

The data contained within this template has been provided by DNOs solely for use by Ofgem internally and its Challenge Group – please refer to the individual DNO Business Plan and associated tables for more detailed information and breakdown of the data.

General guidance:

- 1. Length:** 1 page. These are highlights / headline numbers and so should not require much text. Additional 'spill-over' page for text in Green section will be accepted. Does not count towards 200 page BP limit as separate document.
- 2. Format:** is flexible, subject to 1. Excel software preferred to avoid copying errors.
- 3. Content:** the content outlined below is the baseline requirement; networks may add additional metrics where they feel it is appropriate for their stakeholders.
- 4. Data:** should be provided at Group level.

DNO Group:		Customer numbers (as of 30/09/2020):	3,895,386
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Notes:
Group name in cell B8, and Customer numbers in cell E8.

Forecast expenditure	Baseline	Upper range	TOTAL
Load related	530	182	712
Other	3,699	866	4,565
TOTAL	4,229	1,048	5,277

Notes:
Load related' and 'other' calculations should use the existing reporting categories as set out in the BPDT. Figures should be total forecast expenditure across ED2 period (5 years), using price base year 2020/2021 as reported in the BPDT, and including G "Baseline" figures should be a company's best view of expenditure based on ex ante funding and should not include uncertainty mechanisms.
"Upper range" should reflect the additional spend possible based on the upper reasonable limit of a company's potential spend under uncertainty mechanisms and volume drivers. For example, "baseline" = £100m, "upper range" = an additional £10m, and "Total" These figures should be calculated using, and traceable to, the examples in the 'Data request template_LRE appendix totex uncertainty cases_20210526'.
Figures should be inclusive of RPEs.

Without Green Recovery			With Green Recovery		
Annualised ED2 expenditure relative to ED1	£m + / -	% + / -	Annualised ED2 expenditure relative to ED1	£m + / -	% + / -
Load related	64	153%	Load related	66	148%
Other	198	37%	Other	198	37%
TOTAL	262	45%	TOTAL	264	45%

Notes:
Load related' and 'other' calculations should use the existing reporting categories.
Figures should be increase or decrease in annual forecast expenditure averaged across ED2 period (5 years), compared to annual forecast expenditure averaged across ED1 period (8 years), and include Green Recovery expenditure.

Bill impact	Baseline	Upper range	TOTAL
Group Level	£102.5	£5.5	£108.0

Notes:
Totals should be expressed as the annual amount, averaged over the course of ED2 at group level.
"Baseline" and "Upper range" figures should be calculated from the "Baseline" and "Upper range" estimated in the 'Forecast expenditure' table.
Figures should be produced by the Ofgem BPFM model using Ofgem's SSMD Working Assumptions, and then aggregated to group level.

Net Zero	Best view	Upper view
Electric vehicles	994,000	1,300,000
Heat pumps	512,000	800,000

Best View is based on our ex-ante baseline funding request (Year 1,2 CT/Years 3-5 ST)
Upper view is based on CT

Notes:
Best view should be the network's best forecast of demand, reflecting the number of EVs and heatpumps connected by end of ED2 (including those already connected at the end of ED1).
Upper view should be the network's highest rational estimate of potential for additional demand, reflecting potential requests under UM(s).
Figures should be given in units, i.e. number of EVs, and number of heat pumps.

Scale of flexibility	ED1 - forecast	ED2 - target
MW of flexibility procured	2000	5000

This is an aspirational target for flexibility procurement to allow for alternative outturns to the CT scenario

Notes:
Figures to be annualised over the period of the relevant price control. "ED1 - forecast" should include the predicted procurement until the end of ED1. Units to be expressed as MW, not cost of MW.

% network where demand monitoring deployed	2019/2020		By end ED1		By end ED2	
	% substations	% customers	% substations	% customers	% substations	% customers
Primary	98%		100%		100%	
Secondary	<1%		2%		19%	

Notes:
Figures for end ED1 and end ED2 should be companies' best view of coverage.

Track record - area	Historic (2015/2016)	Average over ED1	Forecast average over ED2
Broad Customer Satisfaction (0 - 10)	8.45	8.72	9.2
CIs (average number customers per 100 per year)	49.63	50.68	Reduce by 20% by 2028
CMLs (average minutes lost per year)	40.37	43.19	Reduce by 20% by 2028
IIS rewards earned (£ over cap)	0	0	n/a
Innovation Fund Utilisation (%)	81%	61%	100%
Totex (% efficiencies or overspends)	90.3%	103.4%	100%
Average Domestic Customer Bill (£/yr)	121.4	110.4	105.8
Time to connect (working days) LVSSA	32.3	31.2	22.0
Time to quote (working days) LVSSA	2.6	3.2	2.9
Time to connect (working days) LVSSB	42.5	40.4	26.5
Time to quote (working days) LVSSB	6.0	6.4	3.9
Asset health	76,254,358	73,019,590	Maintaining performance

Unplanned only
£ over cap is 0 but reward earned in 2015/16 is £20.8m and average over ED1 is £10.3m
NIA only
ED2 Bill based on business plan view at group level on SSEN financial assumptions not OFGEM assumptions

Notes:
All ED2 targets may not be set at time of submission. Only those already estimated elsewhere in plan need be included.
"Forecast average over ED2" estimate should be expressed in units or as a % improvement where possible; free text may be used where this is not possible.
"Average Domestic Customer Bill" should be the annualised average over ED1, including charges already identified for 21/22 and 22/23. Companies may submit figures for ED1 and ED2 that have normalised out the impact of incentives and rebates, but must use "Asset Health" should be expressed numerically for "Average over ED1", but as the new methodology for ED2 is not directly comparable, "Forecast average over ED2" may be expressed as text, for example "maintain", or "improve", and is the forecast after int

DNO view on financial metrics	
Cost of equity	4.40%
Cost of debt	2.09%
Notional gearing	60%
Target ratings	Baa1 or BBB+
Capitalisation rates	65%
Depreciation rates	45 years

Notes:
Headline figures to be taken from the plan, as outlined in Chapter 6 of the Business Plan Guidance.

Bespoke outputs	Category	Cost	% Base Revenue
By 2028 improve the network performance for at least 75% of worst-served customers	PCD	£25.2m: £3.3m (South), £21.9m (North)	0.6%
Ready the network for net zero, consistent with up to 1.3m Electric Vehicles and up to 800,000 heat pumps connecting by 2028	SSEN Aim	£510m Baseline load and connections-driven reinforcements with additional uncertainty mechanism funding in period*	11.3%
Improve the end-to-end process (application, design, quote and connection) for all our connections and introduce automated quotation services for domestic LCT and minor connections customers by 2025	SSEN Aim	£10.8m	0.2%
Introduce a Business Support Register	SSEN Aim	Included in wider common Customer Service outputs of £26.1m	N/A
By 2028 support 50,000 households (equivalent to 114,000 customers) with fuel poverty	Part of Strategy	Included in wider common vulnerability outputs £12.3m	N/A
Reduce emissions by replacing mobile generators wherever possible with lower carbon alternatives or by using alternative lower carbon fuel types by 2028	SSEN Aim/ Part of EAP	Part of EAP (£2.2m)	0.1%
Reduce emissions from our assets by a minimum of 35%, and begin reducing our holdings	PCD/ Part of EAP	Part of EAP (£5.6m)	0.1%
Plant 2,000 hectares of native woodland and restore 1,200 hectares of peatland in our licence areas, which are expected to remove up to 300,000 tonnes of CO2e by 2045, and provide 3000 biodiversity units by 2045.	PCD/ Part of EAP	Part of EAP (£26.4m)	0.6%
Replace 78 km of fluid filled cable and reduce oil leakage by 20% relative to 2019/20	PCD/ Part of EAP	Part of EAP (£37.3m)	0.8%
Implement a strategy to efficiently manage losses on our network in the long-term: Re-classify losses as a Scope 2 emission and act to reduce actual losses	Part of EAP	Part of EAP (£4.9m)	0.1%
TOTAL of any additional bespoke outputs		£1,286.2	28.5%

* This forms part of our ex-ante baseline funding request and includes £212m of connections-related reinforcement in Business Plan Data Table C2. UM funding is expected to be required for delivery of the outputs.

Our plan contains 44 bespoke outputs including our CVP. 10 are listed above with remainder of baseline cost listed here (Note: This includes CVP cost)

Notes:
Networks should choose a maximum of 10 bespoke outputs to provide details for. All other remaining bespoke outputs should be totalled at bottom of table.

Consumer value proposition	Category	Gross Value	Net Value
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1. Embedded whole systems support services for local authorities	Whole system	22.9	11.2
2. Supporting broadband to island communities through our assets	Vulnerable consumers	34.5	27.0
3. Protecting marine biodiversity: Life Below Water	EAP	5.8	3.4
4 a) Energy efficiency accelerator for smarter networks and b) Local and community flexibility market stimulation (combined)	DSO	40.9	7.1
5. Personal Resilience Plan	Vulnerable consumers	10.7	3.9

We have included five CVPs in our final plan. The total cost of our CVP package, as shown in M21, is £67.0m.

Notes:

Networks may propose up to 10 CVPs - all those proposed should be listed here in descending net value order.

Science Based Target	Warming trajectory	Target date to achieve	Reduction milestone at end ED2
Science-Based Target	1.5	2033	35%

Notes:

The science based target is that set in line with Appendix 3 of the Business Planning Guidance: the 'Warming Trajectory' should be either well below 2, or 1.5, degrees.

The 'target date to achieve' should be the year the company expects to achieve the full reduction.
The 'reduction milestone at end ED2' should be the % or target reduction achieved by end 2028/2029.

Strategic approach to:	Activity Title	Description	Expected impact
Vulnerable consumers	Addressing Fuel Poverty	By 2028 support 50,000 households (equivalent to 114,000 customers) with fuel poverty. We will train 30 employees to the City & Guilds energy efficiency qualification and introduce 200 vulnerability champions across the business from the start of RIIO-ED2.	£17.2m financial benefits delivered through targeted fuel poverty support and energy efficiency measures. £3.7m societal benefits delivered through quality-of-life improvements, health benefits and carbon emission reductions.
	Smart use of data/LCT Drive fairness in the transition to low carbon technologies	Introduce a shareholder-financed £500,000 annual 'Powering Communities to Net Zero' fund to support LCT accessibility initiatives for those in vulnerable situations, and community-led environmental and resilience schemes.	We will gain a deeper understanding of the challenges that customers in vulnerable situations face in the energy transition. In providing educational material and funding this will ensure vulnerable customers can access energy transition benefits. Increasing the uptake of LCT's driving £8.2m financial benefits and £1.4m societal benefits.
	Closing the PSR gap	We will continue to utilise our Customer Mapping Tool along side our partnerships to reduce the overall PSR gap to 28% in ED2. We will reach 1m registered for Priority services in ED2.	We have already significantly closed the PSR gap across our regions but with the strategic use of the Customer Mapping Tool and our partnerships, we can engage with those hard to reach customers and help far more people with support proactively and during power cuts.
Connections	Increased availability/flexibility for all large demand	Increase options and opportunities for Flexible Connections and providing Flexibility services will be available from the beginning of RIIO-ED2, aligned with the requirements set out through the minded to Access SCR decision.	We expect to save customers between £18.3m and £46.3m through deferring reinforcement (associated with increasing load from new connections).
	Improved processes for connection of LCT	We will develop automated application processes with the vast majority of domestic LCT customers and some other customers receiving instant outcomes. This will enable the timely connection of [c.1.3m] EVs and [c.800,000] heat pumps by 2028.	£100m carbon benefits and £112m customer financial benefits over RIIO-ED2 enabled by ensuring LCT customers are able to connect on time.
	Improved customer process (incl. data provision)	Enhanced digital capabilities will improve how customers self-serve applications, project tracking, notification preferences, online payments etc. We will also provide significantly increased levels of network data to all customers.	£4.6m cost efficiency benefits delivered by the improved process over RIIO-ED2. £3.8m additional societal benefits delivered to connections customers over RIIO-ED2 through saved time and increased satisfaction. We expect these benefits to be ongoing beyond ED2.
Environmental impact	Decarbonising the Network	Committed to setting SBT on a 1.5°C pathway to reduce Scope 1 & 2 emissions. Our EAP investment of £146.3m will facilitate our BCF reductions for diesel consumption, Operational and Business Transport, SF ₆ Losses, Embodied Carbon and Substation Emissions.	These investments provide significant benefits to our stakeholders, customer and our journey to achieving net zero through reduced carbon emissions. It translates to approximately 55% reduction of our BCF by 2033 and a minimum of 35% BCF reduction by end of RIIO-ED2.
	Reducing impact of our network on the environment	Implement a losses strategy and categorise losses as scope 2 forming part of our accredited SBTs. Reduction of SF ₆ on our network by a minimum of 35% by end of RIIO-ED2. Commit to exploring alternative solutions to our island diesel generation which is unique to our network.	£36m societal benefits delivered by energy savings and lower carbon emissions as a result of reduced losses £2.5m societal benefits delivered by reduction in carbon emissions £0.4m financial benefits delivered by cheaper fuel costs & £0.2m societal benefits delivered by a reduction in carbon emissions on our islands.
	Enhance our environmental performance	Improve our natural capital; and research new ways to achieve biodiversity 'No Net Loss' on any new projects starting from 2025.	Investing in biodiversity and natural capital projects such as afforestation and replanting initiatives across our network, we will nurture afforestation ready to provide carbon sequestration from the end of RIIO-ED2 which will provide significant environmental benefits, with the potential to achieve 1 mtCO ₂ e removal over a 100-year term.
DSO	DSO Strategy	We will define a DSO strategy that will be reviewed and refreshed annually with an action plan to deliver against it, including changes to IT systems, process and people.	Our investment in DSO will be £73.1m providing significant benefits across our plan, in particular by facilitating flexible solutions. We expect to save customers up to £46.3m in deferred reinforcement and avoided capital expenditure. Through flexible connections we will save £417.6m in reinforcement costs, offsetting 1.8mtCO ₂ e.
	DSO Strategy Delivery Incentive	To enable stakeholders and Ofgem to evaluate our progress delivering our DSO Strategy throughout RIIO-ED2 we have proposed, and provided detailed design of, a DSO Strategy Delivery Incentive with associated performance metrics.	We propose a symmetrical incentive, set on a marginal basis, set at a total of ±6% of total DSO services expenditure over the course of the price control. We propose that this incentive is judged ex-post, once the price control is complete and the success, or otherwise, of companies' implementation of DSO services over the period is recognised.
	DSO Governance	We have set out through our business plan the steps we have in place today and will strengthen through RIIO-ED2 to ensure neutral decision making and to mitigate perceived conflicts of interest. We expect to engage through Ofgem's DSO Governance consultation in 2022 on additional measures required, if any.	We expect to work with Ofgem on assessing the costs and benefits of additional measures for DSO governance through their DSO Governance consultation in 2022.
Whole System	Whole Systems change management team	Establish a (temporary) Whole Systems Change Management team to take ownership of the change management required to champion the integration of Whole Systems across SSEN, focusing on promoting Whole Systems thinking and ways of working.	Further embed Whole Systems approaches with the business and ensure internal accountability for Whole Systems. Provision of more support to our stakeholders and helping to address collective challenges in a way which maximises socio-economic welfare.
	Local Authority and Community Group engagement and support	Offer annual engagement on DFES scenarios alongside Open Data to all Local Authorities and provide above and beyond support to them, as well as 200 community groups with tailored information and bespoke services as part of our CVP	Through sharing data and offering tailored support to Local Authorities and community groups, we will support them on their transition to achieving their net zero vision.
	Enhanced and continued engagement with stakeholders to develop Whole Systems approaches	Continue development of future electricity scenarios to reflect local circumstances and net zero ambitions, allowing a better understanding of future energy needs at a regional level. Working with a wide range of partners, including ENA Open Networks, EIC, PNDC, Whole Systems Development Forum with SSEN Transmission and Whole Systems Energy Sector Charter.	Realising economies of scale and scope across energy and other vectors which maximises socio-economic welfare for the communities we serve, such as our work with SSEN Transmission to connect Shetland Islands to GB mainland energy supply. Increased operational efficiency by minimising duplication and negative impacts on customers.

Notes:

General: we expect to see the headline activity, and quantified (where possible) impact.

Each 'Title' is limited to 20 words only. 'Description' and 'Expected impact' are limited to 50 words each.

A maximum of 3 examples are allowed for each category.

'Expected impact' should be quantified where possible.