



Making a positive difference
for energy consumers



RIIO-ED1 Annual Report 2015-16

RIIO-ED1 Supplement

This supplementary document summarises the performance of the electricity distribution network operators (DNOs) in the first year of the RIIO-ED1 price control.

RIIO-ED1 uses the RIIO (Revenue = Incentives + Innovation + Outputs) price control model.

Under the RIIO framework, DNOs are encouraged to deliver their outputs in a cost-effective manner, using innovation and efficiency improvements to deliver savings compared to their spending allowances. DNOs are allowed to retain a part of any savings achieved, with the rest being passed on to consumers.

For more information on DNO performance and expenditure refer to the 2015-16 RIIO-ED1 annual report.

Industry

Customer 2015-16 Performance

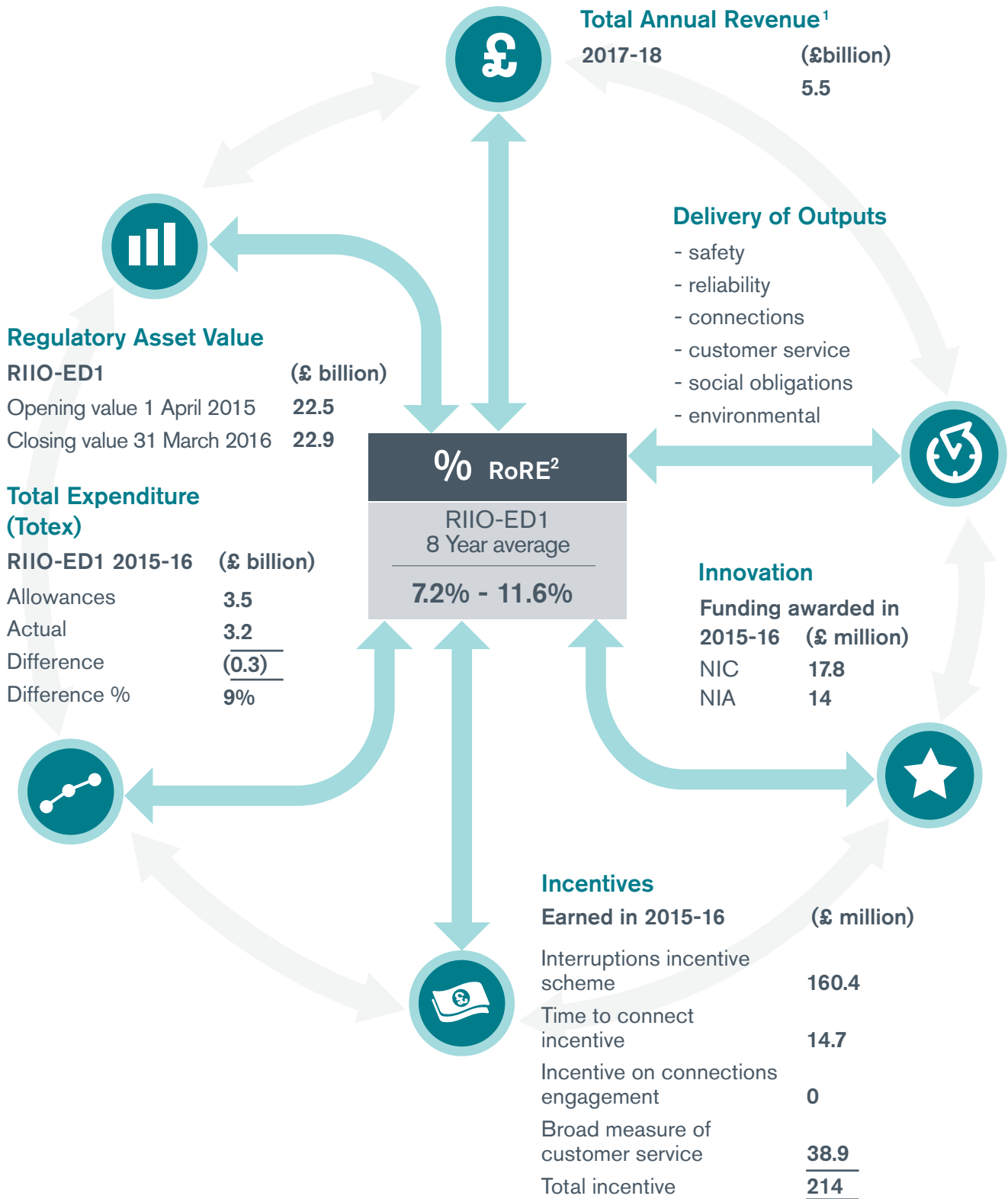


Key

- green ✓ All DNOs have met target/performed well in year 1 of RIIO-ED1
- One to three DNOs did not meet target/performed well in year 1 of RIIO-ED1
- red ✗ More than three DNOs did not meet target/performed well in year 1 of RIIO-ED1

Industry

Network company



¹ Performance in 2015-16 will impact Annual Revenue in 2017-18.

² Return on Regulatory Equity.

Electricity Distribution Networks Operators

Customer

Key ✓ Met target in year 1 or RIIO-ED1
■ Failed part of target in year 1 or RIIO-ED1
✗ Failed full target in year 1 or RIIO-ED1

Safety

	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Compliance with HSE Legislation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Environmental¹

	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Oil leakage	■	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA	■	✓	✓
Business carbon footprint	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
SF ₆ emissions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Customer Service (scores out of 10)

	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Interruptions survey	8.08	8.68	8.69	8.88	8.97	9.14	8.86	8.52	8.63	8.88	8.79	8.86	9.06	8.39
Connections survey	7.75	8.03	7.95	8.7	8.79	8.75	8.73	8.13	8.34	8.10	8.36	8.43	8.55	7.88
General enquiries survey	8.52	8.93	8.76	9.14	9.35	9.29	9.18	8.86	9.12	9.16	8.84	9.24	8.72	8.53
Complaints metric ²	7.65	8.00	7.19	1.70	1.92	3.04	2.41	5.18	6.10	5.60	3.60	3.37	4.08	4.65

Connections

	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Time to quote	✓	✓	✓	✓	✓	■	✓	✓	✓	✓	✓	✓	✓	✓
Time to connect	✓	✓	■	✓	✓	✓	✓	✓	✓	■	✓	✓	✓	✓

Reliability

	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Customer interruptions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Length of interruptions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Social obligations (scores out of 10)

	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Stakeholder engagement	6.90	← 6.50 →	← 6.50 →	← 6.50 →	← 6.50 →	8.75	← 8.75 →	← 8.75 →	← 8.75 →	← 8.75 →	← 8.75 →	← 8.75 →	← 8.75 →	← 8.75 →

Customer Bill Impact

	April 2015	→	April 2017
ENWL	£89	-11.2%	£79
NPgN	£97	-6.2%	£91
NPgY	£84	-9.5%	£76
WMID	£80	3.8%	£83
EMID	£76	0.0%	£76
SWALES	£96	6.3%	£102
SWEST	£107	5.6%	£113
LPN	£66	1.5%	£67
SPN	£86	5.8%	£91
EPN	£76	3.9%	£79
SPD	£96	-5.2%	£91
SPMW	£121	-14.0%	£104
SSEH	£122	2.5%	£125
SSES	£80	1.3%	£81
GB	£87	-1.1%	£86

¹ No formal targets were set for environmental outputs. The performance score reflects the change from the previous year.
² Target score should be below 8.33.

Electricity Distribution Network Operators

Network company



Total annual revenue

2017-18 (£ million)	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Actual Revenue	399	282	364	474	468	242	336	428	367	567	390	344	292	547



Delivery of Outputs

- safety
- reliability
- connections
- customer service
- social obligations
- environmental



Innovation

2015-16 (£ million)	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES	
NIA expenditure	2.50	← 1.30 →		← 1.5 →		← 2.5 →		← 3.1 →		← 3.1 →		← 13.1 →			
NIC funding awarded	4.7														



Incentives¹

Earned in 2015-16 (£ million)

	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Interruptions Incentive Scheme	13.5	7.9	13.9	18.8	18.1	4.6	5.1	13.8	12.1	21.3	6.9	6.1	2.4	16.0
Time to Connect Incentive	1.3	0.6	0.7	1.4	1.6	0.5	1.2	0.8	0.9	1.1	1.1	1.1	0.8	1.5
Incentive on Connections Engagement*	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Broad Measure of Customer Service	0.4	1.3	1.6	5.6	5.9	2.7	4.0	2.0	2.7	3.8	2.7	3.3	1.8	1.0

*penalty only



Total expenditure (totex)

2015-16	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
Allowance (£ million)	250.5	194.2	255.5	276.2	301.8	155.8	227.6	262.1	236.3	353.0	217.4	249.3	170.0	324.8
Actual (£ million)	244.2	187.6	247.9	311.8	307.9	142.3	223.1	189.1	173.0	280.9	191.8	238.8	150.7	276.3
Difference (£ million)	-6.3	-6.6	-7.6	35.6	6.1	-13.4	-4.5	-73.0	-63.4	-72.1	-25.7	-10.5	-19.2	-48.5
Difference (%)	-3%	-3%	-3%	13%	2%	-9%	-2%	-28%	-27%	-20%	-12%	-4%	-11%	-15%



Regulatory Asset Value

(£ million)	ENWL	NPgN	NPgY	WMID	EMID	SWALES	SWEST	LPN	SPN	EPN	SPD	SPMW	SSEH	SSES
RAV at 1 April 2015	1,618	1,197	1,578	2,082	2,045	892	1,279	1,501	1,530	2,440	1,614	1,617	1,011	2,137
RAV at 31 March 2016	1,630	1,224	1,616	2,129	2,111	923	1,342	1,510	1,542	2,436	1,631	1,672	1,014	2,140

% RoRE

8 Year average

ENWL	9.22%
NPgN	7.59%
NPgY	8.48%
WMID	7.85%
EMID	8.57%
SWALES	8.58%
SWEST	7.46%
LPN	11.63%
SPN	11.55%
EPN	11.38%
SPD	7.32%
SPMW	7.21%
SSEH	8.85%
SSES	9.68%

¹ Performance in 2015-16 will impact Annual Revenue in 2017-18

London

9 Millbank
London SW1P 3GE
Tel: 020 7901 7000

Scotland

Cornerstone
107 West Regent Street
Glasgow G2 2BA
Tel: 0141 331 2678

Wales

1 Caspian Point
Cardiff Bay
CF10 4DQ
Tel: 029 2044 4042

www.ofgem.gov.uk