



Office of Utility Regulation

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Electricity prices to rise by 17% from April; OUR to review GEL's Billing practices

The Office of Utility Regulation today announced that electricity tariffs will increase by 17% from 1st April 2009. The announcement is part of the implementation of the price control put in place for Guernsey Electricity in February 2007.

“While price rises of any kind are always unwelcome, electricity customers have been shielded from the volatility in energy prices for the past two years. The 2007 price control included a review mechanism as it was envisaged that some of the costs facing GEL – oil and electricity import costs - might change, albeit the level of volatility in energy prices has been exceptional”, said John Curran, Director General of the OUR. “It is not possible for GEL to absorb the level of additional costs it has incurred and, following a review of its actual costs, we believe this level of increase is justified.”

The increase in Guernsey charges compares to a recent 24 percent price rise announced in Jersey, while in the UK recent price increases ranging from 9 to 19 percent have been announced.

The OUR has also announced that it is commencing a review of GEL's billing practices. Over the course of 2008 a number of issues have come to light relating to matters such as the criteria used by GEL in requiring deposits from customers that are either new, or have moved house, or who are renting. There have also

been queries over the company's approach to setting the level of direct debits, its disconnection policy and the information benefits to customers of the Automated Meter Reading devices.

"In the current economic climate it is important that energy users are only asked to pay bills that are as close as possible to their actual usage patterns so that they have appropriate information to base decisions on how they use their energy. Similarly the levels of deposits being sought from rental customers should be reasonable and we wish to verify that this is the case," said John Curran. "We have asked GEL for a report on its approach to these issues and we will be considering this matter further with the company over the coming months."

Further details on the price increase are set out in the OUR Information Notice OUR 09/02 published today, which is available on the OUR website – www.regutil.gg.

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Notes for Editors:
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 six 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, or by contacting the Office of Utility Regulation on 01481 711120.