








Delivering on our promises

Stakeholder report 2017-18

Performance snapshot¹



Network		Network		Actual 2017-18		Trend ²					
Number of customers				3.9m		▲					
Total DNO network length				96,024km		▲					
Reliability & Availability		Reliability and Availability		Actual 2017-18		Target 2017-18 ³		Status		Trend ²	
	Customer interruptions ⁴	Northeast	Inc. exceptional events	50.1						▲	
			Exc. exceptional events	49.7		58.6		✓ Achieved		▲	
		Yorkshire	Inc. exceptional events	50.5						▲	
			Exc. exceptional events	46.8		64.7		✓ Achieved		▲	
	Customer minutes lost ⁴	Northeast	Inc. exceptional events	41.4						▲	
			Exc. exceptional events	39.9		52.7		✓ Achieved		▲	
		Yorkshire	Inc. exceptional events	37.7						▲	
			Exc. exceptional events	33.1		55.2		✓ Achieved		▲	
	Incentive performance reward/(penalty) – IIS ⁵		£m	£22.3m							
		£/customer bill	£2.68								
Customer Satisfaction		Customer Satisfaction		Actual 2017-18		Target 2017-18 ³		Status		Trend ²	
	Overall Broad Measure of Customer Satisfaction score out of ten (rank out of six) ⁶			8.63 (4th)		8.2		✓ Achieved		▶◀	
	Incentive performance reward/(penalty) – BMCS ⁷		£m	£2.97m							
			£/customer bill	£0.36							
Connections		Connections		Actual 2017-18		Target 2017-18 ³		Status		Trend ²	
	Time-to-quote (days) ⁸			7.9		8.2		✓ Achieved		▼	
	Time-to-connect (days) ⁸			49.6		42.1		✗ Missed		▼	
	Incentive performance reward/(penalty) – connections lead time		£m	£0.09m							
			£/customer bill	£0.01							
	Incentive on Connections Engagement penalty – ICE (if applicable)		£m	Nil							
			£/customer bill	Nil							
Social Obligations		Social Obligations		Actual 2017-18		Target 2017-18 ³		Status		Trend ²	
	Individual Stakeholder Engagement and Consumer Vulnerability (SECV) score out of ten (rank out of six)			7.5 (2nd)						▲	
	Incentive reward		£m	£1.89m							
			£/customer bill	£0.23							
Financials		Financials		Northeast		Yorkshire				Overall	
	Unrestricted domestic tariff charge			£80.67		£67.28					
	Total expenditure		£m	£157.3m		£196.7m				£354.0m	
	% of cost allowances			95%		89%				91%	
	% of cost allowances (ED1 to date)			96%		92%				94%	
	% of allowed revenue			63%		61%				62%	
	Dividends paid ⁹			£22.7m		£29.8m				£52.5m	
	Gearing ¹⁰			49.4%		46.8%				60.0%	
	Credit rating ¹¹			A3/A/A-		A3/A/A-				Baa1/A/BBB+	
Actual RORE (vs Ofgem assumption of 6%) ¹²				8.1%		8.5%				8.3%	

Innovation

In the year, we spent our full £4.1m Network Innovation Allowance. Our diverse innovation portfolio contains 26 projects that span our four innovation priorities for ED1: building our smart grid, delivering smart meter benefits, developing our digital services and improving affordability.

Safety

Our long-term safety performance is strong and continues to place us in the leading pack among our peers. We narrowly missed our annual headline safety target for Northern Powergrid as a whole in 2017-18, measured by the Occupational Safety and Health Administration (OSHA) rate – 0.35 against a target of 0.31 – representing eight reportable incidents in a workforce of more than 2,700.

Environmental Impact







We achieved our oil leakage and business carbon footprint targets for 2017-18. We are also ahead of our target in putting overhead lines underground in National Parks (NP) and Areas of Outstanding Natural Beauty (AONB) in the ED1 period to date.

Notes:

- All financial figures in 2012/13 prices and refer to Northern Powergrid overall unless otherwise stated. The performance of each licensee is shown in the Annex to this report.
- Trend ▲ getting better ▼ getting worse ▶ staying the same since 2016-17.
- Ofgem target (see sections in the main body of the report for performance against our own targets).
- Unplanned & unweighted figures. Indicative figures as at July 2018, figures still to be confirmed by Ofgem.
- Excluding Guaranteed Standards payments.
- Broad Measure of Customer Satisfaction (BMCS) rank indicative only based on monthly data. Final ranking to be confirmed by Ofgem.
- Does not include SECV reward.
- LVSSA (single minor connections).
- Dividends paid figures for Northeast, Yorkshire and Overall relate to dividends from the licensee companies in the year.
- Gearing figures for Northeast and Yorkshire relate to gearing of the licensee companies. Overall gearing relates to the Northern Powergrid group and includes debt over and above the licensee companies that was utilised to fund the distribution business.
- Credit ratings for Northeast and Yorkshire relate to scores for three credit rating agencies (Moody's/Standard and Poor's/Fitch) for the licensee companies. Overall relates to Northern Powergrid Holdings Company.
- In setting the price control, Ofgem assumed a base RORE of 6% with the opportunity for companies to exceed or fall below this depending on performance. Ofgem is currently revising the basis upon which RORE is calculated, which will result in a recalculation of these figures.

Performance snapshot – Northeast¹



Network 	Network		Actual 2017-18		Trend ²	
	Number of customers		1.6m		▲	
	Total DNO network length		41,705km		▲	
Reliability & Availability 	Reliability and Availability		Actual 2017-18	Target 2017-18 ³	Status	Trend ²
	Customer interruptions ⁴	Inc. exceptional events	50.1			▲
		Exc. exceptional events	49.7	58.6	✓ Achieved	▲
	Customer minutes lost ⁴	Inc. exceptional events	41.4			▲
		Exc. exceptional events	39.9	52.7	✓ Achieved	▲
	Incentive performance reward/(penalty) – IIS ⁵	£m	£8.8m			
£/customer bill		£2.68				
Customer Satisfaction 	Customer Satisfaction		Actual 2017-18	Target 2017-18 ³	Status	Trend ²
	Overall Broad Measure of Customer Satisfaction score out of ten (rank out of fourteen) ⁶		8.72 (10th)	8.2	✓ Achieved	◀▶
	Incentive performance reward/(penalty) – BMCS ⁷	£m	£1.52m			
£/customer bill		£0.46				
Connections 	Connections		Actual 2017-18	Target 2017-18 ³	Status	Trend ²
	Time-to-quote (days) ⁸		8.0	8.2	✓ Achieved	▼
	Time-to-connect (days) ⁸		53.8	42.1	✗ Missed	▼
	Incentive performance reward/(penalty) – connections lead time	£m	£0.03m			
		£/customer bill	£0.01			
	Incentive on Connections Engagement penalty – ICE	£m	Nil			
£/customer bill		Nil				
Social Obligations 	Social Obligations		Actual 2017-18	Target 2017-18 ³	Status	Trend ²
	Individual Stakeholder Engagement and Consumer Vulnerability (SECV) score out of ten (rank out of six)		7.5 (2nd)			▲
	Incentive reward	£m	£0.77m			
£/customer bill		£0.23				
Financials 	Financials					Total
	Unrestricted domestic tariff charge					£80.67
	Total expenditure	£m				£157.3m
		% of cost allowances				95%
		% of cost allowances (ED1 to date)				96%
		% of allowed revenue				63%
	Dividends paid ⁹					£22.7m
	Gearing ¹⁰					49.4%
	Credit rating ¹¹					A3/A/A-
Actual RORE (vs Ofgem assumption of 6%) ¹²					8.1%	

Innovation

In 2017-18 we spent £1.8m on Innovation projects in our Northeast licensee, funded by our Network Innovation Allowance. Our diverse innovation portfolio contains 26 projects that span our four innovation priorities for ED1: building our smart grid, delivering smart meter benefits, developing our digital services and improving affordability.

Safety

Our long-term safety performance is strong and continues to place us in the leading pack among our peers. We narrowly missed our annual headline safety target for Northern Powergrid as a whole in 2017-18, measured by the Occupational Safety and Health Administration (OSHA) rate – 0.35 against a target of 0.31 – representing eight reportable incidents in a workforce of more than 2,700.

Environmental Impact

We achieved our oil leakage and business carbon footprint targets in our Northeast licensee for 2017-18. We are also ahead of our target in putting overhead lines underground in National Parks and Areas of Outstanding Natural Beauty in the ED1 period to date.

Notes:

- All financial figures in 2012/13 prices and refer to Northern Powergrid overall unless otherwise stated.
- Trend ▲ getting better ▼ getting worse ▶◀ staying the same since 2016-17.
- Ofgem target (see sections in the main body of the report for performance against our own targets).
- Unplanned & unweighted figures. Indicative figures as at July 2018, figures still to be confirmed by Ofgem.

5 Excluding Guaranteed Standards payments.

6 Broad Measure of Customer Satisfaction (BMCS) rank indicative only based on monthly data. Final ranking to be confirmed by Ofgem.

7 Does not include SECV reward.

8 LVSSA (single minor connections).







9 Dividends paid figure relates to dividends from the licensee company in the year.


10 Gearing figures for Northeast relates to gearing of the licensee company.

11 Credit ratings relate to scores for three credit rating agencies (Moody's/Standard and Poor's/Fitch) for the licensee company.


12 In setting the price control, Ofgem assumed a base RORE of 6% with the opportunity for companies to exceed or fall below this depending on performance. Ofgem is currently revising the basis upon which RORE is calculated, which will result in a recalculation of these figures.

Performance snapshot – Yorkshire¹

Network 	Network		Actual 2017-18		Trend²	
	Number of customers		2.3m		▲	
	Total DNO network length		54,319km		▲	
Reliability & Availability 	Reliability and Availability		Actual 2017-18	Target 2017-18³	Status	Trend²
	Customer interruptions ⁴	Inc. exceptional events	50.5			▲
		Exc. exceptional events	46.8	64.7	✓ Achieved	▲
	Customer minutes lost ⁴	Inc. exceptional events	37.7			▲
		Exc. exceptional events	33.1	55.2	✓ Achieved	▲
	Incentive performance reward/(penalty) – IIS ⁵	£m	£13.5m			
		£/customer bill	£2.68			
Customer Satisfaction 	Customer Satisfaction		Actual 2017-18	Target 2017-18³	Status	Trend²
	Overall Broad Measure of Customer Satisfaction score out of ten (rank out of fourteen) ⁶		8.56 (12th)	8.2	✓ Achieved	▶▶
	Incentive performance reward/(penalty) – BMCS ⁷	£m	£1.44m			
		£/customer bill	£0.29			
Connections 	Connections		Actual 2017-18	Target 2017-18³	Status	Trend²
	Time-to-quote (days) ⁸		7.8	8.2	✓ Achieved	▼
	Time-to-connect (days) ⁸		47.1	42.1	✗ Missed	▼
	Incentive performance reward/(penalty) – connections lead time	£m	£0.06m			
		£/customer bill	£0.01			
	Incentive on Connections Engagement penalty – ICE	£m	Nil			
		£/customer bill	Nil			
Social Obligations 	Social Obligations		Actual 2017-18	Target 2017-18³	Status	Trend²
	Individual Stakeholder Engagement and Consumer Vulnerability (SECV) score out of ten (rank out of six)		7.5 (2nd)			▲
	Incentive reward	£m	£1.12m			
		£/customer bill	£0.22			
Financials 	Financials					Total
	Unrestricted domestic tariff charge					£67.28
	Total expenditure	£m				£196.7m
		% of cost allowances				89%
		% of cost allowances (ED1 to date)				92%
		% of allowed revenue				61%
	Dividends paid ⁹					£29.8m
	Gearing ¹⁰					46.8%
	Credit rating ¹¹					A3/A/A-
	Actual RORE (vs Ofgem assumption of 6%) ¹²					8.5%

Innovation


In 2017-18 we spent £2.3m on innovation projects in our Yorkshire licensee funded by our Network Innovation Allowance. Our diverse innovation portfolio contains 26 projects that span our four innovation priorities for ED1: building our smart grid, delivering smart meter benefits, developing our digital services and improving affordability.

Safety


Our long-term safety performance is strong and continues to place us in the leading pack among our peers. We narrowly missed our annual headline safety target for Northern Powergrid as a whole in 2017-18, measured by the Occupational Safety and Health Administration (OSHA) rate – 0.35 against a target of 0.31 – representing eight reportable incidents in a workforce of more than 2,700.

Environmental Impact


We achieved our oil leakage and business carbon footprint targets in our Yorkshire licensee for 2017-18. We are also ahead of our target in putting overhead lines underground in National Parks and Areas of Outstanding Natural Beauty in the ED1 period to date.

Notes:

- All financial figures in 2012/13 prices and refer to Northern Powergrid overall unless otherwise stated.
- Trend ▲ getting better ▼ getting worse ▶▶ staying the same since 2016-17.
- Ofgem target (see sections in the main body of the report for performance against our own targets).
- Unplanned & unweighted figures. Indicative figures as at July 2018, figures still to be confirmed by Ofgem.

- Excluding Guaranteed Standards payments.

- Broad Measure of Customer Satisfaction (BMCS) rank indicative only based on monthly data. Final ranking to be confirmed by Ofgem.
- Does not include SECV reward.
- LVSSA (single minor connections).
- Dividends paid figure relates to dividends from the licensee company in the year.
- Gearing figures for Yorkshire relates to gearing of the licensee company.

- Credit ratings for Northeast and Yorkshire relate to scores for three credit rating agencies (Moody's/Standard and Poor's/Fitch) for the licensee company.

- In setting the price control, Ofgem assumed a base RORE of 6% with the opportunity for companies to exceed or fall below this depending on performance. Ofgem is currently revising the basis upon which RORE is calculated, which will result in a recalculation of these figures.

Contact us regarding our plan

We believe that our customers and stakeholders are the best judges of our performance. We always want to hear your views and opinions on the services we provide and your ideas for what we could be doing. If you would like to comment, you can contact us in a number of ways:

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