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## **OUR approves limited GE price increase**

Guernsey's utilities regulator has now finalised its decision on the application by Guernsey Electricity (GEL) to increase its prices by 19% by April 2006, and 34% by 2008. Following the recent consultation, the Office of Utility Regulation (OUR) is to allow GEL to increase its prices by just 11% over the next 15 months.

“This decision is obviously of crucial importance to Guernsey, so we are taking a pragmatic approach. We have thoroughly considered all of the points made on this issue, and there is no reason to change our position on the broad level of Guernsey Electricity's price rises”, says John Curran, Director General of the OUR. “However, this price control has identified a number of issues which go beyond the OUR's work on prices. We intend to make sure that electricity customers aren't paying more than they should for their power, whilst ensuring that those wider issues can be properly considered.”

The increased electricity prices will take effect from 1<sup>st</sup> January 2006 and last until 31<sup>st</sup> March 2007. Over that period the OUR will continue its discussions with a number of stakeholders, including GEL.

“Over the last month Guernsey Electricity have brought in a variety of spokesmen to argue their case based on the information supplied to them by Guernsey Electricity. We remain of the view that this level of price rise is correct but a number of other factors have arisen which we now have time to go into in more depth” said John Curran. “Increasing electricity prices by 11% over the next year will make sure that Guernsey Electricity can be in a healthy and sustainable condition for the future.”

The OUR intends to work with GEL, Treasury & Resources (as shareholder) and Commerce & Employment (with responsibility for energy policy) before putting in place any future price control.

The price control decision (OUR 05/31) published today is available on the OUR website [www.regutil.gg](http://www.regutil.gg), or by calling the OUR on 711120

## Information for Editors

### Price Proposals

This table compares GEL's proposed tariffs with those being allowed by the OUR:

	<b>GEL Request</b>	<b>OUR Proposal</b>	<b>Standard Tariff (with increase applied)*</b>
January 2005	9.8%	5.5%	9.49p
April 2006	8.4%	5.5%	9.92p
Total	19%	11.3%	

- **About the OUR**

The Office of Utility Regulation was established in 2001 to regulate the three utilities of post, telecommunications and electricity in the Bailiwick of Guernsey. The Office is headed up by Director General, John Curran and has four staff.

The role of the OUR is to protect the interests of Guernsey consumers and the economy. It does this by ensuring that customers receive the best in price, choice and quality services in the three regulated sectors, while at the same time ensuring that those sectors are vibrant and robust so that they can positively contribute to and underpin a successful Guernsey economy.

The OUR licenses and regulates telecommunications operators, Guernsey Electricity Ltd and Guernsey Post Ltd. Wherever possible, the OUR promotes the introduction of competition by ensuring that there is fair play and a level playing field between the operators. Where competition is not yet effective or where it is not feasible, the OUR regulates prices and quality of services to end customers.

**More information is available from the OUR website [www.regutil.gg](http://www.regutil.gg), or by contacting the Office of Utility Regulation on 01481 711120.**