



# Office of Utility Regulation

Media Release - Wednesday 24<sup>th</sup> August 2005

## New Price Control for C&W Guernsey

The OUR has announced new controls for a range of C&W Guernsey's prices through to 2008. The new price control will come into effect on 1<sup>st</sup> October 2005 and will cover services such as local and national calls, exchange line rental and leased lines.

“C&W Guernsey is and will remain the dominant provider of telecoms services to most Islanders for some time to come and this new price control is an important means of protecting consumers' interests,” said John Curran, Director General of the OUR. “The new price control will facilitate the company's rebalancing of its prices in a structured way, allow its shareholder an appropriate return on their investment whilst ensuring that consumers' interests are properly safeguarded.”

The OUR has determined the range of price changes that C&W Guernsey can make to a wide range of services between October 2005 and March 2008. It has included specific controls on both local calls (which will be required to decrease) and exchange line rental charges (which C&W Guernsey will be allowed increase). In addition the charges for leased lines should fall substantially over the next 3 years.

“It is important in setting the price control level that a balance is struck between protecting consumers with respect to the prices charged for services while still ensuring that the Bailiwick benefits from on-going investment in its telecoms infrastructure” said John Curran. “This price control strikes the right balance so that residential and business consumers will continue to receive high quality, reliable and innovative services at prices that are very competitive. Overall I believe that this price control should result in a fair outcome for telecom users.”

The OUR document “OUR 05/19: Price Control for Cable & Wireless Guernsey: Decision Notice” is available from the OUR’s website – [www.regutil.gg](http://www.regutil.gg) – or from its Office.

**ENDS**  
**24<sup>th</sup> August 2005**

## Information for Editors

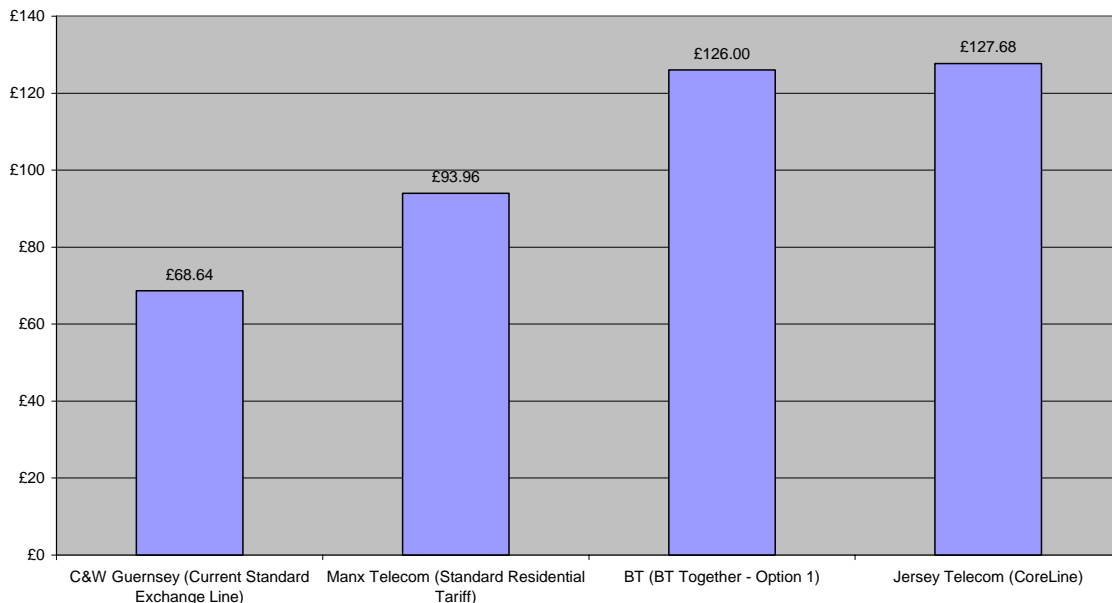
### About the Price Control

The price controls being proposed will focus on four key baskets of services. Each basket has a separate control (an “X” figure) which determines, for that basket as a whole, how much prices may change annually. The four proposed baskets and the “X” for those baskets are:

- Main Basket: RPI + 2%
- Leased Lines: RPI – 16%
- Exchange Line Rental: RPI + 10%
- Local Calls: RPI – 14%

This means that, for example, that the price of the basket of Leased Line services will fall by RPI – 16% year on year for the duration of the price control and that Exchange Line Rental charges can only increase by a maximum of RPI + 10% each year until 2008. However within each basket, C&W Guernsey will have freedom to adjust the prices for individual services so long as the overall basket price is in compliance with the price control.

**Comparison of Current Annual Residential Exchange Line Rental Bills**



## **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.