**Subject: SEPD Pricing Adjustments Effective April 2025**

We are making some changes to our quotation prices for our Major Connections customers. These will take effect in April 2025 in our SEPD licence area. These adjustments are part of our ongoing efforts to ensure that our pricing structure accurately reflects both current market conditions and operational costs from our delivery partners.

**When will the new prices take effect?**

All applications in the above market segments, where the clock started after January 15th, 2025, will be quoted with the new prices.

**Which works are affected?**

The pricing update is for both 33kV and 132kV segments, and 11kV full switchboard changes, so, it will be applied to any works higher than an 11kV circuit breaker Point of Connection. HV works will not be impacted by these price changes.

**Why prices are changing**

We previously ran an open and competitive tender for a new Grid Supply Point (GSP) contracting framework, which led to the appointment of three framework partners in our SEPD licence area. These partners allow us to better manage and reduce supply chain risks. We are also better placed to secure the specialist skills of our contract partners in an increasingly competitive market, for successful project delivery. Our GSP strategy allows us to align work within a geographical region to specific framework partners, delivering benefits through economies of scale.

However, the prevailing geopolitical climate, commodity price increases and global supply issues have placed greater demand upon plant, equipment, and resources in our supply chain. Consequently, prices under our new framework are higher than before.

**How will costs be impacted?**

It is challenging to provide a detailed impact on all prices due to the variety of materials and scheme possibilities. However, across a range of projects, we are observing cost increases ranging from approximately 15% to, in some cases, 40%.

Several factors are contributing to these price increases. One of the primary drivers is the cost associated with the laying of cabling works, which is considered a contestable activity. The cost of plant materials has risen significantly due to the heightened demand across the sector, driven by the ongoing electrification of infrastructure, which has placed greater pressure on our supply chain, affecting the availability and cost of essential resources.

**How will this price increase affect me if I have already accepted a quote?**

As outlined above, the changes we are making to our quotation prices are to ensure they fully reflect the types of costs we are seeing from our delivery partners once projects have gone through detailed design and feasibility. As such, all current projects in the queue are likely to see some cost changes once they have gone through detailed design and feasibility.

We understand that customers in the connections queue will want visibility of what these changes will mean for them as soon as possible. We are aware that each customer will have slightly different circumstances, with some having recently received a quote and others in the process of detailed design where they will soon get visibility of detailed delivery programmes and latest costs, where the quote can be updated to reflect those costs. Consequently, we will agree a case-by-case approach with customers on the most expediated route to receiving the most accurate information on costs for their project.

**How will my project be requoted?**

**Generation customers >1MW**

Connections reform is likely to result in changes to the queue and subsequently costs and timescales for connection. Consequently, where customers are subject to connections reform, we will provide a requote as part of the revised offer you will receive under Connections Reform.

**Demand customers >1MW and all other customers <1MW**

*In or entering Feasibility or Detailed Design*

If your project is in either feasibility or detailed design, or you are about to move into detailed design, you will shortly be receiving a detailed breakdown of delivery costs.

**Other customers**

We recognise that customers who are not yet moving into detailed designed and may have only recently received their quote may want to understand the precise impact of these price increases on their project. We are happy to discuss this on a case-by-case basis and agree a timeline for a requote. Please contact our contract management team commercial.contracts@sse.com to discuss this.