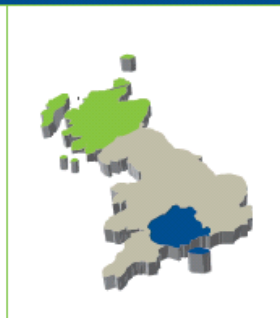
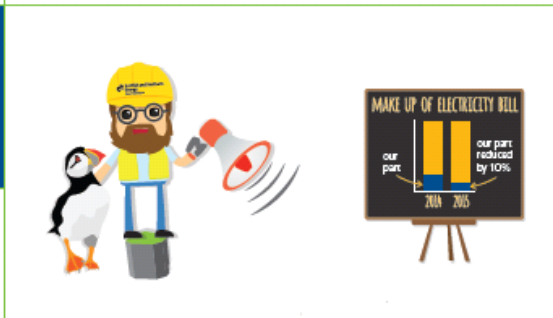


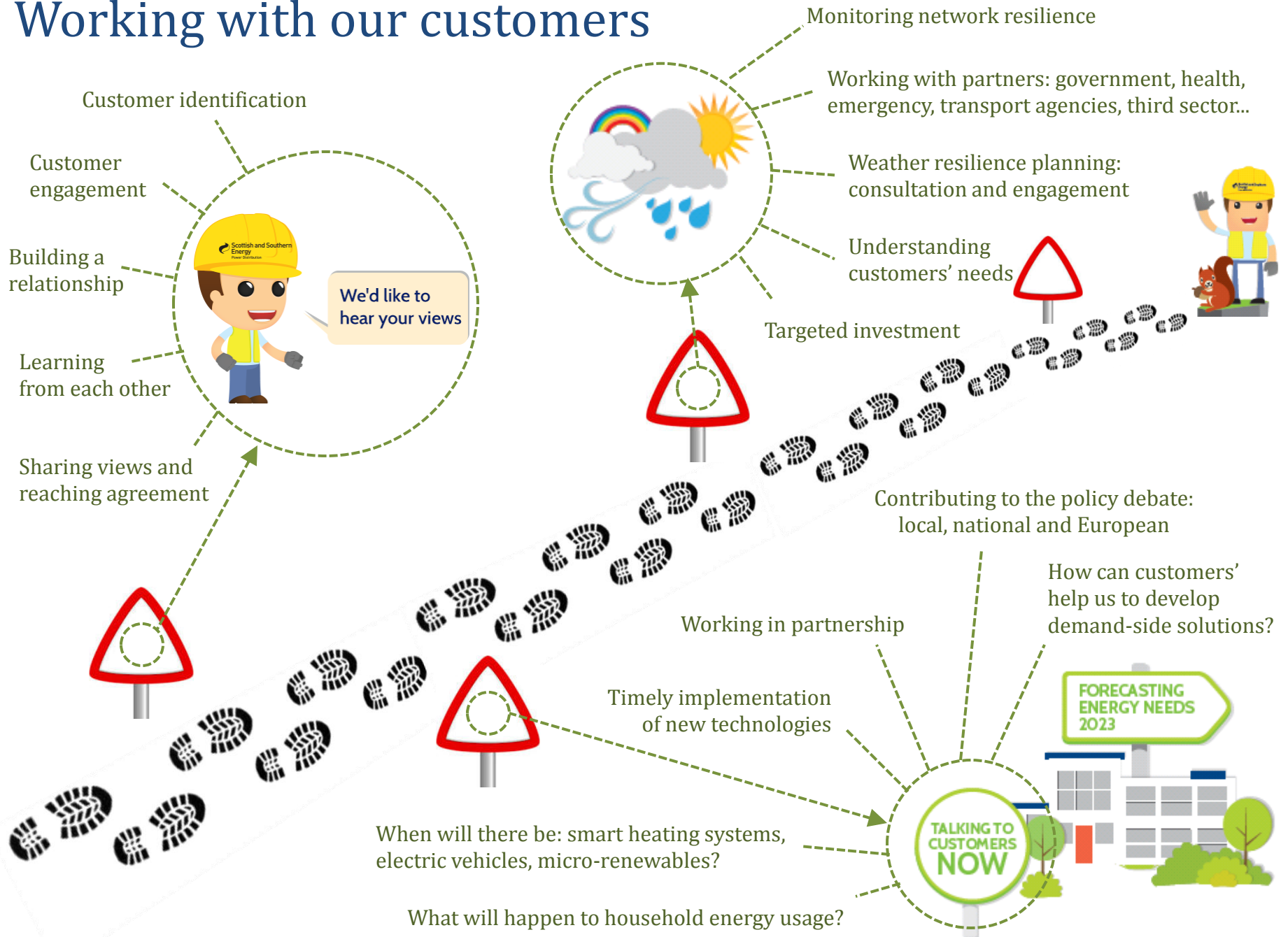
THE PLAIN GUIDE TO YOUR FUTURE ENERGY NETWORK



1. Working with our customers
2. Being 'SMART' about service
3. Focus on efficient expenditure
4. A fair price for a safe, reliable supply



Working with our customers



Being 'SMART' about service

1 WHERE WE NEED TO DO SOME MAINTENANCE, WE'LL GIVE YOU **AT LEAST FIVE DAYS' NOTICE** OF A PLANNED POWER CUT. IF WE DON'T, WE WILL PAY YOU **£20**

6 If we do have an unexpected power cut, within **10 minutes** we will be able to tell you what we are doing about it

7 If you apply for a new electricity connection and a team member has not been in touch within 3 working days, then **WE WILL PAY YOU £20**

8 We want to make it easy for you to fill out a form by giving you the option of doing it **ONLINE, BY POST, BY PHONE OR LIVE CHAT**

2 We will work with communities to reduce the visual impact of up to 60 miles of overhead lines in National Parks, Areas of Outstanding Natural Beauty and National Scenic Areas

9 We'll keep on asking you how we could do better and **PUBLISH A REPORT EVERY YEAR** on what we're doing about it

3 YOU'LL BE ABLE TO CONTACT US IN MORE AND MORE WAYS THAT SUIT YOU; BY TWITTER, FACEBOOK OR HOWEVER YOU WANT TO TALK TO US

4 WE WILL REDUCE THE NUMBER OF POWER CUTS **BY 5%** AND THEIR DURATION **BY A QUARTER**

5 We will reduce the small number of customers that suffer more than 3 power cuts per year by **by 30%**

10 HAVING THE BEST SAFETY RECORD IN THE INDUSTRY WON'T MAKE US COMPLACENT. WE WILL KEEP LOOKING FOR NEW WAYS TO **KEEP YOU SAFE AROUND OUR EQUIPMENT**

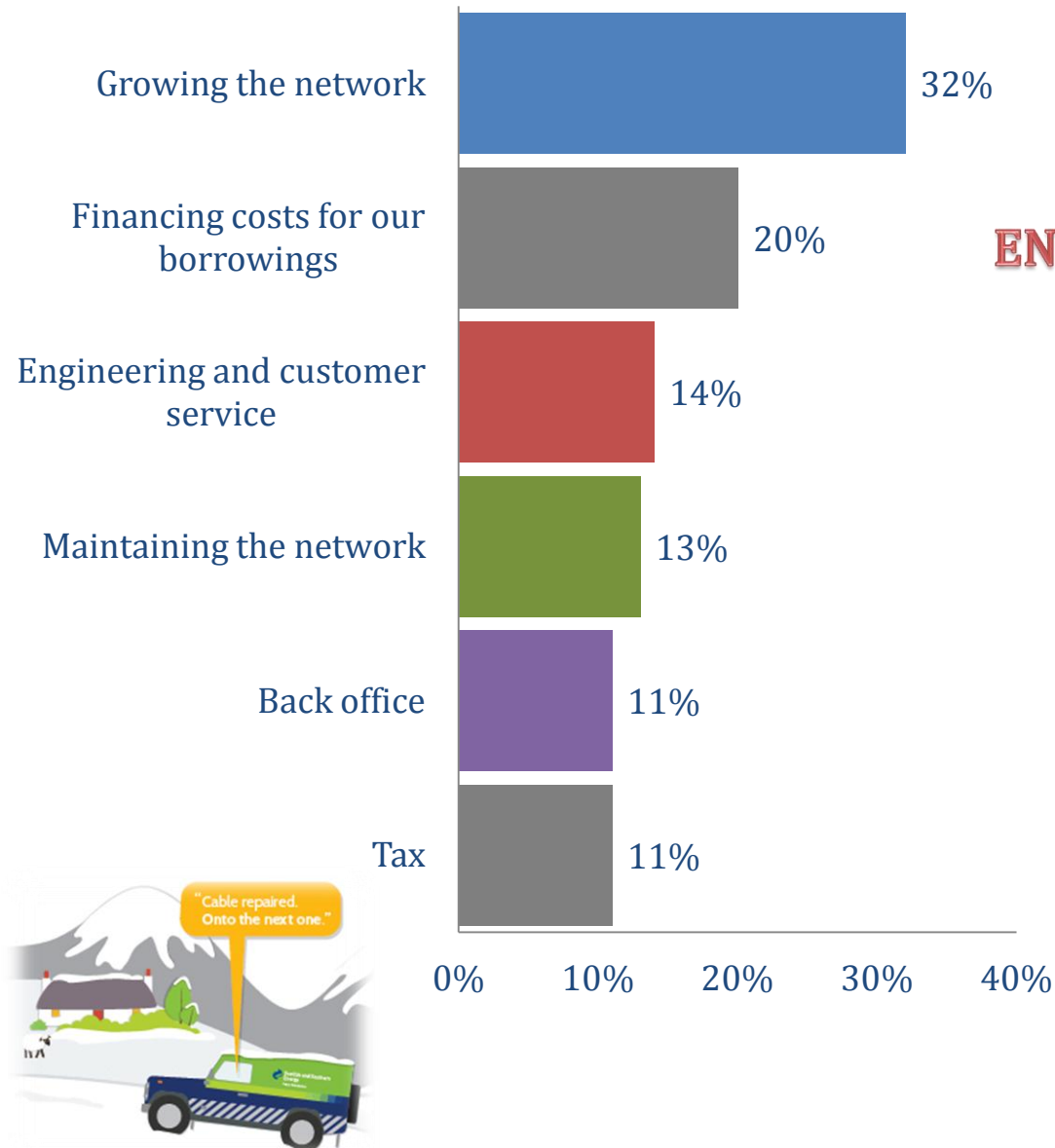
11 Every year we will publish our Resilience Plan so you know what we will do in the event of a **POWER CUT**

12 We will do all this, and more, while reducing our part of the electricity bill by **10% in 2015** and having only inflationary increases thereafter

MAKE UP OF ELECTRICITY BILL

our part	our part reduced by 10%
2014	2015

Focus on efficient expenditure



GROWING THE NETWORK[†]

-6%

ENGINEERING & CUSTOMER SERVICE[†]

-5%

MAINTAINING THE NETWORK[†]

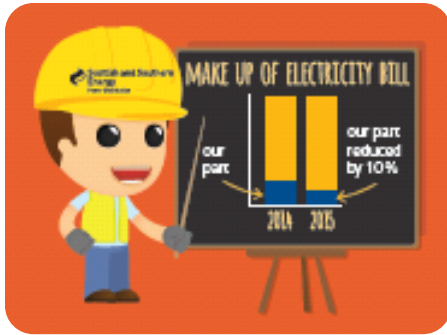
-1%

BACK OFFICE[†]

-12%

[†] Relative to like-for-like DPCR5 allowances

A fair price for a safe, reliable supply



OUR BEST ESTIMATE OF THE DISTRIBUTION COMPONENT OF AN AVERAGE DOMESTIC BILL DURING RII0-ED1 IS*:

IN THE SOUTHERN REGION, £91.07

IN THE HYDRO REGION, £154.01

FINANCIAL ASSUMPTIONS

Cost of equity 6.7%

Cost of debt index

Gearing 65%

Capitalisation 70%

Depreciation (existing) 20 years

Depreciation (new) transition to 45 years over one PCR

ANNUAL ITERATION PROCESS & TARIFF SETTING

Consumption

Cost of debt index

Inflation

Pass-through costs

Smart meters

Uncertainty mechanisms

Shetland

BASE REVENUE

SOUTHERN

-4.2%

HYDRO

-1.7%

Have your say



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