

Press Release

March 14 2017

For Immediate Use

14.9% SSE electricity price hike could be compounded by submarine cable costs warns local fuel poverty charity

An Orkney fuel poverty charity has said that crippling electricity price hikes could be added to in future, as any additional cost of replacing submarine electricity cables will also hit consumers in the north of Scotland.

THAW Orkney's warning came as energy giant Scottish and Southern Energy (SSE) announced a 14.9% electricity price rise from April 28. The shock news coincides with SSE's power distribution arm holding consultation events in Orkney on its requirement by Scotland's National Marine Plan to consider how its submarine electricity cables are laid and protected on the seabed.

Events are due to take place this week in Kirkwall, Westray, Stronsay, Shapinsay and Rousay ahead of Scottish and Southern Power Distribution (SSEPD) applying for a Marine Licence to replace three cables – Orkney Mainland to Shapinsay, Shapinsay to Stronsay, and Rousay to Westray.

THAW Orkney said that it was possible that electricity bills in the islands, and across the north of Scotland – already the highest in the UK - could increase even greater than the 14.9%, depending on the cost of replacing the submarine electricity cables.

The cost of supplying electricity via cables to Scotland's islands is supported by electricity consumers across the north of Scotland as part of their energy bills, due to the way distribution costs are recovered in rules set down by Ofgem, the UK energy regulator. Any additional cost would come on top of the existing extra 2p surcharge already paid locally, which SSE says is due to the additional cost of distributing electricity in the area. Campaigners say that this cost should be spread equally across the UK rather than being imposed on remote and rural populations.

THAW Orkney chairman Robert Leslie said: "While Monday's news of a 14.9% electricity price hike for SSE customers is shocking enough, what is not known is the impact that the cable replacement programme might have on bills. SSE is yet to make this clear. Anyone who has concerns might want to go along to the local events to try to find out.

"As Orkney is top of Scotland's fuel poverty league table, with 63% of households estimated to be fuel poor – 85% of pensioner households – this price hike is of grave concern. THAW Orkney has already responded during the consultation process to say that the impact on fuel poverty and the associated health impacts of living in cold and damp houses need to be taken into consideration when carrying out a cost benefit analysis of cable replacement. This has been taken on board to an extent by SSE, for which we are grateful, but they still seem to have a blind spot on the health impacts of fuel poverty, which in turn are costly to the health service.

"The price hike announced on Monday will be crippling for Orkney households relying on electricity for their heating, so any increase on top of that due to additional cable costs is unthinkable. This will

set back much of the good work done over the past year by THAW Orkney and by Scotland's national energy efficiency programmes to take folk out of fuel poverty."

Four of the other Big Six energy suppliers in the UK have already announced price rises this year:

- Scottish Power's standard electricity prices will increase by an average of 10.8% on March 31.
- Npower is raising its standard tariff electricity prices by 15% from March 16.
- EDF Energy's electricity prices rose by 8.4% on March 1.
- E.On is increasing electricity prices by an average of 13.8% on April 26

ENDS

Note to editors:

SSEPD's Orkney pre-application consultation events will be held at:

Date	Location	Venue	Time
14/03/2017	Kirkwall	St Magnus Centre	10am until 4pm
14/03/2017	Westray	Höfn Youth Centre	12pm until 2pm
14/03/2017	Stronsay	Stronsay Fishmart	1pm until 3pm
15/03/2017	Kirkwall	St Magnus Centre	10am until 4pm
15/03/2017	Shapinsay	Shapinsay Community School	12pm until 2pm
16/03/2017	Rousay	Rousay Community School	12pm until 2pm

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