



Sark Electricity Ltd

The Power Station
Harbour Hill
Sark
Channel Islands
GY10 1SB

2nd April 2022

Dear Customer

As many of you are aware, there has been much toing and froing between residents, SEL and The OPC in recent years following the introduction of the £40 Minimum Monthly Usage Charge on January 1st 2021.

The minimum charge was initially proposed by Dr White back in 2017 in his initial Price Control Consultation (see link below). In it, Dr White proposed a charge of £70 per meter with an additional unit cost of 17p per unit. Giving an average customer a bill of £1,180 per year or £98.33 per month. The OPC approach would have increased the average customer's bill by almost 20%. While I agree with the concept of recovering our underlying fixed costs through a monthly usage charge I wanted to work towards lower energy costs and not higher energy costs for residential users.

For this reason, I took a different approach that ensured that permanent residents benefited from the new tariff. A component of this tariff was the offer of "off-season" exemptions for seasonal businesses, low consumption businesses and short term dispensations for properties under construction. These in addition to dispensation required by The OPC for bore-holes, low consumption residents and charities.

Through 2021 and into 2022 discussions have been ongoing regards the impact of this policy and it is reasonable to say that The Commissioner is not hugely supportive of my approach to these additional dispensations. He is correct in his assertion that my approach has introduced some minor upward pressure on the unit price of, I estimate, roughly less than $\frac{1}{3}$ of a penny per unit.

To quote The Commissioner in recent correspondence to a customer

"These exemptions have led to the unit charge being higher than anticipated, since the costs of providing electricity are not so fairly shared"

I personally believe that this policy is vital to support local businesses that are predominantly seasonal in nature. I have repeatedly reached out to Chief Pleas for their public comment and support of this policy. I have received no response at all on this matter over the last 15 months. I have also seen no commentary from local business groups or resident groups to support SEL's approach on our current exemption policy.

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I am disappointed by the lack of support for this policy. It remains my opinion that removing these exemptions will lead to further meter removals and less local demand. I believe this is counterproductive.

However, policy must be evidence led and I can only accept that the current exemption policy of SEL is neither supported by Chief Pleas, Local Business or the Community at large. Therefore, with the exception of bore-holes, charities and low consuming residents, the exemption policy will end on 30th April and the minimum charge will be applied consistently across the board from 1st May 2022.

Regards

Alan Witney-Price

http://www.epc.sark.gg/assets/price_control_consulation_dec_2017.pdf
(pages 9 & 10)