



Media Release 7th October

Cost of Regulation continues to fall

The costs of regulating Guernsey's utilities fell by 7% from 2003 to 2004 and are expected to continue to come down. The figures are contained in the Office of Utility Regulation's Annual Report which has just been published. It shows that the cost of regulating the three utilities of Post, Telecoms and Electricity has still fallen, despite the recent high costs associated with appeals.

"A lot has been achieved by regulation in 2004 such as competition across the whole telecoms market including the first competing mobile service in the Channel Islands and 3G network, refunds to customers following an investigation into line rental charges, the capping of postal charges, the continuing freeze on electricity charges and a telephone assistance scheme for vulnerable users. In response to Islanders concerns we have also conducted an audit of emissions from Radio Masts", says the OUR's Director General, John Curran.

"2004 was a very busy year and I would like to thank my small team for their hard work, which has ensured that regulating the utilities in Guernsey has stayed well within the estimated costs for this initial phase. We have worked hard to establish good relationships with all three regulated utilities, and have largely been successful. But regulation by its very nature attracts a certain degree of tension".

The OUR is also proposing to strengthen the internal audit role of the office prior to 2006 and will be publishing details of its code of financial management. This will ensure that the OUR's use of licence fees is fully accountable.

"We are fully aware that effective regulation can be a burden to the utilities both in terms of the perceived cost and the amount of documentation we require", says John Curran. "But the

OUR compares very favourably on both counts to regulators in other jurisdictions. I think this Annual Report shows what regulation can achieve for Islanders in terms of keeping prices down, improving service levels and making sure all three utilities are sustainable into the future”.

The OUR’s Annual Report is available on the OUR website www.regutil.gg or calling the OUR office on 711120.

ENDS/

Information 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 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.