



Sark Electricity Ltd

Customers of SEL

1st February 2022

The Power Station
Harbour Hill
Sark
Channel Islands
GY10 1SB

Response to Commissioners Announcement Dated 31st January 2022

The commissioner has recently posted an announcement in relation to the February billing from SEL. While SEL recognises that the Commissioner does not live on Sark and is not as acquainted with the workings of our community as he would be were he resident, it does not excuse his continued failure to check his facts before making public announcements. More so when the Commissioner advised SEL that it would review the pricing for the previous 12 months.

Had he done so he would have been aware, as are our customers through our many conversations in person, that the 80p charge in January was made in an effort to balance the consistent undercharging for the year 2021.

We have had many conversations and calls with our customers about the fact that our billing system struggles to accommodate the frequent changes not to the unit price, but to the number of units included within the £40 charge. At 50p per unit 80 units are included within the £40 charge. At 53p per unit it 75.47 units. Our billing system can only bill in whole units which is typical.

The shortfall in billing to our customers up to December 31st 2021 was 71p. Given that we are not working in fractions we recovered 80p and our expectation is that SEL will be short again by March 2022 close.

The Commissioner has also offered a view as to how responsible SEL is. I would remind the Commissioner that the purpose of the grid is to transmit power, and this is a function that we perform consistently and to a high level of uptime. Certainly, in excess of many jurisdictions larger than ours. Our grid is certainly fit for purpose, although it is definitely in need of upgrading.

Regrettably, the Commissioner is a significant barrier to this long stated desire by SEL. He has stated on the record that an effective regulatory framework would give comfort to investors into SEL. An effective framework would indeed.

Tel: 0044 1481 832053 Email: accounting@sarkelectricity.com

Guernsey Co. Registration No.57127

Regrettably, in the opinion of both the current and previous owners, their many expensive advisors and expert opinion prepared for the Seneschal Court; the current regulatory framework falls significantly short of the Commissioners stated aims.

Indeed, as reported in local media last year, Chief Pleas themselves are also extremely keen to remove The Commissioner in favour of an alternate. This to be undertaken once negotiations over a cost mechanism are complete with a new regulator.

Where I will agree with The Commissioner is that it is irresponsible to delay the investment into SEL's grid. That these delays bring no benefit to the residents of Sark and places an unnecessary burden on the team of SEL.

The Policy and Finance Committee committed in July 2020 to progress legislation that would secure this investment by giving SEL the rights it needs over the pan island network. Rights that are necessary before we can spend significant capital on necessary upgrades. 19 months later, nothing has been done.

This investment was further delayed when Chief Pleas resolved to acquire SEL through negotiation or Compulsory Purchase stating concerns over supply security. 8 months later the security of supply is apparently no longer a concern.

SEL welcomes the observations of The Commissioner but it notes that The OPC never finds time to raise concerns with his employers lack of Energy Policy, Safety Policy or indeed any Strategic Policy direction for Sark that would provide SEL with the necessary comfort and security that such a major investor into Sark's economic future requires.

SEL welcomes a debate on Sark's long terms ambitions and would welcome guidance in a range of areas. Alas, as with Sark's Health & Safety agenda, which SEL has been discussing with Chief Pleas since 1972, before I was even born, I suspect that we may have some time to wait.