EXECUTIVE SUMMARY

SSEN Distribution

ANNUAL BUSINESS PLAN COMMITMENT REPORT

2024/25

Scottish & Southern Electricity Networks

ABOUT SSEN

Who we are and what we do

We are 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

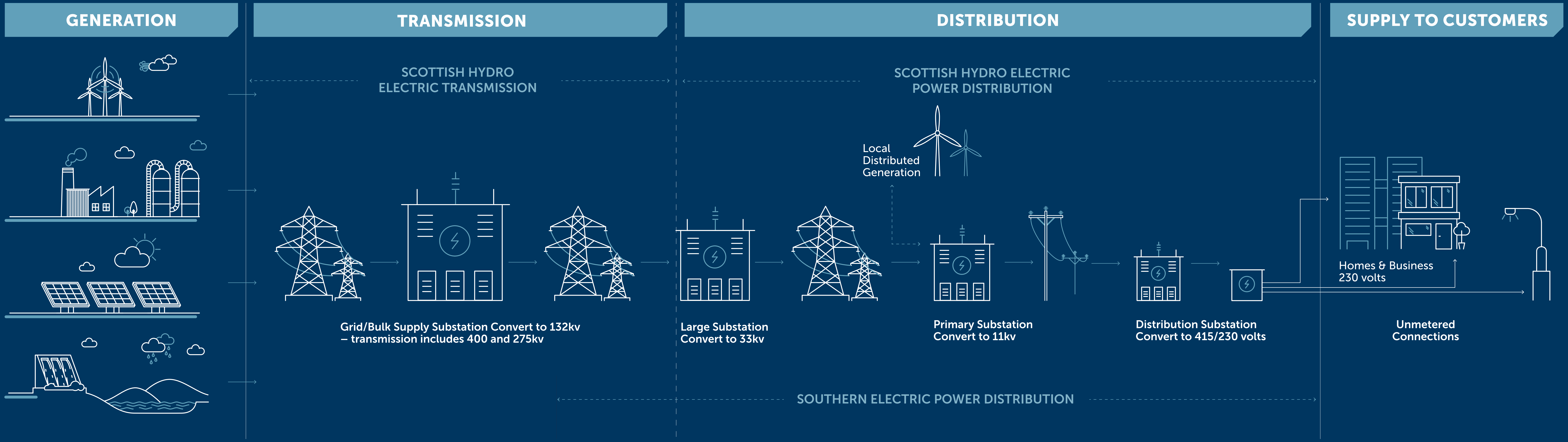
797,655 customers'
homes and businesses served

49,821km
of overhead lines and underground/subsea cables

SEPD

3,150,112 customers'
homes and businesses served

79,171km
of overhead lines and underground/subsea cables



OUR PRIORITIES

- Delivering a safe, resilient and responsive network
- Providing a valued and trusted service for customers and communities
- Accelerating progress towards a net zero world

MANAGING DIRECTOR’S MESSAGE

As the electrification and digitisation of our economy accelerates, electricity networks are central to driving economic growth, greater connectivity, and the transition to a decarbonised world. The case for proactive investment in our networks has never been clearer – unlocking faster connections, improving resilience, and supporting sustainable development across the communities we serve.

CHRIS BURCHELL
MANAGING DIRECTOR
SSEN DISTRIBUTION

We’re proud of the momentum we’re building in RIIO-ED2. Our RIIO-ED2 Business Plan marked a significant growth in ambition, and our record of delivery in 2024/25 reflects our commitment to achieving this. Building on this strong progress, we’re working hard to create the conditions for future success and to deliver our commitments for the end of this Price Control period.

We’re currently on track or ahead on delivery of 49 of our 53 business plan commitments (93%), with 3 commitments exceeding our targets (6% of the total). This performance spans our four key Business Plan priorities: delivering a safe, resilient, and responsive network delivering a safe, resilient, and responsive network, providing a valued and trusted service for our customers and communities, accelerating progress towards a net zero world and making a positive impact on society. As we continue to focus on meeting our commitments over the remainder of RIIO-ED2, we’re also turning our minds to preparation for the next Price Control. Our “Empowering Communities, Enabling Growth” document sets out our initial thinking for ED3 and beyond as expectations and demands further evolve. In the meantime, this year’s Business Plan Commitments report demonstrates our proven ability to meet challenges as we prepare for a further increase in activity to unlock value for our customers and communities in the next regulatory period.

We’re proud of our overall performance and improvements achieved in 2024/25. For example, connections is an area where we’re tracking well overall, especially in SHEPD where we’ve outperformed on Time to Quote (TTQ) and Time to Connect (TTC) for both single connections (LVSSA) and multiple connections (LVSSB). Whilst SEPD remains behind the LVSSB TTQ year 2 target, our focused improvement activity has delivered a performance improvement of 22.5% compared to last year - an improvement trajectory that will deliver on our commitment by the end of RIIO-ED2. Whilst we’ve delivered a number of improvements in these areas, we’re behind target for 4 of our commitments (7%).

Delivering a safe, resilient, and responsive network

Safety is the most fundamental of our core values. This year we increased the number of safe days on our network to 310 in 2024/25, whilst also reducing our Total Recordable Incident Rate (TRIR) compared to last year. Our primary purpose as a distribution network is to deliver a reliable supply of electricity to our customers, and it is therefore critical that we continue to improve asset health on the network. We delivered 51% of our RIIO-ED2 total target risk reduction at the end of 2024/25 in SHEPD, well ahead of target. In SEPD, we’re continuing to increase our risk reduction activity through a planned ramp-up of delivery over the remainder of the Price Control.

Providing a valued and trusted service for our customers and communities

Customer service is a key priority. We’ve signed up our one millionth Priority Services customer this year, ahead of our 2028 target date. We’ll continue to build on this in the remaining years of the Price Control period. We’ve focused on how quickly we respond to customer contact; on the phone this now averages 31 seconds in SHEPD and 32 seconds in SEPD.

We’ve continued to build on progress from last year when it comes to customer service, meeting all targets in SHEPD. Customer service in SEPD is has been improving since the latter part of 2024/25, and has continued into 2025/26, in line with our comprehensive improvement plans enacted last year.

Accelerating progress towards a net zero world

Our nature-based solutions for carbon removal have delivered good progress, with funding awarded for woodland creation and peatland restoration projects. We’ve also reduced our overall road mileage by 26% and our overall Business Carbon Footprint by 22% from a 2019/20 base. In 2024/25, we launched our seagrass planting programme, in partnership with the Scottish Marine Environmental Enhancement Fund (SMEEF). This will help restore nature in Scotland’s seas, aiming to plant 14 hectares of seagrass in the remainder of RIIO-ED2. It’s notable that we’re the only Distribution Network Operator (DNO) to pursue Nature-based Solutions as a credible route to delivering multiple ecosystem service benefits, including carbon removals, to the benefit of the communities we serve and the environment across our licence areas.

Another area where we’ve made significant environmental progress is the removal of PCB-contaminated assets from our network, where we’re on track to meet our commitment. Building on a good start last year, we’re pleased with our progress but conscious of the remaining journey on this huge programme. We’re extremely proud of what we’ve delivered already through internal and external teamwork, working closely with other DNOs and our regulators showcasing true determination and collaboration at its best.

Since rolling out our award-winning Local Energy Net Zero Accelerator (LENZA) tool last year, we’ve now onboarded all local authorities in our licence areas to this platform. This means we’ve over 400 active users on this tool, showcasing its crucial role in building decarbonised plans from the bottom up and enabling local area energy planning.

We’ve built from strong foundations to demonstrate significant improvements across strategic planning and network development, network operation, and flexibility market development this year.

Making a positive impact on society

We’re pleased to have built on the success of the PSR Community Toolkit launched in 2023/24 with the updated 2024/25 version introducing new features including a digital information screen and a quick-reference guide for operational teams.

Through the Powering Communities to Net Zero Fund, over £650,000 (baseline prices) was awarded to 76 community-led initiatives across central southern England and the north of Scotland. The fund aims to support local efforts in building climate resilience and accelerating the adoption of low-carbon technologies. This year, several projects focused on flood prevention, particularly in the Angus region, following severe flooding in Brechin caused by Storm Babet. 15 awards funded the creation or development of resilience hubs in local communities. Additionally, 16 local authority areas benefited, with support provided for 25 solar projects and 21 flood prevention schemes.

As we continue our journey through RIIO-ED2, we remain focused on delivering for our customers, communities, and the wider energy system. Our progress to date reflects the dedication of our teams and the strength of our strategy, but we know there is more to do. With a clear vision for the future and a strong foundation in place, we’re committed to driving further improvements for our customers, embracing innovation, driving growth, and preparing for the opportunities ahead in ED3 and beyond.

PERFORMANCE SNAPSHOT 2024/25

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION (SHEPD)

Our Network

797,655 customers
served across our region

49,821km
is the combined network length of overhead lines and cables (including subsea)

Customer Satisfaction

9.23/10 Overall Broad Measure of Customer Satisfaction score

8.53/10 DSO Stakeholder Satisfaction survey

Reliability

Average number of interruptions per 100 customers per year

65.51
Customer Interruptions
Unweighted, including exceptional events

52.43
Customer Interruptions
Unweighted, excluding exceptional events

Average number of minutes a customer is off supply

120.95 mins
Customer Minutes Lost
Unweighted, including exceptional events

51.96 mins
Customer Minutes Lost
Unweighted, excluding exceptional events

Finance

£290.88m
Total 2024/25 Expenditure
Expenditure was 101% of our allowance

£122.46
Unrestricted Domestic Tariff Charge
Excl. domestic customer rebate

Connections

8.89
Major Connections aggregate customer satisfaction score

Time to quote a connection offer

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

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

Time to connect following acceptance of a connection offer

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

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

4,137
Number of completed connections

SOUTHERN ELECTRIC POWER DISTRIBUTION (SEPD)

Our Network

3,150,112 customers
served across our region

79,171km
is the combined network length of overhead lines and cables (including subsea)

Customer Satisfaction

8.39/10 Overall Broad Measure of Customer Satisfaction score

7.53/10 DSO Stakeholder Satisfaction survey

Reliability

Average number of interruptions per 100 customers per year

43.86
Customer Interruptions
Including exceptional events

38.89
Customer Interruptions
Excluding exceptional events

Average number of minutes a customer is off supply

56.42 mins
Customer Minutes Lost
Including exceptional events

43.24 mins
Customer Minutes Lost
Excluding exceptional events

Finance

£520.15m
Total 2024/25 Expenditure
Expenditure was 102% of our allowance

£110.01
Unrestricted Domestic Tariff Charge
Excl. domestic customer rebate

Connections

7.92
Major Connections aggregate customer satisfaction score

Time to quote a connection offer

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

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

Time to connect following acceptance of a connection offer

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

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

24,131
Number of completed connections

PERFORMANCE SNAPSHOT 2024/25

Community Outreach

We've continued to help local authorities develop their future plans through our Local Energy Net Zero Accelerator (LENZA) tool. We now have over 400 active users on the system; it's been used to inform energy efficiency and community generation projects. Our engagement through LENZA has been recognised by industry and we were awarded a prestigious Utility Week award for best net zero engagement. We're now building on this success to use LENZA to help develop local area energy plans for our local authorities.

Vulnerability

We refreshed our customer vulnerability strategy in October 2024, providing updates on our plan to meet our RIIO-ED2 Commitments to support customers in vulnerable situations. Our priority for 2024/25 was growing our Priority Service Register (PSR) at a sustainable rate, ensuring the services we provide were scalable for the growing number of households registered.

We worked with our partners to ensure the services we provided to customers in fuel poverty and our Low Carbon Transition (LCT) programme remained fit for purpose and provided the vital support for those who need it. Following the initial run of Personal Resilience Plans, we worked with experts from charities, health and social care partnerships and those with lived experience to build a suite of advice for before, during and after a power cut.

We also worked with our IT teams to build a process which would provide the right advice, based on PSR needs, to each customer. We also worked with battery providers to provide batteries to 20 customers to test how these batteries would be used, and how it helped them during a power cut, over a six-month period. Following this initial roll out which has helped inform our procurement exercise, the wider rollout is expected in 2025/2026.

Safety

Immersive training

This year, we delivered our immersive safety training to around 3,000 people, including 300 contract partners, bringing total attendance to over 3,700 in the past two years. The training highlights how serious incidents can occur and what we can all do, regardless of our role, to prevent them. It continues to be well received and highly impactful. Next year, we aim to increase contract partner participation and will continue enrolling all new SSEN Distribution entrants.

Safety performance

This year we saw a slight increase in the total number of people hurt, with 33 people not making it home safe during the year. This increase is not a reflection of where we wanted to be at the start of the year. It should, however, be taken in the context of the volume of work we've delivered: in 2024/25 we worked 25% more hours than the previous year, meaning our injury rate fell by around 10% from the previous year. We also saw a sharp fall in the number of high potential events and injuries to contract partners. While we saw an increase in our own people getting hurt, a large part of that increase arose from events where we had limited influence or control such as slips, trips and falls, as well as animal and insect bites. As a result, we experienced more lower severity injuries than before.

Driving performance

Our driving performance has been excellent this year. We've seen a 9% fall in our most serious collision events against a backdrop of an additional 3.8 million more miles being driven. This has resulted in a 20% fall in our collision rate, which is the lowest on record.

Public safety performance

This year saw our best-ever public safety record, with only 4 recorded injuries all year. This is testament to all the hard work colleagues across the business do to promote safety and raise the awareness of risks faced by the public by their activities close to our distribution network. In total, we've made direct contact with 15,446 members of the public during the year. We also targeted high-risk groups amongst the communities we serve, such as agriculture and construction, with relevant communications and guidance.

Environmental impact

Our Environmental Action Plan (EAP) continues to drive decarbonisation and improved environmental performance, with a focus on air quality, carbon emissions reduction and tackling pollution prevention. We're on track to achieve our Science-Based Targets, where we're aiming for a 35% carbon footprint reduction by 2028. While operational activity has grown – meaning we're using our fleet more – we're adopting Hydrotreated Vegetable Oil (HVO) for suitable vehicles as a transition fuel and are working with manufacturers and suppliers to find longer-term solutions to electrify our fleet. Our mobile diesel generation emissions are down, with a 63.6% drop in Scope 1 emissions in 2024/25. Managing losses on our network remains a priority, with a calculated cumulative loss saving of 21,943 MWh over RIIO-ED2. Our SF_6 performance is behind where we would like it to be, but we've stood up a taskforce to ensure this gets back on track and in line with our commitments, this is a strategic priority for 2025/26. Our nature-based solutions for carbon removals have seen good progress, with funding awarded for woodland creation and peatland restoration projects.

Our partnership with the Scottish Marine Environmental Enhancement Fund (SMEEF) has established a strong pathway to achieve Scotland's most comprehensive seagrass planting programme. 2024/25 was also fundamental in us improving our systems and technology and we're excited to launch a few reporting tools next year. Despite the lack of funding allowances through this price control to deliver our Fluid Filled Cable phase-out plans, our efforts to reduce leakage from these cables continues, with a commitment to replace at least 20.9km of cable and ensure cable tagging is continued to manage this potential pollution risk that we know is important to our consumers. Significant progress has also been made in removing PCB-contaminated assets from our network and we're on track to meet the legislative requirements. We've also started to underground overhead lines in designated sensitive landscapes to improve visual amenity, with construction already underway or in the pipeline and we'll see that reflected in next year's delivery numbers. Overall, our RIIO-ED2 EAP, supported by our Climate Resilience Strategy and Sustainability Strategy, will continue to drive continuous improvement in our environmental and sustainability ambitions.

PERFORMANCE SNAPSHOT 2024/25

Innovation

Deploying innovation

We secured £5.74m in additional allowances through the Storm Arwen reopener to deploy proven innovation on our network. We anticipate installing High Voltage Feeder Monitoring at a significant number of locations across our two networks. These devices are expected to help us locate faults more quickly and accurately, potentially reducing the time spent identifying issues and improving service continuity for customers. Early estimates suggest this could deliver substantial customer benefits over time.

We'll also be able to provide Smart Hammers to all our pole inspectors and linesmen. These devices allow us to test the condition of wood poles on our network in an objective and scientific manner. This will give more accurate asset condition assessments, reduce faults and improve safety for our colleagues. Based on initial forecasts, this initiative could deliver meaningful benefits over the next decade.

Equal LCT

The Equal Low Carbon Technology (LCT) project received funding for a Strategic Innovation Fund (SIF) Alpha phase. This project, following on from an initial Network Innovation Allowance project, is looking at ways to reduce future peak heat demand on the network by aligning energy efficiency measures with heat pumps installations so that smaller heat pumps can be installed. The project will examine whether this demand reduction can be considered as a form of flexibility and if so to what degree DNOs can pay for it, reducing the barriers to heat pump uptake for consumers.

Nature for Networks

The Nature 4 Networks project is approaching the conclusion of its second phase. This groundbreaking project continues to explore the use of nature-based solutions instead of traditional carbon intensive engineering to protect our network while reducing emissions and improving biodiversity. The Alpha phase of the project this year has explored four specific nature-based solutions, conducted significant stakeholder engagement on these and identified sites to trial these solutions in the next phase. It also evaluated the number of potential opportunities for deployment across our network.

Major Connections

We scored an average 8.4 under the Major Connections Incentive (MCI) Financial Incentive in 2024/25, which was a significant improvement on the previous year. As the move for new electricity connections continues to grow to aid Great Britain's journey to decarbonisation, we've taken key steps to ensure that our Connections business will provide the support for all our customers on their connection journey. These include:

- We've enhanced access to system planning engineers at pre-application surgeries to give customers an early indication of project viability.
- We strengthened our frontline application teams by launching a new enhanced customer service training, including a new coaching and moderating framework and customer-focused tools designed to support meaningful conversations throughout the major connections journey.
- We've also focused on timelines for customers to receive our quotes and have reduced our average days to quote across most Major Connections market segments.

We've improvement strategies in place for the benefit of customers. Our Major Connections Annual report details the level of service which we provided to all our Major Connections customers in 2024/25. This was captured through the Major Connections Customer Satisfaction Survey (MCCSS). The report also highlights actions taken to improve this service throughout RIIO-ED2. The report is available **here** or on our website[1].

[1] *https://www.ssen.co.uk/globalassets/library/major-connections-incentive/ssen-distribution-mcar-2025.pdf*

COMMITMENTS SUMMARY

We're on track to deliver against our overall RIIO-ED2 commitments.

We're 'on track' for 46 out of the 53 commitments (87%) after our second year of delivery. 2024/25 has seen us build on the strong foundations established in the first year. We've continued to make tangible progress in delivering against our commitments, with a clear focus on improving outcomes for our customers and communities. The work undertaken so far is enabling us to drive forward with confidence, and we remain committed to transparency, innovation, and delivering long-term value throughout the remainder of the price control period.

For three of our commitments (6%), we're ahead of target for delivery. These cover key areas of our business plan, including signing up our supply chain to our Sustainable Supplier Code, reducing emissions by replacing mobile generators or using alternative lower carbon fuel types to minimise our environmental impact, and making strides in reaching our vulnerable customers and championing their needs throughout the business. We're proud of what we've delivered in these areas, and will expand on this over the remaining years.

There are areas where we've further work to do to bring us back on track as we progress through RIIO-ED2. Our interruptions performance, and the knock-on impact on our Guaranteed Standards of Performance, is an area we're focusing on. We have a dedicated programme of investment targeted at improving particular performance areas, and we expect these will realise tangible benefits for us and our customers over the course of RIIO-ED2.

We've further work to do on delivering the reduction of SF_6 emissions. We're actively working with suppliers to develop alternatives and working internally to improve monitoring to track the poorest performing assets. We also have agreements in place with our supply chain partners to accelerate leak investigation and repairs. Similarly, we're putting measures in place to improve our performance on removing redundant assets from our unoccupied sites. While we've been focusing on ensuring the underlying data is correct to deliver this work, we continue to guarantee all our sites are safe, and do not present a risk to the public.

We'll build on the positive steps taken this year, and continue to deliver against our business plan commitments over the remaining course of RIIO-ED2.

87% ON TRACK

7% BEHIND TARGET

6% AHEAD OF TARGET

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

75% ON TRACK

25% BEHIND TARGET

0% AHEAD OF TARGET

PROVIDING A VALUED AND TRUSTED SERVICE FOR OUR CUSTOMERS AND COMMUNITIES

93% ON TRACK

0% BEHIND TARGET

7% AHEAD OF TARGET

ACCELERATING PROGRESS TOWARDS A NET ZERO WORLD

88% ON TRACK

4% BEHIND TARGET

8% AHEAD OF TARGET

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Scottish & Southern Electricity Networks