

Chief Executive's introduction



The year from April 2015 to March 2016 was one of great achievement for UK Power Networks. It was by far our best year since we started as an independent business in 2010. We are clear about our priorities – safety, customer service, and costs – and I am delighted to report that our efforts on these fronts continue to gain momentum and this year we were rewarded by our best performance yet.

- > We have achieved industry-leading safety performance with just five occasions in the year where our people needed time off due to injury (called Lost Time Incidents). This resulted in a frequency rate, which is incidents per 100,000 hours worked, of 0.03 – one of the lowest in the industry
- > Our customer satisfaction rating stands at 85%, the best score we have ever attained
- > Our reliability performance has improved to a best ever average of 30 customer minutes lost per year compared with 34 last year, 46 the year before, and 64 in 2010/11
- > The average annual cost of distribution services for a domestic customer at £75.60 means we continue to be the lowest cost distribution network operator
- > We have retained our standing in the Sunday Times Top 25 Best Big Companies to Work For, the only distribution network operator to achieve this recognition

I attribute our success largely to the relationships we have developed with our stakeholders. We go out of our way to get to know and understand the people we serve and the communities in which they live and work. We work hard to earn their confidence and we appreciate the trust they put in us. They trust us not just to keep the lights on, but also to be respectful of matters such as their personal data. We take that responsibility very seriously. We listen to what they tell us is important to them, and we act on it. You can read in detail in this report about how we develop close relationships with our customers and the groups that represent them and, most importantly, the effect that has had on how we run our business. We take particular care of our vulnerable customers and are getting better and better at understanding and anticipating their needs.

It is our employees who deliver this service. I recognise and appreciate the vital role they play in achieving our vision to be the best performing distribution network operator. We value our people and do our best to support and inspire them, so I was particularly pleased that UK Power Networks was ranked among the Sunday Times Top 25 Best Big Companies to Work For. We were in excellent company and the only distribution network operator to achieve this recognition. It was another proud moment when Utility Week magazine awarded us the accolade of Utility of the Year for the second time in four years.

As well as looking back at the year, this report looks forward to the exciting shape of things to come in the world of electricity networks. We aim to be one of the most innovative companies in our sector as we transition to a low carbon economy, and I am happy to share with you in this report our vision for the future of electricity networks in the UK.

Basil Scarsella

Our journey

We are proud of our achievements since 2010 and the progress we have made in our performance.

Leading safety performance – Lost Time Incident Frequency Rate¹

80%
Improvement since 2010/11

Achieved our best ever customer satisfaction score²

15%
Improvement since 2011/12

Lowest annual domestic charges in the industry³

13%
Lower annual domestic charges than the industry average

Reduction in the frequency of power cuts⁴

42%
Improvement since 2010/11

Reduction in the duration of power cuts⁵

53%
Improvement since 2010/11

Gold Investors in People Award

2015 European Utility Industry awards – Industry Innovation

Sunday Times Top 25 Best Big Companies to Work For

2012 and 2015 Utility of the Year

1. The Lost Time Incident Frequency Rate is the number of incidents where employees needed at least one day off due to injury per 100,000 hours worked

2. Figures are an average of the three licence areas. Figures for 2010/11 are not available as Ofgem began measuring customer satisfaction in this format in 2011/12

3. Figures are from 2015/16 data for domestic unrestricted customers based on annual consumption of 3100 kWh

4. Figures are the number of customers interrupted per 100 customers on our network. Figures are a weighted average of the three licence areas and exclude exceptional events

5. Figures are the average length of time customers are without power, for power cuts lasting three minutes or longer. Figures are a weighted average of the three licence areas and exclude exceptional events