



RIIO-ED1: Electricity Distribution Networks Operators'
(DNOs) business plans

Submission by Prospect's ScottishPower Branch
to Ofgem

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1. Prospect is an independent, thriving and forward-looking trade union that represents over 115,000 professional people: managers, engineers, scientists and professional specialists in both the public and private sectors. This submission considers Scottish Power Energy Networks business plan and is made on behalf of our members employed by Scottish Power.
2. Prospect represents 1,100 engineers, managers and other professional staff employed by Scottish Power. We are extremely proud of the Company's strong reputation as it reflects on our professionalism and we are committed to working with the Company to:
 - uphold exemplary safety standards;
 - improve customer service;
 - ensure that new connections are made safely and promptly with clear, consistent and transparent pricing;
 - maintain and improve system reliability and availability;
 - meet our commitments to sustainability as part of the national low-carbon agenda.
3. Whilst we disagree on some details, there is a general agreement over the Company's strategy of providing a cost-effective and safe service whilst improving the standards of customer service, and we believe that our working relationship with Scottish Power is productive.
4. Fast tracking of the SPEN proposal would assist in creating an environment where the Company could employ sufficient staff with the right skills to meet the identified consumer expectations. It would also provide a period of stability and security to allow for the development of staff.
5. We welcomed the opportunity to comment upon and influence Scottish Power's business plan as it was being developed. We believe that dialogue has been open and constructive.
6. In these circumstances, we believe that the business plan is sound and meets the reasonable expectations of other stakeholders. We hope that it can be implemented quickly: it forms a firm foundation for the hard work needed to maintain and improve customer service.
7. We believe that Scottish Power must ensure that it pays competitive salaries that reward staff for effective performance and secure a reasonable balance between the use of directly-employed staff and contractors. High quality training and excellent health and safety management are vital parts of an employment package required to meet the six primary outputs identified in Ofgem's Overview of the Strategy decision for the RIIO-ED1 electricity distribution price control document published in March 2013.

8. We are in particular supportive of SPEN's Proposals on the following:-
- Focus on staff and public safety sets the benchmark for the industry whilst strong customer service commitments are backed up with voluntary compensation;
 - Target zero employee lost time accidents in ED1 period;
 - Leading the industry on public safety issues (Rising Mains and Lateral replacement & Low Ground Clearances);
 - Only DNO to offer £10 payment where they fail on a promise;
 - Continued investments in storm resilience ;
 - Strong focus on vulnerable customers will continue.

9. The SPEN RIIO ED1 stakeholder engagement process was comprehensive and engaged stakeholders prior to and throughout development of their plans:
- Staff and trade unions were engaged in identifying priorities and developing plans;
 - Whole stakeholder base engaged across Scotland, England and Wales.

We welcome SPENs commitment to continuing to listen, learn and act on feedback from all stakeholders.

10. We support SPENs approach to drive down customer bills, including unique shareholder commitment to move to 45 years asset lives from 2015
- We support the proposed reductions in customer bills delivered by SPENs plans.
 - Embedded innovation has reduced SPENs plan by more than £100m (£30 per customer).
 - SPENs financing proposal seeks to balance risk between customers and shareholders, and provides a comprehensive financial case
 - Welcome the clear shareholder commitment to UK customers demonstrated by the proposed move to 45 years depreciation for all new investments.
12. Plans recognise unique challenges and the opportunity to play a role in low carbon transition:
- Only DNO to work across England, Wales and Scotland. Tougher carbon reduction targets in Scotland & Wales. 28% of GB distributed generation is connected to SPEN's two distribution networks.
13. We recognise and support SP Energy Networks' commitment to be a company that attracts and develops the skills for the future across the supply chain from within local communities:

- Working with local colleges, contractors, universities and across sectors to recruit and train future workforce;
- Developing the new skills and behaviours to meet the changing landscape;
- Using the PowerWise Schools Program to make maths and science attractive;
- Welcome the commitment to recruit 1500 staff between now and 2023 across all operational areas.