



# Office of Utility Regulation

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## Electricity Prices to increase from April

The OUR has agreed to Guernsey Electricity's request to increase tariffs which will rise by an average of 6.5% from 1<sup>st</sup> April. A new price control on Guernsey Electricity will come into effect from that date for a 12 month period.

'Guernsey Electricity had requested a tariff rise due to higher oil and import costs, while higher demand for electricity during the winter saw plans for investment in infrastructure being brought forward by Guernsey Electricity to meet that demand. The company is also being allowed to recover certain generation costs incurred in 2009-10. In the circumstances we have sought to ensure GEL works harder to find efficiencies and we are requiring the company to reduce costs by approximately £0.4m. As a result of these factors, we have allowed for a 6.5% rise in tariffs from 1<sup>st</sup> April,' said John Curran, Director General at the OUR.

The OUR is also changing its approach to how Guernsey Electricity tariffs are set. The company will in future have greater freedom to determine individual tariff changes subject to complying with an overall 'revenue cap'.

Further details on the final price control decision for Guernsey Electricity Ltd are included in document OUR 11/05 which is published on the OUR website [www.regutil.gg](http://www.regutil.gg). Copies are also available by calling the OUR on 711120.

### Information for the Editor

#### 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.