

Annual Business Plan Commitment Report Summary

2016/17



Scottish & Southern
Electricity Networks

Managing Director's message



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

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

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

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

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

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

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

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

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

Colin Nicol
Managing Director, SSEN

Performance snapshot 2016/17



Our network

Number of customers served

SHEPD

767,082

SEPD

3,032,766

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

SHEPD

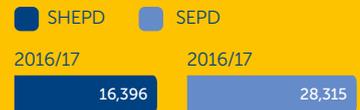
49,026km

SEPD

77,431km

Environmental Impact

Total Business Carbon Footprint (BCF)



Reliability

Customer Interruptions (CI)

The average number of interruptions per 100 customers per year



Customer Minutes Lost (CML)

The average number of minutes a customer is off supply

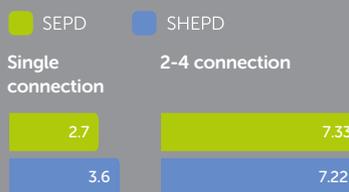


■ Including Exceptional Events e.g. extreme weather
■ Excluding Exceptional Events

Connections

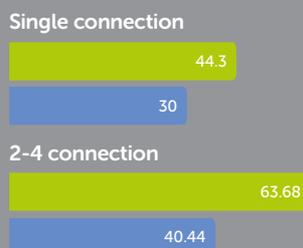
Time to Quote

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



Time to Connect

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



Reliability and Safety

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

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

Innovation

Light Detection and Ranging (LiDAR)

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

Thermal Imaging of Underground Cable Networks (Toucan)

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

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

Customer satisfaction

SHEPD

8.82/10

SEPD

8.37/10

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

£0

Our Stakeholder Engagement and Consumer Vulnerability score

5.23/10

Finance

Total expenditure in 2016/17

£418m

SHEPD

£136.7m

(85% of our allowance)

SEPD

£281.3m

(90% of our allowance)

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

SHEPD

£126.6

SEPD

£79.9

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



Media enquiries should be directed
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