



Office of Utility Regulation

# **Maximum Resale Price of Electricity in Guernsey**

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## **Information Note and Direction**

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**Office of Utility Regulation**  
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# Maximum Resale Price of Electricity in Guernsey

## ***Background***

The Office of Utility Regulation is continuing to work towards establishing a competitive regulatory framework for the electricity sector in Guernsey as mandated by legislation which was commenced in October 2001<sup>1</sup> and February 2002<sup>2</sup>. As part of that framework, the Generation, Conveyance and Supply activities of Guernsey Electricity Ltd (“GE”) have been licensed by this Office since 1<sup>st</sup> February 2002.

Historically, the States Electricity Board had the ability to set the maximum resale price of electricity under The Electricity Law 1933<sup>3</sup>. On 1<sup>st</sup> February 2002, this power transferred to the Director General of Utility Regulation under Section 23 of The Electricity (Guernsey) Law, 2001, which empowers the Director General to set the maximum price at which electricity may be resold on the Island of Guernsey. It should be noted that separate arrangements apply to the electricity sectors elsewhere in the Bailiwick of Guernsey.

The purpose of setting a maximum resale price for electricity is to protect customers who do not purchase electricity directly from a licensed electricity supplier but from a third party. A typical example is where a landlord pays for the electricity used by their tenants and separately charges the tenant for electricity often via the landlord’s coin meter.

The maximum resale price was last fixed by the States Electricity Board in 1997, when it made adjustments to the States Electricity Board’s published prices. In 1997 the maximum resale price was set at 9.62 pence per kilowatt hour and this was in force until the provisions of The Electricity (Guernsey) Law, 2001 were enacted on 1<sup>st</sup> February 2002.

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<sup>1</sup> The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001

<sup>2</sup> The Electricity (Guernsey) Law, 2001

<sup>3</sup> Loi relative à la Fourniture de L’Électricité par les États, 1933

### ***Level of Maximum Resale Price for Electricity***

The Director General recognises the protection provided in setting the maximum resale price of electricity and therefore the Director General is directing, as per the direction below, that the maximum resale price for electricity should remain in force at 9.62 pence per kilowatt hour to ensure that customers continue to be protected.

As set out within the Electricity Work Programme section of the Office of Utility Regulation's website ([www.regutil.gg/elec\\_work\\_programme.asp](http://www.regutil.gg/elec_work_programme.asp)) the Director General will shortly commence consideration of appropriate price controls for GE and expects to review the maximum resale price of electricity in conjunction with these activities.

### ***Maximum Charges in accordance with section 23 of the Electricity (Guernsey) Law, 2001: Direction***

The Director General of Utility Regulation, in accordance with the powers granted under section 23(2) of the Electricity (Guernsey) Law, 2001, hereby fixes the maximum price at which electricity to which section 23 applies may be resold at 9.62p per kilowatt hour.

The Director General further directs Guernsey Electricity Limited in accordance with section 23(2)(b) of the Electricity (Guernsey) Law 2001 to publish this maximum resale price in a manner that will secure adequate publicity for it, including but not limited to publication on the Guernsey Electricity Limited website.

If any person resells electricity to which section 23 of the Electricity (Guernsey) Law, 2001 applies, at a price exceeding the maximum price of 9.62p per kilowatt hour, the excess shall be recoverable by the person to whom the electricity was resold as a civil debt in accordance with section 23(4) of that Law.

**/ENDS**

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