

Our business plan commitments report



April 2015 to March 2016



Welcome

to our annual
business plan
commitments
report

Welcome

I am pleased to introduce our first annual update report on our business plan commitments.

Background

In 2013, we published our plan for the 2015-2023 period and centred it around 40 specific commitments identified in consultation with our customers and stakeholders. These set out our targets and promises for improving our networks' service and delivering the very best for our customers and stakeholders in the North West.

The commitments are centred around the six themes of Safety, Social Obligations, Reliability and Availability, Customer, Connections and Environment, reflecting the impacts we have on the communities and population of the region we serve. In some cases, these were linked to specific investments we planned to deliver; in others they were commitments to meet certain standards or levels of service.

We have now completed the first year of the plan and this report provides an update on how we are performing against the commitments that we made. We have made good progress against them, although we were significantly impacted by the severe flooding events which hit our region in December 2015. This required us to divert our efforts to essential restoration with more than 500 employees working around the clock to repair damage and restore supplies. This impacted our delivery of the investment programme in the latter part of the year as we sought to reinstate the network on a permanent basis.

We have plans in place to recover those areas where performance was impacted by the storms and we have made considerable progress in the last six months to get performance back in line with our plan. We remain confident that we will deliver on our commitments over the eight year timeframe of the plan.

The report is structured in line with the six themes noted above. In each case, we have set out the original target and the progress made in the first year of the plan. A brief commentary describes any variations and our future plans for the area. We have also included a performance summary to give a simple one-page overview of our business and our performance against key customer measures.



Summary of progress

We're proud of the progress we've made in delivering a reliable service for our customers and the key measures of Reliability (power cuts) including Customer Interruptions and Customer Minutes Lost, are both well ahead of target. We've also beaten our targets in most dimensions, for both the time taken to provide quotations for new connections and the time to complete any subsequent work.

We are disappointed by our relative performance in the Customer Satisfaction league table. We consistently strive to deliver a high quality service to customers and customers rate us higher than 8 out of 10 when surveyed. We acknowledge however that other companies do better than this and we have plans in place to significantly enhance our customer experience to improve levels of customer satisfaction.

I am pleased, however, to report that we delivered the largest price cut of any electricity distribution network operator in 2015/16. We are committed to demonstrating value for money to customers in the choices we make every day as a company. If we improve efficiency at a faster rate than forecast in our plan we can share the benefits with customers and reduce our prices even more. In a region where fuel poverty is higher than the national average, we strive to ensure that our prices are as low and affordable as possible.

Keeping our commitments under review

In 2016, we refreshed our approach to Stakeholder engagement and constituted a number of external Stakeholder Advisory Panels. An essential part of the role of the panels is to provide scrutiny and oversight of our performance against our commitments. We also seek their insight and advice in the ongoing relevance of the targets as we recognise that new needs and expectations will emerge and that existing commitments may need to be amended. The panels indicated at meetings in June and September 2016 that they are satisfied with the overall progress that we have made against these commitments.

Stakeholders also reviewed our plan for publishing this report at our June Strategic Stakeholder Advisory Panel. A number of amendments were suggested and we have fully adopted and incorporated these.

I'd like to thank all members of Stakeholder Advisory Panels for their support and for their ongoing challenge to the business.

I hope you find this report clear and insightful. I'd welcome any comments or feedback you have on our commitments, on our progress or on our approach to sharing this information. Understanding and responding to the feedback of our stakeholders is key to the effectiveness of our business.

Peter Emery
Chief Executive Officer
Electricity North West

Introduction to our Performance snapshot

Our Network

In this section we have outlined helpful facts and figures about our business, including our customer numbers and the size and scale of our distribution network. We keep the lights on for more than 5 million people covering a diverse range of terrain from rural Cumbria to urban Greater Manchester.

The section also states our total spend last year on both operating our business and investing in improving and maintaining our network. The overall figure is known as 'totex' which stands for Total Expenditure and it is compared to the allowances we have been set by our regulator, Ofgem. A performance of less than 100% of allowances indicates that we are being efficient and controlling costs. Customers share in the saving below 100%. We also reference our part of a typical household bill, known in the industry as the Unrestricted Domestic Tariff Charge.

Our customer commitments

This section includes the measures that contribute to our broad measure of customer satisfaction. Delivering a service that customers rate highly and doing this in a way that is supported by our stakeholders is important to our business and we're disappointed that our customer service performance is below where we'd like it to be. We've improved our stakeholder engagement and consumer vulnerability performance and we plan to consolidate and build on this. We're also pleased that our positive work with our new connections stakeholders is reflected in our performance under the Incentive on Connections Engagement (ICE).

How we're performing

Our customers expect their energy supply to be available whenever they need it and we work hard to deliver a reliable energy supply. Faults can occur and the impact of this is measured in terms of Customer Interruptions (CIs), per 100 customers and Customer Minutes Lost (CMLs), per customer. We are delighted that our performance against both of these measures is ahead of our target.

Our new connections customers need quotes to be provided promptly and for new connections to be completed quickly. Again, we're pleased to report that we are beating our targets in most dimensions. However, work remains to be done to continue to improve the timely completion of the connections process.

Operating responsibilities

We take our responsibilities to protect our people, our customers and our environment very seriously as a core value of our company. This section confirms compliance with relevant legislation.

The key performance measures used to track the impact of the health, safety and environment strategy are the leading indicator of the number of near misses reported coupled with lagging indicators of the lost time accident frequency rate.

Near miss reporting is actively encouraged to promote a safety culture. During the year there was a significant increase in the number of near miss reports achieved through the leadership focus in this vital learning process.



Performance snapshot

Our network



2.35m
properties



12,800km
of overhead lines



45,000km
of underground cables



25km Subsea cables

58,000km Network Length

£230m*
Total expenditure



RIIO-ED1
allowance

£236m*

97%
of allowance

£84 Our part of a typical household bill

*The price base for all values is in 2012/13



How we're performing



Reliability:

	Customers Interrupted (CI) per 100 customers	Customers Minutes Lost (CML) per customer
Unadjusted total	47.23	82.87
Excluding exceptional events	36.7	32.5

Connections:

Time to quote:



Working Days

Time to connect:



Working Days



Our customer commitments

Customer Satisfaction



8.0/10

Social Obligations



Stakeholder Engagement

6.9/10

Incentive on Connections Engagement (ICE)

Penalties incurred under the ICE scheme



Operating responsibilities

Safety:

Licensee safety performance and compliance with Health and Safety Executive (HSE) legislation

Near Misses

9,240
reported

Outperforming the target of
5,000

Total number of lost time accidents

4
2015/16

10
2014/15



Environmental impact

www.enwl.co.uk/
future

Innovation is vital to the future success and sustainability of the organisation. The company is a leading network operator for innovation with a well established track record, which the company will continue to build on into the future.

The word "Safety" is written in a large, white, sans-serif font. A green hard hat icon is positioned above the letter 'e'. The text is centered within a large, dark grey, rounded rectangular area that has a subtle 3D effect with a shadow underneath. The background of the entire page is a light grey gradient.

Safety

Our 40 commitments

Safety

Aim: Site security

Measurement: Number of sites with additional measures installed

Overall target	Completion date	Progress this year
800	2023	84

Commentary:

We've made a good start in achieving our plan. In 2016, we developed a new strategy for site security and with this in place we will increase the rollout rate of enhanced site security in the coming years. We have observed a significant decline in the number of incidents and thefts at our substation sites, in part due to this work.

1.

Aim: Safe climbing

Measurement: Number of towers with latchway installed

Overall target	Completion date	Progress this year
1,600	2023	301

Commentary:

This programme aims to safeguard employee safety when climbing our steel towers by installing a permanent climbing system. We've accelerated the programme to achieve this and are pleased to report that we have exceeded our first-year target by co-ordinating the rollout with our replacement programme for towers. We'll continue to drive performance against this essential target and plan to make further significant progress in 2016/17.

2.

Aim: Asbestos management

Measurement: Number of substations remediated

Overall target	Completion date	Progress this year
9,073	2023	346

Commentary:

We have a long running obligation to deal with the asbestos found in our substations through removal or remediation measures. Our focus in 2016 has been on the appointment of a single expert contractor to undertake this sensitive work. We have ensured that we have put in place the right resource to deliver this target in line with our eight-year commitment and at a price that delivers value for money for our customers.

Work has been carried out on a number of substations in the first year and we will increase the rate of remediated substations now that a new contractor resource is appointed.

3.



Social

Our 40 commitments

Social

Aim: Responsible organisation

Measurement: Business In The Community Index

Overall target	Completion date	Progress this year
Gold - 90%	2018	Bronze - 79%

Commentary:

We aim to impact positively the communities in which we work and plan to measure this using the well regarded Business in the Community (BITC) Index. The reporting categories for the Corporate Responsibility Index have changed since we published our plan and this is reflected our revised target to achieve a score of 90% in RIIO-ED1. We continue to improve our year on year performance in the Index and remain on track to achieve our target.

4.

Aim: Enhanced Priority Service Register service

Measurement: Up-to-date and accurate information

Overall target	Completion date	Progress this year
To contact every PSR customer every two years	Ongoing	287

Commentary:

Our plan included a commitment to improve the service and support to our vulnerable or Priority Service Register (PSR) customers. In 2015/16 we introduced a process within our new Customer Relationship Management System to capture accurately this information, to report clearly year-on-year and to serve and support our PSR customers better.

We've set a target of 50,000 updates for 2016/17 and we'll agree our approach to ensuring we have up-to-date and accurate information with our stakeholders.

5.

Aim: Improve services for vulnerable and Priority Service Register customers

Measurement: Better targeted services using data that will become available over the course of RIIO-ED1

Overall target	Completion date	Progress this year
Enhancements identified by stakeholder engagement	Ongoing	Targeted support delivered

Commentary:

We set out a commitment to improve our services for vulnerable customers and committed to further enhance the support provided. In 2015/16, we've undertaken a full review of our data to develop a better understanding of our vulnerable customer groups. We plan to build on this approach over the period of the plan and we are pleased to have already developed training for call centre colleagues, supported by MIND, the mental health charity, to enable them to support better customers with mental health issues.

6.

Aim: Improve services for vulnerable and Priority Service Register customers

Measurement: Enhanced training for all customer-facing front-line people

Overall target	Completion date	Progress this year
Improved identification of and advice to vulnerable customers	Ongoing	Training delivered

Commentary:

We are pleased to be able to report all front line employees and contractors (over 800 people) completed training in 2015/16 to focus on the needs of our PSR customers and we will continue to improve the service we provide to vulnerable customers.

7.

Our 40 commitments

Social



8.

Aim: Improve services for vulnerable and Priority Service Register customers

Measurement: Welfare package support and temporary power supplies

Overall target
Deliver services during planned or unplanned power interruptions

Completion date
2015 - 2023

Progress this year
Survey completed

Commentary:

We've surveyed our vulnerable customers to understand better their needs to help ensure our welfare packs (which are delivered when the power is off) are kept up-to-date, relevant and useful in the survey. Customers supported our approach to providing welfare support.

9.

Aim: Resilient supplies to vulnerable locations

Measurement: Upgrade network reliability for 56 hospitals and 87 distribution substations

Overall target
Complete network automation investment

Completion date
2017

Progress this year
45 hospitals now at required level of resilience

Commentary:

Our plan identified a need to improve the reliability of the network in areas where there may be clusters of vulnerable customers, for example, hospitals and nursing homes. The majority of hospital sites have had their resilience improved and we are on track to deliver all the substation-related work by March 2017.

10.

Aim: Mitigate fuel poverty

Measurement: Reduce average RIIO-ED1 prices compared to DPCR5

Overall target
16%

Completion date
2015 - 2023

Progress this year
21%

Commentary:

We were proud to be able to deliver a bigger tariff reduction in year one of the RIIO-ED1 period than we committed to and we continue to expect to achieve our 16% average price reduction, compared to the previous five years, across the full eight years of the plan.





Reliability

Our 40 commitments

Reliability

Aim: Improve overall reliability

Measurement: Customer Interruptions per 100 customers

Overall target	Completion date	Progress this year
36.7 20% improvement on 2012	2019	36.7 20% reduction on 2012

Commentary:

We're pleased to have achieved our target three years earlier than planned in this important and essential area for customers. Since we developed our plan in 2013, we have accelerated the delivery of over £30m of investment in new automated restoration equipment and other measures to improve the resilience of our network and to reduce the number of and frequency of power cuts.

Although we have achieved our target early we will continue to strive for further improvements.

11.

Aim: Improve overall availability

Measurement: Customer minutes lost per customer

Overall target	Completion date	Progress this year
38.1 20% reduction on 2012	2019	32.5 32% reduction on 2012

Commentary:

In addition to the investment in automation and other network measures, we've improved our ability to mobilise our teams quickly to attend fault locations and to restore power as safely and as soon as possible. This often includes the use of mobile generators that can restore supply to customers whilst our engineers take time to make permanent repair.

12.

Aim: Maintain overall network health

Measurement: Overall risk index

Overall target	Completion date	Progress this year
Maintain within 3% of 2015 position	2023	N/A

Commentary:

In order to provide value for money customers our plan included a commitment to ensure that the overall asset risk of the network did not deteriorate significantly over the eight years of the plan. We will agree this with Ofgem and report against delivering a programme of asset replacement and renewal, targeted at those assets in the worst condition and/or with the highest consequences of failure.

The means by which this measure is calculated is currently being standardised across the industry which will result in a re-statement of the target for the eight years, in December 2016. We will report against this re-stated target in subsequent reports.

The work we have done in the year ensures we are on track to deliver on this commitment.

13.

Reliability continued on the next page

Our 40 commitments

Reliability

14.

Aim: Maintain overall network health

Measurement: Fault rate

Overall target
Maintain within 10% of 2013 average

Completion date
On-going

Progress this year
14%
better than 2013 average

Commentary:

Another measure of asset health is the trend in fault rates. In our plan we are committed to ensuring that the overall fault rate of the network would not deteriorate significantly from the 2013 position.

During 2015/16, we worked with the regulator, Ofgem, to develop a way of assessing this measure which weights different faults appropriately to produce a picture. This can then be compared to the forecast fault rates we put forward as part of our plan.

Applying this approach to 2015/16 shows that our fault rates were 86% of the forecast position, or 14% better than forecast, once the impact of the Exceptional Events of the December 2015 storms is removed. We are delighted that this long-term indicator remains positive.

15.

Aim: Strategic site security

Measurement: Number of sites with protection to approved CPNI standard

Overall target
2

Completion date
2018

Progress this year
Target no longer relevant

Commentary:

This objective was set based on our initial work identifying sites that might meet the government's criteria for strategic sites. In the final business plan review no new sites were required to meet these standards and consequently this objective is no longer relevant.

Customers have benefited from this reduced expenditure allowance.

16.

Aim: Ensure all major substations have appropriate backup battery capacity

Measurement: Number of substations with 72 hour backup capability

Overall target
517

Completion date
2023

Progress this year
Not yet due

Commentary:

This programme was required to support the resilience of the electricity network and to allow it to start 'from black', for example following a complete and catastrophic loss of the power grid. It was originally scheduled to commence in 2020 but is likely to be accelerated due to subsequent policy changes.

Our 40 commitments

Reliability

Aim: Complete flood protection programme to all major sites

Measurement: Number of higher voltage substations protected against 1/100 year flooding

Overall target	Completion date	Progress this year
56 (subject to review of updated Environment Agency forecasts)	2020	0

Commentary:

This programme is a continuation of a programme of flood defence works which started in 2006, including resilience to newly identified risks such as flash floods. We had planned to complete three sites in 2015/16, but the Desmond and Eva storms in December 2015 caused flooding at a number of sites to levels materially higher even than the related Environment Agency forecasts for the more extreme 1 in 1,000 year event data.

The height that the flood waters reached, of over 1.5 meters in some locations, also meant that the previously accepted engineering flood protection measures are no longer appropriate. Consequently our installation programme has been put on hold whilst we reassess the most effective cost effective and efficient solutions at each location.

Once we have developed our revised strategy we will reschedule the programme with the aim of meeting our original target date of 2020. In the meantime we are progressing this year with urgent work to repair and reconfigure the sites that were most badly affected in December 2015.

We have undertaken additional temporary flood defence work at Rochdale, Carlisle & Lancaster whilst we finalise the longer term solutions that will be able to withstand the dramatically revised forecast flood levels.

17.

Aim: Re-configure the network where appropriate to ensure redundancy in event of major incident

Measurement: Number of sites completed

Overall target	Completion date	Progress this year
5	2018	0

Commentary:

This target relates to a small number of locations where strategically important electricity cables are vulnerable to malicious access because they cross a river in a cable bridge or similar installations. We plan to re-route these cables.

This work requires lengthy negotiation to gain rights of way agreements to lay the new cables and we are working to secure the necessary third party agreements at an efficient cost.

18.

Aim: Improve performance for worst-served customers

Measurement: Reduce the number of customers qualifying as worst-served

Overall target	Completion date	Progress this year
No worst-served Customers over 12 events	2023	1,523

Commentary:

This commitment is to reduce and eventually eliminate the number of customers who suffer a relatively high number of power cuts on a regular basis.

In the year, we completed schemes to improve the service to 1,333 customers previously classed as 'worst-served'. 1,523 customers remained as 'worst-served' at the end of the year.

19.

Our 40 commitments

Reliability

20.

Aim: Ensure that the loading risk of the network is appropriately managed

Measurement: Proportion of customers connected via overloaded substations

Overall target
<5%

Completion date
On-going

Progress this year
<1%

Commentary:

This commitment is to ensure that we manage the loading of our network so that as few as is efficiently possible of our customers are supplied via equipment that experiences overloads, and hence may be more vulnerable to faults or extended loss of supply.

In 2015/16, only three of our major sites experienced overload, well within the target set.

21.

Aim: Ensure that the loading risk of the network is appropriately managed

Measurement: Install larger capacity transformers and/or additional interconnection at our major substations

Overall target
20

Completion date
2023

Progress this year
None required

Commentary:

This programme was designed to ensure that we mitigated system overloads by installing larger transformers or additional interconnection. As shown by commitment 20 above, we currently have minimal system overloads so we have deferred the majority of these schemes in line with our efficiency objectives.

If this trend continues we will be able to reduce our prices for customers even further.

22.

Aim: Ensure that network constraints to the connection of Distributed Generation are removed

Measurement: Replace switchgear at locations where its current rating is likely to prevent the extensive connection of distributed generation

Overall target
295

Completion date
2023

Progress this year
Innovation response

Commentary:

This commitment was designed to ensure that constraints to the connection of Distributed Generation (e.g. solar panels, wind farms) are removed from our network. Traditionally, this frequently required the replacement of older switchgear with higher-rated equivalents which is the basis of the plan for 295 installations in the commitments.

In 2015/16 we have deliberately deferred these replacements whilst we trial a potential new solution to this objective under the Low Carbon Network Fund initiative known as RESPOND.

RESPOND will deliver an intelligent approach to managing fault current – the instantaneous surge of energy which occurs under fault conditions. An intelligent 'Fault Level Assessment Tool' calculates potential fault current in real time and then utilises one of three innovative techniques to manage fault current safely.

As a result of our successful trial of these techniques we now plan to roll out the RESPOND programme across a number of these substations and this will enable us to achieve our objective more efficiently without the full cost of replacing switchgear.



A green icon depicting three stylized human figures of varying sizes, with arrows indicating a flow or interaction between them, positioned above the word 'Customer'.

Customer

Our 40 commitments

Customer

Aim: Customer survey

Measurement: Composite score

Overall target
85%

Completion date
2015 onwards

Progress this year
80%

Commentary:

We're disappointed that our performance in 2015/16 fell below the target we have set ourselves. We remain committed to this target and have developed and implemented action plans to improve the consistency of the measured service.

In the current year we are starting to see signs of improvement as these initiatives change how we work.

23.

Aim: Complaints

Measurement: Resolved within one day

Overall target
90%

Completion date
2015 onwards

Progress this year
51%

Commentary:

Complaint resolution timelines have been affected by changes in regulations and we have spent time adapting our approach to comply with this new approach. Complaints can now only be closed following the full actions being resolved. We have continued to put in place the processes required to meet our target and expect improvement this year.

24.

Aim: Complaints

Measurement: Resolved within five days

Overall target
100%

Completion date
2015 onwards

Progress this year
66%

Commentary:

Complaint resolution timelines have been affected by changes in regulations and we have spent time adapting our approach to comply with this new approach. Complaints can now only be closed following the full actions being resolved.

25.

Aim: Stakeholder engagement

Measurement: Ofgem's evaluation of annual stakeholder engagement submission

Overall target
Pass part 1 submission

Completion date
2015 onwards

Progress this year
Pass with score of 6.9 out of 10

Commentary:

We've refreshed our approach to stakeholder engagement delivering a strategic alignment to our business plan commitments.

We were pleased to see our overall performance improve in 2016 as well as our relative position against other network operators. Work will be undertaken to consolidate this improvement and to further develop our approach.

This improvement reflects the increasing focus on the importance of stakeholders to our business.

26.

Our 40 commitments

Customer

27.

Aim: Guaranteed standards

Measurement: Due compensation

Overall target
100%

Completion date
2015 onwards

Progress this year
100%

Commentary:

We have paid out all the required Guaranteed Standard Payments in line with our overall commitment.

28.

Aim: Storms

Measurement: Pay out guaranteed standard after 18 hours even in storm

Overall target
100%

Completion date
2014-15 onwards

Progress this year
N/A

Commentary:

We set an ambition to pay compensation after 18 hours even when the fault had been caused by severe storms. This was based on work we did with a stakeholder panel in 2013 and reflected our experiences in the winter storms of December 2013 and February 2014.

Our stakeholder panel were keen for us to maintain an element of discretion in this matter. They were keen to ensure that customers were protected from the impact of significant payments being paid to a large group in the event of an extreme or severe weather event.

This proved to be the case in December 2015 when storm Desmond created extensive damage across our network and, in particular, to our main substation in Lancaster. Despite our extensive efforts and measures to restore supply to large numbers of people through the use of mobile generators, the scale of the challenge meant that a large number of customers were off supply for over 18 hours.

Given this situation, we noted the advice of our stakeholders and applied discretion to this event. Given the scale of the incident and the massive investment the company made in retaining and restoring energy supplies and the scale of the restoration effort, we judged that it would not be appropriate to make compensation payments. Key stakeholders involved in the Lancaster incident also indicated that they would prefer the money to be invested in future resilience measures, rather than individual customer redress, advice which we have taken.





Connections

Our 40 commitments

Connections

Aim: Engagement

Measurement: Innovation on Connections Engagement

Overall target
No penalty

Completion date
2015 onwards

Progress this year
No penalty

Commentary:

We have continued to engage with our connections customers and stakeholders and have developed and agreed actions that will improve the service we provide.

We are pleased with and proud of our results for the year and expect an end of year "no penalty" position.

29.

Aim: Connection Quotation

Measurement: Single Domestic Connection

Overall target
6 working days

Completion date
2015 onwards

Progress this year
4.0 working days

Commentary:

During the year we produced 2,048 quotes in this sector and we continue to recognise the importance of serving our customers quickly and are pleased to have outperformed this target.

30.

Aim: Connection Quotation

Measurement: Up to Four Domestic Connections

Overall target
10 working days

Completion date
2015 onwards

Progress this year
7.4 working days

Commentary:

During the year we produced 1,972 quotes in this sector and we continue to recognise the importance of serving our customers quickly and are pleased to have outperformed this target.

31.

Aim: Connection Quotation

Measurement: All Other Connections

Overall target
25 working days

Completion date
2015 onwards

Progress this year
24.2 working days

Commentary:

During the year we produced 8,888 quotes in this sector which included a significant spike in the number of Generation applications within the major projects area (which included an average years worth of applications within one month). Whilst this increased the pressure on resource we are pleased to have outperformed this target.

32.

Our 40 commitments

Connections

33.

Aim: Connection Completion

Measurement: Single Domestic Connection

Overall target
30 working days

Completion date
2015 onwards

Progress this year
30.4 working days

Commentary:

Throughout the year 358 connections were completed in this sector. We have delivered significant year on year improvements in the time taken to make new connections to our network and are very close to achieving this target. We have plans in place for further improvements in this area to meet this target.

34.

Aim: Connection Completion

Measurement: Up to Four Domestic Connections

Overall target
40 working days

Completion date
2015 onwards

Progress this year
36.9 working days

Commentary:

Throughout the year 298 connections were completed in this sector. We have delivered significant year on year improvements in the time taken to make new connections to our network and are pleased to have met this target.

35.

Aim: Connection Completion

Measurement: All Other Connections below Extra High Voltage

Overall target
50 working days
(from when the customer is ready)

Completion date
2015 onwards

Progress this year
59.9 working days

Commentary:

Throughout the year 575 connections were completed in this sector. We have delivered significant year on year improvements in the time taken to make new connections to our network but have fallen short of the target in this one particular area.

This was in part due to the impact on the business of increased volumes in the Generation sector. We have worked with developers looking to make connections, throughout the year, to ensure that their project timescales are being met.

We will continue to work with customers to ensure their power on dates are achieved.

36.

Aim: Guaranteed Standards of Performance

Measurement: Guaranteed Standards of Performance

Overall target
100%

Completion date
2015 onwards

Progress this year
98%

Commentary:

We're disappointed that we did not achieve the high standards we have set ourselves in relation to this target. This remains a key area of focus for us and we're confident that we will see year on year improvement in our performance as we strive to achieve our aspirational target.

We have provided compensation to our customers where we have failed to deliver against the required level of performance.





Environment

Our 40 commitments

Environment

Aim: Reduce losses

Measurement: Annual Gigawatt hours (GWh) saved

Overall target
11

Completion date
2021

Progress this year
1.8

Commentary:

This commitment aims to reduce electrical losses from the network.

We're pleased to have already achieved an annual saving of 1.8 Gigawatt hours (GWh) in the first year of our plan, good progress towards our 2021 target of an annual saving of 11GWh.

Reporting in the first year is restricted to non-technical losses, and we expect a stronger performance in the next few years as technical solutions such as larger cabling and low-loss transformers are introduced. A profile for savings over the RIIO-ED1 period is being developed this year.

37.

Aim: Reduce carbon footprint

Measurement: Tonnes of carbon dioxide equivalent (tCO₂e)

Overall target
10% reduction on 2015

Completion date
2020

Progress this year
5.3%

Commentary:

We're pleased with our performance this year in reducing the carbon footprint of our business operations. A reduction in operational fuel use was the main contributor to the carbon footprint reduction. We are continuing to realise the benefits from our investment in fuel efficiency including reduced vehicle weights, installation of engine rev limiters, improved management of fuel cards, and challenging operators on vehicle choice to ensure that the most efficient vehicle is utilised for the job.

Our business carbon footprint (excluding losses) for the year was 23,133 tonnes of carbon dioxide equivalent (tCO₂e), a reduction of 1,282 tCO₂e (5.3%) on the previous year. This was achieved despite the significant increase in fuel used to power emergency generators during the two major storm events that occurred in the year.

38.

Aim: Reduce oil lost from cables

Measurement: Litres lost

Overall target
<30,000 litres/annum by 2023

Completion date
2023

Progress this year
31,220

Commentary:

Our overall leakage of oil from underground cables in the year was 31,220 litres which was slightly above our target for 2023. This represents some 2.6% of our total oil in service.

We are continuing to replace lengths of our oil-filled cable with solid equivalents and this should bring long-term leakage rates down over the next few years.

39.

Aim: Undergrounding overhead lines

Measurement: km removed

Overall target
80km

Completion date
2023

Progress this year
3.8km

Commentary:

This activity is developed in partnership with representatives of the National Parks and Areas of Outstanding Natural Beauty within our area and we will continue to work with them to identify investment opportunities.

Through this engagement we have progressed detailed planning on a number of schemes and in year three undergrounding priorities have been addressed. A number of projects were suspended due to the land conditions following the December storms and will be completed this year. We remain on target to complete the 80km identified in our commitments.

40.



RECYCLED

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