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I am pleased to present Scottish and Southern Energy Power Distribution’s 2015/16 Submission in relation to Ofgem’s Stakeholder Engagement Incentive Scheme.

By considering our engagement on three levels – Strategic, Organisational and Operational – I feel we have engaged effectively right across our business. We have committed to establishing an Advisory Panel comprised entirely of stakeholders; undertaken a comprehensive and inclusive consultation on the value of burying submarine cables on the sea bed; and established a structured, adaptable approach to supporting communities when we need to switch off electricity supplies. These and the many other activities reported in this document are helping us benefit from our stakeholders’ input right across our business.

We’re also delivering much more for our vulnerable consumers. Becoming certified under British Standard 18477 has been hard work, but a fantastic achievement which is helping thousands of our customers.

Of course what’s really important is what we are doing differently – and better – as a result of working with our stakeholders. This year we have adopted a consistent approach to valuing the outcomes of engagement, giving us a much clearer understanding of how engagement is helping to deliver on our RIIO-ED1 commitments. You’ll find below some examples of the benefits resulting from the changes we have made and in the following pages a more comprehensive listing of how we have engaged and the change that has delivered.

My one disappointment this year is that we haven’t managed to make as much progress on some of our community engagement in our South area as we have in our North patch.

The simplicity of the set-up of many services in Scotland, where a single organisation serves our whole area – for example, Scotland has a single national Police Service – has allowed us to make quicker progress there than in the South. So, for my stakeholder engagement team and colleagues in our Regions, making equivalent progress on engaging with communities in the South, particularly in relation to supporting the development of resilience plans, is a top priority for the coming year.

Colin Nicolson, Managing Director, Networks

Our top six engagement highlights

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<td>We are engaging with stakeholders to prevent £260m being added unnecessarily to bills by finding a sustainable approach to new legislation on laying electricity cables on the sea bed.</td>
<td>Our multi-media campaign, tailored to the communication preferences of our stakeholders drove over one million social media engagements, 130,000 views of our power cut information app, PowerTrack, and great levels of message recall.</td>
<td>Meeting the need of our communities for support in developing resilience plans means we’ve helped make 33 communities safer this year alone (bringing the total to 44).</td>
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<td><strong>Undergrounding for visual amenity</strong></td>
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<td>Working with stakeholders is helping us develop a fair and efficient method of deciding in which areas we replace overhead lines with underground cables.</td>
<td>Partnering with an energy charity has led to 46% of primary schools in the area engaging in energy efficiency activities and to energy bill savings worth three times our investment.</td>
<td>Helping 32 independent care homes prepare for extreme weather events and other difficult circumstances has made hundreds of our vulnerable customers more secure and allows our colleagues to focus on restoring power.</td>
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Delivering on our engagement plan

Our stakeholder engagement plan – published in an exciting interactive format – was informed by the needs and expectations of our stakeholders, by analysis of how we can influence change and consideration of whether this was the right time to address each issue. The outcome was a focus this year on six key priorities.

In 2015/16 we focused our engagement activities on six key priorities

- Safety
- Network investment
- Undergrounding of overhead lines
- Submarine cables in the Scottish Hydro Electric Power Distribution area
- Social obligations
- Connections*

*Ensuring activities are rewarded only once: The activities we have undertaken in relation to each of these areas are described in more detail throughout this report, with the exception of our activity relating to connections, on which we report in our submissions relating to the Incentive on Connections Engagement (ICE). We report separately on these issues as we are conscious that we should not seek recognition through the Stakeholder Engagement and Consumer Vulnerability Reward for activity that is rewarded through other mechanisms. That issue of ‘double counting’ is considered throughout our submission documents. Where we refer to results that may be rewarded through other mechanisms – for example improvements to customer satisfaction levels may be quoted to demonstrate the effectiveness of an initiative – we make that clear.
# Embedding engagement in our business

## Our framework for engagement

This year we have made good progress in embedding engagement in our business. By implementing a clear framework for engagement, our three-level approach, we are now engaging effectively right from the biggest issues our business faces – like how we keep bills as low as possible – to local issues that affect our customers’ everyday lives. By doing that we will make sure that we deliver on our RIIO-ED1 Business Plan commitments in a way that is responsive to the changing needs of our stakeholders.

<table>
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<th>Level of engagement</th>
<th>Our means of engagement</th>
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| Strategic           | SSEPD Stakeholder Advisory Panel (due in 2016)  
  • review and challenge in relation to RIIO-ED1 delivery | Due in 2016 | SSEPD Board  
  Stakeholder Engagement Team |
|                     | Bilateral and multilateral activities  
  • engagement with Scottish and UK governments and with the European parliament, and on issues involving high level multi-organisation groups | Ongoing | Stakeholder Engagement Team |
| Organisational      | Distribution Customer Voice Groups (ongoing)  
  • working with SSEPD on its programme of stakeholder engagement to establish what our stakeholders’ priorities are around safety, customer service, supply reliability, connections, social obligations and the environment | Ongoing | Networks Leadership Team  
  Subject matter experts  
  Stakeholder Engagement Team |
|                     | Issue-based engagement (ongoing)  
  • engagement with national organisations and regional bodies such as local authorities | Ongoing | Stakeholder Engagement Team |
| Operational         | Regional events (due in 2016)  
  • focused on ensuring services are tailored to the needs of local communities, including agreeing local priorities  
  Local issue-based engagement (ongoing)  
  • activities involve a wide range of stakeholders; our focus here is to engage effectively with communities, customers and contractors | Due in 2016 | Heads of Regions  
  Customer and Community Advisers  
  (with support from the Stakeholder Engagement Team) |

## Our engagement priorities

For 2015/16 we identified six key priorities for engagement

### Safety

We want to have world leading safety performance and ensure that no-one gets injured from our operations. It’s important that we reduce safety incidents within our workforce (staff and contractors) to zero. We also want to make sure that we support customers during prolonged power outages.

### Network Investment

We want to improve our service to customers and minimise power cuts. To do this, we need to involve customers and other stakeholders in discussions about how we prioritise network investment and minimise the impact of any works on the communities we serve.

### Undergrounding of overhead lines

Over the next eight years (RIIO-ED1), we aim to put 90km of overhead line underground in Areas of Outstanding Natural Beauty, National Parks and National Scenic Areas. To achieve this, we want to make it easy for customers and stakeholders to suggest areas of our network for undergrounding.

### SHEPD Subsea Cables

We want to involve customers and other stakeholders in developing an assessment framework to demonstrate to them, our economic regulator, Ofgem, and all users of the marine environment, that the method we propose for laying subsea cables around the coast of Scotland is the most sustainable and balances social, economic and environmental considerations.

### Social Obligations

We want to work with customers and other stakeholders, to harness their insight and experience so that we can improve our customer service.

### Connections*

We want to understand and meet the needs of connections customers and improve the overall customer experience.

*We report on connections engagement separately, under our ICE submissions (Incentive on Connections Engagement) as we are conscious that we should not seek recognition through the Stakeholder Engagement and Consumer Vulnerability Reward for activity that is rewarded through other mechanisms.

### Delivering measurable benefits

Last year we asked a professional services firm to help us develop a mechanism to assess the benefits of potential changes inspired by our engagement with stakeholders. However we did not feel the mechanism they developed was an effective way of assessing value and we chose not to pursue it. Instead we have learned from industry colleagues Scotia Gas Networks, a fellow member of the SSE Group and we are adapting their assessment methodology. That methodology has been applied throughout our Paper 2 and Paper 3 submissions.

### Going beyond business as usual

We are conscious that much of our day to day business is reliant on effective stakeholder engagement – gaining planning consent for new infrastructure, for example. We do not include such activities in this document; rather we report on activity that is ‘beyond business as usual’, which we define as being outside of our core regulated activities.
Engaging on network investment

Working with stakeholders, we've developed our approach to network investment, ensuring we make cost-effective decisions and support communities through planned work.

As we develop projects, we continue to engage with stakeholders to refine details of proposals and we engage on a local level throughout the delivery phase. Our 'Delivering better community engagement' and 'Level 1-2-3: Identifying cost-effective Project support' initiatives are part of this work.

### Strategic Engagement

**Informing Investment Decisions**

As we prepared to deliver on our RIIO-ED1 network investment responsibilities, we wanted to make sure that the basis on which we make investment decisions reflected the desires of our stakeholders.

In January 2015 we surveyed around 3,000 customers, representative of the demographic of our operational areas, asking them how we should prioritise investment in our network.

99% of people surveyed told us that we should be investing to maintain security and reliability of their electricity supply. Breaking down the responses further, 48% agreed that when prioritising investment the reliability of electricity supplies is the most important factor to consider; 45% ranked keeping the cost of electricity low; while lowering our environmental impact was ranked top by just 7%.

This information shows that we need to strike a careful balance between investment and reliability of supply and the effect that has on customer bills.

To ensure that we strike a balance and meet the expectations set by our stakeholders, we have developed a methodology for prioritising investment in our network based on the ratio of benefit delivered for investment made, using the Ofgem penalty figures for CI/CML (Customer Interruptions/Customer Minutes Lost).

### Organisational Engagement

**Delivering better community engagement**

When we are planning the delivery of investment in our network, we want to ensure our customers are fully informed about our planned work and give them the opportunity to raise any queries or concerns they may have.

To help achieve that, in 2015 we trialled a new process comprising new advanced warning letters and open meetings held locally before work starts. The approach is intended to identify any concerns and respond to any questions about the work, and to help identify any vulnerable customers of whom we are not aware. We will respond to customer comments and suggestions and make additional provisions where these are most needed and actively seek to sign vulnerable customers up to our Priority Services Register.

Our trial comprised five open evenings to whom we invited a total of 3,324 households and which were attended by 140 customers.

**Stakeholders involved**
- Community representatives
- Customers
- Elected representatives

### Operational Engagement

**Level 1-2-3: Identifying cost-effective Project support**

Building on our successful trial ‘delivering better community engagement’, in which we established that effective community engagement before a project begins delivers real benefits, we wanted to take this approach and extend it to supporting communities throughout the delivery phase of a project, too.

To achieve this, we learned from Scotia Gas Networks, a member of the wider SSE Group, who have begun to apply a three-level approach to community support in relation to its investment projects.

In summary, the potential effects of a project on a community are assessed and the project is classified as requiring Level 1, 2 or 3 support. A level 1 project is typically low impact and we will provide simple support and notification for the community, whereas a Level 3 project would prompt activities that may include development of a standalone website, community information events and face to face meetings with elected representatives.

We adapted their three-level approach to make it more relevant to electricity projects and presented the methodology to our Customer Voice Groups for review; we incorporated their comments. We are now embedding Level 1-2-3 in our processes and procedures to ensure we provide the right level of support for our communities as we invest in our network.

**Stakeholders involved**
- Scotia Gas Networks
- Customer Voice Groups
- Communities
Engaging on Network Investment continued

### Strategic Engagement

#### Seeking a Shetland Energy Solution

Scottish Hydro Electric Power Distribution (SHEPD) is responsible for delivering electricity to customers in Shetland. Shetland is unique because its network is not electrically connected to the grid that operates across Great Britain and the other island groups. We balance generation output with demand on Shetland’s network, which is outside the normal role of a Distribution Network Operator, but ensures the system is able to provide a stable and secure supply of electricity to our customers.

**Need for a new solution**
Currently, the main sources of electricity generation which can respond to customer demand on Shetland are Lerwick Power Station and Sullom Voe Terminal Power Station. Lerwick Power Station is nearing the end of its operational life and the availability of Sullom Voe Terminal Power Station is uncertain from 2017. There is a need to identify and deliver new arrangements to meet customers’ electricity needs and keep supply and demand in balance at all times.

In 2010 Ofgem asked us to identify a new energy solution for Shetland. We submitted proposals for a new power station to Ofgem in July 2013. However, the cost of the solution we proposed was higher than Ofgem expected. Consequently, Ofgem asked us to consult on and then run a competitive tender process for a new energy solution.

**Our initial engagement**
The purpose of the consultation was to raise awareness, promote discussion and gather views about the islands’ energy needs, and how these needs should be met in the future in an efficient and cost-effective way.

A public consultation was held from October to December 2014 – with an extended opportunity for stakeholders and interested parties to feed back their views until 6 February 2015.

As part of the consultation, four open public events were held in Shetland to allow a range of customers and stakeholders to ask questions, speak to our team and let us know their views. Four stakeholder roundtable meetings were also held in Shetland, Glasgow and London to engage relevant organisations and potential bidders.

There were 302 responses from stakeholders during this consultation: 194 written responses; and 108 participants at roundtable meetings or drop-in events.

The outcome of this engagement was the development of a tender process in which potential solution providers will put forward potential solutions for the future supply of energy on Shetland. The requirements set out in the tender process have been informed by stakeholder views. In particular, security and reliability of supply were identified as the most important criterion or factor in the assessment process. The assessment criteria have been weighted to reflect stakeholder views.

**Progress this year**
A pre-qualification process was completed during the summer and autumn of 2015 through which potential suppliers were invited to come forward. The process of preparing the technical information upon which detailed bids will be based has been extended to take account of the level of interest received and the range of technologies potentially involved. This work is now well advanced and on course for pre-qualified suppliers to be invited to bid very soon.

**Facilitating collaboration**
To facilitate the development of collaborative solutions in the final tender process, we have provided on our website details of interested parties from the published non-confidential consultation responses. We have also published a list of contact details of parties who are interested in collaborating with pre-qualified applicants.

**Stakeholders involved**
- Local development agencies
- Local authority
- MPs/MSPs
- Consumer interest groups
- Trade bodies and energy industry interest groups
- Energy industry consultants
- Domestic customers
- Public sector and commercial customers
- Energy solution providers
- Electricity licensees

**Cost**
£41,142 spend to date

**Benefits**
- Stakeholder views have shaped the requirements of, and procurement process for, the future energy solution for Shetland
- The consultation has generated publicity that may increase awareness of the opportunity and consequently the number and variety of tender submissions
- Website information supports collaborative solution development

**Disclosure**
Ofgem instructed us to undertake a tender process to identify an energy solution for Shetland; however Ofgem did not stipulate how we engaged in relation to the tender process, nor are we rewarded through any other mechanism for delivering effective engagement in relation this project.
Engaging on safety

Maintaining the safety of our communities, staff and contractors is the number one priority not only across SSEPD, but the entire SSE plc group.

Organisational Engagement

Winter Safety Campaign

In the lead up to winter 2015/16 we wanted to communicate with our customers in advance of potential adverse weather to help them prepare.

Our multi-channel campaign

Information gleaned from initial research included identification of the groups least engaged with SSEPD, which showed strong correlation with vulnerable groups. We ensured that our chosen agency considered harder to reach audiences, for example vulnerable customers (in particular to promote the Priority Service Register) when considering the medium for our advertising. We reflected on information we have that shows our audiences are split geographically, demographically and in terms of consumer behaviour, meaning that our approach in both regions had to be different.

Our winter campaign was delivered in the north of Scotland and central southern England from November 2015 to January 2016 across the following paid channels: North of Scotland – digital, press, radio and television. Central southern England – digital, radio and outdoor billboards. In Scotland, we broadcast across TV and radio in order to hit a widespread, rural audience. In the south of England, we used local radio to get the message across in the specific SEPD region. Where possible, we tried to ensure that our campaign was aligned to weather/news bulletins.

A dynamic approach

Aligned with our objectives, there were three elements to our Winter Campaign:

- General Awareness
- Get Prepared
- Storm Time

Our digital approach enabled us to target storm-affected areas within minutes. The message had to be relevant to the area; digital templates were set up in advance offering 120 message variants which would dynamically appear as if they were speaking directly to the customer. Social media activity was focused on endorsements from trusted intermediaries such as local authorities and emergency services.

Operational Engagement

Supporting independent care homes

In 2015 we encountered several incidents where, in extreme weather events, we had to provide additional support to secure the safety and wellbeing of residents of independently-run care homes, including helping move residents to safety. Engagement with care home management teams revealed that such homes do not have the same support network that publicly-run care homes benefit from.

To help protect vulnerable residents and to free up our teams to focus on restoring power during incidents, we invited representatives of independently run care homes to attend a workshop to help them prepare for such events.

Stakeholders involved

- Independent care homes
- NHS Highland
- Scottish Care

Cost

£6,000

Benefits

- 32 business continuity plans created
- Each of the 12 care home companies who attended the event now have the tools and material to implement successful business continuity management plans, ensuring that they are better prepared for any disruptive challenges in the future

Operational Engagement

Training for our colleagues

To support staff in our new regional set-up, many of whom are new to their roles, we worked with our Heads of Regions to design and deliver two custom-designed full day training events to help our colleagues prepare for their stakeholder engagement and vulnerable consumer responsibilities.

Introduced by a video message from our Managing Director, the training events helped delegates understand drivers for and benefits of effective stakeholder engagement and the responsibilities we have in relation to vulnerable consumers. Speakers included Trisha McAuley OBE, a consumer champion and Dr Irena Conon, a University of Dundee researcher who specialises in the nature of vulnerabilities in extreme incidents.

Stakeholders involved

- 95 SSEPD colleagues
- Academic
- Consumer advocate

Cost

£300 per delegate
£28,500 in total

Benefits

- 99% of participants felt that effective stakeholder engagement is important to SSEPD
- Understanding of stakeholder engagement increased from 65% to 92%
- 80% of participants reported an improvement in their understanding of customer vulnerability
Engaging on safety continued

**Fire Service Community Hub Partnership**

Building on informal arrangements which have in the past seen us work with local retained Fire Service teams to establish their stations as a community hub in times of disruption, we have formalised a partnership arrangement through which over 90 fire stations in the Highlands and Islands act as emergency hubs. These locations will provide communications facilities and act as a location for the provision of welfare services and will be the focus of community support activity by SSEPD and other service providers.

**Stakeholders involved**
- Scottish Fire and Rescue Service
- Highlands and Islands Local Resilience Partnership
- Highland, Orkney, Shetland and Western Isles Councils
- British Red Cross
- BT

**Cost**
Five days’ staff time

**Benefits**
- Robust communications systems available in emergency situations
- A cost-effective solution to providing a focus for community support in remote locations
- Consistency for communities – people know where to go in emergency situations

**Operational Engagement**

**Providing Welfare Packs**

In line with our RIIO-ED1 Business Plan commitment to provide welfare support packs at each of our Depots, we have worked with local communities and care homes to develop bespoke resilience and business continuity plans. We are also working with resilience partners to develop specially designed packs which we can provide quickly and easily to our particularly vulnerable customers in emergency situations.

The packs include a fridge magnet, wind-up torch, room temperature indicator, glow sticks, emergency foil blanket, analogue phone (which will work in power cuts), warm hat and a reusable hand warmer. These packs complement the simpler packs we provide to vulnerable consumers when they sign up to our Priority Services Register.

**Stakeholders involved**
- Communities
- Resilience partners such as NHS and British Red Cross

**Cost**
Seven days’ staff time + £70 refreshments

**Benefits**
- Engaging emergency services to keep them safe when they respond to emergency situations involving our equipment
- Emergency responders feel safer and more competent in situations involving our equipment
- Long-term reduction in costs to SSEPD from safety incident on costs such as court attendance to give evidence at Fatal Accident Enquiries
- Contributes to strong relations with emergency services which aids collaboration in emergency situations

**Emergency Services Safety Workshops**

Keeping consumers safe is a central function of both the Police Service for Scotland and the Scottish Fire and Rescue Service.

As part of our role in helping the Services keep people safe, we have pro-actively engaged with Police Scotland and the Scottish Fire and Rescue Service to provide training sessions to improve their knowledge and understanding of our network and the potential dangers when our wires, cables and equipment are in close proximity to their rescue situations.

Following the success of our initial emergency services safety workshops, we have committed to delivering such workshops in all of our seven operational regions across our SEPD and SHEPD areas.

**Stakeholders involved**
- Scottish Multi-Agency Resilience Training and Exercise Unit
- Police Scotland
- Scottish Fire and Rescue
- Scottish Government Resilience Team

**Cost**
Seven days’ staff time + £70 refreshments

**Benefits**
- Engaging emergency services to keep them safe when they respond to emergency situations involving our equipment
- Emergency responders feel safer and more competent in situations involving our equipment
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- Contributes to strong relations with emergency services which aids collaboration in emergency situations

**Cable damage workshops**

Electricity distribution networks cables can be accidentally damaged by contractors working in the vicinity of our equipment. Such incidents (‘cable strikes’) can result in severe injury and cause power cuts, and associated repairs to our network can be extremely expensive – in some cases repair costs can top £100k.

There were more than 3,000 cable strikes on our networks between January and December 2015, which cost almost £2m to put right. Whilst in some cases we can claim back our costs from the party who damaged our network, it is much better to prevent damage from happening in the first place.

**Cost**
£18 per box

**Benefits**
- Meets immediate needs for heat, light and communication, the loss of these three provisions being the most immediate concern for consumers during a power cut
- Can be easily distributed by trusted intermediaries including British Red Cross

**Operational Engagement**

**Providing Welfare Packs**

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- Long-term reduction in costs to SSEPD from safety incident on costs such as court attendance to give evidence at Fatal Accident Enquiries
- Contributes to strong relations with emergency services which aids collaboration in emergency situations
Social obligations

We want to work with customers and other stakeholders to ensure our company operates in a socially responsible way, and help tackle wider issues facing our communities.

Organisational Engagement

**Schools energy project**

We sponsored the expansion of a proven schools energy project, allowing children to understand and promote energy efficiency at home. The initiative involved pupils placing temperature cards in all school rooms and providing them for every pupil to take home; helping pupils undertake thermal imaging studies of their schools and homes and provision of related energy advice.

**Stakeholders involved**

– Education
– Schools in Southampton and The New Forest

**Cost**

£5,000

**Benefits**

• Estimated average savings of £14,890 per year per school
• The average decrease in temperature for households using SEPD’s thermometer cards is 3.5 degrees Celsius, equivalent to an average annual saving of £2560 per year

Organisational Engagement

**Partnering on a Portsmouth Winter Warm-up**

In Portsmouth deaths related to cold weather are very high (132.8 per year compared to the England average of 17.4). In partnership with Portsmouth City Council we supported a Winter Warm-Up event with 12 public sector and voluntary organisations to help vulnerable people prepare for winter. In total we gave winter preparedness packs to 250 vulnerable consumers and their carers.

**Stakeholders involved**

– Emergency responders
– Resilience professionals
– Health professionals
– Voluntary organisations
– Vulnerable consumers

**Cost**

£4,500 (including staff time)

**Benefits**

• Stronger relationships with organisations sharing an interest in supporting vulnerable consumers

Organisational Engagement

**Funding community resilience**

During an extreme weather emergency, the needs of vulnerable consumers can be particularly acute. To help communities prepare for such events, we have established two Community Resilience Funds – one for each of our Distribution areas – which offer grants to support community resilience projects.

The fund operates as a competitive grant-making scheme. The Resilient Communities Panel for each licence area, comprising SSEPD managers and community resilience experts, reviews applications and determines which projects should receive funding.

**Stakeholders involved**

– Resilience planning professionals
– Community representatives

**Cost**

49 grants in SEPD area totalling £336,982
29 grants in SHEPD area totalling £134,185

**Benefits**

£1.3 million will be distributed over two years from January 2015 (£1 million in the SEPD area and £300,000 for the SHEPD area) with grants ranging between £500 and £20,000

Disclosure

In agreement with Ofgem following the Christmas storms of 2013, we set up a £1.3m fund to help build community resilience. Our Resilience Funds have been so successful that we have now committed to supplementing the funds through the Stakeholder Engagement Reward incentive.

**Cost**

16.5 staff days/£13,500 (ex-vat) workshop costs

**Benefits**

• Improved public safety and community resilience
• Greatly enhanced relationships with communities, voluntary and charitable groups, and emergency responders
• Less resource required in response to emergencies by all responders

We have committed to developing more plans across each of our seven Regions by the end of 2017.

Organisational Engagement

**Sharing and learning internationally**

The Scottish Government has asked us to share our best practice approach to community resilience on European and international levels. We have participated, in association with British Red Cross, in the European Union FP7 DRIVER project and we are working with the Scottish Government on a comparative study looking at US and Scottish work, sharing the “resilience capital” built by us in the UK.

**Cost**

£4,500 (including staff time)

**Benefits**

• Stronger relationships with organisations sharing an interest in supporting vulnerable consumers

Operational Engagement

**Building community resilience**

Our ongoing programme of engagement helps communities prepare for extreme weather. To date, we have directly helped develop 64 Local Community Emergency Plans, 33 of which have been achieved during 2015/16. We ‘warn and inform’ these communities and provide regular updates about severe weather events which have the potential to affect their local area. This allows them to prepare and to ‘stand up’ their emergency plan which in turn allows them to respond much more effectively. We also refer communities to SSEPD’s independently run Community Resilience Fund as a potential source of funding for their resilience activities.

**Stakeholders involved**

– Scottish Government
– Community Councils
– Local Authorities
– Emergency responders

**All-Region rollout of resilience work**

Working with Police Scotland and the Scottish Fire and Rescue service, we have established a robust approach to supporting communities in the event of severe weather. Our priority for 2016/17 is to establish a similar approach in our South Region, creating ‘How to’ guides to support our new Customer Relations teams in formalising new emergency partnerships. The multi-agency environment in the south poses challenges, but we are now confident that our experience in the north and new Regional set-up will allow us to make significant progress across our areas of operation.
Submarine Cables

Covering 454km, our network of 111 subsea cables is subject to Scotland’s National Marine Plan

Strategic Engagement

Engaging on marine legislation to keep bills down

Why
In 2015/16 we undertook an extensive engagement programme to ensure that we react in the right way to new legislation relating to subsea electricity cables in Scotland which, if we did not approach it thoughtfully, could result in an additional £260m on the distribution element of customer bills in the north of Scotland over the next eight years. Our estimate of the effect on individual customer bills is that it would result in a one-off increase of approximately 23% (excluding inflationary increases) in 2017/18 and increases of around 10% each year until 2022/23.

Scotland has very high rates of fuel poverty, with almost 40% of households being fuel poor, compared to 12% in England. In large swathes of our North area, occurrences of fuel poverty are over 60%. With many in the area reliant on electricity for heating, as much of our area has no gas supply, means that increases in electricity bills have an especially intense effect on household finances. We are committed to doing everything we can to minimise the effects of the new legislation – Scotland’s National Marine Plan – on distribution element bills, while still meeting the aims of the Plan.

Background
In March 2015, Scotland’s National Marine Plan was adopted – providing an overarching framework for all marine activities in Scottish waters, including how submarine electricity cables are laid and protected on the seabed.

Within our current business plan we propose spending £44m over the next eight years to replace 112 kilometres of submarine electricity cables. This cost was based on our existing engineering practice of laying these cables on the seabed.

The policies within Scotland’s National Marine Plan may require us to change this practice. Every time we plan to replace a distribution submarine cables. This would allow us to compare the additional cost to bill payers of protecting cables to the range of benefits the protection would bring.

This resulted in the creation of a Cost Benefit Analysis methodology which we can apply every time we plan to replace a distribution submarine cable. The analysis helps to inform the approach to each cable, with the aim of choosing the approach which delivers best value by satisfying all current legislation and providing a sustainable balance of the effect on customer bills and the effect on wider society.

How we engaged
We have engaged with a wide range of stakeholders to develop a Cost Benefit Analysis model which will demonstrate (to ourselves, our customers, our regulators – Ofgem and Marine Scotland – and all users of the marine environment) that the method(s) we propose to deploy in the future for laying and protecting cables around the coast of Scotland justify the additional expenditure and provide best value.

Phase 1: Summer 2015
Learning and engaging with the legislators
We undertook an extensive literature review of the impact of various cable installation techniques and met with Marine Scotland to understand the drivers behind the new legislation.

Phase 2: September 2015
Broad and inclusive stakeholder engagement to identify material impacts
We produced a consultation document which set out what we considered to be all potential impacts – health and safety, socio-economic, environmental and wider economic and engineering impacts – of the range of possible cable installation techniques. A questionnaire gathered stakeholder views in a co-ordinated way and we conducted 12 workshops across the mainland and islands of Scotland. A key matter we wanted to understand through this process was which potential impacts were material in relation to the new cable legislation.

We achieved:
- 31 written questionnaire responses
- 31 online questionnaire responses
- 60 face to face interactions

Stakeholders involved included technical experts; environmental specialists; fishing industry representatives; fuel poverty campaigners; local councillors; SHEPD customers; and academics.

Through this phase of engagement we reduced the number of material impacts from 34 to 13.

‘if we had not engaged effectively on this, it could result in an additional £260m on customer bills in the north of Scotland over the next eight years.’

Phase 3: January 2016
Quantifying the impacts
We carried out four workshops – increased from a proposed two, due to stakeholder demand – involving 26 people – to refine the ways we had quantified the value of each of the 13 material impacts.

We invited stakeholders to help us review the metrics that would convert all 13 impacts into financial values, in order to understand the full impacts of the new way of installing electricity submarine cables. This would allow us to compare the additional cost to bill payers of protecting cables to the range of benefits the protection would bring.

This resulted in the creation of a Cost Benefit Analysis methodology which we can apply every time we plan to replace a distribution submarine cable. The analysis helps to inform and substantiate the approach to each cable, with the aim of choosing the approach which delivers best value by satisfying all current legislation and providing a sustainable balance of the effect on customer bills and the effect on wider society.

Phase 4: 2016/17 onwards
We will now apply our Cost Benefit Analysis methodology to all planned cable replacements in the SHEPD area, with the aim of identifying the cable protection solution which provides the most balanced sustainable solution for all our stakeholders including SHEPD customer.

Cost
£300,000

Benefits
- Keeping customer bills down by as much as £260m
- Reduced time for planning decisions
- Enhanced reputation amongst key stakeholders
- Improved social licence to operate
- Improved corporate reputation
- Ensure compliance with regulation
Undergrounding of overhead lines

Over the eight years of RIIO-ED1 we aim to underground 90km of overhead line conductors in Areas of Outstanding Natural Beauty (AONB), National Parks and National Scenic Areas. To achieve this, we wanted to make it easy for customers and stakeholders to suggest areas of our network for undergrounding.

**Strategic Engagement**

When we surveyed customers in 2015, 81% of respondents felt that local people who live in the area should be involved in helping identify sections of our network for undergrounding (50% suggested planning officers, 27% interest groups and 23% national bodies).

To make the scheme accessible to a wide range of potentially interested groups, we have:

- Produced a video that describes eligible landscape designations within our network areas; and what equipment is suitable for the scheme. The video, viewed nearly 1,600 times, has endorsements by staff from John Muir Trust and landscape designations to help people know that SSEPD is serious about the scheme.
- Developed a simple online form that communities and other stakeholders can use to suggest and explain the reasons behind it, so that we can share this with parties who help us to prioritise them.
- Delivered a targeted communications campaign to direct interested parties to the webpage thereby increasing awareness of the scheme by making it easy for stakeholders to suggest sections of our network for undergrounding.

We have so far received 11 SHEPD and 25 SEPD proposals from interested parties.

If a scheme is suitable, our network planners undertake a detailed desktop study before physically walking the routes to determine if the correct scope has been selected and is achievable from an engineering perspective. If it is, our plans are sent to the Local Scenic Area Officer, who would be able to comment and provide feedback on any aspect.

**Stakeholders Engaged**

- Communities
- National Parks Authorities, Areas of Outstanding Natural Beauty and Planning Authorities
- Non-Governmental Organisations such as John Muir Trust

In 2016/17, we are proceeding with undergrounding six schemes in our SEPD area and two schemes in our SHEPD area.

**SEPD schemes 2016/17**

<table>
<thead>
<tr>
<th>Location</th>
<th>Designation</th>
<th>Cost</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Trust, Sherborne, Gloucestershire</td>
<td>Cotswolds – Area of Natural Beauty</td>
<td>£133,959</td>
<td>1.42km</td>
</tr>
<tr>
<td>West Kennett, Gunsile Road &amp; Silbury Hill</td>
<td>North Wessex Downs – Area of Natural Beauty</td>
<td>£127,139</td>
<td>1.9km</td>
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<tr>
<td>Turville</td>
<td>Chilterns – Area of Natural Beauty</td>
<td>£191,648</td>
<td>2.97km</td>
</tr>
<tr>
<td>Buckland Rings Iron Age Fort, Lymington</td>
<td>New Forest National Park</td>
<td>£154,451</td>
<td>0.54km</td>
</tr>
<tr>
<td>Monkton Medieval Settlement, Chilgrove</td>
<td>South Downs National Park</td>
<td>£94,000</td>
<td>1.75km</td>
</tr>
<tr>
<td>Tichborne, Ailesford</td>
<td>South Downs National Park</td>
<td>£481,075</td>
<td>4km</td>
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</table>

Cost

£20,800 per year

Benefits

- Helps establish an efficient system to respond to customers’ concerns about the effects of overhead lines on visual amenity to help them to suggest areas that they would like to see undergrounded.
- Whilst investment in undergrounding is rarely justified on the basis of added reliability alone, the visual benefits of undergrounding lines are complemented by additional reliability of undergrounded lines.
- The structured process is an efficient system in responding to customers’ concerns about the effects of overhead lines on visual amenity by allowing people to suggest areas that they would like to see undergrounded.

1,600
the number of people who saw our video

15,000
the number of people who saw our Facebook and Twitter posts

seven pieces of media coverage with an audience reach of

76,465
## Engagement Summary

<table>
<thead>
<tr>
<th>Engagement priority</th>
<th>Engagement activity</th>
<th>Cost</th>
<th>Key benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Engaging on network investment</strong>&lt;br&gt;Prioritising our investment activities and minimising the impact of planned works on customers</td>
<td>Informing Investment Decisions</td>
<td>No additional cost</td>
<td>• Improved Network Reliability&lt;br&gt;• Increased customer satisfaction&lt;br&gt;• Reduced complaints</td>
</tr>
<tr>
<td></td>
<td>Delivering better community engagement</td>
<td>£3,395</td>
<td>• No complaints recorded in relation to any of the planned works covered by the trial&lt;br&gt;• Based on our initial trials, we anticipate a significant reduction in enquiries and complaints in relation to our investment projects&lt;br&gt;• We have established a cost-effective approach to community support</td>
</tr>
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<td></td>
<td>Levet 1-2-3: Identifying cost-effective Project support</td>
<td>No additional cost</td>
<td>• Stakeholder views have shaped the requirements of the future energy solution for Shetland&lt;br&gt;• The consultation has generated publicity that may increase awareness of the opportunity and consequently the number and variety of tender submissions&lt;br&gt;• Website information supports collaborative solution development</td>
</tr>
<tr>
<td></td>
<td>Seeking a Shetland Energy Solution</td>
<td>£41,142</td>
<td>• Stakeholder views have shaped the requirements of the future energy solution for Shetland&lt;br&gt;• The consultation has generated publicity that may increase awareness of the opportunity and consequently the number and variety of tender submissions&lt;br&gt;• Website information supports collaborative solution development</td>
</tr>
<tr>
<td><strong>Engaging on safety</strong>&lt;br&gt;Reducing safety incidents and supporting customers during prolonged power cuts</td>
<td>Winter safety campaign</td>
<td>£300,000</td>
<td>• Communicating ahead of severe weather, safeguarding communities and enhancing resilience&lt;br&gt;• Each of the twelve care homes who attended the event now have the tools and material to implement successful business continuity management plans, ensuring that they are better prepared for any disruptive challenges in the future&lt;br&gt;• 668 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<td></td>
<td>Supporting independent care homes</td>
<td>£4,000</td>
<td>• Robust communications systems available in emergency situations&lt;br&gt;• A cost-effective solution to providing a focus for community support in remote locations&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• 368 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<td></td>
<td>Training for our colleagues</td>
<td>£30,000</td>
<td>• Ensuring our staff have the right skills to include stakeholders in local decisions&lt;br&gt;• Robust communications systems available in emergency situations&lt;br&gt;• A cost-effective solution to providing a focus for community support in remote locations&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• 368 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<td></td>
<td>Fire Service Community Hub Partnership</td>
<td>Five days Staff time</td>
<td>• Engaging emergency services to keep them safe when they respond to emergency situations involving our equipment&lt;br&gt;• Emergency responders feel safer and more competent in situations involving our equipment&lt;br&gt;• Long term reduction in costs to SSEPD from safety incident on costs such as court attendance to give evidence at Fatal Accident Enquiries&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• Robust communications systems available in emergency situations&lt;br&gt;• A cost-effective solution to providing a focus for community support in remote locations&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• 368 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<td></td>
<td>Cable damage workshops</td>
<td>Two days’ staff time + £70 refreshments</td>
<td>• Meets immediate needs for heat, light and communication, the loss of these three provisions being the most immediate concern for consumers during a power cut&lt;br&gt;• Can be easily distributed by trusted intermediaries including British Red Cross&lt;br&gt;• Anticipated benefits include enhanced public safety and fewer injuries to contractors&lt;br&gt;• Engaging emergency services to keep them safe when they respond to emergency situations involving our equipment&lt;br&gt;• Emergency responders feel safer and more competent in situations involving our equipment&lt;br&gt;• Long term reduction in costs to SSEPD from safety incident on costs such as court attendance to give evidence at Fatal Accident Enquiries&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• Robust communications systems available in emergency situations&lt;br&gt;• A cost-effective solution to providing a focus for community support in remote locations&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• 368 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<td></td>
<td>Providing Welfare Packs</td>
<td>£18 per box</td>
<td>• Engaging emergency services to keep them safe when they respond to emergency situations involving our equipment&lt;br&gt;• Emergency responders feel safer and more competent in situations involving our equipment&lt;br&gt;• Long term reduction in costs to SSEPD from safety incident on costs such as court attendance to give evidence at Fatal Accident Enquiries&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• Robust communications systems available in emergency situations&lt;br&gt;• A cost-effective solution to providing a focus for community support in remote locations&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• 368 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<tr>
<td></td>
<td>Emergency Services Safety Workshops</td>
<td>Seven days staff time + £70 refreshments</td>
<td>• Engaging emergency services to keep them safe when they respond to emergency situations involving our equipment&lt;br&gt;• Emergency responders feel safer and more competent in situations involving our equipment&lt;br&gt;• Long term reduction in costs to SSEPD from safety incident on costs such as court attendance to give evidence at Fatal Accident Enquiries&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• Robust communications systems available in emergency situations&lt;br&gt;• A cost-effective solution to providing a focus for community support in remote locations&lt;br&gt;• Consistency for communities – people know where to go in emergency situations&lt;br&gt;• 368 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<td><strong>Social obligations</strong>&lt;br&gt;Funding and developing community resilience</td>
<td>Schools energy project</td>
<td>£5,000</td>
<td>• Helping schools become more energy efficient, reducing energy bills and carbon footprint&lt;br&gt;• Estimated average savings of £14890 per year&lt;br&gt;• Stronger relationships with organisations sharing an interest in supporting vulnerable consumers&lt;br&gt;• Safety of vulnerable consumers improved in 78 communities&lt;br&gt;• Resilience planning supports communities in many scenarios, not just power cuts&lt;br&gt;• Promotion of PSR register to applicant communities&lt;br&gt;• Creation of a stronger, coordinated framework from which to effectively deal with severe weather situations at local level&lt;br&gt;• Improved public safety and resilience in communities&lt;br&gt;• Greatly enhanced relationships with communities, voluntary and charitable groups as well as fellow emergency Responders&lt;br&gt;• Less resource required in response to emergencies by all responders&lt;br&gt;• Improved Network Reliability&lt;br&gt;• Improved corporate reputation&lt;br&gt;• Ensure compliance with regulation&lt;br&gt;• 468 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<td></td>
<td>Partnering on a Portsmouth Winter Warm-up</td>
<td>£4,500 (including staff time)</td>
<td>• Partnering on a Winter Warm-up</td>
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<td></td>
<td>Funding community resilience</td>
<td>£471,167 (£1.3 million over two years)</td>
<td>• Funding community resilience</td>
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<td></td>
<td>Building community resilience</td>
<td>16.5 days staff/day (£13.5 (ex-vat) workshop costs</td>
<td>• Building community resilience</td>
</tr>
<tr>
<td><strong>Submarine cable</strong>&lt;br&gt;Working with stakeholders to develop a sustainable approach to subsea cable investment</td>
<td>Engaging on marine legislation to keep bills down</td>
<td>£300,000</td>
<td>• Keeping customer bills down by as much as £260m&lt;br&gt;• Reduced time for planning decisions&lt;br&gt;• Enhanced reputation amongst key stakeholders&lt;br&gt;• Engaging on marine legislation to keep bills down&lt;br&gt;• Keeping customer bills down by as much as £260m&lt;br&gt;• Reduced time for planning decisions&lt;br&gt;• Enhanced reputation amongst key stakeholders&lt;br&gt;• Improved social licence to operate&lt;br&gt;• Improved corporate reputation&lt;br&gt;• Ensure compliance with regulation&lt;br&gt;• 468 Care Homes and Hospices are registered on our Priority Services Register and will be given advance notice of potential disruption due to severe weather to allow them to prepare to implement their business continuity plans</td>
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<tr>
<td></td>
<td>Undergrounding of overhead lines</td>
<td>£20,800 per year</td>
<td>• Reducing the visual impact of our assets&lt;br&gt;• Improved network reliability&lt;br&gt;• Ensuring stakeholders are able to influence our decision making</td>
</tr>
</tbody>
</table>