



Office of Utility Regulation

States Directions to the Director General of Utility Regulation

Information Notice

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1. Background

In accordance with Section 3 of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, the States of Guernsey may, by Resolution, give to the Director General, directions regarding the following specified matters:

- The identity of the first licensee in each sector to have a universal service obligation included in its licence,
- The scope of the universal service obligation in each sector,
- The extent and duration of any exclusive rights in each sector, and as a result the pace of the introduction of competition, and
- Any actions necessary arising from international obligations.

States Directions are prepared by the Board of Industry and debated by the States of Guernsey before being issued to the Director General. Throughout the development of the new regulatory regime, the States of Guernsey has issued States Directions on a number of occasions and this document seeks to set those directions out in one place for ease of reference.

States Directions were debated at meetings in March 2001, September 2001 and January 2003, and Resolutions were made at each of these meetings to give a number Directions to the Director General and in accordance with Section 8 of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001. This document describes those directions.

The formal texts of the Resolutions are available from the States of Guernsey website www.gov.gg or for purchase by contacting HM Greffier, Royal Court House, St Peter Port, GY1 2PB, telephone 725277. Supporting information is also sourced from the Billets D'Etat published before each relevant meeting and these are also available from the same sources.

Relevant official documents referenced in this document include:

- States of Guernsey Resolutions, 2001 and (when published) 2003
- Billet D'Etat VI of 2001, pages 341 to 356
- Billet D'Etat XVIII of 2001, pages 1247 to 1274
- Billet D'Etat I of 2003, pages 50 to 81

This document collects the various States Directions together but does not purport to be the formal record of those Directions and no liability is accepted for the accuracy of the text in this document.

2. States Directions: Telecommunications

2.1. *Scope of Universal Service Obligation (USO)*¹

The States resolved to give the following direction to the Director General of in accordance with Section 3(1)(c) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001:

¹ States Resolutions 2001, page 25-26 and Billet D'Etat VI 2001, page 341

All users in the Bailiwick shall have available to them the services set out below at the quality specified, independently of geographical location and, in the light of local and national conditions, at an affordable price:

Access at Fixed Locations:

- all reasonable requests for connection to the public telephone network at a fixed location and for access to publicly available telephone services at a fixed location shall be met by at least one operator;
- the connection provided shall be capable of allowing users to make and receive local, national and international telephone calls, facsimile communications and data communications, at data rates that are sufficient to permit Internet access;

Directory enquiry services and directories:

- at least one subscriber directory covering all subscribers of direct public telephone service providers shall be made available to users and shall be updated regularly and at least once a year;
- at least one telephone directory enquiry service covering all listed subscribers' numbers shall be made available to all users, including users of public pay telephones;

Public Pay telephones:

- public pay telephones shall be provided to meet the reasonable needs of users in terms of the geographical coverage, the number of telephones and the quality of services.

Special measures for disabled users and users with special needs:

- these provisions shall also apply to disabled users and users with special social needs, and specific measures may be taken by the Regulator to ensure this.

2.2. Identity of First Licensee with USO²

The States resolved to give the following direction to the Director General in accordance with section 3(1)(a) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001:

The Director General of Utility Regulation shall issue the first licence to contain a telecommunications Universal Service Obligation to Guernsey Telecoms Limited, the company established to take over the functions of the States Telecommunications Board pursuant to the States agreement to the recommendations of the Advisory and Finance Policy letter published in this Billet.

2.3. Special or Exclusive Rights³

The States Resolved to give the following direction to the Director General in accordance with Section 3(1)(b) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001:

² States Resolutions, 2001, pages 78-80 (item no 8)

³ States Resolutions, 2001, pages 25-26 and Billet D'Etat VI of 2001, pages 355-366

The provision of telecommunications networks and services in the Bailiwick of Guernsey shall be opened up to competition at the earliest possible time consistent with the Regulation of Utilities (Bailiwick of Guernsey) Law 2001.

In accordance with section 3(1)(b) of that Law, the States directs the Regulator to decide the duration of any exclusive or special privilege granted to any licensee in relation to the provision of telecommunications networks and/or services with a view to ensuring that competition is introduced into all parts of the market at the earliest possible time.

The Regulator may decide on different terms for privileges granted in different markets or segments of the market. In any case, the States directs that the term of any such rights shall not exceed three years at most from the date of this Direction.

3. States Directions: Post

3.1. *Universal Service Obligation*⁴

The States resolved to give the following direction to the Director General in accordance with section 3(1)(c) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001:

The following universal postal service shall be provided by at least one licensee throughout the Bailiwick of Guernsey at uniform and affordable prices, except in circumstances or geographical conditions that the Director General of Utility Regulation agrees are exceptional:

- One collection from access points on six days each week;
- One delivery of letter mail to the home or premises of every natural or legal person in the Bailiwick (or other appropriate installations if agreed by the Director General of Utility Regulation) on six days each week including all working days;
- Collections shall be for all postal items up to a weight of 20Kg;
- Deliveries on a minimum of five working days shall be for all postal items up to a weight of 20Kg;
- Services for registered and insured mail.

In providing these services, the licensee shall ensure that the density of access points and contact points shall take account of the needs of users.

“access point” shall include any post boxes or other facility provided by the Licensee for the purpose of receiving postal items for onward transmission in connection with the provision of this universal postal service.

⁴ States Resolutions 2001, pages 78-80 (item no 14)

3.2. Identity of First Licensee with a USO⁵

The States resolved to give the following direction to the Director General in accordance with section 3(1)(a) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001:

The Director General of Utility Regulation shall issue the first licence to contain a postal Universal Service Obligation to Guernsey Post Limited, the company established to take over the functions of the States Post Office Board pursuant to the States agreement to the recommendations of the Advisory and Finance Policy letter published in this Billet.

3.3. Post: Special or Exclusive Rights⁶

The States resolved to give a direction to the Director General in accordance with section 3(1)(b) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 to award to Guernsey Post Office Limited the exclusive right to provide postal services in the Bailiwick to the extent that such exclusive right is necessary to ensure the maintenance of the universal postal service specified by States' directions under section 3 (1)(c) of that Law; and

To request the Director General to review and revise the award of exclusive rights from time to time with a view to opening up the Bailiwick postal services market to competition, provided that any such opening up does not prejudice the continued provision of the universal postal service.

4. States Directions: Electricity

4.1. Universal Service Obligation (“Public Supply Obligation”)

The States did not make any Directions in relation to a Universal Service Obligation in the electricity markets, as it noted that the provisions of the Electricity Law adequately protected the interests of users by ensure a Public Supply Obligation would be in place.

4.2. Identity of First Licensee with a USO⁷

The States resolved to give the following direction to the Director General in accordance with section 3(1)(a) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001:

The Director General of Utility Regulation shall issue the first licence to contain an electricity Universal Service Obligation to Guernsey Electricity Limited, once that company is established to take over the functions of the States Electricity Board.

⁵ States Resolutions 2001, pages 78-80 (item no 10)

⁶ States Resolutions 2001, pages 78-80 (items no 15 and 16)

⁷ States Resolutions 2001, pages 78-80 (item 9)

4.3. Special or Exclusive Rights

Conveyance

The States resolved to give a direction to the Director General in accordance with section 3(1)(b) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 to award to Guernsey Electricity Limited an exclusive electricity conveyance licence in respect of the conveyance of electricity in Guernsey for a period of 10 years once that company has been formed.⁸

Subsequently, the States resolved to give a direction to the Director General to issue an exclusive licence to Guernsey Electricity Ltd for conveyance activities subject to any exemptions granted by the Director General under section 1(2) of the Electricity (Guernsey) Law, 2001 for the period ending 31st January 2012.⁹

Generation

The States made no resolution giving a direction to the Director General in relation to the period of exclusivity of any generation licence to be granted under the Electricity (Guernsey) Law, 2001.

Supply

The States resolved to give a direction to the Director General in accordance with section 3(1)(b) of the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 to award to Guernsey Electricity Limited (once that company has been formed) an exclusive electricity supply licence in respect of the supply of electricity in Guernsey for a period of one year¹⁰.

The States also resolved to request the Director General to investigate the impact of the introduction of competition into the electricity supply market further and to provide a recommendation and advice to the Board of Industry on the introduction of such competition¹¹.

The States subsequently resolved to give a direction to the Director General to issue an exclusive licence to Guernsey Electricity Ltd for supply activities subject to any exemptions granted by the Director General under section 1(2) of the Electricity (Guernsey) Law, 2001 for the period ending 31st January 2012.¹²

/END

⁸ States Resolutions 2001, pages 78-80 (item 11)

⁹ Billet D'Etat I of 2003, page 55, Recommendation 3

¹⁰ States Resolutions 2001, pages 78-80 (item 12)

¹¹ States Resolutions 2001, pages 78-80 (item 13)

¹² Billet D'Etat I of 2003, page 55, Recommendation 2