

SSEN Distribution

MAJOR CONNECTIONS ANNUAL REPORT

2023 - 2024



Scottish & Southern
Electricity Networks



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INTRODUCTION

We're pleased to be submitting our first Major Connections Annual Report (MCAR), which replaces the Incentive on Connections Engagement (ICE) mechanism. The purpose of this report is to feedback on the level of service provided to all our major connections customers in 2023/24 which has been captured through the Major Connections Customer Satisfaction Survey (MCCSS), along with an outline of our strategy to improve this service during ED2.

Major connections typically consist of larger projects than, for example, domestic connections; however, as a result, they do tend to be fewer in number by comparison. Major connection customers fall into one of many market segments defined by Ofgem¹, with the actual market segment depending on the capacity or size of the works the customers require from us, the Distribution Network Operator (DNO). These large projects play a key role in the economy in delivering economic growth, and decarbonising such connections plays a key role in driving net zero.

In 2023/24, our overall MCCSS score was 7.81/10 against a baseline target of 7.41/10. We're confident we can build on the improvements that will see us improve this score, highlighting just how important it is that we have the right systems, processes and people in place to deliver success for our Major Connections customers. We'll cover this in more detail as part of our End-to-End (E2E) Connections Transformation programme later in this report.

The demand for new electricity connections continues to grow, supporting Great Britain's journey to net zero and Clean Power by 2030. In tandem, our Connections business needs to be structured in a way that supports our customers and stakeholders throughout their connection journey, ensuring the successful connection of their projects to our distribution network. This process begins before the actual application, and we need to be able to provide accurate, comprehensive, and user-friendly data information relevant to the process and engagement. To this end, we've taken key steps to ensure all of this data is available for customers:

- 01.** We've established a new Business Relationship Management (BRM) team. This team plays a crucial role in supporting and guiding customers through the challenges of the pre-application stage, and in setting up strategic conversations between customers and representatives from all areas of our business. This enables customers to make informed choices when they come to make their connections application.
- 02.** We've released our Data Portal², bringing existing, new and improved data and tools together under in the one platform. Tools such as Heat Maps, Embedded Capacity Register, Distribution Future Energy Scenarios (DFES), along with the Network Development Report, all of which provide information to support customers as they model their projects and make key decisions to progress relating to their connection application.
- 03.** As promised at the start of RII0-ED2³, we've delivered improvements to our engagement and application channels, which means we can now offer numerous channels for our customers to apply for a connection, including the recently introduced Connections Front Door⁴ during the Year 1 of ED2. This online tool facilitates online applications, aiming to enhance service provision and customer experience while ensuring we deliver value throughout the application process. This is one of the first steps we've delivered towards introducing full digitalisation of the Connections E2E Journey.
- 04.** Our aim has been to not only to enhance processes, but also look at ways to improve our connections delivery capability and performance we've also been looking at the delivery of network reinforcements to meet the needs of our Major Connections customers. To that effect, we've recently delivered a new Grid Supply Point (GSP) Contractor Framework, which has been set up with the goal of successful and efficient delivery of major connections and our network reinforcement projects to meet customer needs.

The MCCSS provides Scottish and Southern Electricity Networks Distribution (SSEN) with valuable data and insights to support the development and tracking of action plans (tactical, continuous and transformational). Remaining focused on delivering continuous and tactical improvements alongside a transformation programme allows us to reflect and act on customers' feedback, quickly and adapting our offering to meet their needs, which we expect will be reflected through improved survey scores year on year.

The volume of Major Connections applications and acceptances continues to increase; unfortunately, many of these applications are speculative. This is a trend that we expect shall remain until industry reform, such as the National Grid Electricity System Operator-led Connections Reform⁵ and Energy Network Association Strategic Connections Group working groups deliver on changes to the existing frameworks. It's expected that these reforms will enable a reduction of the existing queue and slow down the rate of applications, through introduction of new requirements for new applications, and consequently provide customer confidence for the viability of their projects for those that retain the right to have a capacity queue position. Such change will consequently enable us to better support one-to-one engagement with connecting customers and delivery of their connection projects in line with their expectations.

¹ These are also presented in Table 1 of this document.

² <https://data.ssen.co.uk>

³ RII0-ED2 (also referred to as ED2) refers to the current Electricity Distribution Price Control Regulation administered by Ofgem.

⁴ Online platform that enables the submission and tracking of applications up to clock start

⁵ nationalgrideso.com/document/316446/download



Connections landscape

The net zero transformation is already well under way with calls on capacity outstripping even the most optimistic scenarios in many cases.

Our generation and battery pipeline has already exceeded our 2030 Distribution Future Energy Scenarios (DFES) forecasts from two years ago.

We've also seen earlier peaks in new applications for electricity demand:

- The number of EVs connected across our licence areas has risen threefold in the last two years, and in our SEPD region the figure is three times the national average.
- Significant hotspots of large-demand connections have developed, including the growth in data centres in West London and the Thames Valley.

Managing network capacity is crucial to ensure electricity networks are an enabler not a blocker to net zero

DFES FORECASTS EXCEEDED

2021 DFES PROJECTIONS FOR 2030

	Distribution Network Connected DER	10.9GW
	Battery Storage	2.3GW
	Large Scale Solar	4.5GW
	On Shore Wind	4.3GW

2030 is already here!

2024 CURRENT PIPELINE

	Distribution Generation pipeline	26.2GW	
	Battery Storage	15.7GW	
	Large Scale Solar	5.1GW	
	On Shore Wind	2.8GW	



Figure 1: Connections landscape

Simplicity and transparency are core principles of our E2E Connections Transformation Programme, and so alongside the wider industry reforms, we're always looking for ways to further improve and streamline the connections application process. Major Connections are embedded across our organisation, and we're committed to ensuring the delivery of timely and economical connections that meet our customer needs.

What's more, our teams constantly keep a watchful eye on both the internal and external challenges that may arise, making sure we can successfully deliver on our targeted tactical and long-term improvements. By doing this, we can enable greater transparency and accessibility of data, whilst also supporting and ensuring readiness for industry connections reform and changes to GB's energy policy and landscape all made more important due to the new target of Clean Power by 2030.

In the Year 1 of ED2, we started to lay the foundations for our E2E Transformation Programme, as highlighted above. We're mindful that connections is a very fast-paced environment, and so we're continuing to review the way we manage this journey, including the way we provide connection offers, network and workload planning, and delivering business transformation. We're committed to ensuring that we track the commitments we've made in our RIIO-ED2 Business Plan, including innovation and better working practices.

Looking back over this Year 1 of ED2, we're proud of the positive steps we've taken in the major connections market segments, which have provided impactful and meaningful improvements to our connecting customers, evidenced through improving scores throughout the year. However, there's still more that we need to ensure we provide our customers with the best support and service throughout their connections journey, and we're looking forward to continued engagement and support from our stakeholders to help us shape the ongoing evolution of our services to drive further improvement.





WHO WE ARE AND WHAT WE DO

As a DNO, we're responsible for developing, operating and maintaining the electricity distribution network in two licence areas. These areas are Scottish Hydro Electric Power Distribution (SHEPD) in the north of Scotland and Southern Electric Power Distribution (SEPD) in central southern England. Our electricity distribution networks are the systems of overhead lines, underground cables and subsea cables that deliver a safe, secure and reliable supply of electricity to homes and businesses. We're also responsible for providing essential associated services, including new connections and changes to existing connections - which range from unmetered street furniture to large-scale demand and generation.

Our network serves some of the UK's most remote communities and also some of the most densely populated too. Our two networks cover the greatest land mass of any of the UK's DNOs, covering 72 local authority areas and 75,000 km² of extremely diverse terrain.

OUR DISTRIBUTION NETWORK AT A GLANCE

Over **3.9 million** homes and businesses

More than **951,272** customers on our Priority Services Register

Over **128,000km** of overhead lines and underground cables

460km subsea cables powering island communities

Over **4,100** employees across the country

Figures as of July 2024



Figure 2: SSEN Distribution overview



AN INTRODUCTION TO THE MCI

The Major Connections Incentive (MCI) has been implemented for all DNOs in RIIO-ED2 to ensure exceptional service for customers requiring major connections work. This incentive empowers customers to assess our performance and leads to penalties if we fail to meet set performance standards.

As part of this incentive, we're required to conduct the MCCSS and produce a MCAR. Feedback from major connections customers drives an overall customer satisfaction score based on their experience of the connections process. Performance deficiencies identified through the MCCSS result in financial penalties.

Criteria for MCI Penalties

The goal of the Major Connection Incentive is to ensure that licensees understand and meet the needs of our major connection customers. This involves evaluating the overall customer satisfaction with the connections process, improving the timeliness of connections, and improving the provision of information to customers.

In order to assess that performance, the MCCSS is designed to evaluate performance against the principles and baseline expectations for major connections service provision. It is aimed to encourage DNOs to provide high levels of service to all major connections customers so that we are agile to their needs and improve our service levels.

Our customers are surveyed at two touchpoints along their connections journey to assess their levels of satisfaction; firstly at the quotation stage and then secondly, the delivery stage. For the quotation stage, after a quote has been sent to the customer, they are contacted for survey. For the next stage, delivery, this is after the works have been completed. Customers are surveyed within ten working days of the relevant completion stage. The questions asked in the survey aim to assess the overall level of service we've provided to our customers. However, for the purposes of the MCCSS, the 'Key Question' is the most crucial as it summarises the customers' overall experience of our engagement and service provision. This drives the incentives that are on offer to DNOs based on their performance from the MCCSS.

The application of the MCI is related to the outcome of Ofgem's assessment of the level of competition which exists in the various Relevant Market Segments (RMS), between DNOs, IDNOs and ICPs. The level of competition within each Relevant Market Segment was last assessed in August 2022⁶ Ofgem⁷ has set out the following criteria for the application of the MCI:

- The MCCSS will be used in relation to the financial MCI to survey customers receiving services that are captured under Standard Licence Condition (SLC) 15 (Standards for the provision of Non-Contestable Connection Services) and SLC 15A (Connection Policy and Connection Performance) for those RMS where the licensee has not demonstrated evidence of effective competition.
- The MCCSS will be applied on a reputational basis to survey customers receiving services that are captured under SLC 15 (Standards for the provision of Non-Contestable Connection Services) for those RMS where the licensee has demonstrated evidence of effective competition.

A list of all RMS and a description of works associated with them is provided in the table below.





















SEGMENT	RMS	DESCRIPTION OF WORKS	SSEH 	SSES 
Metered Demand Connections (M)	Low Voltage	LV Work: LV Connection activities involving only LV work, other than in respect of the Excluded Market Segments		
	High Voltage	HV Work: LV or HV connection activities involving HV work (including where that work is required in respect of connection activities within an Excluded Market Segment)		
	High Voltage and Extra High Voltage	HV and EHV Work: LV or HV Connection activities involving EHV work		
	Extra High Voltage and above	EHV work and above: EHV and 132kV connection activities		
Distributed Generation Connections (DG)	Low Voltage	LV work: LV connection activities involving only LV work		
	High Voltage and Extra High Voltage	HV and EHV work: any connection activities involving work at HV or above		
Unmetered Connections (UM)	Local Authority (LA)	LA Work: new connection activities in respect of LA premises		
	Private finance initiatives (PFI)	PFI work: new connection activities under PFIs		
	Other	Other work: all other non-LA and non-PFI Unmetered connections work		

Table 1: A description of works in various Relevant Market Segments

⁶ Decision on the review of competition in the electricity distribution connections market | Ofgem

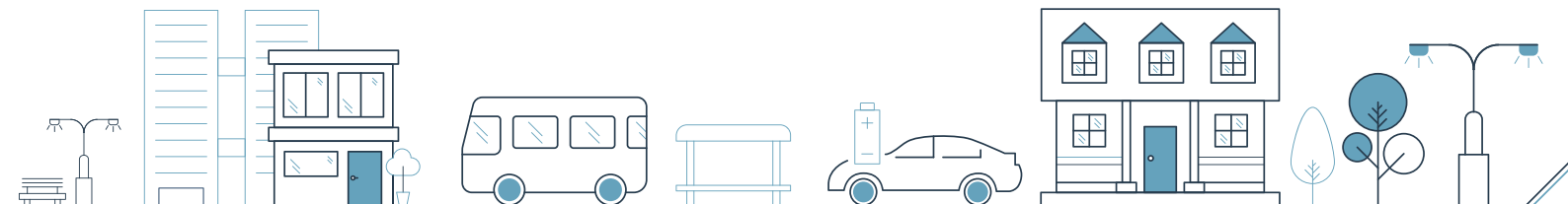
⁷ Major Connections Governance Document V1.2.pdf (ofgem.gov.uk)



TARGET SCORE FOR THE MAJOR CONNECTIONS CUSTOMER SATISFACTION SURVEY (MCCSS)

The target score for the MCCSS for Year 1 was set at 7.41/10, to ensure an exceptional level of experience for all major connections customers. Following consultations with all DNO's and consumer bodies, Ofgem acknowledged the difficulty in establishing targets for a new incentive without robust historical data. Therefore, the target score was set for Year 1 at the UK Customer Satisfaction Index (UKCSI) Utilities score. This score is considered to be an independent, objective benchmark supported by historical evidence.

This target score was retained for Year 2 owing to statistical and data availability issues. Following Year 2, Ofgem will review the data and consult on targets for the remainder of R110-ED2. The use of the UKCSI Utilities score enables Ofgem to set a fair and objective minimum standard of service to ensure customers are protected from poor service levels. Performance above this band does not attract any financial reward. Scoring below this target level attracts a financial penalty from our regulator. Penalties are incrementally applied for each 0.01 scoring band. Any performance measurement below 6.91 is considered for the maximum penalty of £3.32 million.





OUR PERFORMANCE IN RELATION TO THE MCCSS

Following the completion of our first year under the MCCSS, we're pleased to share our results marking our transition from the previous ICE mechanism (the 22/23 report can be found here). As previously stated, in 2023/24, our overall MCCSS score across both of our networks was 7.81 against a baseline target of 7.41. We're going to be focussing on these scores and associated commentary to underpin our future strategy, ensuring our business strives to operate more efficiently, deliver exceptional service to all major connections' customers, and be more responsive to stakeholders' needs, thereby improving overall service levels.

As shown in the tables below, we recognise performance discrepancies between our southern licence area (SSES) and our northern licence area (SSEH). SSES's overall MCCSS score of 7.14 falls below the target of 7.41 and is significantly lower than SSEH's 8.50. This trend is evident across key categories, including Metered Demand LV and Distributed Generation LV, where SSES's scores lag behind those of SSEH. Notably, SSES's score of 5.00 in Unmetered Other contrasts starkly with SSEH's perfect 10.00, highlighting the scale of particular challenges in this area.

We believe that there are several factors that may be contributing to these disparities. There are inherently rigid regional differences, such as higher urbanisation and infrastructure constraints, which more adversely is impacted in our southern licence area than our northern one. When looking at network constraints impacting our major connections customers, we find that with transmission constraints, we frequently see timescales towards the end of the 2030s in SSES then compared to SSEH. This naturally has an impact on customer views of SSEN when scoring us on our MCCSS. By adopting best practices from SSEH, SSES can improve its service delivery and customer satisfaction scores.

There is also a lack of comprehensive data in several categories due to an initially low sample size in certain market segments. In a few segments, we have not had any responses on our survey and this is reflected in the survey results below as well.

Financial Incentive MCCSS Scores 8



Table 2: Overall MCCSS scores (out of 10) for SSEH & SSES in contestable & non-contestable activities subject to financial penalty.

CATEGORY	SSEH	SSES
Overall MCCSS (Target: 7.41)	8.50	7.14
Metered Demand LV	8.67	6.69
Metered Demand HV	8.45	N/A
Metered Demand HV and EHV	7.64	N/A
Metered Demand EHV and Above	No Data	N/A
Distributed Generation LV	8.56	7.52
Distributed Generation HV and EHV	N/A	N/A
Unmetered Local Authority	9.50	N/A
Unmetered PFI	No Data	N/A
Unmetered Other	10.00	5.00

Reputational Incentive MCCSS Scores 11



Table 3: Overall MCCSS scores (out of 10) for SSEH & SSES in contestable & non-contestable activities subject to reputational penalty.

CATEGORY	SSEH	SSES
Overall MCCSS (Target: 7.41)	7.65	7.20
Metered Demand LV	N/A	N/A
Metered Demand HV	N/A	7.31
Metered Demand HV & EHV	N/A	8.00
Metered Demand EHV & Above	N/A	7.50
Distributed Generation LV	N/A	N/A
Distributed Generation HV & EHV	7.65	6.19
Unmetered Local Authority ¹²	N/A	2.00
Unmetered PFI	N/A	No Data
Unmetered Other	N/A	N/A

⁸ Overall data for both, SSES and SSEH has met statistical robustness checks under the Financial Incentive scores.

⁹ N/A: This indicates that this type of RMS is not subject to the relevant incentive in this table.

¹⁰ No Data: This indicates that while the RMS is subject to the relevant incentive, no data is available here since no jobs were surveyed under these Market Segments last year.

¹¹ Overall data for SSES has met statistical robustness checks under the Reputational Incentive scores. However, individual RMSs may have a small number of respondents. Overall data for SSEH has not met statistical robustness checks under the Reputational Incentive scores.

¹² Based on 1 survey response.



OUR PERFORMANCE ON THE TIMELINESS OF MAJOR CONNECTIONS

As a part of the MCAR, we're required to present our performance on the timeliness of major connections. This is measured in two parts – quotations¹³ and connections¹⁴.

When we receive applications for a major connection, our teams review these to ensure that they are competent and work to issue a quotation to the customer. Our quotation process aims to provide accuracy in the quickest possible time, providing our customers with a solution that meets their needs. Once a quotation is accepted, we begin actioning this by carrying out any of the legal consents required to provide a resilient and reliable network before scheduling and carrying out the connection works, keeping the customer informed at every stage until the connection is completed and energised.

Our regulatory obligations require us to quote major connections customers within 65 days of receiving a complete application. Although there are no regulatory targets to connect our major connections customers due to the complex factors that may influence a major connection, we always aim to provide fast and efficient service to our customers.

As shown in the table below, in both SSES and SSEH licence areas, our MCTTQ timescales have largely reduced in 23/24 compared to the previous year in most market segments. MCTTC timescales, though reported below, are often attributed to a range of complex external factors such as constraints in place from transmission networks¹⁵, distribution reinforcement works and the readiness of large commercial customers to connect. These can vary vastly between years based on the type and volume of applications we receive.

REGION	SSEH				SSES			
	MCTTQ		MCTTC		MCTTQ		MCTTC	
RMS	22-23	23-24	22-23	23-24	22-23	23-24	22-23	23-24
Metered Demand LV	20.69	18.29	138.04	130.62	19.24	17.05	139.20	151.39
Metered Demand HV	30.05	27.32	189.84	167.50	26.49	24.74	256.13	281.16
Metered Demand HV and EHV	57.31	52.44	289.71	325.16	52.57	53.10	477.46	551.50
Metered Demand EHV and Above	No Data	No Data	No Data	No Data	57.90	61.64	302.43	170.33
Distributed Generation LV	36.51	31.44	105.53	128.21	43.37	27.48	99.35	144.18
Distributed Generation HV and EHV	58.69	57.14	316.16	161.35	60.10	55.49	314.43	294.77
Unmetered Local Authority	8.24	6.96	55.15	61.28	16.65	14.18	107.38	166.25
Unmetered PFI	No Data	25.00	No Data	87.00	12.50	2.00	No Data	146.00
Unmetered Other	17.14	16.61	94.15	99.46	15.74	12.41	173.95	175.92

Table 4: MCTTQ and MCTTC (in Days) within SSEH and SSES in 2022/23 to 2023/24

¹³ Major Connections Time to Quote ('MCTTQ'): the average time, measured in Working Days, from the licensee receiving a complete application to issuing a quotation.

¹⁴ Major Connections Time to Connect ('MCTTC'): the average time, measured in Working Days, from the customer accepting the quotation to the connection being completed.

¹⁵ Connections Action Plan driven by growing grid constraints ([ofgem.gov.uk/publications/ofgem-and-desnz-announce-joint-connections-action-plan](https://www.ofgem.gov.uk/publications/ofgem-and-desnz-announce-joint-connections-action-plan)).



DELIVERY OF OUR MAJOR CONNECTIONS STRATEGY

Our Major Connections Strategy was submitted as a part of our ED2 Business Plan. It listed several proposals to enable improvements to our major connections business, so we can meet the needs of our customers during the ED2 price control period.

Progress on Deliverable Outputs over RIIO-ED2

As a part of the Major Connections Strategy, we committed to delivering on three key outputs, listed in the table below.

OUTPUT	RIIO-ED2 TARGET	SUMMARY OF PROGRESS	STATUS
Improving our connections process	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	<ul style="list-style-type: none"> Structured proactive customer and stakeholder engagement around market segments, in particular where it will significantly benefit customers seeking to connect to our network by enhancing communication and support prior to application. Growth of our contract management capability, whilst actioning the segmentation contract management functions – Major Connection and Transmission Interface – to enable Contract Managers to focus on engagement with Major Connection customers. As part of the Connection E2E Transformation Programme, a blueprint exercise was completed to map our Connections processes, inclusive of identification and mapping of connections improvements with the customer at the centre. This blueprint is a key element to enable development and improvement to our system architecture. Revamped and coordinated approach to connections strategy via our new Connections Strategy Team, which is a team that is responsible for leading on reforming the connections frameworks and the Connections E2E Transformation Programme. We need to be able to co-ordinate the readiness of our teams and systems to accommodate the new and improved connections' processes and platforms, and so we've revamped the approach to connections strategy via our new Connections Strategy team, which is responsible for leading on reforming the connections frameworks and the Connections E2E Transformation Programme. 	
Improving Service Standards for Major Connection Customers	Deliver high quality services to our major connections customers achieving a customer satisfaction of 9/10 or above by the end of ED2	<ul style="list-style-type: none"> In Year 1 of ED2, while recognising that we have a long way to go to achieve a customer satisfaction score of 9/10 in parts of our network, we've set in place various systems to ensure the deliverability and achievability of our targets. We've made investments in various internal initiatives including an E2E review of the connections process, change and betterment of platforms and systems, improvement of data availability and support, building Customer Service teams, as well as tailoring bespoke products for customers. We expect that these investments will start paying their dividend in improved customer satisfaction for the remainder of ED2, starting in Year 2. We'll continually monitor our performance to ensure that we're able to deliver on our service standards. 	
Guaranteed Standards of Performance (GSOPs)	Meet our obligations under GSOPs for connections on an ongoing basis and aim to reduce the number of failures over the period	<ul style="list-style-type: none"> We've continued to meet our licence obligations under GSOPs which is to ensure we surpass a 95% compliance rate. Our GSOP failure rate in SSES in 2023/24 is 4%, while in SSEH is 0.4%. 	

Table 5: Progress on Deliverable Outputs over RIIO ED2 for major connections

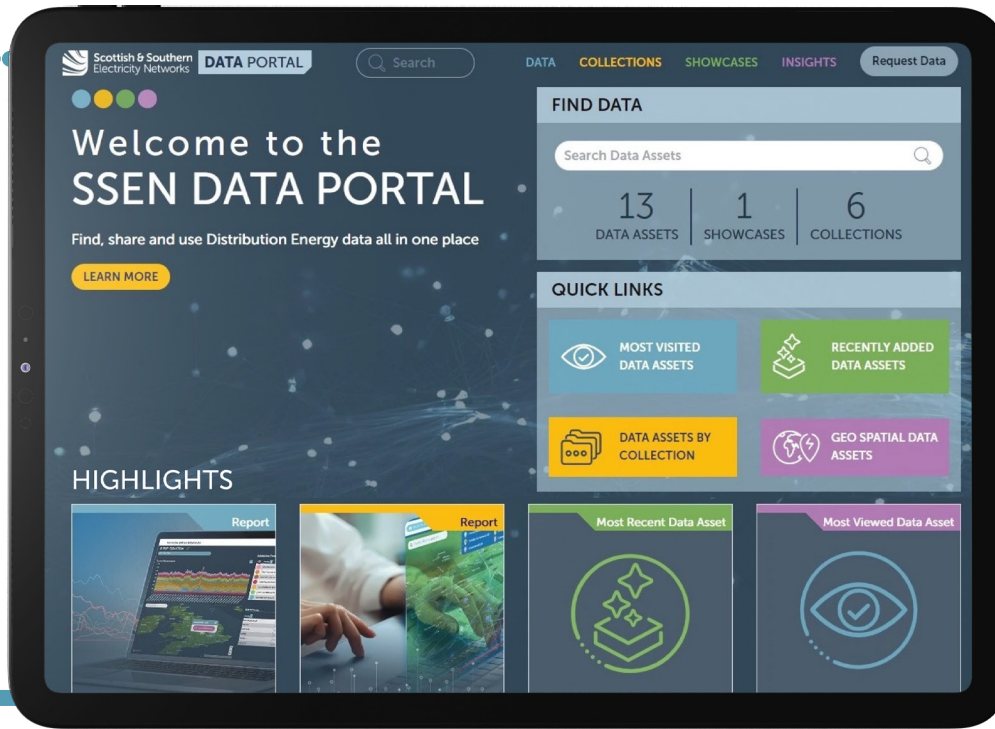


INITIATIVES TO HELP US DELIVER OUR OUTPUTS

In delivering our Major Connections Strategy as a part of the business plan in ED2, we are progressing with various initiatives. We believe our investments are going to be key to delivering, are going to be our key to delivering on our outputs in the remaining years of ED2. These initiatives are highlighted in the section below.

Data Availability and Accessibility to Prospective Customers

Our commitment to providing comprehensive data, information, and support is aimed at enhancing accessibility and transparency. The SSEN Data Portal supports customers in developing their connection projects through features such as distribution and transmission capacity heat maps, serving as a central repository, encompassing all network-related data, assets, capacity, and EEC flexibility.



Our Data Portal leverages our Geographical Information System to improve access to network asset information. Our Embedded Capacity Register is also regularly updated on our website, where we also maintain Long-Term Development Statements. Additionally, we have facilitated access to the Transformer Loading Spreadsheet, published monthly HV network schematics, updated Electricity Connection Charges Regulation (ECCR) registers daily, and introduced new tools for real-time data access. These measures collectively ensure that customers can readily access pertinent information that's crucial for informed decision-making in their projects.

Figure 3: SSEN Data Portal

Our stakeholders also benefit from the Near Real-time Data Access (NeRDA) Portal, providing real-time energy demand and usage data through both portal navigation and Application Programme Interface (API), thereby facilitating proactive network management decisions.

During the remainder of ED2, we will look to improve the level of detailed information provided on the Heat Maps, and digitalise the additional connections data being reported monthly as part of the CAP deliverables.

Timely delivery of quotations and connections

Our commitment to customer service, communication, and stakeholder engagement - as outlined in our Major Connections Strategy - includes a range of initiatives. These encompass real-time progress updates on our web portals for application "clock-start" and dedicated relationship management for repeat customers through our Business Relationship Management team; in addition, we've also consolidated help and FAQ documents on our new website.

To support these new additions, we've introduced chatbot functionality for automated assistance, and maintained multiple channels of support including phone, email, and live chat. Furthermore, our efforts include the development of self-serve functionality to enhance engagement flexibility in relevant project phases for some market segments, a clear complaints process, options for booking sessions with system planning teams, and ongoing development work towards deploying a virtual assistant on our website.



QUOTATION AND DESIGN INFORMATION

Transparency of information is a vital part of any quotation journey that a customer undergoes with SSEN. Our customers understand that sometimes our quoted solution may need to change due to site layout, environmental considerations, design development or wayleaves issues. Where we need to change our original proposal, we endeavour to engage as early as possible with the customer to ensure awareness and acceptance of the impact of these changes before proceeding. This engagement allows us to work hand-in-hand with customers to proactively try to manage a successful outcome to the connection, whilst ensuring full awareness of any cost, scope and time variations on projects. Stakeholders have told us that they would like all projects to be closed as soon as possible and we endeavoured to complete all cost reconciliations including refunds due to customers within 60 calendar days of all works being completed and operational closure of the project. As a result, we have introduced process improvements which shall enable us to improve and deliver on the promise we made to our customers. We expect to achieve this step-change in our consistency to a 60 day timescale by the end of Year 2 of ED2.

In our business plan, we stated that we would work collaboratively with our major connections stakeholders to identify the tipping point on any projects. This is so that our customers could make informed decisions about optioneering their demand or generation for their connection to reduce the amount of reinforcement works on their project and bring forward their timescales, known as Distribution Non-Firm Flexible Offers. We are pleased to see that our design teams are taking the opportunity to speak to our customers when receiving their applications and facilitating this much-needed strategic conversation to ensure solution quotes meet customer expectations.

DELIVERY OF TIMELY CONNECTION OFFERS

Once a quotation has been accepted, the project is passed to our Contract Management and delivery teams, who are responsible for liaising with our customers to discuss their preferred timeline for the connection. We endeavour to ensure our works are carried out in a timely and efficient manner to suit our customers' needs. We are always looking to engage as early as possible during delivery, to communicate on risks to project connection, in order to mitigate the impact and agree on a way forward.

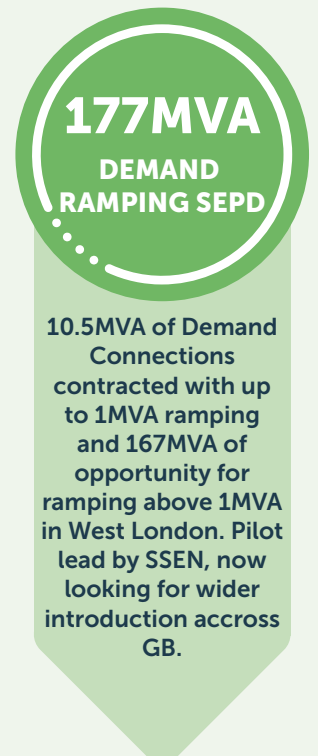
We measure our success in this area through our customer satisfaction surveys. We believe that suitable questions during customer surveys are more appropriate than measurement of the time to complete the works. This is due to the wide range of connection scope and customer preferences within these market segments. We monitor satisfaction closely and develop improvements which align and support our customer expectations.

A Flexible Approach to Connections

Our RIIO-ED2 business plan put flexible connections at the centre of our strategy to reduce, where suitable, the need for distribution network reinforcement projects and the associated costs, thus supporting our customers with their projects. This also supports the shared net zero ambition and ensuring a fair price to Consumers for the running and development of the Distribution Network.

Our improvement strategy involves tailored products and services designed to meet the diverse expectations and needs of our major connections customers. Whether for domestic customers installing electric vehicle chargers or large-scale generation projects seeking flexible services, our commitment remains. Through RIIO-ED2, we are introducing Flexible Connections tailored to demand customers and developing LV flexibility offerings. The first year saw expanded flexibility options for large demand and generation customers, aligning with our DSO Strategy. These offerings complement traditional quotation, budget, and feasibility options, enhancing customer understanding of their connection requirements. For Unmetered Connections customers, we continue to provide bespoke services, offering guidance on compliance with Unmetered Supply Regulations and expediting 'fast-track' reconnections for critical infrastructure damage. Additionally, pre-application meetings are available to discuss specific needs, ensuring a streamlined connection process tailored to individual requirements.

In 2023 we introduced the concept of Ramped Connections, a solution that looks to accommodate the exponential growth of demand applications in some of the areas of our SEPD Network, (both Distribution and/or Transmission). The ability to continue to deliver on ramped connections when faced with Distribution Network constraints is dependent on the ability to secure flexibility services, which for West London region represents an opportunity of up to 76MVA.



Through the great work being developed at the ENA Strategic Connections Group (SCG), a new solution to enable the adoption of a new flexibility framework for connections and acceleration of connection timescales to address the growing Transmission Network access constraints. This work saw SSEN introduce Technical Limits to 6 GSPs in the SSES area which could enable up to 2.5GW worth of connections to be brought forward. We plan to roll this out to all remaining GSPs in SSES and 22 GSPs in SSEH throughout the year. In turn, this demonstrates our unequivocal determination to work collaboratively with customers to achieve their goals and we look forward to further developments in this area of our connections process.



Effective Management of the Project Pipeline

With the increasing levels of demand and generation on our networks, it is imperative that we improve our management of the contracted connections queue. In some situations, projects that are not progressing in line with their contractual milestones can impact the progress of other customers. Our stakeholders raised this as a concern during our engagement, suggesting that large capacities were being secured but not utilised.

Queue management is used to remove a project from a connection queue where the project is delayed compared to its contracted position and deemed to be outside the agreed tolerance period. Where this occurs, DNOs would take steps to terminate the agreement. Through the use of clear milestones and predefined acceptable tolerances, network companies can apply queue management clearly and consistently to remove delayed projects from connection queues and ensure that network capacity is available for other customer projects that are ready to progress. We have now implemented this process to ensure that customers have a fair and equal opportunity to secure a connection that suits their needs and timelines as much as possible. We will continue to review feedback post-implementation and work with both customers and the ENA to improve and adapt the new process throughout RIIO-ED2.

Furthermore, we expect that our data portal will allow our customers – existing and prospective, to be able to assess the availability of large demand connections and plan their projects accordingly. Our data tools will help reduce the number of speculative applications and allow us to develop the network efficiently and effectively for all our customers.



Developing an effective Business Relationship Management team

Prior to the commencement of RIIO-ED2, SSEN conducted a comprehensive review of its organisational structure and key strategic principles to prioritise the customer and ensure that customer needs are central to all our activities. Our commitments were developed with the primary goal of enhancing our customer service in connections.

Throughout RIIO-ED1 the Connections team demonstrated their dynamic approach to engagement by introducing a new model which was co-created with stakeholders, and received their full endorsement. We used the lessons learned from ED1 to introduce in ED2 our newly-created Business Relationship Management (BRM) team, who have continued with this flexible approach to stakeholder engagement and strive to put the customer at the heart of everything we do at SSEN. The BRM team has established itself as a single point of contact for our major connections customers providing an efficient response to queries related to their projects, hosting our stakeholder events and supporting with other industry events.

Delivering an End-to-End Connections Transformation Programme

During the latter half of FY23/24, SSEN conducted several workshops focused on service process improvements. These workshops provided valuable insights for mapping new customer-centric and efficient connection processes. This initiative was crucial in enhancing our understanding of the systems, platforms, and data required to support improved performance and service delivery in line with customer expectations. The deployment of new systems and platforms, integral to the E2E Connections process, stands as a critical milestone within the Transformation Programme. It serves as a primary enabler in effectively adapting to the evolving industry landscape driven by Connections Reform.

Concurrently, we are in the process of completing a review of other areas for improvement within our Connections business. Recognising that a transformation solely based on processes and systems may not fully address current performance challenges within the Connections business, this review aims to enhance collaboration across departments within the Customer Service Directorate and other key Directorates in SSEN. The overarching objective is to cultivate a superior Connections business that places the customer at its core, positioning us as a leading performer among DNOs.

To immediately enhance our E2E Connections process, we have established a new team dedicated to managing ESO Transmission Contracts. This area has been identified as a key area where we can provide additional support with customer connections and managing increased workloads due to Transmission Access constraints and the introduction of new tactical solutions. In conjunction with this, new governance processes have been implemented to oversee NGESO Connection Offers, ensuring timely review, technical compliance, and risk management. These enhancements are aimed at supporting Distribution contracts promptly, reviewing SSEN's reinforcement projects, and validating data accessible via our data portal.



Continued Industry Engagement

Our collaboration with other DNOs, Transmission Operators, and the ENA remains steadfast in supporting the objectives outlined in the Connections Action Plan (CAP), ENA Strategic Connections Group, and NGESO Connections Reform. We continue to take on leading roles to drive change and improvements as part of the CAP, such as Chairing of ENA SCG and the leadership of two ENA SCG working groups, representing DNOs at strategic connections reforms workshops and supporting industry webinars and conferences.

The SSEN Connections Team runs regular webinars and in-person conferences where we provide Distribution Connection Customers with updates on Connections Reform initiatives and their impact to their connections projects and journeys.

We recognise that some of these initiatives developed and delivered are short-term or tactical improvement focused. However, SSEN continues to work with the industry to support the development and delivery of a new connections framework and processes that align with the evolving needs of our customers, network development and delivery of the CP2030.

OUR COMMITMENT TO FURTHER IMPROVE

The past year has been critical for SSEN major connections as we set the foundations to ensure we are able to deliver on our RII0-ED2 Connections strategy, commitments and support delivery of net zero targets. Major Connections Customer Service Performance is central to this. We highlight above ongoing initiatives to improve the service we provide to our Major Connections customers, such as the internal transformation of the E2E Connections processes and systems. In addition, we have and continue to engage with the wider industry on broader reform, providing support and showing leadership to develop and deliver the right change to Connections. Through our engagement and internal process changes, SSEN is ready to implement the sea change that the industry expects and requires resulting from Connections Reform ensuring the realisation of benefits to our Major Connection Customers.

As noted in the introductory section of this report, SSEN encountered some challenges with the performance of Major Connections Customer Service provision in Connections, with overall MCCSS fluctuating between 7.64 to 9.11 in FY23/24. Overall, we have seen incremental improvements in the feedback we receive from our customers. This has been mainly driven by improvement to engagement and quality of quotations in SSES, something that we must build upon as we remain focused on continuing to deliver on short, medium and long-term improvements so we can achieve and maintain high levels of performance. This is alongside the commitment of continuously working with our customers to obtain their feedback and use it to drive continuous and strategic improvement pieces of work.

Throughout this report, we have highlighted numerous steps we have taken to improve our internal processes. We have highlighted that we see these steps to hold investment value in improving our customer satisfaction scores in the following four years of the current price control. Having assessed the issues that are causing lower-than-desirable scores, we are committed to tackling these issues through both, long-term and short-term improvement strategies. We are committed to ensuring that we are able to deliver the highest quality of customer service to our major connections customers.

If you would like to engage with us further, then please do not hesitate to get in contact with us via the details below.



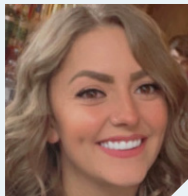
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