

**SUPPLEMENTARY PROSPECTUS DATED 3 JUNE 2013 TO THE PROSPECTUS
DATED 27 JUNE 2012**



SSE plc

(incorporated in Scotland, with limited liability, registered number SC117119)

Scottish Hydro Electric Power Distribution plc

(incorporated in Scotland, with limited liability, registered number SC213460)

Scottish Hydro Electric Transmission plc

(incorporated in Scotland, with limited liability, registered number SC213461)

Southern Electric Power Distribution plc

(incorporated in England and Wales, with limited liability, registered number 04094290)

€10,000,000,000

Euro Medium Term Note Programme

This Supplementary Prospectus (the “**Supplementary Prospectus**”), to the Prospectus dated 27 June 2012 (the “**Prospectus**”) which comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive 2003/71/EC for each of SSE plc (“**SSE**”), Scottish Hydro Electric Transmission plc (formerly Scottish Hydro Electric Transmission Limited) (“**SHETL**”), Scottish Hydro Electric Power Distribution plc (“**SHEPD**”) and Southern Electric Power Distribution plc (“**SEPD**”) (each an “**Issuer**” and together, the “**Issuers**”), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the “**FSMA**”) in relation to the Issuers, and is prepared in connection with the €10,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by the Issuers.

The purpose of this Supplementary Prospectus is (a) to incorporate by reference the preliminary results announcement for the year ended 31 March 2013 for SSE and the audited financial statements of SHEPD, SHETL and SEPD for the financial year ended 31 March 2012, (b) to add a new Risk Factor in relation to “Quality Customer Service” and (c) to provide details of recent developments relating to the appointment of the new Chief Executive of SSE, the fine imposed by OFGEM on SSE in April 2013 and SSE’s energy efficiency obligations.

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the Prospectus and any other documents incorporated by reference therein. Terms defined in the Prospectus have the same meaning when used in this Supplementary Prospectus.

This Supplementary Prospectus in respect of each Issuer includes all information contained within this Supplementary Prospectus except for information relating to any other Issuer.

Each Issuer accepts responsibility for the information contained in its Supplementary Prospectus as described above. Each Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in its Supplementary Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into the Prospectus by this Supplementary Prospectus and (b) any other statement in or incorporated in the Prospectus (as supplemented from time to time), the statements in (a) above will prevail.

Copies of documents incorporated by reference in this Supplementary Prospectus may be obtained (without charge) from the registered office of the relevant Issuer and viewed on the

website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-newshome.html>.

To the extent that any document or information incorporated by reference or attached to this Supplementary Prospectus, itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Supplementary Prospectus for the purposes of the Prospectus Directive, except where such information or other documents are stated within this Supplementary Prospectus as specifically being incorporated by reference or where this Supplementary Prospectus is specifically defined as including such information. Where only certain parts of the documents referred to above are incorporated by reference to the Prospectus, the parts of the document which are not incorporated by reference are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in the Prospectus.

Except as disclosed in this Supplementary Prospectus there has been no significant new factor, material mistake or inaccuracy relating to information included in the Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Prospectus.

The purposes of this Supplementary Prospectus are:

1. Documents Incorporated by Reference

To incorporate documents by reference by the addition of new paragraphs as set out below:

“(v)(a) the preliminary results announcement for the year ended 31 March 2013 for SSE which were published via the RNS on 22 May 2013 (“**SSE’s 2013 Preliminary Results**”) (included from page 56 “Consolidated Income Statement for the year ended 31 March” to page 68 “END” of SSE’s 2013 Preliminary Results),

(v)(b) the audited financial statements of SHEPD for the financial year ended 31 March 2012 (included on pages 13 to 34 of the 2012 Statutory Accounts of SHEPD),

(v)(c) the audited financial statements of SHETL for the financial year ended 31 March 2012 (included on pages 13 to 28 of the 2012 Statutory Accounts of SHETL),

(v)(d) the audited financial statements of SEPD for the financial year ended 31 March 2012 (included on pages 13 to 34 of the 2012 Statutory Accounts of SEPD).”

“The financial statements as at and for the year ended 31 March 2013 contained within SSE’s 2013 Preliminary Results have been prepared in accordance with the Listing Rules of the Financial Conduct Authority relating to preliminary results using figures extracted from the audited annual financial statements of SSE. They have not been audited but are derived from the audited financial statements of SSE. They do not, however, include all of the information that will be included in the audited annual financial statements of SSE. SSE’s auditors, KPMG Audit Plc have agreed that SSE’s 2013 Preliminary Results are substantially consistent with the final figures to be published in the next annual audited financial statements. However, the SSE Directors draw to your attention that, whilst the SSE audit is substantially complete, there remains the possibility that the figures included in the next annual audited financial statements may change. The Board of Directors of SSE has approved SSE’s 2013 Preliminary Results.”

2. Risk Factor

To add a new risk factor which the Issuers consider to be significant by the addition of a new paragraph as set out below:

“Quality Customer Service

A failure to maintain quality customer services levels can have a material adverse effect on the SSE Group's reputation and financial position as well as the increased risk of regulatory scrutiny which could result in fines from OFGEM.”

3. Recent Developments

The section entitled “**Recent Developments**”, as follows, is to be inserted into the Prospectus:

“Recent Developments

Executive Directors

Alistair Phillips-Davies, currently Deputy Chief Executive, will become Chief Executive of SSE on 1 July 2013 in succession to Ian Marchant, who has decided to step down after 10 years in the job. Gregor Alexander, Finance Director will have an expanded role deputising for the Chief Executive in the running and operations of the SSE Group. Following the changes, the Board of SSE plc will comprise the two Executive Directors and five non-Executive Directors, plus the Chairman.

OFGEM Fine

On 3 April 2013, OFGEM announced its decision to fine SSE £10.5m for breaches of two Standard Licence Conditions: Notification of Domestic Supply Contract Terms; and Marketing to Gas/Electricity Domestic Customers. SSE apologised fully for the breaches and accepted the fine without appeal. This marked the conclusion of OFGEM’s investigation and associated enforcement action, financial or otherwise, against SSE in relation to these breaches. Up to that point, SSE had been the only leading supplier in Great Britain that had not been subject of a finding of a breach of its supply licence conditions.

Breaches occurred for varying periods between October 2009 and September 2012, but mainly in the period to July 2011 when SSE became the first company to suspend doorstep energy sales in Great Britain. They related mainly to inadequate monitoring, auditing and execution of SSE's sales activities. SSE believes it worked hard and in good faith to implement changes to licence conditions made by OFGEM in 2009 and 2010 designed to ensure sales were conducted in a fairer and more transparent manner.

Nevertheless, SSE accepted unreservedly that it did not move fast or far enough in some areas and acknowledges readily that some of its processes were not as effective as they should have been. SSE estimates that around 23,000 customers may have moved to a more expensive energy supply contract as a result of its energy sales activity on the doorstep and at venues. OFGEM confirmed that the breaches identified had been remedied by SSE during the period of investigation and that OFGEM is now satisfied that there is no issue of ongoing breach. Since the sales investigation was first launched by OFGEM, SSE has significantly strengthened its approach to compliance.

To provide redress for customers affected, SSE introduced in December 2011 its Sales Guarantee setting aside up to £5m to ensure that any household customer who shows that they switched their energy supply to SSE after being given inaccurate information or being misled will have any resulting financial loss made good.

Energy Efficiency Obligations

SSE had obligations under the Carbon Emissions Reduction Target (“CERT”) 2008/12 to deliver energy efficiency measures to households throughout Great Britain that

delivered savings in CO2 emissions. It has been extremely challenging for suppliers to find, deliver and verify measures in peoples' homes without having access to any form of data.

SSE has delivered the carbon savings set out by the CERT scheme and has contracts in place to ensure it meets its allocation under the Community Energy Saving Scheme ("CESP").

SSE complied with the CERT scheme in full but was unable to verify and report the delivery of some of the obligations to OFGEM before the reporting date. Following verification work with the Department of Work and Pensions, SSE was able to show it delivered the obligations.

In relation to CESP, SSE acknowledges that despite best efforts it was not able to physically deliver all of the obligations by 31 December 2012. However, contracts were in place shortly after for the delivery of the obligations in full.

In line with other energy companies, SSE's delivery at the reporting date was under 100% of the target because it did not achieve the scheme's bonus uplifts for multiple measures in a home and density bonuses within an area.

OFGEM announced in May 2013 that it will investigate SSE and five other energy companies' failure to achieve 100% of the CESP obligation by the cut-off date. SSE will co-operate fully with OFGEM as it considers further actions in relation to CESP."

3 June 2013