



Office of Utility Regulation

Media Release – Embargo 6.00am 21st December 2006

Regulator to Cap Postal Prices until 2010

Following an extensive review of Guernsey Post's (GPL) postal operations, the Office of Utility Regulation is to limit the stamp price increases being sought by GPL. The OUR has published its final decision on GPL's tariff application and is restrict the increases for certain postal tariffs, including tariffs for Bulk Mail. From April 2007 a local stamp will cost 32p from April 2007 with letters to the UK costing 37p. Further price changes will occur in 2008 and 2009.

“Over the past number of years there has been a need to ensure postal tariffs more closely reflected the cost of the provision of the service. With the increased charges being passed to GPL from Royal Mail in the UK increases are regrettably a necessity to ensure we have a sustainable postal service at the quality Islanders have come to expect from GPL” said Jon Buckland, Director of Policy at the OUR. “However we will be seeking greater efficiency savings from GPL over the next three years to reassure postal customers that their stamp charges are only being used to fund a business being run efficiently. The company had proposed certain efficiency savings of its own in its tariff application, but we remain of the view that further savings can be achieved.’

The decision will see new stamp prices brought in on 1st April 2007 with further tariff changes each year in 2008 and 2009. A local stamp will increase to 32p in April 2007, then 34p in April 2008 and 36p in April 2009. A UK stamp will increase to 37p in April 2007, 40p in 2008 and 43p in 2009.

“Setting a control for this period will provide certainty to all postal users, in particular the Bulk Mail sector, as well as allowing GPL to concentrate on the challenges facing the business going forward,” said Jon Buckland. “There are significant changes happening in the

postal sector at the moment, particularly in the UK, and it is important that GPL can now concentrate on dealing with these for the benefit of the Bailiwick”.

The OUR’s decision, entitled “OUR 06/21: Guernsey Post’s Tariff Changes – Final Decision” is available on the OUR’s website – www.regutil.gg – or from its office in Hirzel Court.

Information for Editors

Key Postal Tariff Increases

	2006	2007	2008	2009
Local	29p	32p	34p	36p
UK	34p	37p	40p	43p

- **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, or by contacting the Office of Utility Regulation on 01481 711120.