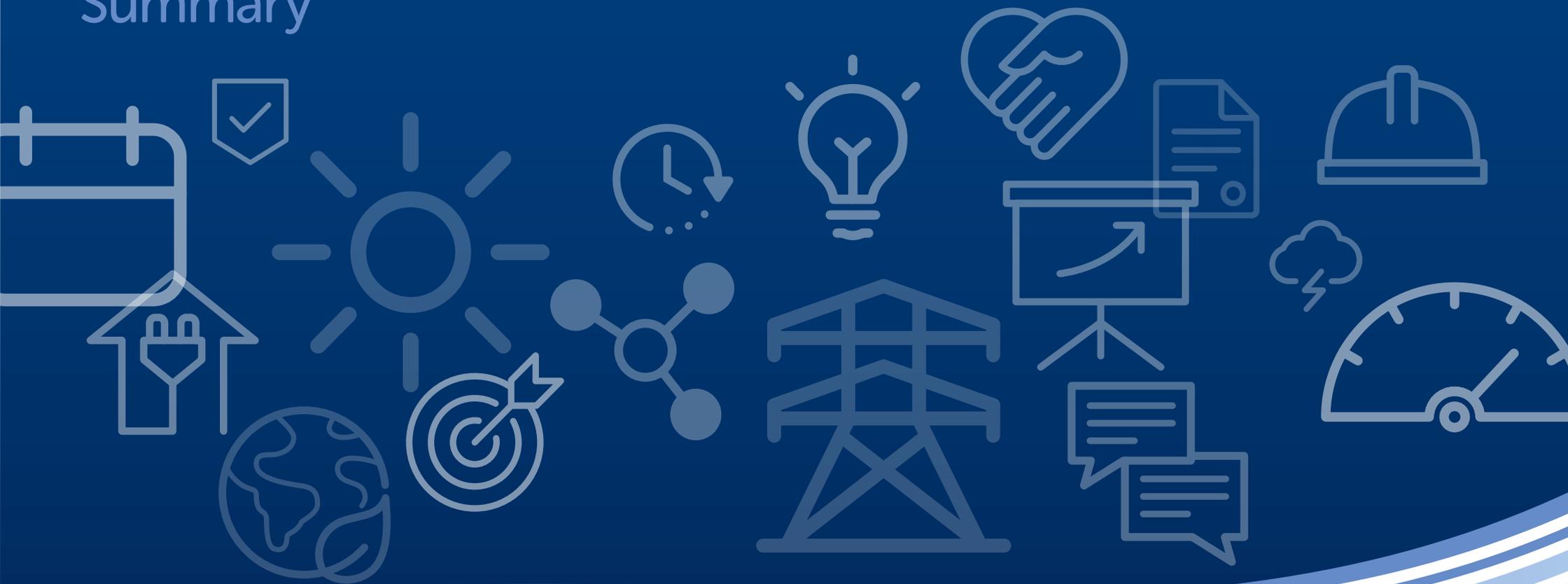


# Annual Business Plan Commitment Report 2019/20

## Summary



# Managing Director's Message

SSEN's priority is to support the delivery of a safe and reliable supply of electricity to the communities we serve. Delivering high-performance standards in a clear and transparent manner is critical to maintaining public trust in the essential service we provide.

**This report provides that transparency; summarising the performance of our two electricity distribution networks, Scottish Hydro Electric Power Distribution plc and Southern Electric Power Distribution plc, against the delivery of our RIIO-ED1 Business Plan.**

Through engaging with our customers and our Stakeholder Advisory Panel, we have set out twelve core commitments against six output areas, enabling SSEN to focus and drive improvements in areas that are important to our customers. These output areas are: network reliability; social obligations; safety; environment; connections; and customer satisfaction. I am proud that we have made further progress in delivering our core commitments, and our wider RIIO-ED1 commitments, over 2019/20.

For example, in 2019/20 SSEN invested £136m in upgrading operational technology, automation and monitoring equipment to help rapidly identify faults and restore supply. This has led to an overall reduction in the number and duration of supply interruptions relative to the previous year and improved the reliability of the service we provide.

As a responsible network operator, it's not only about building the resilience of the electricity network – we also recognise we have a role to play in identifying and supporting those most vulnerable in society. SSEN's Priority Services Register (PSR) provides extra support to those that need it during supply interruptions and in advance of periods of unsettled weather. We now have over 750,000 households registered. Working in a first-of-its-kind partnership with Citizens Advice Scotland, SSEN has also funded four energy advisers to support households in accessing free and impartial energy advice.

Safety is central to everything we do. SSEN's licence 'if it's not safe, we don't do it' seeks to protect our employees, environment, contractors and customers. Our Total Recordable Injury Rate (TRIR), which tracks our safety performance, has reduced by 13% across RIIO-ED1, with seasonal and targeted safety campaigns, such as agricultural community engagement, resulting in a 77% reduction in injuries from machinery striking our network since 2018/19.

We continually seek to minimise the impact our activities have on the environment, and we are on track to reduce our Total Business Carbon Footprint by 15% relative to 2012/13. In 2019/20 we decreased our operational fleet emissions by 36% relative to 2012/13. SSEN is investing in the infrastructure and solutions to support 10 million electric vehicles (EVs) in Great Britain by 2030, and as signatories of the Climate Group's EV100 commitment, we are leading by example. We will significantly increase our EV fleet, and with the launch of a revised company car scheme and commercial fleet choice, we are incentivising PHEV and EV selection for our employees.

Customers seeking to connect to our network expect an easy-to-navigate website, with relevant documents and accessible information. They also expect timely

quotations and connection. We have undertaken a detailed review to meet these expectations and have delivered on our commitment to significantly reduce the time customers have to wait for a quote and to be connected. Time to Connect in 2019/20 improved relative to 2018/19 by between 8% and 24% in the market segments monitored by Ofgem.

I am especially pleased that the hard work of our employees in 2019/20 has resulted in SSEN significantly outperforming Ofgem expectations for customer satisfaction. Both networks have delivered improvements throughout the period and achieved their highest score in RIIO-ED1 in 2019/20; SHEPD and SEPD outperformed relative to the Ofgem target for overall satisfaction by 9%.

In 2019/20 SSEN implemented a new group operating model, and network operating model, giving greater focus and accountability across all directorates and teams, which is expanded upon by our Director of Customer Operations' introductions on pages 4 and 6.

As we prepare to submit our business plan for the RIIO-ED2 price control next year, we must not lose focus on delivery today. We remain committed to driving further improvements in the remainder of RIIO-ED1 to deliver the leading service our customers rightly expect, while also being cognisant of and responsive to current challenges, particularly around the transition to net zero and COVID-19.

**Colin Nicol**  
Managing Director  
SSEN



# Performance Snapshot 2019/20

## Scottish Hydro Electric Power Distribution (SHEPD)

### Our Network



**782,536 customers**

served across our regions

**49,405km**

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

### Customer Satisfaction



**9.19/10** Overall Broad Measure of Customer Satisfaction Score

Our highest score to date and significantly above the regulatory target of 8.2

**Zero Penalties**

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

**5.54/10** Stakeholder Engagement and Consumer Vulnerability Score

An increase of 15.9% on last year

### Environmental Impact



**23,567.58 (tCO<sub>2</sub>e)**

Total Business Carbon Footprint (excl. losses)  
– on track to deliver a 15% reduction of our BCF relative to 2012/13

### Finance



**£169.16m**

Total 2019/20 Expenditure  
Expenditure was 102% of our allowance

**£108.20**

Unrestricted Domestic  
Tariff Charge  
Excl. domestic customer rebate

### Reliability



Average number of interruptions per 100 customers per year

**64.65**

Customer Interruptions

including exceptional events e.g. extreme weather

**59.57**

Customer Interruptions

excluding exceptional events

Average number of minutes a customer is off supply

**51.59 mins**

Customer Minutes Lost

including exceptional events e.g. extreme weather

**47.51 mins**

Customer Minutes Lost

excluding exceptional events

### Connections



Time to quote a connection offer

**3.26 days**

Single Connections

average no. of working days to provide an offer

**4.13 days**

2-4 Connections

average no. of working days to provide an offer

Time to connect following acceptance of a connection offer

**17.13 days**

Single Connections

average no. of working days following acceptance

**21.11 days**

2-4 Connections

average no. of working days following acceptance

### Innovation



This year we ran a successful trial on Islay to flexibly manage electricity demand during maintenance or fault conditions, which supports electricity system security and the reduction of carbon emissions, in a cost-effective manner.

Known as Constraint Managed Zones (CMZ), CMZs are an alternative to traditional generation being used when the main electricity distribution network is temporarily disconnected, for example during a prolonged power cut or a period of network maintenance. Rather than rely on diesel generators or back-up power stations, the use of renewables and energy storage is being encouraged to keep the power flowing for local communities until the traditional electricity supply is back up and running.

Renewable energy generators and battery storage, including hydro, solar and wind, can opt in to being paid to provide power to support SSEN's network to prevent overloading of assets, or during maintenance and faults on the network to reduce the reliance on fossil fuel based energy generation. Service providers can also opt in to be paid to turn down their electricity demand to support SSEN's network operations.

Alex Howison, Flexible Solutions Manager, SSEN: "These new CMZ contracts allow for renewable and low-carbon energy sources to play a larger role in the management and flexibility of the network. CMZ contracts are a core part of SSEN's commitment to running a network that puts flexibility first. Our 2019 CMZ contracts on Islay were the UK's first economically viable CMZ contracts with renewable energy and helped avoid approximately 2,200 tonnes of CO<sub>2</sub> emissions."

### Safety

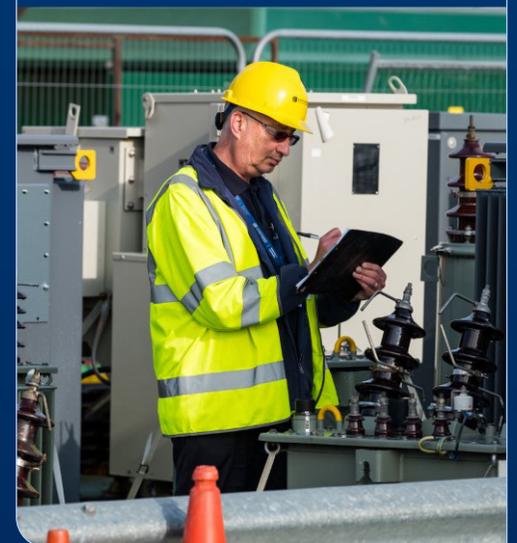


**'If it's not safe, we don't do it'**

This year we've continued to build and develop our relationships with third parties, partners and first responders, like Police Scotland, to broaden the reach of our safety messaging.

We have listened to our agricultural communities and contractors in the north of Scotland to help us deliver safety messages and guidance in a clear, understandable way, so that maintaining safe working practices around our power lines and electrical equipment is easily achievable and people get home safely at the end of the working day.

We have seen positive strides in our overall safety performance to date with a 13% reduction in our Total Recordable Injury Rate (TRIR).



# Performance Snapshot 2019/20

## Southern Electric Power Distribution (SEPD)

### Our Network



**3,092,275 customers**

served across our regions

**77,999km**

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

### Customer Satisfaction



**8.67/10**

Overall Broad Measure of Customer Satisfaction Score improved performance against last year

### Zero Penalties

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

**5.54/10** Stakeholder Engagement and Consumer Vulnerability Score

An increase of 15.9% on last year

### Environmental Impact



**25,835.03 (tCO<sub>2</sub>e)**

Total Business Carbon Footprint (excl. losses)

### Finance



**£329.59m**

Total 2019/20 Expenditure  
Expenditure was 100.3%  
of our allowance

**£63.87**

Unrestricted Domestic  
Tariff Charge  
Excl. domestic customer rebate

### Reliability



Average number of interruptions per 100 customers per year

**51.41**

Customer Interruptions

including exceptional events e.g. extreme weather

**45.55**

Customer Interruptions

excluding exceptional events

Average number of minutes a customer is off supply

**49.31 mins**

Customer Minutes Lost

including exceptional events e.g. extreme weather

**42.27 mins**

Customer Minutes Lost

excluding exceptional events

### Connections



Time to quote a connection offer

**3.01 days** (3.2% quicker than last year)

Single Connections

average no. of working days to provide an offer

**4.53 days** (47.6% quicker than last year)

2-4 Connections

average no. of working days to provide an offer

Time to connect following acceptance of a connection offer

**29.29 days** (8% quicker than last year)

Single Connections

average no. of working days following acceptance

**34.87 days** (13% quicker than last year)

2-4 Connections

average no. of working days following acceptance

### Innovation



SSEN's Low Energy Automated Networks (LEAN) project successfully met its objective to develop and apply Transformer Auto Stop Start (TASS) technology to reduce network losses.

The key principal of TASS is to switch off one of the transformers in a primary substation at times of low demand to avoid the fixed losses associated with that transformer – akin to turning off a car engine when the vehicle isn't driving anywhere. Strategies to reduce technical losses create a more efficient network which reduces costs to customers and equates to lower carbon emissions. The application of TASS can reduce substation transformer losses by 25-30%.

Through high levels of engagement, the system has been implemented in a way which meets the requirements of operational colleagues without compromising our priority to provide a safe and reliable supply of electricity to customers.

Experience gained through the project also delivered valuable industry learning on the integration of enhanced automated technologies, and advanced techniques for monitoring asset health, demonstrating how we can actively improve the efficiency of network operation.

Further information can be found here:

[ssen.co.uk/LEAN/Learning](https://ssen.co.uk/LEAN/Learning)



### Safety



#### 'If it's not safe, we don't do it'

Building on the success of our Power Pack Pals initiative, our interactive learning programme for schools, we have been working closely with the region's agricultural colleges and Young Farmers Association to highlight and embed safe working practices around overhead power lines and electrical equipment, for those who have chosen a career in the agricultural industry.

In addition, we have continued to support the Energy Networks Association campaign, focusing on guidance for partners working on construction activities that include the use of cranes or loaders, helping to ensure that electrical safety is part of the working routine and everyone gets home safely.



# Summary of Our Commitments

SSEN has provided details within this report of its core 12 commitments. There are, however, a total of 110 commitments made by our company for our Price Control period. These are tracked throughout the year and details of each commitment's progress-to-plan is available in our separate report by following the link on the right hand side of this page.



A full index of our 110 commitments can be found here: [ssen.co.uk/DistributionPriceControlReview/](https://ssen.co.uk/DistributionPriceControlReview/)

Category	Total Commitments	Below Target	On Target	Ahead of Target	Complete	Overall Status Against Plan
 Reliability	27	6	20	0	1	★★☆☆
 Social Obligations	23	0	12	3	8	★★★★
 Safety	12	0	7	3	2	★★☆☆
 Environment	11	3	3	3	2	★★☆☆
 Connections	15	1	11	0	3	★★☆☆
 Customer Satisfaction	22	0	11	6	5	★★★★
<b>Total</b>	<b>110</b>	<b>10</b>	<b>64</b>	<b>15</b>	<b>21</b>	★★☆☆



Complete



Ahead of Target



On Target



Below Target

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