



CICRA media release

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CICRA agrees to temporary electricity price increase in Guernsey

CICRA (the Channel Islands Competition and Regulatory Authorities) has agreed to Guernsey Electricity's application for a 9% tariff rise from 1 October this year.

CICRA Chief Executive, Andrew Riseley, said that the cable failures had been the main catalyst for the necessary rise.

"Although a price rise of this size is not ideal there are extenuating circumstances which mean that GEL is forced to generate costly on-island electricity as a consequence of the failure of the cables from Jersey to Guernsey and from France to Jersey, and some issues with sub-stations. Together, these have necessitated the increase," he said.

"We are satisfied that GEL has demonstrated that the costs of having to generate more electricity on the island are significantly higher than the cost of the electricity supply that GEL would normally get through the cable links.

"In the interests of light-touch regulation, and the regulator's adoption of a model of regulation where the utilities will be given more autonomy to make decisions with CICRA retrospectively considering those decisions, we have agreed to allow this increase.

Mr Riseley stressed that the regulator had made it clear to Guernsey Electricity that the price rise should remain in place no longer than absolutely necessary to recover costs arising from this exceptional series of events.

It is anticipated the Jersey to Guernsey cable will be repaired before November while the French cable is unlikely to be replaced before 2015.

Mr Riseley said CICRA had stipulated that the price rise be reversed once a second cable link to France is re-established, and said that CICRA would hold discussions with Guernsey Electricity at that time to ensure that the interests of Guernsey electricity consumers were protected.

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NOTES TO EDITORS:

All enquiries should be directed in writing to CICRA Chief Executive, Andrew Riseley, in Guernsey at the Guernsey Competition and Regulatory Authority (formerly the Office of Utility Regulation), Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey GY1 2NH or in Jersey at the Jersey Competition Regulatory Authority, 2nd Floor, Salisbury House, 1 - 9 Union Street, St Helier, Jersey JE2 3RF. Alternatively email info@cicra.gg.

About CICRA:

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) (formerly the Office of Utility Regulation). The JCRA was established under the Competition Regulatory Authority (Jersey) Law, 2001, and the GCRA was established under The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, as amended by The Guernsey Competition and Regulatory Authority Ordinance, 2012. In Jersey, the telecoms and postal sectors are regulated by the JCRA, which is also responsible for administering and enforcing the Competition (Jersey) Law 2005. In Guernsey the telecoms, postal and electricity sectors are regulated by the GCRA, which is also responsible for the administration and enforcement of the Guernsey competition law since it came into force on 1 August 2012.

By working together and sharing resources and expertise between the islands, CICRA strives to ensure that consumers in all the Channel Islands receive best value, choice and access to high quality services.