

Annual Business Plan Commitment Report Summary

2017/18



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Managing Director's message



I'm pleased to introduce the Scottish and Southern Electricity Networks (SSEN) Annual Business Plan Commitment Report for the 2017/18 reporting year.

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

Firstly, our commitment and focus on delivering safe outcomes for our people, customers and the environment remains a top priority across our business. During 2017/18, our consistent approach to safety resulted in our lowest Total Recordable Injury Rate (TRIR) on record.

Our safety licence – 'if it's not safe, we don't do it' – continues to embed a positive culture around safety and our award-winning behavioural training programme has now been experienced by more than 4,600 employees and contract partners.

As we continue to progress through RIIO-ED1 we have made considerable progress against our business plan commitments. However, we recognise that the world around us is changing and our customers' needs and expectations are changing too, leading us to seek feedback on whether our business plan commitments still meet the needs and expectations of our customers.

Following extensive engagement with our customers and stakeholders we have refreshed our 12 commitments, putting our customers at the forefront of our decision making by directly influencing new priority output areas.

One of the most exciting changes in the energy industry is the flexibility revolution. To facilitate the shift to a smarter flexible energy system driven by the transition from a Distribution Network Operator (DNO) to Distribution System Operator (DSO). The rapid evolution of the industry is happening around us now, and we are working with our stakeholders to understand what we need to do to ensure this transition works for all customers and stakeholders alike.

To benchmark our performance against leading customer service providers, we've become a member of the Institute of Customer Service and continue to look across a range of sectors to research and learn from best-practice, helping us achieve our ambition to be recognised for providing leading customer service.

Looking after our customers who need extra help remains a top priority and we continue to look for innovative ways of reaching those most vulnerable in our communities. Our Customer Mapping Tool is now firmly embedded throughout the business, helping us prioritise our decisions in recognition of the needs of our customers. We continue to work closely with a broad and diverse range of organisations to help extend the reach of the support we can provide to those who need us most. In November 2017, we achieved compliance with the BS18477 Inclusive Service Provision standard, and the creation of the industry's first Inclusive Service Panels is challenging and informing our decision-making with our customers firmly in mind.

Finally, providing a safe and secure supply of electricity to the homes and businesses we serve requires a continuous programme of investment in our network. This includes the replacement and refurbishment of our assets; upgrades to automated technology on our network; minimising the impact of tree related damage; and investing in innovative technologies, helping to keep the lights on and minimising the impact of power cuts for our customers.

Despite the rapid change that continues at pace across the industry, what remains constant is our firm commitment to delivering for our customers, ensuring their needs, expectations and future ambitions are met through continuous improvement in the way we manage our networks and the service we provide.

A handwritten signature in black ink, appearing to read 'Colin Nicol'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Colin Nicol
Managing Director, SSEN

Performance snapshot 2017/18



Our network

Number of customers served

SHEPD

772,984

SEPD

3,049,924

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

SHEPD

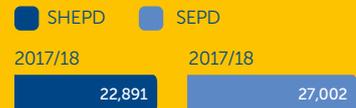
49,153.9km

SEPD

77,487km

Environmental Impact

Total Business Carbon Footprint (BCF)*



* Excluding losses

Reliability

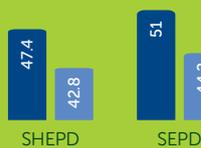
Customer Interruptions (CI)

The average number of minutes a customer is off supply



Customer Minutes Lost (CML)

The average number of minutes a customer is off supply

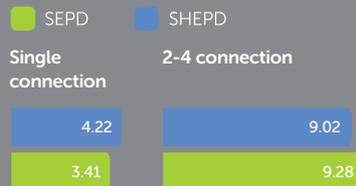


■ Including Exceptional Events e.g. extreme weather
■ Excluding Exceptional Events

Connections

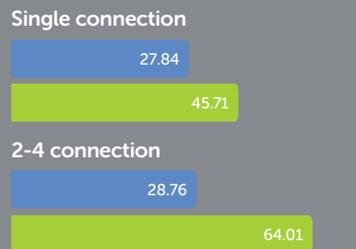
Time to Quote

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 2017/18 we remained consistent with our approach and focus to deliver safe outcomes for our people, customers and the environment. This had positive results in many areas and has led to SSEN delivering its lowest Total Recordable Injury Rate (TRIR) on record.

Our licence – if it's not safe, we don't do it – was promoted throughout the year with positive results, and our industry award winning behavioural programme (Influencing Behaviours) was experienced by more than 4,600 members of our workforce (employees and contract partners).

Innovation

We have continued to make efficient use of the Network Innovation Allowance (NIA) and Network Innovation Competition (NIC) available to us in order to continue to bring benefits to customers from our innovation portfolio. During 2017/18 we received discretionary rewards for our Thames Valley Vision (TVV) project and for our innovation portfolio.

We continue to focus on deploying innovative solutions in our business as soon as the case for our customers and business is clear. Most recently we have now fully deployed Light Detection and Ranging (LiDAR) within the business allowing remote gathering of overhead line data. This data is now being put to a number of uses providing benefits from safety, operational efficiency and investment optimisation. We have also deployed new "Apps" in particular, 'Power Track', which now allows customer to provide geotagged photographs of networks damage or defects, effectively crowd sourcing fault information to promote safety and improve quality of supply.

HASYS project

In February 2018 we launched our HASYS Phase Identification Unit Project. The purpose of the project is to investigate equipping our fault location teams with hand held devices and a HASYS phase identification unit, which can identify which houses have their supply interrupted and can assist in locating the fault. It would be used as a complementary tool alongside other current fault finding equipment such as our thermal imaging cameras, Bidoyng (automatic fuse replacement and sniffing tool). This would be particularly beneficial when the property is vacant or the unplanned supply interruption occurs overnight or in unsocial hours. This can assist in improving the accuracy of fault location meaning faster repairs and ultimately faster restoration of supply.

Customer Satisfaction

Overall Broad Measure of Customer Satisfaction score



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

£0

Our Stakeholder Engagement and Consumer Vulnerability score

5.5/10

Finance

Total expenditure in 2017/18

£472m

SHEPD

£152.1m

(90% of our allowance)

SEPD

£319.9m

(110% of our allowance)

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

SHEPD £111.2

SEPD £72.0

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

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