SSEN Distribution

ANNUAL BUSINESS PLAN COMMITMENT REPORT 2025/26

EXECUTIVE SUMMARY



Scottish & Southern Electricity Networks

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 nearly 4 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

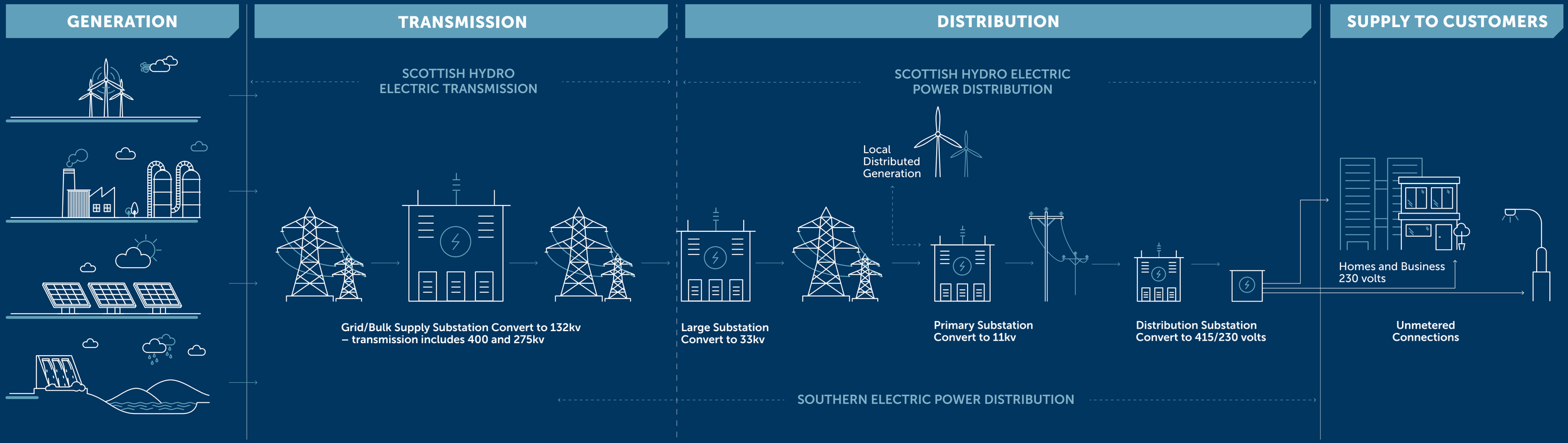
800,332 customers'
homes and businesses served

50,054km
of overhead lines and underground/subsea cables

SEPD

3,157,831 customers'
homes and businesses served

79,753km
of overhead lines and underground/subsea cables



MANAGING DIRECTOR'S MESSAGE

In the three years of RIIO-ED2, we have seen electricity networks play an increasingly important role in supporting growth, decarbonisation and the changing needs of our customers. As demand, connections and digitalisation increase, we are building on the foundations established earlier in RIIO-ED2 by increasing the scale of delivery while continuing to strengthen resilience, enabling faster connections and creating long-term value for our customers and communities.



CHRIS BURCHELL
MANAGING DIRECTOR
SSEN DISTRIBUTION

We're proud of the progress we've made during 2025/26. Across SSEN Distribution, the programmes and capabilities we have built over RIIO-ED2 are increasingly translating into tangible outcomes for customers and communities. We are currently on track or ahead of target on 48 of our 53 Business Plan Commitments (91%), including six commitments ahead of target. Five commitments remain behind target and are receiving focused attention as we move into the final two years of RIIO-ED2.

At the same time, the wider context is changing quickly. Electricity networks are being asked to support more connections, more low-carbon technologies and increasing demand. We must also strengthen our network's resilience to a changing climate and severe weather. Our focus is on delivering long-term value for customers, remaining conscious of affordability pressures and preparing for the greater scale of activity expected in ED3 and beyond.

Delivering a safe, resilient and responsive network

Safety remains fundamental to our core values and providing a safe and reliable supply of electricity remains at the heart of what we do.

This year we have continued to make good progress in reducing longer-term asset risk and strengthening the resilience of our network. In SHEPD, we delivered 83.3% of our RIIO-ED2 NARMS programme, ahead of the original delivery profile. In SEPD, we delivered 39.9% of the programme, with delivery expected to increase over the remainder of RIIO-ED2 as we continue to progress towards the overall target.

We have also made significant progress in some of our most important resilience programmes. We installed and energised four further submarine cables, meaning six of the eight baseline RIIO-ED2 projects are now complete. This is an important step in strengthening the resilience of our island networks and supporting the communities that rely on them.

Our interruptions performance was mixed. For unplanned interruptions SEPD met its Ofgem Customer Interruptions target, supported by continued investment in network automation. However, SHEPD missed this target, and both licence areas fell short of their Customer Minutes Lost targets. Our performance against planned interruptions reflected the investment required to support network growth, improve network reliability and resilience, and meet statutory PCB removal requirements. We remain focused on coordinating this work to minimise disruption, alongside targeted investment, network automation and improvements to strengthen resilience and restore supplies quickly and safely as we prepare for ED3.

Providing a valued and trusted service for our customers and communities

The quality of service we provide to customers remains one of our clearest measures of success. Our focus on customer service and digital tools is delivering tangible benefits, including improved service, faster connections and more tailored support.

Overall customer satisfaction increased to 9.33 in SHEPD and 8.81 in SEPD, our strongest overall Broad Measure Customer Satisfaction performance to date. Our complaints metric continued to outperform Ofgem's target, despite a slight increase compared to 2024/25. We continue to work on telephone response times, supported by the greater performance insight and operational flexibility provided by our new contact centre platform.

Connections performance also improved during the year. Quotation and connection times improved across both licence areas despite increasing volumes, while continued enhancements to our self-service capabilities are making it easier for customers to manage their connections needs.

Some of our strongest progress has been in the support we provide to vulnerable customers. During 2025/26, a further 259,122 households joined our Priority Services Register, taking the total to 1,277,417 households and significantly exceeding our original commitment to reach one million households by 2028. We have also provided more practical and tailored support. Since launching our Power Cut Plans in April 2025, nearly 400,000 personalised plans have been delivered. These provide advice tailored to customers' needs on what to do before, during and after a power cut. Our wider emergency battery programme also delivered 3,451 batteries by the end of March 2026, giving some of our most vulnerable customers additional resilience during outages.

Accelerating progress towards a net zero world

As the energy system becomes more decentralised and dynamic, flexibility, digitalisation and environmental performance are increasingly central to how we plan and operate our network.

We consider flexibility alongside reinforcement when planning future network needs, helping us make efficient investment decisions. By the end of 2025/26, we had procured 203 Constraint Managed Zones meeting almost 1GW of network need through flexibility. This represents a 37% increase compared to 2024/25, while 1,335MWh of flexibility was dispatched during the year. Flexible connections and early-access solutions reached 934MW of capacity, helping us make better use of existing network capacity.

Digitalisation is increasingly central to how we support this transition. We continued to enhance our Data Portal, making network information easier to access and use, with the number of users increasing by 22% compared with last year. We also developed a £25.7m (2020/21 price base) Digitalisation Re-opener portfolio to support priority digital investments, data-sharing capabilities and future DSO services.

Our Business Carbon Footprint reduced by 31.5% in SEPD and 21.6% in SHEPD against the 2019/20 baseline, with SEPD exceeding our annual Science-Based Target. Across SSEN Distribution, 67.04% of our supply chain by spend has now signed up to our Sustainable Supplier Code. We are ambitious to go further while addressing the environmental commitments requiring further action.

Making a positive impact on society

Our role extends beyond maintaining and developing the electricity network. We want the investment we make to create lasting value for the communities we serve, helping them prepare for a more electrified future, use energy more efficiently and access opportunities to reduce their bills.

The Powering Communities to Net Zero Fund is now in its second year and has provided more than £1.6m to community organisations across the north of Scotland and central southern England. It supports projects that improve local resilience and enable the adoption of low-carbon technologies, including solar panels, battery storage and low-carbon heating, helping communities participate in the transition to net zero.

Our Local Energy Net Zero Accelerator (LENZA) is available to all local authorities across our licence areas, with support and training to help them develop their energy plans. Local authority insights inform our Strategic Development Plans and network investment planning, helping align investment with communities' future energy needs.

As we enter the final two years of RIIO-ED2, we will build on the progress achieved and the lessons learned where performance has been more challenging. We know there is more to do and will continue to focus on the areas where performance needs to improve. But the direction is clear: we are delivering more at scale, creating stronger outcomes for customers and communities, and building the foundations we will need for ED3 and beyond.

PERFORMANCE SNAPSHOT 2025/26

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION (SHEPD)

Our Network

800,332 customers
served across our region

50,054km
is the combined network length of overhead lines and cables (including subsea)

Customer Satisfaction

9.33/10 Overall Broad Measure of Customer Satisfaction score

9.20/10 DSO Stakeholder Satisfaction survey

Reliability

Average number of interruptions per 100 customers per year

87.59
Customer Interruptions
Unweighted, including exceptional events

64.05
Customer Interruptions
Unweighted, excluding exceptional events

Average number of minutes a customer is off supply

272.16 mins
Customer Minutes Lost
Unweighted, including exceptional events

61.92 mins
Customer Minutes Lost
Unweighted, excluding exceptional events

Finance

£565.72m
Total 2025/26 Expenditure
Expenditure was 114.11% of our allowance

£125.73
Unrestricted Domestic Tariff Charge
Excl. domestic customer rebate

Connections

9.00
Major Connections aggregate customer satisfaction score

Time to quote a connection offer

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

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

Time to connect following acceptance of a connection offer

10.39 days
Single Connections
average no. of working days following acceptance

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

6,052
Number of completed connections

SOUTHERN ELECTRIC POWER DISTRIBUTION (SEPD)

Our Network

3,157,831 customers
served across our region

79,753km
is the combined network length of overhead lines and cables (including subsea)

Customer Satisfaction

8.81/10 Overall Broad Measure of Customer Satisfaction score

9.20/10 DSO Stakeholder Satisfaction survey

Reliability

Average number of interruptions per 100 customers per year

43.20
Customer Interruptions
Including exceptional events

Average number of minutes a customer is off supply

45.35 mins
Customer Minutes Lost
Including exceptional events

No exceptional events occurred in SEPD in 2025/26

Finance

£629.68m
Total 2025/26 Expenditure
Expenditure was 126.99% of our allowance

£62.18
Unrestricted Domestic Tariff Charge
Excl. domestic customer rebate

Connections

8.44
Major Connections aggregate customer satisfaction score

Time to quote a connection offer

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

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

Time to connect following acceptance of a connection offer

27.18 days
Single Connections
average no. of working days following acceptance

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

20,626
Number of completed connections

PERFORMANCE SNAPSHOT 2025/26

Community Outreach

During 2025/26, we continued to help local authorities plan for net zero through our Local Energy Net Zero Accelerator (LENZA) tool. Winchester became the first local authority in GB to publish a fully digitised Local Area Energy Plan using LENZA, marking an important step in turning local ambitions into practical plans.

LENZA also enabled local authorities to contribute data to our Distribution Future Energy Scenarios (DFES), helping inform future network needs. Working with National Grid Electricity Distribution and UK Power Networks, we made this process simpler for authorities spanning different network areas by enabling them to submit their data once, in a common format. Regular surgeries and a monthly newsletter continued to support authorities in using the tool and developing their plans.

Vulnerability

During 2025/26, we continued to expand support for customers in vulnerable situations. Targeted campaigns, community outreach and work with partners helped drive 259,122 new Priority Services Register (PSR) registrations, bringing the total to 1,277,417 households and exceeding our original RIIO-ED2 target of one million. As the register grows, we continue to update customer records so we can provide support suited to their needs.

We continued to work with partners to provide fuel poverty and Low Carbon Transition services, while expanding support to help customers prepare for and manage power cuts. Our wider suite of personalised Power Cut Plans launched in April 2025, providing practical advice for before, during and after an interruption. New PSR customers receive these plans in their welcome packs, while existing customers receive them as their records are updated. Alongside this advice, we launched the Customer Value Proposition Battery Programme in February 2026, following our earlier trial, to provide emergency batteries for use during power cuts. By the end of March, 3,451 batteries had been delivered to customers, with a further 1,500 awaiting dispatch.

Safety

Immersive training

During 2025/26, we continued to deliver immersive safety training, reaching 892 people, including 334 contract partners. The training highlights how serious incidents can occur and what we can all do, regardless of our role, to prevent them. Following the wider rollout, our focus shifted towards ensuring new starters receive the training and releasing refresher videos in partnership with Active Training Team (ATT).

Safety performance

Ensuring the safety of our workforce continues to be one of our core values. At the end of 2025/26, our combined Total Recordable Incident Rate (TRIR) for employees and contact partners was 0.26, a slight increase from 2024/25. Our number of safe days decreased to 307 from 310. This was against a backdrop of increased activity, with approximately 400,000 additional hours worked compared with the previous year. To strengthen safety engagement with contract partners, we introduced a weekly safety digest, established a Safety Forum within Large Capital Delivery and introduced updated safety, health and environmental requirements in contracts. These measures support the sharing of incident learning and reinforce consistent expectations across our workforce and supply chain.

Driving performance

Overall driving performance remained broadly stable despite a small increase in total miles travelled. No serious injuries were reported in the driving incidents that occurred during the year. We also launched project Champion in SEPD which is a defensive driving programme targeting high risk drivers.

Public safety performance

Building on our outreach in previous years, we recorded 25,902 public safety engagements across face-to-face and digital channels during 2025/26. These included school visits, engagement at sector-specific shows and events, visits to safety information on our webpages and targeted paid content, helping raise awareness of risks associated with our electricity network.

Environmental impact

Our Environmental Action Plan (EAP) continues to guide decarbonisation and improve environmental performance, with a focus on reducing emissions and preventing pollution. In 2025/26, we reduced our Business Carbon Footprint, including network losses, by 31% against the 2019/20 baseline. This exceeds our annual Science-Based Target of a 25% reduction and supporting progress towards our 35% reduction target by 2028. We continued to electrify our fleet, with fully electric vehicles accounting for 65.91% of company cars and 12.69% of small vans within our EV100 commitment, while progressing wider use of Hydrotreated Vegetable Oil (HVO) following a successful operational trial. HVO accounted for 99.3% of mobile generation fuel consumption by year end, supporting a reported 94.7% reduction in associated Scope 1 emissions. Alongside these measures, targeted losses interventions delivered calculated savings of 29,041 MWh during 2025/26, taking cumulative RIIO-ED2 savings to 49,690 MWh. Further improvement in SF_6 performance remains a priority. We strengthened monitoring to target poorer-performing assets and continued working with suppliers and the Energy Networks Association to develop alternatives.

Building on the projects established earlier in RIIO-ED2, our nature-based programme progressed through full or partial completion of work on four woodland creation projects and three peatland restoration projects. Through our partnership with the Scottish Marine Environmental Enhancement Fund, we delivered 0.48 hectares of seagrass planting, achieving 96% of our annual target. Work continues on the wider programme, alongside our partnership with Project Seagrass to deliver planting across four sites in the Solent and around the Isle of Wight.

We continued to address pollution risks through the removal of fluid-filled cables and PCB-contaminated assets. During 2025/26, 10.66km of fluid-filled cable was removed from service, bringing the cumulative RIIO-ED2 total to 12.28km. Over the remainder of RIIO-ED2, a further 37.35km of fluid-filled cable is planned for disposal in SEPD. Investment is prioritised by asset condition, network criticality and environmental risk. We also completed 4,106 PCB-related interventions, including testing, replacements and oil changes, with work continuing on the 126 outstanding assets. Undergrounding schemes progressed in designated sensitive landscapes, with 0.31km completed in SHEPD and 1.61km of underground cable installed in SEPD. Further delivery remains dependent on securing the necessary consents and permissions.

Together, these activities support our RIIO-ED2 EAP, alongside our Climate Resilience and Sustainability strategies.

PERFORMANCE SNAPSHOT 2025/26

Innovation

During 2025/26, we continued to deploy proven innovation on our network while developing new approaches to improve reliability, support connections and reduce disruption for customers.

Deploying innovation

Through our Storm Arwen programme, we delivered fault monitoring coverage across nine high-voltage feeders and progressed the procurement of multifunctional disturbance recorders, alongside the development and deployment of fault location software. This work is intended to improve our understanding of fault events and enable faster fault location across the network.

We also deployed 50 new Smart Hammer devices, with training delivered to inspectors across both licence areas. These devices support objective assessments of wooden pole condition, helping inform maintenance and replacement decisions. Five resistance drills were deployed for secondary pole inspections. Alongside deployment, we worked to incorporate these technologies into our policies and develop training and work instructions to support their continued use.

Developing new solutions

Our innovation pipeline also progressed. FastTrack received funding for Strategic Innovation Fund Discovery and Alpha phases to explore how artificial intelligence could help assess connection requests and inform network investment. By considering network capacity, demand and other relevant data, the project aims to support faster, better-informed decisions while avoiding unnecessary reinforcement. We also initiated LANCET, which aims to enable PCB testing of pole-mounted transformers without interrupting customers' supplies. The project seeks to reduce disruption, improve the targeting of transformer replacements and support environmental compliance.

Sharing progress and benefits

To make the benefits of this work more transparent, we published our third annual Innovation Focus Report of RIIO-ED2, maintaining our commitment to publish a report each year. These reports explain how our priorities relate to individual projects and how their learning is being embedded into everyday operations.

Major Connections

During 2025/26, we focused on making the major connections journey clearer and more consistent for our customers. Our average customer satisfaction score increased to 8.72, compared with 8.4 in the previous year, with SHEPD scoring 9.00 and SEPD 8.44. This represents progress towards our commitment to achieve a customer satisfaction score of 9/10 or above in both licence areas by the end of RIIO-ED2. To support this progress, we reviewed the communications customers receive throughout their journey, redesigning key forms and letters to make the process and next steps easier to understand. We also standardised processes across our licence areas, including the arrangements for transferring connection agreements in SHEPD. Our focus extended to diversions and disconnections, where we addressed gaps and inconsistencies to improve clarity and help reduce delays. Bringing these changes together, we refreshed our customer journey maps to reflect industry developments and evolving customer needs, helping our teams provide a more consistent experience at each stage.

We will continue to build on this work to improve satisfaction further. **Our Major Connections Annual Report 2025/26**, submitted in July 2026, provides more detail on our performance through the Major Connections Customer Satisfaction Survey (MCCSS) and the actions we are taking to improve the service we provide.



COMMITMENTS SUMMARY

91% of our commitments are on track or ahead of target.

At the end of our third year of RIIO-ED2, 48 of our 53 commitments were on track or ahead of target. During 2025/26, we continued to build on earlier progress, delivering network improvements and extending support for customers and communities.

Six commitments are ahead of target. These include increasing the use of lower-carbon fuels for mobile generation, progressing our submarine cable replacement programme, growing our Priority Services Register beyond our original target of one million households and expanding the support we provide to households experiencing fuel poverty. A further 42 commitments are progressing on track.

Five commitments remain behind target, and improving network reliability and restoration performance continues to be a priority. We are progressing targeted investment, network automation and operational improvements to reduce the frequency and duration of power cuts.

Further work is required on telephone response times and satisfaction among Priority Services customers. Our new contact centre platform provides better performance insight and greater operational flexibility, while improvements to customer communications aim to provide clearer updates during and after power cuts.

With two years of RIIO-ED2 remaining, we will build on these achievements and maintain our focus on commitments requiring further improvement, while continuing to report transparently on our progress.



79%
ON TRACK

11%
AHEAD OF TARGET

9%
BEHIND TARGET



DELIVERING A SAFE, RESILIENT AND RESPONSIVE NETWORK FOR ALL OUR CUSTOMERS

67%
ON TRACK

8%
AHEAD OF TARGET

25%
BEHIND TARGET



PROVIDING A VALUED AND TRUSTED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES

73%
ON TRACK

13%
AHEAD OF TARGET

13%
BEHIND TARGET



ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD

88%
ON TRACK

12%
AHEAD OF TARGET

0%
BEHIND TARGET

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Scottish & Southern Electricity Networks