection Point Charges (TCPC) during RIIO-ED1.

For the majority of RIIO-ED1, there hasn't been the anticipated level of demand for connecting Distributed Generation, therefore we have not spent our full allowance granted for TCPC. However, we have continued to fund the costs for TCPC as they occur. We are in constant discussion with Transmission Operators and the Electricity System Operator over future planning requirements and customer needs, and we have been triggering a number of transmission works in the last year. Costs associated with these works will not flow through to us until assets are energised, and lead times for assets can range from 5 to 15 years.



We will replace 303km of consac cable at an average cost of £5.8m per year (£46.4m total).

At the end RIIO-ED1, we have removed 187.95km of consac cable on our network at a cost of £19.2m. Following a tender process, costs were significantly higher than expected for the removal of consac cables and therefore not beneficial for customers. Part of the funding for consac cable was used to deliver an alternative investment of Network Automation, increasing the number of customers benefiting from the spend and improving our Customer Interruptions performance.



We will replace 2,528 6.6/11kV Pole Mounted Switchgear assets (average 316 per year). This is out of an asset register count of 14,783.

The overall commitment to replace 2,528 Pole Mounted Switchgear assets, 710 of which are handle operated, has been completed.



We will invest £463m in maintaining or improving the overall capacity of our Networks: SEPD – £319m; SHEPD – £144m.

We continue to improve the overall capacity of our Network where there is a clear need. This need was slower to materialise for the majority of the RIIO-ED1 period but has increased substantially in the last 18 months. We have responded to this by vastly increasing investment to release capacity in the network in the last year of the price control. Given the slower start than forecast, this takes our total investment to £241.9m, compared to our allowance of £364m. Following Final Determinations, our allowance was less than stated in our commitment. Part of the reason for investing less than anticipated at the start of the RIIO-ED1 price control was the use of innovative non-investment solutions, such as Load and Constraint Managed Zones (LMZ & CMZ) as well as flexible connections to help reduce the cost of improving the overall capacity of our networks. We are also improving the network data and using smart meters to understand where investment is needed.



We propose to create additional Grid Supply Points (GSP) at three locations in the network in the SHEPD area:

- Gills Bay (Caithness)
- Aberlour (Morayshire)
- Rothienorman (Aberdeenshire)

As contracted generation projects that were triggering the need for GSPs at Gills Bay and Aberlour have been terminated, the construction of these GSPs has been cancelled. Transmission works for Rothienorman GSP were completed in 2021 and the 33kV distribution switchboard was energised in late June 2021.



To improve service to 3,400 (approx.) of the Worst Served Customers in the SHEPD area we will invest £26m in 4 points of the network:

- Pollachar (Barra)
- Sanday (Orkney)
- Islay (Mull)
- Kinloch (Mull)

Two schemes, Pollachar on Barra and Sanday on Orkney, have been completed. The Islay scheme commenced in March 2021 and is expected to be completed by August 2024. It has been delayed due to issues obtaining permission to construct. Kinloch is due to be completed within the first couple of years of RIIO-ED2.

3: RELIABILITY



We will invest £1,676m to avoid deterioration of the existing level of network condition: SEPD – £1,183m; SHEPD – £493m.

During RIIO-ED1, we continued investment in the Replacement, Refurbishment and Maintenance of the networks, maintaining the Health and Criticality of the assets at the required level over the RIIO-ED1 period. Total investment for RIIO-ED1 is £1,681m.



Compensation payments will be automatically paid to customers registered on the Priority Service Register (PSR) from April 1st 2015 and will be rolled out to all customers at a later date. We will ensure customers are better informed about their entitlement to compensation.

Guaranteed Standards compensation payments are now automated for all customers – not just those on the Priority Services Register – and this has been in place since May 2015. As soon as a Guaranteed Standard failure happens, we proactively make payments to all affected customers.



We will continue to develop other opportunities for improvements through our innovation programme.

Throughout RIIO-ED1, we have continued to demonstrate our strong innovation performance. From Network Innovation Allowance funding in RIIO-ED1, we have spent £23.7m on 65 projects. These cover a broad range of areas including helping to deliver the vital Net Zero transition, and continues to deliver benefits for customers as well as wider societal and environmental benefits.

During the previous year, SSEN Distribution has continued to maintain a diverse and successful portfolio of innovation projects to test new tools and commercial arrangements, as well as continuing to deploy successful innovations across the business. Key progress has been made in our VFES project which looks to improve our ability to predict the scale and location of vulnerability across our network, as well as trying to forecast how this will change in the future as we move to a low carbon economy. Our RESOP project, where we are collaborating with a range of local authorities to develop a whole system planning tool to support the development of their local area energy strategies and Near Real-time Data Access (NeRDA), has developed innovative new options for near real-time data sharing with stakeholders. Our flagship, longer-running Local Energy Oxfordshire (LEO) and TRANSITION projects are both approaching closure and have provided valuable learning to how we can meet our role in facilitating the transition to DSO. We have also continued

to embed innovative learning and solutions into our BAU operations to improve customer service and increase network reliability and resilience. We have introduced new processes for LV fault location using phase identification units and innovative acoustic technology, and have now trained and equipped over 200 of our staff in the use of the new tools. We have also made significant progress with our work on fault anticipation in our DFA and SYNAPS projects, which look to locate and repair faults before they cause an outage on the system.

Throughout, we have continued to work with stakeholders to develop and co-create our innovation projects to ensure that we are addressing their needs.





3: RELIABILITY



We will invest £2.93m to link two radial circuits (Aultbea and Lochinver) with other circuits to provide security of supply to an estimated 4,200 customers.

The Aultbea-Ullapool project will be complete in the first year of RIIO-ED2. A further review of the Lochinver project identified a more innovative and cost-effective design meaning completion will be in RIIO-ED2. The project forecasted total spend is £15.7m.



We will invest £9.49m to upgrade and integrate the network in eight locations in the SHEPD area:

- Alness / Fyrish GSP at a cost of £0.85m
- Cairnford GSP (Clashindarroch) at a cost of £0.75m
- Dunbeath GSP at a cost of £0.4m
- Finstown GSP (Orkney) at a cost of £5.1m
- Grudie Bridge GSP at a cost of £0.75m
- Mybster 2 at a cost of £0.12m
- Rannoch GSP at a cost of £0.85m
- Stornoway GSP at a cost of £0.67m.

The requirements for these works were based on forecast load and generation. We have seen this materialise at Grudie Bridge, Mybster and Rannoch Grid Supply Points (GSPs), and these works have been completed. Fyrish, Dunbeath, Cairnford, Stornoway and Finstown are no longer required due to fewer generation customers progressing with their connections.



As part of the Shetland Integrated Plan we propose to replace Lerwick Power Station (LPS) and Sullom Voe Terminal (SVT) and ensure capability to meet all Shetland demand.

Construction of the civils platform for the new Grid Supply Point started in November 2022, and handover to SSEN Transmission took place in late summer 2023, at which point SSEN Transmission commenced the installation of the electrical infrastructure.

The tender exercise for the standby solution outlined in our report last year, has concluded and we have selected our preferred bidder. We also submitted our draft Uncertainty Mechanism (UM) submission to Ofgem in June 2023. Following a review process with Ofgem, including supplementary questions and senior level of engagement, Ofgem has agreed that the proposed solution is the correct one and that the costs reflect the market rate. We're currently working through a letter of comfort from Ofgem in advance of the formal UM trigger in January 2024, where we will be asking for the decision on the UM to be fast tracked. The letter of comfort is required to allow us to sign a contract with the standby service provider in advance of the formal UM approval.

The implementation of our standby solution includes a fault ride through and energy solution (blackout avoidance) which will operate until Lerwick Power Station (LPS) runs up from standby to full operation (circa 45 mins). This solution will meet our licence requirement to identify and bring forward a solution for Shetland.



We will restore supplies more quickly when faults occur through a combination of automatic switching to immediately restore as much network as possible and improving site response, assisted by technologies that will help locate and direct staff. This will include the use of Bidyongs to help with fault identification.

Since 2018, our automation programme has had a positive impact on 2.7m customers in SSEN Distribution. We continue to see the benefits of this investment with faster switching for both planned and unplanned events. The introduction of APRS (Automatic Power Restoration Schemes), Bidyongs and Low Voltage monitoring have further increased restoration speeds for customers, reducing the impact on the customers directly affected, and allowing the network to be returned to normal in an efficient manner.



We will invest £56m to reduce the risk of disruption from exceptional events such as flooding or extreme weather: SEPD – £40m; SHEPD – £16m.

We have invested a total of £52.6m (£41.9m in SEPD and £10.7m in SHEPD) over the RIIO-ED1 period in flood mitigation, black start capability and overhead line clearances, which will reduce the risk of disruption caused by future exceptional events. SHEPD's spend is less than the stated commitment due to less clearance issues identified for OHL clearances than originally forecast.

3: RELIABILITY



We will invest £9.93m to improve or replace rising mains.

During RIIO-ED1, we have spent £2.36m on rising and lateral mains (RLMs). We have developed a strategy for an enduring inspections programme, to identify and prioritise future asset interventions.



We will invest £5.3m to replace legacy 2, 2.7 and 3kV networks.

Our investment programme has removed 20.4km of Legacy HV network and 92 associated substations throughout the RIIO-ED1 period.



We will invest £41.78m to replace 112km of submarine cables.

The final allowance agreed by Ofgem was £36.9m to proactively replace 85.1km of subsea cable. In 2019, SHEPD were subsequently awarded a further £45.2m of protection allowances associated with submarine cable installation. Within RIIO-ED1, SHEPD has proactively replaced 90.94km of subsea cables for £79.38m, exceeding the RIIO-ED1 volume target.

In addition to the proactive replacement volumes, SHEPD has also replaced 75.64km of subsea cable as a result of faults.



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

In order to minimise disruption from maintenance work on our networks, SSEN Distribution employs Live Line Working and the use of generators to avoid the need for a planned supply interruption. The use of these techniques is assessed on a case by case basis, where it is technically feasible and safe to do so. Live Line Working was employed 1,183 times in 2022/23 across both networks. It has been used 14,428 times over the course of RIIO-ED1. Temporary generation was used 3,392 times in 2022/23, bringing the total number of deployments in RIIO-ED1 to 26,897. By doing this, we can provide a better service for our customers whilst ensuring our network is operating as well as possible.



We will be compliant with G91 and Black Start Resilience. This will involve an investment of £6.525m.

In SEPD, we had 21 outstanding substation sites, out of 573, at the end of 2022/23, which carried over to 2023/24. The majority of the spend in the last year was associated with sourcing materials (batteries and chargers). 10 of the 21 sites are scheduled for delivery by the end of November and the remaining 11 sites by the end of 2023/24. In SHEPD, we will have completed all work required to be compliant with G91 and Black Start Resilience requirements.



We will re-site two SEPD primary substations for flood mitigation purposes at a cost of £2m (Aldershot and Melksham).

It was determined from further risk analysis that it was no longer necessary to relocate both Aldershot and Melksham substations and instead we have undertaken flood mitigation work at both sites at a cost of £7.5m for the RIIO-ED1 period. In addition, we have relocated the Osney substation to mitigate the risk of it being flooded. All flood mitigation and relocation work described was completed in RIIO-ED1.

3: RELIABILITY



We will invest £20.54m in flood mitigation works:

- SEPD – £19.79m
- SHEPD – £0.75m.

Our investment programme has continued to ensure and progress our compliance with ETR138 in line with our RIIO-ED1 commitment. In 2022/23, SSEN Distribution has continued to invest in flood mitigation works, spending £0.84m in SHEPD and £13.4m in SEPD. Over the RIIO-ED1 period, total investment cumulated to £14.24m. We recognise that this is slightly below the ambition within our RIIO-ED1 Business Plan but they will be finalised in RIIO-ED2. The proposed flood mitigation projects are continually monitored every six months in line with requirements and projects re-assessed or prioritised as appropriate.



We will continue the overhead line resilience plan which was started in DPCR5.

We have spent £106m on our overhead line resilience plan, which commenced in DPCR5 and concluded in 2016/17. The bulk of the activity involved tree cutting operations beyond minimum safety requirements, and included clearing around 280,000 spans along our network.



We will use Network Innovation Allowance (NIA) to trial high risk when assessing innovation.

The use of innovation funding allows us to develop technologies that can bring benefits to our customers but which are unproven or at an early stage of development and would be too risky to invest in as part of normal business. Innovation funding means that we can develop new tools, skills and knowledge to improve the service we provide. The Smart Hammer project is developing a tool that can give an objective assessment of the health of wood poles, ultimately improving the health of our network and leading to fewer faults.

As outlined above, we have seen developments across our portfolio in the use of data and analytics, fault prediction, local area energy planning, consumer vulnerability and our ongoing work in relation to the decarbonisation of heat and transport. Across our portfolio of 65 NIA projects, we cover a range of 'technology readiness levels' and over time we progress these solutions incrementally until they reach a level where they can be deployed within the business. For example, our SYNAPS project has seen the development of the technology from initial concept to a fully deployed field trial. Our Alternate Jointing project, which recently commenced, is looking at a very broad spectrum of new materials and technologies which may fundamentally change the way in which low voltage jointing is undertaken – this is at a very early stage, but if successful, offers the potential for significant customer benefit. These projects all have the potential to benefit customers, but none would have been started without innovation funding.



We will remove 21km of oil filled cable from the SHEPD area and replace with non pressurised cable at an investment of £3.9m.

We have removed 14.78km of 33kV oil filled cable in the SHEPD operating area, at a cost of £2.52m. A further 5.8km was planned for delivery during the final year of the price control however, due to difficulty obtaining land consents, the work will be completed in the first year of RIIO-ED2.



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

In 2022/23, SHEPD provided seven days' notice or more to customers where there was a planned interruption to supply 99.92% of the time, which is an increase on 2021/22, and we continue to improve on this performance. Our internal target is to provide 30 days' notice in writing to the customer, a follow up letter at seven days and a final reminder the day before. During the day of the planned supply interruption, we update customers, should there be a significant change to the expected restoration time.

In SEPD, we continue with the effective measure of hand delivering letters to addresses that are affected, in order to provide the seven days' notice. In both instances, we text our customers to let them know the job is complete and to contact us if they have any queries. For 2022/23, SEPD provided notice to 102,078 customers of a Planned Supply Interruption, which equates to 98.66%.



4: ENVIRONMENT



Reducing Our Impact on the Environment

We are committed to achieving our sustainability goals and supporting the Net Zero transition, whilst managing the impact that our operations have on our environment. We are proud to lead by example by being the first Distribution Network Operator to have our 1.5°C science-based greenhouse gas emissions reduction targets accredited by the SBTi.

An increased focus on, and a step change in our approach to managing, our Business Carbon Footprint (BCF), has ensured that we have exceeded our absolute reduction target to reduce Green House Gas (GHG) emissions by 15%. Our outturn performance was a 30% reduction in 2022/23 compared to base year.

We continue to make good progress with further electrification of our vehicle fleet and increasing the use of fossil-fuel alternatives in our operations.

We reduced emissions associated with embedded generation on the Scottish Islands, utilised to ensure security of supply for our island communities, by 83% compared to 2021/22. The four historic subsea cable faults were resolved, along with reduced storm activity during 2022/23, which reduced reliance on the embedded stations.

Additionally, we were proud to have delivered a 45% reduction in fluid filled cable (FFC) leakage, vastly exceeding the 15% reduction commitment for RIIO-ED1. Moving forward into RIIO-ED2, we are committed to addressing, managing, and reducing FFC leakage and targeting the gradual removal of FFC on our network as supported by our stakeholders.

As we look to RIIO-ED2, we are working to further improve the sustainability of our operations and those of our supply chain partners. We have strategies in place to reduce our use, and holdings of, polluting gas and oils, and are actively working to reduce our BCF in line with our science-based targets. This includes reducing network losses and tackling our Scope 3 emissions. For RIIO-ED2, we were awarded baseline funding to invest in Nature-based Solutions for carbon removal through native ecosystems, and were also awarded a Consumer Value Proposition for seagrass planting in our local communities. Our RIIO-ED2 Environmental Action Plan, and our recent achievement of ISO 14001 accreditation, will propel our environmental and sustainability ambitions forward into RIIO-ED2 and beyond.

ENVIRONMENTAL CASE STUDY

Our Subsea Cable team worked with local and environmental stakeholders to preserve rare machair habitats in our SHEPD license area as part of the Mull-Coll 11kV subsea cable replacement project.

The replacement cable route (required to replace ageing assets near the end of their economic life) was due to run from the picturesque beach at Langamull, the Isle of Mull, to that of Sorisdale on the Isle of Coll. Through extensive stakeholder consultation, the conservation of the unique machair habitat was raised as a priority issue for the subsea cable project team to consider as part of the proposed works. One of the rarest habitats in Europe; the fertile and low-lying grassy plain

was strewn with red clover, bird's-foot-trefoil, yarrow and daisies. Despite the delicate machair being prevalent on both islands, machair habitats are rapidly diminishing and are under threat due to changes in the environment and increased human activity.

Our subsea cable team acted swiftly and engaged with NatureScot to ensure best practice approaches were adopted. Working hand-in-hand, the organisations identified methods to preserve the machair whilst delivering on the cable replacement project. Initiatives undertaken included applying coir matting to friable areas and reseeded the area coupled with the installation of temporary fencing to ensure reestablishment.

Minimal trench width excavation was adopted to ensure as little of the machair was being lifted for the most minimal amount of time possible. This ensured there was little detriment to the root system, allowing the machair to re-establish more quickly.

This proactive effort ensured that the machair in the local area was preserved. Both the local community and NatureScot were satisfied with all retention efforts, with NatureScot praising the 'exemplary' efforts. We are continuing to monitor the integrity of the machair habitat, and are working with stakeholders to further protect it from grazing livestock during the summer months.



4: ENVIRONMENT

CORE COMMITMENT



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

We continue to work hard to manage and reduce the impact of our operations on the local environment. We are proud to have achieved our RIIO-ED1 absolute reduction target to reduce our Business Carbon Footprint (BCF) and Green House Gas (GHG) emissions by 15%, attaining a 30% reduction in 2022/23 compared to 2012/13.

In 2022/23, SHEPD and SEPD achieved reductions of an estimated 34,215 tCO₂e (43%) in its BCF, relative to 2021/22 levels, across several emissions sources including building energy usage, operational transport, and fuel combustion including island generation.

The positive reduction in our emissions is due to several factors including utilisation of fossil fuel alternatives such as electric vehicles, and hybrid mobile generators, and an increase in energy efficiency measures throughout our buildings.

Despite our unique arrangement to operate embedded generation power stations to maintain security of supply to a number of Scottish Islands, GHG emissions associated with this activity were significantly reduced compared to previous reporting periods. In 2022/23, SHEPD's fuel combustion emissions reduced by 83% compared to 2021/22 due to a reduction in storm activity and faults experienced across our SHEPD license area, reducing the need for use of embedded generation.

Our planning standards currently rely on diesel generation to maintain security of supply for our customers on the Scottish Islands, should a fault occur on a subsea cable supplying that island, or during a storm. Therefore, during RIIO-ED2, we have proposed to explore more environmentally friendly solutions to continue to reduce the reliance on diesel power stations, including the deployment of innovative technological solutions, the utilisation of fossil fuel alternatives, and strengthening our North of Scotland resilience by exploring local solutions and flexibility services.

Further information on this commitment is available in our annual [SSEN Environment Report](#).





4: ENVIRONMENT

CORE COMMITMENT



We will use new sources of data to create better models that allow us to analyse and track losses and target loss reduction.

Our Network Protection team is in place to address potential instances of electricity theft and unregistered supplies across our two license areas. This is what we call 'Non-Technical Losses'.

In 2022/23, the Network Protection team has continued to proactively investigate and reduce electricity theft to our Distribution networks, successfully resolving 4,621 cases of theft from our Network.

This work included investigating tip offs of theft, looking at de-energised MPANs that may be registering activity and ensuring that new supplies are properly registered. We are also in the process of upgrading our power system analysis software which will provide us with a better understanding of where losses are incurring on our network so that we can better target loss reduction initiatives.

Throughout the RIIO-ED1 period, we have demonstrated we met our business plan commitment to use new sources of data to create better models that allow us to analyse and track losses and target loss reduction, and we will continue our efforts for RIIO-ED2.



4: ENVIRONMENT



We will undertake no more than 0.5 business flights per employee per year.

In 2022/23, the number of business flights undertaken equated to 0.3 per employee which means we have successfully met our RIIO-ED1 business plan commitment to undertake no more than 0.5 business flights per employee per year. We continued to use virtual meeting platforms, deliver travel awareness communications and challenged the necessity of air travel to help meet this target.



We will reduce the average mileage of SSEN Distribution cars by 10%.

In 2022/23, the average mileage of our business vehicles equated to 2,613 miles per vehicle, a 63.3% reduction from our 2012/13 base year, which means we have successfully met our RIIO-ED1 business plan commitment to reduce the average mileage of SSEN Distribution cars by 10%.



We will reduce the rate of leakage of installed SF6 by 15%.

In 2022/23, both SHEPD and SEPD SF6 emissions missed the target due to poorer leak performance.

Improved monitoring and analysis have been developed to track poorest performing assets and we have begun targeting investment to replace these where repair is not suitable. Limited market availability of SF6 alternatives has also restricted opportunities to reduce our SF6 bank. We continue to work collaboratively with other Transmission Operators and Distribution Network Operators to identify and approve alternatives.



We will replace 76km of fluid-filled cable and 'tag' our 25 worst performing circuits on an annual basis during the RIIO-ED1 period resulting in minimum 15% reduction in oil leakage.

In 2022/23, both SHEPD and SEPD oil leakage was within target: SSEN Distribution has achieved a 45% reduction in leakage, exceeding the 15% reduction commitment for the RIIO-ED1 period.

Moving forward into RIIO-ED2, we are committed to addressing, managing, and reducing Fluid-Filled Cable (FFC) leakage and targeting the gradual removal of FFC on our network throughout RIIO-ED2 and beyond, however this will come with a challenge due to disallowed allowances in our RIIO-ED2 Final Determinations. We will continue to explore using alternative funding mechanisms where possible, engaging with stakeholders as required to prioritise our activities.



4: ENVIRONMENT



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.

Throughout RIIO-ED1, we have been upsizing cables and replacing transformers, upgrading network voltages, and installing low loss equipment which has reduced distribution losses by 85,836.8MWh cumulatively. Overall, we have upsized 201.09km of cable in SHEPD (130.63km at LV and 70.46km at HV) and 300.74km of cable in SEPD (151.86km at LV and 148.88km at HV). We have also replaced 176 transformers in SHEPD and 186 transformers in SEPD with lower loss transformers. In addition to this, we have completed other loss saving interventions, including upgrading over 77km of our SEPD network cables from 6.6kV to 11kV, as noted in our 2021/22 report. The combined measures mean we have met our RIIO-ED1 business plan commitment to 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.



We will better understand the energy use of our customers and work with customers to reduce their overall energy use, especially at peak times, taking advantage of smart metering as part of this process.

The SAVE innovation project that SSEN Distribution led on, gave us a good understanding of the measures that customers could adopt to lower energy usage and reduce bills. We have shared these learnings with other organisations as well as adopting the best practice into our own energy efficiency projects and partnerships. We work with partners in communities to identify gaps in support and offer targeted interventions with partners, such as the Footprint Trust and the Centre for Sustainable Energy. We believe this has greater value than just delivering blanket energy saving measures initiatives.

Our Social Constraint Managed Zones initiative sought to find ways to alleviate network constraints by encouraging customers to reduce their energy usage at peak times. We partnered with National Energy Action to ensure that the social benefits were delivered fairly and with maximum effect. Although we have proven that there is a clear case for communities providing services to the network companies, the technicalities mean that this market place needs assistance and stimulation.

In the final year of RIIO-ED1, we launched project HOMEflex (Household Or Microbusiness Energy flexibility), in partnership with Flex Assure, which is building trust in the domestic flexibility market by creating a stakeholder led Code of Conduct.

All of this has helped us better understand the energy use of our customers and work with customers to reduce their overall energy use, especially at peak times, including use of smart metering as part of this process.

4: ENVIRONMENT



We will continue to provide standby generation on the Scottish Islands.

We still continue to maintain our fleet of Embedded Generation on our Scottish Islands to help maintain security of supply.



In order to demonstrate our commitment to continual improvement in managing our environmental impact, we will publish our Environmental Impact Report on our website. The first report will be published in Summer 2015 and will cover 2014/15.

We publish our Environmental Report annually on our website. The report sets out how we manage our impact on the environment.

The report can be found at: ssen.co.uk/about-ssen/library/environment-reports-document-library/

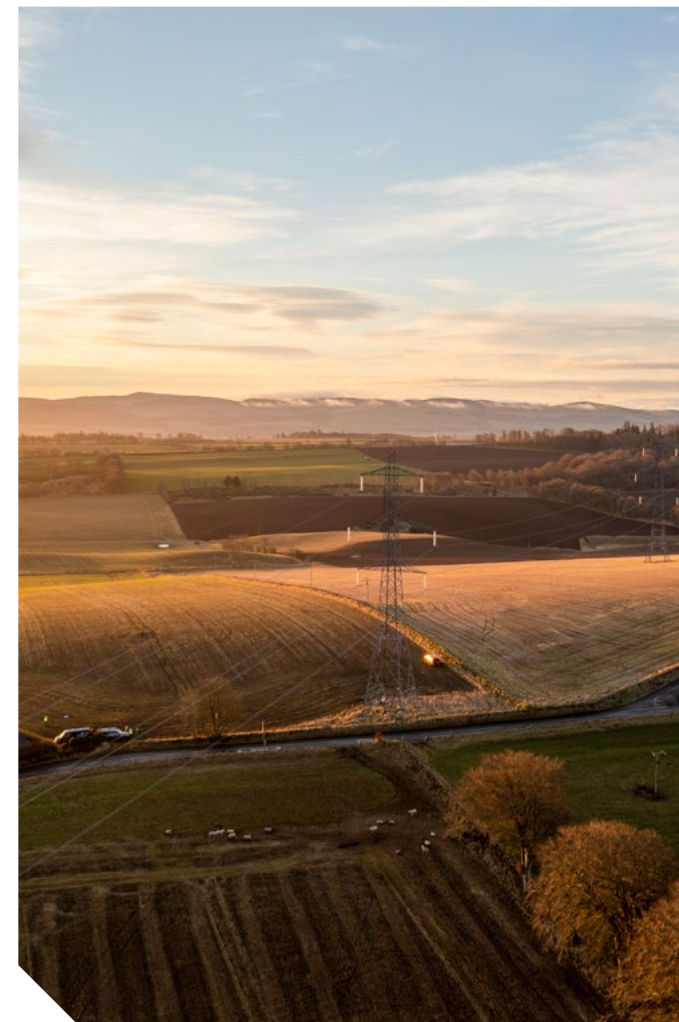


We will work with communities to reduce the visual impact of up to 90km (60 miles) of overhead lines in National Parks, Area of Outstanding Natural Beauty (AONB) and National Scenic Area (NSA):

- SEPD – 42km
- SHEPD – 48km

Working directly with stakeholders in our local communities, we have removed a total of 52.20km of overhead lines from designated areas during the RIIO-ED1 period; 19.84km in SHEPD and 32.36km in SEPD.

In 2022/23, SHEPD removed 4.10km of overhead lines and SEPD 16.93km. The work carried out in this area is driven by stakeholder requests, using a nomination scheme. We have met the commitment in terms of delivering our stakeholders, proposals in this area, noting that stakeholder appetite has decreased since the development of the RIIO-ED1 Business Plan. For RIIO-ED2, we are ramping up engagement to ensure all our stakeholders are aware of the options to underground local network where applicable.





5: CONNECTIONS

Connecting Customers to Our Network

We have continued to ensure that we deliver value for connecting customers by providing a high-quality service.

With an increasing focus on Net Zero, SSEN Distribution has seen a significant increase in applications for connections for both DER and electrification of heat and transport applications in the last 12-18 months. This has been particularly true in our SEPD licence area with an 8% increase in applications in 2022/23 compared to 2021/22. This has caused us to accelerate some of our RII0-ED2 plans and adapt our processes to manage these far greater volumes of connection applications and enquiries.

In the context of this fast changing connections landscape, we have worked hard to ensure that we meet the expectations of the customers we serve. Some of the highlights from 2022/23 include:

- Continued extensive engagement with our stakeholders. We use the feedback received to target particular areas for improvement, such as an improved Transformer Rating and Loading tool, additional self-design approval options, an enhanced application portal system and introduction of a new Business Relationship Management Team to enable our Customers and Stakeholders a better and enhance experience during their connection journey.
- We have grown the teams and focused on training programmes in both our call handling centres and design teams, with dedicated teams providing support in all areas, such as EV chargers, heat pumps and Distributed Energy Resource (DER) helping to facilitate Net Zero targets.

- Over the course of RII0-ED1, we have seen innovations in our flexible portfolio services help us grow our portfolio to a combined 734MW, which will play a vital role in supporting the delivery of a smarter electricity grid and a transition to Net Zero that is cost effective.

Throughout 2022/23, we placed substantial focus on improving our processes internally to ensure an enhanced level of customer service for customers applying for a new connection. Whilst doing this, we have also been heavily engaged with Government, industry bodies, the Electricity System Operator (ESO) and all Network Operators, to identify, develop and deliver tactical, enduring innovative solutions to capacity constraints on the network. We have chaired the ENA's Strategic Connections Group and had representation on all of the task forces and working groups to engage and drive change in our approaches to Queue Management, Transmission & Distribution interfaces and relationships, as well as the approach of treatment of Battery Storage. We have also been selected to represent DNOs at the ESO Connections Reform Project Delivery Board, a key governance, decision and direction setting committee for a key industry initiative for enduring connections reform.

Key to this is our engagement with customers to create an enabling environment for them by working collaboratively with other DNOs. Through this, we have developed capabilities, systems and processes to deliver new marketplaces for flexibility services, filled with opportunities for customers to get involved, while also facilitating connections which can power economic growth our communities and help deliver Net Zero.

We have continued efforts to increase competition and produce an improved design approval checklist for the use of ICPs/IDNOs and SSEN Designers which ensures consistency of the design approval process, whilst holding quarterly engagement sessions with our engineering policy department.

We continue to develop our connections policy to meet customers' demands in a rapidly changing environment. For example, we have been working closely with the Office for Zero Emissions Vehicles to develop a new approach seeking to enable phased build out of Electric Vehicles in motorway service areas.



KEY HIGHLIGHTS

We have been able to get more customers connected to our Network, without adversely impacting the Transmission system by:



Developing a capacity ramping proposal



Issuing a Global call for flexibility



Developing a policy framework for queue management, allocating capacity to customers ready to use it

5: CONNECTIONS

CORE COMMITMENT



We will reduce the average number of working days to provide a connections offer and a connection after acceptance by 10%.

For SHEPD and SEPD, we met the commitment to reduce the number of working days to provide a connections offer. However, while we achieved the commitment in full for SHEPD, we were behind target for SEPD in providing a connection.

One of the main drivers for SEPD's performance is the increasing number of permit restrictions in place, which can delay when we can get access to work in the highway/footway. This has led to more jobs not being able to be completed first time and greater lead times for jobs to be completed. Performance in SEPD has also been driven by the volume of planned supply interruptions needed to work on a particular asset type that has to be jointed dead. We have to plan and provide notice of these to customers which takes additional time. In addition, the volume of new connections that require Wayleave consents or section 37 approvals has increased, which can add significant delays to the completion of the works. We have introduced a new operational structure to delivery minor connections which provides greater ownership and accountability.

		2012/13 Performance, days	Improved performance commitment, days (10% reduction)	Actual 2022/23 Performance, days	2022/23 performance against R110-ED1 target
SHEPD					
Single Connection (LVSSA)	Time to Quote	8.78	7.9	4.76	40% ahead
	Time to Connect	35.08	31.57	21.18	33% ahead
2-4 Connections (LVSSB)	Time to Quote	13.7	12.33	5.69	54% ahead
	Time to Connect	52.71	47.44	23.39	53% ahead
SEPD					
Single Connection (LVSSA)	Time to Quote	8.19	7.37	4.45	40% ahead
	Time to Connect	39.5	35.55	47.34	33% behind
2-4 Connections (LVSSB)	Time to Quote	12.37	11.13	9.02	19% ahead
	Time to Connect	47.19	42.47	52.46	24% behind





5: CONNECTIONS



CORE COMMITMENT



We will facilitate an open and competitive market by improving the information that is publicly available.

We continue to focus on facilitating an open and competitive market through engaging with Independent Distribution Network Operators (IDNOs) and Independent Connection Providers (ICPs) to understand the information they need to compete effectively in the connections markets.

As a result of this engagement, we provided the following new information:

- We continue to update and make available a dedicated ICP/IDNO contact and escalation guide which covers both licence areas (SHEPD and SEPD). This guide provides ICP and IDNO stakeholders with relevant points of contact and escalation routes, making it easier to get in touch with us when they have queries. The guide is now available on our web page and is being reviewed and updated periodically.
- We have also updated several pages on our website in order to provide more information about our DSO transition.
- We have extended our self-design approval process to LV and HV connections with Distributed Generation.

A list of all improvements can be found on our [Incentive on Connections Engagement](#) web page.

5: CONNECTIONS



We will make improvements to the website including a smart online application form for new connections, an online payment system and online project tracking. This will improve the availability and usefulness of the information relating to the provision of connections for minor connections customers.

All application forms for Connections or General Enquiries services are available online. The smart application forms mean that they will conditionally change depending on the service the customer is applying for and the information they provide. We have also implemented an online payment system, allowing customers to pay for connections works on our website, and an online tracking portal, enabling customers to track the progress of their application through their online account, which is set up at the point of application.

We have committed further to improving these services and will, in RIIO-ED2, deliver the capability for customers to also create their own quotation during their application process.



We will publish an Annual Connections Report on our website that sets out performance in relation to targets and continual improvements to the service provided to ICPs, making it easy for large customers to choose alternatives, and will show how SSEN Distribution will continue to promote an open and competitive market.

Our ICE report sets out the commitments made to stakeholders under our ongoing engagement programme and our performance in delivering these commitments, including services provided to ICPs and developing competition as required. We have published this twice a year, in April and then an update in October, over the course of RIIO-ED1.



We will expand the connections call centre and improve the connections customer service training programme.

Our Connections Call Centre has expanded significantly to handle increased volumes of work. Notably, as low carbon technologies, such as EV chargers and heat pumps, have started to increase in uptake, we have increased our resource numbers and even set up dedicated teams to support customers. Throughout RIIO-ED1, we have invested heavily in customer service training, bringing it to the forefront of everything we do. We focused on the basics but have since extended this to provide a business wide complaints training programme and enhanced vulnerability training for key customer service staff, including specialist training from charities such as Dementia UK and other partners. Furthermore, in 2021, we launched our Empowered to Care Programme, our largest ever investment in customer service training, focused on providing our people with the skills, knowledge, tools and behaviours to provide an outstanding standard of service. The programme will be delivered over five modules to every SSEN Distribution Employee by the end of 2023, with all customer-facing employees going through the programme by the end of RIIO-ED1. The programme was developed in partnership with the institute of customer service and has since also received the prestigious TrainingMark Accreditation for its high standards.

5: CONNECTIONS



We will invest £29.1m to upgrade the network to ensure the needs of Distributed Generation customers are met.

The needs of Distributed Generation (DG) customers to be able to connect and export power onto the network is fundamental to meeting Net Zero targets. At the outset of RIIO-ED1, we identified a number of points on our network that would require reinforcement to provide the necessary capacity. We have and will continue to invest on network upgrades to connect DG customers. We committed to actively seek innovative and market-based solutions to address these needs where it was economic and efficient to do so. SSEN Distribution continues to deliver innovative solutions and transition them into business-as-usual processes. Throughout 2022/23, we have engaged with several customers regarding Flexible Connections and have received multiple acceptances and are actively delivering Active Network Management Schemes to manage these connections. With the implementation of Access SCR and the coordination with the Electricity System Operator, to unlock network capacity, we anticipate significant growth throughout RIIO-ED2.



We will proactively identify applicants (minor connections) who are unsure or unable to fully complete their application. Trained staff will communicate with these customers at an early stage to offer advice and assistance or assist customers in finding an alternative provider to do the remaining work when they prefer to do so.

Where customers wish to apply for a minor connection, they can do so via a variety of routes. Applications can be made online via our website and although many customers prefer this route, we recognise that this is not suitable for all. Where customers are unable to complete applications online, alternative methods for contacting us are signposted throughout the various stages of the connection's application process on the website. To reduce digital exclusion, it's explained that customers can contact the Connections Application team by telephone or email and request help to complete their application. When this happens, the application advisor will offer to walk the customer through the online application, or alternatively complete the application over the phone with the customer. No customer is forced to remain on a digital channel if they wish to communicate differently.

Customers also have the ability to communicate with us and apply for their works via email if they wish. Whilst we are not proactively identifying applicants who are unable to complete forms online, as there is no digital mechanism for this, we are ensuring that all applicants can access advice or assistance through the advertised alternative contact methods. This is reflective of the change in the most common approach of the customer. At the initial stage of the application process, customers are also made aware of their choice to seek an alternative provider to complete parts of their work. Customers are signposted to our alternative provider register where they can search for an approved provider if they wish. This is offered through all communication channels including telephone.





5: CONNECTIONS



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 absorb electricity and the impact this will have on the network.

During the first half of the RIIO-ED1 price control, the number of connections has been lower than we had anticipated in our RIIO-ED1 Business Plan, therefore resulting in lower than anticipated Load Related Expenditure. However, while slow to materialise, the number of connections has increased considerably in recent years, and we are investing in our network by incorporating smart and innovative solutions, as well as traditional reinforcement to connect customers to our network. We have also invested in the systems and processes to help streamline customer journeys through the connection process, particularly for export.



We aim to deliver a Connections Guaranteed Standards Performance of 100% over the RIIO-ED1 period.

We had a strong performance on Connections GSOP over the course of RIIO-ED1. With SEPD's average score of 98.8% and SHEPD's of 99.7%, we believe, in all material respects, this commitment is complete.



We will carry out site visits to minor connections customers to provide a quotation 'on-the-spot' using new technology where we can. This will include routine follow up calls and extend mobile working practices to delivery engineers to speed up delivery of connections projects.

We continue to support our minor connections quoting through site visits where there are technical queries or further information required. However, we continue to look for ways to best meet the needs of small connection customers. Our engagement with our customers has identified that a self-serve approach is preferred to on-the-spot quotes. Consequently, we are therefore focusing efforts on digitalising our processes to provide value for customers with efficient, cost effective online options. We have delivered improvements in time to connect since the beginning of RIIO-ED1, and eight years on from the original commitment, we are reflecting the advances in technology and data to best deliver on the aim of the commitment.



We will update the minimum design requirement in each of the relevant connection offers in recognition that even if that connection does not involve Low Carbon Technology (LCT), it is likely that in the future the customer may wish to adapt this connection, or a different customer may take over the property and wish to introduce LCTs. We will fund the network impact of the uptake of LCTs through innovative solutions and implement minimised costs for existing customers who adopt LCTs.

All new domestic connections are provided at 100 Amps – the highest capacity considered practical for a whole current metered connection to allow customers to introduce LCTs. We have also implemented a change where a customer requesting an increase in load for a whole current metered single service connection will have their service upgraded (where required) free of charge.

5: CONNECTIONS



We will provide connections for large scale embedded renewable generation in a timely and cost-effective manner.

We continue to work to provide timely and cost-effective connections for renewable embedded generation. Throughout the period, we have been engaging and leading on industry level discussions with the ENA, Electricity System Operator, and other Network Operators to try to alleviate some of the constraints and delays some of our large renewable embedded generation customers are facing.

We continue to expand our flexible connection offering to DG customers and have also developed further our flexibility markets. This allows customers to connect earlier, without the need to reinforce the network but provides us with the rights to curtail that generator at times when the network reaches capacity. In 2022/23, we connected 373MW of DG, 217MW in SHEPD and 156MW in SEPD.



We will work with local authorities and housing associations to anticipate where there are likely to be large volumes of new or low carbon technology connections to our network. This will allow us to apply innovative network solutions to minimise network reinforcement costs whilst also ensuring timely connections. We will defer network reinforcement on at least one circuit by working with a community to manage electricity consumption through energy efficiency and low carbon technologies by April 2018.

Since 2018, we have developed and undertaken Distribution Future Energy Scenarios (DFES) analysis for our network area. This developed bottom-up local evidence-driven projections for low carbon and key demand/generation technologies. DFES analysis is part of a wider network planning process that utilises scenarios to inform network investment and planning. Stakeholder engagement is a key part of the DFES process.

Each year, in addition to a series of interactive webinars for stakeholders and technology specific calls with developers, trade bodies and industry reps, SSEN Distribution operates a data exchange with all of the local authorities in our licence area and with the Scottish Government. This is used to validate domestic and commercial developments and understand strategic plans for energy/transport.

In 2019/20, we initiated an NIA project, RESOP, which is developing a framework to model network adoption of LCT from a whole system perspective in order to better understand future network requirements. Through this and other initiatives, we continue to work with Local Authorities to support the uptake of LCT connections. A key focus has been providing the data and the interpretative digital tools to allow informed engagement and optioneering as part of the design of local whole system energy solutions. Specifically, we have worked with Dundee Council on their Connected Energy Project and through our support to Project LEO in Oxford, to refine the effectiveness of this engagement.

With regard to innovative interventions on our network, our flexible services portfolio has grown significantly. Over the course of RIIO-ED1, a total of 734MW of flexible services has been contracted.



5: CONNECTIONS



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.

The driver for this commitment was to improve the time taken to issue quotations to our customers by having an initial discussion with the customer to ensure that we have all of the information that we need. Since the start of RIIO-ED1, we have implemented a number of changes to our processes which means the time to quote has improved significantly, with the average time taken to issue an LVSSA quotation being 4.76 working days in SHEPD and 34.45 working days in SEPD in 2022/23. This represents a 46% improvement in both SHEPD and SEPD on time taken to issue quotations to our customers, comparing to 2012/13 performance.



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 received through stakeholder engagement.

The Community section of our website has been updated to cover the broader topic of Local Authorities and Community Energy Groups. On this page, we have published educational information for local community projects with links to third party organisations who offer a wide range of services such as support, funding and industry knowledge. We also set up a useful links section linking to other existing pages containing useful information on the connections process, such as electric vehicles, heat, smarter electricity (DSO), network information and more. A section on useful documents such as the contact guides, connections meetings and our YouTube channel has also been added to this page. Lastly, we updated our Community Connections guides for the SHEPD and SEPD. These provide an introduction to the network, information on how to get a community project started, useful tips, contact details and more.

We have also recently established a relationship management team who will have a dedicated relationship manager looking after community projects and groups.





6: CUSTOMER SATISFACTION

Improving Customer Service

RIIO-ED1 has seen an exciting journey as we've embedded, grown and matured our customer service model. We responded to the many challenges and opportunities of RIIO-ED1 with customers at the centre of our decision making. From the initiation of the RIIO model and the changing parameters throughout the period, through to the development of our RIIO-ED2 business plan, every step we took, we consciously applied the principle that everything we do is in aid of our customers and their needs.

Customer expectations during the period evolved significantly, from rapid digitalisation, establishing tailored step-by-step support for customers seeking to install low carbon technologies. We evolved with them and continued to invest in digital solutions, with another record year of development and progression in our core digital services. This has been recognised externally with multiple finalist award positions including the UK Customer Satisfaction Awards and the CCA Global Customer Service Awards – and we're committed to continuing this investment as customer needs change.

Notably for 2022/23, we focused on building an Operating model at SSEN Distribution that allowed for rapid development of our customer journeys. We established an in-house Service Design Authority, providing central ownership of our customer journeys, helping us implement customer-based improvements with pace. In 2022/23, SSEN Distribution was the most improved DNO in terms of customer satisfaction, improving five times faster than industry average and demonstrating our determination to get things right for the customers we serve.

Key drivers of this included:

- The mass roll out of our Empowered to Care programme;
- The launch and continued development of our new SSEN website, providing customers with more opportunities to self-serve and find information they're looking for; and
- Creating a dedicated Customer Service Directorate who own and have complete focus on delivering for our customers.

As a result of all of this, we're proud to have delivered all commitments, with the exception of one, within our RIIO-ED1 business plan, as well as additional services to take our customer experience to the next level.

KEY HIGHLIGHTS

Broad Measure

SHEPD	SEPD	SSEN (overall)
Supply Interruptions 9.08/10	Supply Interruptions 8.62/10	Supply Interruptions 8.85/10
Connections 9.16/10	Connections 8.29/10	Connections 8.72/10
General Enquiries 9.39/10	General Enquiries 8.46/10	General Enquiries 8.92/10

Customer Complaints

90.47%
complaints resolved
within D+1

98.36%
complaints resolved
within D+31

553,780 calls into the Customer Contact Centres (excluding General Enquiries and Connections Customer Contact Centre)

Online

9/10
Overall digital
Customer Satisfaction

6.3 million
Visits to Power Track
(Online Power Cut Tracking Service)

1.6 million visits
Number of visits to our website

209,038 incoming messages
(26% decrease on 2021/22)
Number of digital contacts

6: CUSTOMER SATISFACTION



CORE COMMITMENT



We will maintain ongoing dialogues with all customers who request regular updates on what we are doing.

Engaging with our customers and acting on their feedback remains a core focus of all our business areas. We put a considerable level of effort into maintaining relationships with our customers, listening to what they say and updating them on what we are doing with their insight.

In 2022, we embedded our Service Design (Customer Journey Mapping) methodology across six key areas. Following the work undertaken in 2021/22, we started to implement these journeys, built using employee and customer insight from broad measure, complaints data and customer interviews, which will continue over the coming years.

Our Stakeholder Engagement methodology is fully embedded across our business and continues to evolve, responding to the needs of our customers. Our Mission Statement: To deliver engagement which is purposeful, accessible, and dynamic, using insight and collaborative partnerships to achieve positive and tangible outcomes for customers, stakeholders, and society, provides clarity and guidance when planning or carrying out engagement. This ensures our engagement is:

- **Inclusive** – We take a considered approach to the format and timing of our engagement and think deeply about how we can reach ‘seldom heard’ voices, ensuring fair and accurate representation.
- **Insightful** – We conduct thorough engagement on issues that matter, in a way that generates meaningful discussion and debate, allowing us to capture clear and actionable feedback.
- **Impactful** – Our engagement is transparent and meaningful, allowing participants to clearly trace their input and to genuinely influence our business activities and plans.
- **Iterative** – We conduct frequent and enduring engagement which evolves in line with best practice and continuous improvement. We are flexible to change and will incorporate learnings.

We continue to engage with our customers through our social media channels, providing updates during storms and faults, promoting PSR and our winter awareness campaign. Our social media follower base currently increased by 14.2% to 70,853 across Facebook, X (formerly Twitter), LinkedIn and Instagram, and in 2022/23 we were able to reach 7.64m through social media. This included during our winter awareness campaign and updates throughout the storm periods.



6: CUSTOMER SATISFACTION



CORE COMMITMENT



We will continue to seek customer views on service, connections, reinforcement and reliability, working with communities around safety and awareness across our network.

We believe it's important that our customers and stakeholders drive our business plans for the future. Through a robust engagement model, we continue to engage with customers to seek their views on how we operate as a business.

During 2022/23, we engaged with over 50,400 stakeholders through 715 engagements. These engagements covered a wide range of topics relating to our Strategic Priorities, Accelerating Progress to a Net Zero World, Delivering a Safe, Resilient and Responsive Network, Providing a Trusted and Valued Service from Customers and Communities, Delivery a Positive Impact on Society, and Collaborative Action on Consumer Vulnerability.

The insights gained from these engagements led to improvements including our continued response to the cost of living crisis, service improvements such as the design and delivery of smart ETR (estimated time of restoration), and our approach to the Just Transition.





6: CUSTOMER SATISFACTION



We aim to have zero complaints upheld by the Energy Ombudsman during the RIIO-ED1 period.

We always strive to have zero complaints upheld by the Energy Ombudsman, but in 2022/23 we had one complaint upheld. We continue to work to provide a high level of customer service, including effective resolution of complaints with good outcomes for our customers.



We will publish on our website a Looking Back Report of customer service and performance against commitments.

We annually publish a number of reports which reference our customer service and performance against commitments. We do this through this annual report, but also through our Stakeholder Engagement and Consumer Vulnerability Submission to Ofgem, and our Incentive on Connections Engagement Looking Forward and Looking Back Report.



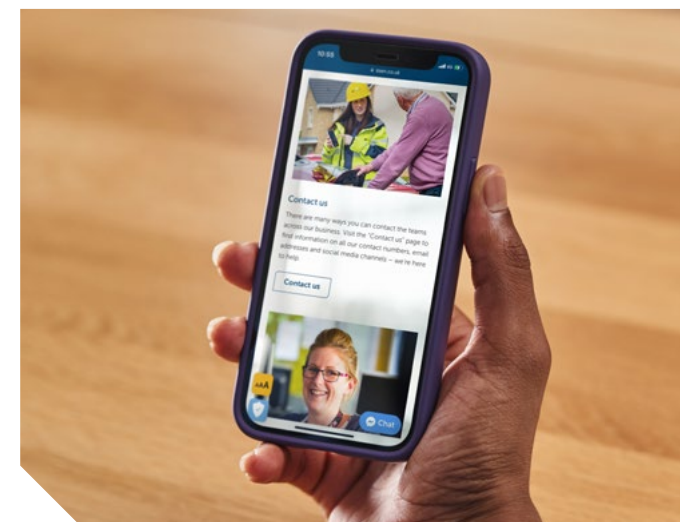
We will continue to expand the ways in which customers contact us and make it easier for them to do so. This will include developing our website to include a live chat and translation service. We will do this while remaining alert for changes in customer expectations.

Although we completed this commitment in 2020, we have continued to evolve our contact channels. In 2018, we launched live chat on our website, using Facebook Messenger Web Chat as our solution, to make it easier for customers to contact us. We specifically selected this solution as it was the only service on the market at the time that wouldn't be disrupted if the customer lost signal when they were engaging with us. Customers can re-pick up their conversation at any point, or even on the move, through their Facebook Messenger app. We were the first DNO in the UK to launch this service, which has since become our primary digital channel after self-serve.

In 2019, we also launched a translation service on our website using ReciteMe, the industry leader for digital translation services which enables customers to translate our content into hundreds of languages and formats – this service also provides enhanced accessibility settings for customers with visual impairments and dyslexia, for example. Our website places the Website Accessibility Assistive Toolbar at the top of our each web page. This feature is explained in detail on the ReciteMe website.

In terms of expanding the ways in which customers can contact us, they are able to do so on Facebook (through comments on posts and messages through the Messenger app since 2014), X (formerly Twitter) (launched in 2014), WhatsApp (launched in 2018), Instagram (2018), Webchat, phone or using our Power Track app (2016 and redesigned in 2020).

In 2021, we launched the industry-first power cut chat bot, providing real time updates to customers in a power outage. Furthermore, we have made additional functional improvements to Power Track, our fastest growing channel, including automated job raising and a 'find my nearest live charging point' service.





6: CUSTOMER SATISFACTION



On our website, we will publish an Annual Engagement Plan setting out engagement topics for the following 12 months, with the first to be published in January 2014.

Our engagement topics are published annually within our Stakeholder Engagement and Consumer Vulnerability Submission, and Incentive on Connections Engagement Looking Forward and Looking Back reports, during the RIIO-ED1 period.



To provide consistent, accurate information, we will make alterations to our back-office systems which will allow improved detail and local information given in pre-planned interruption letters and give customers personalised and area-specific message by phone and text.

In 2022/23, improving our Planned Supply Interruptions Process continued to be a focus. Following the work completed in July 2021 with Experience Lab, we have made changes to the customer journey, continually reviewing the communication we provide to customers, including reviewed notice letters for business customers. We also continue to update customers on the progress of their outage via phone and text, along with our Power Track App, where customers are able to track the progress of the outage in real-time.



We will provide an extensive customer service training exercise for all customer-facing staff. This will include always leaving contact details with the customer, checking the customer is satisfied before leaving site (in social hours only) and asking customers to give feedback about service so that real-time customer comments can be recorded. We will open up our depots and have colleagues readily available and trained to deal with customer enquiries.

All customer facing staff at SSEN Distribution go through extensive customer service training from fundamental basics of customer service, all the way through to specific training on supporting vulnerable customers. This includes contact centre staff and our field teams. This training is included in staff induction and then further development is provided every year. It covers always leaving contact details with the customer, checking the customer is satisfied before leaving site and asking customers to give feedback which can be recorded in real-time as part of the induction training.

Furthermore, in 2021/22, we launched Empowered to Care, a business-wide programme which provides every single employee with the right skills, knowledge, behaviours and tools to provide exceptional levels of customer service. This programme continues to be rolled out and includes six modules of training for all employees. In addition, there are further modules for managers and specialists. This training has been recognised by the Institute of Customer Service with the prestigious TrainingMark Accreditation – making SSEN Distribution one of only 27 organisations in the UK to receive this accreditation.

Our depots were opened up to customers in 2018 to give them the opportunity to resolve their issues in person. Due to lack of engagement following the pandemic, it was not deemed beneficial for customers to retain this avenue of engagement.



6: CUSTOMER SATISFACTION



All employees will participate in regular training teams and improvement initiatives, including learning teams (to include cross-skilled sessions involving field operatives and customer contact staff) and a programme where standby staff visit the Control Room and Customer Contact staff spend time with supply restoration teams to build relationships and understand how we respond in a power cut.

All Customer Contact Centre (CCC) employees have returned to the office. As both SHEPD and SEPD are now joined under one directive, best practice and new initiatives are shared to ensure both contact centres are aligned. This has streamlined the way we work when looking at continuous improvement and there are joint innovation working groups to try and encourage employee input/engagement. Coaching teams work side by side to deliver both face-to-face and virtual learning teams. Multi-skilling in the department has continued to include PSR, Complaints and Digital.

Since the Covid-19 Pandemic, we made the decision that CCC employees do not enter our Control Rooms, however to maintain knowledge and further educate them, the coaching team have arranged specialist talks. We have continued our network appreciation days, where contact centre employees spend a day in the field with one of our engineers, and now 80% of our CCC employees have taken part in these days. Our operational teams have yet to return to the CCC in any significant numbers since Covid-19, but we are working on increasing these volumes as we head into RIIO-ED2.



We will utilise a robust four-step process for handling complaints and providing customers with a one-stop-shop for customer contact and complaints. We aim to resolve 70% of complaints within one working day of receipt.

We have a single complaints process that applies across the whole organisation and is publicly available for our customers to access. This four-step process is clear and transparent and can be found online. It is also provided to every customer, via their preferred method of contact, where we are unable to resolve their complaint on the first point of contact. In the final year of RIIO-ED1, we exceeded our target by resolving over 90% of complaints within one working day.



We aim to achieve zero Guaranteed Standards failures for EGS4 (Regulation 12 – Planned Outages) and EGS8 (Regulation 17 – Appointments) during the RIIO-ED1 period.

EGS4 requires SSEN Distribution to provide sufficient notice to domestic and non-domestic customers of a planned supply interruption (PSI) to their power supply. In 2022/23, SHEPD and SEPD had a notification success rate of 99.92% and 99.52% respectively. EGS8 requires SSEN Distribution to offer and keep appointments with customers. In 2022/23, SHEPD and SEPD had 99.52% and 99.85% of appointments arranged and attended within required timescales. For RIIO-ED1 as a whole, across both networks, we have an EGS4 success rate of 99.75% from 1,269,816 notifications and an EGS8 success rate of 99.86% from 240,295 appointments. We believe that, in all material respects, this commitment is complete.



6: CUSTOMER SATISFACTION



We will allow the use and recording of stakeholder feedback from mobile devices as part of the 'Feedback and Procedure Change' mechanism.

We continue to use a number of varied methods for recording feedback from stakeholders. These include email, verbal, social media contacts, electronic voting at both virtual and in-person engagement events, Microsoft Forms and both the Q&A and chat functions within Microsoft Teams. During 2022/23, we have also introduced Engage360 within our stakeholder management tool, Tractivity. This functionality allows us to survey stakeholders and invite questions ahead of any planned engagement.

We continue to survey stakeholders on a regular basis, including through our annual stakeholder perception survey. This survey captures stakeholder preferences in relation to engagement channels and frequency, along with topics of interest.



We will expand the Stakeholder Engagement team from seven people to 12, including social media and website management staff.

In 2014, we decided to separate our Stakeholder Engagement Team and Digital Team. This decision allowed the Digital Team to focus on digital customer service and innovation whilst the Stakeholder Engagement Team continued to focus on enhanced engagement.

Our Digital Team has grown significantly during RIIO-ED1, starting with three members of staff. In 2021/22, the team was built up of 12 employees including a dedicated Digital Team Manager, a Digital Strategy Manager, several Social Media Officers and Web Content Editors.

Our Stakeholder Engagement Team is made up of 10 members of staff, providing specific stakeholder engagement expertise across our business areas, including our operations businesses and connections. Furthermore, this team is supported by regional customer relationship management teams who provide on the ground engagement.

This commitment has been delivered, with the total resource for dedicated stakeholder engagement, social media and website management going from seven people to 22 people since the start of RIIO-ED1. Furthermore, we have trained an additional 75 individuals on social media to support during busy periods such as a weather event. In recognition of the continuously changing needs of customers using our website, we have also onboarded an external product management team, made up of UX Designers, Product Managers, Developers and Customer Experience Experts to support our website development.



6: CUSTOMER SATISFACTION



A new telephony system will be implemented, which will allow customers to register their preferred method of communication (including telephony, text or social media). This system will also allow customers to grade the call at the end, providing real-time feedback and allow for immediate follow up for the customer.

Following customer feedback from the Stakeholder Advisory Panel in 2018, customers now register their preferred communication channel themselves. This is inferred as being the most recent method that they used to contact us and is updated whenever the customer uses a different method which we will then use to contact them moving forwards. In terms of feedback, all customers who get in touch with us regarding our core services receive a message following their interaction with us, called a 'Touch Point Survey'. This survey asks the customer for real-time feedback which, if negative, is then followed up by an experienced member of the team in the Customer Contact Centre.



We will develop and maintain IT systems, including ensuring appropriate data security and confidentiality.

All of our IT projects and operational management follow our internal IT development framework, which must meet all current data compliance requirements prior to moving through the development and execution process, prior to implementation and then into operational support.



We will use external experts to provide support and assurance, including an external audit which will involve a rigorous review of our stakeholder engagement data as well as examine management arrangements.

We continue to seek external assurance to ensure the quality of our engagement practices remains high. Over the course of RIIO-ED1, initial assessments were undertaken by SGS, moving to AccountAbility in 2017/18. Over the course of RIIO-ED1, performance in these assessments has steadily improved. Following our annual assessment against the AA1000 Stakeholder Engagement Standard Assessment in 2022/23, we have secured another significant improvement, scoring 81%, up from 71% in 2021/22 and 64% the year prior. This result positions SSEN Distribution in the 'Advanced' stage of the AccountAbility Stakeholder Engagement Maturity Ladder, which is the highest tier in the assessment.



We will commission an independent research agency to undertake additional surveys which will be comparable to our Broad Measure Scores.

Since 2018, we have been a member of the Institute of Customer Service, as part of this membership, and as a Trusted Advisory Member since 2020, our customers are surveyed annually by the institute to provide a comparable and independent review of our services. The results are benchmarked against both our industry and other non-utility sectors.

The results of the survey are published on the Institute of Customer Service website. Internally, the results are used as a quality assurance tool to ensure that our Broad Measure Scores are comparable with independently produced research.



We will join the Customer Service Network and/or the Institute of Customer Service.

Since 2018, we have been a member of the Institute of Customer Service. In 2020, we were promoted to a Trusted Advisory, and this remains present today.



6: CUSTOMER SATISFACTION



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

In 2014, we launched X and Facebook as primary contact channels for our customers. In 2015, we moved these channels to a 24-hour service. Customers are able to contact us on Facebook (through comments on posts and messages through the messenger app), X, WhatsApp (launched in 2018), Instagram (2018), Webchat, phone or using our Power Track app (2016 and redesigned in 2020). All services are available 24/7 and have dedicated teams who are specifically trained for the channel they are engaging with.



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

Through our various interactions with customers and stakeholders across our business activities, we take on board comments, both positive and negative, to improve our performance. These improvements are visible in our publications such as Incentives on Connections Engagement report (ICE), including associated Looking Back and Looking Forward reports; our Stakeholder Engagement and Consumer Vulnerability reports; and our Listening to our customers, informing our decisions, PSR Survey hosted on our external website and underpinned with a variety of communication platforms.



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

Delivering a reliable supply of electricity to our customers is our primary purpose as a distribution company. In order to improve our service, we invest heavily in replacing aging assets to ensure our network is healthy. We also use technology such as automatic reclosers to restore the network quickly where possible. We also use innovation to develop products that can help improve network operation. The LV Underground Fault Location Technologies project has developed products that can pinpoint the location of underground faults leading to speedier repair times and less inconvenience for our customers. We also use AI technology to quickly analyse the fault, the real life recent history of the faulted circuit, along with our current workload and available resource levels in order to provide a near instant estimation on how long it will take our teams to restore supplies to customers. This approach enables more certainty for our customers to plan and prepare for the period of time they will be without power during an unplanned event.



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.

We have multiple channels of contact available for our customers including phone, post, email, live chat and self-serve through our website. Every service we offer, including filling out forms, is able to be served via all these channels as part of our principle of inclusivity; the purpose of this is that customers are able to choose their preferred method of contact and response.



GLOSSARY



BROAD MEASURE OF CUSTOMER SATISFACTION (BMCS)

A customer satisfaction survey designed to drive improvements in the quality of the overall customer experience by capturing and measuring customers' experiences of contact with their DNO across the range of services and activities the DNOs provide.

BUSINESS CARBON FOOTPRINT (BCF)

Total amount of greenhouse gas emission caused directly and indirectly by a business or activity.

CUSTOMER INTERRUPTIONS (CI)

The number of customers interrupted (CI) per year. This is the number of customers whose supplies have been interrupted per 100 customers per year over all incidents, where an interruption of supply lasts for three minutes or longer, excluding re-interruptions to the supply of customers previously interrupted during the same incident.

CUSTOMER MINUTES LOST (CML)

The duration of interruptions to supply per year. This is the average customer minutes lost (CML) per customer per year, where an interruption of supply to customer(s) lasts for three minutes or longer.

DISTRIBUTED GENERATION (DG)

Distributed generation (DG) is an electricity generating plant connected to a distribution network rather than the transmission network.

DISTRIBUTION FUTURE ENERGY SCENARIOS (DFES)

The Distribution Future Energy Scenarios outline the range of credible futures for the growth of the distribution network.

ENERGY NETWORKS ASSOCIATION (ENA)

The industry body funded by UK gas and electricity transmission and distribution licence holders.

FLUID FILLED CABLE (FFC)

Pressurised fluid filled underground cables – the fluid acts as an electrical insulator.

HIGH VOLTAGE (HV)

Voltages over 1kV up to, but not including, 22kV.

LOSSES

The difference between units entering and units exiting the DNO network through different connection points.

LOW VOLTAGE (LV)

This refers to voltages up to, but not including, 1kV.

PRICE CONTROL

The control developed by the regulator to set targets and allowed revenues for network companies.

PRIORITY SERVICES REGISTER (PSR)

A register of all customers in an electricity distribution area that are of pensionable age, disabled, chronically sick, require special communication needs, depend on electricity for medical reasons, or have children under 5, or require certain information and advice in alternate formats and languages.

REVENUE PROTECTION

The prevention, detection and recovery of losses caused by interference with electricity supplies (Non-Technical).

TOTAL RECORDABLE INJURY RATE (TRIR)

A calculation that takes into account the number of recordable incidents per number of hours worked.

TRANSFORMERS

An electrical device that transfers electricity between two or more circuits.

TRANSMISSION CONNECTION POINT CHARGES (TCPC)

Charges payable by DNOs levied by a Transmission Licensee as connection charges, due to the number or nature of connections between the Distribution System and the GB Transmission System.

UNRESTRICTED DOMESTIC TARIFF

The Unrestricted Domestic Tariff Charge is the proportion of the electricity bill customers paid to us for using the electricity network. This is billed via the customers' suppliers.

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