Welcome to our RIIO-ED1 Business Plan Commitments Report 2022/23

Delivering today, adapting for tomorrow

#### Overview

Our commitments

Use the contents above to navigate the document. You can return to the start of the report by clicking on the 'home' button, at the bottom of the page.



# Adapting for tomorrow

RIIO-ED1 Business Plan Commitments Report 2022/23



#### WHO WE ARE

## We are UK Power Networks

#### Delivering today, adapting for tomorrow

#### **Overview**

#### **Our commitments**

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We are the UK's biggest electricity distributor, ensuring that the electricity infrastructure is in place to serve our customers safely, reliably, efficiently and sustainably.

We operate in London, the East and South East of England, serving 19 million people in an area of over 29,000 square kilometres. We are tackling the climate crisis by helping to make sure our network is ready for the increase in EVs and other low carbon technologies.

We aim to meet our customers' evolving needs by improving our services, particularly supporting those in vulnerable circumstances. These are our priorities and we go above and beyond to achieve them on behalf of the communities we serve.



annualreview2023.ukpowernetworks.co.uk



# Delivering today...

0.04m heat pumps connected on our network

0.4m electric vehicles (EVs) connected on our network

0.5 GW battery storage connections

on our network

10.1 GW distributed generation

> Read more about how we are delivering today on page 3



# connected on our network



# ...adapting for tomorrow

## 0.7m

**5 GW** 

by 2030

heat pumps to connect to our network by 2030

Over 5m

electric vehicles (EVs) to connect to our network by 2030

17.2 GW battery storage connections

distributed generation on our network by 2030

> Read more about how we are adapting for tomorrow on page 4



# Delivering today...

Distribute power

It is our job to ensure that the power generated at power plants and transmitted by National Grid is distributed safely and efficiently to our 19 million people across power lines. To date 10.1 GW of distributed

generation is connected to our network.

electricity distributed – 28% of Great

Britain's total electricity distributed

transformers and power lines.

71,459 GWh

This is achieved through the electricity grid

which is a system of electricity substations,

#### Delivering today, adapting for tomorrow

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We own and maintain electricity cables and lines across London, the South East and East of England and make sure power flows reliably, safely and securely. We keep the lights on, safely and sustainably, at the same time taking good care of our customers across our communities, especially those in vulnerable circumstances.



#### WHAT WE DO

## ...adapting for tomorrow

#### Delivering today, adapting for tomorrow

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We are a leading infrastructure provider, helping to build a smarter, more dynamic electricity network fit for a Net Zero carbon future as we deliver power to 19 million people living across our region.



#### Digitisation and innovation to unlock capacity Our approach to unlocking everincreasing capacity on our network is to find efficiencies in what already exists, rather than undertaking expensive reinforcements or building new infrastructure. Our innovation team is harnessing the power of converting the analogue to digital in order to realise value and opportunities to improve our network. By 2030, we expect to connect a further 6.6 GW of renewable energy sources eq. solar and battery storage to our networks. 12.2 GW

renewable energy connections by 2030

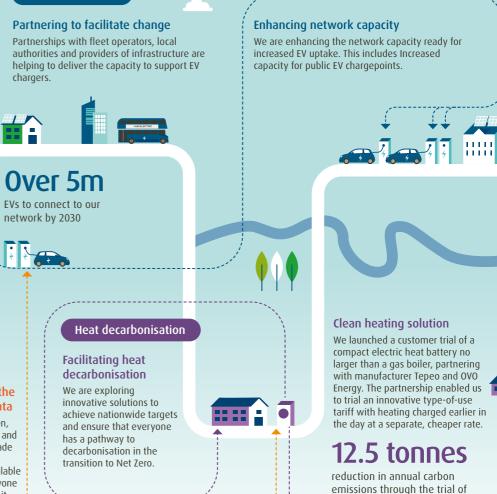
Renewable energy

#### Connecting ever-greater volumes of low carbon generation

We are taking a leadership role in redesigning the connections process to make it more efficient. We are working closely with the Electricity System Operator to develop innovative and lower cost solutions to technical issues arising from greater levels of distributed generation and other low carbon technologies connected to our networks.



Open Data Open Data Open Data Diving forward the value of Open Data We aim to be an open, transparent company and this year we have made enormous strides in making our data available for everyone and anyone who wants access to it. This supports planning and progress across the board.



Electric vehicles

compact electric heat batteries

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#### A MESSAGE FROM OUR CEO

# Committed to delivering industry-leading performance

### 66

2022/23 marked the final year of RIIO-ED1 and we are pleased that Ofgem recognises us as the frontier performing company over that period."



**Our commitments** 

**Overview** 

Delivering today, adapting for tomorrow

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2022/23 was a notable year as it represented the final year of RIIO-ED1 period. In our RIIO-ED1 Business Plan we made seventyseven commitments that we would deliver over RIIO-ED1 and we have successfully delivered seventy-five of them. 2022/23 was also significant as we agreed with Ofgem our expenditure and associated deliverables for our next price control period, RIIO-ED2, which runs from 1 April 2023 to 31 March 2028. We were particularly pleased that Ofgem stated that we were the frontier performing company, recognising our industry leading performance and the quality of our RIIO-ED2 Business Plan.

Our 2022/23 performance has been good. We have achieved our best ever level of Customer Satisfaction of 94% and have been consistently ranked in the top five in the Institute of Customer Satisfaction survey alongside household names such as John Lewis. We also outperformed our network reliability targets, but we did not deliver the level of performance we expect in this regard. We have reviewed our investment strategy in this area and will be increasing expenditure in this area to do more to improve the reliability of our network.

There are two commitments that are graded as red in 2022/23. The first relates to our intention to reduce the visual impact of our network in Areas of Outstanding Natural Beauty. We made the commitment to underground the equivalent of 80km of overhead lines in our South Eastern Network (SPN), and 96km in our Eastern Network (EPN). Over RIIO-ED1 we have undergrounded 12.9km in SPN and 32.2km in EPN, which falls short of our target. The money that we have not spent in this area is returned in full to customers. For RIIO-FD2 we have been allowed £15m to reduce the visual impact of our network in Areas of Outstanding Natural Beauty. Working with our key stakeholders we are applying our learning from RIIO-ED1 to develop a smoother delivery process to ensure that we spend our full allowance in RIIO-ED2. The second commitment that we have failed to achieve was to reduce cable fluid leakage of 207,000 litres by 2% per annum which amounts to 176,000 litres for the year. In 2022/23 a total of 188,355 litres of oil were lost from fluid filled cables in our three licence areas compared to 178,000 litres in 2021/22. This increase over 2021/22 was due to a number of large one-off incidents. However, it should also be noted our focus on investing in our fluid filled cable network has reduced leakage by 34% over the RIIO-ED1 period compared to 2014/15 level of 283,434 litres. For RIIO-ED2, we have committed to reducing our fluid filled cable leakage by a further 15% compared to the position at the end of RIIO-ED1.

We remain acutely aware that we must spend every pound as efficiently as possible to ensure that customer bills are kept as low as possible. We are proud that over RIIO-ED1 to date, our focus on efficient delivery has saved customers £433 million, which is more than the rest of the industry put together. This laser-like focus on cost saving has never been more important given the ongoing cost-of-living crisis.

Our employees are the reason for UK Power Networks' success, and we put in significant effort to attract and retain the best talent. We are delighted that the outside world has recognised this. We retained our status as a platinum IIP company, which only 5% of organisations in the world achieve, and we ranked second in Q1 2023 Best Big Companies to Work For list. In addition, for the first time, we were rated as Britain's Most Admired Company for the Energy Distribution & Supply sector from a survey conducted by Echo Research in partnership with Coventry University. This is a tremendous achievement and reflects the commitment of our employees to deliver industry-leading performance.

The 2022/23 RIIO-ED1 Business Plan Commitments Report, which is the last report for RIIO-ED1 period, sets out our progress against each of our 77 commitments, as well as providing an overview of the work we have done in each of the commitment areas.

Basil Scarsella Chief Executive Officer

## OUR BUSINESS MODEL How we add value

#### Delivering today, adapting for tomorrow

#### **OUR RESOURCES AND RELATIONSHIPS**

### Physical We collaborate innovatively with

the leading suppliers of state-ofthe-art equipment to ensure that all aspects of our resources and infrastructure are fit to provide a safe, reliable service to our customers.

**OUR STRATEGIC PRIORITIES** 

Keeping employees

Our people We value every person working with We take our social responsibilities, the company and we do our best to provide a fair and inclusive environment that offers opportunities seriously. We are also part of a wider developed ground-breaking tools, and satisfaction to everyone.

Providing a reliable

#### Social and relationships including supporting our customers in vulnerable circumstance, very

Delivering value for

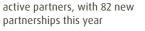
Innovation is our lifeblood. Over many years we have built an innovation team that has techniques and systems that have interconnected energy system going through enormous change. We can transformed our business and only take meaningful action by working our industry. with others to shape the way forward.

Innovating to facilitate

Intellectual

#### THE VALUE WE CREATE

## Partners 236





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### Customers Ranked 3rd

Ranked 1st in July 2022 and 3rd in January 2023 survey of best customer service providers by the Institute of Customer Service (ICS) across all UK industries



### Communities **341.000**

customers in off-gas grid communities could benefit from our coordinated approach to decarbonise heating

#### Colleagues Ranked 2nd in the Best Big Companies to Work For list in Q1 2023

### Governments and NGOs 71 local authorities

This year, we held 13 regional engagement sessions covering 71 local authorities to discuss our future energy scenarios.





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### Our commitments

**Overview** 

and the public safe electricity supply satisfaction money the transition to Net Zero 

Focus on customer

#### WHAT MAKES US DIFFERENT

A safe, reliable, resilient network	Our employees	Customers at the heart of our business	Transparent and accountable	Value for customers' money	Always innovating
UK Power Networks has proved to be the country's safest and most reliable Distribution Network Operator (DNO). We have outperformed the Ofgem targets by 30% for both customer interruptions (CI) and customer minutes lost (CML) in 2022/23.	Diversity and inclusion are embedded in our culture and employees have opportunities to build the career they want. That's just one of the reasons we have featured in the 25 Best Big Companies to Work For, for the last nine years.	Our business takes every opportunity to see the world from our customers' point of view. This year, our customer service measure reached 94% and, once again, Ofgem ranked us as the number one DNO for customer satisfaction.	As a monopoly provider of an essential service, UK Power Networks is committed to being transparent to all our stakeholders who seek to understand us; we welcome such scrutiny.	We are aware that our customers cannot choose their electricity distributor, therefore we take great care to provide them with the best possible value for money to enable customer's savings. Our annual domestic charges over RIIO-ED1 are £89.26 per annum in 2012/13 prices.	We innovate to make our service more reliable, more affordable, cleaner and safer. Every day we bring new ways of working to our service, like high-tech solutions to the challenges of Net Zero or a fresh approach to stakeholder engagement.

## **OUR STRATEGY** Our strategic framework

Delivering today, adapting for tomorrow

**Overview** 

**Our commitments** 

There are four aspects to our vision: OUR VISION To be consistently the best performing ...to be a ...to be ...to be an ...enabling Distribution Network Operator and sustainably respected the Net Zero employer Distribution System Operator in the UK. of choice and trusted cost-efficient transition corporate citizen for all **OUR STRATEGIC PRIORITIES** Keeping employees Providing a reliable Delivering value for Innovating to facilitate Focus on customer and the public safe electricity supply the transition to Net Zero satisfaction money We aim to provide a safe, reliable service that meets our customers' needs at the best possible price and that facilitates the transition to Net Zero. Social responsibility **OUR SUSTAINABILITY STRATEGY** Our employees Environment We aim to do as much good and as little We are a safe, fair and inclusive employer We play an important role in the life of We want to make sure that we operate harm to the environment as possible. that people want to work for. our communities. in a way that means we can do so for many years to come. 17 PARTNERSHIPS FOR THE GOALS 13 CLIMATE CLEAN ENERGY ANDINHASTRICT (Ê) Use the contents above to navigate the document. You can return to the start of the report by clicking on the 'home' button, OUR VALUES at the bottom of the page.  $\odot$ Responsibility Respect Diversity and Unity Integrity inclusiveness

# **General indicators**

Delivering today, adapting for tomorrow

**Overview** 

Our commitments

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## PERFORMANCE SNAPSHOT **Financial indicators**

Delivering today, adapting for tomorrow

#### **Overview**

#### **Our commitments**

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#### **UK Power Networks**

We own and maintain electricity cables and lines across London, the South East and East of England and make sure power flows reliably, safely, and securely.

## £668.7m

Total expenditure (2012/13 prices)

## **99.7**%

Total expenditure as a percentage of Ofgem cost allowance

tariff charge (not including domestic customer rebate)

#### London Power Networks (LPN)

We look after the electricity network for people who live and work in Inner London, including the responsibility for delivering power to iconic buildings and businesses as well as highprofile international events throughout the year.

#### 37,685 km £167.6m LPN network length

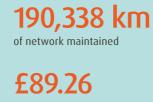
Total expenditure (2012/13 prices)

## 88.6%

Total expenditure as a percentage of Ofgem cost allowance

£81.93 Annual unrestricted domestic tariff charge (not including domestic customer rebate)

(2012/13 prices)



Annual unrestricted domestic (2012/13 prices)

#### Total expenditure as a Annual unrestricted domestic tariff charge (not including percentage of Ofgem cost allowance domestic customer rebate) (2012/13 prices)

Eastern Power Networks (EPN)

We deliver power to the East of England region which extends from the Wash in the east, to North London and

the Thames estuary, encompassing a diverse range of

urban and rural areas as well as a huge coastline.

#### South Eastern Power Networks (SPN)

We serve South London, Kent, East Sussex and parts of Surrey and West Sussex, covering a rich variety of customers and locations.

## £216.8m

£284.3m

Total expenditure

(2012/13 prices)

98.8%

Total expenditure (2012/13 prices)

## 111.8%

Total expenditure as a percentage of Ofgem cost allowance

Annual unrestricted domestic tariff charge (not including domestic customer rebate) (2012/13 prices)

53,573 km

SPN network length

£99.44

99,080 km

EPN network length

£87.59

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# Regional summary

#### Delivering today, adapting for tomorrow

#### Overview

#### Our commitments

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Key indicators:		Eastern Power Networks	London Power Networks	South Eastern Power Networks	UK Power Networks
RELIABILITY					
Customer Interruptions (unweighted, including exceptional events) <sup>1</sup>		41.6	11.6	57.7	37.5
Customer Minutes Lost (unweighted, including exceptional events) <sup>2</sup>	mins	30.4	12.2	42.6	28.6
Customer Interruptions (unweighted, excluding exceptional events) <sup>1</sup>		41.6	11.6	53.7	36.4
Customer Minutes Lost (unweighted, excluding exceptional events) <sup>2</sup>	mins	30.4	12.2	37.0	27.0
CONNECTIONS					
Time to Quote (LVSSA) <sup>3</sup>	days	3.1	2.1	2.6	2.8
Time to Connect (LVSSA) <sup>3</sup>	days	36.1	35.7	44.4	38.7
ICE scheme penalties incurred <sup>₄</sup> £m (2012/13 prices)		0	0	0	0
CUSTOMER SATISFACTION					
<b>Overall Broad Measure of Customer Satisfaction (BMoCS)</b> score out of 10 <sup>5</sup>		9.41	9.36	9.38	9.38
SOCIAL OBLIGATIONS					
Individual stakeholder engagement & consumer vulnerability score out of 10 <sup>6</sup>		7.71	7.71	7.71	7.71
ADDITIONAL QUALITATIVE SUMMARY INFORMATION ON:					
Lost Time Incident Frequency Rate (LTIFR) LTI/100,000 hours worked <sup>7</sup>		n/a	n/a	n/a	0.01
Environmental impact Business Carbon Footprint (tCO <sub>2</sub> e)		22,670	11,231	15,678	49,579
Innovation spend by each licensee £m (2012/13 prices)		3.82	3.17	4.41	11.39
Number of connections made		14,659	12,312	11,336	38,307

1. Customer Interruptions (CIs) are the number of customers interrupted per 100 customers on our network. These figures are provisional and may change based on Ofgem's final determination. Refers to unplanned events only.

Customer Minutes Lost (CMLs) are the average length of time customers are without power, for power cuts lasting three minutes or longer. These figures are provisional and may change based on Ofgem's final determination. Refers to unplanned events only.
 Low Voltage Single Service Connection.

4. Incentive on Connections Engagement (ICE), a process whereby DNOs are penalised if they do not deliver on the needs of larger connections' customers. Subject to review, Ofgem process is ongoing.

ites 5. Average

6. Score is given to group but applied to each licence area.

7. Reported at a group level regulated business only.

# Customer satisfaction

#### Delivering today, adapting for tomorrow

### Embedding a customer-centric culture among all employees

Since inception, we have recognised the importance of accurate information to customers about when their power will be restored after a power cut. It's an important part of making our service personal. We have worked tirelessly to refine our Estimated Time of Restoration (ETR), so that customers know as quickly and as accurately as possible when they can expect to have their power restored. Technology and training are helping our field teams to improve upon the accuracy and timeliness of the information we provide to customers, which is a key driver for customer satisfaction.

Despite the increase in demand for low carbon technology as we transition to Net Zero, we have exceeded customer expectations thanks to the deeply embedded customer-centric culture that permeates the business. We have put a great deal of time and energy into training our people in a way that focuses on how customers are affected by our business. Our employees are trained to think about how the customer in front of them is affected by whatever issue they are dealing with, whether that is a planned or unplanned power cut or the installation of a charging point that means they can run an EV or anything else. The core of our approach to customer service and satisfaction is for our teams to put themselves in our customers' shoes and envisage the impact that our business has on their lives. We measure ourselves against three broad categories of service: power cuts, provision of connections and general enquiries. They all contribute in different ways to the overall experience of our customers and we are meeting our aim which is to be strong in all those areas.

We are always delighted when we see that our embedded customer centric culture is reflected in external assessments of our levels of customer satisfaction. In 2022/23, UK Power Networks' customer satisfaction score, as measured by the industry's Broad Measure of Customer Satisfaction, rose once more and now stands at 94%. This is up from 93% in 2021/22 and puts us in first place in our industry. This score is a concrete manifestation of the corporate culture that puts the customer at the heart of our business; we see the human being we are dealing with, not simply a set of technical problems to be solved. ICS dimensions of customer satisfaction – Our January 2023 ranking

	1st	2nd	3rd	4th	5th	6th	7th
Experience	First Direct	Amazon.co.uk	John Lewis	Tesco Mobile	Starling Bank	Next	UKPN
Complaint Handling	Amazon Prime Video	Affinity Water	UKPN	Netflix Next	Tesco	Northern Powergrid	SP Energy Networks
Customer ethos	Suzuki	First Direct	UKPN		M&S	Tesco Mobile	Timpson
Emotional connection	M&S	UKPN	Starling Bank	John Lewis	First Direct	Next	Tesco Mobile
Ethics	John Lewis	UKPN	M&S	Starling Bank	Suzuki	Next	Northern Powergrid

Further, we were ranked higher in 2022/23 compared to 2021/22, becoming the third best customer service provider in the UK in the Institute of Customer Services (ICS) survey across all industries in January 2023. The ICS's published ranking measures five dimensions of customer service: Customer Experience, Complaint Handling, Customer Ethos, Emotional Connection, and Ethics. It was particularly rewarding to see that like 2021/22 we are the only company to feature in the top ten of each of the five dimensions of customer service culture among all employees.

At the beginning of the RIIO-ED1 period which ended in March 2023, we made 14 commitments regarding customer satisfaction. We are proud to say that every one of them was graded as green for the 2022/23 regulatory year. We are particularly pleased with our performance against commitment number one, "achieving an

average customer satisfaction rating of 8.3 for our Eastern and South-Eastern regions, and 8.1 for our London region". Our Customer Satisfaction Survey scores continue to improve and exceed the targets we set ourselves for RIIO-ED1. We have achieved scores out of ten of 9.41, 9.36 and 9.38 in Eastern Power Networks (EPN), London Power Networks (LPN) and South Eastern Power Networks (SPN) respectively.

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## Customer satisfaction continued

Ofgem's Broad Measure of Customer Satisfaction (%)

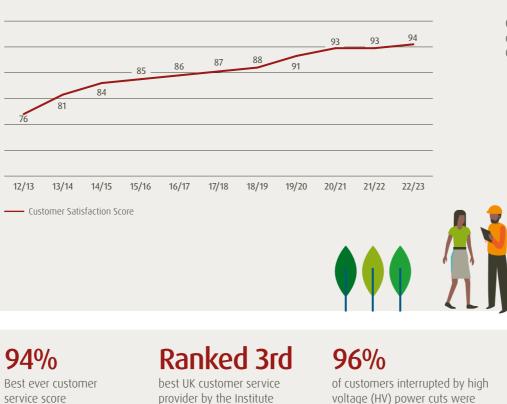
#### Delivering today, adapting for tomorrow

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Our customer service is a concrete manifestation of the corporate culture that puts the customer at the heart of our business



of Customer Service (ICS)

restored within two hours

## No.1

Ofgem ranked us No.1 for our Broad Measure of Customer Satisfaction score

### Roman Reigns to the rescue

During our storm in 2022, a call centre agent took a call from a customer about a power cut. The customer's son, who has autism, was particularly affected by the power cut as he was afraid of the dark. During the call, it emerged that the customer's son was also a fan of Roman Reigns, the WWE wrestling champion; he would protect them from the dark. Once the agent had addressed everything necessary to deal with the power cut, they logged on to the company's Amazon account and had an action toy figure of Roman Reigns sent to the customer's address within a couple of hours.

The call agent listened to what was important to the customer and did what they could to minimise the impact – fear of the dark – in this unique case. Others might need a particular sort of food, or the ability to manage their medication. The principle remains: listen to what matters to the customer and reduce the impact of the power failure as much as possible.



## Customer satisfaction continued

#### Percentage of customer satisfaction commitments rated green

100%	100%	100%	100%	100%	100%	100%
86%						
16/17	17/18	18/19	19/20	20/21	21/22	22/23

No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
1	Improve performance of all UK Power Networks' DNOs in all components of the customer satisfaction survey, achieving an average overall performance of 8.3 for EPN and SPN and 8.1 for LPN over RIIO-ED1.	Our Customer Satisfaction Survey scores continue to improve and exceed the targets we set ourselves for RIIO-ED1. We have achieved scores out of ten of 9.41, 9.36 and 9.38 in Eastern Power Networks (EPN), London Power Networks (LPN) and South Eastern Power Networks (SPN) respectively which clearly exceed the average performance targets.	•	•
2	On average, answer calls from customers within five seconds.	Over the last year we continued to answer calls in under five seconds.		
3	Resolve 70% of all customer complaints within one day and 95% within 31 days.	86% of complaints now resolved on the first day, compared with 88% last year and 99% resolved in 31 days, which is the same as last year.		
4	Contact 100% of customers within 24 hours to ensure any work they have requested has been completed to their satisfaction.	Each day we review all Connections and General Enquiries work that has been completed. We contact all these customers within 24 hours to check that the work they have requested has been completed to their satisfaction.		•
5	Get the lights back on for 90% of HV power cuts within two hours.	We restored power for 96.0% of customers interrupted by high voltage (HV) power cuts within two hours, helping to minimise the impact of power cuts to our customers.		٠
6	Provide multiple ways for customers to stay regularly updated on the estimated time for supply restoration and on any changes to the estimated time. As a minimum this will include phone, SMS text, X (formerly Twitter) and online.	Since the beginning of RIIO-ED1, our customers have had multiple channels available to them to stay up to date on the status of power cuts. These channels include phone, text messages, X (formerly Twitter), Facebook, online interactive power cut map, web chat, video chat and Facebook Messenger. Additionally, we now offer inclusive service channels such as Sign Live for our deaf customers and our new fast track service which bypasses any call options, routing customers directly to our trained advisors.	•	•

Failed to complete an annual output

Successful achievement of an annual output

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## **Customer satisfaction** continued

#### Delivering today, adapting for tomorrow

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No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
7	Proactively contact 100% of registered vulnerable customers to offer support if they are without power.	When power cuts occur and we are made aware of the outage, we call all medically dependent customers, and contact all registered vulnerable customers via our automated SMS and voice message service. This service is offered 24 hours a day, seven days a week.	•	•
8	Continue with our three Critical Friends Panels per DNO per annum.	We have updated our engagement approach as a result of stakeholder feedback. We now operate individual key topic councils led by business leads which perform a more specialised and granular level engagement. We conducted over 20 sessions in the last year. We also conduct CEO engagement with our annual CEO council and introduced a Citizens' Panel this year.		•
9	Publish and review a UK Power Networks business plan update every year.	This document, the RIIO-ED1 Business Plan Commitments Report, includes an update on all our output commitments from our RIIO-ED1 business plan. In the Value for Money section, later in this report, you will find an update on our expenditure for 2022/23, the final year of RIIO-ED1. For RIIO-ED2, we will continue to publish a Commitments report detailing our performance against the commitments we have made for that business plan period.	•	•
10	Publish an annual strategic development statement for Central London.	We published our final update to the Central London Strategy, which can be found <u>here</u> .		
11	Review our economic assumptions with our Critical Friends Panels each year.	In 2022/23 we undertook 12 regional workshops where we tested our approach to modelling the take up of key low carbon technologies with a number of local planning authorities. Their feedback was used to help refine our planning assumptions.		
12	Appoint an independent chairperson to our Critical Friends Panels.	This commitment has been superseded by our RIIO-ED2 Customer Engagement Group (CEG) approach, which continued in 2022/23. We now operate individual key topic councils led by business leads which perform a more specialised and granular level engagement.		•
13	Hold a Distributed Generation forum annually.	We held two DG forums in 2022/23. Both of these were in person/face to face events – a welcome return from running events online. Both events were well attended and they continue to be a medium for providing insight to both customers and ourselves.		
14	Continue to use our stakeholder feedback to improve our customer-facing business processes.	We use a "You said, we did" approach to our stakeholder feedback to ensure we track and implement the actions we agree with our stakeholders. Our Stakeholder Engagement and Consumer Vulnerability submission (available <u>here</u> ) gives details of all the improvements we have made to our business processes as a direct result of stakeholder feedback.	•	•

Failed to complete an annual output
Successful achievement of an annual output

# Reliability and availability

#### Delivering today, adapting for tomorrow

### Keeping the lights on for 19 million people

UK Power Networks has proved to be the most reliable of Britain's Distribution Network Operators (DNOs), out-performing the Ofgem targets by 30% for both customer interruptions (CI) and customer minutes lost (CML) in the last year of the RIIO-ED1 price control period.

We made eight commitments regarding network reliability and availability, and we are happy to say they have all been graded green for the 2022/23 year. These include:

- Maintain our London network's position of having the lowest level of CIs and CMLs in the UK and have fewer than 23 CIs and 30 CMLs;
- Reduce CIs in our Eastern and South Eastern networks by 12% compared to 2012/13 and;
- Reduce CMLs in our Eastern and South Eastern networks by 19% compared to 2012/13.

LPN has continued to be the best performing network for both CIs and CMLs which have reduced year on year. CIs and CMLs are counted on a per hundred customers basis. There were only 11.6 unplanned CIs and 12.2 unplanned CMLs. This is an improvement of 52% and 63% respectively since 2012/13. With regard to CMLs for the other licence areas, there were 30.4 unplanned CMLs in EPN and 37.0 in SPN. This performance represents an improvement of 28% and 12% respectively since 2012/13.

In 2022/23, we strove to ensure that both the frequency and duration of CIs are on a downward trend; there were 41.6 unplanned CIs per 100 customers in EPN which is a 23% improvement compared to the 2012/13 baseline for EPN. Unfortunately, that was not the case with SPN as performance was 1% worse compared to 2012/13.

	Eastern Power Networks (EPN)	London Power Networks (LPN)	South Eastern Power Networks (SPN)	UK Power Networks
Customer Interruptions	23%	52%	-1%	19%
Customer Minutes Lost	28%	63%	12%	32%

Percentage improvement since 2012/13 in the network reliability and availability

No single factor accounts for the slight reduction in reliability of UK Power Networks in 2022/23; it resulted from a combination of unrelated, one-off events. The unprecedented hot weather in July 2022 contributed to faults on the network to a degree. To that end, we are reviewing the design of our overhead power lines in order to manage temperatures over 40°C, as it seems that such heat levels are more likely to continue to occur in the future. A fire in one of our substations in SPN resulted in multiple, successive interruptions of power supply which in turn made a significant contribution to the decline in reliability. We are looking closely at our fire-management processes in order to avoid such a situation in the future.

We are confident that with persistent effort and significant investment in the network, focusing closely on the quality of supply, we will continue to achieve our customary industry-leading levels of reliability. This is of utmost importance to us, especially as the UK transitions towards a Net Zero economy. With more people adopting low carbon technologies such as electric heat pumps for heating and EVs for transport, the significance of a reliable source of energy is greater than ever. We shall continue to invest substantial money, brainpower and time into finding better and more efficient ways of fixing our cables. We have developed ways to locate faults and restore the electricity network without a member of staff needing to attend the site in person, dramatically speeding up the restoration process. Our push for ever-greater reliability continues to focus on two main fronts: finding new ways to prevent faults rather than waiting for them to need to be repaired and making greater use of remote control in order to restore customers' supplies more quickly and efficiently.



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# Reliability and availability continued

#### Delivering today, adapting for tomorrow

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In 2022/23 we once again far exceeded the targets set for us by Ofgem with LPN remaining the No.1 network for both Customer Interruptions and Customer Minutes Lost

Duration of power cuts (minutes)



Eastern Power Networks — London Power Networks South Eastern Power Networks Weighted figure, including prearranged incidents, excluding exceptional events



## >150

The number of power cuts we have prevented recurring through the deployment of over 400 LV Monitoring devices **55% improvement** On average in 2022/23, a UK Power Networks customer was without power for for less than half an hour per yea

On average in 2022/23, a UK Power Networks customer was without power for for less than half an hour per year. This is a 55% improvement in CML over 2010/11, when the average duration was 64 minutes

### **99.99**%

network reliability – we have maintained our top notch performance of last year

# Using Big Data to reduce customer interruptions

We have reported in previous years on how we are using devices called Reclosers, both high and low voltage, to manage faults on the network. We aim to do this in a way that minimises the number of customers whose supply is interrupted as well as reducing the length of those interruptions. In 2022/23, we took this approach to the next level with the deployment of LV Monitors across our networks. By analysing the health of the network in detail, these devices allow us to predict where issues have the potential develop into permanent faults. By examining fault data alongside asset age information, we can predict the optimum time to repair those sections that are approaching the point at which they are likely to begin to fail. Using this data, we are able to plan a replacement programme that will reduce the number of interruptions to the power supply.



## **Reliability and availability** continued

#### Percentage of reliability commitments rated green



No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
15	Maintain LPN's position as having the lowest level of CIs and CMLs in the UK targeting 23 CIs (7% improvement) and 30 CMLs (8% improvement) for unplanned interruptions (Compared to 2012/13 base).	LPN continued to be the best performing network for both CIs and CMLs and reduced both year on year. There were only 11.6 unplanned CIs and 12.2 unplanned CMLs. This is an improvement of 52% and 63% respectively since 2012/13.	•	
16	Reduce EPN and SPN CIs by more than 12% targeting 51 CIs in EPN and 49 CIs in SPN for unplanned interruptions (Compared to 2012/13 base).	In 2022/23, there were 41.6 unplanned CIs per 100 customers in EPN and 53.7 in SPN. This represents a 23% improvement compared to 2012/13 baseline for EPN. For SPN, we have achieved this target for the previous seven years, however, SPN is 1% worse compared to 2012/13.	•	
17	Reduce EPN and SPN CMLs by more than 19% targeting 35 CMLs in EPN and SPN for unplanned interruptions (Compared to 2012/13 base).	In 2022/23, there were 30.4 unplanned customer minutes lost (CMLs) in EPN and 37.0 in SPN. This performance represents an improvement of 28% and 12% respectively since 2012/13.	٠	٠
18	Maintain the health of the network during RIIO-ED1 as measured by the health index, at least at the end of DPCR5 levels.	Since the submission of our RIIO-ED1 business plan, the Common Network Asset Indices Methodology was introduced across all DNOs in Great Britain and our target has been reset to be as challenging as the original. We are pleased to report that we have delivered 104% of this new Health Index target for the eight year RIIO-ED1 period.	٠	٠
19	Continue to improve the load index of the networks by reducing the number of highly rated sites to 18 in EPN, 14 in SPN and 12 in LPN by the end of RIIO-ED1.	In this context, highly rated sites are those that are heavily loaded and so are in need of attention. At the end of the 2022/23 regulatory year, there were eleven highly rated sites in EPN, eight in SPN and one in LPN. This means all three of our networks are ahead of their RIIO-ED1 target. We continue to work to ensure we maintain risk levels within the target.		

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• Failed to complete an annual output

• Successful achievement of an annual output

# Reliability and availability continued

#### Delivering today, adapting for tomorrow

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No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
20	Protect 78 substation sites from the risk of flooding.	In 2022/23, we successfully flood-protected nine substations bringing the total number of substations mitigated in RIIO-ED1 to 80.		
21	Reduce the number of 12 hour failures by more than 30%.	We aim to restore all supplies within 12 hours for unplanned power cuts. In 2022/23, 14,354 people experienced power cut longer than 12 hours, which is a reduction of 39% since we made this commitment in 2012/13.		
22	Reduce worst served customers to less than 10,000 in either EPN or SPN.	"Worst served customers" is a category specified by Ofgem that identifies those customers who receive service that is below a stipulated level. In 2022/23, there were 4,772 and 8,287 worst served customers in EPN and SPN respectively; the tarrget was met in both licence areas	•	•

• Failed to complete an annual output

• Successful achievement of an annual output

#### Our commitments

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#### Delivering today, adapting for tomorrow

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#### **Our commitments**

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## Manage down our own operational carbon emissions as we support the decarbonising of power, heat, and transport

At UK Power Networks, we are playing a leading role in facilitating the transition to a low carbon economy. We are making sure individuals, communities and businesses can benefit from low carbon technologies, at the same time operating our business responsibly.

We play a pivotal role in facilitating UK's transition to Net Zero and alongside this, we must continue to critique our operational effect on the environment. Our Environmental Strategy is founded on four key pillars that take into account a number of environmentallyrelated elements.

These pillars are:

- Decarbonisation in line with our verified Science Based Target Initiative;
- Reducing our impact on the world's limited resources;
- Increasing biodiversity;
- Reducing pollution produced by our business operations and network activity.

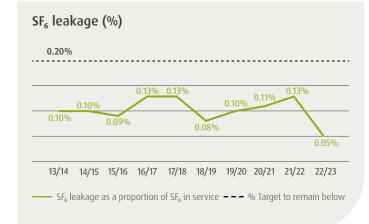
Our Environmental Strategy is made up of our environmental RIIO-ED1 commitments, which in many cases we have exceeded. This gives us the confidence to set ourselves even more challenging targets for the future. We are particularly proud of our performance in relation to our commitment to reduce our Business Carbon Footprint (BCF) by 2% per annum. In the final year of our eight-year price control period, we have achieved a reduction of 36% against our 2014/15 baseline. In 2022/23, we exceeded our target for the year of 65,799 tCO<sub>2</sub>e by 25% and we will work to continue this excellent performance.

In the last year of the RIIO-ED1 regulatory period, we set ourselves some key targets focused on carbon reduction, waste, recycling and noise. We achieved many of these in the first few years of RIIO-ED1, so rather than rest on our laurels we developed additional targets, adding metrics on biodiversity, energy and water. At the end of RIIO-ED1 these were all met or exceeded. This work provided solid foundations for target setting and the development of our Environmental Action Plan for RIIO-ED2.

Like we did in 2021/22, we have made steady progress in 2022/23 on biodiversity around our network assets. We reported last year that a pond next to one of our substations in Suffolk was judged by the Suffolk Wildlife Trust to offer a suitable habitat for great crested newts. This judgement was ratified in 2022/23 when eDNA testing confirmed that DNA from great crested newts was present in the pond. This means we can be confident that the work we carried out has provided suitable habitat for the newts. Other work on biodiversity has continued with ongoing identification of sites for future biodiversity treatments, and volunteer days at existing sites.

In addition to meeting our biodiversity commitments, we have been actively engaging with our supply chain to source alternatives to the extremely potent greenhouse gas  $SF_6$ . In 2022, we installed UK Power Networks first 'clean air' Gas Insulated Switch gear (GIS) operating at 132,000 volts at our site in Lewes, East Sussex. This project is part of our ambition to reduce use of  $SF_6$  for new switchgear across all voltage ranges where alternatives are available on the market.

In two cases, we have not met our pledges as we still have two commitments graded red in the environment section. We committed to undergrounding 80km of overhead lines in SPN and 96km in EPN in Areas of Outstanding Natural Beauty and National Parks. To date, we have removed 12.9km of overhead lines in SPN and 32.2km in EPN. We have not delivered the distances stated in the original target. However, there are still opportunities for further undergrounding, however, and we will continue to engage with stakeholders to ensure the pipeline of viable schemes for RIIO-ED2 is in place so we can deliver more, faster in the future.



In addition, we also didnt meet our pledge as it concerns the reduction of cable fluid leakage of 207,000 litres by 2% per annum. In consideration of the commitment, we lost 188,355 litres of oil from fluid filled cables in all license areas which is above the annual leakage of 176,107 litres for 2022/23.



# Environment continued

Business Carbon Footprint (tCO<sub>2</sub>e)

#### Delivering today, adapting for tomorrow

#### Overview

#### Our commitments

Both metrics and targets are essential to tracking our progress in fully implementing our Environmental Strategy

#### 75.794 74,278 72,793 71.337 69,910 68.512 66,513 65,799 68,462 68.63 64.42 57,074 49,579 20/21 21/22 22/23 15/16 16/17 17/18 18/19 19/20 ----- Straight line ED1 target ----- Business Carbon Footprint (tCO<sub>2</sub>e)

# **99.9%**

of our street works spoil was recycled in 2022/23

## 36%

reduction in our CO<sub>2</sub> emissions since our baseline year 2014/15

### The metrics and targets used to assess and manage relevant climate related risks and opportunities

Over the course of RIIO-ED1, UK Power Networks has taken action to improve climate resilience. We have identified and protected over 119 substations at risk of various types of flooding, reducing the risk of flooding from an average of 70 per cent to 13 per cent for those customers at risk. Other additional measures include:

- Improving vegetation management, using Light Detection and Ranging (LiDAR) assessments to target tree cutting activities more accurately around overhead lines;
- Improved modelling and analytical tools to identify high impact rainfall accumulation five days in advance that may affect infrastructure; and
- Improving storm response of the wider business to ensure call handling centres are not overwhelmed, storm roles of staff are embedded, and vulnerable customers supported.

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**£16.35 million** invested in innovation projects in 2022/23

**88.5%** of our waste was diverted from landfill in 2022/23



## **Environment** continued

#### Delivering today, adapting for tomorrow

#### **Overview**

#### Our commitments

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			16/17	17/18	18/19	19/20	20/21	21/22	22/23	
No.	Eight year RIIO-ED1 Output Commitment	2022/23 update							2022/23 status	2021/22 status
23	Reduce our Business Carbon Footprint by 2% per annum.	Our Business Carbon Footprint in 2022/ baseline year. This is ahead of our targe			eduction comp	ared to 2014/1	5 levels, whic	h is our		
24	Continue to divert 70% of office and depot waste from landfill and recycle 98% of streetworks spoil. The word "recycle" has been amended to "divert from landfill", to more accurately reflect UK Power Networks' long established process of diverting 70% of office and depot waste from landfill.	In 2022/23, we diverted 88.5% of our o We are comfortably ahead of our RIIO-E						s spoil.	•	•
25	Maintain sulphur hexafluoride (SF <sub>6</sub> ) leakage at less than 0.2% as a proportion of SF <sub>6</sub> in service.		e achieved the target of emitting less than 0.2% of the total amount of $SF_6$ in service. $SF_6$ leakage overall in UK Power etworks was 0.052% of the $SF_6$ in service in 2022/23. We continue to aim to minimise the leakage of $SF_6$ , in order to reduce the impact on the environment.						•	
26	Reduce cable fluid leakage of 207,000 litres by 2% per annum.	In 2022/23, a total of 188,355 litres of o the RIIO-ED1 commitment when consid- which would lead to an annual leakage filled cable network has reduced leakage	ering a reduction of 176,107 litres.	of leakage by However, it sh	2% year on ye ould also be n	ear from a base oted our focus	eline of 207,00 on investing	00 litres, in our fluid	•	•
27	Underground the equivalent of 80km of HV overhead lines in SPN and 96km of HV overhead lines in EPN in Areas of Outstanding Natural Beauty and National Parks.	In RIIO-ED1 we have removed 12.9km o we are working with our key stakehold ensure that we spend our full allowance	ers to apply our le						•	
28	Innovation expenditure of 0.5% of allowed revenues and win largest market share of the NIC competition.	In 2022/23, we invested £16.35 million 2022/23, we had won the highest mark					enue. At the e	end of		
29	Investigate all noise issues and address all non-compliant sites.	During 2022/23, we received forty enquannual average before the COVID-19 parwere taken. There were five intervention one pole mounted transformer change	ndemic. All of wh	ich were inves on to noise po	stigated and w Illution, three g	here appropria ground mounte	ate, sound me ed transforme	asurements r changes,		•

100% . . . . . . . . . . . . . . . . .

71%

71%

Percentage of environment commitments rated green

71%

Failed to complete an annual outputSuccessful achievement of an annual output

86%

#### Delivering today, adapting for tomorrow

**Overview** 

Our commitments

## Facilitating quicker connections in a changing energy landscape

The ease of upgrading customers' power supply is an important factor in a straightforward transition to LCTs. In 2022/23, UK Power Networks was the UK's leading supplier of this type of upgrade, with a customer satisfaction score of 96.6%.

The combined influences of the cost-of-living crisis and the requirement to achieve Net Zero emissions mean that uptake of low carbon technologies (LCTs) such as EVs, solar power generation and battery storage is rising fast. This, in turn, means that demand for our connections service is growing quickly.

The vast majority (97%) of domestic applications for an LCT upgrade now come through our on-line self-service portal. In Q4 of 2022/23, 79% of them were approved automatically, reducing the lead time by up to 10 days. This automatic processing of applications has also meant we needed 15 fewer people handling them, even though there were seven times more requests compared to 2021/22, which saved money all round.

We also supported solar and battery installers to use our self-service portal in order to speed up the auto-approval process. We published a video user guide and worked with third-party online influencers to promote the portal and its benefits for installers. With the self service portal, we have helped customers to have, at their fingertips, the information that we need in order to give them a quote. These measures have helped save more than a month in getting quotes to our customers.

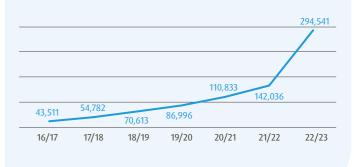
The demand for our services has significantly increased due to the ever-greater number of customers who are looking to install LCTs in ever greater volumes to help manage their energy costs. We are also seeing local authorities providing additional support to those in fuel poverty to also be able to take advantage of the reduced bills that certain LCTs provide. The combination of these factors in contributing to the significant increase in the demand for connections that support LCT devices such as EVs, heat pumps, solar panels and battery storage facilities. Compared with the last

regulatory year, we have seen more than double number of LCT installations in 2022/23.

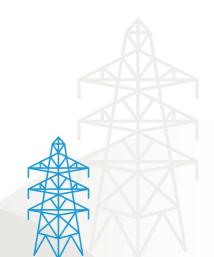
Our connections team is constantly striving for better performance. During the 2022/23 regulatory year, we completed 19 initiatives, which were the ones that our stakeholders told us would improve the service we provide. Only one remains in progress. We have been collaborating with a range of partners on some exciting innovation projects. These will ensure everyone has access to EVs and low carbon heating. In one project, we worked with the charity Motability and local authorities to identify the on-street charging needs of motorists who have a disability. We also worked with the community of Barcombe in East Sussex to create a low carbon heating blueprint for off-gas-grid communities. It is projects such as these that will pave the way to a Net Zero future. Following feedback from stakeholders, we have continued to improve the customer experience across a number of customer journeys.

At the start of the RIIO-ED1, we made 25 commitments regarding our connections process. We are delighted to confirm that all 25 have been graded green at the end of RIIO-ED1. Two of our commitments relate directly to the speed at which we provide quotes and connections. We set ourselves the target of producing quotes for a low voltage (LV) single service within an average of 8.2 days and for LV multiple services in 11.7 days. We have exceeded both these targets, achieving an average time to quote of 2.8 days, which is a 5% improvement compared to 2021/22 year for an LV single service installation, and 4.2 days, a 13% improvement compared to 2021/22 for LV multiple services. With regard to the time it takes to complete connections, our targets are 42 days for an LV single service and 53 days for LV multiple services. We have also beaten the single and multiple service targets by 8% and 17%, achieving an average of 38.7 days and 43.9 days respectively.

#### Number of LCTs connections (cumulative)



Number of LCTs connections (cumulative)



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# Connections continued

#### Delivering today, adapting for tomorrow

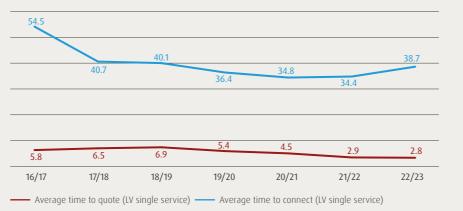
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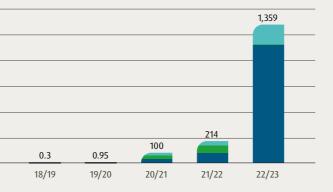
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We are earnestly working towards keeping energy bills down at the same time as increasing the number of LCT connections, all in the context of a cost-of-living crisis

Average time to quote and connect (days)



#### Contracted flexible capacity (MW)



Eastern Power Networks London Power Networks South Eastern Power Networks Note: Contracted flexibility across the three flexibility products; Secure, Sustain, and Dynamic.

## 400,000

electric vehicles (EVs) connected to our network

## **99.94**%

compliance with GSOP targets

### 20

separate initiatives delivered through our Service Development Plan

### 324

Record

flexible

capacity contracted

Our latest flex tended saw

record amount of flexible

Ask the Expert Surgeries with an average satisfaction score of 9.2 out of 10

# Innovating towards Net Zero at the lowest cost possible

Optimise Prime, one of UK Power Networks' most important innovation projects of recent years, concluded its live trials in June 2022. Started in 2019, this was a large-scale trial collecting real world data from over 6,000 commercial EVs, providing unparalleled insight into the future of electric fleets and the needs of businesses regarding EV charging infrastructure. A joint exercise with Hitachi, Scottish and Southern Electricity Networks along with the UK's biggest fleet operators – Uber, Royal Mail and British Gas – the project gathered data on when, where and how often employees charge their work EVs be that on the go, at home and in a depot.

As part of the project, we developed a 'site planning tool' to enable fleet managers to assess how to electrify their fleet at the lowest cost. When looking to electrify, fleet managers must consider what vehicles are needed on which routes, when they are needed and where there is space to charge. By inputting information such as vehicle schedules, mileage, and site energy profiles, the tool compares different scenarios to understand the impact of fleet electrification and the benefits of using smart charging. The tool also checks if a site needs an electricity connection upgrade, or if a fleet can operate on the existing connection. As a result, we have a better understanding of our customers' needs, allowing us to do more to facilitate the uptake of EVs in the transition to Net Zero.



## **Connections** continued

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#### Percentage of connections commitments rated green

100%			100%	100%	100%	100%
92%	96%	92%				
16/17	17/18	18/19	19/20	20/21	21/22	22/23

No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
30	Achieve an average time to quote from the time of enquiry of 8.2 days for low voltage single services and 11.7 days for low voltage multiple services.	In 2022/23, we achieved an average time to quote of 2.76 days for low voltage single services and 4.18 days for low voltage multiple services	٠	
31	Achieve an average time to connect of 42 days for low voltage single services and 53 days for low voltage multiple services.	In 2022/23, we achieved an average time from quote acceptance to connection of 38.69 days for low voltage single services and 43.87 days for low voltage multiple services.	٠	•
32	Achieve in excess of 99% compliance with our Guaranteed Standards of Performance (GSoP) targets.	In 2022/23, we achieved 99.94% compliance with our GSoP targets. This is an overall result of 99.74% across RIIO-ED1		
33	From Q3 2014 we will commence the introduction of new online services for customers requiring new or altered metered services and all customers requiring unmetered connections. These services will include: Submission of service requests, Quotations and estimates, Service request and job delivery tracking, Payment, Appointment booking	We have improved our connections webpages, offering web-based application forms, vastly improved information, guidance, and we relaunched surveyor visit processes in Q4 2020. We believe that customer preferences have changed since we made this commitment back in 2014 and we have changed our targets to reflect this. We have decided to offer these services to all connections' customers face-to-face and over the phone. We have also implemented the SmartQuote system which automates elements of the front end of the process including automated emails and reminders for customers, via email and text message. With an industry-high customer satisfaction score, we believe we were justified in changing our targets to reflect customer preferences.	•	•
34	Integrate Flexible Plug and Play connection offers (as per our Low Carbon Network Fund Project) into business-as-usual by Q2 2015.	As planned, we have successfully completed the rollout of Flexible Connections, with our new state of the art Active Network Management system which went live across all three of our licence areas in Q4 2019. This has made Flexible Connections accessible for new generation customers wanting to connect to any of UK Power Networks' high and extra high voltage networks. Over 6.6GW of flexible generation has been enabled on our networks as a direct result of this commitment which has enabled them to connect to our network cost efficiently.	٠	•
Faile	ed to complete an annual output			

Failed to complete an annual output
 Cussessful achievement of an appual output

Successful achievement of an annual output

## **Connections** continued

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Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
Engage regularly with other connections stakeholders on a frequency agreed with them.	We engage with our connections stakeholders through a variety of channels throughout the year. More detail can be found in our Work Plan and Incentive on Connections Engagement (ICE) reports <u>here</u>		
From 2014, agree and publish a Service Development Plan with associated key performance indicators.	We published our Incentive on Connections Engagement (ICE) plan throughout RIIO-ED1. This can be found here.		
Publish quarterly updates to communicate progress against the service development plan.	Quarterly ICE updates for 2022/23 can be found <u>here</u> .		
Review and revise the plan annually in agreement with stakeholders.	We published our ICE Workplan to Ofgem throughout RIIO-ED1. It can be found <u>here</u> .		
Publish an annual progress update to Ofgem and stakeholders.	We publish voluntary quarterly ICE reports. We also publish a formal mid-year review based on feedback from Ofgem and customers. The reports can be found <u>here</u> .		
Complete an annual independent audit of our achievements against the agreed service development plan.	AccountAbility completed an independent review of our Service Development Plan and the ICE Looking Back report. The findings are published in our Looking Back Report which can be found <u>here</u> .		
Work with Connections stakeholders to develop our products and services through 'user groups' three times per annum with common interest customer groups to gain insight into their needs and requirements and shape innovation and development within UK Power Networks.	We held eleven major forums, six Scrutiny Panels and three technical working groups throughout the year. This demonstrates that we are going well beyond our RIIO-ED1 commitment and are responding to our customers' needs. These are all described in our Work Plan, our quarterly updates and our Looking Back and Looking Forward report. The report can be found <u>here</u> .	•	•
	Engage regularly with other connections stakeholders on a frequency agreed with them.From 2014, agree and publish a Service Development Plan with associated key performance indicators.Publish quarterly updates to communicate progress against the service development plan.Review and revise the plan annually in agreement with stakeholders.Publish an annual progress update to Ofgem and stakeholders.Complete an annual independent audit of our achievements against the agreed service development plan.Work with Connections stakeholders to develop our products and services through 'user groups' three times per annum with common interest customer groups to gain insight into their needs and requirements and shape innovation and	Engage regularly with other connections stakeholders on a frequency agreed with them.We engage with our connections stakeholders through a variety of channels throughout the year. More detail can be found in our Work Plan and Incentive on Connections Engagement (ICE) reports hereFrom 2014, agree and publish a Service Development Plan with associated key performance indicators.We published our Incentive on Connections Engagement (ICE) plan throughout RIIO-ED1. This can be found here.Publish quarterly updates to communicate progress against the service development plan.Quarterly ICE updates for 2022/23 can be found here.Review and revise the plan annually in agreement with stakeholders.We published our ICE Workplan to Ofgem throughout RIIO-ED1. It can be found here.Publish an annual progress update to Ofgem and stakeholders.We publish voluntary quarterly ICE reports. We also publish a formal mid-year review based on feedback from Ofgem and customers. The reports can be found here.Complete an annual independent audit of our achievements against the agreed service development plan.AccountAbility completed an independent review of our Service Development Plan and the ICE Looking Back report. The findings are published in our Looking Back Report which can be found here.Work with Connections stakeholders to develop our products and services through 'user groups' three times per annum with common interest customer groups to gain insight into their needs and requirements and shape innovation and with ear.We held eleven major forums, six Scrutiny Panels and three technical working groups throughout the year. This are all described in our Work Plan, our quarterly updates and our Looking Back and Looking Forward report. The report can be found here.	Eight year RIIO-ED1 Output CommitmentZ022/23 updatestatusEngage regularly with other connections stakeholders on a frequency agreed with them.We engage with our connections stakeholders through a variety of channels throughout the year. More detail can be found here.Image: Connections stakeholders on a in our Work Plan and Incentive on Connections Engagement (ICE) plan throughout RIIO-ED1. This can be found here.Image: Connections Engagement (ICE) plan throughout RIIO-ED1. This can be found here.Form 2014, agree and publish a Service Development Plan with associated key performance indicators.Quarterly ICE updates for 2022/23 can be found here.Image: Connections Engagement (ICE) plan throughout RIIO-ED1. This can be found here.Publish quarterly updates to communicate progress agains the service development plan.Quarterly ICE updates for 2022/23 can be found here.Image: Connections Engagement (ICE) plan throughout RIIO-ED1. It can be found here.Publish an annual progress update to Ofgem and stakeholders.We published our ICE Workplan to Ofgem throughout RIIO-ED1. It can be found here.Image: Connections Engagement Plan.Complete an annual independent audit of our achievements against the agreed service development plan.AccountAbility completed an independent review of our Service Development Plan and the ICE Looking Back report. The findings are published in our Looking Back Report which can be found here.Image: Connections Engagement Plan and the ICE Looking Back report. The findings are published in our Looking Back Report which can be found here.Image: Connections Engagement Plan and the ICE Looking Back report. The findings are published in our Looking Back Report which can be found here.Work with Connections stakeholders to d

Failed to complete an annual output

Successful achievement of an annual output

## OUR COMMITMENTS **Connections** continued

#### Delivering today, adapting for tomorrow

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Our commitments

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No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
42	Offer account management to any business/commercial customer who requests this service. Develop more 'pre- application' support for customers to enable them to make informed decisions on their schemes.	We continue to offer an Account Manager to anyone who requests one. We held 374 customer meetings in 2022/23. We continue to offer Connections Surgeries for all customer groups. They can be booked <u>here</u> . In 2022/23 we ran 324 'Ask the Expert' surgeries which customers have found useful and received a customer satisfaction score of 9.2/10.	•	•
43	Extend our Ask the Expert service to include phone, web chat and face-to-face options.	Our pre-application support services are now available across all channels as business-as-usual. The outcome was reported in our ICE Looking Back report in 2022/23 <u>here</u> .	•	•
44	Publish 'heat maps' to provide an overview of current network capacities by location.	We have extended our heat maps to show constraints on the LPN network. The heat maps are available <u>here</u> . Every year we run a workshop with our customers to develop additional functionality for our heat maps to make sure they are current and relevant.	٠	•
45	Provide access via a web portal to cable diagrams, allowing customer access to up to date information.	Customers have access to the web portal LineSearch Before You Dig to allow them to download our cable records. In addition, Independent Connection Providers have direct web access to Netmap webview. This is an online system which allows them access to our cable records.	٠	٠
46	Extend the online price illustrator to include all market segments and provide indicative timescales in addition to cost illustrations.	UK Power Networks has migrated Connections to a mobile-responsive website. The price calculator for Connections Services can be found <u>here</u> . The price illustrator for business customers can be found <u>here</u> . We continue to work with stakeholders involved in larger connections projects to provide them with a range of pre- application support options, such as surgeries or use of our Ask the Expert service. These assist them as they progress their application.	•	•

Failed to complete an annual outputSuccessful achievement of an annual output

## **Connections** continued

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No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
47	Extend our current DG surgery sessions to other customer groups to allow customers to discuss their connection proposals informally prior to application. Increase the choice and flexibility of connections services available to customers.	All market segments covered by the ICE Report are now included as set out in our ICE Looking Back report for 2022/23, which can be found <u>here</u> . There were 195 DG surgeries and 324 Ask the Expert Surgeries in 2022/23.	٠	
48	Introduce longer office hours for our contact centre: a) 08.00 to 20.00 weekdays; (b) 09.00 to 16.00 Saturdays.	Connection Services customers who call outside standard office hours are handled by customer service advisors 24/7.	٠	
49	Offer two-hour time-banded appointments for site visits.	We have developed a process to narrow down the appointment slots to a more defined timeframe than the two hour banded appointments. We now call customers in the lead up to the site visit to narrow down the timeframe more specifically to allow customers to plan their day around the visit. We have implemented a reporting system that will enable us to measure how often these appointments are kept.	•	
50	Schedule work delivery across a wider working window to include evenings and weekends.	Delivery of new connections to the network are available at evenings and weekends if that is what the customer requests.	٠	
51	Extend the convertible quotes concept so that quotations offered in a competitive market segment can be fully or partly accepted dependent on the customer's preference.	Convertible quotes have been issued to connections customers since October 2015, making it easier for them to consider competitive options for delivery of their connection.		
52	Self-determination of the Point of Connection for an increasing range of connections.	We introduced self-determination of Point of Connection in October 2015 for all connections up to 140kVA in LPN and up to 1,000kVA in SPN and EPN. We continue to engage with companies that provide independent connections and will seek to extend the scope of these arrangements further where possible.		
53	HV jointing to existing networks to include all associated planning and operational activities.	As of October 2015, third party connections providers are able to carry out all associated activities of high voltage jointing to existing networks. This ensures effective competition.	٠	٠
54	Extend live LV jointing to the LPN interconnected area.	We have introduced live low voltage jointing for third party connections providers in LPN. This gives customers a greater choice of provider for a wider range of activities relating to their connection.	٠	
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Failed to complete an annual outputSuccessful achievement of an annual output

#### Delivering today, adapting for tomorrow

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# We remain the safest DNO as safety remains front and centre of everyone's mind

We live and breathe safety at UK Power Networks, so in a year in which we encountered two serious accidents, one of which proved fatal, this is a time of sombre reflection and great sadness. We are redoubling our efforts to make sure that safety remains front and centre of everyone's mind even as we remain committed to providing a reliable network, good customer service, and keeping costs down. As part of an industry where the risks are well known, we spend time and energy on cultivating a culture that prizes safety above all. In spite of these accidents, UK Power Networks remains the safest Distribution Network Operator in Great Britain, judged the safest in terms of the industry's key measure of Lost Time Incidents in eight of the last ten years.

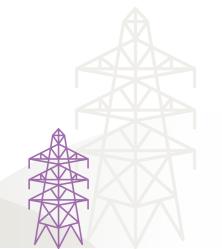
Early in 2023 we launched our fresh approach to safety, which is expressed in three clear principles: every employee has a role to play as a safety leader; we all have a personal responsibility to work, act and think with safety in mind; and we have a culture that takes pride in knowing and following the rules. These fundamentals, and the key messages arising from them, appeared on posters, fliers and elsewhere throughout the business in 2023, providing openings for conversation and debate as well as points of reference for all employees. We are not only committed to ensuring the safety of our employees and contractors but all members of the public, whether they are at work, at home or wherever they may come into close proximity with our equipment. Certain industries are at particular risk of electricity-related incidents. UK Power Networks' public safety campaign, using incident data, focuses on these higher risk industries, helping people working in them to recognise the potential dangers and how to minimise them. We provide more than 31,000 physical safety resources and regularly target advice via a multi-channel communication programme to those working in industries such as construction, agriculture and haulage.

UK Power Networks is wholeheartedly committed to raising awareness among the general public about how to minimise the dangers of electricity in everyday life. The public safety team works collaboratively with partner organisations hosting events for young people such as Crucial Crews and school visits. For example, our safety advisers visited St Peter's Primary School in Brentwood, Essex, to talk to pupils about the importance of the electricity network and why it matters to be aware of the dangers of high voltage electricity. The advisers talked about why members of the public, especially children, should never enter a substation to retrieve an item, such as a football kicked over a fence. They also pointed out that anyone flying a kite or carrying fishing rods should look out for electricity power lines overhead.

We provided safety information to 409,026 members of the public across our geographical footprint in 2022/23. The overall target to reach two million members of the public over the RIIO-ED1 period has been achieved with a grand total of 3,449,024. This means we are 73% above the target.

Finally, we believe it is important to consider wellbeing from a holistic perspective, rather than the narrow definition of physical safety. We are not satisfied with simply being the safest DNO, we also want to look after our employees' mental and physical health. We have trained a cohort of mental health first-aiders throughout the business and have made mobile Well-Point kiosks available allowing our employees to self-evaluate a number of key health factors.





# Safety continued

#### Delivering today, adapting for tomorrow

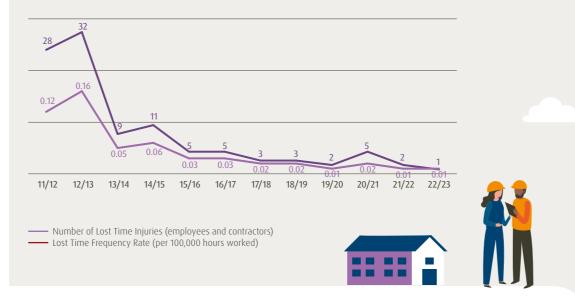
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We understand the importance of innovation and how it plays an important part in how we improve safety education, enabling a safe working environment

#### Lost Time Injury Frequency



## 3.45 million

The number of incidents members of the public engage with UK Power Networks on least a full day off work due to injuries in 2022/23

members of the public engaged with UK Power Networks on safety over RIIO-ED1 period bublic including children on public safety issues over RIIO-ED1

73%

1 Please note that for reporting purposes we have followed the established industry practice of not including fatal accidents in the lost time incidents (LTI) category. This in no way diminishes the impact of the death of our valued colleague this year.

### Combining an innovative learning tool with Open Data to make building safer

We calculated that nearly a quarter (23%) of all accidents on our networks in 2021 involved builders, so in 2022 we launched a new education display tool called Dig Safe that is designed to help reduce accidents among builders working with electrical cables. It is an innovative learning tool that simulates a potentially dangerous cable and, combined with Open Data, is a powerful way to educate builders on safe working practices.

With the aim of working with the building trade to make digging safer, we are encouraging builders to plan their work in as much detail as possible. Requesting cable plans of the area where they will be working is an important part of this planning, particularly for individuals carrying out work such as small house builds or extensions and, laying driveways. By combining the Dig Safe tool with a comprehensive set of cable plans, builders and their contractors are able to plan their digging carefully with free and open access to all the data they need. The simulation tool uses a shovel that has been involved in a real cable strike and has the scorch marks to prove it. Further engagement with the building sector, which was supported by the Federation of Master Builders (FMB), included material issued to the sector by the FMB focusing on dangerous sites and a rise in incidents.

# Safety continued

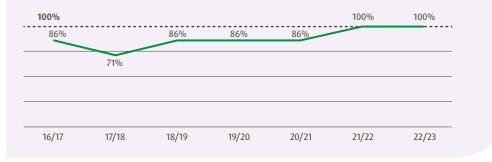
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### Percentage of safety commitments rated green



No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
55	No formal notices or prosecutions by the HSE under applicable legislation.	We received no formal notices or prosecutions by the Health and Safety Executive (HSE) relating to incidents during the 2022/23 regulatory year.		
56	Deliver the high safety criticality element of the asset health/risk index (deliver all asset improvements with a high safety criticality score (4) in the asset risk index).	Since publishing our RIIO-ED1 business plan, we have implemented the common methodology for measuring asset risk. This methodology encourages us to focus on high safety criticality assets and we are committed to delivering the target risk reduction under this new methodology.		
57	Reduce the Total Recordable Injury rate (accident rate per 100,000 hours worked) by 10% per annum to less than 0.5.	Total Recordable Injuries (TRI) includes all workplace injuries that result in an individual either being absent from work, receiving professional medical treatment or receiving first aid treatment at work. The TRI rate in 2022/23 was 0.37, which is ahead of the target of 0.5 set for the end of RIIO-ED1. We continue to put in our best in ensuring this great performance is maintained and improved year-on-year throughout RIIO-ED2.	•	•
58	Reduce the Lost Time Recordable Injury (LTRI) rate (accident rate per 100,000 hours worked) by 10% per annum to less than 0.05.	Lost Time Recordable Injuries is the measure relating to the most serious injuries and only includes injuries which result in the person being absent from work. The LTRI rate in 2022/23 was 0.01, which is ahead of the target set for RIIO-ED1.		٠
59	Achieve at least one year with no RIDDOR reportable Lost Time Incidents for employees and contractors by the end of the period.	In 2022/23, unlike 2021/22 when there was no LTIs, there was one RIDDOR-reportable LTI relating to our regulated activities whereby an employee suffered an electric shock and fall from height. However, this only relates to LTIs on a regulatory year basis. We achieved over 400 days without a contractor LTI, and over 650 days without an employee LTI. This means we have achieved our target of going a full year with no RIDDOR reportable LTIs.	•	•
60	At least one year with no RIDDOR reportable public harm resulting from our activities.	In 2022/23, there were no RIDDOR reportable injuries to members of the public relating to our activities and have been zero since the first year of RIIO-ED1. The safety of the public remains a top priority for us and we continue to improve the ways we work to reduce risk associated with the work that we do.	•	
61	Engage with two million children and members of the public, either through face-to-face or via online interaction, on public safety issues over RIIO-ED1.	In 2022/23, we engaged with 409,026 people through our website, school visits and other interaction with young people and the public. The overall target to reach two million members of the public over the RIIO-ED1 period has been achieved with a grand total of 3,449,024. This means we are 1,449,024 above the target.	•	•

• Failed to complete an annual output

Successful achievement of an annual output

#### Delivering today, adapting for tomorrow

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## Our path to Net Zero must consider the priorities of all stakeholders and customers and act in their best interests, especially with the cost-of-living crisis

The cost-of-living crisis is placing enormous financial strain on most people; at the same time, the climate emergency is not going away. Fuel poverty is where a household needs to spend 10% or more of its income in order to heat their home satisfactorily. National Energy Action estimates that around 7.5 million homes in the UK are entering fuel poverty and are unable to afford to heat their homes to the temperature needed to keep warm and healthy. We have a key role to play in ensuring the network is ready for the energy transition and all our customers are able to benefit. This includes supporting those at greatest risk of being left behind, for reasons such as cost, accessibility and awareness. As a monopoly provider of a vital service, we are committed to doing all we can to provide continued support towards all customers.

The only direct aspect of energy bills that is within our control is network costs, which we have kept as low as possible. We nevertheless believe we can and should do more to help our customers. We have responded by:

- Expanding our fuel poverty support programme
- Taking an "inclusion by design" approach to ensure all customers can benefit from smart and low carbon energy services
- Developing an innovative cross-sector affordability delivery framework to maximise the impact of our collective efforts for our shared customers

These actions, and others, are supported by the three pillars of our consumer vulnerability strategy, which sets out how we identify, reach, and help our customers.

Our Priority Services Register (PSR) makes up the first pillar of this strategy where we seek to identify and support customers in vulnerable situations.

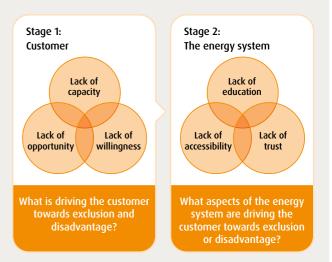
Our focus is to relieve the enormous pressure of the cost-of-living crisis on those who are feeling it most. At the same time, we also

take a longer-term view. A Net Zero carbon economy brings benefits all round; it brings bills down and makes the planet healthier. We do all we can to make sure that the transition to Net Zero is one that everyone can share in, regardless of their circumstances. In 2022/23, we doubled the reach of our fuel poverty support programme compared with the previous year. We scaled up the PSR data sharing with five additional water companies, taking the total to seven out of eight. We also worked in collaboration with local authorities and other utilities, to make sure more customers receive the support they are entitled to. We found new ways to help our customers, including those who were not previously receiving support, and we did more of the tried and tested things we were already doing for more people.

The second pillar focuses on how we support customers in fuel poverty. This is an important focus for us which is reflected in our social commitments. These include maintaining our community fund investment of £300,000 per year, which funds the publication of advice on energy efficiency, the running of and delivering face-to-face surgeries for customers in vulnerable circumstances.

We established a Cost-of-Living Fund that provided £500,000 extra funding to increase the support we give to customers in need and have also scaled up local authority community initiatives thanks to a £200,000 dedicated matched funding scheme. We will be building on our RIIO-ED1 approach in RIIO-ED2. We will establish the UK Power Networks Foundation, which will spend £4m per annum as funded from our profits to support our customers in the most vulnerable circumstances. In total, we made 16 commitments relating to our social responsibilities, and we are delighted to say that we have achieved all 16 of them.

Inclusivity is the third pillar of our consumer vulnerability strategy. Alongside the recent fuel and cost of living crises, we remain focused on the climate emergency facing the world. UK Power Networks wants to help make sure that the benefits of reducing Our two stage customer segmentation framework



This framework helps to ensure we consider not just customer characteristics, but also the barriers they may face, along with insights from bespoke mapping and forecasting data across our regions.

carbon emissions which are financial as well as environmental are available to everyone, not just to those who can afford EVs and heat pumps.

In 2022/23, we launched our Home Action Plan to support customers to reduce the carbon emissions of their homes, helping them understand what actions they can take and where to go for further help. The action plan sets out a range of measures customers can take, ranking them in terms of effectiveness. It includes actions that are free or very low cost as well as those requiring more initial outlay. We are also working to make sure all our customers see the benefits of LCTs.

## OUR COMMITMENTS **Social** continued

#### Delivering today, adapting for tomorrow

#### **Overview**

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For the best stakeholder experience, engagement and support, we collaborate with diverse group organisations such as with other DNOs, gas distribution network operators, water companies and local authorities

Number of customers on the Priority Services Register



31,612 customers received fuel

last year)

Improved PSR data quality poverty support through our from 91% to 97% delivery partners (double the number supported

97%

13% Highest growth in number of customers on the PSR in London, following our campaign in this area

## 236

active partners supporting customers in vulnerable circumstances with 82 new partnerships this year

## **67%**

of eligible customers are now registered on the PSR, an 11% increase on last year



### Helping local authorities to plan for the climate emergency

In 2022/23, we ramped up our engagement with local authorities, recognising the resourcing challenges they faced with their Net Zero planning. We established a dedicated Local Net Zero Team to support local authorities in developing robust local decarbonisation plans to deliver on their ambitious Net Zero targets. We have shaped our support through extensive engagement with local authorities across our regions, including surveys, one-to-one discussions and regional engagement events. In March 2023, we launched a prototype of our Local Net Zero Hub. This free online hub has been designed working closely with local authorities to support them on their journey through local area energy planning, recognising their need for additional support to access and interpret key data. It gives local authorities access to a raft of datasets to support their local decarbonisation plans. These range from from wind speeds, flood zones and socio-economic data to electricity network maps and information showing where there is extra electrical capacity. Having truly open, local data brought together in one place, grouped by six key planning themes, will help local authorities understand where to start and what factors they need to consider to deliver Net Zero quickly and cost-effectively.



## OUR COMMITMENTS Social continued

#### Delivering today, adapting for tomorrow

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100%	100%	100%	100%	100%	100%	100%

No.	Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
62	Double the number of customers on our Priority Services Register.	We now have in excess of 2.3 million registered households on our PSR, which is an increase of over six times this initial target since we made this commitment in 2013/14 when we had 378,614 registered households. This means we have achieved our RIIO-ED1 goal, and we will continue to work diligently in ensuring all customers with additional needs are identified and receive the care they need during power cuts.		
63	Proactively contact all registered vulnerable customers to offer support if they are without power.	When power cuts occur and we are made aware of the outage, we call all medically dependent customers, and contact all customers on the PSR via our automated SMS and voice message service. This service is offered 24 hours a day, seven days a week.		
64	Extend our local authority joint response pilot across our geographical footprint and standardise triggers.	This is now part of our business-as-usual operations. We alert the local authority at the outset of more significant power cuts and work with them until power supplies have been restored, keeping our customers informed. An example of this is our work in response to the first COVID-19 lockdown and storm Eunice, where we supported and actively engaged with local resilience forums.	٠	
65	Provide every vulnerable customer an alternative high priority dedicated number.	Customers in vulnerable circumstances on our PSR have a dedicated Freephone number to call in case of a power cut.	٠	
66	Distribute welcome packs to all new customers on the Priority Services Register.	Welcome packs are provided to all new customers on the PSR. The packs include the information these customers require to ensure that they can receive the additional support they need if they experience a power cut.		
67	Host two subject-specific priority issue focus groups on vulnerable customers and fuel poverty every year.	In 2022/23, we held two partner-wide sessions – one on customer satisfaction and another to discuss data-led approach to better identify at risk customers (via Social Connect tool).		
68	Maintain our community fund investing £300,000 per annum.	Through Matched Funding, Team Sport Awards, Community funding and charity partnership donations we have provided £300,000 funding for local community schemes and charities in 2022/23.		
69	Work with National Energy Action (NEA) to map and profile fuel-poor customers within our footprint.	We worked with the NEA to understand the variation of vulnerability across our region. We did this by mapping levels of unemployment, fuel poverty, customers on the PSR and other indices. This data is updated annually to ensure it is accurate. This map allows us to target energy efficiency advice and customer care to the most deprived areas.		•

Failed to complete an annual outputSuccessful achievement of an annual output

## OUR COMMITMENTS Social continued

#### Delivering today, adapting for tomorrow

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Eight year RIIO-ED1 Output Commitment	2022/23 update	2022/23 status	2021/22 status
Publish information to targeted customers on how energy efficiency and demand-side activity can be used to manage energy consumption.	Our work through Partners sent out over 1,466,630 energy efficiency advice notices and reached over 31,612 customers with in-depth tailored support. We have established Home Action Plans to support customers with decarbonising their homes. The plans are being trialled in conjuction with some partners and further information is made available on our website.		
Deliver a series of targeted consumer surgeries for vulnerable residents designed to raise awareness of energy efficiency and how to manage energy bills.	We have delivered fuel poverty advice including energy efficiency to 1,466,630 customers, delivering £5.1m financial benefits this year and in-depth tailored support for 31,612 customers, saving them more than £1.58m this year.		
Publish a strategy to explain how smart meters can be used to reduce fuel poverty.	Our innovative project, energywise, researched how smart meters can benefit customers who are in fuel poverty. The findings from this project have been used to inform our strategy. We created bespoke supplier and customer satisfaction frameworks specifically for smart meter interventions so that we can measure and monitor our service. We refreshed our annual PSR campaign with information about the benefits of a smart meter in mind. We engaged with Smart Energy GB, who are responsible for the national communications campaign for smart meters, to co-design tailored messages to promote the benefits to medically-dependent customers.	•	•
Create a group of UK Power Networks local community energy champions.	We have partnered with Community Energy South, London Sustainability Exchange, Rural Coffee Caravan, Repowering and Carers Trust to create a group of local energy champions. These energy champions advise customers face-to-face about energy savings, renewable energy and finding the right tariffs.		
Develop a project with NEA to educate young carers about energy efficiency.	We have continued to work with the NEA towards delivering workshops on energy efficiency. We received 95% positive feedback and learnt that it was difficult to track benefits. As a result, we launched several energy efficiency programmes for young people across south London and Brighton and Hove to educate and support, reaching over 193,593 young people with energy efficiency advice.	•	
Organise and deliver school activity days to encourage safe, efficient use of energy.	UK Power Networks continues to support young peoples' safety through online and face-to-face interaction. In 2022/23 we engaged with 302,737 young people through our website, school visits and with the return of face to face engagements UKPN were in attendance to several Crucial Crew events. The overall target to reach two million members of the public over the RIIO-ED1 period has been achieved with a grand total of 3,449,024.	•	
Measure ourselves against other companies and seek inter and intra sector recognition/accreditation by participating in external benchmarking such as achieving membership of the Sunday Times 100 Best Big Companies to Work For.	Following from the results of the 2023 survey, UK Power Networks achieved 2nd position on the Q2 list. Further to this, UK Power Networks also holds Platinum Investors in People status, awarded to just 5% of companies globally, and in 2022 was ranked 6th on the UK Inclusive Employer list.	•	
Recruit and train over 1,000 staff as well as up-skill and develop existing employees to ensure that we maintain a suitably skilled and motivated workforce.	As the workforce continues to age, skilled staff retire and new skills are required. We have an effective pipeline that supplies us with trained staff so that we can keep the lights on and deliver to our business plan. This has resulted in the recruitment and training of 2,363 staff in RIIO-ED1.		•
	Publish information to targeted customers on how energy efficiency and demand-side activity can be used to manage energy consumption.         Deliver a series of targeted consumer surgeries for vulnerable residents designed to raise awareness of energy efficiency and how to manage energy bills.         Publish a strategy to explain how smart meters can be used to reduce fuel poverty.         Create a group of UK Power Networks local community energy champions.         Develop a project with NEA to educate young carers about energy efficiency.         Organise and deliver school activity days to encourage safe, efficient use of energy.         Measure ourselves against other companies and seek inter and intra sector recognition/accreditation by participating in external benchmarking such as achieving membership of the Sunday Times 100 Best Big Companies to Work For.         Recruit and train over 1,000 staff as well as up-skill and develop existing employees to ensure that we maintain a	Publish information to targeted customers on how energy efficiency and demand-side activity can be used to manage energy consumption.       Our work through Partners sent out over 1.466,630 energy efficiency advice notices and reached over 31.612 customers with energy consumption.         Deliver a series of targeted consumer surgeries for vulnerable residents designed to raise awareness of energy efficiency and how to manage energy bills.       We have delivered fuel poverty advice including energy efficiency to 1.466,630 customers, delivering 5.5 m financial benetits this year and in-depth tailored support for 31.612 customers, saving them more than 15.58m this year.         Publish a strategy to explain how smart meters can be used to reduce fuel poverty.       Our innovative project, energywise, researched how smart meters ican benefit customers who are in fuel poverty. The findings from work specifically for smart meter indepth tailored support for 31.612 customers, saving them more than 15.58m this year.         Create a group of UK Power Networks local community energy champions.       We have partnered with Community Energy South, London Sustainability Exchange, Rual Coffee Caravan, Repowering and carers furst to create a group of local energy champions. These energy efficiency, we received 95% positive energy admipsion.         Over apport with NEA to educate young carers about energy efficiency.       We have continue to work with the NEA to wards delivering workshops on energy efficiency were filted and support, reaching over 193,593 young people aurons south condon and Brightion and Hove to educate and support, reaching over 193,593 young people with energy efficiency.         Organise and deliver school activity days to encourage safe, efficient use of energy.       We have continue to w	Eight year RH0-ED1 Output CommittentZ02//23 updatestatuPublish information to targeted customers on how energy efficiency and examched area dispont. We have setal stabilised from eXton Plass to support Customers with in- the plats are being trialled in conjuction with some partners and further information is made available on our website.Image: Consumers surgeries for energy efficiency and be used to manage indepth tailored Support. We have setalished from eXton Plass to support consomers with develop estimation by a triggeted consumers surgeries for vulnerable residents designed to rake awareness of energy tifticiency and how to manage energy bills.Image: Consumers surgeries for web have delivered fuel poverty advice including energy efficiency to 1466.630 customers, delivering ES Im financial benefits this year and in-depth failored support for 33,62 customers, saving them more than E1.55m this year.Image: Consumers surgeries for energy efficiency and how to manage energy bills.Image: Consumers surgeries for energy efficiency and how to manage energy bills.Image: Consumers surgeries for energy efficiency and how to manage energy bills.Image: Consumers surgeries for energy efficiency and how to manage energy bills.Image: Consumers surgeries for energy efficiency and how to manage energy bills.Image: Consumers and monitor our service.Image: Consumers and for the powerty.Publish a strategy to explain how smart meters can be used to indow to manage energy bills.Our innovative project, energy wise, researched how smart meters, to co-design tailored messages to promote the benefits to medically dependent customers.Image: Consumers and for the powerty efficiency and how to manage energy bills.Image: Consumers and the powerty efficiency and how to manage energy bills.Cr

Failed to complete an annual outputSuccessful achievement of an annual output

# Value for money

#### Delivering today, adapting for tomorrow

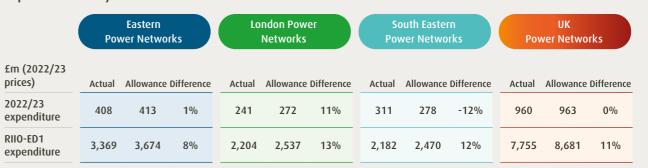
## Providing value for money for our customers is a deep-rooted principle for us and the cost-of-living crisis has sharpened our focus on this even more

UK Power Networks is a natural monopoly, meaning customers don't get a say in who delivers their electricity. In the context of the current cost-of-living crisis, we feel this responsibility more strongly than ever, and we are doing all we can to help our communities through direct support and by keeping our portion of their electricity bills as low as possible.

In 2022/23, we delivered savings for customers by outperforming our RIIO-ED1 allowance. This is the primary mechanism by which we save our customers money. Under the current arrangement, we are given an allowance by our regulator Ofgem, and any money we save from this allowance, while maintaining a high performing network, we split approximately 50:50 between ourselves and our customers. Over the eight years of RIIO-ED1, we have managed to save our customers £433m (2022/23 prices), whereas the other five DNO groups combined have saved their customers £28m. We do this at the same time as ensuring our customers benefit from the most reliable network and the best customer service.

We made changes to the UK's first self-service product to make LCTs accessible to as many customers as possible and for domestic customers seeking a LCT upgrade. With the self-service product, the lead times to approval have shortened by up to 10 days, saving up to a total of over half a million days since launch. We have also saved on the work time equivalent of 15 employees, have avoided £3.4m reinforcement costs that we would otherwise have had to invest, and have delivered £8.8m in societal benefits through reduced carbon emissions and improved air quality resulting from the replacement of carbon emitting equipment with low carbon technologies. We have supported nearly 50,000 battery and solar installations in 2022/23 and nearly 40,000 households are expected to benefit from up to 61% lower electricity bills, saving them an average of £710 per year.

#### Expenditure Analysis



It important for us always to remember that saving our customers' money cannot come at the expense of network performance. In addition to CIs and CMLs, there are two other more long-term measures of the "health" of the network. These are called the Health Index (HI) and Load Index (LI). The HI measures the condition of the assets on our network and is determined by the amount of asset replacement and refurbishment we do. We have an eight-year target of achieving 100% HI score and are pleased to report that we have delivered 104% of this new Health Index target for the eight-year RIIO-ED1 period since the Common Network Asset Indices Methodology was introduced across all DNOs. This methodology

saw our target reset to be as challenging as the original. The LI measures how utilised our network is, and we have a maximum level for the LI that we must not exceed. In 2022/23, our networks were on average 64% better than the utilisation target for that year.



Our commitments

**Overview** 

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# Value for money continued

#### Delivering today, adapting for tomorrow

#### Overview

#### Our commitments

Use the contents above to navigate the document. You can return to the start of the report by clicking on the 'home' button, at the bottom of the page.

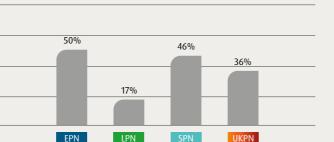
We have continually kept the cost as low as possible whilst enabling Net Zero and maintaining our ratings as the best performing DNO. We have outperformed all of the other DNOs combined in terms of customer savings

Health of the network<sup>\*</sup> (cumulative for the period 2015/16 – 2022/23)



Health indices — Cumulative target

#### Utilisation of the network – Load Indices



% outperformance of our 2022/23 target

Based on previous methodology. Health indices (HI), measuring the condition of the network. The figure in the chart indicates the improvement we have made on our assets in the first year as a percentage of the overall RIIO-ED1 (eight year) target

Load indices (LI), measuring the capacity and loading at substations. The figure in the chart

indicates our position this year

against the end of RIIO-ED1 target. The higher the value, the more

loaded the network is. A value of

less than 100% indicates we are

ahead of target

# 8%

lower annual domestic charges than the industry average

## £425m

of customer savings due to innovation over the last eight years (2015/16-2022/23)

### £7.44

Our domestic customers pay us an average monthly charge of £7.44 for a reliable electricity supply

### Increasing energy efficiency, saving customers' money and reducing our environmental impact

The Climate Change Committee highlights that national policy on its own will not be enough to deliver Net Zero. Local authorities have a key role to play in rolling out decarbonisation projects at a local level. Many have declared climate emergencies, with two-thirds aiming to become carbon-neutral before the national Net Zero 2050 target. We collaborated with six county councils to co-develop a consistent and easy to use framework to support their local area energy planning. Sharing our resources and utilising our structured framework reduces the need for local authorities to spend money on modelling and data acquisition. This saves taxpayers' money, and means we have advanced notice of any decarbonisation projects, allowing us to plan the network strategically to accommodate new demand. This in turn saves our customers' money. We forecast this process could deliver £342k potential savings per local authority. Our simplified, evidence-based framework assists with local area energy planning, and we intend to scale this up to cover 40 local authorities (five per year), which will deliver £13.7m in benefits.



## **Key contacts**

#### Delivering today, adapting for tomorrow

#### **Overview**

Our commitments

**General enquiries** 0800 029 4285

Emergencies or power cuts (24 hours a day) Free power cut helpline 3-digit number: 105 or 0800 31 63 105

Please note this number is free to call from mobile phones

**Text message updates during a power cut** To keep updated during a power cut Search, Track and Report Power Cuts on our dedicated website:

www.ukpowernetworks.co.uk/power-cut

#### Text Relay

We offer a 24-hour Text Relay service for customers who are deaf, hard of hearing or have any other communication difficulties. For more information, visit:

www.ukpowernetworks.co.uk

**Connection services** 0800 029 4280

**Media enquiries** 0330 159 1712



A full list of our contact details can be found at: www.ukpowernetworks.co.uk